

**A MARKET CONDITIONS AND
PROJECT EVALUATION SUMMARY
OF:**

JUNIPER VILLAGE

A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF: JUNIPER VILLAGE

Southeast of Ruby Drive
Varnell, Whitfield County, Georgia 30721

Effective Date: April 23, 2022
Report Date: May 27, 2022

Prepared for:
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May 27, 2022

Josh Thomason
Juniper Village
Piedmont Housing Group
295 W Crossville Road
Suite 720
Roswell, GA 30075

Re: Application Market Study for Juniper Village, located in Varnell, Whitfield County, Georgia

Dear Josh Thomason:

At your request, Novogradac Consulting LLP performed a study of the multifamily rental market in the Varnell, Whitfield County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project. We previously completed an application market study for the Subject dated June 2, 2020.

The purpose of this market study is to assess the viability of the proposed 52-unit family LIHTC project. It will be a newly constructed affordable LIHTC project, with 52 revenue generating units, restricted to households earning 50, 60, and 70 percent of the Area Median Income (AMI) or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

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

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

Novogradac Consulting LLP adheres to the market study guidelines promulgated by the National Council of Housing Market Analysts (NCHMA).

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

JOSH THOMASON
JUNIPER VILLAGE
MAY 27, 2022

guidelines. We inform the reader that other users of this document may underwrite the LIHTC rents to a different standard than contained in this report.

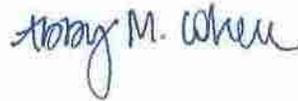
The Stated Purpose of this assignment is for tax credit application. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

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

Respectfully submitted,
Novogradac Consulting LLP



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B. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

Juniper Village will be a newly constructed family property located southeast of Ruby Drive in Varnell, Whitfield County, Georgia, which will consist of four residential buildings; three, two-story and one, one-story residential buildings in addition to one community building targeting families.

The following table illustrates the proposed unit mix.

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2021 National Non-Metropolitan LIHTC Maximum Allowable Gross Rent	2021 HUD Fair Market Rents	
@50%								
1BR / 1BA	705	2	\$486	\$108	\$594	\$594	\$607	
2BR / 2BA	1,005	8	\$581	\$132	\$713	\$713	\$753	
3BR / 2BA	1,110	7	\$658	\$166	\$824	\$824	\$1,032	
@60%								
1BR / 1BA	705	5	\$605	\$108	\$713	\$713	\$607	
2BR / 2BA	1,005	13	\$724	\$132	\$856	\$856	\$753	
3BR / 2BA	1,110	11	\$823	\$166	\$989	\$989	\$1,032	
@70%								
1BR / 1BA	705	1	\$700	\$108	\$808	\$832	\$607	
2BR / 2BA	1,005	3	\$800	\$132	\$932	\$999	\$753	
3BR / 2BA	1,110	2	\$900	\$166	\$1,066	\$1,154	\$1,032	
		52						

Notes (1) Source of Utility Allowance provided by the Developer.

The Subject’s location is considered a rural area as determined by USDA. Therefore, the Subject is eligible to use the national non-metropolitan rent and income limits, which are higher than the published rent and income limits for Whitfield County. The Subject will offer one, two, and three-bedroom units at 50, 60, and 70 percent AMI. All of the units at 50 and 60 percent AMI are set at the 2021 National Non-Metro maximum allowable levels. The Subject’s units at 70 percent of the AMI are set below the 2021 National Non-Metro Maximum allowable levels. The Subject will offer inferior to similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and will offer slightly inferior to similar property amenities in comparison to the LIHTC and market rate comparables. The Subject will offer a business center, community room, and exercise facility, which many of the comparables will lack. However, the Subject will lack a swimming pool, which is offered at all but one of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

2. Site Description/Evaluation

The Subject site is located on the east and south side of Ruby Drive. The Subject site is currently wooded land. North of the Subject site, across Ruby Drive is vacant land and a pharmacy in average condition. East of the Subject site is vacant wooded land and commercial uses in average condition. South of the Subject are single-family homes in average condition and a Food Lion and Family Dollar, both in average condition. West of the Subject site, across Ruby Drive are single-family homes in average condition. Based on our inspection of the neighborhood, commercial uses appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 32 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the

Subject are in average condition and the site has good proximity to locational amenities, most of which are within 1.5 miles of the Subject site.

3. Market Area Definition

The PMA is defined by the Tennessee border to the north, Admiral Gaston Mack Parkway and North Dalton Bypass to the south, Keith Road, GA Highway 41, and GA Highway 1286 to the west, and GA Highway 225 and GA Highway 286 to the east. This area includes the Cities of Cohutta, Tunnel Hill, Rocky-Face, Dalton, Varnell, as well as portions of Ringgold, Eton, and Cisco. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 9.6 miles
East: 13.6 miles
South: 14.2 miles
West: 11.5 miles

The PMA is defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from outside of the county. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2022 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 14.2 miles. The Dalton, GA MSA is defined as portions of Whitfield, Catoosa, and Murray Counties, which encompasses approximately 276 square miles.

4. Community Demographic Data

The population in the PMA and the MSA increased from 2000 to 2021, though the rate of growth slowed from 2010 to 2021. The rate of population and household growth is projected to continue increasing through 2024. The current population of the PMA is 48,770 and is expected to be 49,667 in 2026. The current number of households in the PMA is 17,064 and is expected to be 17,396 in 2026. Renter households are concentrated in the mid-level income cohorts, with 50.4 percent of renters in the PMA earning between \$20,000 and \$49,999 annually. The Subject will target households earning between \$20,366 and \$47,950; therefore, the Subject should be well-positioned to service this market. Overall, the population growth and the concentration of renter households at the low-income cohorts indicates significant demand for affordable rental housing in the market.

5. Economic Data

Employment in the PMA is concentrated in the manufacturing, retail trade, and healthcare/social assistance, which collectively comprise 52.0 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as these industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing and utilities industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, educational services, and construction industries. Employment in the MSA declined by 4.3 percent in 2020 amid the pandemic, compared to the overall nation at 6.2 percent. Total employment in the MSA currently remains similar to the pre-COVID level reached in 2019. As of April 2022, employment in the MSA is increasing at an annualized rate of 0.6 percent, compared to the 5.0 percent growth reported across the nation.

During the period preceding the onset of COVID-19 (2012 - 2019), employment growth in the MSA lagged the nation in all but three years. Employment in the MSA declined by 4.3 percent in 2020 amid the pandemic, compared to the overall nation at 6.2 percent. Total employment in the MSA currently remains similar to the pre-COVID level reached in 2019. As of April 2022, employment in the MSA is increasing at an annualized rate of 0.6 percent, compared to the 5.0 percent growth reported across the nation.

During the period preceding the onset of COVID-19 (2012 - 2019), the MSA generally experienced a higher unemployment rate relative to the nation. The MSA unemployment rate increased by 2.6 percentage points in 2020 amid the pandemic, reaching a high of 7.3 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated April 2022, the current MSA unemployment rate is 3.6 percent. This is below the COVID highs of 2020, and below the current national unemployment rate of 4.1 percent.

6. Affordability and Demand Analysis

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR @50%	\$20,366	\$25,350	2	71	4	67	3.0%	\$486
1BR @60%	\$24,446	\$30,420	5	92	12	80	6.2%	\$605
1BR @70%	\$27,703	\$35,490	1	108	0	108	0.9%	\$700
1BR Overall	\$20,366	\$35,490	8	143	16	127	6.3%	-
2BR @50%	\$24,446	\$28,550	8	114	10	104	7.7%	\$581
2BR @60%	\$29,349	\$34,260	13	148	38	110	11.8%	\$724
2BR @70%	\$31,954	\$39,970	3	173	0	173	1.7%	\$800
2BR Overall	\$24,446	\$39,970	24	228	48	180	13.3%	-
3BR @50%	\$28,251	\$34,250	7	143	4	139	5.0%	\$658
3BR @60%	\$33,909	\$41,100	11	186	12	174	6.3%	\$823
3BR @70%	\$36,549	\$47,950	2	217	0	217	0.9%	\$900
3BR Overall	\$28,251	\$47,950	20	286	16	270	7.4%	-
@50% Overall	\$20,366	\$34,250	17	329	18	311	5.5%	-
@60% Overall	\$24,446	\$41,100	29	426	62	364	8.0%	-
@70% Overall	\$27,703	\$47,950	6	498	0	498	1.2%	-
Overall	\$20,366	\$47,950	52	657	80	577	9.0%	-

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

7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent structure. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes seven “true” comparable properties containing 971 units.

The availability of LIHTC data is considered limited; there are two LIHTC properties in the PMA. We included three LIHTC and mixed-income properties in our analysis. Autumn Ridge and Dawnville Meadows are located within the PMA, and are each respectively located 6.1 and 6.0 miles from the Subject site. Both are in similar locations in terms of median rent and median household incomes. The remaining comparable LIHTC and mixed-income property is located outside the PMA in Ringgold, approximately 10.7 miles from the Subject site and is a reasonable proxy for the Subject as it is among the newest and most proximate LIHTC properties in the area. These LIHTC and mixed-income comparables were built between 2004 and 2019.

The availability of market rate data is considered average. The Subject is located in Varnell and there are few market rate properties in the area. We include four conventional properties in our analysis of the competitive market. Only one of the market rate properties are located in the PMA, 6.8 miles from the Subject site. The remaining three market rate comparables are located outside the PMA, between 8.2 and 8.6 miles from the Subject site in Dalton. These locations are considered similar to slightly superior to the Subject’s location in terms of median rent, median household income, and median home value. The market rate comparables were built or renovated between 2010 and 2021. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity, unit count, and condition.

Based on the quality of the surveyed comparable properties and the anticipated quality of the Subject, we conclude that the Subject’s proposed LIHTC rental rates are below the achievable market rates for the Subject’s area. The table below illustrates the comparison of the market rents.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject Proposed Rents	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR @ 50%	\$486	\$470	\$1,025	\$722	\$900	85%
1BR @ 60%	\$605	\$565	\$1,025	\$762	\$900	49%
1BR @ 70%	\$700	\$630	\$1,025	\$803	\$900	29%
2BR @ 50%	\$581	\$561	\$1,225	\$873	\$1,050	81%
2BR @ 60%	\$724	\$640	\$1,225	\$919	\$1,050	45%
2BR @ 70%	\$800	\$730	\$1,225	\$1,005	\$1,050	31%
3BR @ 50%	\$658	\$635	\$1,325	\$933	\$1,200	82%
3BR @ 60%	\$823	\$705	\$1,325	\$1,004	\$1,200	46%
3BR @ 70%	\$900	\$1,150	\$1,325	\$1,254	\$1,200	33%

Dalton Village Apartments is a market rate property that is located 8.4 miles from the Subject in Dalton in a slightly superior location. Dalton Village Apartments was built in 1972, renovated in 2018 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Dalton Village Apartments offers similar property amenities compared to the Subject. Dalton Village Apartments offers slightly superior in-unit amenities compared to the Subject, as it offers exterior storage, which the Subject will lack. In terms of unit sizes, Dalton Village Apartments is similar to the Subject. Overall, Dalton Village Apartments is similar to the proposed Subject.

Legacy of Dalton Apartments is a market rate property that is located 8.2 miles from the Subject in Dalton and offers a slightly superior location. Legacy of Dalton Apartments was built in 1976, renovated in 2010, and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Legacy of Dalton Apartments offers slightly superior property amenities when compared to the Subject as it offers a swimming pool, which the Subject will not offer but does not offer a business center, which the Subject will offer. This property offers slightly superior in-unit amenities when compared to the Subject, as it offers exterior storage, which the Subject will lack. In terms of unit sizes, Legacy of Dalton Apartments is similar to the proposed Subject. Overall, Legacy of Dalton Apartments is slightly superior to the Subject, as proposed.

Overall, we believe that the Subject can achieve rents similar those currently achieved at Dalton Village Apartments and below to those currently achieved at Legacy of Dalton Apartments. Thus, we concluded to market rents of **\$900, \$1,050, and \$1,200** for the Subject’s one, two, and three-bedroom units, respectively. The Subject’s proposed rents will offer a significant rent advantage ranging from 27 to 81 percent below achievable market rents.

8. Absorption/Stabilization Estimate

We were able to obtain absorption information from three of the comparable properties, which is illustrated following table.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Forest Cove Apartments	Market	Family	2014	120	10
Hunters Point Apartments	Market	Family	2014	260	19
Integra Hilla Preserve	Market	Family	2013/2015	498	19
The Legends at White Oak	Market	Family	2014	312	20
Lone Mountain Village I and II	LIHTC	Senior	2008	120	14

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. We believe there will be strong demand for the Subject’s units due to the general lack of affordable housing in Varnell and surrounding areas, the low vacancy rates among the stabilized LIHTC comparables, and presence of waiting lists in the market. We believe the Subject will experience an absorption rate most similar to the properties illustrated above and give most weight to the average, which is 16 units per month. Thus, we concluded to an absorption pace of 15 units per month, which indicates an absorption period of three to four months to reach 93 percent occupancy and our concluded stabilized occupancy of 95 percent.

9. Interviews

Interviews with local property managers are included in the profiles in the Existing Competitive Rental Analysis portion of this report.

10. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Overall vacancy in the market is very low at 0.3 percent. Total LIHTC vacancy is very low, at 0.3 percent. Autumn Ridge is the only LIHTC comparable that reported vacancy. Management at this property reported that the vacant unit is being processed from the waiting list, which consists of over 75 households. All of the remaining LIHTC and mixed-income comparables also maintain waiting lists, up to 149 households in length. Additionally, management at all of the LIHTC and mixed-income comparables reported a strong demand for affordable housing in the area. These factors indicate demand for affordable housing in the area is strong. The Subject will offer inferior to similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and will offer slightly inferior to similar property amenities in comparison to the LIHTC and market rate comparables. The Subject will offer a business center, community room, and exercise facility, which many of the comparables will lack. However, the Subject will lack a swimming pool, which is offered at all but one of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the comparable properties. The Subject’s proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be inferior to slightly superior to the LIHTC and mixed-income comparable properties. Given the Subject’s anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and full occupancy at the majority of the LIHTC and mixed-income comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

Summary Table: (must be completed by the analyst and included in the executive summary)										
Development Name:		Juniper Village						Total # Units:		52
Location:		SE Of Ruby Drive Varnell, GA 30721						# LIHTC Units:		52
PMA Boundary:		North: Tennessee border; South: U.S. Route 76 and U.S. Route 41; East: State Road 225; West: U.S. 41 and State Road 1286								
								Farthest Boundary Distance to Subject:		14.2 miles
Rental Housing Stock (found on page 61)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	10	1,235	82.98	93.3%						
Market-Rate Housing	817	817	1.98	99.8%						
Assisted/Subsidized Housing not to include LIHTC	N/A	N/A	N/A	N/A						
LIHTC	4	418	81	80.6%						
Stabilized Comps	9	1,155	3.02	99.7%						
Properties in Construction & Lease Up	1	80	80	0.0%						
*Only includes properties in PMA										
Subject Development					Achievable Market Rent			Highest Unadjusted Comp Rent		
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF	
2	1BR @50% AMI	1	705	\$486	\$900	\$1.28	85%	\$1,025	\$1.46	
8	2BR @ 50% AMI	2	1,005	\$581	\$1,050	\$1.04	81%	\$1,225	\$1.29	
7	3BR @ 50% AMI	2	1,110	\$658	\$1,200	\$1.08	82%	\$1,325	\$1.20	
5	1BR @ 60% AMI	1	705	\$605	\$900	\$1.28	49%	\$1,025	\$1.46	
13	2BR @ 60% AMI	2	1,005	\$724	\$1,050	\$1.04	45%	\$1,225	\$1.29	
11	3BR @ 60% AMI	2	1,110	\$823	\$1,200	\$1.08	46%	\$1,325	\$1.20	
1	1BR @ 70% AMI	1	705	\$700	\$900	\$1.28	29%	\$1,025	\$1.46	
3	2BR @ 70% AMI	2	1,005	\$800	\$1,050	\$1.04	31%	\$1,225	\$1.29	
2	3BR @ 70% AMI	2	1,110	\$900	\$1,200	\$1.08	33%	\$1,325	\$1.20	
Capture Rates (found on page 59)										
Targeted Population				@50%	@60%	@70%	Other__	Overall LIHTC	Overall	
Capture Rate:				5.5%	8.0%	1.2%	-	-	9.0%	

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- | | |
|---|---|
| 1. Project Address and Development Location: | The Subject site is located southeast of Ruby Drive in Varnell, Whitfield County, Georgia 30721. The Subject site is currently vacant. |
| 2. Construction Type: | The Subject will consist of four residential buildings; three, two-story and one, one-story residential buildings in addition to one community building targeting families. The Subject will be new construction. |
| 3. Occupancy Type: | Families. |
| 4. Special Population Target: | None. |
| 5. Number of Units by Bedroom Type and AMI Level: | See following property profile. |
| 6. Unit Size, Number of Bedrooms and Structure Type: | See following property profile. |
| 7. Rents and Utility Allowances: | See following property profile. |
| 8. Existing or Proposed Project-Based Rental Assistance: | See following property profile. |
| 9. Proposed Development Amenities: | See following property profile. |

JUNIPER VILLAGE – VARNELL, GEORGIA – MARKET STUDY

Juniper Village											
Location	SE Of Ruby Drive Varnell, GA 30721 Whitfield County										
Units	52										
Type	Garden (2 stories)										
Year Built / Renovated	2024 / N/A										
Market											
Program	@50%, @60%, @70%					Leasing Pace	N/A				
Annual Turnover Rate	N/A					Change in Rent (Past Year)	N/A				
Units/Month Absorbed	N/A					Concession					
Section 8 Tenants	N/A										
Utilities											
A/C	not included – central					Other Electric	not included				
Cooking	not included – electric					Water	not included				
Water Heat	not included – electric					Sewer	not included				
Heat	not included – electric					Trash Collection	included				
Unit Mix (face rent)											
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?
1	1	Garden (2 stories)	2	705	\$486	\$0	@50%	N/A	N/A	N/A	Yes
1	1	Garden (2 stories)	5	705	\$605	\$0	@60%	N/A	N/A	N/A	Yes
1	1	Garden (2 stories)	1	705	\$700	\$0	@70%	N/A	N/A	N/A	No
2	2	Garden (2 stories)	8	1,005	\$581	\$0	@50%	N/A	N/A	N/A	Yes
2	2	Garden (2 stories)	13	1,005	\$724	\$0	@60%	N/A	N/A	N/A	Yes
2	2	Garden (2 stories)	3	1,005	\$800	\$0	@70%	N/A	N/A	N/A	No
3	2	Garden (2 stories)	7	1,110	\$658	\$0	@50%	N/A	N/A	N/A	Yes
3	2	Garden (2 stories)	11	1,110	\$823	\$0	@60%	N/A	N/A	N/A	Yes
3	2	Garden (2 stories)	2	1,110	\$900	\$0	@70%	N/A	N/A	N/A	No
Amenities											
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Exterior Storage Ceiling Fan Garbage Disposal Microwave Oven Refrigerator Washer/Dryer hookup					Security	none				
Property	Business Center/Computer Lab Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Picnic Area Playground					Premium	none				
Services	none					Other	Garden				
Comments											
This property will consist of four residential buildings; three, two-story and one, one-story residential buildings in addition to one community building targeting families. Construction is set to begin in July 2023 and to be completed in July 2024. The utility allowances for the one, two, and three-bedroom units are \$108, \$132, and \$166 respectively.											

- 10. Scope of Renovations:** The Subject will be new construction.
- 11. Placed in Service Date:** Construction on the Subject is expected to begin in July 2023 and be completed in July 2024.
- Conclusion:** The Subject will be three excellent-quality brick and hardi-plank siding two-story apartment complex, comparable or superior to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence, or physical deterioration.

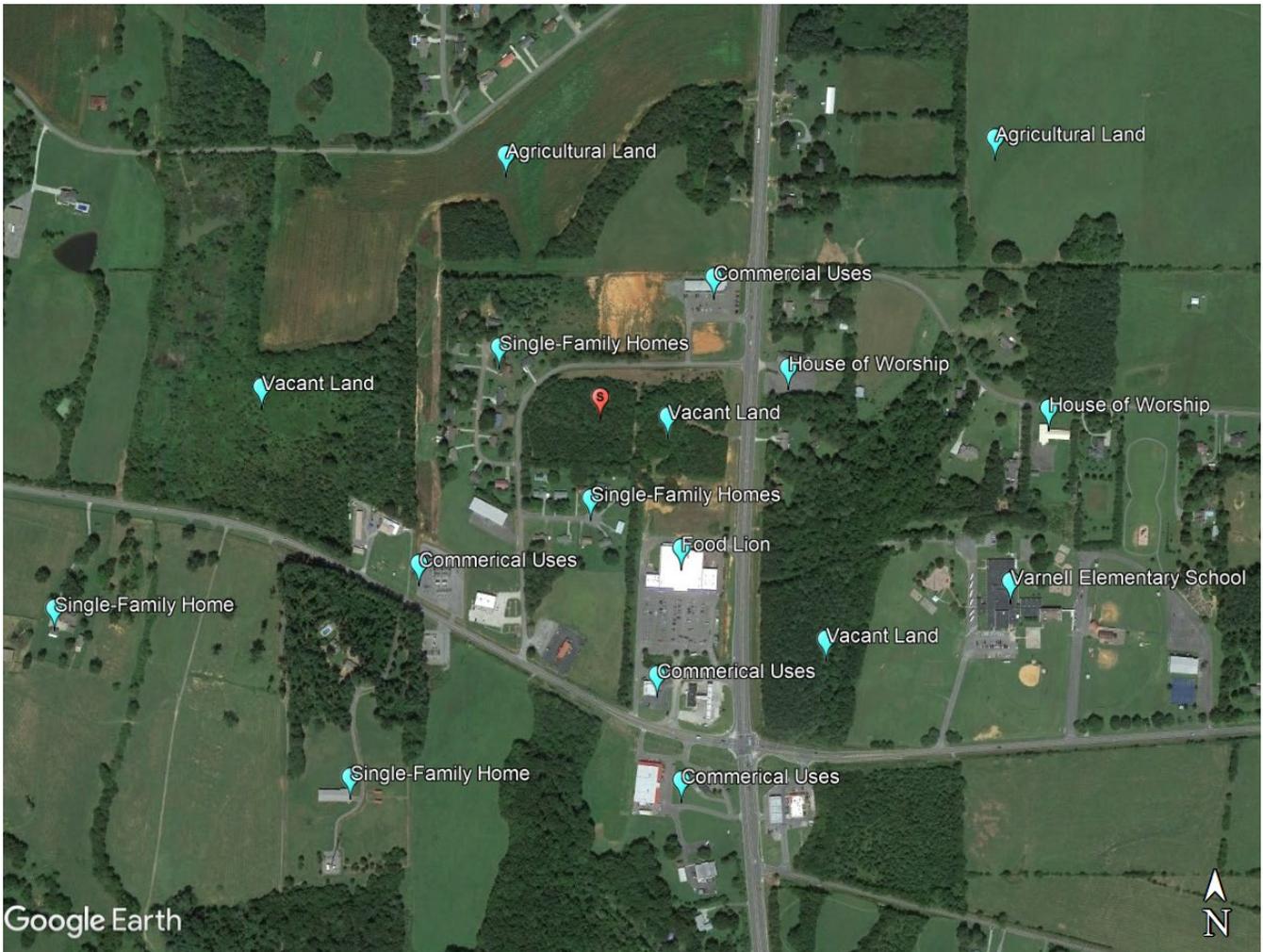
D.SITE EVALUATION

- 1. **Date of Site Visit and Name of Inspector:** Brian Neukam visited the site April 23, 2022.
- 2. **Physical Features of the Site:** The following illustrates the physical features of the site.

Frontage: The Subject site has frontage along Ruby Drive.

Visibility/Views: The Subject will be located on the east and south side of Ruby Drive. Visibility and views from the site will be good and initially will include vacant land, single-family homes in average condition, and commercial uses in average condition, including a Food Lion.

Surrounding Uses: The following map illustrates the surrounding land uses.



Source: Google Earth, April 2022.

The Subject site is located on the east and south side of Ruby Drive. The Subject site is currently wooded land. North of the Subject site, across Ruby Drive is vacant land and a pharmacy in average condition. East of the Subject site is vacant wooded land and

commercial uses in average condition. South of the Subject are single-family homes in average condition and a Food Lion and Family Dollar, both in average condition. West of the Subject site, across Ruby Drive are single-family homes in average condition. Based on our inspection of the neighborhood, commercial uses appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 32 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 1.5 miles of the Subject site.

Positive/Negative Attributes of Site:

The Subject’s proximity to commercial uses and other locational amenities as well as its surrounding uses, which are in average condition, are considered positive attributes. We did not observe any negative attributes.

