

Market Feasibility Analysis

Arrowhead
369 Broad Street
Hawkinsville, Pulaski County, Georgia 31036

Prepared For

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Effective Date

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Job Reference Number

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Section A – Executive Summary

This report evaluates the continued market feasibility of the Arrowhead rental community in Hawkinsville, Georgia, following renovations utilizing financing from the 4% Tax-Exempt Bond program. Based on the findings contained in this report, we believe a market will continue to exist for the subject project, assuming it is renovated and operated as proposed in this report. This assumes that Rental Assistance (RA) and a Private Rental Assistance (PRA) subsidy is provided, which will effectively allow all current tenants to continue to income-qualify and remain at the property, post renovations. In the unlikely event that all units were vacated and had to be re-rented simultaneously, the subject project would likely experience a slow absorption, even if RA was retained, given the limited base of income-qualified households in this market for the subject project, as evidenced by our demand estimates included in Section G. The subject project is, however, 100.0% occupied and most, if not all, current tenants will remain post renovations.

1. Project Description:

Arrowhead, located in Hawkinsville, Pulaski County, Georgia, was originally built in 1980 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 51 general-occupancy units, 36 of which receive Rental Assistance (RA) directly from Rural Development. The RA requires tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). According to management, the project is currently 100.0% occupied and maintains a 16-household waiting list.

The proposed Tax Credit renovations, which will be financed through the 4% Tax-Exempt Bond program, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target general occupancy households with incomes up to 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 program and all 36 units of RA will be retained. The developer has also indicated that a Private Rental Assistance (PRA) subsidy will also be provided to all current unassisted tenants. This subsidy will prevent rent increases on current unassisted tenants at the property, post renovations. All renovations are expected to be completed in 2019. Additional details regarding the proposed project are included on the following page, as well as in *Section B* of this report.

Total Units	Bedroom Type	Baths	Style	Square Feet*	% AMHI	Current Basic & Note Rents	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
30	One-Br.	1.0	Garden	618-630	60%	\$359/\$491	\$424	\$123	\$527	\$531
21	Two-Br.	1.0	Garden	796-848	60%	\$384/\$530	\$464	\$148	\$612	\$637
51	Total									

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

AMHI – Area Median Household Income (Pulaski County, Georgia HUD Metro FMR Area, GA; 2017)

*Heated square feet

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

2. Site Description/Evaluation:

The subject site is the existing Arrowhead Apartments located at 369 Broad Street, which is within an established and generally good to average quality portion of Hawkinsville. Surrounding land uses generally include single-family and multifamily residential structures in average to good condition, as well as vacant and wooded land. The subject site is clearly visible and easily accessible from Broad Street/State Route 230 which borders the site to the north. Broad Street/State Route 230 provides direct access to U.S. Highway 341 a primary arterial and commercial/retail corridor within the Hawkinsville area. Most basic area services are located within 2.0 miles of the subject site, including various dining establishments, banking, pharmacies and grocery shopping. Area services are easily accessible given the subject’s location along Broad Street/State Route 230. Overall, the subject site location is considered conducive to affordable multifamily rental product, which is further evident by the 100.0% occupancy rate reported at the subject project.

An in-depth site evaluation is included in *Section C* of this report.

3. Market Area Definition:

The Hawkinsville Site PMA includes all of Hawkinsville and Pulaski County, Georgia. Specifically, the boundaries of the Site PMA are the Pulaski County lines. A map illustrating these boundaries is included on page *D-2* of this report and details the farthest boundary is 14.7 miles from the site.

4. Community Demographic Data:

Overall, demographic trends have been positive in the Site PMA between 2000 and 2017, with the population increasing by more than 25% and the total number of households increasing by more than 30% during this time. It is projected that the population will decline by 50, or 0.4%, between 2017 and 2019. By 2019, there will be 4,528 households, a decline of 15 households, or 0.3% from 2017 levels. While representing small anticipated declines, the overall demographics are generally expected to be stable. Between 2017 and 2019, all of the project household growth within the Site PMA is expected to be among householders age 65 and older. While this growth may increase the demand for senior-oriented housing, nearly 44% of the households fall within the 25 to 54 age groups. The trends and characteristics contribute to the market's demand for both senior and family housing. Additional demographic data is included in *Section E* of this report.

Also note that based on 2010 Census data, 42.3% of the vacant housing units in the market were classified as "Other Vacant", which encompasses foreclosed, dilapidated and abandoned housing. Based on our Field Survey of Conventional Rentals within the Hawkinsville Site PMA, all of the rental properties are operating at strong occupancy levels and maintain waiting lists, illustrating that foreclosed and abandoned properties have not had any adverse impact on the overall rental housing market. It is also of note that no such structures were observed within the immediate site neighborhood. As such, it can be concluded that foreclosed/abandoned homes will not have any tangible impact on the subject's marketability.

5. Economic Data:

More than half of the Site PMA's labor force is within the Health Care & Social Assistance, Public Administration and Retail Trade job sectors. The proposed project will target low-income households and the area employment base has a significant number of wage-appropriate occupations from which the subject project will be able to draw support. The Pulaski County employment base declined significantly during the national recession and continued to struggle retaining jobs up through 2014. However, over the past two and one-half years, the employment base has expanded, adding over 200 jobs since 2015. The unemployment rate in Pulaski County has ranged between 4.0% and 9.6%, comparable to the state average since 2007. After peaking at 9.6% in 2011, the county's unemployment rate has declined in six successive years. The overall economic trends of the market have been positive in the last few years and are expected to remain stable to positive for the foreseeable future. Additional economic data is included in *Section F* of this report.

6. Project-Specific Affordability and Demand Analysis:

Two demand scenarios have been analyzed for the subject project. Scenario one assumes all rental assisted units are leasable (and will remain occupied) and also accounts for any current tenants which will continue to income-qualify to reside at the property under the Tax Credit guidelines, per GDCA guidelines. Scenario two provides demand estimates for the entire subject project assuming both the retention of Rental Assistance (RA) and the unlikely scenario the property had to operate exclusively under the Tax Credit guidelines. The following is a summary of our demand calculations.

Demand Component	Percent Of Median Household Income			
	Scenario One (Less units to remain occupied post renovations)		Scenario Two (Overall Demand Estimates)	
	RD 515/LIHTC w/ RA (\$0 - \$25,500)	RD 515/ LIHTC Without RA (\$18,068 - \$25,500)	RD 515/LIHTC w/ RA (\$0 - \$25,500)	LIHTC Only Without RA (\$18,068 - \$25,500)
Net Demand	520	39	520	39
Proposed Units/ Net Demand	0* / 520	12/ 39	51 / 520	51 / 39
Capture Rate	= 0.0%	= 30.8%	= 9.8%	= >100.0%

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

As the preceding illustrates, the subject’s overall capture rate of 9.8% (subsidized scenario) is considered achievable and demonstrates a sufficient base of support for the subject project under this scenario. However, the subject’s capture rate in the LIHTC only scenario exceeds 100.0% and thus exceeds the GDCA threshold of 35% for projects in rural markets. While this would suggest that there is insufficient support in this market for the subject project under this scenario, it must be reiterated that the subject project is an existing property which is currently 100.0% occupied. As such, a sufficient base of support clearly exists within the market for the subject project, assuming RA is retained, despite the subject’s overall capture rate in excess of 100.0% when considering the unlikely scenario that it is not retained. It is also important to note that the preceding demand estimates effectively only consider income-qualified renter households based on new renter growth and those which are existing but rent overburdened and/or living in substandard housing. When considering that the subject project is an existing property which does not need to rely on support from new renter growth, a larger base of potential support for the subject project is believed to exist within the market than that reflected by our demand estimates. Effectively, however, the subject project will have a capture rate of 30.8% for the 12 non-RA units which would need to be re-rented post renovations due to current tenants no longer income-qualifying to reside at the property under the Tax Credit program. This is considered an achievable capture rate within the Hawkinsville Site PMA, especially when considering the lack of non-subsidized family-oriented LIHTC product in the market. Regardless, RA will be retained and the developer will provide a Private Rental Assistance (PRA) subsidy which will prevent a rent increase on all current unassisted tenants. Thus, most, if not all, current tenants are expected to remain post renovations.



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

Scenario One (Less units to remain occupied post renovations)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate
One-Bedroom (35%)	60%	7***	30	17	13	53.8%
One-Bedroom	Total	7***	30	17	13	53.8%
<hr/>						
Two-Bedroom (45%)	60%	5***	38	29	9	55.6%
Two-Bedroom	Total	5***	38	29	9	55.6%

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

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

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

Scenario Two (Entire Property)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate
One-Bedroom (35%)	60%	30	198	17	181	16.6%
One-Bedroom	Total	30	198	17	181	16.6%
<hr/>						
Two-Bedroom (45%)	60%	21	210	29	181	11.6%
Two-Bedroom	Total	21	210	29	181	11.6%
<hr/>						
One-Bedroom (35%)	60%	30	30	17	13	>100.0%
One-Bedroom	Total	30	30	17	13	>100.0%
<hr/>						
Two-Bedroom (45%)	60%	21	38	29	9	>100.0%
Two-Bedroom	Total	21	38	29	9	>100.0%

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

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

As the preceding tables illustrate, the capture rates by bedroom type range between 11.6% and 16.6% when assuming the retention of RA on some units and more than 100.0% for the LIHTC only scenario. Typically, this would suggest that an insufficient base of support exists in the market for a particular property. However, the subject project is an existing property which is currently 100.0% occupied, clear evidence that sufficient support for the subject project exists within this market, assuming the retention of RA, despite the high overall capture rates for the property. Further, the developer will also provide a PRA subsidy which will prevent a rent increase on all current unassisted residents. Thus, most, if not all, current tenants will remain post renovations, resulting in a lower effective capture rate for the property.

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

7. Competitive Rental Analysis

Tax Credit Units

The subject project will offer one- and two-bedroom units target family (general-occupancy) households earning up to 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program following renovations. We identified and surveyed only one LIHTC property, Cotton Mill Lofts Apartments (Map ID 2) within the Hawkinsville Site PMA. This general-occupancy LIHTC property offers studio, one- and two-bedroom units targeting households earning up to 60% of AMHI, similar to the subject site. As such, we have included this property in our comparable/competitive analysis.

Due to the lack of conventional non-subsidized LIHTC product within the Site PMA, we also identified and surveyed two additional LIHTC properties outside the Site PMA in the nearby city of Warner Robbins, Georgia. These properties offer one- and two-bedroom units targeting households earning up to 60% of AMHI, similar to the subject project. Since these properties are located outside the Site PMA, they are not considered competitive and have been included for comparability purposes only.

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Arrowhead	1980 / 2019	51	100.0%	-	16 H.H.	Families; 60% AMHI & RD 515
2	Cotton Mill Lofts Apts.	2012	32	100.0%	1.6 Miles	None	Families; 50% & 60% AMHI
902	Austin Pointe	1999	72	100.0%	29.1 Miles	4 H.H.	Families; 60% AMHI
906	Pacific Park	2001	128*	100.0%	27.8 Miles	56 H.H.	Families; 50% & 60% AMHI

900 Map IDs are located outside the Site PMA

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

The three LIHTC projects have a combined occupancy rate of 100.0% and two of the three maintain a waiting list for their next available units, the longest of which contains 56 households. This is a clear indication of pent-up demand for general-occupancy LIHTC product such as that offered at the subject site.

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

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)				
Map I.D.	Project Name	Studio	One-Br.	Two-Br.	Three-Br.	Rent Special
Site	Arrowhead	-	\$527/60% (30)	\$612/60% (21)	-	-
2	Cotton Mill Lofts Apts.	\$390/50% (1/0) \$450/60% (2/0)	\$439/50% (1/0) \$509/60% (10/0)	\$487/50% (3/0) \$567/60% (15/0)	-	None
902	Austin Pointe	-	\$636/60% (16/0)	\$739/60% (32/0)	\$833/60% (24/0)	None
906	Pacific Park	-	\$574/50% (8/0) \$669/60% (24/0)	\$667/50% (12/0) \$772/60% (53/0)	\$757/50% (8/0) \$867/60% (23/0)	None

900 Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents ranging from \$527 to \$612 will be some of the lowest in the region, relative to similar unit types offered among the comparable properties surveyed. Considering the age and competitive position of the subject project in the way of unit design (square feet and number of bathrooms offered), and amenities offered, the subject's lower proposed rent levels are considered appropriate.

Comparable/Competitive Tax Credit Summary

The Hawkinsville Site PMA offers a very limited supply of comparable LIHTC product, as only one such property, Cotton Mill Lofts Apartments (Map ID 2), was surveyed within the Site PMA. Similar to the subject project, this aforementioned property offers LIHTC units targeting families earning up to 60% of AMHI and is currently 100.0% occupied. The two additional non-subsidized LIHTC properties surveyed outside the Site PMA are 100.0% occupied with waiting lists. The subject's proposed gross Tax Credit rents are within the range of those currently reported among the comparable properties. The subject project is also considered competitive in terms of unit design (square feet and number of bathrooms) and amenities offered. This is especially true when considering the anticipated retention of RA on the majority of the subject units. This will allow most tenants of the property to continue paying 30% of their income towards rent. It is also of note that the developer has indicated that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants of the property, which will prevent rent increases on these tenants post renovations. Overall, the subject project is expected to continue to remain marketable and a value to low-income families in the Hawkinsville market.

Average Market Rent

As detailed throughout this report and illustrated by our Field Survey of Conventional Rentals, only one unrestricted market-rate rental property was surveyed in the Hawkinsville Site PMA. In addition, we identified and surveyed four properties outside the Site PMA in the nearby region that offer similar market-rate units, as compared to those proposed at the subject site. The following table illustrates the weighted average *collected* rents of the comparable market-rate projects by bedroom type, for units similar to those offered at the subject site.

Weighted Average Collected Rent of Comparable Market-Rate Units	
One-Br.	Two-Br.
\$739	\$877

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

Bedrooms	Weighted Avg. Rent	Proposed Rent	Difference	Proposed Rent	Rent Advantage
One-Br.	\$739	- \$424	\$315	/ \$424	74.3%
Two-Br.	\$877	- \$464	\$413	/ \$464	89.0%

As the preceding illustrates, the proposed subject units represent rent advantages ranging from 74.3% to 89.0% depending upon unit type, as compared to the weighted average collected rents of the comparable market-rate projects. Please note, however, that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include, and/or adjustments for other design characteristics, amenities, or locational differences. Therefore, caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development’s collected rents are available in *Addendum F* of this report.

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

8. Absorption/Stabilization Estimates

According to management, the subject project is currently 100.0% occupied and a 16 household wait list is maintained. Based on our review of the most current tenant rent roll and assuming that Rental Assistance (RA) will be retained on a portion of the property and a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants, it is anticipated that few, if any, of the current tenants will move from the project following renovations. Furthermore, it is important to note that the renovations at the subject site will not necessitate the displacement of current residents and the project will be renovated in such a way to minimize off-site relocation. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 51 subject units will be vacated and that all units will have to be re-

rented simultaneously, assuming the retention of RA on 36 of the 51 revenue-producing units.

It is our opinion that the 51 units at the subject site will reach a stabilized occupancy of 93.0% within six months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately eight units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. Changes to the project's rents, amenities, scope of renovations, or other features may invalidate our findings. We assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Finally, these absorption projections also assume that RA will be retained following renovations. Should RA not be retained, the 51 LIHTC units at the subject site would likely have an extended absorption period of up to nine months (five units per month) as this would no longer allow the subject project to target households earning below \$18,068, assuming the project operates at the proposed LIHTC rent levels evaluated in this report.

9. Overall Conclusion:

The Hawkinsville Site PMA is very rural in nature and offers a very limited supply of conventional rental product. Notably, five of the six properties surveyed in the market (including the subject site) are affordable (Tax Credit and/or Government-Subsidized) properties and all properties surveyed are 100.0% occupied. This indicates that while affordable rental product is in high demand, there is less of a market for non-subsidized product within the Hawkinsville Site PMA. This coincides with the fact that more than 58.0% of renter households in this market earn less than \$25,000. The subject's proposed gross Tax Credit rents are in line with those reported among the comparable properties surveyed in the market and region. However, as indicated by our demand estimates, it is unlikely that the subject project would be able maintain a stabilized occupancy rate at the proposed rent levels, without the retention of RA. The subject project is considered marketable in the way of unit design (square feet and number of bathrooms offered) and amenities offered.

In addition to being competitively positioned, a good base of demographic support will continue to exist for the subject project within the Hawkinsville market. This is evident by the low overall capture rate of 9.8% for the subject project, assuming the retention of RA.

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

SUMMARY TABLE (must be completed by the analyst and included in the executive summary)			
Development Name:	Arrowhead	Total # Units:	51
Location:	369 Broad Street, Hawkinsville, Georgia 31036	# LIHTC Units:	51
PMA Boundary:	Pulaski County lines		
		Farthest Boundary Distance to Subject:	14.7 miles

RENTAL HOUSING STOCK (found on page H-3 & Add. A-4 & 5)				
Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	6	240	0	100.0%
Market-Rate Housing	1	10	0	100.0%
Assisted/Subsidized Housing not to include LIHTC	4	198	0	100.0%
LIHTC	1	32	0	100.0%
Stabilized Comps*	3*	232	0	100.0%
Properties in Construction & Lease Up	1**	68	-	-

*Includes two comps located out of market due to lack of comparable product in Site PMA

**Construction has not started as of the date of this report

Subject Development					Average Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
30	One-Br.	1.0	618-630	\$424	\$739	\$1.17-\$1.20	74.3%	\$815	\$1.00
21	Two-Br.	1.0	796-848	\$464	\$877	\$1.03-\$1.10	89.0%	\$865	\$0.88

DEMOGRAPHIC DATA (found page E-2 & G-5)						
	2012		2017		2019	
Renter Households	1,462	31.9%	1,455	32.0%	1,452	32.1%
Income-Qualified Renter HHs (LIHTC)*	N/A	N/A	859	59.0%	847	58.3%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

*As proposed with the retention of RA

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)						
Type of Demand	RA Units	Non-RA Units	Overall as Proposed	Market-Rate	Other__	LIHTC Only Scenario
Renter Household Growth	-12	-24	-12	-	-	-24
Existing Households (Overburd + Substand)	578	109	578	-	-	109
Homeowner conversion (Seniors)	N/A	N/A	N/A	-	-	N/A
Total Primary Market Demand	566	85	566	-	-	85
Less Comparable/Competitive Supply	46	46	46	-	-	46
Adjusted Income-Qualified Renter HHs	520	39	520	-	-	39

CAPTURE RATES (found on page G-5)						
Targeted Population	RA Units	Non-RA Units	Overall as Proposed	Market-Rate	Other__	LIHTC Only Scenario
Capture Rate*	0.0%	30.8%	9.8%	-	-	>100.0%

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

Section B - Project Description

Arrowhead, located in Hawkinsville, Pulaski County, Georgia, was originally built in 1980 and has operated under the Rural Development 515 (RD 515) program since that time. The project contains 51 general-occupancy units, 36 of which receive Rental Assistance (RA) directly from Rural Development. The RA requires tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). According to management, the project is currently 100.0% occupied and maintains a 16-household waiting list.

The proposed Tax Credit renovations, which will be financed through the 4% Tax-Exempt Bond program, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target general occupancy households with incomes up to 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 program and all 36 units of RA will be retained. The developer has also indicated that a Private Rental Assistance (PRA) subsidy will also be provided to all current unassisted tenants. This subsidy will prevent rent increases on current unassisted tenants at the property, post renovations. All renovations are expected to be completed in 2019. Additional details of the subject project are as follows:

1. **PROJECT NAME:** Arrowhead
2. **PROPERTY LOCATION:** 369 Broad Street
Hawkinsville, Georgia 31036
(Pulaski County)
3. **PROJECT TYPE:** Rehabilitation of an existing RD 515 project using 4% Tax-Exempt Bond financing.
4. **UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet*	% AMHI	Current Basic & Note Rents	Proposed Rents			Max. Allowable LIHTC Gross Rent
							Collected Rent	Utility Allowance	Gross Rent	
30	One-Br.	1.0	Garden	618-630	60%	\$359/\$491	\$424	\$123	\$527	\$531
21	Two-Br.	1.0	Garden	796-848	60%	\$384/\$530	\$464	\$148	\$612	\$637
51	Total									

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

AMHI – Area Median Household Income (Pulaski County, Georgia HUD Metro FMR Area, GA; 2017)

*Heated square feet

5. **TARGET MARKET:** General-Occupancy
6. **PROJECT DESIGN:** 12 single-story buildings.
7. **ORIGINAL YEAR BUILT:** 1980

8. ANTICIPATED RENOVATION

COMPLETION DATE: 2019

9. UNIT AMENITIES:

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

10. COMMUNITY AMENITIES:

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

11. RESIDENT SERVICES:

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

12. UTILITY RESPONSIBILITY:

The cost of trash collection will be included in the rent, while tenants will be responsible for all other utilities and services, including the following:

- Electric Heating
- General Electric
- Cold Water
- Electric Water Heating
- Electric Cooking
- Sewer

13. RENTAL ASSISTANCE:

36 units currently receive Rental Assistance. There is currently one (1) unit occupied by a Housing Choice Voucher holder.

