



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

SOUTH MEADOWS

A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF: SOUTH MEADOWS

12 Pollock Street
Rome, Floyd County, Georgia 30161

Effective Date: May 27, 2020
Report Date: June 17, 2020

Prepared for:
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June 17, 2020

Mr. Lee Cochran
Principal
Laurel Street Residential
511 East Boulevard
Charlotte, NC 28203

Re: Application Market Study for South Meadows, located in Rome, Floyd County, Georgia

Dear Mr. Cochran:

At your request, Novogradac Consulting LLP performed a study of the multifamily rental market in the Rome, Floyd County, Georgia area relative to the above-referenced Low-Income Housing Tax Credit (LIHTC) project.

The purpose of this market study is to assess the viability of the proposed 80-unit family LIHTC project. It will be a newly constructed affordable LIHTC project, with 80 revenue generating units, restricted to households earning 30, 60, and 80 percent of the Area Median Income (AMI) or less. The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions.

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

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

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

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

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

In the wake of the COVID-19 pandemic there has been significant turmoil and uncertainty. Governments across the globe are taking dramatic efforts to reduce the strain on health care systems. These efforts result in extensive impacts on economic activity. However, governments are also implementing significant economic stimulus packages to help with the economic impact. At this point it is unclear how long it will be before the emergency restrictions are lifted or loosened or how the stimulus packages will blunt the impact from the emergency measures. Further it is unclear as to how these measures will impact the housing market. However, some trends are clear:

- Clients and market participants throughout the country report April and May collections that were better than expected for all types of multi-family properties. Particularly for affordable housing.
- Based upon various conversations with market participants and published articles and webinars many believe that multi-family real estate will be impacted but significantly less so than other sectors. Further, the impact is expected to be shorter lived. Many view multi-family as a safer haven during this period of uncertainty, particularly affordable housing.
- Novogradac maintains a proprietary database of operating results from our surveys of affordable and market rate properties. The database was implemented in 2005 and contains over 100,000 individual properties. The national occupancy rate for two-bedroom, 60 percent LIHTC properties dipped slightly during the Great Recession, but began a rebound after 2009. In 2008, the occupancy rate was at 96.3 percent and it dropped less than one percentage point during the slowdown, dropping to 95.4 percent in 2009 before beginning a gradual increase that slowed between 2016 and 2018 but continued through 2019. We do not suggest this prior recession will be the same as the current economic situation but this data supports the point made above and illustrates the resilience in the affordable housing sector.
- States are starting to plan the reopening over the next several weeks to a month. As of May 5, Georgia has loosened stay at home restrictions with the exception of those 65 and older and other at-risk individuals and has allowed many non-essential businesses to re-open. That should open various job segments creating more stability and demand.
- The Subject will likely avoid impact as it is affordable housing, which is somewhat insulated from economic volatility. Additionally, construction on the Subject is not anticipated to be completed until October 2022, which is considered outside of the primary window from the pandemic.

LEE COCHRAN
LAUREL STREET RESIDENTIAL
JUNE 17, 2020

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

Respectfully submitted,
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B. EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Project Description

South Meadows will be a newly constructed family property located at 12 Pollock Street in Rome, Floyd County, Georgia, which will consist of 16, two-story, residential buildings in addition to one community building.

The following table illustrates the proposed unit mix.

PROPOSED RENTS								
Unit Type	Unit Size (SF)	Number of Units	Asking Rent	Utility Allowance (1)	Gross Rent	2019 LIHTC Maximum Allowable Gross	2020 HUD Fair Market Rents	
@30%								
1BR / 1BA	700	5	\$250	\$60	\$310	\$336	\$613	
2BR / 1BA	980	10	\$290	\$77	\$367	\$404	\$755	
3BR / 2BA	1,140	5	\$330	\$98	\$428	\$466	\$1,013	
@60%								
1BR / 1BA	700	10	\$575	\$60	\$635	\$673	\$613	
2BR / 1BA	980	20	\$650	\$77	\$727	\$808	\$755	
3BR / 2BA	1,140	10	\$725	\$98	\$823	\$933	\$1,013	
@80%								
1BR / 1BA	700	5	\$825	\$60	\$885	\$898	\$613	
2BR / 1BA	980	10	\$950	\$77	\$1,027	\$1,078	\$755	
3BR / 2BA	1,140	5	\$1,050	\$98	\$1,148	\$1,244	\$1,013	
		80						

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

The Subject’s proposed rents are set below the maximum allowable levels for each unit type at the 30, 60, and 80 percent AMI levels. The Subject will offer inferior to similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and slightly inferior to superior property amenities. The Subject will offer a community building and exercise facility, which many of the comparables will lack. However, the Subject will lack exterior storage and a swimming pool, which are offered at several of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

2. Site Description/Evaluation

The Subject site is located on the north side of Pollock Street. The Subject site has good visibility and accessibility from Pollock Street. The Subject site is currently wooded land. Surrounding uses consist of commercial and single-family uses, as well as undeveloped land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of seven out of 100. Crime risk indices in the Subject’s area are considered similar to the overall nation. The Subject site is considered a desirable building site for rental housing. The Subject is located in a residential neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are within 1.4 miles of the Subject site.