3. Physical Proximity to Locational Amenities:

The Subject is located within 1.5 miles of all locational amenities. Additionally, it is approximately seven miles from Shaw Industries, which is the area’s largest employer.

4. Pictures of Site and Adjacent Uses:

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



View west along Ruby Drive north of the Subject



View east along Ruby Drive north of the Subject



View north along Ruby Drive west of the Subject site



View south along Ruby Drive west of the Subject site.



View of Subject site from Ruby Drive



View of Subject site from Ruby Drive



View of Subject site from Ruby Drive



View of Subject site from Ruby Drive



Commercial use in the Subject's Neighborhood



Food Lion in the Subject's Neighborhood



Family Dollar in the Subject's Neighborhood



Commercial use in the Subject's Neighborhood



Commercial use in the Subject's Neighborhood



Pharmacy in the Subject's Neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



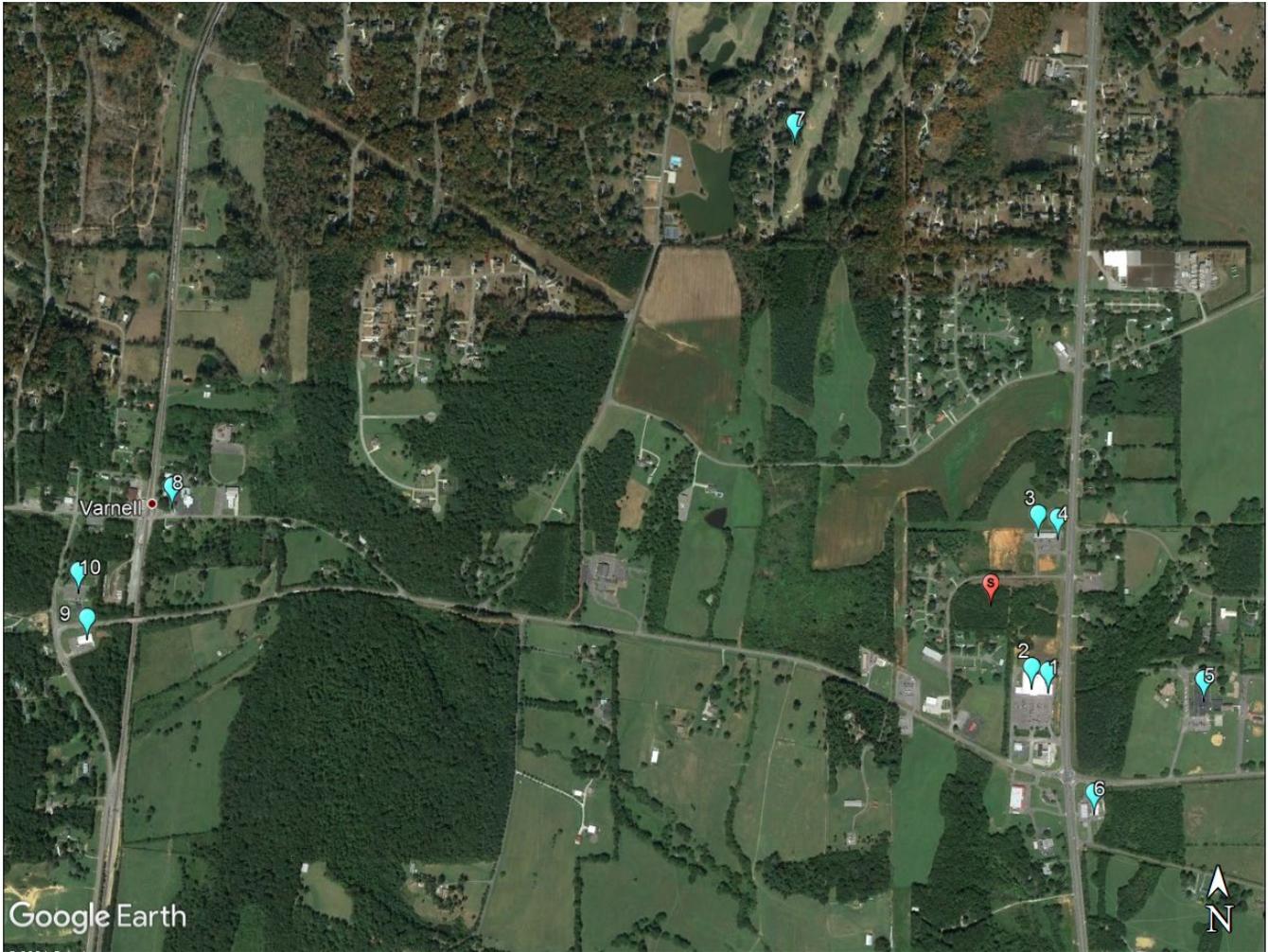
Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood

5. Proximity to Locational Amenities:

The following table details the Subject’s distance from key locational amenities.



Source: Google Earth, April 2022.

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Family Dollar	0.1 mile
2	Food Lion	0.1 mile
3	Hamilton Convenient Care Varnell	0.1 mile
4	Sutton Family Pharmacy	0.1 mile
5	Varnell Elementary School	0.3 mile
6	McDonald's	0.3 mile
7	Nob North Golf Course	1.1 miles
8	U.S. Post Pffice	1.4 miles
9	Dollar General	1.5 miles
10	Varnell Community Center	1.5 miles
11	Shaw Industries	7.3 miles

6. Description of Land Uses

The Subject site is located on the east and south side of Ruby Drive. The Subject site is currently wooded land. North of the Subject site, across Ruby Drive is vacant land and a pharmacy in average condition. Farther north is vacant and agricultural land. East of the Subject site is vacant wooded land. Farther east are single-family homes in average condition, two houses of worship in average condition, and Varnell Elementary School in average condition. South of the Subject are single-family homes in average condition, and a Food Lion and a Family Dollar, both in average condition. Farther south are commercial uses in average condition and vacant land. West of the Subject site, across Ruby Drive, are single-family homes in average condition. Farther west is vacant and agricultural land. Based on our inspection of the neighborhood, commercial uses appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of 32 out of 100. The Subject site is considered a desirable building site for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which within 1.5 miles of the Subject site.

7. Crime:

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

2021 CRIME INDICES

	PMA	Dalton, GA Metropolitan Statistical Area
Total Crime*	52	70
Personal Crime*	32	42
Murder	46	52
Rape	54	53
Robbery	17	24
Assault	36	50
Property Crime*	55	74
Burglary	69	84
Larceny	53	74
Motor Vehicle Theft	38	50

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2021

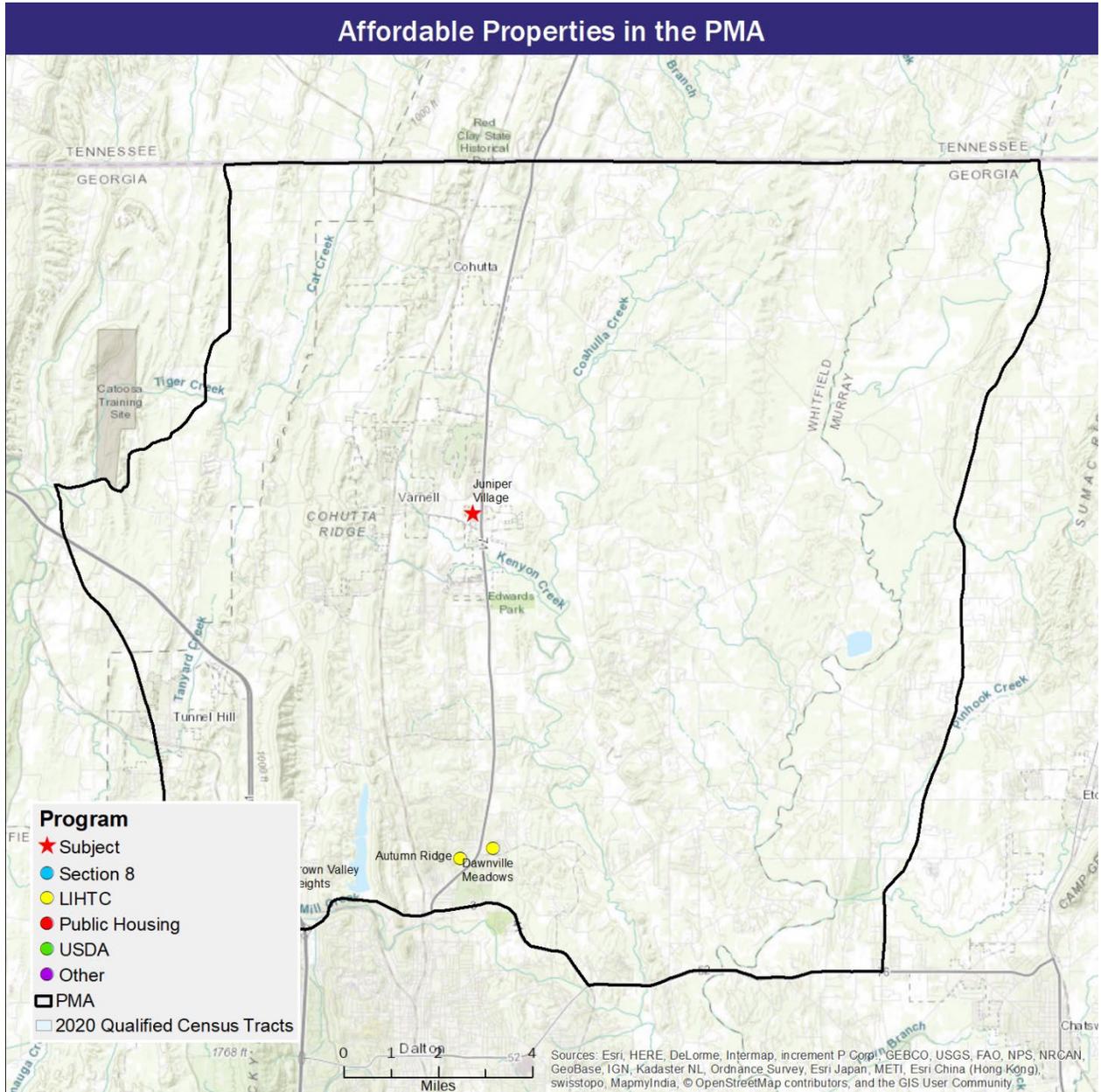
*Unweighted aggregations

Total crime risk indices in the PMA are below the MSA. Both geographic areas feature crime risk indices below the overall nation. Personal crime in the PMA is below the national personal crime levels. The Subject will not offer any security features. Two LIHTC comparable properties do not offer any security features and maintain full occupancy. Given the strong performance of LIHTC comparables with no security features, we believe the Subject’s lack of security features is market-oriented.

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

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map Color
Juniper Village	LIHTC	Varnell	Family	52	-	Star
Autumn Ridge	LIHTC/Market	Dalton	Family	130	6.1 miles	Yellow
Dawnville Meadows	LIHTC	Dalton	Family	120	6.0 miles	
Crow Valley Heights	LIHTC	Dalton	Family	80	6.4 miles	



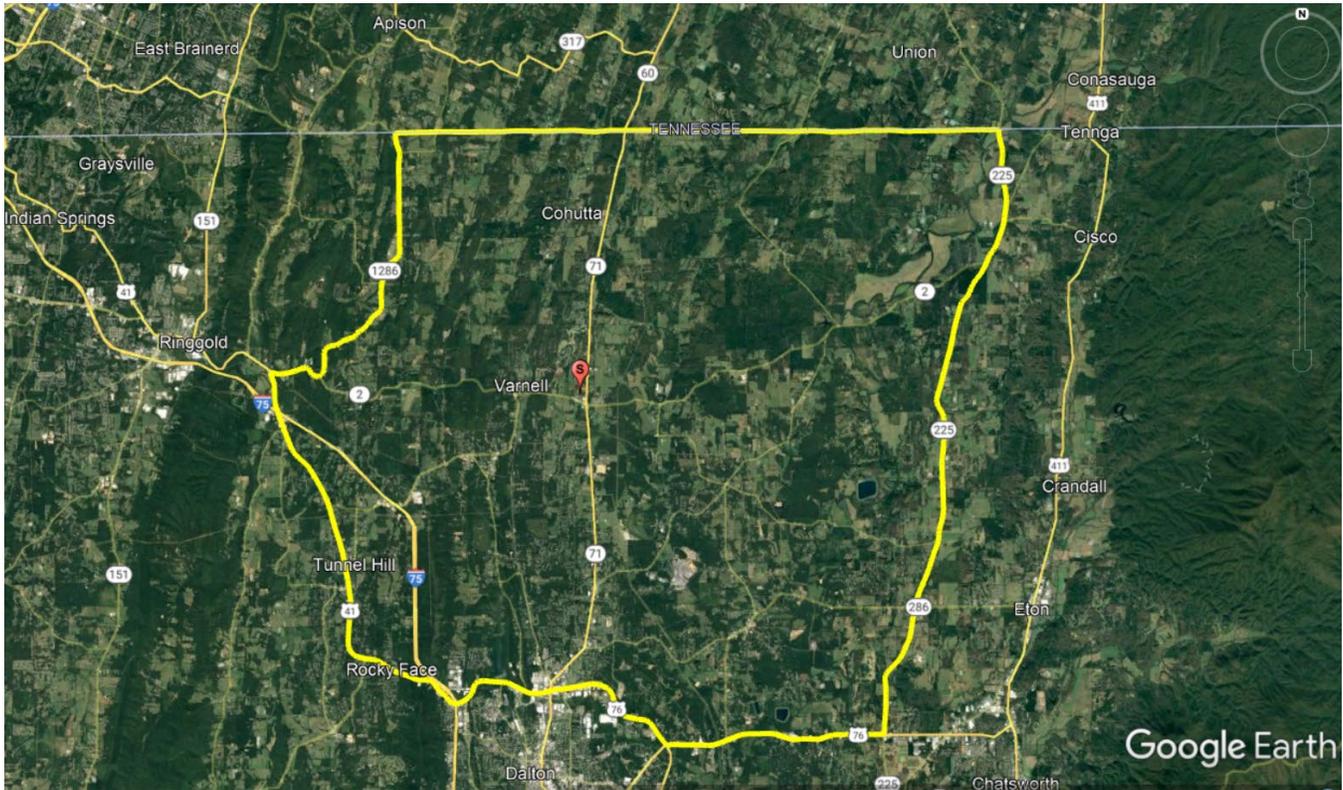
- 9. Road, Infrastructure or Proposed Improvements:** We did not witness any road, infrastructure or proposed improvements during our field work.
- 10. Access, Ingress-Egress and Visibility of Site:** The Subject site can be accessed from Ruby Drive which is a two-lane neighborhood street. Ruby Drive intersects Georgia Highway 71 approximately 0.1 mile east of the Subject site. Georgia Highway 71 is a moderately-trafficked state highway that traverses north and south and provides access to Dalton, Georgia, approximately eight miles southwest of the Subject site. Further, Georgia Highway 71 intersects with U.S. Route 76, which is a heavily trafficked U.S. highway that traverses east and west and provides convenient access to Interstate 75, approximately 7.8 miles southwest of the Subject. Interstate 75 is a heavily trafficked interstate that traverses north and south and provides access to Atlanta, Georgia approximately 85 miles to the southeast, and the Georgia/Tennessee border, approximately 16 miles to the northwest. Overall, access and visibility are considered good.
- 11. Conclusion:** The Subject site is located on the east and south side of Ruby Drive. The Subject site is currently wooded land. Surrounding uses consist of vacant land, houses of worship, commercial uses, agricultural land, and single-family homes. Based on our inspection of the neighborhood, commercial uses appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by *Walkscore* with a rating of 32 out of 100. The total crime indices in the PMA are generally below that of the MSA the nation. The Subject site is considered a desirable building site for rental housing. The Subject is located in a mixed-use neighborhood. The uses surrounding the Subject are in average condition and the site has good proximity to locational amenities, most of which are within 1.5 miles of the Subject site.

E. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



Source: Google Earth, April 2022.

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

The PMA is defined by the Tennessee border to the north, Admiral Gaston Mack Parkway and North Dalton Bypass to the south, Keith Road, GA Highway 41, and GA Highway 1286 to the west, and GA Highway 225 and GA Highway 286 to the east. This area includes the Cities of Cohutta, Tunnel Hill, Rocky-Face, Dalton, Varnell, as well as portions of Ringgold, Eton, and Cisco. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

- North: 9.6 miles
- East: 13.6 miles
- South: 14.2 miles
- West: 11.5 miles

The PMA is defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from outside of the county. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2022 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 14.2 miles. The Dalton, GA MSA is defined as portions of Whitfield, Catoosa, and Murray Counties, which encompasses approximately 276 square miles.

F. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Dalton, GA MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and Dalton, GA MSA. Construction on the Subject is anticipated to be completed in August 2024, which will be used as the estimated market entry time in this section of the report according to DCA guidelines.

1. Population Trends

The following tables illustrate Total Population, Population by Age Group, within the population in the MSA, the PMA and nationally from 2000 through 2026.

Total Population

The following table illustrates the total population within the PMA, MSA and nation from 2000 through 2026.

Year	POPULATION					
	PMA		Dalton, GA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	39,009	-	118,786	-	280,304,282	-
2010	47,483	2.2%	142,227	2.0%	308,745,538	1.0%
2021	48,770	0.2%	145,301	0.2%	333,934,112	0.7%
Projected Mkt Entry July 2024	49,308	0.4%	146,602	0.3%	341,106,142	0.7%
2026	49,667	0.4%	147,469	0.3%	345,887,495	0.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

Between 2000 and 2010 there was approximately 2.2 percent annual growth in the PMA and 2.0 percent annual growth in the MSA, which exceeded the national population growth. Between 2010 and 2021, there was approximately 0.2 percent annual growth in population in the PMA, which was the same as the MSA and lower than the national population growth rate over the same time period. Total population in the PMA is projected to increase at a rate of 0.4 percent annually from 2021 through projected market entry and 2026, which is a growth rate more than that of the MSA and less than the nation as a whole. Overall, we believe that population growth in the PMA and MSA is a positive indication of demand for the Subject’s proposed units.

Total Population by Age Group

The following table illustrates the total population within the PMA and MSA and nation from 2000 to 2026.

POPULATION BY AGE GROUP

Age Cohort	PMA				
	2000	2010	2021	Projected Mkt Entry July 2024	2026
0-4	3,227	3,525	3,236	3,220	3,209
5-9	2,959	3,730	3,370	3,371	3,371
10-14	2,878	3,777	3,397	3,500	3,569
15-19	2,829	3,542	3,200	3,249	3,281
20-24	2,797	2,855	2,899	2,805	2,743
25-29	3,001	2,925	3,482	3,171	2,963
30-34	3,053	3,034	3,278	3,307	3,327
35-39	3,121	3,361	3,149	3,285	3,375
40-44	2,882	3,474	3,046	3,099	3,134
45-49	2,505	3,546	3,185	3,114	3,067
50-54	2,400	3,258	3,182	3,150	3,128
55-59	1,780	2,834	3,172	3,167	3,163
60-64	1,451	2,477	2,998	3,033	3,057
65-69	1,255	1,856	2,566	2,693	2,777
70-74	1,009	1,270	2,081	2,169	2,227
75-79	794	981	1,282	1,543	1,717
80-84	540	606	693	844	945
85+	528	432	553	590	614
Total	39,009	47,483	48,769	49,308	49,667

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

POPULATION BY AGE GROUP

Age Cohort	Dalton, GA Metropolitan Statistical Area				
	2000	2010	2021	Projected Mkt Entry July 2024	2026
0-4	9,552	10,953	9,988	9,974	9,964
5-9	8,958	11,309	10,340	10,329	10,322
10-14	8,561	11,116	10,333	10,580	10,744
15-19	8,458	10,715	9,627	9,827	9,961
20-24	8,489	9,211	8,734	8,564	8,450
25-29	9,434	9,160	10,464	9,509	8,872
30-34	9,585	9,286	10,342	10,053	9,861
35-39	9,656	10,041	9,603	10,157	10,526
40-44	8,795	10,331	9,169	9,362	9,490
45-49	7,826	10,242	9,114	9,083	9,062
50-54	7,333	9,213	9,212	8,982	8,829
55-59	5,813	7,888	9,076	9,062	9,052
60-64	4,536	7,031	8,364	8,531	8,643
65-69	3,763	5,512	7,108	7,493	7,749
70-74	3,094	3,922	5,865	6,024	6,130
75-79	2,290	2,903	3,875	4,443	4,821
80-84	1,433	1,904	2,236	2,641	2,911
85+	1,213	1,490	1,851	1,990	2,082
Total	118,789	142,227	145,301	146,602	147,469

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

The largest age cohorts in the PMA are between 10 and 14 and 25 and 29, which indicates the presence of families.

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, (d) Renter Households by Size, within the population in the MSA, the PMA and nationally from 2000 through 2026.

Total Number of Households and Average Household Size

The following tables illustrate the total number of households and average household size within the PMA, MSA and nation from 2000 through 2026.

HOUSEHOLDS						
Year	PMA		Dalton, GA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	13,803	-	41,952	-	105,081,032	-
2010	16,606	2.0%	49,206	1.7%	116,716,293	1.1%
2021	17,064	0.2%	50,417	0.2%	126,470,651	0.7%
Projected Mkt Entry July 2024	17,263	0.4%	50,900	0.3%	129,216,681	0.7%
2026	17,396	0.4%	51,222	0.3%	131,047,367	0.7%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

AVERAGE HOUSEHOLD SIZE						
Year	PMA		Dalton, GA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.79	-	2.78	-	2.59	-
2010	2.81	0.1%	2.83	0.2%	2.57	-0.1%
2021	2.85	0.1%	2.85	0.1%	2.58	0.0%
Projected Mkt Entry July 2024	2.85	0.0%	2.85	0.0%	2.58	0.0%
2026	2.85	0.0%	2.85	0.0%	2.58	0.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

Household growth in the PMA outpaced the MSA and the nation between 2000 and 2010. Between 2010 and 2021, the PMA experienced household growth at a rate similar to that of the MSA but less than the nation. Over the next five years, the household growth in the PMA and the MSA is expected to increase at a rate below that of the nation. The average household size in the PMA is larger than the national average at 2.85 persons in 2021. Over the next five years, the average household size is projected to remain relatively similar.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2026.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	9,144	66.2%	4,659	33.8%
2021	13,334	78.1%	3,730	21.9%
Projected Mkt Entry July 2024	13,554	78.5%	3,710	21.5%
2026	13,700	78.8%	3,696	21.2%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a smaller percentage of renters in the PMA than the nation. This percentage is projected to remain relatively stable over the next five years.

Household Income

The following table depicts renter household income in the PMA in 2021, market entry, and 2026.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA						
Income Cohort	2021		Projected Mkt Entry July 2024		2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	343	9.2%	333	9.0%	327	8.8%
\$10,000-19,999	697	18.7%	657	17.7%	631	17.1%
\$20,000-29,999	528	14.2%	533	14.4%	536	14.5%
\$30,000-39,999	924	24.8%	838	22.6%	780	21.1%
\$40,000-49,999	425	11.4%	463	12.5%	488	13.2%
\$50,000-59,999	274	7.3%	261	7.0%	252	6.8%
\$60,000-74,999	164	4.4%	180	4.8%	190	5.1%
\$75,000-99,999	186	5.0%	203	5.5%	215	5.8%
\$100,000-124,999	72	1.9%	88	2.4%	99	2.7%
\$125,000-149,999	52	1.4%	63	1.7%	71	1.9%
\$150,000-199,999	33	0.9%	46	1.2%	55	1.5%
\$200,000+	32	0.9%	44	1.2%	52	1.4%
Total	3,730	100.0%	3,710	100.0%	3,696	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

RENTER HOUSEHOLD INCOME DISTRIBUTION - Dalton, GA Metropolitan Statistical Area

Income Cohort	2021		Projected Mkt Entry July 2024		2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,525	10.1%	1,453	9.6%	1,405	9.4%
\$10,000-19,999	2,596	17.1%	2,416	16.0%	2,296	15.3%
\$20,000-29,999	2,507	16.6%	2,422	16.1%	2,366	15.8%
\$30,000-39,999	2,828	18.7%	2,685	17.8%	2,590	17.3%
\$40,000-49,999	1,802	11.9%	1,871	12.4%	1,917	12.8%
\$50,000-59,999	1,011	6.7%	1,015	6.7%	1,017	6.8%
\$60,000-74,999	886	5.9%	907	6.0%	921	6.1%
\$75,000-99,999	983	6.5%	1,045	6.9%	1,086	7.2%
\$100,000-124,999	409	2.7%	479	3.2%	525	3.5%
\$125,000-149,999	255	1.7%	338	2.2%	394	2.6%
\$150,000-199,999	169	1.1%	204	1.4%	228	1.5%
\$200,000+	174	1.1%	226	1.5%	261	1.7%
Total	15,145	100.0%	15,062	100.0%	15,006	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

The Subject will target tenants earning between \$20,366 and \$47,950. As the table above depicts, approximately 50.4 percent of renter households in the PMA are earning incomes between \$20,000 and \$49,999, which is slightly higher than the 47.2 percent of renter households in the MSA in 2021. For the projected market entry date of August 2024, these percentages are projected to slightly decrease to 49.5 percent and 46.3 percent for the MSA and PMA, respectively.