14. PARKING:

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

15. CURRENT PROJECT STATUS:

The subject project is an existing 51-unit general-occupancy property offering one- and two-bedroom units which operate under the Rural Development 515 (RD 515) program, with Rental Assistance (RA) provided to 36 of the 51 subject units. The subject project is 100.0% occupied and maintains a 16-household waiting list. The availability of RA allows tenants of these units to pay up to 30% of their adjusted gross income towards rent. The remaining non-RA units require tenants to pay rents between the basic and market rents under the RD 515 program, though the subject project does accept Housing Choice Vouchers within these non-RA units. Currently, the property has one (1) unit occupied by a Voucher holder. Based on our review of the current

tenant rent roll for the subject project, it was determined that three (3) of the 15 current non-RA tenants would continue to income-qualify under the LIHTC guidelines, post renovations. Assuming the retention of RA and the continued acceptance of Housing Choice Vouchers, we anticipate that 39 of the 51 current tenants will continue to qualify and remain at the property post renovations. Effectively, however, all current tenants are expected to remain at the property post renovations, as the developer has indicated that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants. The availability of this subsidy will prevent a rent increase for all current unassisted tenants at the property. A current tenant rent roll for the subject project is included in *Addendum E, Rent Roll*.

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

16. STATISTICAL AREA:

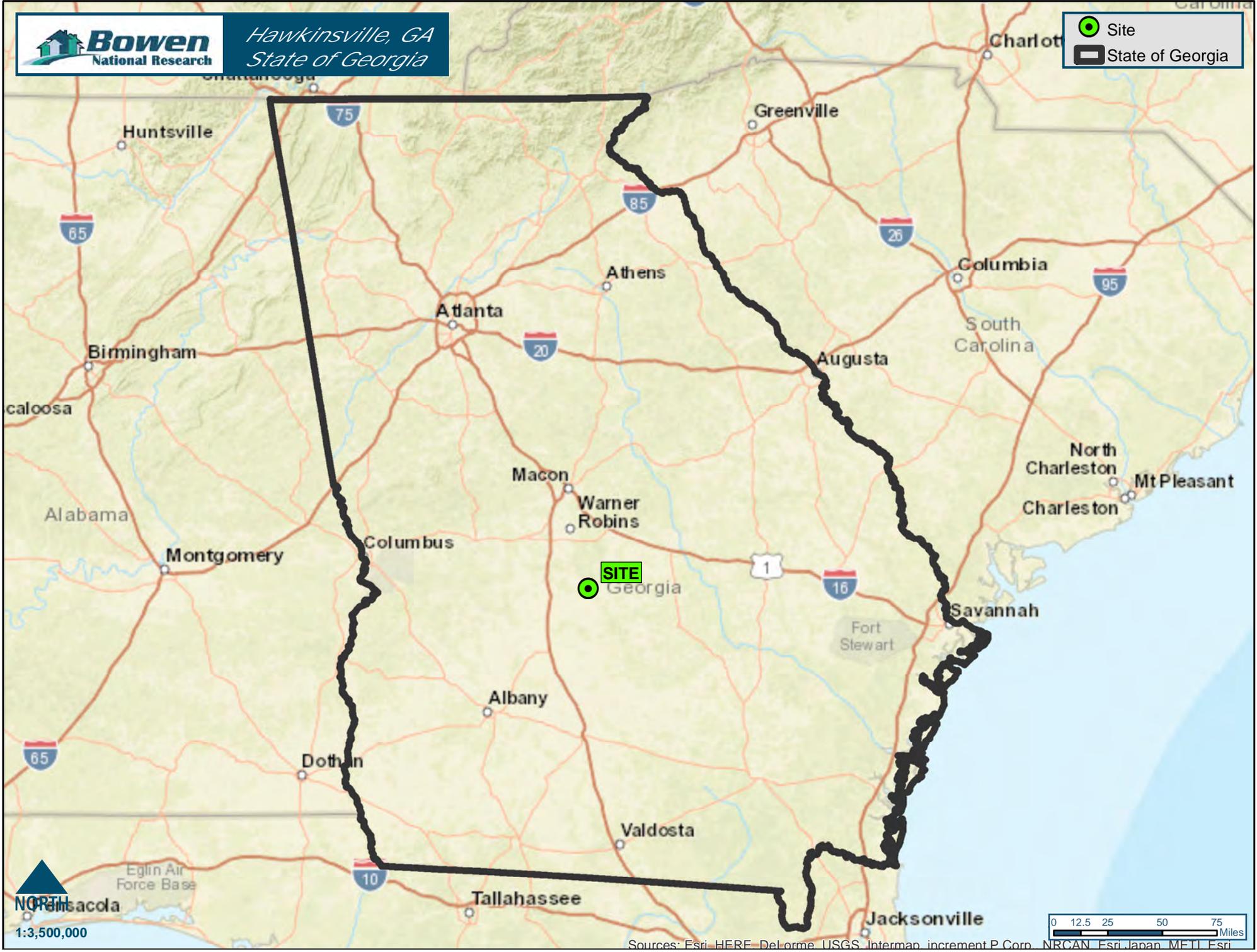
Pulaski County, Georgia HUD Metro FMR Area (2017)

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



Hawkinsville, GA
State of Georgia

● Site
▭ State of Georgia



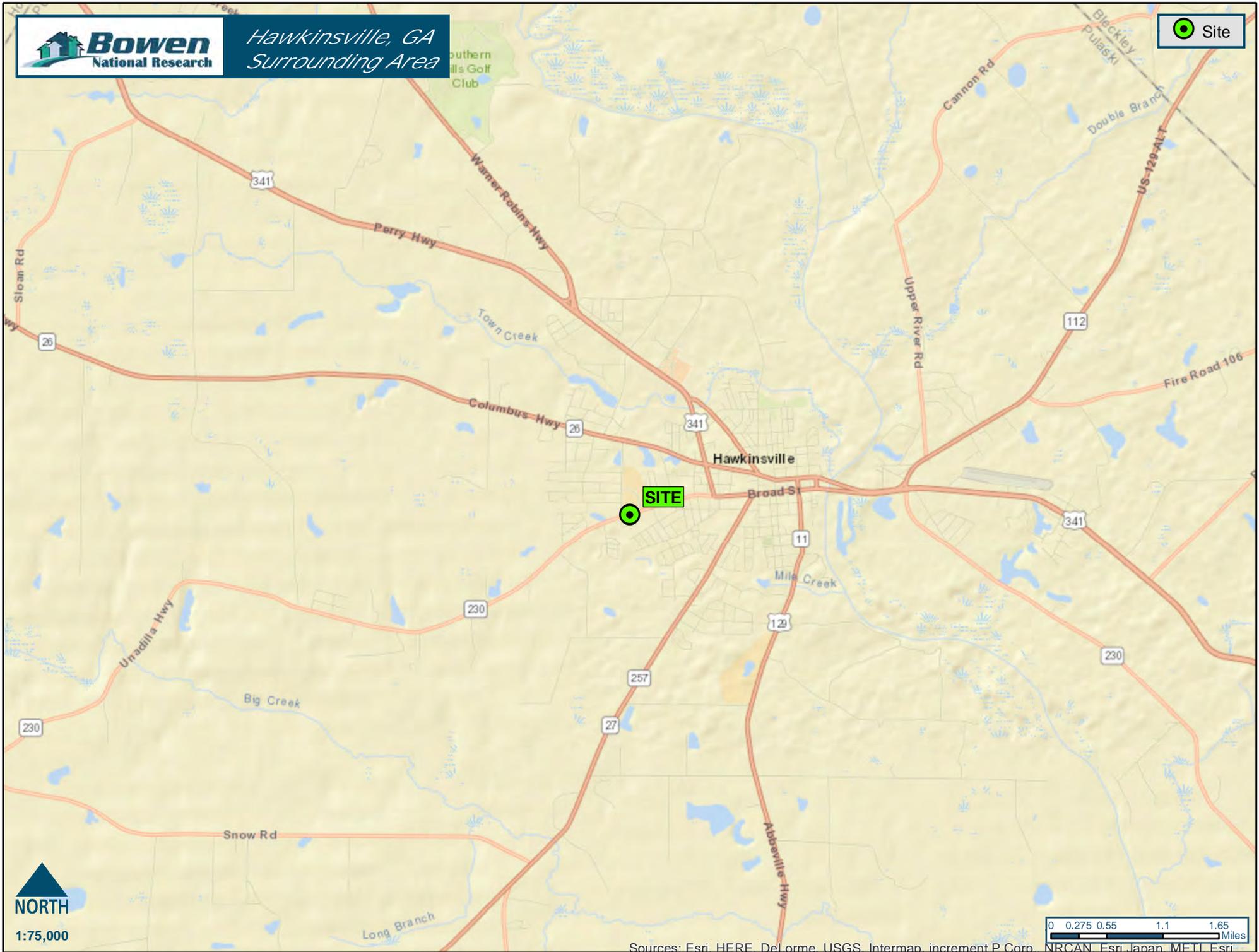
NORTH
1:3,500,000

0 12.5 25 50 75 Miles

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



Hawkinsville, GA
Surrounding Area



NORTH
1:75,000



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



Hawkinsville, GA
Site Neighborhood

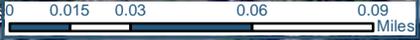
Legend

 Site Area




NORTH
1:3,000

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



Section C – Site Description And Evaluation

1. LOCATION

The subject site is the existing Arrowhead Apartments located at 369 Broad Street in the western portion of Hawkinsville, Georgia. Located within Pulaski County, Hawkinsville is approximately 48.0 miles south of Macon, Georgia. Jeff Peters, an employee of Bowen National Research, inspected the site and area apartments during the week of August 31, 2017.

2. SURROUNDING LAND USES

The subject site is within an established area of Hawkinsville, Georgia. Surrounding land uses include single-family homes, multifamily homes, a high school and wooded land. Adjacent land uses are detailed as follows:

North -	State Route 230/Broad Street, a moderately traveled two-lane roadway, borders the site to the north. A high school, middle school and wooded land extend north until reaching State Route 26, a two-lane arterial roadway.
East -	The eastern boundary is defined by a single-family home in fair condition and a tree line, which naturally buffers the site from a multifamily property in good condition. An elementary school, church and single-family homes in fair to good condition extend east.
South -	The southern boundary is defined by heavily wooded land, which naturally buffers the subject from a residential neighborhood comprised of single-family homes in fair condition. Heavily wooded land and agricultural land extend south.
West -	A single-family home in fair condition and a multifamily property in fair condition define the western boundary of the site. Wooded land, single-family homes and undeveloped land extend west.

The residential nature of the site neighborhood is conducive to rental housing, while the wooded land bordering the site to the south provides a semi-private site environment. Overall, the subject property fits well with the surrounding land uses and they should contribute to the continued marketability of the site.

3. VISIBILITY AND ACCESS

The subject site is comprised of single-story buildings which are clearly visible upon ingress, given the subject's frontage along State Route 230/Broad Street, which borders the site to the north. The subject site also provides entryway signage along this aforementioned roadway. Vehicular traffic along this State Route 230/Broad Street was generally observed to be moderate, however, it is likely that vehicular traffic will be higher during peak commute times due to the proximity to schools and businesses of Hawkinsville. State Route 230/Broad Street provides ample passerby traffic and, as such, visibility is considered good.

The subject site is also accessible via State Route 230/Broad Street. The generally moderate vehicular traffic experienced along this roadway allows for unimpeded ingress and egress of the subject site. State Route 230/Broad Street is also an arterial roadway which provides direct access to downtown Hawkinsville, located east of the site. In addition, this roadway becomes U.S. Highway 341 and provides convenient access to nearby communities. Based on the preceding, accessibility of the subject project is considered good.

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

4. SITE PHOTOGRAPHS

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

SITE PHOTOGRAPHS



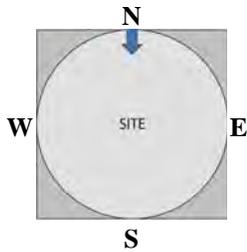
Site Entryway



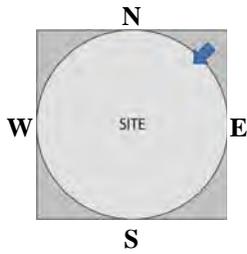
Entryway Signage



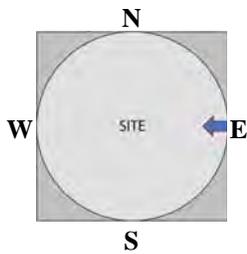
Typical Building Exterior



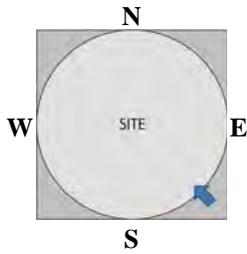
View of site from the north



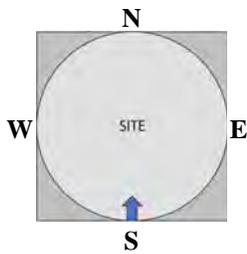
View of site from the northeast



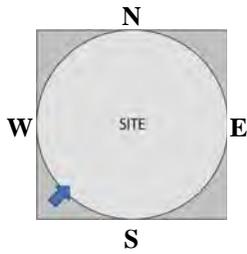
View of site from the east



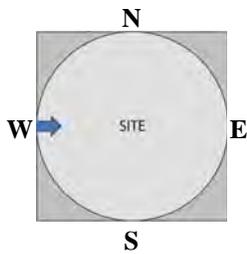
View of site from the southeast



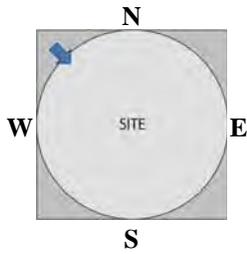
View of site from the south



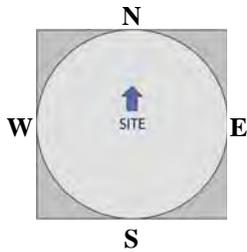
View of site from the southwest



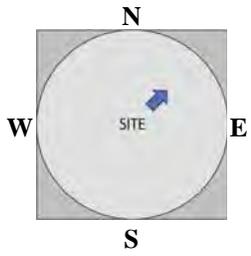
View of site from the west



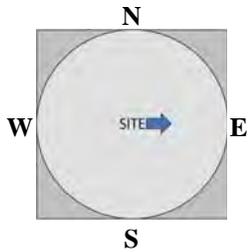
View of site from the northwest



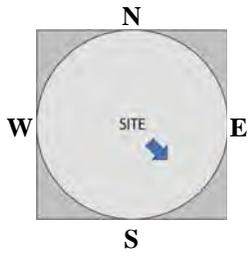
North view from site



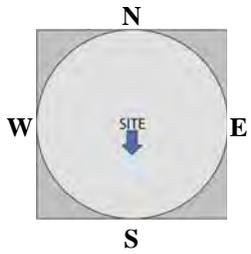
Northeast view from site



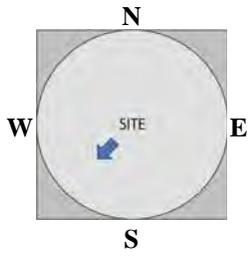
East view from site



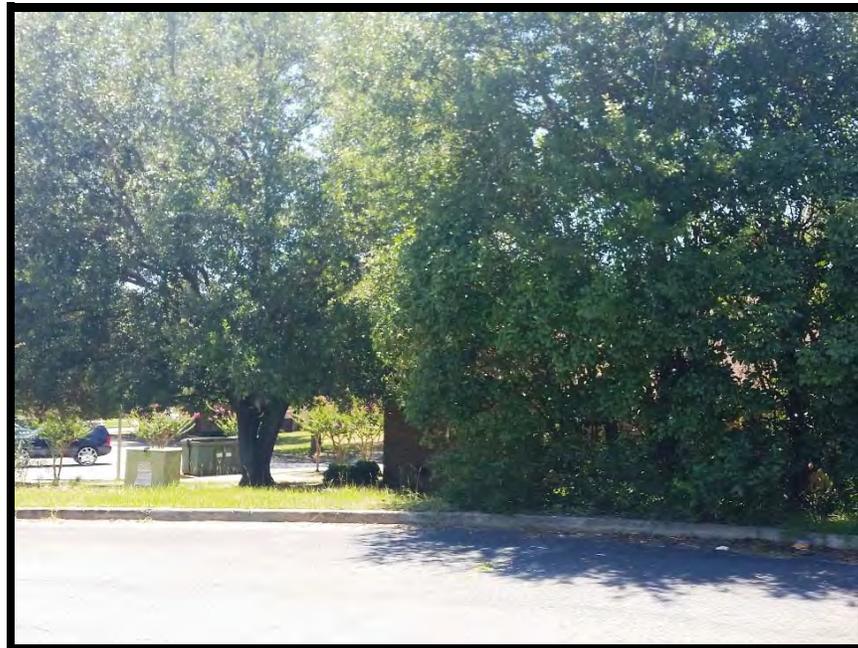
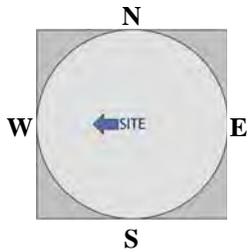
Southeast view from site



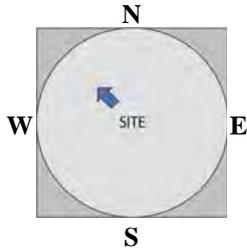
South view from site



Southwest view from site



West view from site



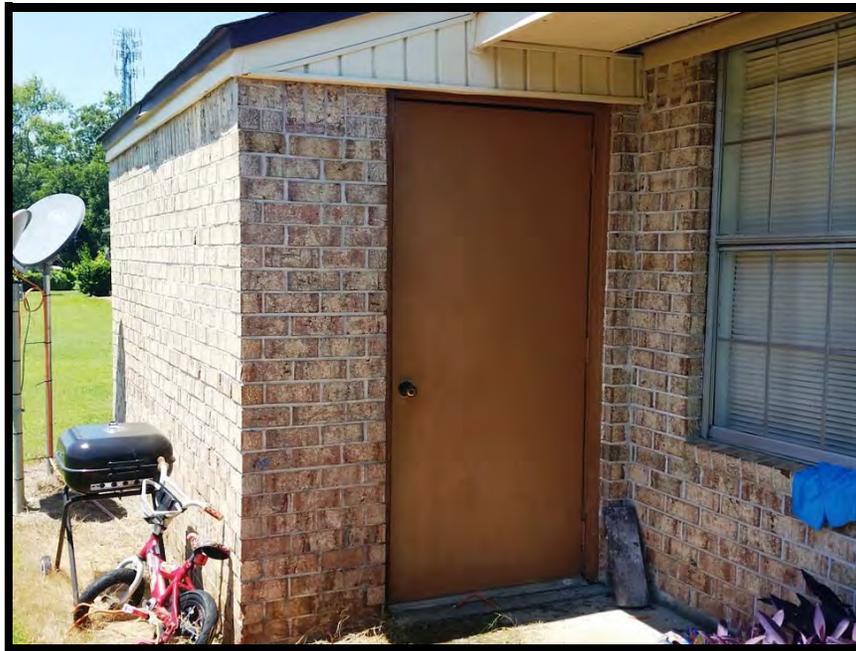
Northwest view from site



Streetscape - West view of Broad Street



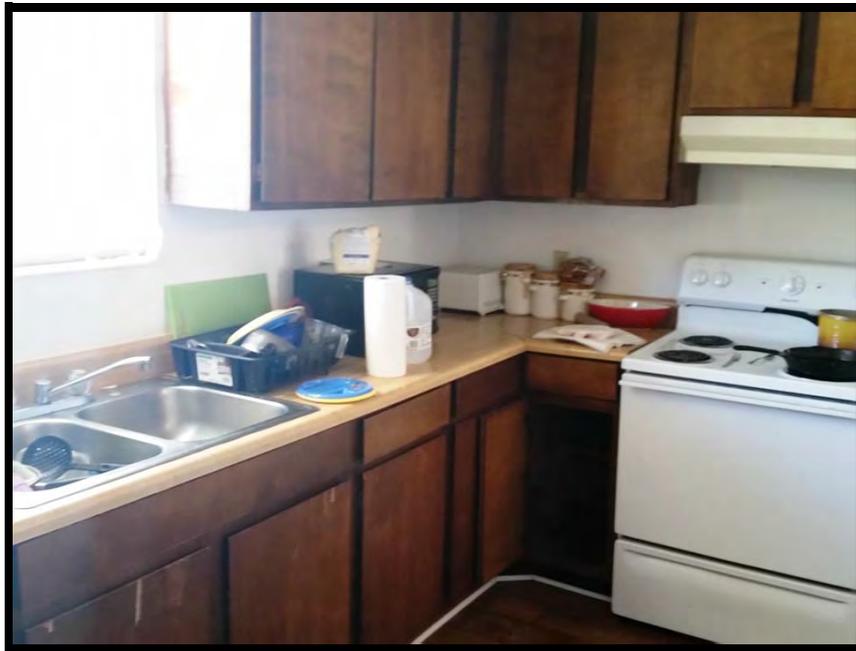
Streetscape - East view of Broad Street



Exterior Storage



Laundry Facility



Typical Kitchen (1)