3. Market Area Definition

The PMA is defined by Route 140 to the north, Bartow County to the east, Polk County to the south, and the Alabama state line to the west. The PMA encompasses the majority of Floyd County except its rural northern portion. This area encompasses 446 square miles. This area encompasses a portion of the Floyd County. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 12.4 miles
East: 9.7 miles
South: 10.7 miles
West: 16.2 miles

The PMA was defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from outside of the county. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2020 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 16.2 miles. The SMA is defined as the Rome, GA Metropolitan Statistical Area (MSA) which encompasses 518 square miles.

4. Community Demographic Data

The population in the PMA and the MSA increased from 2000 to 2019, though the rate of growth slowed from 2010 to 2019. The rate of population and household growth is projected to slow through 2024. The current population of the PMA is 95,802 and is expected to be 97,295 in 2024. The current number of households in the PMA is 35,497 and is expected to be 36,087 in 2024. Renter households are concentrated in the lowest income cohorts, with 62.1 percent of renters in the PMA earning between \$10,000 and \$59,999 annually. The Subject will target households earning between \$10,629 and \$51,680 for its LIHTC units; therefore, the Subject should be well-positioned to service this market. Overall, population growth and the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

According to *RealtyTrac* statistics, one in every 9,569 housing units nationwide was in some stage of foreclosure as of April 2020. The City of Rome is experiencing a foreclosure rate of one in every 16,151 homes, which is similar to Floyd County. Georgia experienced one foreclosure in every 11,360 housing units. Overall, Rome is experiencing a similar foreclosure rate to Floyd County, and a lower rate than the state of Georgia and the nation as a whole, indicating a healthy housing market. The Subject's neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

5. Economic Data

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and educational services industries, which collectively comprise 42.2 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, other services, and educational services industries. Conversely, the PMA is underrepresented in the professional/scientific/technology services, finance/insurance, and transportation/warehousing industries. The overconcentration of manufacturing employment may make the Subject area more susceptible to employment losses from the ongoing COVID-19 pandemic than the nation overall. However, the significant employment in the healthcare sector should provide stability to the area workforce.

Prior to the national recession, average employment growth in the MSA generally trailed the nation. Annual job growth in the MSA lagged the nation in every year between 2003 and 2007. The effects of the recession were particularly pronounced in the MSA, which experienced a 17.8 percent contraction in employment growth (2008-2011), well above the 4.9 percent contraction reported by the nation as a whole (2007-2010). Much of the job losses were in the manufacturing sector. Since 2012, average employment growth in the MSA trailed the nation in all but two years. As of November 2019, employment in the MSA has not surpassed its pre-recessionary high. However, employment has increased in each year since 2013. Due to the sudden impact

of the COVID-19 pandemic, it is likely that the regional economy has been significantly affected and the near-term employment growth is unclear at this time.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. Unemployment in the MSA reached a historic low in 2006, a year before the overall nation. The effects of the recession were more pronounced in the MSA, which experienced a 7.6 percentage point increase in unemployment, compared to only a 5.0 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a higher unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 3.1 percent, slightly lower than the current national unemployment rate of 3.3 percent. However, again due to the COVID-19 pandemic, it is unclear how severely the regional economy has been affected and how temporary in nature the increase in unemployment will be for the SMA.

Beginning in March 2020, the international pandemic caused by the COVID-19 coronavirus resulted in governments across the globe taking dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. Consequently, over the past two months there has been a sharp and dramatic increase in layoffs due to the economic restrictions related to the emergency response. However, governments have passed significant economic stimulus packages to help in offsetting the economic impact. Local governments have begun to lift or loosen restrictions and the stimulus passed thus far has blunted some of the impact from the emergency measures. It remains unclear as to how these measures will impact the housing market long term. However, based on the data available through two months, which indicates some multifamily real estate transactions have continued to close without repricing and rent collection losses during this period have declined less than projected, the governmental response has offset a significant portion of the economic losses presented by the emergency. There is evidence that, despite the significant level of recent layoffs, many other area employers are hiring. Overall, we anticipate that the elevated layoff pace will subside now that economic restrictions have been loosened in the Subject's market area. We believe that the Subject's affordable nature will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments).