Renter Households by Number of Persons in the Household

The following table illustrates household size for all households in 2021, market entry and 2026. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2021		Projected Mkt Entry July 2024		2026	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	1,114	29.9%	1,113	30.0%	1,112	30.1%
2 Persons	711	19.1%	685	18.5%	667	18.0%
3 Persons	608	16.3%	605	16.3%	603	16.3%
4 Persons	551	14.8%	550	14.8%	549	14.9%
5+ Persons	746	20.0%	757	20.4%	765	20.7%
Total Households	3,730	100%	3,710	100%	3,696	100%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

The majority of renter households in the PMA are one to three-person households.

Conclusion

The population in the PMA and the MSA increased from 2000 to 2021, though the rate of growth slowed from 2010 to 2021. The rate of population and household growth is projected to continue increasing through 2024. The current population of the PMA is 48,770 and is expected to be 49,667 in 2026. The current number of households in the PMA is 17,064 and is expected to be 17,396 in 2026. Renter households are concentrated in the mid-level income cohorts, with 50.4 percent of renters in the PMA earning between \$20,000 and \$49,999 annually. The Subject will target households earning between \$20,366 and \$47,950; therefore, the Subject should be well-positioned to service this market. Overall, the population growth and the concentration of renter households at the low-income cohorts indicates significant demand for affordable rental housing in the market.

G. EMPLOYMENT TRENDS

Employment Trends

The PMA and Whitfield County are economically reliant on manufacturing, retail trade, and healthcare/social assistance. The healthcare industry is historically stable during economic downturns. However, the manufacturing industry is prone to contraction during recessionary periods.

1. Covered Employment

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

COVERED EMPLOYMENT		
Whitfield County, GA		
Year	Total Employment	% Change
2007	44,663	-
2008	42,432	-5.00%
2009	38,312	-9.71%
2010	42,030	9.71%
2011	41,802	-0.54%
2012	40,804	-2.39%
2013	40,363	-1.08%
2014	41,146	1.94%
2015	42,154	2.45%
2016	41,968	-0.44%
2017	42,863	2.13%
2018	42,911	0.11%
2019	41,929	-2.29%
2020	40,137	-4.27%
2021 YTD AVG	42,127	4.96%
Apr-20	35,567	-
Apr-21	42,300	18.9%

Source: U.S. Bureau of Labor Statistics
 YTD as of Apr-21; downloaded May, 2022

As illustrated in the table above, Whitfield County experienced a weakening economy during the national recession. The county began feeling the effects of the downturn in 2008 with its first employment decrease of the decade. Employment has grown overall since the national recession, and total employment in Whitfield County has increased 18.9 percent from April 2020 to April 2021.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Whitfield County as of the fourth quarter of 2019.

TOTAL JOBS BY INDUSTRY		
Whitfield County, GA - Q4 2019		
	Number	Percent
Total, all industries	47,990	-
Goods-producing	20,115	-
Natural resources and mining	52	0.1%
Construction	1,124	2.3%
Manufacturing	18,939	39.5%
Service-providing	27,875	-
Trade, transportation, and utilities	11,222	23.4%
Information	108	0.2%
Financial activities	1,032	2.2%
Professional and business services	5,755	12.0%
Education and health services	5,585	11.6%
Leisure and hospitality	3,331	6.9%
Other services	779	1.6%
Unclassified	63	0.1%

Source: Bureau of Labor Statistics, 2019; downloaded May, 2022

Manufacturing is the largest industry in Whitfield County, followed by trade, transportation, and utilities and professional and business services. The utilities and professional and business industries are historically stable industries and are relatively stable in economic downturns, while the manufacturing, and trade and transportation industry are susceptible to economic downturns. The following table illustrates employment by industry for the PMA as of 2021 (most recent year available).

2021 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	7,540	33.1%	15,526,471	9.9%
Retail Trade	2,419	10.6%	16,864,485	10.7%
Healthcare/Social Assistance	1,882	8.3%	23,217,292	14.8%
Educational Services	1,753	7.7%	14,629,096	9.3%
Construction	1,458	6.4%	11,127,591	7.1%
Transportation/Warehousing	1,082	4.8%	8,044,029	5.1%
Other Services	824	3.6%	7,014,785	4.5%
Admin/Support/Waste Mgmt Svcs	819	3.6%	5,887,329	3.7%
Prof/Scientific/Tech Services	811	3.6%	13,005,287	8.3%
Public Administration	778	3.4%	8,215,705	5.2%
Accommodation/Food Services	775	3.4%	9,207,610	5.9%
Finance/Insurance	749	3.3%	8,123,688	5.2%
Wholesale Trade	479	2.1%	3,934,179	2.5%
Utilities	381	1.7%	1,412,381	0.9%
Arts/Entertainment/Recreation	296	1.3%	2,388,480	1.5%
Information	291	1.3%	2,846,142	1.8%
Real Estate/Rental/Leasing	187	0.8%	3,044,245	1.9%
Agric/Forestry/Fishing/Hunting	162	0.7%	1,973,200	1.3%
Mining	55	0.2%	705,964	0.4%
Mgmt of Companies/Enterprises	7	0.0%	116,402	0.1%
Total Employment	22,748	100.0%	157,284,361	100.0%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

Employment in the PMA is concentrated in the manufacturing, retail trade, and healthcare/social assistance, which collectively comprise 52.0 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as these industries are historically volatile, and prone to contraction during economic downturns. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact to demand, production, and revenues over the past several months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally. Due to the COVID-19 pandemic, retail spending has decreased significantly and a majority of retailers are suffering as a result of the shutdown. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing and utilities industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, educational services, and construction industries.

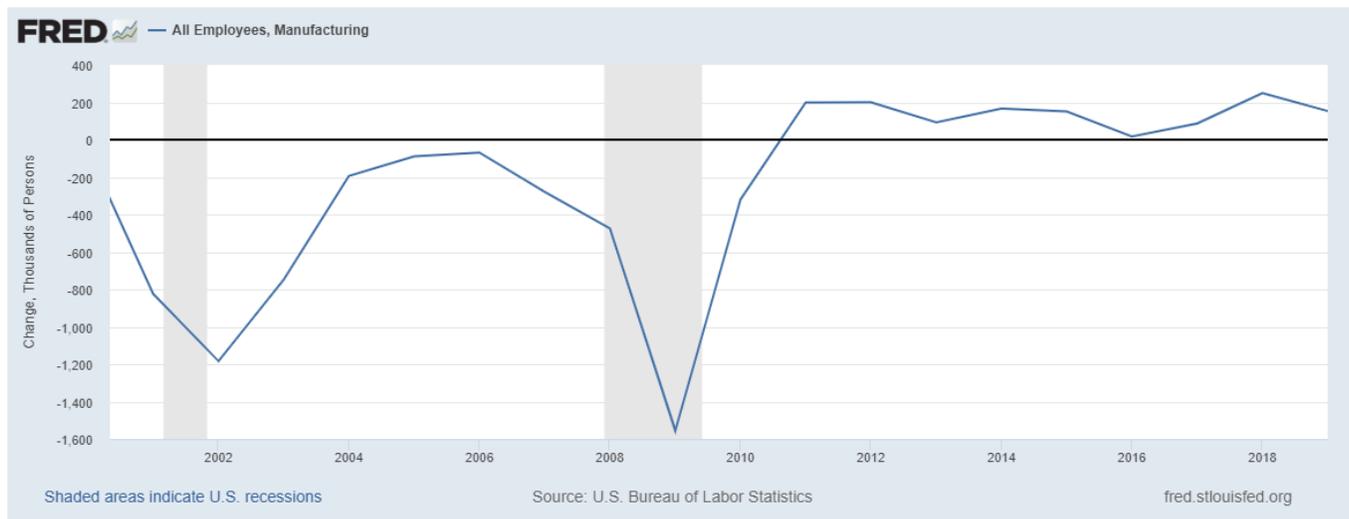
Manufacturing Sector Trends

In recent years, manufacturing in the U.S. has grown at a faster rate than the overall economy, a rarity with respect to recent declines in national manufacturing. Unfortunately, U.S. manufacturing has struggled with the onset of globalization and increased foreign manufacturing. Prior to the rapid expansion and refinement of technological capabilities in the late 1990s and the accelerated pace of globalization that accompanied it, foreign countries enjoyed a comparative advantage in manufacturing by leveraging their low labor costs. However, as global markets have become more integrated over time, the foreign labor cost advantage has minimized significantly. Furthermore, the U.S. enjoys relatively low costs of capital, raw materials, and transportation.

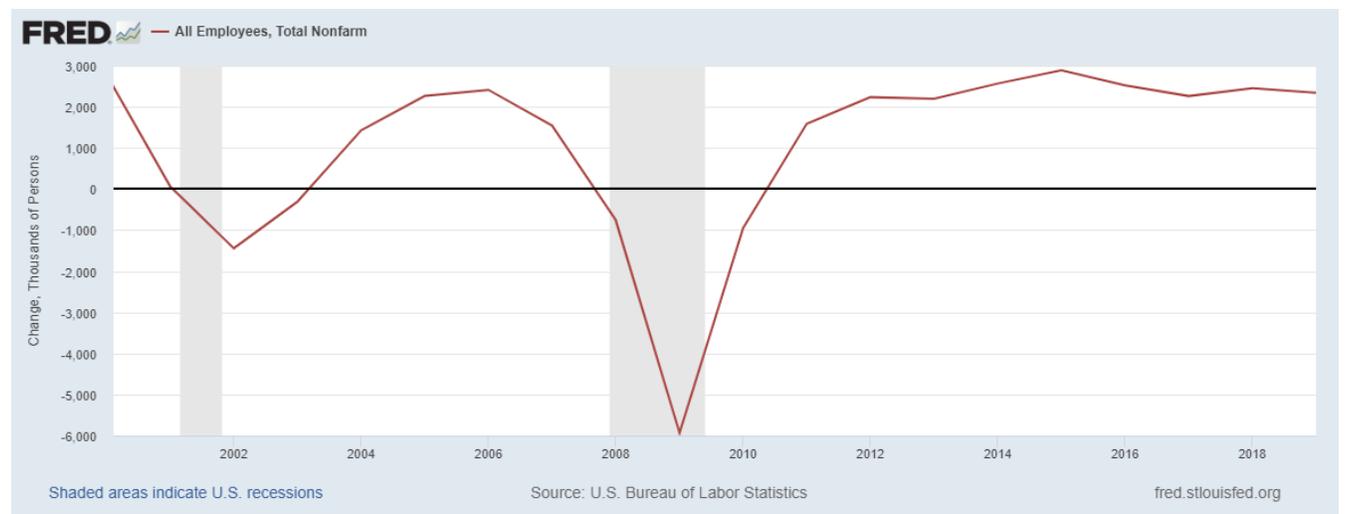
U.S. manufacturing output growth is expected to increase modestly through 2021. The Manufacturers Alliance for Productivity and Innovation (MAPI), a non-profit organization that produces research and projections for the manufacturing industry, publishes periodic economic forecasts. According to their March 2018 publication, U.S. manufacturing is expected to grow at an average of 2.8 percent through 2021.

Although recent employment growth in the U.S. manufacturing sector bodes well for Whitfield County, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 10 percent of the U.S. economy and as a major source of employment for Whitfield County manufacturing employment should continue to be monitored closely.

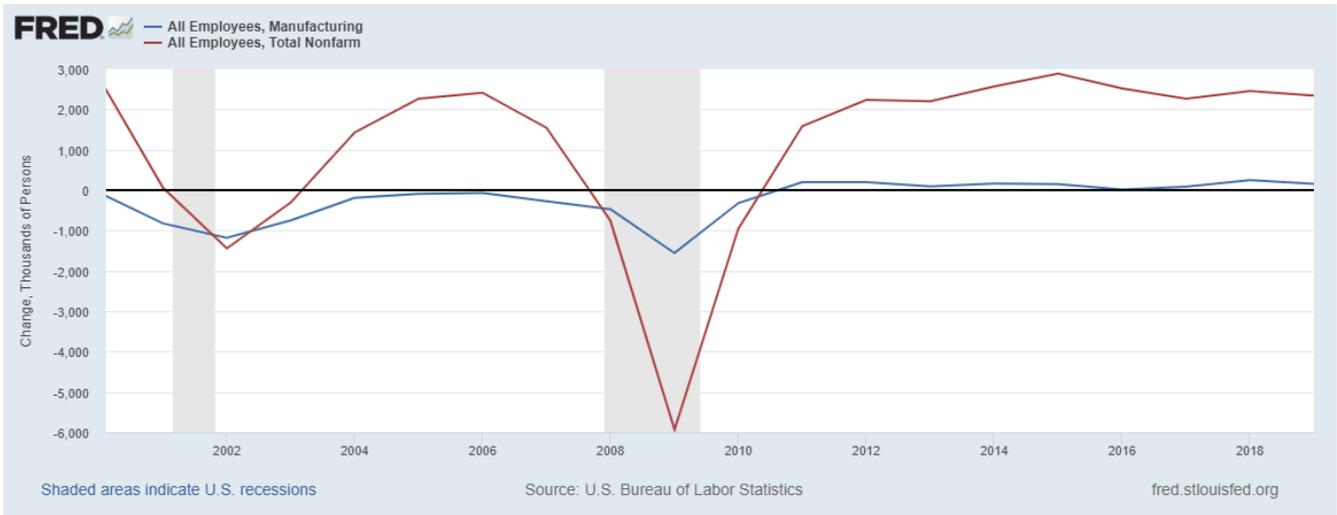
The following graphs details total employment trends in both manufacturing and all industries (non-farm) in the nation since 2000.



Source: Federal Reserve Bank of St. Louis, 1/2020.
Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.



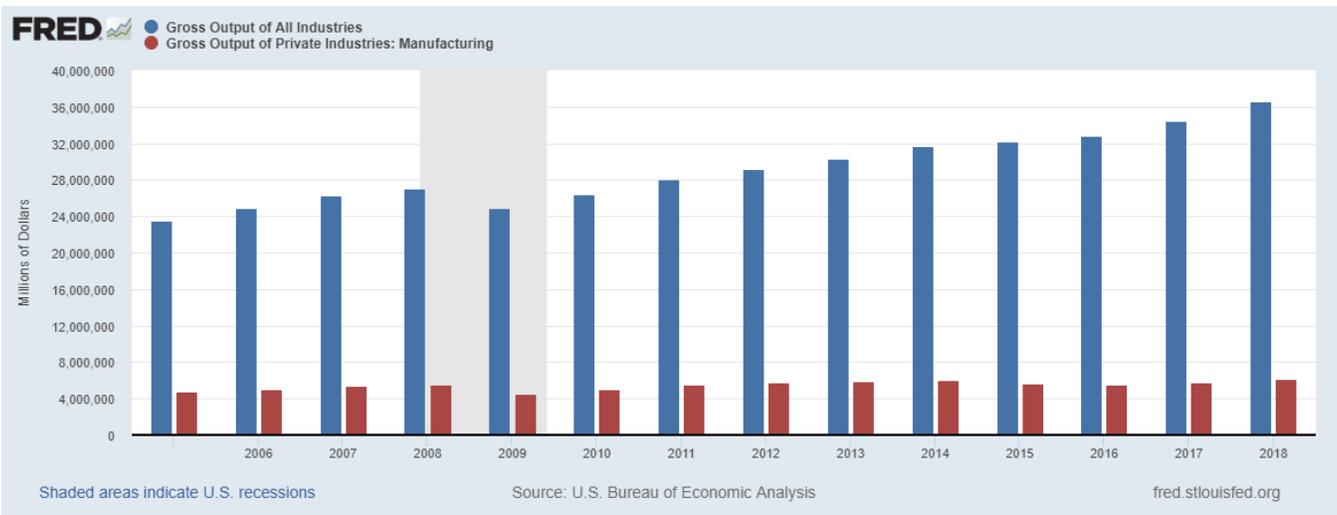
Source: Federal Reserve Bank of St. Louis, 1/2020.
Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.



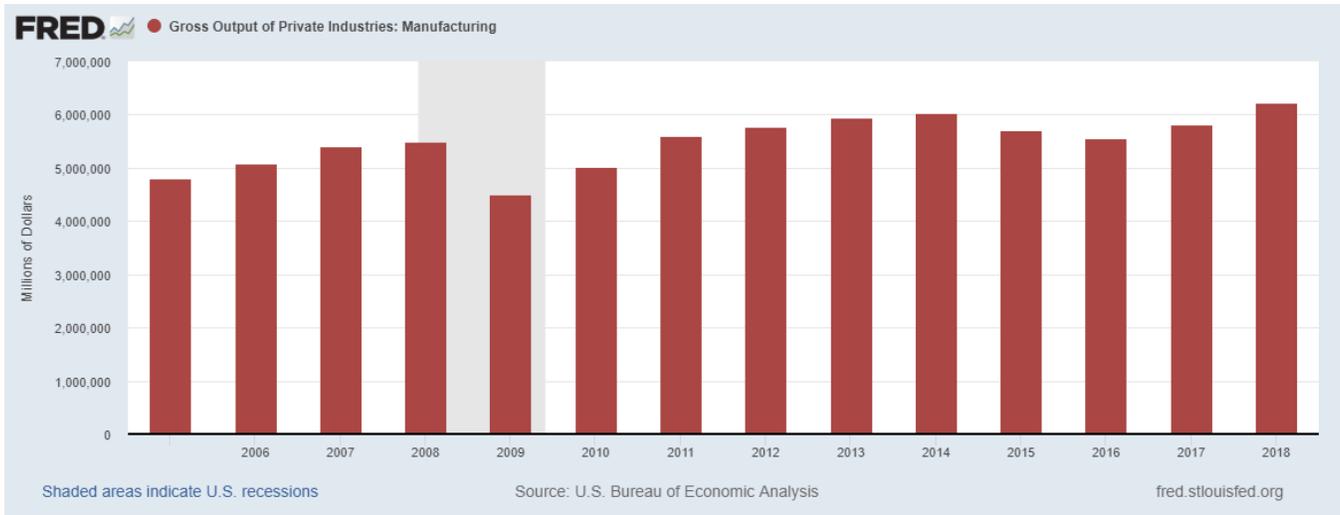
Source: Federal Reserve Bank of St. Louis, 1/2020.
 Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the most recent recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. Since the most recent recession, total employment in non-farm industries has steady increased, though the manufacturing sector has experienced a slower recovery than other non-farm industries.

The following charts illustrate U.S. manufacturing gross output compared to that across all industries since 2005.



Source: Federal Reserve Bank of St. Louis, 1/2020.
 Note: Shaded area indicates U.S. recessions.



Source: Federal Reserve Bank of St. Louis, 1/2020.
 Note: Shaded area indicates U.S. recessions.

As illustrated by the previous graphs, manufacturing constitutes approximately 17 percent of the gross output of all private industries and experienced five years of consistent growth starting in 2009. Manufacturing output also surpassed pre-recessionary output levels in 2011, three years following the most recent national recession. However, manufacturing output decreased for both 2015 and 2016.

While the rebound in manufacturing output is noteworthy, this has not necessarily turned into job creation for the national economy. Since the most recent recession, job creation in the manufacturing sector continues to lag the overall economy. According to a November 18, 2016 article published by the *MIT Technology Review*, automation in the manufacturing sector has curtailed employment growth- a trend that is likely to continue through the coming years. As illustrated in the following graph, national employment in the manufacturing sector has been steadily declining since the 1980s, while production has increased. Overall, we believe it is reasonable to assume that the Whitfield County area, similar to the rest of the nation, will continue to be negatively impacted by automation in the manufacturing sector, leading to a continued decline in manufacturing employment.

3. Major Employers

The table below shows the largest employers in Whitfield County, Georgia.

**MAJOR EMPLOYERS
WHITFIELD COUNTY, GEORGIA**

Employer Name	Industry	# Of Employees
Shaw Industries, Inc./U.S. Floors	Manufacturing	6,133
Mohawk Industries	Manufacturing	4,172
Engineered Floors, LLC/J+J Flooring Group	Manufacturing	3,600
Whitfield County Schools	Educational Services	1,899
Hamilton Medical Center	Healthcare/Social Assistance	1,763
Tarkett	Manufacturing	1,182
Dalton Public Schools	Educational Services	970
Whitfield County	Public Administration	707
City of Dalton	Public Administration	675
Marketing Alliance	Prof/Scientific/Tech Services	650
Totals		21,751

Source: Dalton-Whitfield County Joint Development Authority, April 2022

Shaw Industries is the largest employer in Whitfield County. Other major employers include companies in the manufacturing. To note, healthcare is a historically stable industries, manufacturing is historically unstable. This has been evident during the COVID-19 pandemic. The manufacturing industry has experienced a negative impact to demand, production, and revenues over the past several months. Many manufacturing jobs are on-site and cannot be carried out remotely. Additionally, slowed economic activity as a result of the shutdown has reduced demand for industrial products in the United States and globally.

Expansions/Contractions

The following table illustrates the layoffs and closures of significance that occurred or were announced since January 1, 2019 in Whitfield County, GA according to the Georgia Department of Labor.

**WARN LISTINGS
WHITFIELD COUNTY, GEORGIA 2019-2022 YTD**

Company	Industry	Employees Affected	Layoff Date
Brown Industries Inc	Manufacturing	433	8/9/2021
Shear Perfections Academy	Educational Services	2	10/15/2021
Shaw Industries Group, Inc. Plant 23	Manufacturing	275	4/4/2020
Daniel DeReuter	Healthcare/Social Assistance	4	3/22/2020
St Joseph Clinic, P.C.	Healthcare/Social Assistance	13	4/6/2020
CR&G LLC	Construction	22	3/22/2020
Matco Inc.	Manufacturing	20	4/4/2020
Bloomin Brands (Outback 1128)	Accommodation/Food Service	75	3/15/2020
PLZ Aeroscience Corporation	Manufacturing	83	7/15/2019
Challenger Turf Inc.	Manufacturing	58	11/25/2019
Total		985	

Source: Georgia Department of Labor, April 2022

As illustrated in the above table, there has been 985 employees in the area impacted by layoffs or closures since 2019. Despite these job losses, employment growth in the area has continued.

The Dalton-Whitfield County Joint Development Authority posts news highlighting businesses expanding or relocating in Whitfield County. Below are business expansions since 2018 announced by the Dalton-Whitfield County Joint Development Authority.