Typical Kitchen (2)



Typical Living Room



Typical Dining Area



Typical Master Bedroom



Typical Spare Bedroom



Typical Full Bathroom

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

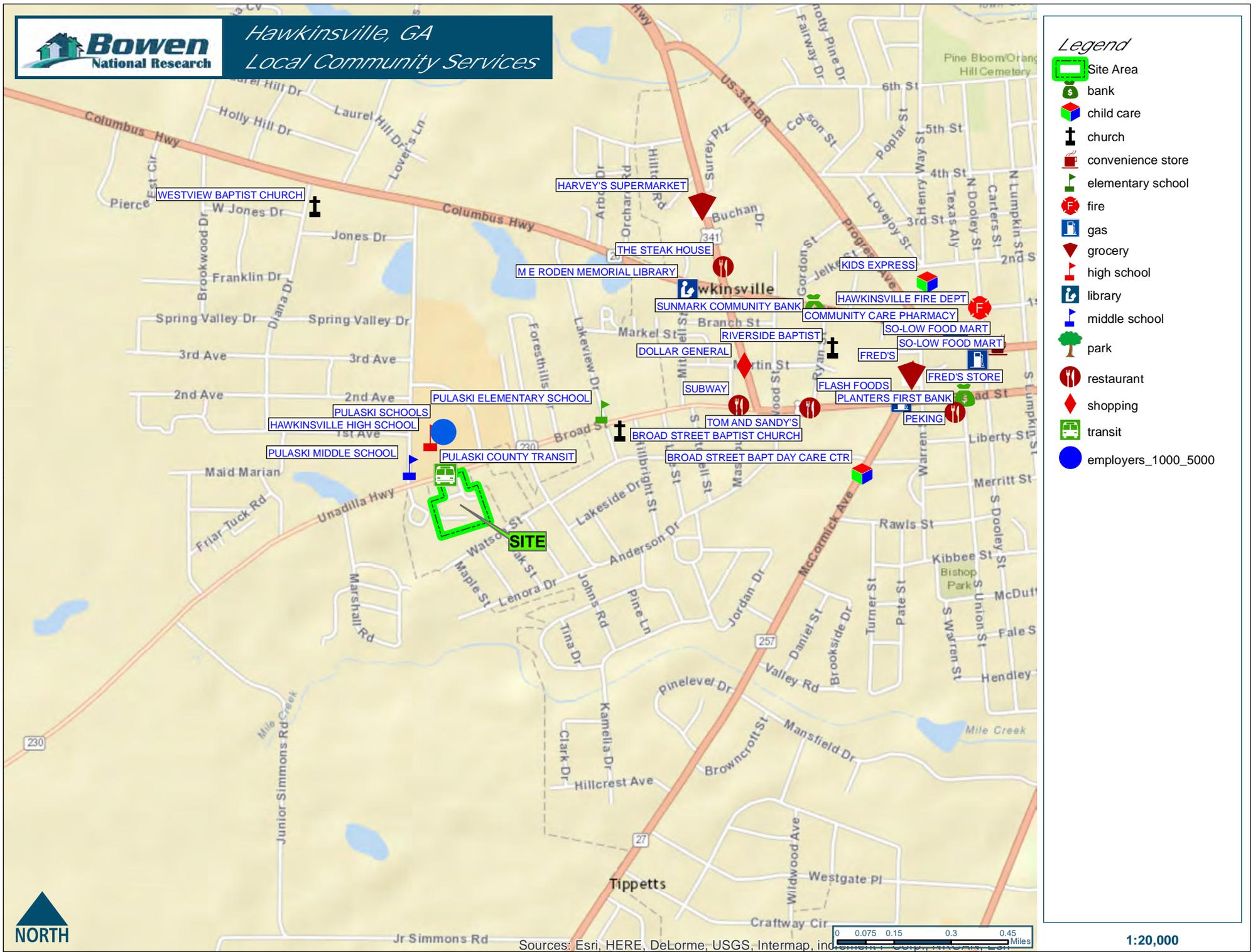
The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 230 U.S. Highway 341	Adjacent-North 0.5 Northeast
Public Bus Stop	Pulaski County Transit	On-Call/On-Site
Major Employers/ Employment Centers	Pulaski Schools Taylor Regional Hospital	0.1 North 1.9 North
Convenience Store	Flash Foods So-Low Food Mart Citgo Quik Stop	1.1 East 1.3 East 1.4 East 1.7 East
Grocery	Fred's Laperibana Supermarket Harvey's Supermarket	1.4 East 1.9 Northeast 2.0 Northeast
Discount Department Store	Dollar General Fred's Family Dollar Store	0.8 East 1.4 East 1.5 East
Shopping Center/Mall	Hawkinsville Antique Mall	1.6 East
Schools: Elementary Middle/Junior High High	Pulaski Elementary School Pulaski Middle School Hawkinsville High School	0.5 East 0.1 West 0.1 North
Hospital	Taylor Regional Hospital	1.8 North
Police	Pulaski County Sheriff's Department	1.8 East
Fire	Hawkinsville Fire Department	1.9 East
Post Office	U.S. Post Office	1.6 East
Bank	Sunmark Community Bank Planters First Bank	1.1 East 1.4 East
Gas Station	Flash Foods So-Low Food Mart Citgo Quik Stop	1.1 East 1.3 East 1.4 East 1.7 East
Pharmacy	Walgreens Community Care Pharmacy	1.4 East 1.6 East
Restaurant	Subway Tom and Sandy's Peking The Steak House	0.6 East 1.0 East 1.2 East 1.3 Northeast
Day Care	Broad Street Baptist Day Care Center Kids Express	1.0 East 1.4 East
Library	M.E. Roden Memorial Library	0.8 Northeast
Park	Hawkinsville-Pulaski Park Hawkinsville Memorial Park Hawkinsville Park	1.6 East 1.6 East 2.8 Southeast
Church	Broad Street Baptist Church Westview Baptist Church Riverside Baptist Church	0.5 East 1.0 Northwest 1.0 East

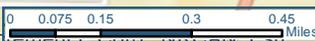
The subject site is in close proximity to a variety of notable community services such as grocery stores, schools, public safety services, gas stations, pharmacies and restaurants. These services can be accessed within 2.0 miles and are generally easily accessible due to the subject's proximity to arterials such as State Route 230 and U.S. Highway 341. Although fixed-route public transportation is not provided within the Hawkinsville area, an on-call transportation service provided by Pulaski County Transit, is available upon request between the hours of 8:00 A.M. and 5:00 P.M. Monday through Friday for a fare of \$1.00. Reservations must be made at least three days prior to the trip. The availability of this service is considered beneficial to the low-income population targeted at the subject project.

Taylor Regional Hospital, approximately 1.8 miles north of the site, is the nearest full-service hospital. Public safety services such as the Pulaski County Sheriff's Department and Hawkinsville Fire Department are both located within 1.9 miles of the site. Pulaski County Schools serve the subject site from Pre-K through 12th grade. All applicable attendance schools are within 0.5 miles and offer bus transportation. Other area services include the Hawkinsville Park and Hawkinsville Memorial Park, both of which are located within 2.8 miles of the site.

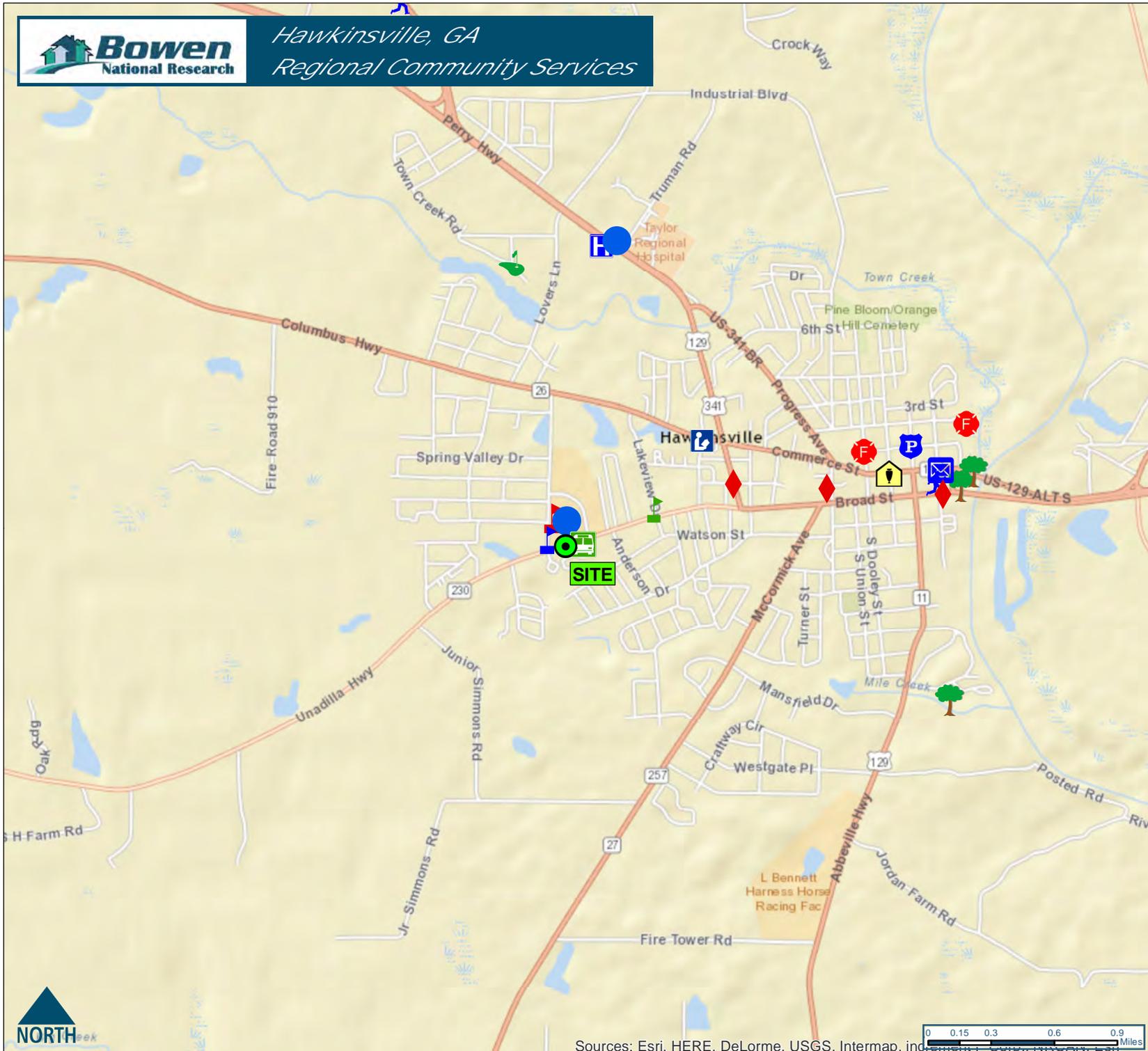
Maps illustrating the location of community services are on the following pages.



- Legend*
- Site Area
 - bank
 - child care
 - church
 - convenience store
 - elementary school
 - fire
 - gas
 - grocery
 - high school
 - library
 - middle school
 - park
 - restaurant
 - shopping
 - transit
 - employers_1000_5000



1:20,000



Legend

- Site
- elementary school
- fire
- fitness center
- golf
- high school
- hospital
- library
- middle school
- museum
- park
- police
- post office
- shopping
- transit
- employers_1000_5000



6. CRIME ISSUES

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

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

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

Total crime risk (73) for the Site PMA is below the national average (100) with an overall personal crime index of 69 and a property crime index of 66. Total crime risk (73) for Pulaski County is also below the national average with indexes for personal and property crime of 69 and 66, respectively.

	Crime Risk Index	
	Site PMA	Pulaski County
Total Crime	73	73
Personal Crime	69	69
Murder	118	118
Rape	34	34
Robbery	27	27
Assault	112	112
Property Crime	66	66
Burglary	111	111
Larceny	60	60
Motor Vehicle Theft	31	31

Source: Applied Geographic Solutions

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

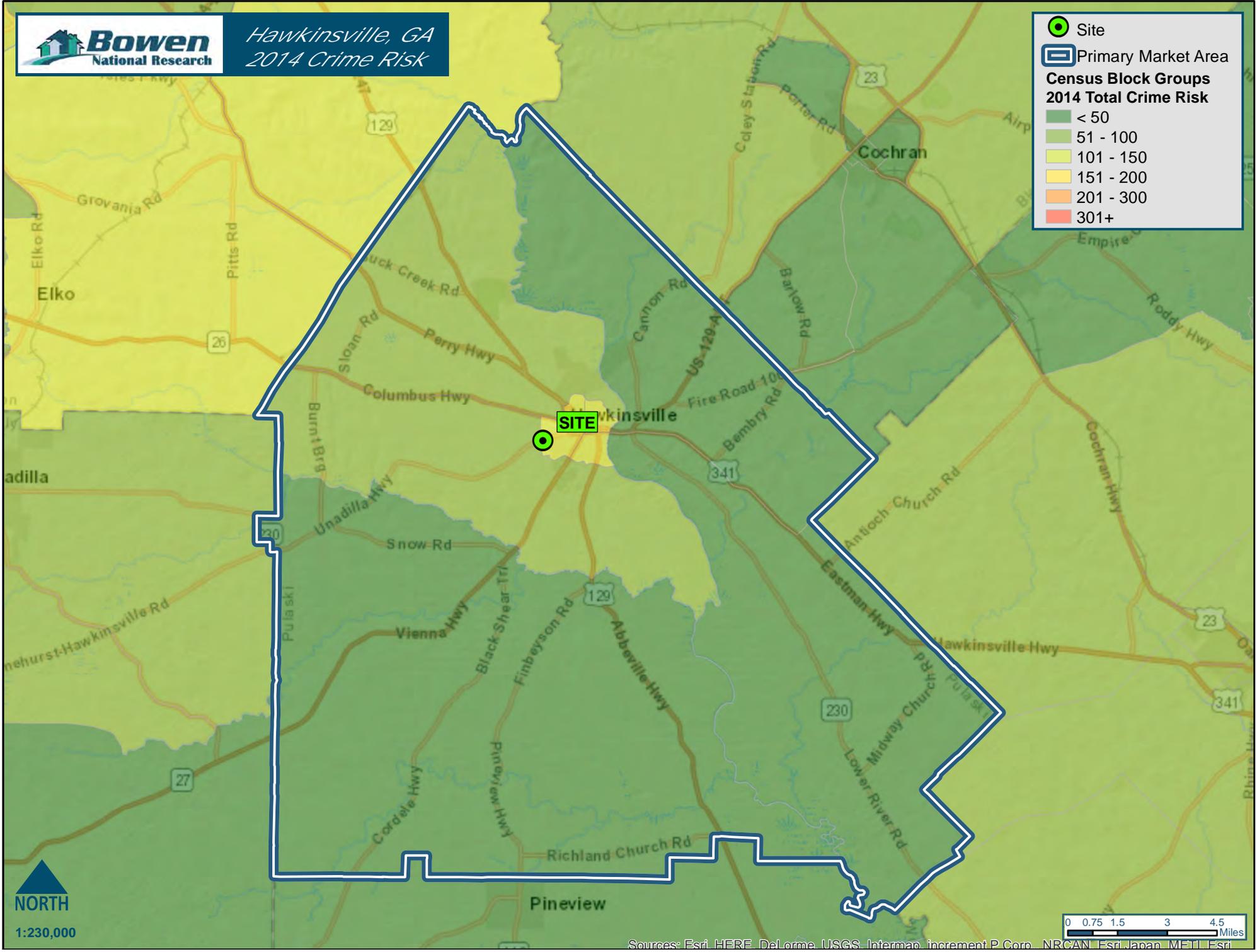
A map illustrating crime risk is on the following page.

● Site

▭ Primary Market Area

Census Block Groups
2014 Total Crime Risk

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



7. OVERALL SITE EVALUATION

The subject site is the existing Arrowhead Apartments located at 369 Broad Street, which is within an established and generally good to average quality portion of Hawkinsville. Surrounding land uses generally include single-family and multifamily residential structures in average to good condition, as well as vacant and wooded land. The subject site is clearly visible and easily accessible from Broad Street/State Route 230 which borders the site to the north. Broad Street/State Route 230 provides direct access to U.S. Highway 341 a primary arterial and commercial/retail corridor within the Hawkinsville area. Most basic area services are located within 2.0 miles of the subject site, including various dining establishments, banking, pharmacies and grocery shopping. Area services are easily accessible given the subject's location along Broad Street/State Route 230. Overall, the subject site location is considered conducive to affordable multifamily rental product, which is further evident by the 100.0% occupancy rate reported at the subject project.