6. Project-Specific Affordability and Demand Analysis

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR at 30% AMI	\$10,629	\$14,370	5	364	0	364	1.4%	\$250
1BR at 60% AMI	\$21,771	\$28,740	10	438	0	438	2.3%	\$575
1BR at 80% AMI	\$28,286	\$38,320	5	505	0	505	1.0%	\$825
1BR Overall	\$10,629	\$38,320	20	1,063	0	1,063	1.9%	-
2BR at 30% AMI	\$12,583	\$16,170	10	350	0	350	2.9%	\$290
2BR at 60% AMI	\$24,926	\$32,340	20	420	0	420	4.8%	\$650
2BR at 80% AMI	\$32,571	\$43,120	10	484	0	484	2.1%	\$950
2BR Overall	\$12,583	\$43,120	40	1,020	0	1,020	3.9%	-
3BR at 30% AMI	\$14,674	\$19,380	5	281	0	281	1.8%	\$330
3BR at 60% AMI	\$28,217	\$38,760	10	338	3	335	3.0%	\$725
3BR at 80% AMI	\$36,000	\$51,680	5	389	0	389	1.3%	\$1,050
3BR Overall	\$14,674	\$51,680	20	820	3	817	2.4%	-
@30% Overall	\$10,629	\$19,380	20	995	0	995	2.0%	-
@60% Overall	\$21,771	\$38,760	40	1,197	3	1,194	3.4%	-
@80% Overall	\$28,286	\$51,680	20	1,378	0	1,378	1.5%	-
Overall	\$10,629	\$51,680	80	2,903	3	2,900	2.8%	-

We believe these calculated capture rates are reasonable, particularly as these calculations do not consider demand from outside the PMA or standard rental household turnover. We believe there is adequate demand for the Subject. All capture rates are within Georgia DCA thresholds.

7. Competitive Rental Analysis

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent structure. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes ten “true” comparable properties containing 911 units.

The availability of LIHTC data is considered average. We included five LIHTC comparables in our analysis. Two of the LIHTC comparables are located within the PMA, within 6.6 miles of the Subject site. Three of the comparables, Etowah Village, Evergreen Village, and Park Place Apartments, are located outside of the PMA in Cartersville, Cedartown and Rockmart and are within 14.6 to 22.0 miles from the Subject. These properties are considered reasonable proxies for the Subject as they are among the most recently constructed LIHTC properties within the market targeting families and offering one, two, and three-bedroom units that agreed to participate in our survey. Cartersville is considered a superior location to the Subject in terms of median household income and median rent. Cedartown and Rockmart are considered similar locations to the Subject in terms of median household income and median rent. All of the LIHTC comparables target families and were built or renovated between 1999 and 2017.

The availability of market rate data is considered good. The Subject is located in Rome and there are several market-rate properties in the immediate area. We include five conventional properties in our analysis of the competitive market. All of the comparables are located in the PMA and are within 1.6 and 2.7 miles of the Subject. Other market rate properties have been excluded as they offer an inferior age and condition or we were unable to contact a representative with the property to participate in our survey. Overall, we believe the market rate properties used in our analysis are the most comparable.

When comparing the Subject’s rents to the average market rent, we have not included rents at lower AMI levels given that this artificially lowers the average market rent as those rents are constricted. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers 50 and 60 percent AMI rents and there is a distinct difference at comparable properties between rents at the two AMI levels, we have not included the 50 percent AMI rents in the average market rent for the 60 percent AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

SUBJECT COMPARISON TO COMPARABLE RENTS

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR @30%	\$250	\$374	\$1,145	\$608	143%
2BR @30%	\$290	\$461	\$1,177	\$704	143%
3BR @30%	\$330	\$517	\$1,365	\$803	143%
1BR @60%	\$575	\$399	\$1,145	\$673	17%
2BR @60%	\$650	\$481	\$1,177	\$762	17%
3BR @60%	\$725	\$537	\$1,365	\$870	20%
1BR @80%	\$825	\$695	\$1,145	\$878	6%
2BR @80%	\$950	\$852	\$1,177	\$967	2%
3BR @80%	\$1,050	\$1,015	\$1,365	\$1,154	10%

As illustrated the Subject’s proposed 30, 60, and 80 percent rents are below the surveyed average when compared to the comparables, both LIHTC and market rate. All of the Subject’s proposed LIHTC rents are within the surveyed range of comparable LIHTC and market rents.