- On July 24, 2020, GEDIA Automotive Group, a family-owned international company that specializes in making state-of-the-art automotive parts, announced it will build an advanced manufacturing facility that will begin production with a focus on parts for electric vehicles. GEDIA will invest \$85 million in this project, delivering 200 jobs to the greater Dalton area
- Novalis Innovative Flooring announced plans on January 24, 2020 to build its first U.S. production facility in Whitfield County. Novalis is investing \$30 million dollars in the project and expects to create at least 120 new jobs.
- On September 27, 2018, the Dalton-Whitfield County Joint Development Authority announced plans for a new 70-acre commercial business park is being developed in Dalton, GA on Old Dixie Highway. The site is adjacent to rail and will have rail service to two sites. Healthier Choice Flooring will be the anchor tenant in the park and has announced plans to construct a new 200,000 sq. ft. facility. The company will invest approximately \$12 million and hire 25 employees for the new facility. Craig Poteet, President of Healthier Choice Flooring, is leading the development of the park. As the second tenant in the park, Reagent Chemical and Research, Inc., maker of White Flyer clay shooting targets is pleased to announce plans for their new Dalton, GA facility. This will be their 5th state of the art target manufacturing facility in the United States. As of April 2021, the site has expanded and currently has 175+ acres with utilities available for additional industrial operations

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for Dalton, GA MSA from 2006 to February 2022.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Dalton, GA Metropolitan Statistical Area			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2006	65,097	-	0.0%	144,427,000	-	-8.3%
2007	64,672	-0.7%	-0.7%	146,047,000	1.1%	-7.3%
2008	61,181	-5.4%	-6.0%	145,363,000	-0.5%	-7.7%
2009	55,399	-9.5%	-14.9%	139,878,000	-3.8%	-11.2%
2010	56,861	2.6%	-12.7%	139,064,000	-0.6%	-11.7%
2011	56,478	-0.7%	-13.2%	139,869,000	0.6%	-11.2%
2012	55,082	-2.5%	-15.4%	142,469,000	1.9%	-9.6%
2013	54,454	-1.1%	-16.3%	143,929,000	1.0%	-8.6%
2014	55,504	1.9%	-14.7%	146,305,000	1.7%	-7.1%
2015	56,854	2.4%	-12.7%	148,833,000	1.7%	-5.5%
2016	56,489	-0.6%	-13.2%	151,436,000	1.7%	-3.9%
2017	57,876	2.5%	-11.1%	153,337,000	1.3%	-2.7%
2018	58,075	0.3%	-10.8%	155,761,000	1.6%	-1.1%
2019	56,741	-2.3%	-12.8%	157,538,000	1.1%	0.0%
2020	54,328	-4.3%	-16.5%	147,795,000	-6.2%	-6.2%
2021	56,951	4.8%	-12.5%	152,581,000	3.2%	-3.1%
2022 YTD Average*	57,569	1.1%	-	156,888,667	2.8%	-
Feb-2021	57,209	-	-	149,522,000	-	-
Feb-2022	57,551	0.6%	-	156,942,000	5.0%	-

Source: U.S. Bureau of Labor Statistics, April 2022

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Dalton, GA Metropolitan Statistical Area			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2006	4.7%	-	1.2%	4.6%	-	1.0%
2007	4.9%	0.2%	1.4%	4.6%	0.0%	1.0%
2008	8.2%	3.2%	4.6%	5.8%	1.2%	2.1%
2009	13.4%	5.3%	9.9%	9.3%	3.5%	5.6%
2010	12.5%	-0.9%	9.0%	9.6%	0.3%	6.0%
2011	12.2%	-0.3%	8.7%	9.0%	-0.7%	5.3%
2012	11.0%	-1.2%	7.5%	8.1%	-0.9%	4.4%
2013	9.9%	-1.1%	6.4%	7.4%	-0.7%	3.7%
2014	8.3%	-1.7%	4.7%	6.2%	-1.2%	2.5%
2015	6.8%	-1.5%	3.2%	5.3%	-0.9%	1.6%
2016	6.5%	-0.3%	2.9%	4.9%	-0.4%	1.2%
2017	5.7%	-0.8%	2.2%	4.4%	-0.5%	0.7%
2018	5.0%	-0.7%	1.4%	3.9%	-0.4%	0.2%
2019	4.7%	-0.2%	1.2%	3.7%	-0.2%	0.0%
2020	7.3%	2.6%	3.8%	8.1%	4.4%	4.4%
2021	3.5%	-3.8%	0.0%	5.4%	-2.7%	1.7%
2022 YTD Average*	3.7%	0.1%	-	4.1%	-1.3%	-
Feb-2021	4.4%	-	-	6.6%	-	-
Feb-2022	3.6%	-0.8%	-	4.1%	-2.5%	-

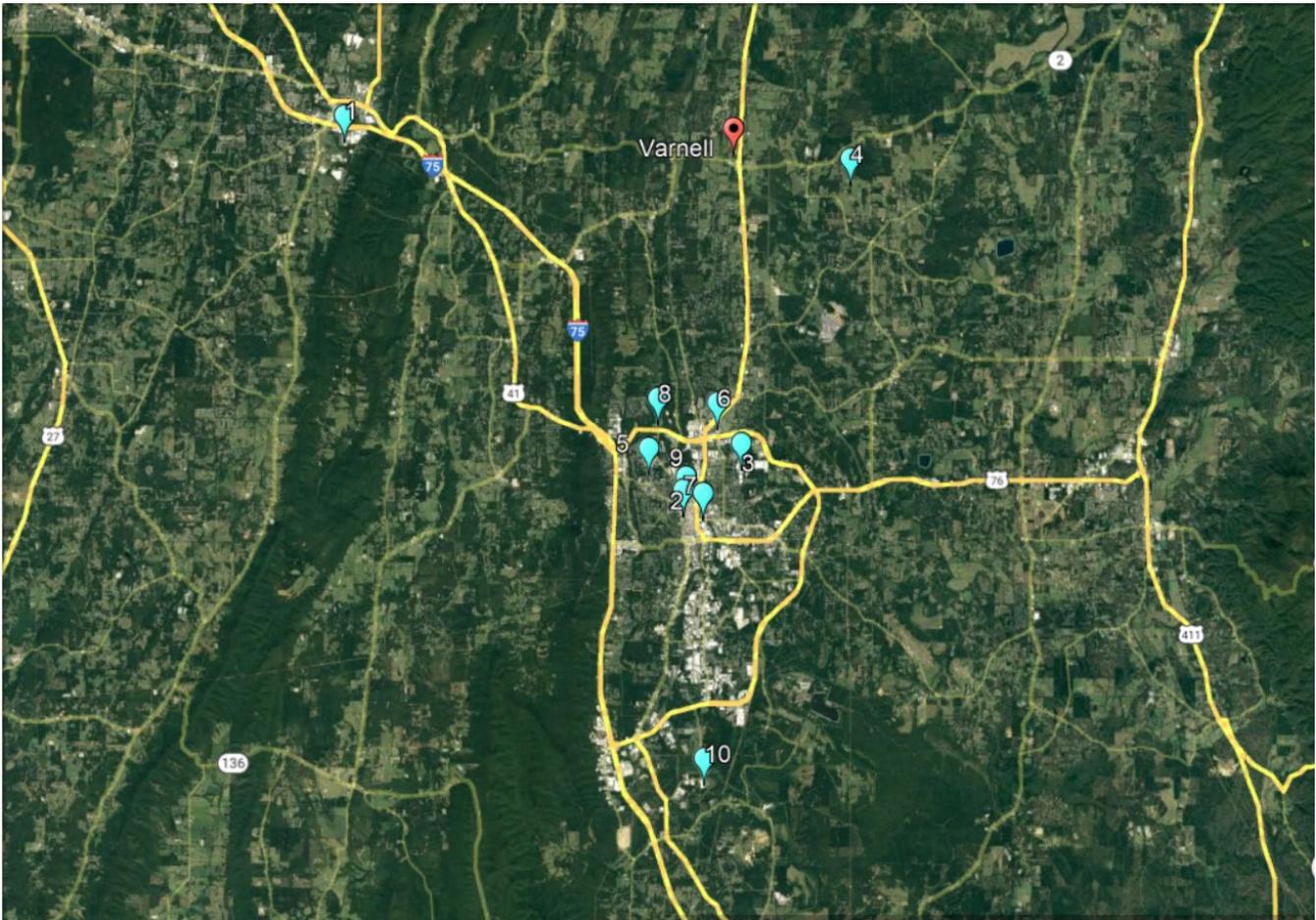
Source: U.S. Bureau of Labor Statistics, April 2022

Prior to the national recession, average employment growth in the MSA lagged compared to the nation. The effects of the recession were particularly pronounced in the MSA, which suffered a 14.9 percent contraction in employment (2008-2009), above the 4.9 percent contraction reported by the nation as a whole (2008-2010). Employment in the MSA recovered, and surpassed pre-recessionary levels in 2014. During the period preceding the onset of COVID-19 (2012 - 2019), employment growth in the MSA lagged the nation in all but three years. Employment in the MSA declined by 4.3 percent in 2020 amid the pandemic, compared to the overall nation at 6.2 percent. Total employment in the MSA currently remains similar to the pre-COVID level reached in 2019. As of April 2022, employment in the MSA is increasing at an annualized rate of 0.6 percent, compared to the 5.0 percent growth reported across the nation.

The MSA experienced a slightly higher average unemployment rate relative to the overall nation during the years preceding the recession. However, the local labor market demonstrated relative weakness during the recession, as the rate of unemployment increased by only 8.7 percentage points, compared to a 5.0 percentage point increase across the overall nation. During the period preceding the onset of COVID-19 (2012 - 2019), the MSA generally experienced a higher unemployment rate relative to the nation. The MSA unemployment rate increased by 2.6 percentage points in 2020 amid the pandemic, reaching a high of 7.3 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated April 2022, the current MSA unemployment rate is 3.6 percent. This is below the COVID highs of 2020, and below the current national unemployment rate of 4.1 percent.

5. Map of Site and Major Employment Concentrations

The following map and table detail the largest employers in Whitfield County, Georgia.



Source: Google Earth, April 2022.

MAJOR EMPLOYERS WHITFIELD COUNTY, GEORGIA

#	Employer Name	Industry	# Of Employees
1	Shaw Industries, Inc./U.S. Floors	Manufacturing	6,133
2	Mohawk Industries	Manufacturing	4,172
3	Engineered Floors, LLC/J+J Flooring Group	Manufacturing	3,600
4	Whitfield County Schools	Educational Services	1,899
5	Hamilton Medical Center	Healthcare/Social Assistance	1,763
6	Tarkett	Manufacturing	1,182
7	Dalton Public Schools	Educational Services	970
8	Whitfield County	Public Administration	707
9	City of Dalton	Public Administration	675
10	Marketing Alliance	Prof/Scientific/Tech Services	650
Totals			21,751

Source: Dalton-Whitfield County Joint Development Authority, April 2022

6. Conclusion

Employment in the PMA is concentrated in the manufacturing, retail trade, and healthcare/social assistance, which collectively comprise 52.0 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as these industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing and utilities industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, educational services, and construction industries. Employment in the MSA declined by 4.3 percent in 2020 amid the pandemic, compared to the overall nation at 6.2 percent. Total employment in the MSA currently remains similar to the pre-COVID level reached in 2019. As of April 2022, employment in the MSA is increasing at an annualized rate of 0.6 percent, compared to the 5.0 percent growth reported across the nation.

During the period preceding the onset of COVID-19 (2012 - 2019), employment growth in the MSA lagged the nation in all but three years. Employment in the MSA declined by 4.3 percent in 2020 amid the pandemic, compared to the overall nation at 6.2 percent. Total employment in the MSA currently remains similar to the pre-COVID level reached in 2019. As of April 2022, employment in the MSA is increasing at an annualized rate of 0.6 percent, compared to the 5.0 percent growth reported across the nation.

During the period preceding the onset of COVID-19 (2012 - 2019), the MSA generally experienced a higher unemployment rate relative to the nation. The MSA unemployment rate increased by 2.6 percentage points in 2020 amid the pandemic, reaching a high of 7.3 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated April 2022, the current MSA unemployment rate is 3.6 percent. This is below the COVID highs of 2020, and below the current national unemployment rate of 4.1 percent.

H. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

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

1. Income Restrictions

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

According to DCA, household size is assumed to be 1.5 persons per bedroom for LIHTC rent calculation purposes. For example, the maximum rent for a four-person household in a two-bedroom unit is based on an assumed household size of three persons (1.5 per bedroom). For income determination purposes, the maximum income is assumed to be 1.5 persons per bedroom rounded up to the nearest whole number. For example, maximum income for a one-bedroom unit is based on an assumed household size of two persons (1.5 persons per bedroom, rounded up). However, very few senior households have more than two persons. Therefore, we assume a maximum household size of two persons in our analysis.

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

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

2. Affordability

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

FAMILY INCOME LIMITS

Unit Type	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
	Income	Income	Income	Income	Income	Income
	@50%		@60%		@70%	
1BR	\$20,366	\$25,350	\$24,446	\$30,420	\$27,703	\$35,490
2BR	\$24,446	\$28,550	\$29,349	\$34,260	\$31,954	\$39,970
3BR	\$28,251	\$34,250	\$33,909	\$41,100	\$36,549	\$47,950

3. Demand

The demand for the Subject will be derived from three sources: new households, existing households and elderly homeowners likely to convert to rentership. These calculations are illustrated in the following tables.

Demand from New Households

The number of new households entering the market is the first level of demand calculated. We utilized 2024, the anticipated date of market entry, as the base year for the analysis. Therefore, 2021 household population estimates are inflated to 2024 by interpolation of the difference between 2021 estimates and 2026

projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2024. This number takes the overall growth from 2021 to 2024 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

Demand from Existing Households

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

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

Demand from Elderly Homeowners likely to Convert to Rentership

An additional source of demand is also seniors likely to move from their own homes into rental housing. This source is only appropriate when evaluating senior properties and is determined by interviews with property managers in the PMA. It should be noted that per DCA guidelines, we lower demand from seniors who convert to homeownership to be at or below 2.0 percent of total demand.

3d. Other

Per the 2022 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (MSA). Therefore, we do not account for leakage from outside the PMA boundaries in our demand analysis.

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

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

Net Demand

The following pages will outline the overall demand components added together less the supply of competitive developments awarded and/or constructed or placed in service from 2019 to the present.

Additions to Supply

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

- Comparable/competitive LIHTC and bond units (vacant or occupied) that were funded, are under construction, or are in properties that have not yet reached stabilized occupancy
- Comparable/competitive conventional or market rate units that are proposed, are under construction, or are in properties that have not yet reached stabilized occupancy. As the following discussion will demonstrate, competitive market rate units are those with rent levels that are comparable to the proposed rents at the Subject.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development. We were unable to identify any competitive units in the PMA which have been allocated, placed in service, or stabilizing between 2019 and present.

COMPETITIVE SUPPLY

Property Name	Program	Location	Tenancy	Status	# of Competitive
Crow Valley Heights	LIHTC	Dalton	Family	Proposed	80

- Crow Valley Heights was allocated in 2019 for the new construction of 80 units targeting families in Dalton, approximately 7.4 miles south of the Subject. Construction is expected to be completed in 2022. Upon completion, the property will offer 80 one, two, and three-bedroom units restricted to 50 and 60 percent of the AMI. This property targets families and therefore will be considered competitive. As such, we have deducted these units in our demand analysis.

ADDITIONS TO SUPPLY

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	Overall
0BR						0
1BR			4	12		16
2BR			10	38		48
3BR			4	12		16
4BR						0
5BR						0
Total	0	0	18	62	0	80

Rehab Developments and PBRA

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

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

Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of 2024 are illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2021		Projected Mkt Entry July 2024		2026	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	343	9.2%	333	9.0%	327	8.8%
\$10,000-19,999	697	18.7%	657	17.7%	631	17.1%
\$20,000-29,999	528	14.2%	533	14.4%	536	14.5%
\$30,000-39,999	924	24.8%	838	22.6%	780	21.1%
\$40,000-49,999	425	11.4%	463	12.5%	488	13.2%
\$50,000-59,999	274	7.3%	261	7.0%	252	6.8%
\$60,000-74,999	164	4.4%	180	4.8%	190	5.1%
\$75,000-99,999	186	5.0%	203	5.5%	215	5.8%
\$100,000-124,999	72	1.9%	88	2.4%	99	2.7%
\$125,000-149,999	52	1.4%	63	1.7%	71	1.9%
\$150,000-199,999	33	0.9%	46	1.2%	55	1.5%
\$200,000+	32	0.9%	44	1.2%	52	1.4%
Total	3,730	100.0%	3,710	100.0%	3,696	100.0%

Source: HISTA Data / Ribbon Demographics 2020, Novogradac Consulting LLP, April 2022

50% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$20,366		Maximum Income Limit		\$34,250	
Income Category	New Renter Households - Total Change in Households PMA 2021 to Prj Mrkt Entry July 2024		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-10	47.1%	\$0	0.0%	0		
\$10,000-19,999	-40	194.1%	\$0	0.0%	0		
\$20,000-29,999	5	-23.5%	\$9,633	96.3%	5		
\$30,000-39,999	-86	423.5%	\$4,250	42.5%	-37		
\$40,000-49,999	38	-185.3%	\$0	0.0%	0		
\$50,000-59,999	-13	64.7%	\$0	0.0%	0		
\$60,000-74,999	16	-76.5%	\$0	0.0%	0		
\$75,000-99,999	17	-85.3%	\$0	0.0%	0		
\$100,000-124,999	16	-79.4%	\$0	0.0%	0		
\$125,000-149,999	11	-55.9%	\$0	0.0%	0		
\$150,000-199,999	13	-64.7%	\$0	0.0%	0		
\$200,000+	12	-58.8%	\$0	0.0%	0		
Total	-20	100.0%		157.3%	-32		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @50%

Minimum Income Limit		\$20,366		Maximum Income Limit		\$34,250	
Income Category	Total Renter Households PMA 2021		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	343	9.2%	\$0	0.0%	0		
\$10,000-19,999	697	18.7%	\$0	0.0%	0		
\$20,000-29,999	528	14.2%	\$9,633	96.3%	509		
\$30,000-39,999	924	24.8%	\$4,250	42.5%	393		
\$40,000-49,999	425	11.4%	\$0	0.0%	0		
\$50,000-59,999	274	7.3%	\$0	0.0%	0		
\$60,000-74,999	164	4.4%	\$0	0.0%	0		
\$75,000-99,999	186	5.0%	\$0	0.0%	0		
\$100,000-124,999	72	1.9%	\$0	0.0%	0		
\$125,000-149,999	52	1.4%	\$0	0.0%	0		
\$150,000-199,999	33	0.9%	\$0	0.0%	0		
\$200,000+	32	0.9%	\$0	0.0%	0		
Total	3,730	100.0%		24.2%	901		

ASSUMPTIONS - @50%

ASSUMPTIONS - @50%						
Tenancy		Family		% of Income towards Housing		35%
Rural/Urban		Rural		Maximum # of Occupants		5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	60%	40%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	40%	60%	0%	
4	0%	0%	10%	90%	0%	
5+	0%	0%	0%	100%	0%	

Demand from New Renter Households 2021 to July 2024

Income Target Population	@50%
New Renter Households PMA	-20
Percent Income Qualified	157.3%
New Renter Income Qualified Households	-32

Demand from Existing Households 2021

Demand from Rent Overburdened Households

Income Target Population	@50%
Total Existing Demand	3,730
Income Qualified	24.2%
Income Qualified Renter Households	901
Percent Rent Overburdened Prj Mrkt Entry July 2024	37.7%
Rent Overburdened Households	340

Demand from Living in Substandard Housing

Income Qualified Renter Households	901
Percent Living in Substandard Housing	2.3%
Households Living in Substandard Housing	21

Senior Households Converting from Homeownership

Income Target Population	@50%
Total Senior Homeowners	0
Rural Versus Urban	0.2%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	361
Total New Demand	-32
Total Demand (New Plus Existing Households)	329

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	30.0%	99
Two Persons	18.5%	61
Three Persons	16.3%	54
Four Persons	14.8%	49
Five Persons	20.4%	67
Total	100.0%	329

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	60%	59
Of two-person households in 1BR units	20%	12
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	40%	39
Of two-person households in 2BR units	80%	49
Of three-person households in 2BR units	40%	21
Of four-person households in 2BR units	10%	5
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	60%	32
Of four-person households in 3BR units	90%	44
Of five-person households in 3BR units	100%	67
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	0%	0
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		329

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	71	-	4	=	67
2 BR	114	-	10	=	104
3 BR	143	-	4	=	139
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	329		18		311

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	2	/	67	=	3.0%
2 BR	8	/	104	=	7.7%
3 BR	7	/	139	=	5.0%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	17		311		5.5%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$24,446		Maximum Income Limit		\$41,100	
Income Category	New Renter Households - Total Change in Households PMA 2021 to Prj Mrkt Entry July 2024		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-10	47.1%	\$0	0.0%	0		
\$10,000-19,999	-40	194.1%	\$0	0.0%	0		
\$20,000-29,999	5	-23.5%	\$5,553	55.5%	3		
\$30,000-39,999	-86	423.5%	\$9,999	100.0%	-86		
\$40,000-49,999	38	-185.3%	\$1,100	11.0%	4		
\$50,000-59,999	-13	64.7%	\$0	0.0%	0		
\$60,000-74,999	16	-76.5%	\$0	0.0%	0		
\$75,000-99,999	17	-85.3%	\$0	0.0%	0		
\$100,000-124,999	16	-79.4%	\$0	0.0%	0		
\$125,000-149,999	11	-55.9%	\$0	0.0%	0		
\$150,000-199,999	13	-64.7%	\$0	0.0%	0		
\$200,000+	12	-58.8%	\$0	0.0%	0		
Total	-20	100.0%		390.1%	-80		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$24,446		Maximum Income Limit		\$41,100	
Income Category	Total Renter Households PMA 2021		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	343	9.2%	\$0	0.0%	0		
\$10,000-19,999	697	18.7%	\$0	0.0%	0		
\$20,000-29,999	528	14.2%	\$5,553	55.5%	293		
\$30,000-39,999	924	24.8%	\$9,999	100.0%	924		
\$40,000-49,999	425	11.4%	\$1,100	11.0%	47		
\$50,000-59,999	274	7.3%	\$0	0.0%	0		
\$60,000-74,999	164	4.4%	\$0	0.0%	0		
\$75,000-99,999	186	5.0%	\$0	0.0%	0		
\$100,000-124,999	72	1.9%	\$0	0.0%	0		
\$125,000-149,999	52	1.4%	\$0	0.0%	0		
\$150,000-199,999	33	0.9%	\$0	0.0%	0		
\$200,000+	32	0.9%	\$0	0.0%	0		
Total	3,730	100.0%		33.9%	1,264		

ASSUMPTIONS - @60%

Tenancy		Family	% of Income towards Housing			35%
Rural/Urban		Rural	Maximum # of Occupants			5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	60%	40%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	40%	60%	0%	
4	0%	0%	10%	90%	0%	
5+	0%	0%	0%	100%	0%	

Demand from New Renter Households 2021 to July 2024

Income Target Population	@60%
New Renter Households PMA	-20
Percent Income Qualified	390.1%
New Renter Income Qualified Households	-80

Demand from Existing Households 2021

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	3,730
Income Qualified	33.9%
Income Qualified Renter Households	1,264
Percent Rent Overburdened Prj Mrkt Entry July 2024	37.7%
Rent Overburdened Households	476

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,264
Percent Living in Substandard Housing	2.3%
Households Living in Substandard Housing	29

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	0
Rural Versus Urban	0.2%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	506
Total New Demand	-80
Total Demand (New Plus Existing Households)	426

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	30.0%	128
Two Persons	18.5%	79
Three Persons	16.3%	70
Four Persons	14.8%	63
Five Persons	20.4%	87
Total	100.0%	426

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	60%	77
Of two-person households in 1BR units	20%	16
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	40%	51
Of two-person households in 2BR units	80%	63
Of three-person households in 2BR units	40%	28
Of four-person households in 2BR units	10%	6
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	60%	42
Of four-person households in 3BR units	90%	57
Of five-person households in 3BR units	100%	87
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	0%	0
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		426

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	92	-	12	=	80
2 BR	148	-	38	=	110
3 BR	186	-	12	=	174
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	426		62		364

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	5	/	80	=	6.2%
2 BR	13	/	110	=	11.8%
3 BR	11	/	174	=	6.3%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	29		364		8.0%

70% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @70%

Minimum Income Limit		\$27,703		Maximum Income Limit		\$47,950	
Income Category	New Renter Households - Total Change in Households PMA 2021 to Prj Mrkt Entry July 2024		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-10	47.1%	\$0	0.0%	0		
\$10,000-19,999	-40	194.1%	\$0	0.0%	0		
\$20,000-29,999	5	-23.5%	\$2,296	23.0%	1		
\$30,000-39,999	-86	423.5%	\$9,999	100.0%	-86		
\$40,000-49,999	38	-185.3%	\$7,950	79.5%	30		
\$50,000-59,999	-13	64.7%	\$0	0.0%	0		
\$60,000-74,999	16	-76.5%	\$0	0.0%	0		
\$75,000-99,999	17	-85.3%	\$0	0.0%	0		
\$100,000-124,999	16	-79.4%	\$0	0.0%	0		
\$125,000-149,999	11	-55.9%	\$0	0.0%	0		
\$150,000-199,999	13	-64.7%	\$0	0.0%	0		
\$200,000+	12	-58.8%	\$0	0.0%	0		
Total	-20	100.0%		270.8%	-55		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @70%

Minimum Income Limit		\$27,703		Maximum Income Limit		\$47,950	
Income Category	Total Renter Households PMA 2021		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	343	9.2%	\$0	0.0%	0		
\$10,000-19,999	697	18.7%	\$0	0.0%	0		
\$20,000-29,999	528	14.2%	\$2,296	23.0%	121		
\$30,000-39,999	924	24.8%	\$9,999	100.0%	924		
\$40,000-49,999	425	11.4%	\$7,950	79.5%	338		
\$50,000-59,999	274	7.3%	\$0	0.0%	0		
\$60,000-74,999	164	4.4%	\$0	0.0%	0		
\$75,000-99,999	186	5.0%	\$0	0.0%	0		
\$100,000-124,999	72	1.9%	\$0	0.0%	0		
\$125,000-149,999	52	1.4%	\$0	0.0%	0		
\$150,000-199,999	33	0.9%	\$0	0.0%	0		
\$200,000+	32	0.9%	\$0	0.0%	0		
Total	3,730	100.0%		37.1%	1,383		