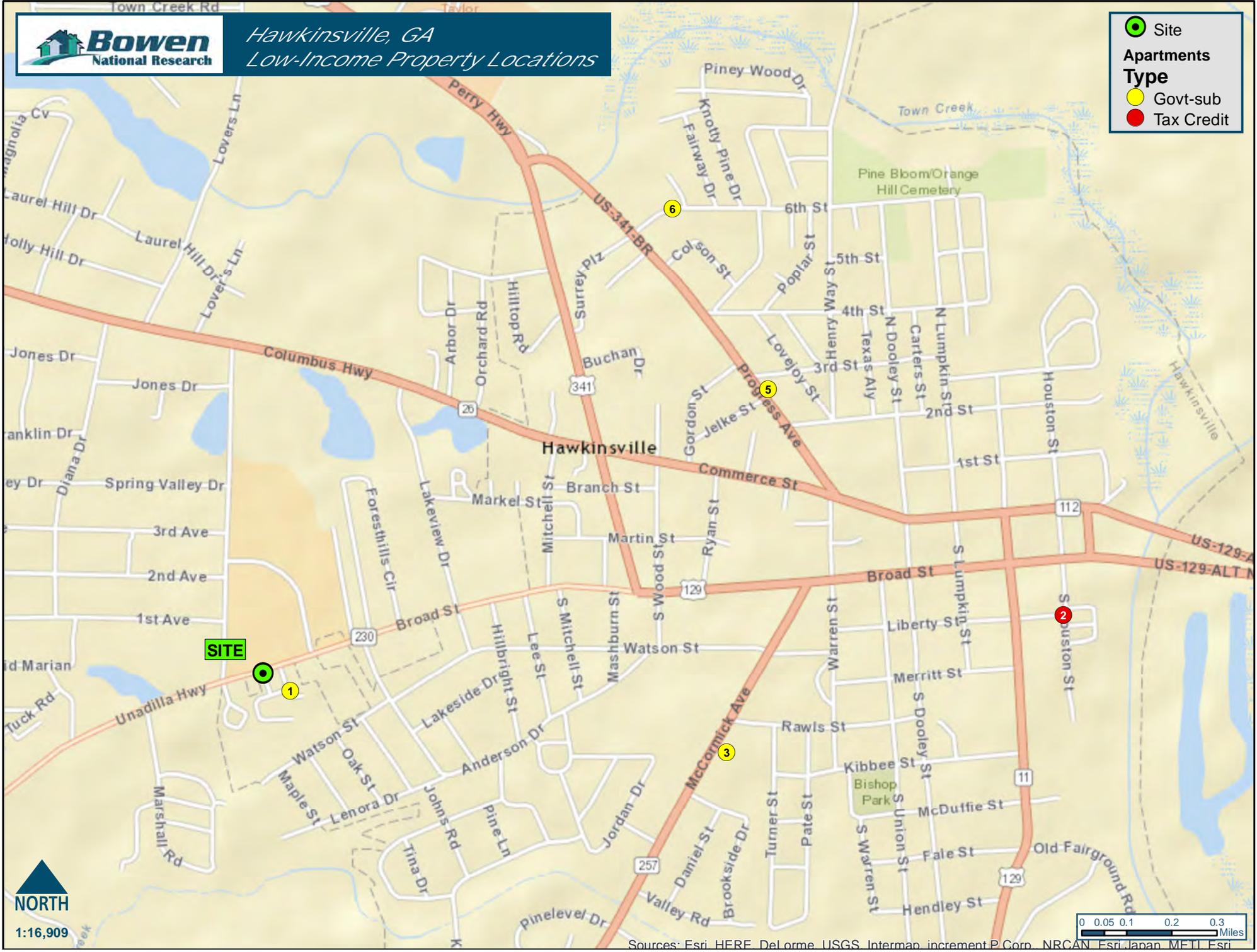
8. MAP OF LOW-INCOME RENTAL HOUSING

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

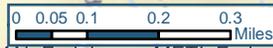


Hawkinsville, GA
Low-Income Property Locations

- Site
- Apartments Type
 - Govt-sub
 - Tax Credit



NORTH
1:16,909



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

Section D – Primary Market Area Delineation

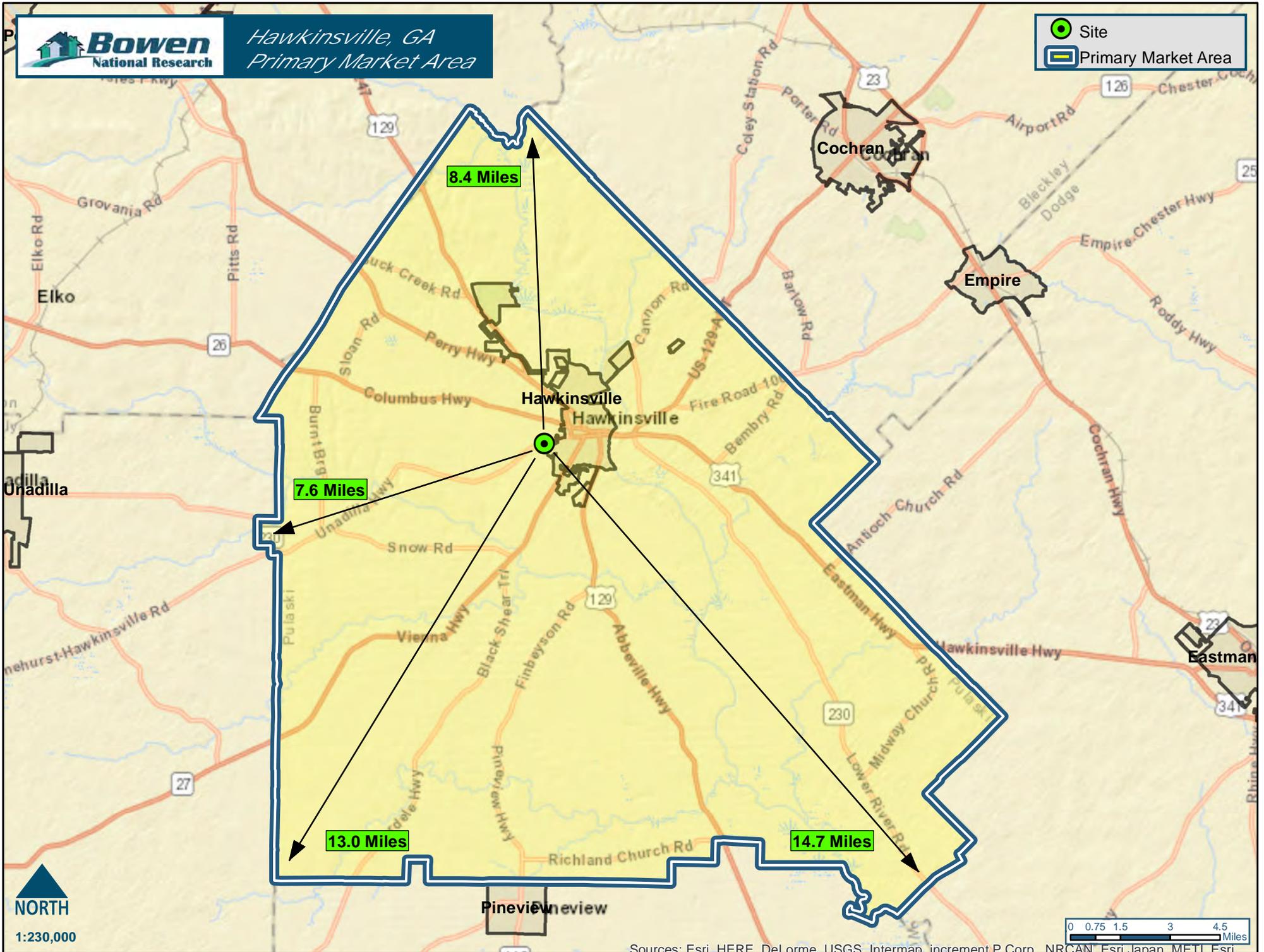
The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate. The Hawkinsville Site PMA was determined through interviews with management at the subject site, area leasing and real estate agents, government officials,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

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

The Hawkinsville Site PMA includes all of Hawkinsville and Pulaski County, Georgia. Specifically, the boundaries of the Site PMA are the Pulaski County lines.

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

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



1:230,000



Section E – Community Demographic Data

1. POPULATION TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Population	9,588	12,010	12,072	12,021
Population Change	-	2,422	62	-50
Percent Change	-	25.3%	0.5%	-0.4%

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

The Hawkinsville Site PMA population base increased by 2,422 between 2000 and 2010. This represents a 25.3% increase over the 2000 population, or an annual rate of 2.3%. Between 2010 and 2017, the population increased by 62, or 0.5%. It is projected that the population will decline by 50, or 0.4%, between 2017 and 2019.

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

Population by Age	2010 (Census)		2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	2,863	23.8%	2,685	22.2%	2,656	22.1%	-28	-1.1%
20 to 24	625	5.2%	701	5.8%	666	5.5%	-35	-5.0%
25 to 34	1,510	12.6%	1,559	12.9%	1,536	12.8%	-23	-1.5%
35 to 44	1,652	13.8%	1,513	12.5%	1,494	12.4%	-18	-1.2%
45 to 54	1,857	15.5%	1,681	13.9%	1,626	13.5%	-56	-3.3%
55 to 64	1,621	13.5%	1,709	14.2%	1,704	14.2%	-6	-0.3%
65 to 74	1,151	9.6%	1,382	11.4%	1,437	12.0%	56	4.0%
75 & Over	731	6.1%	843	7.0%	902	7.5%	60	7.1%
Total	12,010	100.0%	12,072	100.0%	12,021	100.0%	-50	-0.4%

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

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

2. HOUSEHOLD TRENDS

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

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2019 (Projected)
Households	3,407	4,475	4,543	4,528
Household Change	-	1,068	68	-15
Percent Change	-	31.3%	1.5%	-0.3%
Household Size	2.81	2.68	2.39	2.38

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

Within the Hawkinsville Site PMA, households increased by 1,068 (31.3%) between 2000 and 2010. Between 2010 and 2017, households increased by 68, or 1.5%. By 2019, there will be 4,528 households, a decline of 15 households, or 0.3% over 2017 levels. This is a decline of approximately 8 households annually over the next two years.

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

Households by Age	2010 (Census)		2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	132	2.9%	126	2.8%	123	2.7%	-4	-2.9%
25 to 34	499	11.2%	522	11.5%	510	11.3%	-12	-2.3%
35 to 44	699	15.6%	625	13.8%	612	13.5%	-14	-2.2%
45 to 54	953	21.3%	839	18.5%	801	17.7%	-38	-4.5%
55 to 64	943	21.1%	982	21.6%	971	21.4%	-11	-1.1%
65 to 74	725	16.2%	853	18.8%	878	19.4%	26	3.0%
75 to 84	412	9.2%	455	10.0%	488	10.8%	32	7.1%
85 & Over	112	2.5%	141	3.1%	146	3.2%	5	3.6%
Total	4,475	100.0%	4,543	100.0%	4,528	100.0%	-15	-0.3%

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

Between 2017 and 2019, all of the project household growth within the Site PMA is expected to be among householders age 65 and older. While this growth may increase the demand for senior-oriented housing, nearly 44% of the households fall within the 25 to 54 age groups. The trends and characteristics contribute to the market's demand for both senior and family housing.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	3,222	72.0%	3,089	68.0%	3,076	67.9%
Renter-Occupied	1,253	28.0%	1,455	32.0%	1,452	32.1%
Total	4,475	100.0%	4,543	100.0%	4,528	100.0%

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

In 2017, homeowners occupied 68.0% of all occupied housing units, while the remaining 32.0% were occupied by renters. The 1,455 renter households in the Site PMA represent a good base of support for the subject development. The total number of renter households is projected to remain stable over the next two years.

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

Persons Per Renter Household	2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	416	28.6%	411	28.3%	-5	-1.2%
2 Persons	365	25.1%	366	25.2%	1	0.2%
3 Persons	310	21.4%	311	21.4%	1	0.3%
4 Persons	250	17.2%	251	17.3%	1	0.3%
5 Persons+	111	7.6%	112	7.7%	0	0.4%
Total	1,454	100.0%	1,451	100.0%	-2	-0.2%

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

Persons Per Owner Household	2017 (Estimated)		2019 (Projected)		Change 2017-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	777	25.1%	771	25.1%	-6	-0.8%
2 Persons	1,262	40.8%	1,258	40.9%	-4	-0.3%
3 Persons	573	18.5%	570	18.5%	-3	-0.5%
4 Persons	343	11.1%	340	11.1%	-2	-0.7%
5 Persons+	135	4.4%	138	4.5%	2	1.8%
Total	3,090	100.0%	3,077	100.0%	-13	-0.4%

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

The subject project offers one- and two-bedroom units, which enable it to accommodate most household sizes, though larger family households will not likely respond to the project.

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

Household Income	2010 (Census)		2017 (Estimated)		2019 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	1,027	22.9%	892	19.6%	921	20.3%
\$15,000 to \$24,999	796	17.8%	648	14.3%	604	13.3%
\$25,000 to \$34,999	545	12.2%	620	13.6%	627	13.8%
\$35,000 to \$49,999	702	15.7%	708	15.6%	637	14.1%
\$50,000 to \$74,999	629	14.1%	826	18.2%	803	17.7%
\$75,000 to \$99,999	377	8.4%	330	7.3%	353	7.8%
\$100,000 to \$149,999	239	5.3%	409	9.0%	464	10.2%
\$150,000 to \$199,999	61	1.4%	58	1.3%	62	1.4%
\$200,000 & Over	99	2.2%	53	1.2%	56	1.2%
Total	4,475	100.0%	4,543	100.0%	4,528	100.0%
Median Income	\$32,606		\$37,378		\$37,634	

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

In 2010, the median household income was \$32,606. This increased by 14.6% to \$37,378 in 2017. By 2019, it is projected that the median household income will be \$37,634, an increase of 0.7% over 2017.

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

Renter Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	202	149	114	85	16	566
\$15,000 to \$24,999	79	74	57	42	8	260
\$25,000 to \$34,999	69	55	42	33	5	204
\$35,000 to \$49,999	16	22	16	12	2	68
\$50,000 to \$74,999	24	35	25	19	5	108
\$75,000 to \$99,999	8	12	9	7	1	37
\$100,000 to \$149,999	2	3	2	2	0	9
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	400	350	265	200	37	1,252

Source: ESRI; Urban Decision Group

Renter Households	2017 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	183	154	129	104	47	617
\$15,000 to \$24,999	67	57	49	39	18	230
\$25,000 to \$34,999	67	63	54	43	18	245
\$35,000 to \$49,999	52	44	37	31	14	179
\$50,000 to \$74,999	32	32	28	23	9	124
\$75,000 to \$99,999	4	4	4	3	1	17
\$100,000 to \$149,999	10	11	9	7	4	41
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	416	365	310	250	111	1,454

Source: ESRI; Urban Decision Group

Renter Households	2019 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	188	159	134	108	49	639
\$15,000 to \$24,999	56	48	42	34	15	196
\$25,000 to \$34,999	67	63	54	43	19	246
\$35,000 to \$49,999	47	41	34	28	13	163
\$50,000 to \$74,999	27	27	23	19	8	103
\$75,000 to \$99,999	7	7	7	5	2	28
\$100,000 to \$149,999	19	20	17	14	7	77
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	411	366	311	251	112	1,451

Source: ESRI; Urban Decision Group

Demographic Summary

Overall, demographic trends have been positive in the Site PMA between 2000 and 2017, with the population increasing by more than 25% and the total number of households increasing by more than 30% during this time. It is projected that the population will decline by 50, or 0.4%, between 2017 and 2019. By 2019, there will be 4,528 households, a decline of 15 households, or 0.3% from 2017 levels. While representing small anticipated declines, the overall demographics are generally expected to be stable. Between 2017 and 2019, all of the project household growth within the Site PMA is expected to be among householders age 65 and older. While this growth may increase the demand for senior-oriented housing, nearly 44% of the households fall within the 25 to 54 age groups. The trends and characteristics contribute to the market's demand for both senior and family housing.

Section F – Economic Trends

1. LABOR FORCE PROFILE

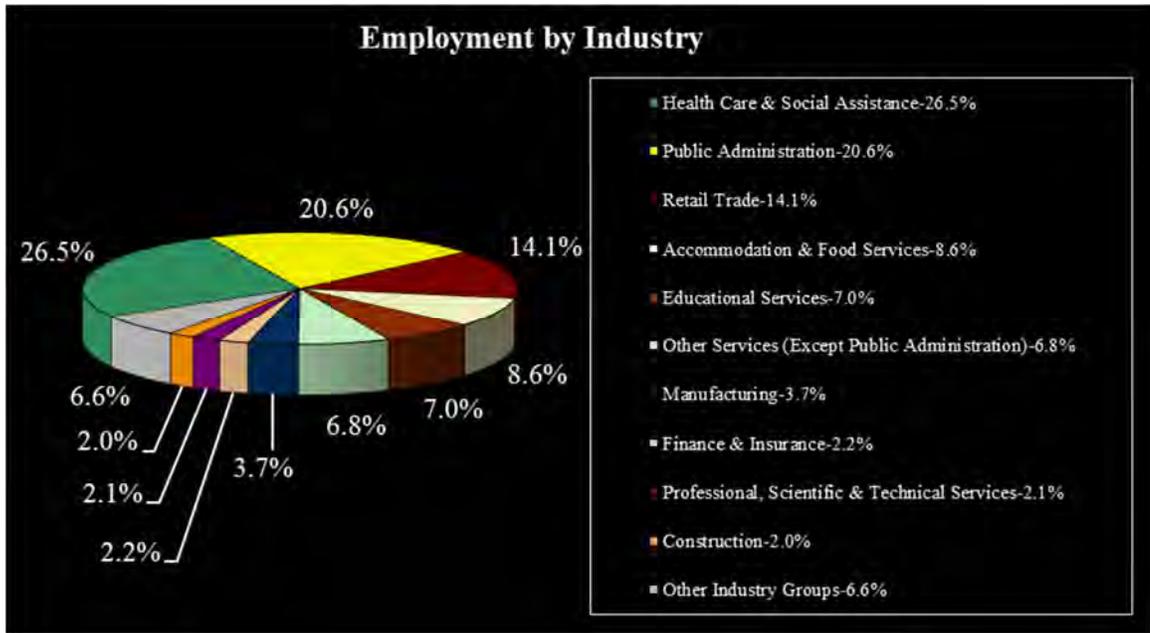
The labor force within the Hawkinsville Site PMA is based primarily in three sectors. Health Care & Social Assistance (which comprises 26.5%), Public Administration and Retail Trade comprise over 61% of the Site PMA labor force. Employment in the Hawkinsville Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	10	2.5%	53	1.4%	5.3
Mining	0	0.0%	0	0.0%	0.0
Utilities	1	0.3%	1	0.0%	1.0
Construction	23	5.8%	73	2.0%	3.2
Manufacturing	4	1.0%	137	3.7%	34.3
Wholesale Trade	10	2.5%	60	1.6%	6.0
Retail Trade	53	13.5%	525	14.1%	9.9
Transportation & Warehousing	6	1.5%	25	0.7%	4.2
Information	6	1.5%	35	0.9%	5.8
Finance & Insurance	34	8.6%	82	2.2%	2.4
Real Estate & Rental & Leasing	12	3.0%	19	0.5%	1.6
Professional, Scientific & Technical Services	25	6.3%	78	2.1%	3.1
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	5	1.3%	30	0.8%	6.0
Educational Services	11	2.8%	258	7.0%	23.5
Health Care & Social Assistance	38	9.6%	982	26.5%	25.8
Arts, Entertainment & Recreation	6	1.5%	14	0.4%	2.3
Accommodation & Food Services	30	7.6%	318	8.6%	10.6
Other Services (Except Public Administration)	49	12.4%	252	6.8%	5.1
Public Administration	59	15.0%	763	20.6%	12.9
Nonclassifiable	12	3.0%	7	0.2%	0.6
Total	394	100.0%	3,712	100.0%	9.4

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

E.P.E. - Average Employees Per Establishment

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



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

Typical Wage by Occupation Type		
Occupation Type	Warner Robins MSA	Georgia
Management Occupations	\$87,820	\$114,210
Business and Financial Occupations	\$72,340	\$71,300
Computer and Mathematical Occupations	\$74,940	\$85,800
Architecture and Engineering Occupations	\$84,490	\$78,820
Community and Social Service Occupations	\$42,420	\$45,460
Art, Design, Entertainment and Sports Medicine Occupations	\$64,720	\$52,710
Healthcare Practitioners and Technical Occupations	\$66,410	\$74,310
Healthcare Support Occupations	\$26,220	\$28,330
Protective Service Occupations	\$35,530	\$36,610
Food Preparation and Serving Related Occupations	\$19,550	\$20,530
Building and Grounds Cleaning and Maintenance Occupations	\$22,670	\$25,010
Personal Care and Service Occupations	\$22,370	\$24,390
Sales and Related Occupations	\$28,090	\$38,060
Office and Administrative Support Occupations	\$33,260	\$35,470
Construction and Extraction Occupations	\$46,920	\$40,540
Installation, Maintenance and Repair Occupations	\$49,670	\$44,550
Production Occupations	\$37,250	\$33,500
Transportation and Moving Occupations	\$29,360	\$33,720

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

Most annual blue-collar salaries range from \$19,550 to \$64,720 within the Warner Robins MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$77,200. It is important to note that most occupational types within the Warner Robins MSA have slightly lower typical wages than the state of Georgia's typical wages. The proposed project will

target low-income households. The area employment base has a significant number of wage-appropriate occupations from which the subject project will be able to draw support.

2. **MAJOR EMPLOYERS**

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

Industry	Business Type
ECP Distributors	Delivery Services
G. A. Pork Pit, LLC	Food Services
Pulaski State Prison	Government
Hardy Farms Peanuts	Food Services
Harveys Supermarkets	Grocery
Hollingsworth & Vose Company	Manufacturer
Innovation Therapy Concepts, LLC	Healthcare
McDonald's	Restaurant
Sun Mark Community Bank	Financial
Taylor Regional Hospital	Healthcare

Source: Georgia Labor Market Explorer: Local Area Profiles (3rd Quarter 2016)

According to a representative with the Hawkinsville-Pulaski County Economic Development, the Hawkinsville-Pulaski County economy is stable but certainly would like to see it improve. Agriculture is the main industry in the area and there has been talk of expansion at one of the facilities but no definite decision yet.

Hollingsworth & Vose is investing \$100 million on an expansion of their existing plant in Hawkinsville. The expansion will create 72 jobs in phase I and phase II, while phase III will be completed in the next 35 years.

Cherokee Brick & Tile is located in Macon, but is land locked in that area so the company is expanding to Hawkinsville and will invest \$3 million and 50 new jobs will be created due to this expansion.

WARN (layoff notices):

According to the Georgia Department of Economic Development, there have been no WARN notices reported for Pulaski County since January 2016.

3. EMPLOYMENT TRENDS

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

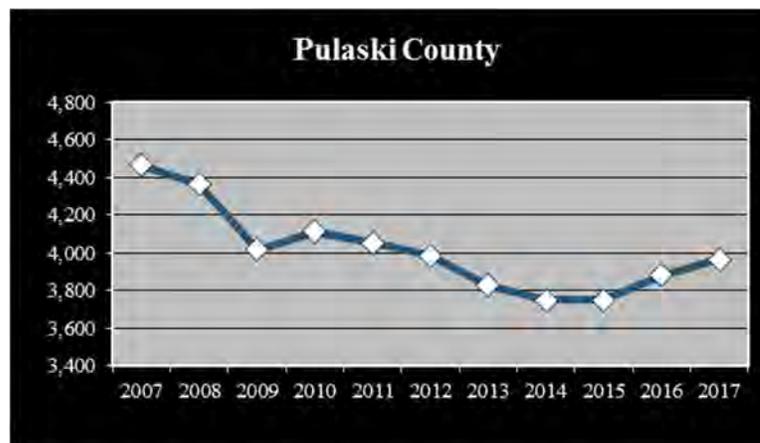
Excluding 2017, the employment base has declined by 2.6% over the past five years in Pulaski County, while the state of Georgia increased by 7.1%. Total employment reflects the number of employed persons who live within the county.

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

Year	Total Employment					
	Pulaski County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	4,465	-	4,597,640	-	146,388,400	-
2008	4,362	-2.3%	4,575,010	-0.5%	146,047,748	-0.2%
2009	4,017	-7.9%	4,311,854	-5.8%	140,696,560	-3.7%
2010	4,112	2.3%	4,202,052	-2.5%	140,469,139	-0.2%
2011	4,055	-1.4%	4,263,305	1.5%	141,791,255	0.9%
2012	3,987	-1.7%	4,348,083	2.0%	143,621,634	1.3%
2013	3,827	-4.0%	4,367,147	0.4%	144,996,474	1.0%
2014	3,748	-2.1%	4,418,471	1.2%	147,403,607	1.7%
2015	3,748	0.0%	4,502,021	1.9%	149,648,686	1.5%
2016	3,883	3.6%	4,656,255	3.4%	152,001,644	1.6%
2017*	3,967	2.2%	4,767,833	2.4%	152,065,874	0.0%

Source: Department of Labor; Bureau of Labor Statistics

*Through May



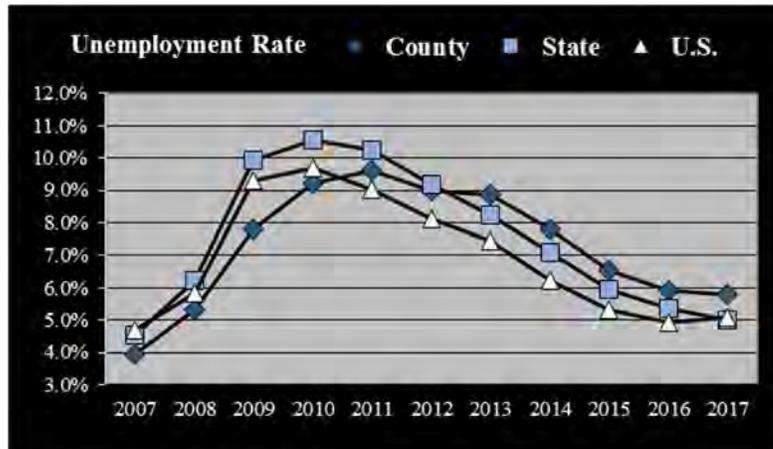
As the preceding illustrates, the Pulaski County employment base declined significantly during the national recession and continued to struggle retaining jobs up through 2014. However, over the past two and one-half years, the employment base has expanded, adding over 200 jobs since 2015.

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

Year	Unemployment Rate		
	Pulaski County	Georgia	United States
2007	4.0%	4.5%	4.7%
2008	5.3%	6.2%	5.8%
2009	7.8%	9.9%	9.3%
2010	9.2%	10.6%	9.7%
2011	9.6%	10.2%	9.0%
2012	9.0%	9.2%	8.1%
2013	8.9%	8.2%	7.4%
2014	7.8%	7.1%	6.2%
2015	6.5%	6.0%	5.3%
2016	5.9%	5.4%	4.9%
2017*	5.8%	5.0%	5.1%

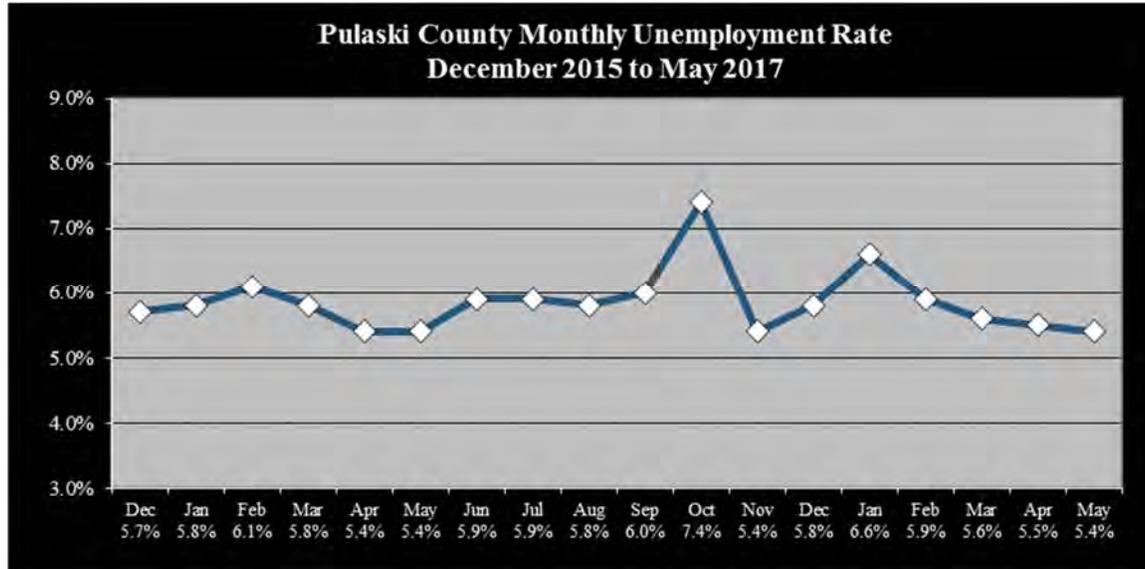
Source: Department of Labor, Bureau of Labor Statistics

*Through May



The unemployment rate in Pulaski County has ranged between 4.0% and 9.6%, comparable to the state average since 2007. After peaking at 9.6% in 2011, the county's unemployment rate has declined in six successive years.

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



With a few exceptions, the county’s monthly unemployment rate has remained generally stable, hovering around 6.0% during the past 18 months.

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

In-Place Employment Pulaski County			
Year	Employment	Change	Percent Change
2006	3,196	-	-
2007	3,214	18	0.6%
2008	3,070	-144	-4.5%
2009	2,755	-315	-10.3%
2010	2,792	37	1.3%
2011	2,748	-44	-1.6%
2012	2,779	31	1.1%
2013	2,687	-92	-3.3%
2014	2,737	50	1.9%
2015	2,754	17	0.6%
2016	2,818	64	2.3%

Source: Department of Labor, Bureau of Labor Statistics

Data for 2016, the most recent year that year-end figures are available, indicates in-place employment in Pulaski County to be 72.6% of the total Pulaski County employment. This means that Pulaski County has more employed persons leaving the county for daytime employment than those who work in the county. A high share of employed persons leaving the county for employment could have an adverse impact on residency with increasing energy costs.

4. ECONOMIC FORECAST

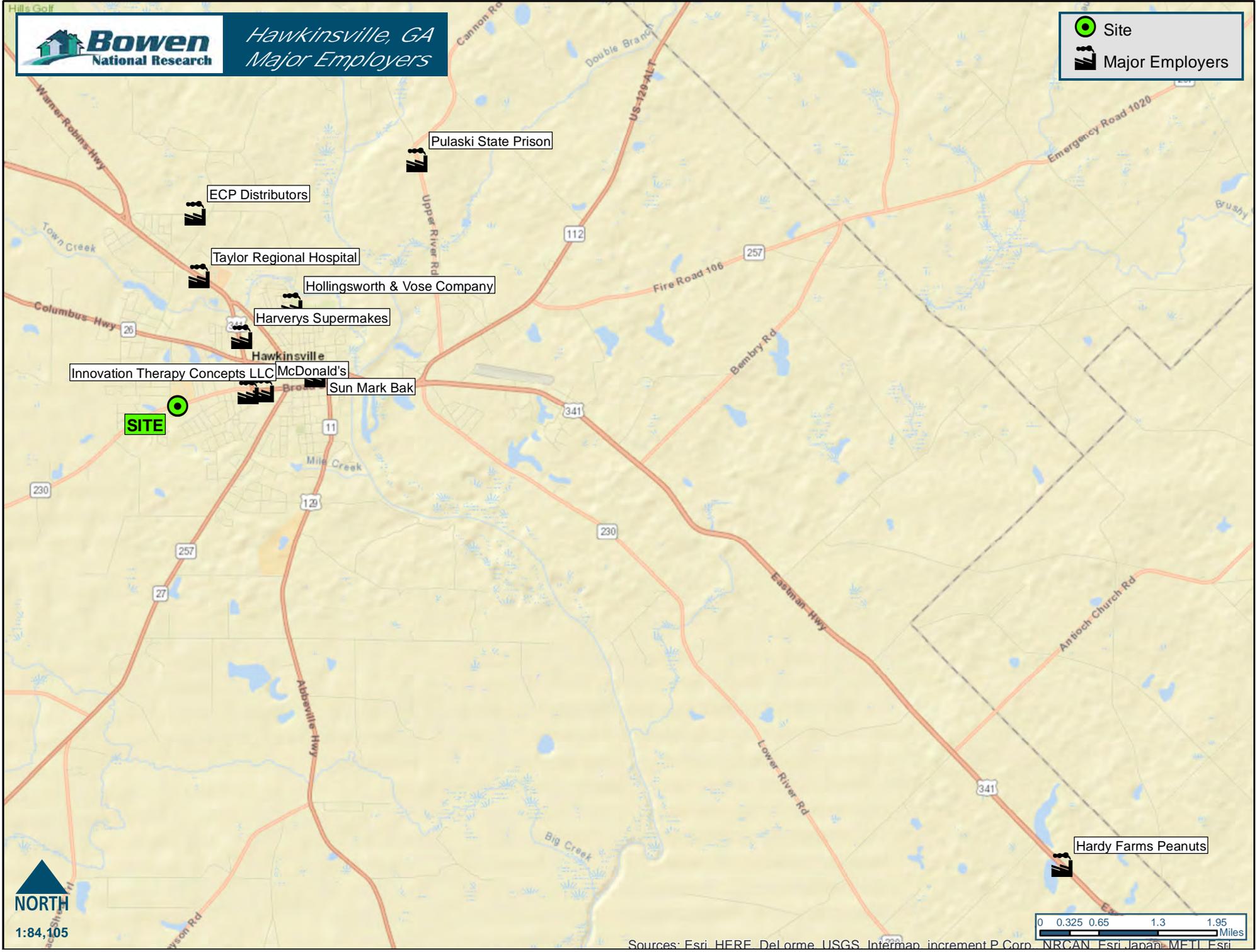
More than half of the Site PMA's labor force is within the Health Care & Social Assistance, Public Administration and Retail Trade job sectors. The proposed project will target low-income households and the area employment base has a significant number of wage-appropriate occupations from which the subject project will be able to draw support. The Pulaski County employment base declined significantly during the national recession and continued to struggle retaining jobs up through 2014. However, over the past two and one-half years, the employment base has expanded, adding over 200 jobs since 2015. The unemployment rate in Pulaski County has ranged between 4.0% and 9.6%, comparable to the state average since 2007. After peaking at 9.6% in 2011, the county's unemployment rate has declined in six successive years. The overall economic trends of the market have been positive in the last few years and are expected to remain stable to positive for the foreseeable future.

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

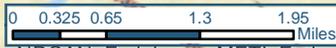


Hawkinsville, GA Major Employers

- Site
- Major Employers



NORTH
1:84,105



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

Section G – Project-Specific Demand Analysis

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

1. DETERMINATION OF INCOME ELIGIBILITY

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

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

The subject site is within the Pulaski County, Georgia HUD Metro FMR Area, which has a four-person median household income of \$47,200 for 2017. The subject property will be restricted to households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size at 60% of AMHI.

Household Size	Maximum Allowable Income
	60%
One-Person	\$19,860
Two-Person	\$22,680
Three-Person	\$25,500

a. Maximum Income Limits

The largest units (two-bedroom) at the subject site are expected to continue to house up to three-person family households. As such, the maximum allowable income at the subject site is **\$25,500**.

b. Minimum Income Requirements

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

The proposed Low-Income Housing Tax Credit units will have a lowest gross rent of \$527 (at 60% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,324. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of **\$18,068**.

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

c. Income-Appropriate Range

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

Unit Type	Income Range	
	Minimum	Maximum
Rural Development/Tax Credit with RA	\$0	\$25,500
LIHTC Only without RA	\$18,068	\$25,500

2. METHODOLOGY

Demand

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

- a. Demand from New Household: New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using current renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households.*

b. Demand from Existing Households: The second source of demand should be projected from:

- **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the proposed development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent.*

Based on Table B25074 of the American Community Survey (ACS) 2011-2015 5-year estimates, approximately 54.5% to 57.9% (depending upon targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on Table B25016 of the American Community Survey (ACS) 2011-2015 5-year estimates, 9.3% of all households in the market were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.

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

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

c. Other: *DCA does not consider household turnover to be a source of market demand. However, if an analyst firmly believes that demand exists that is not*

captured by the above methods, he/she may use other indicators to estimate demand if they are fully justified (e.g. an analysis of an under built market in the base year). Any such additional indicators should be calculated separately from the demand analysis above. Such additions should be well documented by the analyst with documentation included in the Market Study.

Net Demand

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

As detailed in *Section H*, there is one general-occupancy project in the development pipeline which received Tax Credit allocations in 2016. This property is summarized in the following table and the planned units which are expected to be directly competitive with the subject project have been considered in our demand estimates. The existing non-subsidized general-occupancy Tax Credit properties surveyed in the market all report occupancy rates ranging from 95.0% to 100.0%. Thus, no *existing* competitive Tax Credit units have been considered in our demand estimates.

Project Name	Year Allocated	Number of Bedrooms	Units at Targeted AMHI	
			50% AMHI	60% AMHI
Taylor Village	2016	One	7	17
		Two	7	29
		Three	0	8

Two demand scenarios have been analyzed for the subject project. Scenario one assumes all rental assisted units are leasable (and will remain occupied) and also accounts for any current tenants which will continue to income-qualify to reside at the property under the Tax Credit guidelines, per GDCA guidelines. Scenario two provides demand estimates for the entire subject project assuming both the retention of Rental Assistance (RA) and the unlikely scenario the property had to operate exclusively under the Tax Credit guidelines. The following is a summary of our demand calculations.

Demand Component	Percent Of Median Household Income			
	Scenario One (Less units to remain occupied post renovations)		Scenario Two (Overall Demand Estimates)	
	RD 515/LIHTC w/ RA (\$0 - \$25,500)	RD 515/ LIHTC Without RA (\$18,068 - \$25,500)	RD 515/LIHTC w/ RA (\$0 - \$25,500)	LIHTC Only Without RA (\$18,068 - \$25,500)
Demand From New Renter Households (Income-Appropriate)	847 - 859 = -12	148 - 172 = -24	847 - 859 = -12	148 - 172 = -24
+				
Demand From Existing Households (Rent Overburdened)	859 X 57.9% = 498	172 X 54.5% = 93	859 X 57.9% = 498	172 X 54.5% = 93
+				
Demand From Existing Households (Renters In Substandard Housing)	859 X 9.3% = 80	172 X 9.3% = 16	859 X 9.3% = 80	172 X 9.3% = 16
=				
Demand Subtotal	566	85	566	85
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	N/A	N/A	N/A	N/A
=				
Total Demand	566	85	566	85
-				
Supply (Directly Comparable Units Built and/or Funded Since 2015)	46	46	46	46
=				
Net Demand	520	39	520	39
Proposed Units	0*	12*	51	51
Proposed Units/ Net Demand	0* / 520	12/ 39	51 / 520	51 / 39
Capture Rate	= 0.0%	= 30.8%	= 9.8%	= >100.0%

N/A – Not Applicable

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

As the preceding illustrates, the subject's overall capture rate of 9.8% (subsidized scenario) is considered achievable and demonstrates a sufficient base of support for the subject project under this scenario. However, the subject's capture rate in the LIHTC only scenario exceeds 100.0% and thus exceeds the GDCA threshold of 35% for projects in rural markets. While this would suggest that there is insufficient support in this market for the subject project under this scenario, it must be reiterated that the subject project is an existing property which is currently 100.0% occupied. As such, a sufficient base of support clearly exists within the market for the subject project, assuming RA is retained, despite the subject's overall capture rate in excess of 100.0% when considering the unlikely scenario that it is not retained. It is also important to note that the preceding demand estimates effectively only consider income-qualified renter households based on new renter growth and those which are existing but rent overburdened and/or living in substandard housing. When considering that the subject project is an existing property which does not need to rely on support from new renter growth, a larger base of potential support for the subject project is believed to

exist within the market than that reflected by our demand estimates. Effectively, however, the subject project will have a capture rate of 30.8% for the 12 non-RA units which would need to be re-rented post renovations due to current tenants no longer income-qualifying to reside at the property under the Tax Credit program. This is considered an achievable capture rate within the Hawkinsville Site PMA, especially when considering the lack of non-subsidized family-oriented LIHTC product in the market. Regardless, RA will be retained and the developer will provide a Private Rental Assistance (PRA) subsidy which will prevent a rent increase on all current unassisted tenants. Thus, most, if not all, current tenants are expected to remain post renovations.

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

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	35.0%
Two-Bedroom	45.0%
Three-Bedroom+	20.0%
Total	100.0%

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

Scenario One (Less units to remain occupied post renovations)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Subject Rents
One-Bedroom (35%)	60%	7***	30	17	13	53.8%	3 Months	\$739	\$655-\$825	\$424
One-Bedroom	Total	7***	30	17	13	53.8%	3 Months	-	-	-
Two-Bedroom (45%)	60%	5***	38	29	9	55.6%	3 Months	\$877	\$700-\$950	\$464
Two-Bedroom	Total	5***	38	29	9	55.6%	3 Months	-	-	-

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

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

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

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

Scenario Two (Entire Property)

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand*	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent	Market Rents Band Min-Max	Subject Rents
RD 515/LIHTC with Rental Assistance (RA)										
One-Bedroom (35%)	60%	30	198	17	181	16.6%	3 Months	\$739	\$655-\$825	\$424
One-Bedroom	Total	30	198	17	181	16.6%	3 Months	-	-	-
LIHTC Only										
One-Bedroom (35%)	60%	30	30	17	13	>100.0%	> 1 Year	\$739	\$655-\$825	\$424
One-Bedroom	Total	30	30	17	13	>100.0%	> 1 Year	-	-	-
Two-Bedroom (45%)	60%	21	38	29	9	>100.0%	> 1 Year	\$877	\$700-\$950	\$464
Two-Bedroom	Total	21	38	29	9	>100.0%	> 1 Year	-	-	-

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

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

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

As the preceding tables illustrate, the capture rates by bedroom type range between 11.6% and 16.6% when assuming the retention of RA on some units and more than 100.0% for the LIHTC only scenario. Typically, this would suggest that an insufficient base of support exists in the market for a particular property. However, the subject project is an existing property which is currently 100.0% occupied, clear evidence that sufficient support for the subject project exists within this market, assuming the retention of RA, despite the high overall capture rates for the property. Further, the developer will also provide a PRA subsidy which will prevent a rent increase on all current unassisted residents. Thus, most, if not all, current tenants will remain post renovations, resulting in a lower effective capture rate for the property, as previously detailed.

Section H – Rental Housing Analysis (Supply)

1. OVERVIEW OF RENTAL HOUSING

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

Housing Type	2010 (Census)		2017 (Estimated)	
	Housing Units	Percent	Housing Units	Percent
Total Occupied	4,475	86.9%	4,543	84.8%
Owner-Occupied	3,222	72.0%	3,089	68.0%
Renter-Occupied	1,253	28.0%	1,455	32.0%
Vacant	676	13.1%	817	15.2%
Total	5,151	100.0%	5,360	100.0%

Source: ESRI, Census 2010

Based on a 2017 update of the 2010 Census, of the 5,360 total housing units in the market, 15.2% were vacant. In 2017, it was estimated that homeowners occupied 68.0% of all occupied housing units, while the remaining 32.0% were occupied by renters. Note that the number of renter households increased within the Site PMA between 2010 and 2017, while the number of homeowners decreased. This is a good indication of increased demand for rental product within this market.

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

Vacant Units	Number	Percent
For Rent	191	28.3%
For-Sale Only	75	11.1%
Renter/Sold, Not Occ.	27	4.0%
Seasonal or Recreational	97	14.3%
Other Vacant	286	42.3%
Total	676	100.0%

Source: 2010 Census

Based on the 2010 Census, of the 676 vacant units in the Site PMA, 42.3% are classified as “Other Vacant” and only 28.3% were classified as “For Rent”. This is a good indication that the vacant housing units included in the table earlier on this page are not reflective of the long-term rental housing market within the Site PMA. Regardless, we have conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental market within the Site PMA.

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

Units in Structure	Owner		Renter	
	Number	Percent	Number	Percent
1, Detached	1,837	76.7%	916	59.1%
1, Attached	0	0.0%	15	1.0%
2 to 4	0	0.0%	70	4.5%
5 to 9	0	0.0%	163	10.5%
10 to 19	0	0.0%	17	1.1%
20 to 49	0	0.0%	16	1.0%
50+	0	0.0%	0	0.0%
Mobile Homes	559	23.3%	354	22.8%
Boat, RV, Vans	0	0.0%	0	0.0%
Total	2,396	100.0%	1,551	100.0%

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

Nearly 98.0% of all renter-occupied units within the Site PMA are comprised within structures containing less than 10 units. Thus, the majority of rental product in this market is non-conventional rental product. The subject project which contains 51 total units will therefore continue to provide a conventional rental alternative that has limited supply within the Site PMA.

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

	Kitchen Characteristics			
	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Complete Kitchen	2,390	99.7%	1,510	97.4%
Lacking Complete Kitchen	6	0.3%	41	2.6%
Total	2,396	100.0%	1,551	100.0%

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

	Bathroom Characteristics			
	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Complete Plumbing	2,383	99.5%	1,477	95.2%
Lacking Complete Plumbing	13	0.5%	74	4.8%
Total	2,396	100.0%	1,551	100.0%

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

Based on the 2011-2015 ACS estimates, the percentage of owner- and renter-occupied housing with incomplete kitchen facilities was 0.3% and 0.5%, respectively.

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

	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
1.0 Or Less Occupants Per Room	2,378	99.2%	1,481	95.5%
1.01 Or More Occupants Per Room	18	0.8%	70	4.5%
Total	2,396	100.0%	1,551	100.0%

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

The number of renter-occupied housing units with 1.01 or more occupants per room and considered overcrowded was 4.5% of the households, compared with 0.8% of owner-occupied households.

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

Percentage of Income	Owner		Renter	
	Number	Percent	Number	Percent
Less Than 20%	1,539	64.2%	365	23.5%
20% to 29%	429	17.9%	247	15.9%
30% or More	389	16.2%	647	41.7%
Not Computed	39	1.6%	292	18.8%
Total	2,396	100.0%	1,551	100.0%

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

As the preceding illustrates, 41.7% of renter households in the market pay more than 30% of their income towards rent. This is slightly lower than the national average of 47.9%.