ASSUMPTIONS - @70%

Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	60%	40%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	40%	60%	0%
4	0%	0%	10%	90%	0%
5+	0%	0%	0%	100%	0%

Tenancy	Family	% of Income towards Housing	35%
Rural/Urban	Rural	Maximum # of Occupants	5

Demand from New Renter Households 2021 to July 2024

Income Target Population	@70%
New Renter Households PMA	-20
Percent Income Qualified	270.8%
New Renter Income Qualified Households	-55

Demand from Existing Households 2021

Demand from Rent Overburdened Households

Income Target Population	@70%
Total Existing Demand	3,730
Income Qualified	37.1%
Income Qualified Renter Households	1,383
Percent Rent Overburdened Prj Mrkt Entry July 2024	37.7%
Rent Overburdened Households	521

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,383
Percent Living in Substandard Housing	2.3%
Households Living in Substandard Housing	32

Senior Households Converting from Homeownership

Income Target Population	@70%
Total Senior Homeowners	0
Rural Versus Urban	0.2%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	554
Total New Demand	-55
Total Demand (New Plus Existing Households)	498

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	30.0%	150
Two Persons	18.5%	92
Three Persons	16.3%	81
Four Persons	14.8%	74
Five Persons	20.4%	102
Total	100.0%	498

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	60%	90
Of two-person households in 1BR units	20%	18
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	40%	60
Of two-person households in 2BR units	80%	74
Of three-person households in 2BR units	40%	33
Of four-person households in 2BR units	10%	7
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	60%	49
Of four-person households in 3BR units	90%	66
Of five-person households in 3BR units	100%	102
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	0%	0
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		498

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	108	-	0	=	108
2 BR	173	-	0	=	173
3 BR	217	-	0	=	217
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	498		0		498

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	1	/	108	=	0.9%
2 BR	3	/	173	=	1.7%
3 BR	2	/	217	=	0.9%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	6		498		1.2%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$20,366		Maximum Income Limit		\$47,950	
Income Category	New Renter Households - Total Change in Households PMA 2021 to Prj Mrkt Entry July 2024		Income Brackets	Percent within Cohort	Renter Households within Bracket		
\$0-9,999	-10	47.1%	\$0	0.0%	0		
\$10,000-19,999	-40	194.1%	\$0	0.0%	0		
\$20,000-29,999	5	-23.5%	\$9,633	96.3%	5		
\$30,000-39,999	-86	423.5%	\$9,999	100.0%	-86		
\$40,000-49,999	38	-185.3%	\$7,950	79.5%	30		
\$50,000-59,999	-13	64.7%	\$0	0.0%	0		
\$60,000-74,999	16	-76.5%	\$0	0.0%	0		
\$75,000-99,999	17	-85.3%	\$0	0.0%	0		
\$100,000-124,999	16	-79.4%	\$0	0.0%	0		
\$125,000-149,999	11	-55.9%	\$0	0.0%	0		
\$150,000-199,999	13	-64.7%	\$0	0.0%	0		
\$200,000+	12	-58.8%	\$0	0.0%	0		
Total	-20	100.0%		253.5%	-52		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$20,366		Maximum Income Limit		\$47,950	
Income Category	Total Renter Households PMA 2021		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	343	9.2%	\$0	0.0%	0		
\$10,000-19,999	697	18.7%	\$0	0.0%	0		
\$20,000-29,999	528	14.2%	\$9,633	96.3%	509		
\$30,000-39,999	924	24.8%	\$9,999	100.0%	924		
18	425	11.4%	\$7,950	79.5%	338		
\$50,000-59,999	274	7.3%	\$0	0.0%	0		
\$60,000-74,999	164	4.4%	\$0	0.0%	0		
\$75,000-99,999	186	5.0%	\$0	0.0%	0		
\$100,000-124,999	72	1.9%	\$0	0.0%	0		
\$125,000-149,999	52	1.4%	\$0	0.0%	0		
\$150,000-199,999	33	0.9%	\$0	0.0%	0		
\$200,000+	32	0.9%	\$0	0.0%	0		
Total	3,730	100.0%		47.5%	1,771		

ASSUMPTIONS - Overall

Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	60%	40%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	40%	60%	0%
4	0%	0%	10%	90%	0%
5+	0%	0%	0%	100%	0%

Demand from New Renter Households 2021 to July 2024

Income Target Population	Overall
New Renter Households PMA	-20
Percent Income Qualified	253.5%
New Renter Income Qualified Households	-52

Demand from Existing Households 2021

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	3,730
Income Qualified	47.5%
Income Qualified Renter Households	1,771
Percent Rent Overburdened Prj Mrkt Entry July 2024	37.7%
Rent Overburdened Households	667

Demand from Living in Substandard Housing

Income Qualified Renter Households	1,771
Percent Living in Substandard Housing	2.3%
Households Living in Substandard Housing	41

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	0
Rural Versus Urban	0.2%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	709
Total New Demand	-52
Total Demand (New Plus Existing Households)	657

Demand from Seniors Who Convert from Homeownership	0
Percent of Total Demand From Homeownership Conversion	0.0%
Is this Demand Over 2 percent of Total Demand?	No

By Bedroom Demand

One Person	30.0%	197
Two Persons	18.5%	121
Three Persons	16.3%	107
Four Persons	14.8%	97
Five Persons	20.4%	134
Total	100.0%	657

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	60%	118
Of two-person households in 1BR units	20%	24
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	40%	79
Of two-person households in 2BR units	80%	97
Of three-person households in 2BR units	40%	43
Of four-person households in 2BR units	10%	10
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	60%	64
Of four-person households in 3BR units	90%	88
Of five-person households in 3BR units	100%	134
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	0%	0
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		657

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	0	=	-
1 BR	143	-	16	=	127
2 BR	228	-	48	=	180
3 BR	286	-	16	=	270
4 BR	-	-	0	=	-
5 BR	-	-	0	=	-
Total	657		80		577

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	8	/	127	=	6.3%
2 BR	24	/	180	=	13.3%
3 BR	20	/	270	=	7.4%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	52		577		9.0%

CAPTURE RATE ANALYSIS CHART

Our demand analysis is used to determine a base of demand for the Subject as a tax credit property. Several factors affect the indicated capture rates and are discussed following.

- The number of households in the PMA is expected to increase 0.4 percent annually between 2021 and 2024.
- This demand analysis does not measure the PMA’s or Subject’s ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

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

DCA Conclusion Tables (Family)	HH at @50% AMI (\$20,366 to \$34,250)	HH at @60% AMI (\$24,446 to \$41,100)	HH at @70% AMI (\$27,703 to \$47,950)	Overall
Demand from New Households (age and income appropriate)	-32	-80	-55	-52
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	21	29	32	41
PLUS	+	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	340	476	521	667
Sub Total	329	426	498	657
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0	0	0
Equals Total Demand	329	426	498	657
Less	-	-	-	-
Competitive New Supply	18	62	0	80
Equals Net Demand	311	364	498	577

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR @50%	\$20,366	\$25,350	2	71	4	67	3.0%	\$722	\$470	\$1,025	\$486
1BR @60%	\$24,446	\$30,420	5	92	12	80	6.2%	\$762	\$1,025	\$1,025	\$605
1BR @70%	\$27,703	\$35,490	1	108	0	108	0.9%	\$803	\$630	\$1,025	\$700
1BR Overall	\$20,366	\$35,490	8	143	16	127	6.3%	-	-	-	-
2BR @50%	\$24,446	\$28,550	8	114	10	104	7.7%	\$873	\$561	\$1,225	\$581
2BR @60%	\$29,349	\$34,260	13	148	38	110	11.8%	\$919	\$640	\$1,225	\$724
2BR @70%	\$31,954	\$39,970	3	173	0	173	1.7%	\$1,005	\$730	\$1,225	\$800
2BR Overall	\$24,446	\$39,970	24	228	48	180	13.3%	-	-	-	-
3BR @50%	\$28,251	\$34,250	7	143	4	139	5.0%	\$933	\$635	\$1,325	\$658
3BR @60%	\$33,909	\$41,100	11	186	12	174	6.3%	\$1,004	\$705	\$1,325	\$823
3BR @70%	\$36,549	\$47,950	2	217	0	217	0.9%	\$1,254	\$1,150	\$1,325	\$900
3BR Overall	\$28,251	\$47,950	20	286	16	270	7.4%	-	-	-	-
@50% Overall	\$20,366	\$34,250	17	329	18	311	5.5%	-	-	-	-
@60% Overall	\$24,446	\$41,100	29	426	62	364	8.0%	-	-	-	-
@70% Overall	\$27,703	\$47,950	6	498	0	498	1.2%	-	-	-	-
Overall	\$20,366	\$47,950	52	657	80	577	9.0%	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 50 percent AMI level will range from 3.0 to 7.7 percent, with an overall capture rate of 5.5 percent. The Subject’s 60 percent AMI capture rates range from 6.2 to 11.8 percent, with an overall capture rate of 8.0 percent. The Subject’s 70 percent AMI capture rates range from 0.9 to 1.7 percent, with an overall capture rate of 1.2 percent. The overall capture rate for the project’s 50, 60, and 70 percent units is 9.0 percent. Therefore, we believe there is adequate demand for the Subject. All capture rates are within Georgia DCA thresholds.

I. COMPETITIVE RENTAL ENVIRONMENT

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent structure. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes seven “true” comparable properties containing 971 units.

The availability of LIHTC data is considered limited; there are two LIHTC properties in the PMA. We included three LIHTC and mixed-income properties in our analysis. Autumn Ridge and Dawnville Meadows are located within the PMA, and are each respectively located 6.1 and 6.0 miles from the Subject site. Both are in similar locations in terms of median rent and median household incomes. The remaining comparable LIHTC and mixed-income property is located outside the PMA in Ringgold, approximately 10.7 miles from the Subject site and is a reasonable proxy for the Subject as it is among the newest and most proximate LIHTC properties in the area. These LIHTC and mixed-income comparables were built between 2004 and 2019.

The availability of market rate data is considered average. The Subject is located in Varnell and there are few market rate properties in the area. We include four conventional properties in our analysis of the competitive market. Only one of the market rate properties are located in the PMA, 6.8 miles from the Subject site. The remaining three market rate comparables are located outside the PMA, between 8.2 and 8.6 miles from the Subject site in Dalton. These locations are considered similar to slightly superior to the Subject’s location in terms of median rent, median household income, and median home value. The market rate comparables were built or renovated between 2010 and 2021. Overall, we believe the market rate properties used in our analysis are the most comparable. Other market rate properties are excluded based on proximity, unit count, and condition.

A detailed matrix describing the individual competitive properties as well as the proposed Subject is provided on the following pages. A map illustrating the location of the Subject in relation to comparable properties is also provided on the following pages. The properties are further profiled in the following write-ups. The property descriptions include information on vacancy, turnover, absorption, age, competition, and the general health of the rental market, when available.

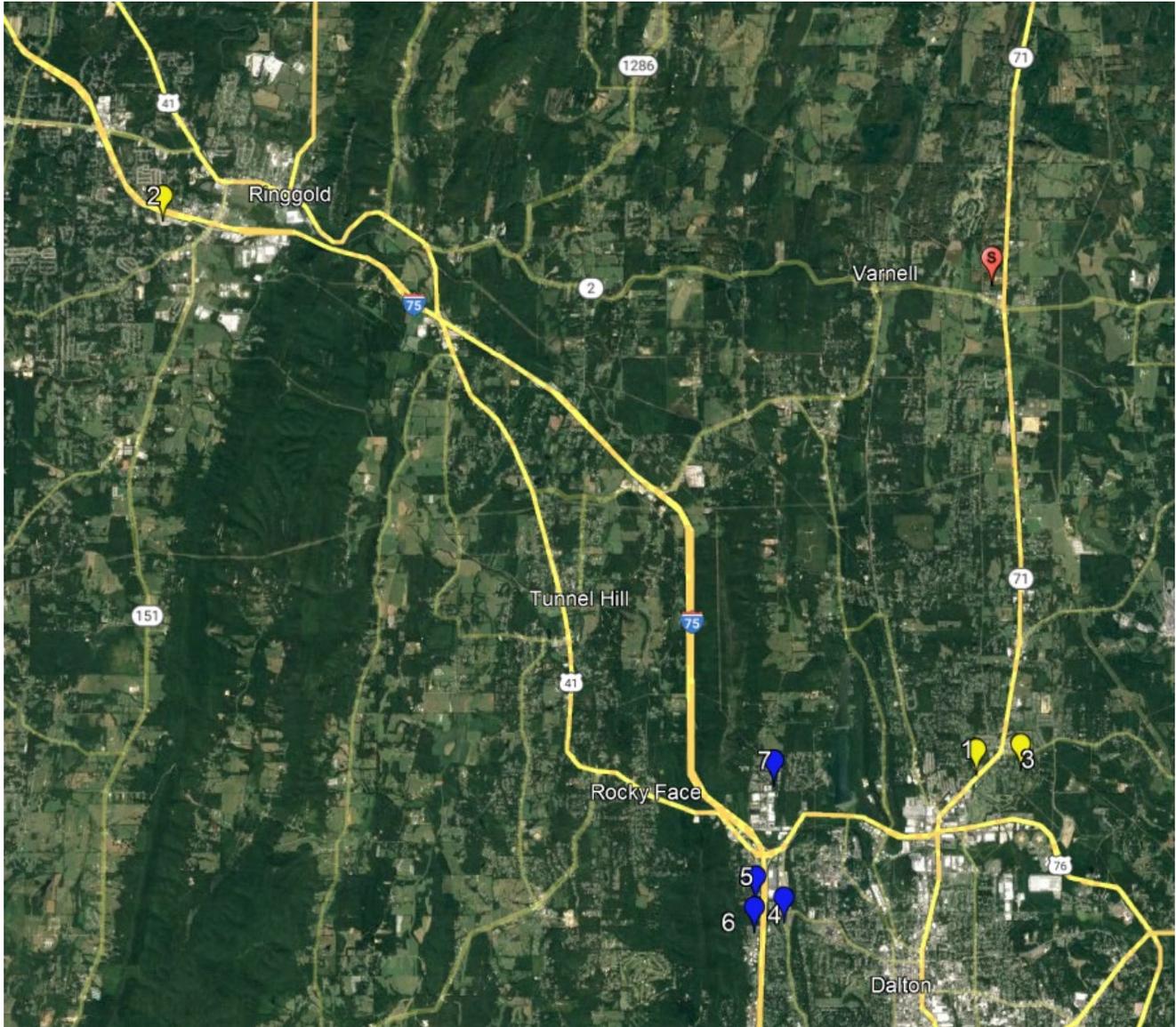
Excluded Properties

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

EXCLUDED PROPERTIES

Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
Juniper Village	LIHTC	Varnell	Family	52	-
Huntington Place Apartments	Market	Dalton	Family	152	Unable to contact
The Valley	Market	Dalton	Family	32	Age and Condition
Crow Valley Heights	LIHTC	Dalton	Family	80	Under Construction

1. Comparable Rental Property Map



Source: Google Earth, April 2021.

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	Juniper Village	Varnell	LIHTC/ Market	-
1	Autumn Ridge	Dalton	LIHTC/ Market	6.1 miles
2	Bedford Place*	Ringgold	LIHTC/ Market	10.7 miles
3	Dawnville Meadows	Dalton	LIHTC	6.0 miles
4	Dalton Village Apartments*	Dalton	Market	8.4 miles
5	Legacy Of Dalton Apartments*	Dalton	Market	8.2 miles
6	Park Canyon Apartments*	Dalton	Market	8.6 miles
7	Preserves At Mill Creek	Dalton	Market	6.8 miles

*Located outside PMA

JUNIPER VILLAGE – VARNELL, GEORGIA – MARKET STUDY

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

SUMMARY MATRIX																			
Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate					
Subject	Juniper Village SE Of Ruby Drive Varnell, GA 30721 Whitfield County		Garden 2-stories 2024 / n/a Family	@50%, @60%, @70%	1BR / 1BA	2	3.9%	705	@50%	\$486	Yes	N/A	N/A	N/A					
					1BR / 1BA	5	9.6%	705	@60%	\$605	Yes	N/A	N/A	N/A					
					1BR / 1BA	1	1.9%	705	@70%	\$700	No	N/A	N/A	N/A					
					2BR / 2BA	8	15.4%	1,005	@50%	\$581	Yes	N/A	N/A	N/A					
					2BR / 2BA	13	25.0%	1,005	@60%	\$724	Yes	N/A	N/A	N/A					
					2BR / 2BA	3	5.8%	1,005	@70%	\$800	No	N/A	N/A	N/A					
					3BR / 2BA	7	13.5%	1,110	@50%	\$658	Yes	N/A	N/A	N/A					
					3BR / 2BA	11	21.2%	1,110	@60%	\$823	Yes	N/A	N/A	N/A					
					3BR / 2BA	2	3.9%	1,110	@70%	\$900	No	N/A	N/A	N/A					
					52													N/A	N/A
					1	Autumn Ridge 850 Autumn Court Dalton, GA 30721 Whitfield County	6.1 miles	Garden 2-stories 2004 / n/a Family	@30%, @50%, @60%, Market	1BR / 1BA	N/A	N/A	892	@50%	\$470	No	Yes	0	N/A
1BR / 1BA	N/A	N/A	892	@60%						\$585	No	Yes	1	N/A					
1BR / 1BA	N/A	N/A	892	Market						\$1,025	N/A	Yes	0	N/A					
2BR / 2BA	N/A	N/A	1,208	@50%						\$561	No	Yes	0	N/A					
2BR / 2BA	N/A	N/A	1,208	@60%						\$700	No	Yes	0	N/A					
2BR / 2BA	N/A	N/A	1,208	Market						\$1,225	N/A	Yes	0	N/A					
3BR / 2BA	N/A	N/A	1,486	@30%						\$314	No	Yes	0	N/A					
3BR / 2BA	N/A	N/A	1,486	@50%						\$635	No	Yes	0	N/A					
3BR / 2BA	N/A	N/A	1,486	@60%						\$795	No	Yes	0	N/A					
3BR / 2BA	N/A	N/A	1,486	Market						\$1,325	N/A	Yes	0	N/A					
130													1	0.8%					
2	Bedford Place 60 Bedford Pl Ringgold, GA 30736 Catoosa County	10.7 miles	Garden 2-stories 2004 / n/a Family	@30%, @50%, @60%, Market	1BR / 1BA	2	2.3%	783	@30%	\$293	No	Yes	0	0.0%					
					1BR / 1BA	8	9.1%	783	@50%	\$530	No	Yes	0	0.0%					
					1BR / 1BA	6	6.8%	783	@60%	\$565	No	Yes	0	0.0%					
					1BR / 1BA	4	4.6%	783	Market	\$630	N/A	Yes	0	0.0%					
					2BR / 1BA	3	3.4%	1,025	@30%	\$349	Yes	Yes	0	0.0%					
					2BR / 1BA	24	27.3%	1,025	@50%	\$625	No	Yes	0	0.0%					
					2BR / 1BA	11	12.5%	1,025	@60%	\$640	No	Yes	0	0.0%					
					2BR / 1BA	10	11.4%	1,025	Market	\$730	N/A	Yes	0	0.0%					
					3BR / 1BA	8	9.1%	1,180	@50%	\$665	No	Yes	0	0.0%					
					3BR / 1BA	8	9.1%	1,180	@60%	\$705	No	Yes	0	0.0%					
					3BR / 1BA	4	4.6%	1,180	Market	\$785	N/A	Yes	0	0.0%					
88													0	0.0%					
3	Dawnville Meadows 161 Dawnville Road Dalton, GA 30721 Whitfield County	6.0 miles	Garden 2-stories 2000 / 2019 Family	@60%	2BR / 2BA	70	58.3%	948	@60%	\$644	Yes	No	0	0.0%					
					3BR / 2BA	50	41.7%	1,248	@60%	\$730	Yes	No	0	0.0%					
					120													0	0.0%
4	Dalton Village Apartments 1809 Shadow Lane Dalton, GA 30720 Whitfield County	8.4 miles	Garden 3-stories 1972 / 2018 Family	Market	1BR / 1BA	N/A	N/A	800	Market	\$945	N/A	Yes	0	N/A					
					1BR / 1BA	40	28.6%	800	Market	\$845	N/A	Yes	0	0.0%					
					2BR / 2BA	N/A	N/A	1,200	Market	\$1,163	N/A	Yes	0	N/A					
					2BR / 2BA	64	45.7%	1,200	Market	\$1,013	N/A	Yes	0	0.0%					
					3BR / 2BA	N/A	N/A	1,470	Market	\$1,275	N/A	Yes	0	N/A					
					3BR / 2BA	36	25.7%	1,470	Market	\$1,150	N/A	Yes	0	0.0%					
140													0	0.0%					
5	Legacy Of Dalton Apartments 2111 Club Drive Dalton, GA 30720 Whitfield County	8.2 miles	Garden 2-stories 1976 / 2010 Family	Market	1BR / 1BA	81	51.3%	800	Market	\$915	N/A	Yes	0	0.0%					
					2BR / 2BA	53	33.5%	1,100	Market	\$1,065	N/A	Yes	0	0.0%					
					3BR / 2BA	24	15.2%	1,300	Market	\$1,265	N/A	Yes	0	0.0%					
158													0	0.0%					
6	Park Canyon Apartments 100 Park Canyon Drive Dalton, GA 30720 Whitfield County	8.6 miles	Garden 3-stories 1988 / 2021 Family	Market	1BR / 1BA	19	10.6%	453	Market	\$705	N/A	No	0	0.0%					
					1BR / 1BA	10	5.6%	490	Market	\$720	N/A	No	0	0.0%					
					1BR / 1BA	33	18.3%	680	Market	\$720	N/A	No	0	0.0%					
					1BR / 1BA	64	35.6%	728	Market	\$725	N/A	No	1	1.6%					
					2BR / 1.5BA	34	18.9%	960	Market	\$843	N/A	No	1	2.9%					
					2BR / 1.5BA	20	11.1%	1,064	Market	\$908	N/A	No	0	0.0%					
180													2	1.1%					
7	Preserves At Mill Creek 1902 Brady Drive Dalton, GA 30720 Whitfield County	6.8 miles	Townhouse 2-stories 1985 / 2021 Family	Market	2BR / 1.5BA	N/A	N/A	1,150	Market	\$1,099	N/A	Yes	0	N/A					
					2BR / 1.5BA	155	100.0%	1,150	Market	\$999	N/A	Yes	0	0.0%					
155													0	0.0%					

JUNIPER VILLAGE – VARNELL, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
		Units Surveyed: 971	Weighted Occupancy: 99.7%			
		Market Rate 633	Market Rate 99.7%			
		Tax Credit 338	Tax Credit 99.7%			
		One Bedroom One Bath Property		Two Bedroom Two Bath Property		
		Average	Average	Average	Average	
RENT	Autumn Ridge (Market)	\$1,025	Autumn Ridge (Market)	\$1,225	Autumn Ridge (Market)	\$1,325
	Dalton Village Apartments (Market)	\$945	Dalton Village Apartments (Market)	\$1,163	Dalton Village Apartments (Market)	\$1,275
	Legacy Of Dalton Apartments (Market)	\$915	Preserves At Mill Creek (Market)(1.5BA)	\$1,099	Legacy Of Dalton Apartments (Market)	\$1,265
	Dalton Village Apartments (Market)	\$845	Legacy Of Dalton Apartments (Market)	\$1,065	Dalton Village Apartments (Market)	\$1,150
	Park Canyon Apartments (Market)	\$725	Dalton Village Apartments (Market)	\$1,013	Juniper Village (@70%)	\$900
	Park Canyon Apartments (Market)	\$720	Preserves At Mill Creek (Market)(1.5BA)	\$999	Juniper Village (@60%)	\$823
	Park Canyon Apartments (Market)	\$720	Park Canyon Apartments (Market)(1.5BA)	\$908	Autumn Ridge (@60%)	\$795
	Park Canyon Apartments (Market)	\$705	Park Canyon Apartments (Market)(1.5BA)	\$843	Bedford Place (Market)(1BA)	\$785
	Juniper Village (@70%)	\$700	Juniper Village (@70%)	\$800	Dawnville Meadows (@60%)	\$730
	Bedford Place (Market)	\$630	Bedford Place (Market)(1BA)	\$730	Bedford Place (@60%)(1BA)	\$705
	Juniper Village (@60%)	\$605	Juniper Village (@60%)	\$724	Bedford Place (@50%)(1BA)	\$665
	Autumn Ridge (@60%)	\$585	Autumn Ridge (@60%)	\$700	Juniper Village (@50%)	\$658
	Bedford Place (@60%)	\$565	Dawnville Meadows (@60%)	\$644	Autumn Ridge (@50%)	\$635
	Bedford Place (@50%)	\$530	Bedford Place (@60%)(1BA)	\$640	Autumn Ridge (@30%)	\$314
	Juniper Village (@50%)	\$486	Bedford Place (@50%)(1BA)	\$625		
	Autumn Ridge (@50%)	\$470	Juniper Village (@50%)	\$581		
	Bedford Place (@30%)	\$293	Autumn Ridge (@50%)	\$561		
			Bedford Place (@30%)(1BA)	\$349		
SQUARE FOOTAGE	Autumn Ridge (@50%)	892	Autumn Ridge (Market)	1,208	Autumn Ridge (Market)	1,486
	Autumn Ridge (Market)	892	Autumn Ridge (@60%)	1,208	Autumn Ridge (@60%)	1,486
	Autumn Ridge (@60%)	892	Autumn Ridge (@50%)	1,208	Autumn Ridge (@50%)	1,486
	Legacy Of Dalton Apartments (Market)	800	Dalton Village Apartments (Market)	1,200	Autumn Ridge (@30%)	1,486
	Dalton Village Apartments (Market)	800	Dalton Village Apartments (Market)	1,200	Dalton Village Apartments (Market)	1,470
	Dalton Village Apartments (Market)	800	Preserves At Mill Creek (Market)(1.5BA)	1,150	Dalton Village Apartments (Market)	1,470
	Bedford Place (@30%)	783	Preserves At Mill Creek (Market)(1.5BA)	1,150	Legacy Of Dalton Apartments (Market)	1,300
	Bedford Place (@60%)	783	Legacy Of Dalton Apartments (Market)	1,100	Dawnville Meadows (@60%)	1,248
	Bedford Place (@50%)	783	Park Canyon Apartments (Market)(1.5BA)	1,064	Bedford Place (Market)(1BA)	1,180
	Bedford Place (Market)	783	Bedford Place (Market)(1BA)	1,025	Bedford Place (@60%)(1BA)	1,180
	Park Canyon Apartments (Market)	728	Bedford Place (@50%)(1BA)	1,025	Bedford Place (@50%)(1BA)	1,180
	Juniper Village (@70%)	705	Bedford Place (@30%)(1BA)	1,025	Juniper Village (@70%)	1,110
	Juniper Village (@60%)	705	Bedford Place (@60%)(1BA)	1,025	Juniper Village (@50%)	1,110
	Juniper Village (@50%)	705	Juniper Village (@50%)	1,005	Juniper Village (@60%)	1,110
	Park Canyon Apartments (Market)	680	Juniper Village (@70%)	1,005		
	Park Canyon Apartments (Market)	490	Juniper Village (@60%)	1,005		
	Park Canyon Apartments (Market)	453	Park Canyon Apartments (Market)(1.5BA)	960		
			Dawnville Meadows (@60%)	948		
RENT PER SQUARE FOOT	Park Canyon Apartments (Market)	\$1.56	Autumn Ridge (Market)	\$1.01	Legacy Of Dalton Apartments (Market)	\$0.97
	Park Canyon Apartments (Market)	\$1.47	Dalton Village Apartments (Market)	\$0.97	Autumn Ridge (Market)	\$0.89
	Dalton Village Apartments (Market)	\$1.18	Legacy Of Dalton Apartments (Market)	\$0.97	Dalton Village Apartments (Market)	\$0.87
	Autumn Ridge (Market)	\$1.15	Preserves At Mill Creek (Market)(1.5BA)	\$0.96	Juniper Village (@70%)	\$0.81
	Legacy Of Dalton Apartments (Market)	\$1.14	Park Canyon Apartments (Market)(1.5BA)	\$0.88	Dalton Village Apartments (Market)	\$0.78
	Park Canyon Apartments (Market)	\$1.06	Preserves At Mill Creek (Market)(1.5BA)	\$0.87	Juniper Village (@60%)	\$0.74
	Dalton Village Apartments (Market)	\$1.06	Park Canyon Apartments (Market)(1.5BA)	\$0.85	Bedford Place (Market)(1BA)	\$0.67
	Park Canyon Apartments (Market)	\$1.00	Dalton Village Apartments (Market)	\$0.84	Bedford Place (@60%)(1BA)	\$0.60
	Juniper Village (@70%)	\$0.99	Juniper Village (@70%)	\$0.80	Juniper Village (@50%)	\$0.59
	Juniper Village (@60%)	\$0.86	Juniper Village (@60%)	\$0.72	Dawnville Meadows (@60%)	\$0.58
	Bedford Place (Market)	\$0.80	Bedford Place (Market)(1BA)	\$0.71	Bedford Place (@50%)(1BA)	\$0.56
	Bedford Place (@60%)	\$0.72	Dawnville Meadows (@60%)	\$0.68	Autumn Ridge (@60%)	\$0.53
	Juniper Village (@50%)	\$0.69	Bedford Place (@60%)(1BA)	\$0.62	Autumn Ridge (@50%)	\$0.43
	Bedford Place (@50%)	\$0.68	Bedford Place (@50%)(1BA)	\$0.61	Autumn Ridge (@30%)	\$0.21
	Autumn Ridge (@60%)	\$0.66	Autumn Ridge (@60%)	\$0.58		
	Autumn Ridge (@50%)	\$0.53	Juniper Village (@50%)	\$0.58		
	Bedford Place (@30%)	\$0.37	Autumn Ridge (@50%)	\$0.46		
			Bedford Place (@30%)(1BA)	\$0.34		

PROPERTY PROFILE REPORT

Autumn Ridge

Effective Rent Date	4/21/2022
Location	850 Autumn Court Dalton, GA 30721 Whitfield County
Distance	6.1 miles
Units	130
Vacant Units	1
Vacancy Rate	0.8%
Type	Garden (2 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Dawnville Meadows
Tenant Characteristics	Families and couples from the surrounding area; 33 percent seniors
Contact Name	Heather
Phone	706.226.0404



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	2%
Leasing Pace	Within two weeks
Annual Chg. in Rent	LIHTC increased 10%; Market increased 38%
Concession	None
Waiting List	Yes; 75+ households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	N/A	892	\$470	\$0	@50%	Yes	0	N/A	no	None
1	1	Garden (2 stories)	N/A	892	\$585	\$0	@60%	Yes	1	N/A	no	None
1	1	Garden (2 stories)	N/A	892	\$1,025	\$0	Market	Yes	0	N/A	N/A	None
2	2	Garden (2 stories)	N/A	1,208	\$561	\$0	@50%	Yes	0	N/A	no	None
2	2	Garden (2 stories)	N/A	1,208	\$700	\$0	@60%	Yes	0	N/A	no	None
2	2	Garden (2 stories)	N/A	1,208	\$1,225	\$0	Market	Yes	0	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,486	\$314	\$0	@30%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,486	\$635	\$0	@50%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,486	\$795	\$0	@60%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,486	\$1,325	\$0	Market	Yes	0	N/A	N/A	None

Photos



PROPERTY PROFILE REPORT

Bedford Place

Effective Rent Date	4/21/2022
Location	60 Bedford Pl Ringgold, GA 30736 Catoosa County
Distance	10.7 miles
Units	88
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2004 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Approximately 25 percent seniors, tenants are from the local Ringgold area.
Contact Name	Lisa
Phone	706-937-6268



Market Information

Program	@30%, @50%, @60%, Market
Annual Turnover Rate	4%
Units/Month Absorbed	N/A
HCV Tenants	6%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased up to 4.5 percent
Concession	None
Waiting List	Yes; 149 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	783	\$293	\$0	@30%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	8	783	\$530	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	6	783	\$565	\$0	@60%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	4	783	\$630	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (2 stories)	3	1,025	\$349	\$0	@30%	Yes	0	0.0%	yes	None
2	1	Garden (2 stories)	24	1,025	\$625	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	11	1,025	\$640	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	10	1,025	\$730	\$0	Market	Yes	0	0.0%	N/A	None
3	1	Garden (2 stories)	8	1,180	\$665	\$0	@50%	Yes	0	0.0%	no	None
3	1	Garden (2 stories)	8	1,180	\$705	\$0	@60%	Yes	0	0.0%	no	None
3	1	Garden (2 stories)	4	1,180	\$785	\$0	Market	Yes	0	0.0%	N/A	None

Photos



PROPERTY PROFILE REPORT

Dawnville Meadows

Effective Rent Date	4/06/2022
Location	161 Dawnville Road Dalton, GA 30721 Whitfield County
Distance	6 miles
Units	120
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	2000 / 2019
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mixed tenancy from the local area, Chatsworth, and Chattanooga; 30 percent senior
Contact Name	Jashia
Phone	706.278.5855



Market Information

Program	@60%
Annual Turnover Rate	8%
Units/Month Absorbed	N/A
HCV Tenants	15%
Leasing Pace	Within 48 hours
Annual Chg. in Rent	Increased 3-4% since 2Q 2021
Concession	None
Waiting List	Yes, zero households at the moment

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	70	948	\$696	\$0	@60%	No	0	0.0%	yes	None
3	2	Garden (2 stories)	50	1,248	\$795	\$0	@60%	No	0	0.0%	yes	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$696	\$0	\$696	-\$52	\$644
3BR / 2BA	\$795	\$0	\$795	-\$65	\$730

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer(\$50.00)		
Washer/Dryer hookup			
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Sport Court		
Swimming Pool	Volleyball Court		

Comments

The contact reported that the property is fully occupied. The property does accept Housing Choice Vouchers and the contact estimated that 15 percent of the tenants are currently utilizing a voucher. The contact also estimated that 30 percent of the tenants on property are seniors, which is a five percent increase since the last survey taken in 2Q 2021. Since last year, rents have increased three to four percent. The contact stated that the property anticipates increasing the rents to the new 2022 limits once they are published. The current rents have been notated as achievable by the contact. The contact stated that the property offers full size washer and dryers in the units at an additional cost of \$50 per month. Overall, the contact did not report any significant impact to the property as a result of the COVID-19 pandemic. Lastly, the contact stated that there is a high demand for affordable housing in the area.

PROPERTY PROFILE REPORT

Summer Breeze Park

Effective Rent Date	4/21/2022
Location	14 Summer Breeze Ln Ringgold, GA 30736 Catoosa County
Distance	6 miles
Units	72
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2016 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Tina
Phone	(706) 229-7440



Market Information

Program	@50%, @60%
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	1%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased five to seven percent
Concession	None
Waiting List	Yes, 95 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	11	866	\$505	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	7	866	\$520	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	2	1,069	\$570	\$0	@50%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	28	1,069	\$580	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	2	1,239	\$620	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	22	1,239	\$630	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$505	\$0	\$505	\$0	\$505	1BR / 1BA	\$520	\$0	\$520	\$0	\$520
2BR / 2BA	\$570	\$0	\$570	\$0	\$570	2BR / 2BA	\$580	\$0	\$580	\$0	\$580
3BR / 2BA	\$620	\$0	\$620	\$0	\$620	3BR / 2BA	\$630	\$0	\$630	\$0	\$630

Summer Breeze Park, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	Adult Education
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Washer/Dryer hookup			
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	library
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground			

Comments

The contact stated the property was not charging maximum allowable rents and was unsure if higher rents were achievable. The contact reported there was a strong demand for affordable housing in the market.

Photos



PROPERTY PROFILE REPORT

Dalton Village Apartments

Effective Rent Date	4/06/2022
Location	1809 Shadow Lane Dalton, GA 30720 Whitfield County
Distance	8.4 miles
Units	140
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	1972 / 2018
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None Identified
Tenant Characteristics	Mixed tenancy from Dalton: 10 percent senior
Contact Name	Katherine
Phone	706.226.6424



Market Information

Program	Market
Annual Turnover Rate	17%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-lease
Annual Chg. in Rent	Increased 6-20% since 2Q 2021
Concession	None
Waiting List	Yes, 100 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	N/A	800	\$975	\$0	Market	Yes	0	N/A	N/A	HIGH*
1	1	Garden (3 stories)	40	800	\$875	\$0	Market	Yes	0	0.0%	N/A	LOW*
2	2	Garden (3 stories)	N/A	1,200	\$1,200	\$0	Market	Yes	0	N/A	N/A	HIGH*
2	2	Garden (3 stories)	64	1,200	\$1,050	\$0	Market	Yes	0	0.0%	N/A	LOW*
3	2	Garden (3 stories)	N/A	1,470	\$1,325	\$0	Market	Yes	0	N/A	N/A	HIGH*
3	2	Garden (3 stories)	36	1,470	\$1,200	\$0	Market	Yes	0	0.0%	N/A	LOW*

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$875 - \$975	\$0	\$875 - \$975	-\$30	\$845 - \$945
2BR / 2BA	\$1,050 - \$1,200	\$0	\$1,050 - \$1,200	-\$37	\$1,013 - \$1,163
3BR / 2BA	\$1,200 - \$1,325	\$0	\$1,200 - \$1,325	-\$50	\$1,150 - \$1,275

Dalton Village Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Exercise Facility	Central Laundry	None	Walking trails, Dog park
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

The contact reported that the property is fully occupied. The contact also stated that 10 percent of the tenants on property are seniors. Rents have increased six to 20 percent since the last survey taken in April 2021. The property now offers a rent range based on if the unit has been renovated. This is reflected as "low" for non-renovated units and "high" for the renovated units. Renovated units were used for comparison in our analysis. The property does not accept Housing Choice Vouchers. Overall, the contact did not report any significant impact to the property as a result of the COVID-19 pandemic. The contact stated there is a high demand for affordable housing in the area.

Photos



PROPERTY PROFILE REPORT

Legacy Of Dalton Apartments

Effective Rent Date	4/06/2022
Location	2111 Club Drive Dalton, GA 30720 Whitfield County
Distance	8.2 miles
Units	158
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (2 stories)
Year Built/Renovated	1976 / 2010
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Parkview Apartments
Tenant Characteristics	Mixed local tenancy; 15-20 percent seniors
Contact Name	Joanna
Phone	762-344-2400



Market Information

Program	Market
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Preleased to one week
Annual Chg. in Rent	increased by 2-6% since 3Q 2021
Concession	None
Waiting List	Yes, for three-bedroom units. The waitlist is currently seven households long.

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	81	800	\$900	\$0	Market	Yes	0	0.0%	N/A	None
2	2	Garden (2 stories)	53	1,100	\$1,050	\$0	Market	Yes	0	0.0%	N/A	None
3	2	Garden (2 stories)	24	1,300	\$1,250	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$900	\$0	\$900	\$15	\$915
2BR / 2BA	\$1,050	\$0	\$1,050	\$15	\$1,065
3BR / 2BA	\$1,250	\$0	\$1,250	\$15	\$1,265

Legacy Of Dalton Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Basketball Court	Clubhouse/Meeting Room/Community	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Recreation Areas	Swimming Pool		
Tennis Court			

Comments

The property currently has three vacancies; one one-bedroom units and two two-bedroom units. The property does not accept Housing Choice Vouchers. The contact stated that 15 to 20 percent of the residents are seniors. Rents have increased by two to six percent since 3Q 2021. Overall, the contact did not report any significant impact to the property as a result of the COVID-19 pandemic. The contact also stated that there is a high demand for affordable housing in the area.

Photos



PROPERTY PROFILE REPORT

Park Canyon Apartments

Effective Rent Date	4/20/2022
Location	100 Park Canyon Drive Dalton, GA 30720 Whitfield County
Distance	8.6 miles
Units	180
Vacant Units	2
Vacancy Rate	1.1%
Type	Garden (3 stories)
Year Built/Renovated	1988 / 2021
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Legacy Apartments, Dalton Beach Club Townhomes
Tenant Characteristics	Mixed tenancy with majority families; five percent seniors
Contact Name	Beverly
Phone	706-226-6054



Market Information

Program	Market
Annual Turnover Rate	23%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased to one week
Annual Chg. in Rent	Changes daily
Concession	None
Waiting List	No

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	19	453	\$750	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	10	490	\$765	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	33	680	\$765	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (3 stories)	64	728	\$770	\$0	Market	No	1	1.6%	N/A	None
2	1.5	Garden (3 stories)	34	960	\$895	\$0	Market	No	1	2.9%	N/A	None
2	1.5	Garden (3 stories)	20	1,064	\$960	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$750 - \$770	\$0	\$750 - \$770	-\$45	\$705 - \$725
2BR / 1.5BA	\$895 - \$960	\$0	\$895 - \$960	-\$52	\$843 - \$908

Park Canyon Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Oven	Refrigerator		
Vaulted Ceilings	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Car Wash	Clubhouse/Meeting Room/Community	None	Walking trails
Exercise Facility	Jacuzzi		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Recreation Areas	Swimming Pool		

Comments

The property does not accept Housing Choice Vouchers. The property began renovating units in 2021 as they became vacant. The rents in the profile reflect renovated units. Renovations include new flooring, appliances, light fixtures, and upgraded appliances. The contact noted there was high demand for rental housing in the market.

Photos



Comments

The contact reported that the property is 93 percent occupied. The property does not accept Housing Choice Vouchers. The contact was not willing to share a rough percentage of how many seniors live on property. Rents have increased by seven to eight percent since the last survey taken April 2021. The contact stated the property started renovation in 2021. Renovations include new flooring, stainless steel appliances, and light fixtures. Additionally, renovated units rent for a premium of \$100 compared to non-renovated units. The rents portrayed in the property profile as high and low reflect renovated versus non-renovated units. Renovated units were used for comparison in our analysis. Overall, the contact did not report any significant impact to the property as a result of the COVID-19 pandemic. The contact does not see a high demand for affordable housing in the area.

Photos



2. Housing Choice Vouchers

We spoke with Mary de la Vaux, Special Assistant at the Georgia Department of Community Affairs. Mary de la Vaux reported that 13 Housing Choice Vouchers are currently administered in Whitfield County. Additionally, the waiting list for vouchers was last open in April 2021, and is currently closed. There are currently 804 households on the waiting list for Northern Region, which includes Whitfield County.

The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS			
Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Autumn Ridge	LIHTC/ Market	Family	2%
Bedford Place*	LIHTC/ Market	Family	6%
Dawnville Meadows	LIHTC	Family	15%
Dalton Village Apartments*	Market	Family	0%
Legacy Of Dalton Apartments*	Market	Family	0%
Park Canyon Apartments*	Market	Family	0%
Preserves At Mill Creek	Market	Family	0%

*Located outside of the PMA

Housing Choice Voucher usage among the comparables ranges from zero to 15 percent. The LIHTC and mixed-income properties report a low reliance on tenants with vouchers. Thus, it appears that the Subject will not need to rely on voucher residents in order to maintain a high occupancy level. We believe the Subject would maintain a voucher usage of less than ten percent.

3. Phased Developments

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

Lease Up History

We were able to obtain absorption information from three of the comparable properties, which is illustrated following table.

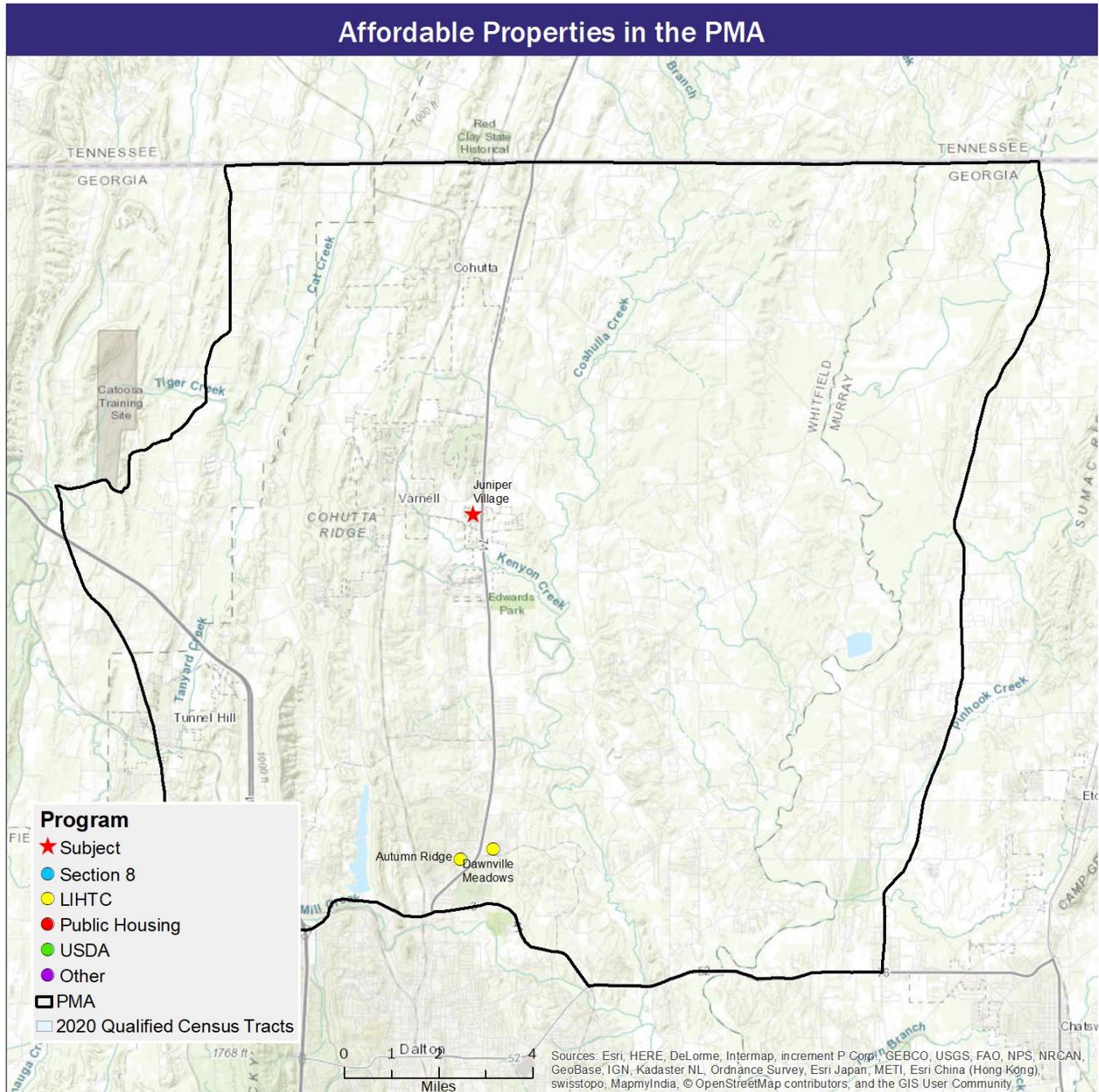
ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Forest Cove Apartments	Market	Family	2014	120	10
Hunters Point Apartments	Market	Family	2014	260	19
Integra Hilla Preserve	Market	Family	2013/2015	498	19
The Legends at White Oak	Market	Family	2014	312	20
Lone Mountain Village I and II	LIHTC	Senior	2008	120	14

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. We believe there will be strong demand for the Subject’s units due to the general lack of affordable housing in Varnell and surrounding areas, the low vacancy rates among the stabilized LIHTC comparables, and presence of waiting lists in the market. We believe the Subject will experience an absorption rate most similar to the properties illustrated above and give most weight to the average, which is 16 units per month. Thus, we concluded to an absorption pace of 15 units per month, which indicates an absorption period of three to four months to reach 93 percent occupancy and our concluded stabilized occupancy of 95 percent.