Conventional Rentals

As previously detailed, the Hawkinsville market offers a limited supply of conventional rental product, which is further evidenced by the fact that we identified just six conventional rental housing projects containing a total of 240 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 100.0%, an excellent rate for rental housing. Each rental housing segment surveyed is summarized in the following table:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	1	10	0	100.0%
Tax Credit	1	32	0	100.0%
Government-Subsidized	4	198	0	100.0%
Total	6	240	0	100.0%

The majority of rental product surveyed in the Site PMA is affordable (i.e. Tax Credit and/or Government-Subsidized), as such product comprises nearly 96.0% of the rental units surveyed. These affordable rental units, as well as the unrestricted market-rate units surveyed, are 100.0% occupied, a good indication of strong demand for rental housing among all affordability levels within the Site PMA.

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

Market-rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Two-Bedroom	2.0	4	40.0%	0	0.0%	\$782
Two-Bedroom	2.5	6	60.0%	0	0.0%	\$835
Total Market-rate		10	100.0%	0	0.0%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	3	9.4%	0	0.0%	\$390
One-Bedroom	1.0	11	34.4%	0	0.0%	\$509
Two-Bedroom	2.0	18	56.3%	0	0.0%	\$567
Total Tax Credit		32	100.0%	0	0.0%	-

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

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

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	10	0.0%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B+	1	32	0.0%

All non-subsidized (market-rate and Tax Credit) properties surveyed were assigned overall quality/condition ratings of "B+" by our analyst. The relatively high quality of these properties has likely contributed to the high occupancy rates maintained. The

subject project is expected to have an improved overall quality/condition upon completion of renovations, which will contribute to the subject's continued marketability.

2. SUMMARY OF ASSISTED PROJECTS

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

Map I.D.	Project Name	Type	Year Built	Total Units	Occup.	Gross Rent (Unit Mix)				
						Studio	One-Br.	Two-Br.	Three-Br.	Four-Br.
1	Arrowhead Apts. (Site)	RD 515	1980	50	100.0%	-	\$461 - \$593 (30)	\$513 - \$659 (20)	-	-
2	Cotton Mill Lofts Apts.	TAX	2012	32	100.0%	\$390 - \$450 (3)	\$439 - \$509 (11)	\$487 - \$567 (18)	-	-
3	Lakeside Villa Apts.	RD 515	1986	32	100.0%	-	\$499 - \$643 (16)	\$569 - \$731 (16)	-	-
5	Hawkinsville Public Hsg. (Fam & Sr)	P.H.	1981	86	100.0%	-	\$291 - \$657 (20)	\$356 - \$381 (31)	\$473 - \$529 (28)	\$594 - \$692 (7)
6	Heart Homes	SEC 8	1991	30	100.0%	\$756 (8)	\$770 (22)	-	-	-
Total				230	100.0%					

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

OCCUP. - Occupancy

TAX - Tax Credit

SEC - Section

P.H. - Public Housing

RD - Rural Development

*Market-rate units not included

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

HOUSING CHOICE VOUCHER HOLDERS

According to the Georgia Department of Community Affairs, there are approximately 12 Housing Choice Voucher holders within Pulaski County and 18 people on the waiting list for an additional Voucher. This reflects the continuing need for Housing Choice Voucher assistance.

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

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
2	Cotton Mill Lofts Apts.	32	0	0.0%
	Total	32	0	0.0%

As the preceding table illustrates, there are no Voucher holders residing at the only existing non-subsidized Tax Credit property for which this information was available within the market. As such, it can be concluded that the gross rents at this property are achievable within the market and that non-subsidized Tax Credit properties do not rely heavily on Voucher support.

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

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$517	\$527
Two-Bedroom	\$655	\$612

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

3. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with planning representatives, it was determined that there is one rental housing project planned within the Site PMA. This planned development is summarized as follows:

- Taylor Village was allocated Tax Credit financing in 2016 and will be located at 161 Commerce Street in Hawkinsville. The 68-unit property is being developed by TBG Residential and will consist of 24 one-bedrooms, 36 two-bedrooms and eight (8) three-bedrooms. A total of 54 units will be set-aside at a 60% AMHI and 14 units will be set aside at 50% AMHI. This is a rehab of the former Taylor Memorial Hospital along with three new construction buildings. The rehabilitation of this property has not begun as of the time of this report.

The aforementioned affordable development within the pipeline in the market will likely compete with the non-RA units offered at the site and have been included in our demand analysis illustrated earlier in Section G – *Project Specific Demand* of this report.

Building Permit Data

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

Housing Unit Building Permits for Pulaski County:										
Permits	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Multifamily Permits	0	0	0	0	0	0	0	0	0	0
Single-Family Permits	40	24	16	14	13	14	17	17	13	8
Total Units	40	24	16	14	13	14	17	17	13	8

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

As the preceding illustrates, there have been no multifamily building permits issued in Pulaski County in the past ten years. This illustrates that there will likely continue to be a need for rental housing within the region. This is further illustrated by the combined occupancy rate of 100.0% of the surveyed rental developments within the Hawkinsville Site PMA. Although the subject project will not add any new units to the market during renovations, the proposed renovations will provide some much needed updated/modern rental units within this market.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Tax Credit Units

The subject project will offer one- and two-bedroom units target family (general-occupancy) households earning up to 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program following renovations. We identified and surveyed only one LIHTC property, Cotton Mill Lofts Apartments (Map ID 2) within the Hawkinsville Site PMA. This general-occupancy LIHTC property offers studio, one- and two-bedroom units targeting households earning up to 60% of AMHI, similar to the subject site. As such, we have included this property in our comparable/competitive analysis.

Due to the lack of conventional non-subsidized LIHTC product within the Site PMA, we also identified and surveyed two additional LIHTC properties outside the Site PMA in the nearby city of Warner Robbins, Georgia. These properties offer one- and two-bedroom units targeting households earning up to 60% of AMHI, similar to the subject project. Since these properties are located outside the Site PMA, they are not considered competitive and have been included for comparability purposes only.

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Arrowhead	1980 / 2019	51	100.0%	-	16 H.H.	Families; 60% AMHI & RD 515
2	Cotton Mill Lofts Apts.	2012	32	100.0%	1.6 Miles	None	Families; 50% & 60% AMHI
902	Austin Pointe	1999	72	100.0%	29.1 Miles	4 H.H.	Families; 60% AMHI
906	Pacific Park	2001	128*	100.0%	27.8 Miles	56 H.H.	Families; 50% & 60% AMHI

900 Map IDs are located outside the Site PMA

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

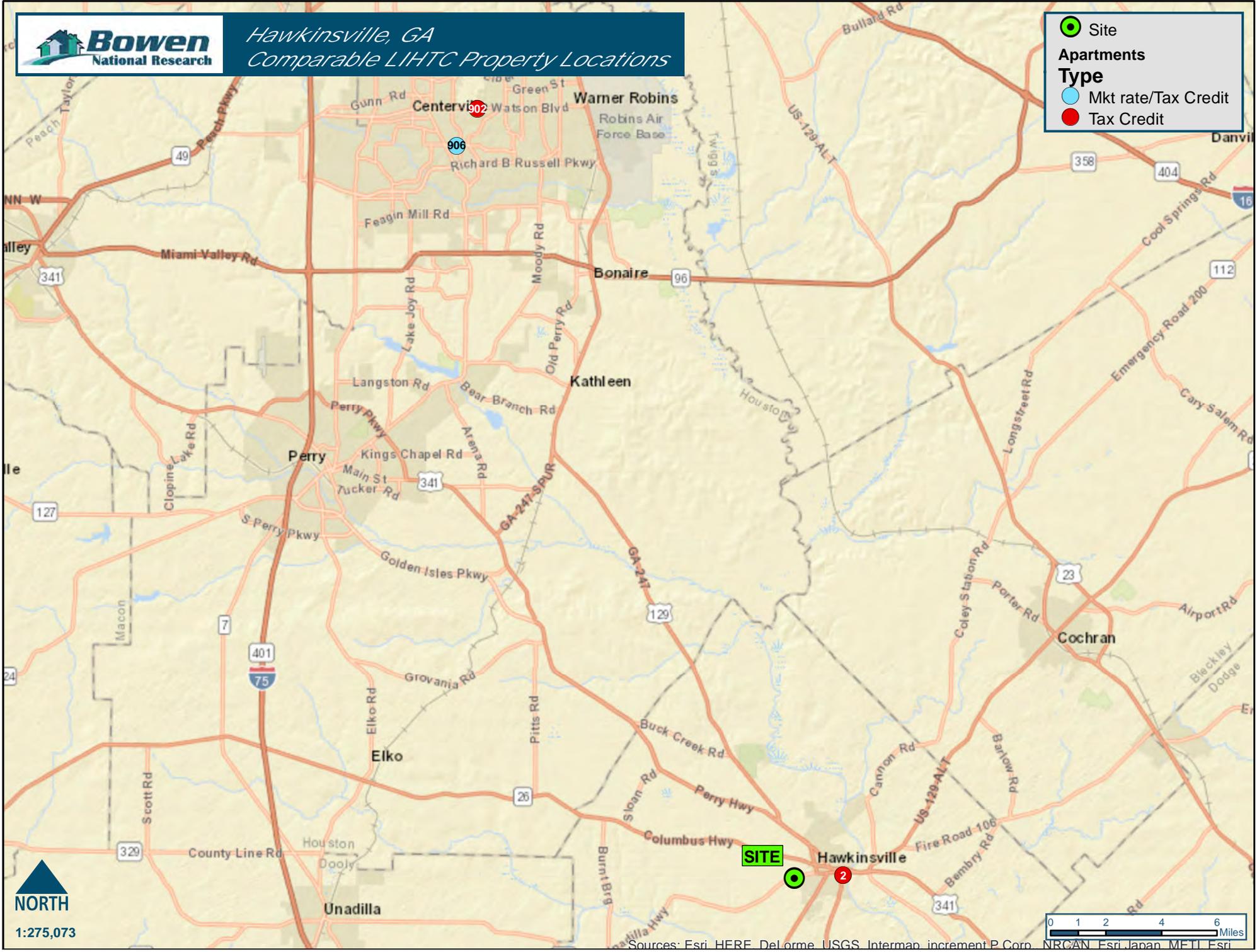
The three LIHTC projects have a combined occupancy rate of 100.0% and two of the three maintain a waiting list for their next available units, the longest of which contains 56 households. This is a clear indication of pent-up demand for general-occupancy LIHTC product such as that offered at the subject site.

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



Hawkinsville, GA
Comparable LIHTC Property Locations

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



NORTH
1:275,073



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

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

		Gross Rent/Percent of AMHI (Number of Units/Vacancies)				
Map I.D.	Project Name	Studio	One-Br.	Two-Br.	Three-Br.	Rent Special
Site	Arrowhead	-	\$527/60% (30)	\$612/60% (21)	-	-
2	Cotton Mill Lofts Apts.	\$390/50% (1/0) \$450/60% (2/0)	\$439/50% (1/0) \$509/60% (10/0)	\$487/50% (3/0) \$567/60% (15/0)	-	None
902	Austin Pointe	-	\$636/60% (16/0)	\$739/60% (32/0)	\$833/60% (24/0)	None
906	Pacific Park	-	\$574/50% (8/0) \$669/60% (24/0)	\$667/50% (12/0) \$772/60% (53/0)	\$757/50% (8/0) \$867/60% (23/0)	None

900 Series Map IDs are located outside the Site PMA

The subject's proposed gross Tax Credit rents ranging from \$527 to \$612 will be some of the lowest in the region, relative to similar unit types offered among the comparable properties surveyed. Considering the age and competitive position of the subject project in the way of unit design (square feet and number of bathrooms offered), and amenities offered, the subject's lower proposed rent levels are considered appropriate.

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

Weighted Average Collected Rent of Comparable LIHTC Units*	
One-Br.	Two-Br.
\$542	\$621

*Only unit types directly comparable to the subject units

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

Bedrooms	Weighted Avg. Rent	Proposed Rent	Difference	Proposed Rent	Rent Advantage
One-Br.	\$542	- \$424	\$118	/ \$424	27.8%
Two-Br.	\$521	- \$464	\$57	/ \$464	12.3%

As the preceding illustrates, the proposed subject's one- and two-bedroom rents represent rent advantages of 27.8% and 12.3%, respectively, as compared to the weighted average collected rent of the comparable LIHTC unit types surveyed. Please note however that this is in comparison to the *collected* rents and do not reflect differences in the utility structure that gross rents include. Therefore, caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development's collected rents are available in *Addendum F* of this report.

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

Map I.D.	Project Name	Square Footage			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	Arrowhead	-	618 - 630	796 - 848	-
2	Cotton Mill Lofts Apts.	400	500 - 700	1,075	-
902	Austin Pointe	-	817	998	1,208
906	Pacific Park	-	879	1,055	1,339

Map I.D.	Project Name	Number of Baths			
		Studio	One-Br.	Two-Br.	Three-Br.
Site	Arrowhead	-	1.0	1.0	-
2	Cotton Mill Lofts Apts.	1.0	1.0	2.0	-
902	Austin Pointe	-	1.0	1.0	1.0
906	Pacific Park	-	1.0	1.0	2.0

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

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

COMPARABLE PROPERTIES AMENITIES - HAWKINSVILLE, GEORGIA

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

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

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

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

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

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

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

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

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

Comparable/Competitive Tax Credit Summary

The Hawkinsville Site PMA offers a very limited supply of comparable LIHTC product, as only one such property, Cotton Mill Lofts Apartments (Map ID 2), was surveyed within the Site PMA. Similar to the subject project, this aforementioned property offers LIHTC units targeting families earning up to 60% of AMHI and is currently 100.0% occupied. The two additional non-subsidized LIHTC properties surveyed outside the Site PMA are 100.0% occupied with waiting lists. The subject's proposed gross Tax Credit rents are within the range of those currently reported among the comparable properties. The subject project is also considered competitive in terms of unit design (square feet and number of bathrooms) and amenities offered. This is especially true when considering the anticipated retention of RA on the majority of the subject units. This will allow most tenants of the property to continue paying 30% of their income towards rent. It is also of note that the developer has indicated that a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants of the property, which will prevent rent increases on these tenants post renovations. Overall, the subject project is expected to continue to remain marketable and a value to low-income families in the Hawkinsville market.

Comparable/Competitive Housing Impact

As stated throughout this section of the report and evidenced by our Field Survey of Conventional Rentals, there is only one non-subsidized general-occupancy Tax Credit property offered within the Hawkinsville Site PMA. This property, Cotton Mill Lofts Apartments (Map ID 2), is 100.0% occupied. It is also important to reiterate that the subject project involves the renovation of an existing property which is currently 100.0% occupied with a waiting list and the proposed renovations will not involve the addition of any new units to the property/market. Based on the preceding factors, we do not expect the proposed renovations to the subject project to have any adverse impact on future occupancy rates among existing LIHTC product in the Hawkinsville market.

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

5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$88,866. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for an \$88,866 home is \$535, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$88,866
Mortgaged Value = 95% of Median Home Price	\$84,423
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$428
Estimated Taxes and Insurance*	\$107
Estimated Monthly Mortgage Payment	\$535

*Estimated at 25% of principal and interest

In comparison, the proposed monthly collected Tax Credit rents at the subject project range from \$424 to \$464, depending upon bedroom type. Although some tenants at the subject project could likely afford the monthly payments, considering the high cost of homeownership and the fact that most potential tenants of the subject project will likely be unable to afford the cost of a typical down payment, utility costs, and/or routine maintenance costs associated with such a home, we do not anticipate any competitive impact on or from the homebuyer market.

Section I – Absorption & Stabilization Rates

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

According to management, the subject project is currently 100.0% occupied and a 16 household wait list is maintained. Based on our review of the most current tenant rent roll and assuming that Rental Assistance (RA) will be retained on a portion of the property and a Private Rental Assistance (PRA) subsidy will be provided to all current unassisted tenants, it is anticipated that few, if any, of the current tenants will move from the project following renovations. Furthermore, it is important to note that the renovations at the subject site will not necessitate the displacement of current residents and the project will be renovated in such a way to minimize off-site relocation. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 51 subject units will be vacated and that all units will have to be re-rented simultaneously, assuming the retention of RA on 36 of the 51 revenue-producing units.

It is our opinion that the 51 units at the subject site will reach a stabilized occupancy of 93.0% within six months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately eight units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. Changes to the project's rents, amenities, scope of renovations, or other features may invalidate our findings. We assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Finally, these absorption projections also assume that RA will be retained following renovations. Should RA not be retained, the 51 LIHTC units at the subject site would likely have an extended absorption period of up to nine months (five units per month) as this would no longer allow the subject project to target households earning below \$18,068, assuming the project operates at the proposed LIHTC rent levels evaluated in this report.

Section J – Interviews

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

- Mr. Daniel Dobbins, Economic Development Specialist for the city of Hawkinsville, stated that there is a need for more affordable housing in the area for both families and seniors, as the few available properties are all typically occupied with waiting lists. Mr. Dobbins added that the current rental housing inventory in the area is not comprised of properties of very good quality and people are having trouble finding quality housing that they can afford.
- Kenya McDonald, Property Manager of Cotton Mill Lofts Apartments (Map ID 2), stated that there is a need for more affordable housing in the area, as she frequently receives calls regarding the availability of affordable units.
- Michelle Moses, Property Manager of Arrowhead Apartments (subject site), stated that there is definitely a need for more affordable housing in the area, as evidenced by her property's 100.0% occupancy rate and 16-household waiting list.

Section K – Conclusions & Recommendations

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the 51 revenue-producing units offered at the existing Arrowhead Apartments in Hawkinsville, Georgia, following renovations utilizing financing from the 4% Tax Exempt Bond program. Changes in the project's scope of renovations, rents, amenities and/or renovation completion date may alter these findings.

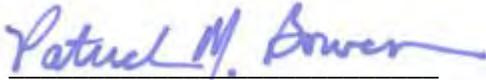
The Hawkinsville Site PMA is very rural in nature and offers a very limited supply of conventional rental product. Notably, five of the six properties surveyed in the market (including the subject site) are affordable (Tax Credit and/or Government-Subsidized) properties and all properties surveyed are 100.0% occupied. This indicates that while affordable rental product is in high demand, there is less of a market for non-subsidized product within the Hawkinsville Site PMA. This coincides with the fact that more than 58.0% of renter households in this market earn less than \$25,000. The subject's proposed gross Tax Credit rents are in line with those reported among the comparable properties surveyed in the market and region. However, as indicated by our demand estimates, it is unlikely that the subject project would be able maintain a stabilized occupancy rate at the proposed rent levels, without the retention of RA. The subject project is considered marketable in the way of unit design (square feet and number of bathrooms offered) and amenities offered.

In addition to being competitively positioned, a good base of demographic support will continue to exist for the subject project within the Hawkinsville market. This is evident by the low overall capture rate of 9.8% for the subject project, assuming the retention of RA.