4. Competitive Project Map

COMPETITIVE PROJECT

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color
Juniper Village	LIHTC	Varnell	Family	52	-	Star
Autumn Ridge	LIHTC/Market	Dalton	Family	130	99.2%	Yellow
Dawnville Meadows	LIHTC	Dalton	Family	120	100.0%	Yellow



5. Amenities

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

AMENITY MATRIX								
	Subject	Autumn Ridge	Bedford Place	Dawnville Meadows	Dalton Village Apartments	Legacy Of Dalton Apartments	Park Canyon Apartments	Preserves At Mill Creek
Rent Structure	LIHTC	LIHTC/	LIHTC/	LIHTC	Market	Market	Market	Market
Building								
Property Type	Garden	Garden	Garden	Garden	Garden	Garden	Garden	Townhouse
# of Stories	2–stories	2–stories	2–stories	2–stories	3–stories	2–stories	3–stories	2–stories
Year Built	2024	2004	2004	2000	1972	1976	1988	1985
Year Renovated	n/a	n/a	n/a	2019	2018	2010	2021	2021
Utility Structure								
Cooking	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no
Water	no	no	no	yes	yes	no	yes	no
Sewer	no	no	no	yes	yes	no	yes	no
Trash	yes	yes	yes	yes	no	no	yes	yes
Accessibility								
Unit Amenities								
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	no	no	yes	yes	yes	yes	yes
Hardwood	no	yes	yes	no	no	no	no	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	no	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	yes	yes	yes	yes	no
Fireplace	no	no	no	no	no	no	no	yes
Vaulted Ceilings	no	no	no	no	no	no	yes	no
Walk-In Closet	no	yes	no	no	yes	yes	yes	yes
Washer/Dryer	no	no	no	yes	no	no	no	no
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen								
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	no	no
Microwave	yes	no	no	no	no	no	no	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes
Community								
Business Center	yes	no	yes	no	no	no	no	no
Community Room	yes	yes	yes	yes	no	yes	yes	no
Central Laundry	yes	yes	yes	yes	yes	yes	yes	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes
Recreation								
Basketball Court	no	yes	yes	no	no	yes	no	no
Exercise Facility	yes	yes	yes	yes	yes	yes	yes	no
Playground	yes	yes	yes	yes	yes	yes	no	yes
Swimming Pool	no	yes	no	yes	yes	yes	yes	yes
Picnic Area	yes	yes	yes	yes	yes	yes	yes	no
Sport Court	no	no	no	yes	no	no	no	no
Tennis Court	no	no	no	no	no	yes	no	yes
Jacuzzi	no	no	no	no	no	no	yes	no
Hot Tub	no	no	no	no	no	no	yes	no
Recreational Area	no	yes	no	no	no	yes	yes	no
Volleyball Court	no	no	no	yes	no	no	no	no
Security								
Patrol	no	yes	no	no	no	yes	no	no
Perimeter Fencing	no	no	yes	no	no	no	no	no
Video Surveillance	no	no	yes	no	no	no	no	no
Parking								
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes
Off-Street Fee	n/a	\$0	\$0	\$0	\$0	\$0	\$0	\$0

The Subject will offer inferior to similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and will offer slightly inferior to similar property amenities in comparison to the LIHTC and market rate comparables. The Subject will offer a business center, community room, and exercise facility, which many of the comparables will lack. However, the Subject will lack a swimming pool, which is offered at all but one of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

6. Comparable Tenancy

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

Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Autumn Ridge	LIHTC/ Market	Family	130	1	0.8%
Bedford Place*	LIHTC/ Market	Family	88	0	0.0%
Dawnville Meadows	LIHTC	Family	120	0	0.0%
Dalton Village Apartments*	Market	Family	140	0	0.0%
Legacy Of Dalton Apartments*	Market	Family	158	0	0.0%
Park Canyon Apartments*	Market	Family	180	2	1.1%
Preserves At Mill Creek	Market	Family	155	0	0.0%
Total LIHTC			338	1	0.3%
Total Market Rate			633	2	0.3%
Overall Total			971	3	0.3%

*Located outside of the PMA

Overall vacancy in the market is very low at 0.3 percent. Total LIHTC vacancy is very low, at 0.3 percent. Autumn Ridge is the only LIHTC comparable that reported vacancy. Management at this property reported that the vacant unit is being processed from the waiting list, which consists of over 75 households. All of the remaining LIHTC and mixed-income comparables, apart from Park Canyon, also maintain waiting lists, ranging from six to 149 households in length.

The vacancy rates among the market rate comparable properties range from zero to 1.1 percent, averaging 0.3 percent, which is considered very low. Park Canyon Apartments was the only market rate property which reported two vacant units. Three of the four comparable market rate properties reported maintaining waiting lists, ranging from six to 100 households in length. Based on these factors, we believe that there is sufficient demand for additional affordable housing in the market. As a newly constructed property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

7. Properties Under Construction and Proposed

We made numerous attempts to contact the Whitfield County Planning and Zoning Department. However, as of the date of this report, our calls have not been returned. We conducted additional online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and a CoStar new construction report. The following section details properties currently planned, proposed or under construction

Crow Valley Heights

- a. Location: Crow Valley Road and Ashton Woods Way, Dalton, GA
- b. Owner: Hallmark Crow Valley, LP
- c. Total number of units: 80 units
- d. Unit configuration: One, two, and three-bedroom units
- e. Rent structure: 50 and 60 percent AMI
- f. Estimated market entry: December 2022

Relevant information: The one, two and three-bedroom units at 50 and 60 percent AMI will compete directly with the Subject and these units have been deducted in our demand

8. Rental Advantage

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

SIMILARITY MATRIX

#	Property Name	Program	Property Amenities	Unit Features	Location	Age / Condition	Unit Sizes	Overall Comparison
1	Autumn Ridge	LIHTC/Market	Slightly Superior	Similar	Similar	Inferior	Slightly Superior	0
2	Bedford Place	LIHTC/Market	Similar	Similar	Superior	Inferior	Similar	0
3	Dawnville Meadows	LIHTC	Slightly Superior	Superior	Similar	Slightly Inferior	Similar	10
4	Dalton Village Apartments	Market	Similar	Slightly Superior	Slightly Superior	Inferior	Similar	0
5	Legacy Of Dalton Apartments	Market	Slightly Superior	Slightly Superior	Slightly Superior	Inferior	Similar	5
6	Park Canyon Apartments	Market	Slightly Superior	Slightly Superior	Slightly Superior	Slightly Inferior	Similar	10
7	Preserves At Mill Creek	Market	Similar	Similar	Slightly Superior	Slightly Inferior	Similar	0

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

The Subject’s location is considered a rural area as determined by USDA. Therefore, the Subject is eligible to use the national non-metropolitan rent and income limits, which are higher than the published rent and income limits for Whitfield County. The rental rates at the LIHTC properties are compared to the Subject’s proposed 50 and 60 percent AMI rents in the following table.

LIHTC RENT COMPARISON @50%

Property Name	County	1BR	2BR	3BR	Rents at Max?
Juniper Village	Whitfield	\$486	\$581	\$658	Yes
2021 LIHTC National Non-Metro Maximum Rent (Net)	Whitfield	\$486	\$581	\$658	
LIHTC Maximum Rent (Net) (Catoosa County)	Catoosa	\$561	\$670	\$761	
Autumn Ridge	Whitfield	\$470	\$561	\$635	No
Bedford Place	Catoosa	\$530	\$625	\$665	No
Average		\$500	\$593	\$650	

LIHTC RENT COMPARISON @60%

	County	1BR	2BR	3BR	Rents at Max?
Juniper Village	Whitfield	\$605	\$724	\$823	Yes
2021 LIHTC National Non-Metro Maximum Rent (Net)	Whitfield	\$605	\$724	\$823	
LIHTC Maximum Rent (Net) (Catoosa County)	Catoosa	\$695	\$831	\$947	
Autumn Ridge	Whitfield	\$585	\$700	\$795	No
Bedford Place	Catoosa	\$565	\$640	\$705	No
Dawnville Meadows	Whitfield	-	\$644	\$730	Yes
Average		\$575	\$661	\$743	

The Subject property is held to the 2021 National Non-Metro maximum allowable levels. The Subject will offer one, two, and three-bedroom units at the 50 and 60 percent AMI levels. The Subject’s proposed rents are set at the 2021 National Non-Metro maximum allowable levels. The comparable LIHTC properties are located in Whitfield and Catoosa Counties and were built and renovated between 2000 and 2019. Bedford Place, the comparable in Catoosa County, is held to its respective county’s 2021 maximum allowable rents. The Subject and the comparables in Whitfield County are held to the National Non-Metro maximum allowable levels. Therefore, each of these properties are held to the same maximum allowable levels. Further, none of the comparable properties reported rents at the maximum allowable levels at 50 percent AMI.

Autumn Ridge is located 6.1 miles from the Subject in Dalton and offers a similar location. This property was constructed in 2004 and exhibits average condition, which is considered inferior to the anticipated excellent condition of the Subject upon completion. Autumn Ridge offers slightly superior property amenities compared to the Subject as it offers a swimming pool, which the Subject will not offer but lacks a business center, which the Subject will offer. Autumn Ridge offers similar in-unit amenities to the Subject. Autumn Ridge offers slightly superior unit sizes to the Subject. Overall, Autumn Ridge is similar to the proposed Subject. Management at Autumn Ridge reported the property maintains a waiting list of approximately more than 75 households, indicating higher rents are likely achievable. Thus, we believe the Subject can achieve higher rents than those at Autumn Ridge. Therefore, we believe the Subject’s proposed one, two, and three-bedroom rents at 50 and 60 percent AMI are reasonable and achievable.

LIHTC RENT COMPARISON @70%

Property Name	County	1BR	2BR	3BR	Rents at Max?
Juniper Village	Whitfield	\$700	\$800	\$900	No
2021 LIHTC National Non-Metro Maximum Rent (Net)	Whitfield	\$724	\$867	\$988	
LIHTC Maximum Rent (Net) (Catoosa County)	Catoosa	\$829	\$991	\$1,132	
Dalton Village Apartments (Market)	Whitfield	\$845	\$1,013	\$1,150	-
Legacy Of Dalton Apartments (Market)	Whitfield	\$915	\$1,065	\$1,265	-
Park Canyon Apartments (Market)	Whitfield	\$725	\$908	-	-
Preserves At Mill Creek (Market)	Whitfield	-	\$999	-	-
Average		\$828	\$990	\$1,131	

The Subject property is held to the 2021 National Non-Metro maximum allowable levels. The Subject will offer one, two, and three-bedroom units at the 70 percent AMI levels. The Subject’s proposed rents are set at the 2021 National Non-Metro maximum allowable levels. None of the comparable properties offer rents at this moderate income level. Therefore, we believe the most comparable rents for the Subject’s 70 percent AMI units are market rate rents. The Subject’s proposed rents at the 70 percent AMI level are well below the surveyed average of the market rate rents in the market. The qualifying incomes for this unit type, as illustrated in our demand analysis, are above 60 percent of the median household income within a half-mile radius of the Subject site. This indicates that the majority of tenants who would qualify for the Subject’s unit types are likely living in market rate housing and the Subject’s units at the 70 percent of the AMI level would be in direct competition with these units. As discussed below in our analysis of the Subject’s achievable market rents, we believe the Subject can achieve market rents similar those currently achieved at Dalton Village Apartments and below those currently achieved at Legacy of Dalton Apartments. Therefore, we believe that the Subject’s

proposed rents are reasonable and that there is upward potential as proposed based upon the strong market rent advantage that the Subject will offer.

Achievable Market Rents

Based on the quality of the surveyed comparable properties and the anticipated quality of the Subject, we conclude that the Subject’s proposed LIHTC rental rates are below the achievable market rates for the Subject’s area. The table below illustrates the comparison of the market rents.

SUBJECT COMPARISON TO MARKET RENTS

Unit Type	Subject Proposed Rents	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
1BR @ 50%	\$486	\$470	\$1,025	\$722	\$900	85%
1BR @ 60%	\$605	\$565	\$1,025	\$762	\$900	49%
1BR @ 70%	\$700	\$630	\$1,025	\$803	\$900	29%
2BR @ 50%	\$581	\$561	\$1,225	\$873	\$1,050	81%
2BR @ 60%	\$724	\$640	\$1,225	\$919	\$1,050	45%
2BR @ 70%	\$800	\$730	\$1,225	\$1,005	\$1,050	31%
3BR @ 50%	\$658	\$635	\$1,325	\$933	\$1,200	82%
3BR @ 60%	\$823	\$705	\$1,325	\$1,004	\$1,200	46%
3BR @ 70%	\$900	\$1,150	\$1,325	\$1,254	\$1,200	33%

Dalton Village Apartments is a market rate property that is located 8.4 miles from the Subject in Dalton in a slightly superior location. Dalton Village Apartments was built in 1972, renovated in 2018 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Dalton Village Apartments offers similar property amenities compared to the Subject. Dalton Village Apartments offers slightly superior in-unit amenities compared to the Subject, as it offers exterior storage, which the Subject will lack. In terms of unit sizes, Dalton Village Apartments is similar to the Subject. Overall, Dalton Village Apartments is similar to the proposed Subject.

Legacy of Dalton Apartments is a market rate property that is located 8.2 miles from the Subject in Dalton and offers a slightly superior location. Legacy of Dalton Apartments was built in 1976, renovated in 2010, and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Legacy of Dalton Apartments offers slightly superior property amenities when compared to the Subject as it offers a swimming pool, which the Subject will not offer but does not offer a business center, which the Subject will offer. This property offers slightly superior in-unit amenities when compared to the Subject, as it offers exterior storage, which the Subject will lack. In terms of unit sizes, Legacy of Dalton Apartments is similar to the proposed Subject. Overall, Legacy of Dalton Apartments is slightly superior to the Subject, as proposed.

Overall, we believe that the Subject can achieve rents similar those currently achieved at Dalton Village Apartments and below to those currently achieved at Legacy of Dalton Apartments. Thus, we concluded to market rents of **\$900, \$1,050, and \$1,200** for the Subject’s one, two, and three-bedroom units, respectively. The Subject’s proposed rents will offer a significant rent advantage ranging from 27 to 81 percent below achievable market rents.

9. Rental Trends in the PMA

The table below depicts household growth by tenure from 2000 through 2026.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	9,144	66.2%	4,659	33.8%
2021	13,334	78.1%	3,730	21.9%
Projected Mkt Entry August 2024	13,560	78.5%	3,709	21.5%
2026	13,700	78.8%	3,696	21.2%

Source: Esri Demographics 2021, Novogradac Consulting LLP, April 2022

As the table illustrates, households within the PMA reside in predominately owner-occupied residences. Nationally, approximately two-thirds of the population resides in owner-occupied housing units, and one-third resides in renter-occupied housing units. Therefore, there is a smaller percentage of renters in the PMA than the nation. This percentage is projected to remain relatively stable over the next five years.

Historical Vacancy

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

HISTORICAL VACANCY											
Property Name	Program	Total Units	2017 Q4	2018 Q2	2018 Q3	2018 Q4	2020 Q2	2021 Q1	2021 Q2	2021 Q3	2022 Q2
Juniper Village	LIHTC/ Market	64	N/A								
Autumn Ridge	LIHTC/ Market	130	N/A	N/A	0.0%	N/A	N/A	N/A	0.0%	N/A	0.8%
Bedford Place	LIHTC/ Market	88	N/A	N/A	N/A	0.0%	0.0%	N/A	N/A	N/A	0.0%
Dawnville Meadows	LIHTC	120	N/A	N/A	N/A	0.8%	0.0%	N/A	0.0%	N/A	0.0%
Dalton Village Apartments	Market	140	20.0%	10.7%	N/A	13.6%	N/A	7.1%	0.0%	3.6%	0.0%
Legacy Of Dalton Apartments	Market	158	2.5%	3.8%	0.0%	N/A	0.0%	7.0%	0.0%	0.0%	0.0%
Park Canyon Apartments	Market	180	0.6%	0.0%	N/A	N/A	0.0%	4.6%	0.0%	2.0%	1.1%
Preserves At Mill Creek	Market	155	0.0%	0.6%	N/A	2.6%	N/A	N/A	0.0%	N/A	0.0%

The historical vacancy rates at all of the comparable properties for several quarters in the past five years are illustrated in the previous table. In general, the comparable properties have experienced low vacancy levels from 2017 through the second quarter of 2022. It should be noted that there was an increase in historical vacancy rates at Dalton Village Apartments, which can be attributed to the renovations which occurred in 2018. Overall, we believe that the current performance of the LIHTC comparable properties indicate demand for affordable rental housing in the Subject’s market.

Change in Rental Rates

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

RENT GROWTH			
Property Name	Rent Structure	Tenancy	Rent Growth
Autumn Ridge	LIHTC/ Market	Family	LIHTC increased 10%; Mkt 38%
Bedford Place*	LIHTC/ Market	Family	Increased up to 4.5 percent
Dawnville Meadows	LIHTC	Family	Increased 3-4% since 2Q 2021
Dalton Village Apartments*	Market	Family	Increased 6-20% since 2Q 2021
Legacy Of Dalton Apartments*	Market	Family	Increased by 2-6% since 3Q 2021
Park Canyon Apartments*	Market	Family	Changes daily
Preserves At Mill Creek	Market	Family	Increased 7-8% since 2Q 2021

*Located outside of the PMA

The LIHTC and mixed-income properties report growth of up to 38 percent in the past year. The market rate properties reported rent growth of up to 20 percent. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

10. Impact of Foreclosed, Abandoned and Vacant Structures

According to ATTOM Data Solutions statistics, one in every 6,848 housing units nationwide was in some stage of foreclosure as of March 2022. Georgia is experiencing one foreclosure in every 5,621 housing units. However, no information was available for the city of Varnell and Whitfield County. It should be noted that the Subject's neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

11. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject are considered low to moderate for all bedroom types and AMI levels. If allocated, the Subject will be generally inferior to slightly superior to the existing LIHTC housing stock. The average LIHTC vacancy rate is very low at 0.3 percent. Autumn Ridge is the only LIHTC comparable that reported vacancy. Management at this property reported that the vacant unit is being processed from the waiting list, which consists of over 75 households. All of the remaining LIHTC and mixed-income comparables also maintain waiting lists, up to 149 households in length, indicating strong demand for affordable housing in the area. Therefore, we believe there is strong demand for the Subject as proposed. Crow Valley Heights is the only property that was allocated in the Subject's PMA since 2019. This property was allocated in 2019 for the new construction of 80 units targeting families in Dalton, approximately 7.4 miles south of the Subject. Construction is expected to be completed in 2022. Upon completion, the property will offer 80 one, two, and three-bedroom units restricted to 50 and 60 percent of the AMI. This property targets a similar tenancy to the Subject and will be considered directly competitive. As such, we deducted these units in our demand analysis. We do not believe that the addition of the Subject to the market will impact the lone recent allocation or the existing LIHTC properties that are in overall good condition and currently performing well.

12. Effect of Subject on Other Affordable Units in Market

As previously noted, there is one LIHTC developments currently proposed or under construction in the PMA. The low vacancy rates among both the affordable and market rate properties illustrate unmet demand for affordable housing in the area. Further, all of the LIHTC comparables reported maintaining waiting lists of up to 75 households. In summary, the performance of the comparable LIHTC properties, the existence of waiting lists for affordable units, and the Subject's low to moderate capture rates all indicate that the Subject will not negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Overall vacancy in the market is very low at 0.3 percent. Total LIHTC vacancy is very low, at 0.3 percent. Autumn Ridge is the only LIHTC comparable that reported vacancy. Management at this property reported that the vacant unit is being processed from the waiting list, which consists of over 75 households. All of the remaining LIHTC and mixed-income comparables also maintain waiting lists, up to 149 households in length. Additionally, management at all of the LIHTC and mixed-income comparables reported a strong demand for affordable housing in the area. These factors indicate demand for affordable housing in the area is strong. The Subject will offer inferior to similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and will offer slightly inferior to similar property amenities in comparison to the LIHTC and market rate comparables. The Subject will offer a business center, community room, and exercise facility, which many of the comparables will lack. However, the Subject will lack a swimming pool, which is offered at all but one of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be inferior to slightly superior to the LIHTC and mixed-income comparable properties. Given the Subject's anticipated superior condition relative to the competition

and the demand for affordable housing evidenced by waiting lists and full occupancy at the majority of the LIHTC and mixed-income comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

J. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

We were able to obtain absorption information from three of the comparable properties, which is illustrated following table.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Forest Cove Apartments	Market	Family	2014	120	10
Hunters Point Apartments	Market	Family	2014	260	19
Integra Hilla Preserve	Market	Family	2013/2015	498	19
The Legends at White Oak	Market	Family	2014	312	20
Lone Mountain Village I and II	LIHTC	Senior	2008	120	14

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. We believe there will be strong demand for the Subject’s units due to the general lack of affordable housing in Varnell and surrounding areas, the low vacancy rates among the stabilized LIHTC comparables, and presence of waiting lists in the market. We believe the Subject will experience an absorption rate most similar to the properties illustrated above and give most weight to the average, which is 16 units per month. Thus, we concluded to an absorption pace of 15 units per month, which indicates an absorption period of three to four months to reach 93 percent occupancy and our concluded stabilized occupancy of 95 percent.

K. INTERVIEWS

Georgia Department of Community Affairs

We spoke with Mary de la Vaux, Special Assistant at the Georgia Department of Community Affairs. Ms. de la Vaux reported that 13 Housing Choice Vouchers are currently administered in Whitfield County. Additionally, the waiting list for vouchers is currently closed. There are currently 804 households on the waiting list for the Northern Region, which includes Whitfield County.

PAYMENT STANDARDS

Unit Type	Payment Standard
One-Bedroom	\$664
Two-Bedroom	\$823
Three-Bedroom	\$1,128

Source: GA DCA, effective Jan 1, 2022

The Subject’s proposed rents for the one, two and three-bedroom units at the 50 and 60 percent AMI levels and the Subject’s proposed rents for the one and three-bedroom market rate units are set below the current payment standards. Therefore, tenants with Housing Choice Vouchers will not pay out of pocket for rent. However, the Subject’s two-bedroom market rate units are set above the current payment standards. Therefore, tenants with Housing Choice Vouchers will pay out of pocket for rent.

Planning

We made numerous attempts to contact the Whitfield County Planning and Zoning Department. However, as of the date of this report, our calls have not been returned. We conducted additional online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and a CoStar new construction report. According to our research, there are no multifamily developments currently planned, proposed, or under construction in the Subject’s PMA.

Dalton-Whitfield County Joint Development Authority

The Dalton-Whitfield County Joint Development Authority posts news highlighting businesses expanding or relocating in Whitfield County. Below are business expansions since 2018 announced by the Dalton-Whitfield County Joint Development Authority.

- On July 24, 2020, GEDIA Automotive Group, a family-owned international company that specializes in making state-of-the-art automotive parts, announced it will build an advanced manufacturing facility that will begin production with a focus on parts for electric vehicles. GEDIA will invest \$85 million in this project, delivering 200 jobs to the greater Dalton area
- Novalis Innovative Flooring announced plans on January 24, 2020 to build its first U.S. production facility in Whitfield County. Novalis is investing \$30 million dollars in the project and expects to create at least 120 new jobs.
- On September 27, 2018, the Dalton-Whitfield County Joint Development Authority announced plans for a new 70-acre commercial business park is being developed in Dalton, GA on Old Dixie Highway. The site is adjacent to rail and will have rail service to two sites. Healthier Choice Flooring will be the anchor tenant in the park and has announced plans to construct a new 200,000 sq. ft. facility. The company will invest approximately \$12 million and hire 25 employees for the new facility. Craig Poteet, President of Healthier Choice Flooring, is leading the development of the park. As the second tenant in the park, Reagent Chemical and Research, Inc., maker of White Flyer clay shooting targets is pleased to announce plans for their new Dalton, GA facility. This will be their 5th state of the art target manufacturing facility in the United States. As of April 2021, the site has expanded and currently has 175+ acres with utilities available for additional industrial operations

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

L. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

The population in the PMA and the MSA increased from 2000 to 2021, though the rate of growth slowed from 2010 to 2021. The rate of population and household growth is projected to continue increasing through 2024. The current population of the PMA is 48,770 and is expected to be 49,667 in 2026. The current number of households in the PMA is 17,064 and is expected to be 17,396 in 2026. Renter households are concentrated in the mid-level income cohorts, with 50.4 percent of renters in the PMA earning between \$20,000 and \$49,999 annually. The Subject will target households earning between \$20,366 and \$47,950; therefore, the Subject should be well-positioned to service this market. Overall, the population growth and the concentration of renter households at the low-income cohorts indicates significant demand for affordable rental housing in the market.

Employment Trends

Employment in the PMA is concentrated in the manufacturing, retail trade, and healthcare/social assistance, which collectively comprise 52.0 percent of local employment. The large share of PMA employment in retail trade and manufacturing is notable as these industries are historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing and utilities industries. Conversely, the PMA is underrepresented in the healthcare/social assistance, educational services, and construction industries. Employment in the MSA declined by 4.3 percent in 2020 amid the pandemic, compared to the overall nation at 6.2 percent. Total employment in the MSA currently remains similar to the pre-COVID level reached in 2019. As of April 2022, employment in the MSA is increasing at an annualized rate of 0.6 percent, compared to the 5.0 percent growth reported across the nation. We expect that as the State of Georgia continues to advance in its reopening strategy, the employment and unemployment rates will return to historical levels.

During the period preceding the onset of COVID-19 (2012 - 2019), employment growth in the MSA lagged the nation in all but three years. Employment in the MSA declined by 4.3 percent in 2020 amid the pandemic, compared to the overall nation at 6.2 percent. Total employment in the MSA currently remains similar to the pre-COVID level reached in 2019. As of April 2022, employment in the MSA is increasing at an annualized rate of 0.6 percent, compared to the 5.0 percent growth reported across the nation.

During the period preceding the onset of COVID-19 (2012 - 2019), the MSA generally experienced a higher unemployment rate relative to the nation. The MSA unemployment rate increased by 2.6 percentage points in 2020 amid the pandemic, reaching a high of 7.3 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated April 2022, the current MSA unemployment rate is 3.6 percent. This is below the COVID highs of 2020, and below the current national unemployment rate of 4.1 percent.