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

Section L - Signed Statement

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



Patrick M. Bowen
President/Market Analyst
Bowen National Research
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Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: August 14, 2017



Jeff Peters
Market Analyst
jeffp@bowennational.com
Date: August 14, 2017

Section M – Market Study Representation

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

Section N - Qualifications

The Company

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

Company Leadership

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

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

Market Analysts

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

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

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

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

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

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

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

Research Staff

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

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

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

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

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

HAWKINSVILLE, GEORGIA

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

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

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

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

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

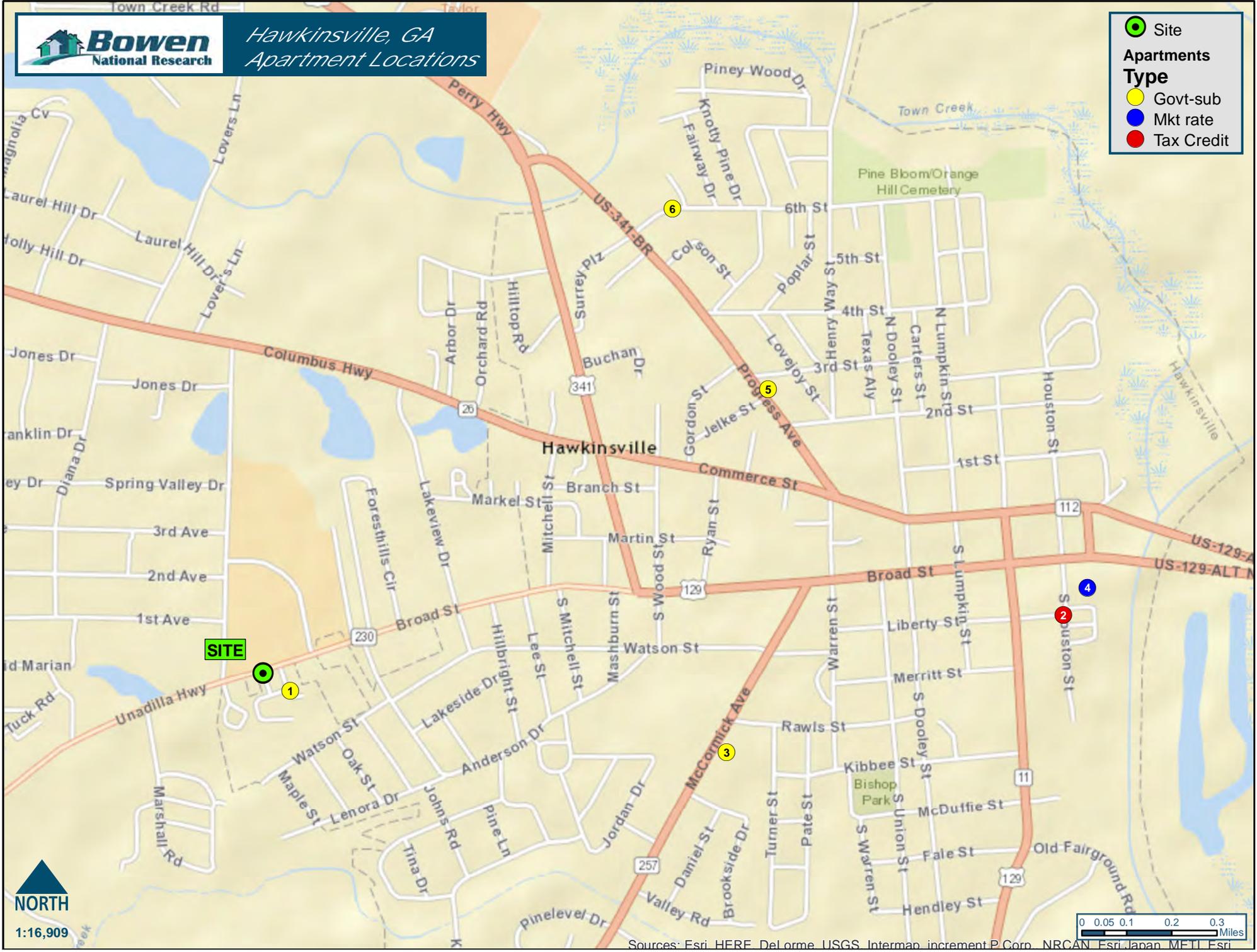


Hawkinsville, GA Apartment Locations

Site
● Site

Apartments Type

- Govt-sub
- Mkt rate
- Tax Credit



NORTH
1:16,909

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

MAP IDENTIFICATION LIST - HAWKINSVILLE, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Arrowhead Apts. (Site)	GSS	B	1980	50	0	100.0%	-
2	Cotton Mill Lofts Apts.	TAX	B+	2012	32	0	100.0%	1.6
3	Lakeside Villa Apts.	GSS	B	1986	32	0	100.0%	1.2
4	River Market Lofts	MRR	B+	1956	10	0	100.0%	1.6
5	Hawkinsville Public Hsg. (Fam & Sr)	GSS	C	1981	86	0	100.0%	1.3
6	Heart Homes	GSS	B-	1991	30	0	100.0%	1.5

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	1	10	0	100.0%	0
TAX	1	32	0	100.0%	0
GSS	4	198	0	100.0%	0

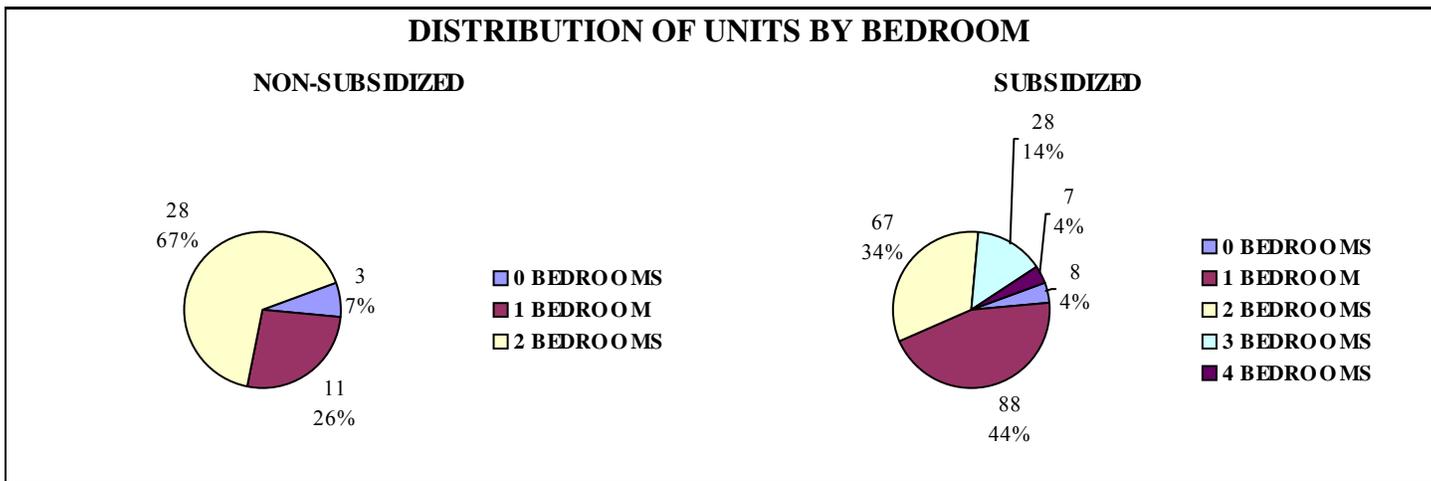
◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

* - Drive Distance (Miles)

Survey Date: July 2017

DISTRIBUTION OF UNITS - HAWKINSVILLE, GEORGIA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	2	4	40.0%	0	0.0%	\$782
2	2.5	6	60.0%	0	0.0%	\$835
TOTAL		10	100.0%	0	0.0%	
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
0	1	3	9.4%	0	0.0%	\$390
1	1	11	34.4%	0	0.0%	\$509
2	2	18	56.3%	0	0.0%	\$567
TOTAL		32	100.0%	0	0.0%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
0	1	8	4.0%	0	0.0%	N.A.
1	1	88	44.4%	0	0.0%	N.A.
2	1	67	33.8%	0	0.0%	N.A.
3	1	28	14.1%	0	0.0%	N.A.
4	1	7	3.5%	0	0.0%	N.A.
TOTAL		198	100.0%	0	0.0%	
GRAND TOTAL		240	-	0	0.0%	



SURVEY OF PROPERTIES - HAWKINSVILLE, GEORGIA

1 Arrowhead Apts. (Site)			
	Address 369 Broad St. Hawkinsville, GA 31036	Phone (478) 783-1535 (Contact in person)	Total Units 50
	Year Built 1980 Comments RD 515, has RA (36 units); HCV (1 unit); One manager unit not included in total; Year built & square footage estimated	Contact Michelle	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B
2 Cotton Mill Lofts Apts.			
	Address 95 S. Houston St. Hawkinsville, GA 31036	Phone (478) 783-4885 (Contact in person)	Total Units 32
	Year Built 2012 Comments 50% & 60% AMHI; Accepts HCV (0 currently); Adaptive reuse, built in 1900; Unit mix by AMHI estimated	Contact Kenya	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+
3 Lakeside Villa Apts.			
	Address 880 Broad St. Hawkinsville, GA 31036	Phone (478) 783-1287 (Contact in person)	Total Units 32
	Year Built 1986 Comments RD 515, has RA (20 units); HCV (1 unit); Square footage estimated	Contact Randy	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B
4 River Market Lofts			
	Address 100 S. Houston St. Hawkinsville, GA 31036	Phone (478) 231-8381 (Contact in person)	Total Units 10
	Year Built 1956 Renovated 2012 Comments Does not accept HCV; Adaptive reuse; Polished concrete flooring	Contact Ramsey	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B+
5 Hawkinsville Public Hsg. (Fam & Sr)			
	Address 48 Progress Ave. Hawkinsville, GA 31036	Phone (478) 892-3364 (Contact in person)	Total Units 86
	Year Built 1981 Comments Public Housing; 1-br units designated for seniors; Rent range due to floor plan; Square footage estimated by mgr.	Contact Marcey	Vacancies 0 Occupied 100.0% Floors 1, 2 Quality Rating C Senior Restricted (62+) Waiting List 10-15 households

Project Type

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

Survey Date: July 2017

SURVEY OF PROPERTIES - HAWKINSVILLE, GEORGIA

6 Heart Homes			
	Address	21 6th St. Hawkinsville, GA 31036	Phone (478) 783-3013 (Contact in person)
	Year Built	1991	Contact Meisha
	Comments	HUD Section 8; Square footage estimated	
			Total Units 30 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Senior Restricted (62+) Waiting List 16 households

Project Type

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

Survey Date: July 2017

COLLECTED RENTS - HAWKINSVILLE, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
2	\$365 to \$425	\$395 to \$465	\$425 to \$505						
4			\$700				\$750		

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

Survey Date: July 2017

PRICE PER SQUARE FOOT - HAWKINSVILLE, GEORGIA

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Cotton Mill Lofts Apts.	1	400	\$390 to \$450	\$0.98 to \$1.13
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	Cotton Mill Lofts Apts.	1	500 to 700	\$439 to \$509	\$0.73 to \$0.88
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
4	River Market Lofts	2	1136	\$782	\$0.69
		2.5	1247	\$835	\$0.67
2	Cotton Mill Lofts Apts.	2	1075	\$487 to \$567	\$0.45 to \$0.53

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

Survey Date: July 2017

AVERAGE GROSS RENT PER SQUARE FOOT - HAWKINSVILLE,
 GEORGIA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.69	\$0.00
TOWNHOUSE	\$0.00	\$0.67	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.85	\$0.52	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.85	\$0.55	\$0.00
TOWNHOUSE	\$0.00	\$0.67	\$0.00

TAX CREDIT UNITS - HAWKINSVILLE, GEORGIA

STUDIO UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Cotton Mill Lofts Apts.	1	400	1	50%	\$365
2	Cotton Mill Lofts Apts.	2	400	1	60%	\$425
ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Cotton Mill Lofts Apts.	1	500 - 700	1	50%	\$395
2	Cotton Mill Lofts Apts.	10	500 - 700	1	60%	\$465
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Cotton Mill Lofts Apts.	3	1075	2	50%	\$425
2	Cotton Mill Lofts Apts.	15	1075	2	60%	\$505

QUALITY RATING - HAWKINSVILLE, GEORGIA

MARKET-RATE PROJECTS AND UNITS

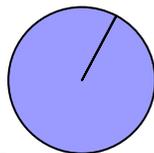
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	10	0.0%			\$835		

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B+	1	32	0.0%	\$390	\$509	\$567		

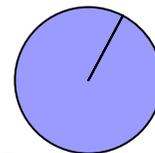
DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



B+
100%

TAX CREDIT UNITS



B+
100%

YEAR BUILT - HAWKINSVILLE, GEORGIA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	1	10	0	0.0%	10	23.8%
1970 to 1979	0	0	0	0.0%	10	0.0%
1980 to 1989	0	0	0	0.0%	10	0.0%
1990 to 1999	0	0	0	0.0%	10	0.0%
2000 to 2005	0	0	0	0.0%	10	0.0%
2006 to 2010	0	0	0	0.0%	10	0.0%
2011	0	0	0	0.0%	10	0.0%
2012	1	32	0	0.0%	42	76.2%
2013	0	0	0	0.0%	42	0.0%
2014	0	0	0	0.0%	42	0.0%
2015	0	0	0	0.0%	42	0.0%
2016	0	0	0	0.0%	42	0.0%
2017**	0	0	0	0.0%	42	0.0%
TOTAL	2	42	0	0.0%	42	100.0 %

YEAR RENOVATED - HAWKINSVILLE, GEORGIA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	0	0	0	0.0%	0	0.0%
2000 to 2005	0	0	0	0.0%	0	0.0%
2006 to 2010	0	0	0	0.0%	0	0.0%
2011	0	0	0	0.0%	0	0.0%
2012	1	10	0	0.0%	10	100.0%
2013	0	0	0	0.0%	10	0.0%
2014	0	0	0	0.0%	10	0.0%
2015	0	0	0	0.0%	10	0.0%
2016	0	0	0	0.0%	10	0.0%
2017**	0	0	0	0.0%	10	0.0%
TOTAL	1	10	0	0.0%	10	100.0 %

Note: The upper table (Year Built) includes all of the units included in the lower table.

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

** As of July 2017

APPLIANCES AND UNIT AMENITIES - HAWKINSVILLE, GEORGIA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	2	100.0%	42
REFRIGERATOR	2	100.0%	42
ICEMAKER	0	0.0%	
DISHWASHER	2	100.0%	42
DISPOSAL	1	50.0%	10
MICROWAVE	0	0.0%	
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	2	100.0%	42
AC - WINDOW	0	0.0%	
FLOOR COVERING	2	100.0%	42
WASHER/DRYER	1	50.0%	10
WASHER/DRYER HOOK-UP	2	100.0%	42
PATIO/DECK/BALCONY	1	50.0%	32
CEILING FAN	2	100.0%	42
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	2	100.0%	42
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

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

PROJECT AMENITIES - HAWKINSVILLE, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	1	50.0%	32
LAUNDRY	1	50.0%	32
CLUB HOUSE	0	0.0%	
MEETING ROOM	2	100.0%	42
FITNESS CENTER	1	50.0%	32
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	0	0.0%	
COMPUTER LAB	1	50.0%	32
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	1	50.0%	32
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	50.0%	32

DISTRIBUTION OF UTILITIES - HAWKINSVILLE, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
GAS	1	86	35.8%
TENANT			
ELECTRIC	4	124	51.7%
GAS	1	30	12.5%
			100.0%
COOKING FUEL			
LANDLORD			
GAS	1	86	35.8%
TENANT			
ELECTRIC	5	154	64.2%
			100.0%
HOT WATER			
LANDLORD			
GAS	1	86	35.8%
TENANT			
ELECTRIC	4	124	51.7%
GAS	1	30	12.5%
			100.0%
ELECTRIC			
TENANT	6	240	100.0%
			100.0%
WATER			
LANDLORD			
	5	190	79.2%
TENANT			
	1	50	20.8%
			100.0%
SEWER			
LANDLORD			
	5	190	79.2%
TENANT			
	1	50	20.8%
TRASH PICK-UP			
LANDLORD			
	6	240	100.0%
			100.0%

UTILITY ALLOWANCE - HAWKINSVILLE, GEORGIA

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

GA-Southern Region (1/2017)

Survey Date: July 2017

A-17



ADDENDUM B

COMPARABLE PROPERTY PROFILES

4 River Market Lofts

1.7 miles to site



Address 100 S. Houston St.
Hawkinsville, GA 31036

Phone (478) 231-8381 **Contact** Ramsey

Total Units 10 **Vacancies** 0 **Percent Occupied** 100.0%

Project Type Market-Rate

Year Open 1956 **Renovated** 2012 **Floors** 2

Concessions No Rent Specials

Parking Surface Parking, Carports, Parking Garage

Waiting List 2 households

Quality Rating B+ **Neighborhood Rating** B

Remarks Does not accept HCV; Adaptive reuse; Polished concrete flooring



Features and Utilities

Utilities Landlord pays Water, Sewer, Trash
Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities Meeting Room

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
2	2	G	4	0	1136	\$0.62	\$700
2	2.5	T	6	0	1247	\$0.60	\$750

903 Houston Lake

20.5 miles to site



Address	2350 Houston Lake Rd. Perry, GA 31047		
Phone	(478) 987-4521	Contact	Angel
Total Units	300	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate		
Year Open	2008	Floors	2,3
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	A
Remarks	Does not accept HCV; Unit mix estimated		



Features and Utilities

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

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	44	0	825 to 915	\$0.86 - \$0.91	\$749 to \$789
2	1 to 2	G	180	0	1031 to 1230	\$0.72 - \$0.82	\$849 to \$889
3	2	G	76	0	1362 to 1488	\$0.68 - \$0.70	\$949 to \$1009

904 Hampton Place

20.8 miles to site



Address	395 Perry Pkwy. Perry, GA 31069		
Phone	(478) 987-8179	Contact	Courtney
Total Units	152	Vacancies	3
		Percent Occupied	98.0%
Project Type	Market-Rate		
Year Open	1999	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Offers Tennis; Does not accept HCV		

Features and Utilities

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

Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	48	2	747	\$0.88 - \$0.90	\$655 to \$670
2	1 to 2	G	104	1	982 to 1069	\$0.88 - \$0.89	\$865 to \$950

907 Galleria Park

28.8 miles to site



Address	100 Robins West Pkwy. Warner Robins, GA 31088		
Phone	(478) 953-5236	Contact	Daniel
Total Units	152	Vacancies	5
		Percent Occupied	96.7%
Project Type	Market-Rate		
Year Open	1995	Floors	3
Concessions	\$150 of 1st month's rent-3rd floor only		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	A
Remarks	Offers Tennis; Does not accept HCV; Rent range based on floor level & vaulted ceilings		



Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Tennis Court(s), Sports Court, Car Wash Area, Picnic Area, Courtesy Officer

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	36	1	815	\$0.99 - \$1.01	\$805 to \$825
2	1 to 2	G	88	3	1051 to 1150	\$0.79 - \$0.82	\$830 to \$945
3	2	G	28	1	1362	\$0.68 - \$0.74	\$930 to \$1010

908 Bradford Place

29.9 miles to site



Address	115 Tom Chapman Blvd. Warner Robins, GA 31088		
Phone	(478) 953-5969	Contact	Britney
Total Units	200	Vacancies	4
		Percent Occupied	98.0%
Project Type	Market-Rate		
Year Open	1998	Floors	2
Concessions	No Rent Specials		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A-	Neighborhood Rating	A
Remarks	Does not accept HCV; Rents change daily; Larger 1 & 2-br units have sunrooms		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Security System, Blinds, Sunrooms
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Jacuzzi, Playground, Tennis Court(s), Sports Court, Storage, Security Gate, Computer Lab, Car Wash Area, Picnic Area

Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	48	1	800 to 900	\$0.83 - \$0.89	\$715 to \$750
2	1 to 2	G	128	2	1117 to 1253	\$0.72 - \$0.73	\$815 to \$905
3	2	G	24	1	1332	\$0.80 - \$0.81	\$1070 to \$1080

906 Pacific Park

27.8 miles to site



Address	1205 Leverett Rd. Warner Robins, GA 31088		
Phone	(478) 923-4886	Contact	Carol
Total Units	159	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2001	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	56 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Offers Tennis; Market-rate (31 units); 50% & 60% AMHI (128 units); HCV (approx 33 units)		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Tennis Court(s), Sports Court, Security Gate, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	8	0	879	\$0.66	\$580	
1	1	G	24	0	879	\$0.66	\$580	60%
1	1	G	8	0	879	\$0.55	\$485	50%
2	1	G	15	0	1055	\$0.63	\$660	
2	1	G	53	0	1055	\$0.63	\$660	60%
2	1	G	12	0	1055	\$0.53	\$555	50%
3	2	G	8	0	1339	\$0.55	\$730	
3	2	G	23	0	1339	\$0.55	\$730	60%
3	2	G	8	0	1339	\$0.46	\$620	50%

2

Cotton Mill Lofts Apts.

1.6 miles to site



Address	95 S. Houston St. Hawkinsville, GA 31036		
Phone	(478) 783-4885	Contact	Kenya
Total Units	32	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2012	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	B+	Neighborhood Rating	B-
Remarks	50% & 60% AMHI; Accepts HCV (0 currently); Adaptive reuse, built in 1900; Unit mix by AMHI estimated		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash, Internet
Unit Amenities	Refrigerator, Range, Dishwasher, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Computer Lab, Picnic Area, Social Services, Walking Trails

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
0	1	G	2	0	400	\$1.06	\$425	60%
0	1	G	1	0	400	\$0.91	\$365	50%
1	1	G	10	0	500 to 700	\$0.66 - \$0.93	\$465	60%
1	1	G	1	0	500 to 700	\$0.56 - \$0.79	\$395	50%
2	2	G	15	0	1075	\$0.47	\$505	60%
2	2	G	3	0	1075	\$0.40	\$425	50%

902 Austin Pointe

29.1 miles to site



Address	115 Austin Ave. Warner Robins, GA 31088		
Phone	(478) 273-2694	Contact	Tanyia
Total Units	72	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	1999	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	4 households		
Quality Rating	A-	Neighborhood Rating	B
Remarks	60% AMHI; Accepts HCV		



Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Playground, Tennis Court(s), Sports Court, Picnic Area

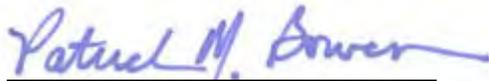
Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	16	0	817	\$0.65	\$534	60%
2	1	G	32	0	998	\$0.61	\$610	60%
3	1	G	24	0	1208	\$0.56	\$675	60%

Addendum C – NCHMA Member Certification & Checklist

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

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



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

Addendum C – Market Study Index

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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

Addendum D – Methodologies, Disclaimers & Sources

1. PURPOSE

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

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

2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

3. REPORT LIMITATIONS

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

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

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

4. SOURCES

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

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

Addendum E:
RENT ROLL

PROJECT WORKSHEET FOR CREDIT AND RENTAL ASSISTANCE

(SERVICING OFFICE USE ONLY)

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

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

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

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

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

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

30. _____
Date

31. _____
Signature - Borrower or Borrower's Representativ

*Includes previous Plan I S 8.

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

Addendum F – Achievable Market Rent Analysis

A. INTRODUCTION

As detailed throughout Section H and evidenced by our Field Survey of Conventional Rentals (Addendum A), the Hawkinsville market offers a limited supply of conventional market-rate product. In fact, only one market-rate property was identified and surveyed in the Site PMA. As such, it was necessary to survey comparable market-rate product outside the Site PMA in order to establish a base of comparison for the subject project. Thus, we surveyed a total of five market-rate properties located in the surrounding towns of Warner Robbins and Perry, Georgia that offer unit types similar to those offered at the subject project. These selected properties are used to derive market rent for a project with characteristics similar to the subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

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

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Arrowhead	1980 / 2019	51	100.0%	30 (100.0%)	21 (100.0%)	-
4	River Market Lofts	1956 / 2012	10	100.0%	-	10 (100.0%)	-
903	Houston Lake	2008	300	100.0%	44 (100.0%)	180 (100.0%)	76 (100.0%)
904	Hampton Place	1999	152	98.0%	48 (95.8%)	104 (99.0%)	-
907	Galleria Park	1995	152	96.7%	36 (97.2%)	88 (96.6%)	28 (96.4%)
908	Bradford Place	1998	200	98.0%	48 (97.9%)	128 (98.4%)	24 (95.8%)

Occ. - Occupancy

The five selected market-rate projects have a combined total of 814 units with an overall occupancy rate of 98.5%. None of the comparable properties has an occupancy rate below 96.7%. The high occupancy rates reported indicate that each of these selected properties is well-received within the region and will serve as accurate benchmarks with which to compare the subject project.

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

Rent Comparability Grid

Unit Type →

ONE BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Arrowhead		River Market Lofts		Houston Lake		Hampton Place		Galleria Park		Bradford Place	
369 Broad Street		100 S. Houston St.		2350 Houston Lake Rd.		395 Perry Pkwy.		100 Robins West Pkwy.		115 Tom Chapman Blvd.	
Hawkinsville, GA		Hawkinsville, GA		Perry, GA		Perry, GA		Warner Robins, GA		Warner Robins, GA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A.	Rents Charged										
1	\$ Last Rent / Restricted?	\$700		\$749		\$663		\$815		\$715	
2	Date Surveyed	Aug-17		Jul-17		Jul-17		Jul-17		Jul-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		96%		97%		98%	
5	Effective Rent & Rent/ sq. ft	\$700	0.62	\$749	0.91	\$663	0.89	\$815	1.00	\$715	0.89
B.	Design, Location, Condition										
6	Structure / Stories	R/1		WU/2,3		WU/2		WU/3		WU/2	
7	Yr. Built/Yr. Renovated	1980/2019	1956/2012 \$16	2008 (\$8)		1999 \$1		1995 \$5		1998 \$2	
8	Condition/Street Appeal	G	G	E (\$15)		G		G		E (\$15)	
9	Neighborhood	G	G	E (\$10)		G		E (\$10)		E (\$10)	
10	Same Market?	Yes	Yes	No (\$37)		No (\$33)		No (\$41)		No (\$36)	
C.	Unit Equipment/ Amenities										
11	# Bedrooms	1	2 (\$50)	1		1		1		1	
12	# Baths	1	2 (\$30)	1		1		1		1	
13	Unit Interior Sq. Ft.	624	1136 (\$108)	825 (\$42)		747 (\$26)		815 (\$40)		800 (\$37)	
14	Balcony/Patio	Y	N \$5	Y		Y		Y		Y	
15	AC: Central/Wall	C	C	C		C		C		C	
16	Range/Refrigerator	R/F	R/F	R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y	N/Y	Y/Y (\$5)		Y/Y (\$5)		Y/Y (\$5)		N/Y	
18	Washer/Dryer	L	W/D (\$35)	HU/L (\$10)		HU/L (\$10)		HU/L (\$10)		HU/L (\$10)	
19	Floor Coverings	V	N \$10	C		C		C		C	
20	Window Coverings	B	S	B		B		B		B	
21	Secured Entry	N	N	N		N		N		Y (\$3)	
22	Garbage Disposal	N	Y (\$5)	Y (\$5)		Y (\$5)		Y (\$5)		Y (\$5)	
23	Ceiling Fans/Storage	N/Y	Y/N	Y/Y (\$5)		Y/N		Y/N		Y/N	
D.	Site Equipment/ Amenities										
24	Parking (\$ Fee)	LOT/\$0	P-GAR (\$30)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	N \$5	Y		Y		Y		Y	
26	Security Features	N	N	Y (\$5)		N		Y (\$5)		Y (\$5)	
27	Community Space	N	Y (\$5)	Y (\$5)		Y (\$5)		Y (\$5)		Y (\$5)	
28	Pool/Recreation Areas	N	N	P/F/S/WT (\$21)		P/F/S (\$18)		P/F/S (\$18)		P/F/S/J (\$21)	
29	Computer/Business Center	N	N	N		N		N		Y (\$3)	
30	Picnic Area	Y	N \$3	Y		N \$3		Y		Y	
31	Playground	Y	N \$3	Y		Y		Y		Y	
32	Social Services	N	N	N		N		N		N	
E.	Utilities										
33	Heat (in rent?/ type)	N/E	N/E	N/E		N/G		N/G		N/E	
34	Cooling (in rent?/ type)	N/E	N/E	N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E	N/E	N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E	N/E	N/E		N/G		N/G		N/E	
37	Other Electric	N	N	N		N		N		N	
38	Cold Water/Sewer	N/N	Y/Y (\$38)	N/N		N/N		N/N		N/N	
39	Trash/Recycling	Y/N	Y/N	Y/N		Y/N		N/N \$15		N/N \$15	
F.	Adjustments Recap										
40	# Adjustments B to D		6 7		12		2 7		1 9		1 11
41	Sum Adjustments B to D		\$42 (\$263)		(\$168)		\$4 (\$102)		\$5 (\$139)		\$2 (\$150)
42	Sum Utility Adjustments								\$15		\$15
			Net Gross		Net Gross		Net Gross		Net Gross		Net Gross
43	Net/ Gross Adjmts B to E		(\$259) \$343		(\$168) \$168		(\$98) \$106		(\$119) \$159		(\$133) \$167
G.	Adjusted & Market Rents										
44	Adjusted Rent (5+ 43)		\$441		\$581		\$565		\$696		\$582
45	Adj Rent/Last rent		63%		78%		85%		85%		81%
46	Estimated Market Rent	\$610		\$0.98							

← Estimated Market Rent/ Sq. Ft

Rent Comparability Grid

Unit Type →

TWO BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Arrowhead		River Market Lofts		Houston Lake		Hampton Place		Galleria Park		Bradford Place	
369 Broad Street		100 S. Houston St.		2350 Houston Lake Rd.		395 Perry Pkwy.		100 Robins West Pkwy.		115 Tom Chapman Blvd.	
Hawkinsville, GA		Hawkinsville, GA		Perry, GA		Perry, GA		Warner Robins, GA		Warner Robins, GA	
Data		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A.	Rents Charged										
1	\$ Last Rent / Restricted?	\$700		\$849		\$865		\$830		\$815	
2	Date Surveyed	Aug-17		Jul-17		Jul-17		Jul-17		Jul-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		99%		97%		98%	
5	Effective Rent & Rent/ sq. ft	\$700	0.62	\$849	0.82	\$865	0.88	\$830	0.79	\$815	0.73
B.	Design, Location, Condition										
6	Structure / Stories	R/1		WU/2,3		WU/2		WU/3		WU/2	
7	Yr. Built/Yr. Renovated	1980/2019		2008	(\$8)	1999	\$1	1995	\$5	1998	\$2
8	Condition/Street Appeal	G		E	(\$15)	G		G		E	(\$15)
9	Neighborhood	G		E	(\$10)	G		E	(\$10)	E	(\$10)
10	Same Market?	Yes		No	(\$42)	No	(\$43)	No	(\$42)	No	(\$41)
C.	Unit Equipment/ Amenities										
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1	(\$30)	1		1		1		1	
13	Unit Interior Sq. Ft.	822	(\$60)	1031	(\$40)	982	(\$31)	1051	(\$44)	1117	(\$56)
14	Balcony/Patio	Y	\$5	Y		Y		Y		Y	
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		Y/Y	(\$5)	Y/Y	(\$5)	Y/Y	(\$5)	N/Y	
18	Washer/Dryer	L	(\$35)	HU/L	(\$10)	HU/L	(\$10)	HU/L	(\$10)	HU/L	(\$10)
19	Floor Coverings	V	\$10	C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	N		N		N		N		Y	(\$3)
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Storage	N/Y		Y/Y	(\$5)	Y/N		Y/N		Y/N	
D.	Site Equipment/ Amenities										
24	Parking (\$ Fee)	LOT/\$0	(\$30)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	Y		Y		Y		Y	
26	Security Features	N		Y	(\$5)	N		Y	(\$5)	Y	(\$5)
27	Community Space	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
28	Pool/Recreation Areas	N		P/F/S/WT	(\$21)	P/F/S	(\$18)	P/F/S	(\$18)	P/F/S/J	(\$21)
29	Computer/Business Center	N		N		N		N		Y	(\$3)
30	Picnic Area	Y	\$3	Y		N	\$3	Y		Y	
31	Playground	Y	\$3	Y		Y		Y		Y	
32	Social Services	N		N		N		N		N	
E.	Utilities										
33	Heat (in rent?/ type)	N/E		N/E		N/G		N/G		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/G		N/G		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N	(\$47)	N/N		N/N		N/N		N/N	
39	Trash/Recycling	Y/N		Y/N		Y/N		N/N	\$15	N/N	\$15
F.	Adjustments Recap										
40	# Adjustments B to D		6		12		7		9		11
41	Sum Adjustments B to D		\$42		(\$171)		\$4		(\$144)		\$2
42	Sum Utility Adjustments		(\$47)						\$15		\$15
			Net		Gross		Net		Gross		Net
43	Net/ Gross Adjmts B to E		(\$170)		\$254		(\$171)		\$171		(\$113)
G.	Adjusted & Market Rents										
44	Adjusted Rent (5+ 43)		\$530		\$678		\$752		\$706		\$658
45	Adj Rent/Last rent		76%		80%		87%		85%		81%
46	Estimated Market Rent	\$675		\$0.82							

← Estimated Market Rent/ Sq. Ft

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

Based on the preceding Rent Comparability Grid, it was determined that the current achievable market rent (aka *Conventional Rents for Comparable Units-CRCU*) for units similar to the subject development are \$610 for a one-bedroom unit and \$675 for a two-bedroom unit.

Bedroom Type	Proposed Collected Rent	% AMHI	Achievable Market Rent	Market Rent Advantage
One - Br.	\$424	60%	\$610	30.5%
Two - Br.	\$464	60%	\$675	31.3%

The proposed collected rents represent market rent advantages ranging from 30.5% to 31.3%. Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have a sufficient flow of tenants. As such, the proposed rents should represent excellent values for the local market. Additionally, 36 of the 51 revenue-producing subject units will continue to operate with RA, allowing residents to pay up to 30% of their gross adjusted incomes towards housing costs. Therefore, the subject project will continue to represent even greater values to low-income renters within the Hawkinsville Site PMA.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

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

7. Upon completion of renovations, the subject project will have an effective age of a project built in 2000. The selected properties were built between 1956 and 2008, with one undergoing renovations in 2012. We have adjusted the rents at the selected properties by \$1 per year of effective age difference to reflect the age of these properties.

8. It is anticipated that the subject project will have an improved appearance, once renovations are complete. Regardless, we have made adjustments for those properties that we consider to be of superior or inferior quality compared to the subject development.
9. Two of the selected properties are located in more desirable neighborhoods than the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among these projects and the subject project.
10. Due to the lack of comparable market-rate product within the Site PMA, four of the five selected market-rate comparables are located outside the Site PMA, in the towns of Perry and Warner Robbins, Georgia. Based on American Community Survey (ACS) data, the Warner Robbins and Perry markets are considered superior to the subject market based on ACS data. Therefore, a negative adjustment of 5% has been applied to each of the comparable properties located in these markets.
11. Each of the selected market-rate properties offers two-bedroom units, similar to the subject site. However, one property, River Market Lofts, does not offer one-bedroom units. As such, we have used the two-bedroom units at this property and made a negative adjustment to reflect the included additional bedroom.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package which is slightly inferior to those offered among the selected properties. We have made, however, adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the selected properties do not offer.
- 24.-32. The subject project offers an inferior project amenities package as compared to those offered among the comparable market-rate properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.

33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

Addendum G:
Executed Engagement Letter



July 20, 2017

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

Dear Ms. Eastwood,

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

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

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

Continued)

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

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

Pricing

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

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

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

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

Delivery

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

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

Thank you for contacting us.



Patrick M. Bowen
Bowen National Research



Authorized Signer
Greystone Affordable Housing Initiatives LLC



Printed Name

Date: 7/20/17

Addendum H:

Scope of Renovations

**Scope of Work
Arrowhead**

Project: Arrowhead
Developer: Hallmark

Property Summary:
 Street Address: 369 Broad St
 City: Hawkinsville
 County:
 Approx. Year Constructed: 1980
 Target Population: Family
 Total Rentable Units: 50+ 1 Manager
 Bldg. Type: Flats/Garden
 Manager:
 Office Phone:
 Buildings: 11
 Approx. # of parking spaces: 91

Unit Summary:

Type	Quantity	Sq. Ft.	Bedrooms	Bathrooms
1 BR - Type A (HC)	2.00	630.00	1.00	1.00
1-BR - Type B	18.00	619.00	1.00	1.00
1-BR - Type C	10.00	618.00	1.00	1.00
2 BR - Type A (HC)	1.00	796.00	2.00	1.00
2 BR - Type B	19.00	796.00	2.00	1.00
2 BR - Type Manager	1.00		2.00	1.00
Totals	51		72	51

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

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

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

Scope of Work :

Site Work:
New site development sign (Sign Board Only)
1-1/2" overlay at parking lot and drive repair as indicated on drawings
Stripe parking lots
Install HC reserve parking signage
Landscaping allowance: (Trim exist. Shrubs and trees as directed, add mulch, redo beds, add additional plantings per drawings.)
Remove and replace existing dumpster pads and apron per drawings, add bollards (apron: min 10 ft from front of dumpster.)
Install accessible mail pedestal at office per plans
Install new playground (w/ ADA new sidewalk to accessible route)
Provide positive drainage away from all buildings (Per Allowance)
Install new steel handrails at sidewalk per plan
Install new 6 post pavilion, include BBQ Grill and picnic table
Replace office directional sign 2'x3'.

See Electrical section for site lighting

Repair wood maintenance fencing & shed: (50% replacement)

Demo existing mailbox and pad

All existing sanitary sewer, storm sewer, water service, fire service, electrical, cable, or gas mains are presumed to be free of obstructions and currently functioning properly. Any discovered issues shall be inspected and required measures will be performed to restore proper drainage and will be reflected on a change order. If more than 50% of the utility line is identified as failed, the entire system must be replaced.

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Concrete:

Replace damaged sidewalks/curb walks throughout as identified on the plans

Construct wheelchair accessible curb ramps

New ADA compliant sidewalk to new amenities

Provide new ADA compliant Sidewalk to existing amenities

Install new concrete pad at mailbox location per plans

Pour new 5ft observation pad at playground and ADA bench

Install new slab and foundation for Pavillion

Demo existing slab and repair as necessary for plumbing modifications at accessible units and at office bathroom

Pour Concrete slabs at accessible parking spaces to meet 2%

Repair concrete curbs as required as identified on the plans

Replace UFAS concrete porches with over 2% cross slope

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Building Exteriors:

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

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

Install apartment signage in existing location at front of units

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

Paint existing gang meter cans

Tuck point all brick surfaces

Pressure wash all brick surfaces

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

No shutter existing

Remove existing siding and replace with vinyl siding (Install building wrap over existing substrate)

No wall sheathing replacement included, any replacement will be handled via change order

Replace soffit and fascia with vinyl to match wall siding

Replace existing and/or provide new gutters and downspouts as needed at front, back, and sides of buildings

Replace roofing with 30 year Architectural shingles and 15# felt as indicated by Capex (Capex indicates the following roofs were recently replaced and will not be included for replacement:)

With roof replacement, replace all vent caps and boots

No roof sheathing replacement included, any replacement will be handled via change order

Replace rear patio door (includes frame and hardware)

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Building Interiors:

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

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

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

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

Install louvered door at mechanical closet where indicated.

Install new draft stops in the attic space if none existing

Install additional blown cellulose insulation to achieve an R-38 rating in the attics of all buildings.

Remove and replace all blinds with new 1" mini-blinds

Drywall repair for trade cuts and Tub repair with moisture resistant drywall

Drywall repair allowance per apartment. (Trade cuts and Tub drywall repair carried separate from allowance)

Painting interiors & ceiling, doors and trim (Low VOC) (one color/one sheen)

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

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

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

Replace shoe mold where new vinyl or LVT floors are provided

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

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

Cabinets and Vanities w/ Formica or P-Lam countertop

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

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

Replace refrigerators with Energy Star certified model per Capex (Capex indicates (13) Refrigerators were recently replaced and have been removed from the scope.)

Replace 30" range and grease shield (rear wall and side walls as required) per capex. (front control at HC units) (Capex indicates (19) Ranges were recently replaced and have been removed from the scope.) (Ranges are Electric)

Install fire suppression systems over ranges. (Range Queens)

Install Microhoods to match existing venting over range.

Dishwashers - Waiver has been requested for this item

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HVAC:

Replace air handling units, and disconnect per Capex (Energy Star Certified) (Capex indicates (5) Air handlers were recently replaced and have been removed from the scope.)

Replace Condensing unit with a 15 SEER unit with a 8.5 HSPF rating and new suction lines (Energy Star Certified) (Capex indicates (5) Air handlers were recently replaced and have been removed from the scope.)"

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

New Programmable thermostats

New registers/diffusers/return grilles

Flush all condensate drains to remove debris

Clean interiors of ductwork

Level existing concrete a/c pads as needed

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Plumbing:

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

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

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

Replace electric water heaters with 0.95 energy efficient rated water heater as well as associated piping, disconnect, pan on all floors (Energy Star) (Capex indicates (12) water heaters were recently replaced and have been removed from the scope.)

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

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

Repair or install new unit water shut off for each unit

Install hammer arresters at washer boxes
If pressure reducing valve exists install expansion tanks at water heaters
Asbestos found in tan crackle pattern floor tile , encapsulate or include abatement where walls are moved.

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Electrical

Electrical switches and outlets to receive new decorative cover plates (Arch faults if mandated by AHJ installed via Change Order)
Replace bath exhaust fans & ducts to exterior with 70cfm Energy Star efficient fan(wire w/ bath light, unit must be on timer)
New energy star light fixtures and bulbs at all locations to include exterior building lights, exit, and emergency lights. Provide energy star E-26 screw in type CFL bulbs for standard unit fixtures, (80% Fluorescent or LED)
GFI outlets in kitchens/bath
Install hardwired smoke detectors w/ battery backup per Code (3ft Away from HVAC grills and Bath door)
New TV Cable at LR's and BR's run with CAT 5/6 cable. Cable junction to be consolidated to one accessible exterior location for provider access.
Replace all entry lights
Dishwashers Outlets - Waiver has been requested for this item
Dishwashers Circuits- Waiver has been requested for this item
Repair conduit and install new wire at existing site lights
Install or replace lighting at property signage
Re-label electrical panel

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Type A (Handicap) Unit Conversion

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

General demo/construction for clearances
Grab bars at toilet
Handheld shower with slide bar
Provide UFAS/ADA compliant cabinets (include in general count)
Pipe wrap at kitchen and bath sinks
Install remote switch for hood fan/light
Install hardwired smoke/strobe detector with battery back up in (2) apt.
Repair non functional call systems.
Plumbing/Elect./HVAC/Appliance handicap packages
New Accessible tub/shower units w/ bars & seats
Provide compliant flooring, transitions, and thresholds
Provide compliant interior & exterior Doors/Frames/hardware and hallway access per drawings.
Repair drywall per reframing requirements
Install new wire shelving at closets, include additional brackets.

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Laundry Room

Remove and replace existing washer boxes including valves, trim ring, and outlet.
Provide and install new permanent folding table
Remove and replace existing laundry sink
New electrical fixtures & devices per above electrical section
New registers/diffusers/return grilles
Install new VCT flooring
Install new 80 gal. water heater
Replace exist. Wall heater
Replace windows including sill and blinds
Repalce exhaust fans
Replace entry door including frame and hardware
Replace existing community washers and dryers, 5 washers and 5 dryers

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Office

Install LVT throughout Office
New shoe mold

New electrical fixtures & devices per above electrical section

Paint throughout

Drywall patch

New interior & exterior doors & hardware as indicated in matrix

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

No Kitchen existing in office

Replace existing water heater: same as typical apartment scope

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

Repalce windows including new sills and blinds

Replace furnace/air handler and A/C at office

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