Capture Rates

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR @50%	\$20,366	\$25,350	2	71	4	67	3.0%	\$486
1BR @60%	\$24,446	\$30,420	5	92	12	80	6.2%	\$605
1BR @70%	\$27,703	\$35,490	1	108	0	108	0.9%	\$700
1BR Overall	\$20,366	\$35,490	8	143	16	127	6.3%	-
2BR @50%	\$24,446	\$28,550	8	114	10	104	7.7%	\$581
2BR @60%	\$29,349	\$34,260	13	148	38	110	11.8%	\$724
2BR @70%	\$31,954	\$39,970	3	173	0	173	1.7%	\$800
2BR Overall	\$24,446	\$39,970	24	228	48	180	13.3%	-
3BR @50%	\$28,251	\$34,250	7	143	4	139	5.0%	\$658
3BR @60%	\$33,909	\$41,100	11	186	12	174	6.3%	\$823
3BR @70%	\$36,549	\$47,950	2	217	0	217	0.9%	\$900
3BR Overall	\$28,251	\$47,950	20	286	16	270	7.4%	-
@50% Overall	\$20,366	\$34,250	17	329	18	311	5.5%	-
@60% Overall	\$24,446	\$41,100	29	426	62	364	8.0%	-
@70% Overall	\$27,703	\$47,950	6	498	0	498	1.2%	-
Overall	\$20,366	\$47,950	52	657	80	577	9.0%	-

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

Absorption

We were able to obtain absorption information from three of the comparable properties, which is illustrated following table.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Forest Cove Apartments	Market	Family	2014	120	10
Hunters Point Apartments	Market	Family	2014	260	19
Integra Hilla Preserve	Market	Family	2013/2015	498	19
The Legends at White Oak	Market	Family	2014	312	20
Lone Mountain Village I and II	LIHTC	Senior	2008	120	14

Per DCA guidelines, we have calculated the absorption to 93 percent occupancy. We believe there will be strong demand for the Subject’s units due to the general lack of affordable housing in Varnell and surrounding areas, the low vacancy rates among the stabilized LIHTC comparables, and presence of waiting lists in the market. We believe the Subject will experience an absorption rate most similar to the properties illustrated above and give most weight to the average, which is 16 units per month. Thus, we concluded to an absorption pace of 15 units per month, which indicates an absorption period of three to four months to reach 93 percent occupancy and our concluded stabilized occupancy of 95 percent.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY

Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Autumn Ridge	LIHTC/ Market	Family	130	1	0.8%
Bedford Place*	LIHTC/ Market	Family	88	0	0.0%
Dawnville Meadows	LIHTC	Family	120	0	0.0%
Dalton Village Apartments*	Market	Family	140	0	0.0%
Legacy Of Dalton Apartments*	Market	Family	158	0	0.0%
Park Canyon Apartments*	Market	Family	180	2	1.1%
Preserves At Mill Creek	Market	Family	155	0	0.0%
Total LIHTC			338	1	0.3%
Total Market Rate			633	2	0.3%
Overall Total			971	3	0.3%

*Located outside of the PMA

Overall vacancy in the market is very low at 0.3 percent. Total LIHTC vacancy is very low, at 0.3 percent. Autumn Ridge is the only LIHTC comparable that reported vacancy. Management at this property reported that the vacant unit is being processed from the waiting list, which consists of over 75 households. All of the remaining LIHTC and mixed-income comparables, apart from Park Canyon, also maintain waiting lists, ranging from six to 149 households in length.

The vacancy rates among the market rate comparable properties range from zero to 1.1 percent, averaging 0.3 percent, which is considered very low. Park Canyon Apartments was the only market rate property which reported two vacant units. Three of the four comparable market rate properties reported maintaining waiting lists, ranging from six to 100 households in length. Based on these factors, we believe that there is sufficient demand for additional affordable housing in the market. As a newly constructed property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less. We do not believe that the Subject will impact the performance of the existing LIHTC properties if allocated.

Strengths of the Subject

The Subject will be the newest LIHTC development in the PMA upon completion. The Subject will exhibit excellent condition upon completion, which is superior to slightly superior to the existing LIHTC housing stock in the PMA. The Subject will offer inferior to similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and will offer slightly inferior to similar property amenities in comparison to the LIHTC and market rate comparables. The Subject will offer a business center, community room, and exercise facility, which many of the comparables will lack. However, the Subject will lack a swimming pool, which is offered at six of the comparable developments. The Subject’s proposed rents are among the lowest in the market. Therefore, we believe the Subject will be well received in the market given its competitive advantage over the existing housing stock, competitive amenity packages, and rent advantage over the LIHTC and market rate comparables.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. Overall vacancy in the market is very low at 0.3 percent. Total LIHTC vacancy is very low, at 0.3 percent. Autumn Ridge is the only LIHTC comparable that reported vacancy. Management at this property reported that the vacant unit is being processed from the waiting list, which consists of over 75 households. All of the remaining LIHTC and mixed-income comparables also maintain waiting lists, up to 149 households in length. Additionally, management at all of the LIHTC and mixed-income comparables reported a strong demand for affordable housing in the area. These factors indicate demand for affordable housing in the area is strong. The Subject will offer inferior to similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and will offer slightly inferior to similar property amenities in comparison to the LIHTC and market rate comparables. The Subject will offer a business center, community

room, and exercise facility, which many of the comparables will lack. However, the Subject will lack a swimming pool, which is offered at all but one of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be considered slightly superior to superior in terms of condition to the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. In general, the Subject will be inferior to slightly superior to the LIHTC and mixed-income comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by waiting lists and full occupancy at the majority of the LIHTC and mixed-income comparable properties, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well.

Recommendations

We recommend the Subject as proposed.

M. SIGNED STATEMENT REQUIREMENTS

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

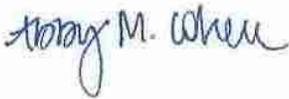
To the best of my knowledge, the market can support the project as shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in DCA's rental housing programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded.

DCA may rely on the representation made in the market study. The document is assignable to other lenders.



H. Blair Kincer, MAI, CRE
LEED Green Associate
Partner
Novogradac Consulting LLP

May 27, 2022



Abby Cohen
Partner
Novogradac Consulting LLP

May 27, 2022



Brian Neukam
Manager
Novogradac Consulting LLP

May 27, 2022



Clarence Messler
Junior Analyst
Novogradac Consulting LLP

May 27, 2022

Jasmin Fitch

Jasmin Fitch
Junior Analyst
Novogradac Consulting LLP

May 27, 2022

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ADDENDUM B
Subject and Neighborhood Photographs

Photographs of Subject Site and Surrounding Uses



View west along Ruby Drive north of the Subject



View east along Ruby Drive north of the Subject



View north along Ruby Drive west of the Subject site



View south along Ruby Drive west of the Subject site.



View of Subject site from Ruby Drive



View of Subject site from Ruby Drive



View of Subject site from Ruby Drive



View of Subject site from Ruby Drive



Commercial use in the Subject's Neighborhood



Food Lion in the Subject's Neighborhood



Family Dollar in the Subject's Neighborhood



Commercial use in the Subject's Neighborhood



Commercial use in the Subject's Neighborhood



Pharmacy in the Subject's Neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood



Single-family home in Subject's neighborhood

ADDENDUM C
Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

Duquesne University, Pittsburgh, Pennsylvania
Masters in Business Administration
Graduated Summa Cum Laude

West Virginia University, Morgantown, West Virginia
Bachelor of Science in Business Administration
Graduated Magna Cum Laude

II. Licensing and Professional Affiliation

Member of the Appraisal Institute (MAI)
Member, The Counselors of Real Estate (CRE)
LEED Green Associate
Member, National Council of Housing Market Analysts (NCHMA)
Past Member Frostburg Housing Authority

Certified General Real Estate Appraiser, No. RCG1046 – State of Connecticut
Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No. CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. NHCG-939 – State of New Hampshire
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. CGA.0020047 – State of Rhode Island
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia
Certified General Real Estate Appraiser, No. CG360 – State of West Virginia

III. Professional Experience

Partner, Novogradac & Company LLP
Vice President/Owner, Capital Realty Advisors, Inc.
Vice President - Acquisitions, The Community Partners Development Group, LLC
Commercial Loan Officer/Work-Out Specialist, First Federal Savings Bank of Western MD
Manager - Real Estate Valuation Services, Ernst & Young LLP
Senior Associate, Joseph J. Blake and Associates, Inc.
Senior Appraiser, Chevy Chase, F.S.B.
Senior Consultant, Pannell Kerr Forster

IV. Professional Training

Have presented at and attended various industry conferences regarding the HTC, RETC, NMTC and LIHTC and various market analysis and valuation issues.

Obtained the MAI designation in 1998, maintaining continuing education requirements since. Registered as completing additional professional development programs administered by the Appraisal Institute in the following topic areas:

- 1) Valuation of the Components of a Business Enterprise
- 2) Valuation of Sustainable Buildings: Commercial
- 3) Valuation of Sustainable Buildings: Residential

V. Real Estate Assignments – Examples

In general, have managed and conducted numerous market analyses and appraisals for all types of commercial real estate since 1988.

- Performed numerous appraisals for the US Army Corps of Engineers US Geological Survey and the GSA. Property types included Office, Hotel, Residential, Land, Gymnasium, warehouse space, border patrol office. Properties located in varied locations such as the Washington, DC area, Yuma, AZ, Moscow, ID, Blaine, WA, Lakewood, CO, Seattle, WA
- Performed appraisals of commercial properties such as hotels, retail strip centers, grocery stores, shopping centers etc for properties in various locations throughout Pennsylvania, New Jersey, Maryland, New York for Holiday, Fenoglio, Fowler, LP and Three Rivers Bank.
- Have managed and conducted numerous market and feasibility studies for affordable housing. Properties are generally Section 42 Low Income Housing Tax Credit Properties. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of LIHTC properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis. An area of special concentration has been the category of Senior Independent living properties. Work has been national in scope.
- Provided appraisal and market studies for a large portfolio of properties located throughout the United States. The reports provided included a variety of property types including vacant land, office buildings, multifamily rental properties, gas stations, hotels, retail buildings, industrial and warehouse space, country clubs and golf courses, etc. The portfolio included more than 150 assets and the work was performed for the SBA through Metec Asset Management LLP.
- Have managed and conducted numerous appraisals of affordable housing (primarily LIHTC developments). Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered

(LIHTC) and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and Pilot agreements.

- Performed numerous appraisals in 17 states of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing program. These appraisals meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA and the developer in the underwriting process. Market studies are compliant to State, FannieMae and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae appraisals of affordable and market rate multi-family properties for Fannie DUS Lenders. Currently have ongoing assignment relationships with several DUS Lenders.
- In accordance with HUD's Section 8 Renewal Policy and Chapter 9, Mr. Kincer has completed numerous Rent Comparability Studies for various property owners and local housing authorities. The properties were typically undergoing recertification under HUD's Mark to Market Program.
- Completed Fair Market Value analyses for solar panel installations, wind turbine installations, and other renewable energy assets in connection with financing and structuring analyses performed by various clients. The clients include lenders, investors, and developers. The reports are used by clients and their advisors to evaluate certain tax consequences applicable to ownership. Additionally, the reports have been used in the ITC funding process and in connection with the application for the federal grant identified as Section 1603 American Recovery & Reinvestment Act of 2009.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

ABBY M. COHEN

I. Education

The Pennsylvania State University, University Park, PA
Bachelor of Arts

II. Licensing and Professional Affiliation

Certified General Appraiser, FL License #RZ4143
Certified General Appraiser, MD License #40032823
Certified General Appraiser, NC License #A8127
Certified General Appraiser, NJ License #42RG00255000
Certified General Appraiser, SC License #7487

Designated Member of the National Council of Housing Market Analysts (NCHMA)
Member of Commercial Real Estate Women (CREW) Network

III. Professional Experience

Novogradac & Company LLP, Partner
Novogradac & Company LLP, Principal
Novogradac & Company LLP, Manager
Novogradac & Company LLP, Senior Real Estate Analyst

IV. Professional Training

7-Hour National USPAP Update for 2020-2021, February 2020
Appraisal of Fast Food Facilities, February 2020
Appraisal of Self-Storage Facilities, February 2020
The Odd Side of Appraisal, February 2020
Basic Hotel Appraising – Limited Service Hotels, October 2019
Advanced Hotel Appraising – Full Service Hotels, October 2019
Appraisal of REO and Foreclosure Properties, October 2019
Appraisal of Land Subject to Ground Leases, December 2017
Business Practices and Ethics, January 2017
General Appraiser Report Writing and Case Studies, February 2015
General Appraiser Sales Comparison Approach, February 2015
General Appraiser Site Valuation and Cost Approach, February 2015
Expert Witness for Commercial Appraisers, January 2015
Commercial Appraisal Review, January 2015
Real Estate Finance Statistics and Valuation Modeling, December 2014
General Appraiser Income Approach Part II, December 2014
General Appraiser Income Approach Part I, November 2014
General Appraiser Market Analysis and Highest & Best Use, November 2014
IRS Valuation Summit, October 2014
15-Hour National USPAP Equivalent, April 2013
Basic Appraisal Procedures, March 2013
Basic Appraisal Principles, January 2013

V. Publications

Co-authored “Post Rev. Proc. 2014-12 Trend Emerges: Developer Fee Reasonableness Opinions,” Novogradac Journal of Tax Credits, March 2016

VI. Real Estate Assignments

A representative sample of Asset Management, Due Diligence, and Valuation Engagements includes:

- Performed a variety of asset management services for a lender including monitoring and reporting property performance on a monthly basis. Data points monitored include economic vacancy, levels of concessions, income and expense levels, NOI and status of capital projects. Data used to determine these effects on the project's ability to meet its income-dependent obligations.
- Performed asset management services for lenders and syndicators on underperforming assets to identify significant issues facing the property and recommend solutions. Scope of work included analysis of deferred maintenance and property condition, security issues, signage, marketing strategy, condition of units upon turnover and staffing plan. Performed a physical inspection of the assets, to include interior and exterior of property and assessed how the property compares to competition. Analyzed operating expense results.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation. Completed market studies in all states.
- Assisted in appraisals of proposed new construction, rehabilitation, and existing Low-Income Housing Tax Credit properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Assisted in appraisal work for retail and commercial properties in various parts of the country for various lenders. The client utilized the study for underwriting purposes.
- Conducted market studies and appraisals for projects under the HUD Multifamily Accelerated Processing program.
- Prepared Rent Comparability Studies for expiring Section 8 contracts for subsidized properties located throughout the United States. Engagements included site visits to the subject property, interviewing and inspecting potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed all aspects of data collection and data mining for web-based rent reasonableness systems for use by local housing authorities.
- Completed numerous reasonableness opinions related to Revenue Procedure 2014-12. Transactions analyzed include projects involving the use of Historic Tax Credits, New Markets Tax Credits and Investment Tax Credits. Fees and arrangements tested for reasonableness include developer fees, construction management fees, property management fees, asset management fees, various leasing-related payments and overall master lease terms.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No. 329471

State of South Carolina Certified General Real Property Appraiser No. 7493

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, September 2015- Present

J Lawson & Associates, Associate Appraiser, October 2013- September 2015

Carr, Lawson, Cantrell, & Associates, Associate Appraiser, July 2007-October 2013

REAL ESTATE ASSIGNMENTS

A representative sample of due diligence, consulting or valuation assignments includes:

- Prepare market studies and appraisals throughout the U.S. for proposed and existing family and senior Low-Income Housing Tax Credit (LIHTC), market rate, HOME financed, USDA Rural Development, and HUD subsidized properties. Appraisal assignments involve determining the as is, as if complete, and as if complete and stabilized values.
- Conduct physical inspections of subject properties and comparables to determine condition and evaluate independent physical condition assessments.
- Performed valuations of a variety of commercial properties throughout the Southeast which included hotels, gas stations and convenience stores, churches, funeral homes, full service and fast-food restaurants, stand-alone retail, strip shopping centers, distribution warehouse and manufacturing facilities, cold storage facilities, residential and commercial zoned land, and residential subdivision lots. Intended uses included first mortgage, refinance, foreclosure/repossession (REO), and divorce.
- Employed discounted cash flow analysis (utilizing Argus or Excel) to value income producing properties and prepare or analyze cash flow forecasts.
- Reviewed and analyzed real estate leases, including identifying critical lease data such as commencement/expiration dates, various lease option types, rent and other income, repair and maintenance obligations, Common Area Maintenance (CAM), taxes, insurance, and other important lease clauses.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Clarence Messler

I. Education

Andrew Young School of Policy Studies - Georgia State University
Master of Interdisciplinary Studies in Urban Studies

Department of Geosciences – Georgia State University
Bachelor of Arts in Geosciences, Concentration in Urban Studies

II. Professional Experience

Junior Analyst, *Novogradac & Company LLP* – June 2021 – Present
Graduate Research Assistant, *Georgia State University* – August 2020 – December 2021
Field Research Assistant, *Georgia Department of Transportation/Georgia State University* – August 2018 – June 2021

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing markets studies of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and Housing Choice Voucher information.
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Jasmin Fitch

I. Education

Howard University School of Business – Howard University
Bachelor of Business Administration in Business Management, Concentration in Hospitality Management

II. Professional Experience

Junior Analyst, *Novogradac & Company LLP* – December 2021 – Present
Property Manager, *Dwell Communities* – January 2021 – December 2021
Assistant Food & Beverage Manager, *MGM Resorts International* – July 2017 – August 2020

III. Research Assignments

A representative sample of work on various types of projects:

- Assist in performing and writing markets studies of proposed and existing Low-Income Housing Tax Credit (LIHTC) properties.
- Research web-based rent reasonableness systems and contact local housing authorities for utility allowance schedules, payment standards, and Housing Choice Voucher information.
- Assisted numerous market and feasibility studies for family and senior affordable housing. Local housing authorities, developers, syndicators and lenders have used these studies to assist in the financial underwriting and design of market-rate and Low-Income Housing Tax Credit (LIHTC) properties. Analysis typically includes: unit mix determination, demand projections, rental rate analysis, competitive property surveying and overall market analysis.

ADDENDUM D

Summary Matrix

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate			
Subject	Juniper Village SE Of Ruby Drive Varnell, GA 30721 Whitfield County	-	Garden 2-stories 2024 / n/a Family	@50%, @60%, @70%	1BR / 1BA	2	3.9%	705	@50%	\$486	Yes	N/A	N/A	N/A			
					1BR / 1BA	5	9.6%	705	@60%	\$605	Yes	N/A	N/A	N/A			
					1BR / 1BA	1	1.9%	705	@70%	\$700	No	N/A	N/A	N/A			
					2BR / 2BA	8	15.4%	1,005	@50%	\$581	Yes	N/A	N/A	N/A			
					2BR / 2BA	13	25.0%	1,005	@60%	\$724	Yes	N/A	N/A	N/A			
					2BR / 2BA	3	5.8%	1,005	@70%	\$800	No	N/A	N/A	N/A			
					3BR / 2BA	7	13.5%	1,110	@50%	\$658	Yes	N/A	N/A	N/A			
					3BR / 2BA	11	21.2%	1,110	@60%	\$823	Yes	N/A	N/A	N/A			
					3BR / 2BA	2	3.9%	1,110	@70%	\$900	No	N/A	N/A	N/A			
					52												
					N/A N/A												
					1	Autumn Ridge 850 Autumn Court Dalton, GA 30721 Whitfield County	6.1 miles	Garden 2-stories 2004 / n/a Family	@30%, @50%, @60%, Market	1BR / 1BA	N/A	N/A	892	@50%	\$470	No	Yes
1BR / 1BA	N/A	N/A	892	@60%						\$585	No	Yes	1	N/A			
1BR / 1BA	N/A	N/A	892	Market						\$1,025	N/A	Yes	0	N/A			
2BR / 2BA	N/A	N/A	1,208	@50%						\$561	No	Yes	0	N/A			
2BR / 2BA	N/A	N/A	1,208	@60%						\$700	No	Yes	0	N/A			
2BR / 2BA	N/A	N/A	1,208	Market						\$1,225	N/A	Yes	0	N/A			
3BR / 2BA	N/A	N/A	1,486	@30%						\$314	No	Yes	0	N/A			
3BR / 2BA	N/A	N/A	1,486	@50%						\$635	No	Yes	0	N/A			
3BR / 2BA	N/A	N/A	1,486	@60%						\$795	No	Yes	0	N/A			
3BR / 2BA	N/A	N/A	1,486	Market						\$1,325	N/A	Yes	0	N/A			
130																	
1 0.8%																	
2	Bedford Place 60 Bedford Pl Ringgold, GA 30736 Catoosa County	10.7 miles	Garden 2-stories 2004 / n/a Family	@30%, @50%, @60%, Market	1BR / 1BA	2	2.3%	783	@30%	\$293	No	Yes	0	0.0%			
					1BR / 1BA	8	9.1%	783	@50%	\$530	No	Yes	0	0.0%			
					1BR / 1BA	6	6.8%	783	@60%	\$565	No	Yes	0	0.0%			
					1BR / 1BA	4	4.6%	783	Market	\$630	N/A	Yes	0	0.0%			
					2BR / 1BA	3	3.4%	1,025	@30%	\$349	Yes	Yes	0	0.0%			
					2BR / 1BA	24	27.3%	1,025	@50%	\$625	No	Yes	0	0.0%			
					2BR / 1BA	11	12.5%	1,025	@60%	\$640	No	Yes	0	0.0%			
					2BR / 1BA	10	11.4%	1,025	Market	\$730	N/A	Yes	0	0.0%			
					3BR / 1BA	8	9.1%	1,180	@50%	\$665	No	Yes	0	0.0%			
					3BR / 1BA	8	9.1%	1,180	@60%	\$705	No	Yes	0	0.0%			
					3BR / 1BA	4	4.6%	1,180	Market	\$785	N/A	Yes	0	0.0%			
					88												
0 0.0%																	
3	Dawnville Meadows 161 Dawnville Road Dalton, GA 30721 Whitfield County	6.0 miles	Garden 2-stories 2000 / 2019 Family	@60%	2BR / 2BA	70	58.3%	948	@60%	\$644	Yes	No	0	0.0%			
					3BR / 2BA	50	41.7%	1,248	@60%	\$730	Yes	No	0	0.0%			
120																	
0 0.0%																	
4	Dalton Village Apartments 1809 Shadow Lane Dalton, GA 30720 Whitfield County	8.4 miles	Garden 3-stories 1972 / 2018 Family	Market	1BR / 1BA	N/A	N/A	800	Market	\$945	N/A	Yes	0	N/A			
					1BR / 1BA	40	28.6%	800	Market	\$845	N/A	Yes	0	0.0%			
					2BR / 2BA	N/A	N/A	1,200	Market	\$1,163	N/A	Yes	0	N/A			
					2BR / 2BA	64	45.7%	1,200	Market	\$1,013	N/A	Yes	0	0.0%			
					3BR / 2BA	N/A	N/A	1,470	Market	\$1,275	N/A	Yes	0	N/A			
					3BR / 2BA	36	25.7%	1,470	Market	\$1,150	N/A	Yes	0	0.0%			
140																	
0 0.0%																	
5	Legacy Of Dalton Apartments 2111 Club Drive Dalton, GA 30720 Whitfield County	8.2 miles	Garden 2-stories 1976 / 2010 Family	Market	1BR / 1BA	81	51.3%	800	Market	\$915	N/A	Yes	0	0.0%			
					2BR / 2BA	53	33.5%	1,100	Market	\$1,065	N/A	Yes	0	0.0%			
					3BR / 2BA	24	15.2%	1,300	Market	\$1,265	N/A	Yes	0	0.0%			
					158												
0 0.0%																	
6	Park Canyon Apartments 100 Park Canyon Drive Dalton, GA 30720 Whitfield County	8.6 miles	Garden 3-stories 1988 / 2021 Family	Market	1BR / 1BA	19	10.6%	453	Market	\$705	N/A	No	0	0.0%			
					1BR / 1BA	10	5.6%	490	Market	\$720	N/A	No	0	0.0%			
					1BR / 1BA	33	18.3%	680	Market	\$720	N/A	No	0	0.0%			
					1BR / 1BA	64	35.6%	728	Market	\$725	N/A	No	1	1.6%			
					2BR / 1.5BA	34	18.9%	960	Market	\$843	N/A	No	1	2.9%			
2BR / 1.5BA	20	11.1%	1,064	Market	\$908	N/A	No	0	0.0%								
180																	
2 1.1%																	
7	Preserves At Mill Creek 1902 Brady Drive Dalton, GA 30720 Whitfield County	6.8 miles	Townhouse 2-stories 1985 / 2021 Family	Market	2BR / 1.5BA	N/A	N/A	1,150	Market	\$1,099	N/A	Yes	0	N/A			
					2BR / 1.5BA	155	100.0%	1,150	Market	\$999	N/A	Yes	0	0.0%			
155																	
0 0.0%																	