Eastland Court is achieving the highest one, two, and three-bedroom unrestricted rents in the market. The Subject will be similar to Eastland Court as a market rate property. Eastland Court was built in 2005 and 2007 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Eastland Court is located 2.3 miles from the Subject site in Rome and offers a similar location. Eastland Court offers slightly superior in-unit amenities in comparison to the Subject as it offers exterior storage, which the Subject will not offer. Eastland Court offers similar property amenities when compared to the Subject. Eastland Court offers slightly superior unit sizes to the Subject. The lowest one, two, and three-bedroom rents at Eastland Court are approximately 69, 81, and 88 percent higher than the Subject’s proposed rents at 60 percent of the AMI, respectively. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

8. Absorption/Stabilization Estimate

The following table details regional absorption data in the area. It should be noted that only one of the comparables was able to provide recent absorption data, and thus, we extended our search to other properties throughout Northwest Georgia.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Brentwood Senior Apartments	LIHTC	Senior	2019	70	11
Stone Ridge Apartments	LIHTC	Family	2018	64	64
Burrell Square	LIHTC	Family	2017	84	21
Station 92 At Woodstock	Market	Family	2015	272	15
Average					28

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. As illustrated, the LIHTC and comparables achieved stabilized occupancy in approximately one to six months. Additionally, all of the affordable comparables have historically reported strong occupancy rates. We believe the Subject, as a proposed LIHTC property, will be absorbed at a rate similar to that of Burrell Square, the most comparable family LIHTC property reporting absorption. Thus, we believe the Subject will achieve an absorption rate of approximately 20 units per month, equating to an absorption period of approximately four to five months. It should be noted that construction on the Subject is not anticipated to be completed until October 2022, which is considered outside of the primary window from the COVID-19 pandemic.

9. Overall Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are experiencing a weighted average vacancy rate of 4.4 percent, which is considered low. It should be noted Evergreen Village reports a vacancy rate of 21.4 percent. The contact at Evergreen Village stated the 12 vacant units are not being marketed due to the upcoming renovation expected to begin in 2020. Previous to that, the manager indicated that the property was typically 100 percent occupied with a waiting list. Etowah Village also has a high vacancy rate at 6.2 percent. Two of the six vacant units are preleased. Excluding Evergreen Village and Etowah Village, which appear to be outliers, the affordable properties report vacancy rates ranging from zero to 3.6 percent. Further, four of the five LIHTC comparables reported maintaining waiting lists up to 20 households long, indicating strong demand for affordable housing in the area. The low vacancy rates and the presence of waiting lists at

these properties indicates there is a strong demand for affordable housing in the area. The Subject will offer inferior to similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and slightly inferior to superior property amenities. The Subject will offer a community building and exercise facility, which many of the comparables will lack. However, the Subject will lack exterior storage and a swimming pool, which are offered at several of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at several LIHTC comparable properties and the low capture rates, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well. Further, we believe that the Subject's affordable operation will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments). The timing of the Subject's construction will further insulate it from the current COVID-19 pandemic.

SOUTH MEADOWS – ROME, GEORGIA – MARKET STUDY

Summary Table: (must be completed by the analyst and included in the executive summary)										
Development Name:		South Meadows						Total # Units:		80
Location:		12 Pollock Street Rome, GA 30161						# LIHTC Units:		80
PMA Boundary:		North: Route 140; South: Polk County; East: Bartow County; West: the Alabama state line						Farthest Boundary Distance to Subject:		16.2 miles
Rental Housing Stock (found on page 61)										
Type	# Properties*	Total Units	Vacant Units	Average Occupancy						
All Rental Housing	36	2,839	21	99.3%						
Market-Rate Housing	12	1,023	10	99.0%						
Assisted/Subsidized Housing not to include LIHTC	16	1218	1	99.9%						
LIHTC	8	598	10	98.3%						
Stabilized Comps	35	2,773	21	99.2%						
Properties in Construction & Lease Up	1	66	N/Ap	N/Ap						
*Only includes properties in PMA										
Subject Development					Average Market Rent*			Highest Unadjusted Comp Rent		
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF	
5	1BR at 30% AMI	1	700	\$250	\$608	\$0.87	143%	\$1,145	\$1.64	
10	2BR at 30% AMI	1	980	\$290	\$704	\$0.72	143%	\$1,177	\$1.20	
5	3BR at 30% AMI	2	1,140	\$330	\$803	\$0.70	143%	\$1,365	\$1.20	
10	1BR at 60% AMI	1	700	\$575	\$673	\$0.96	17%	\$1,145	\$1.64	
20	2BR at 60% AMI	1	980	\$650	\$762	\$0.78	17%	\$1,177	\$1.20	
10	3BR at 60% AMI	2	1,140	\$725	\$870	\$0.76	20%	\$1,365	\$1.20	
5	1BR at 80% AMI	1	700	\$825	\$878	\$1.25	6%	\$1,145	\$1.64	
10	2BR at 80% AMI	1	980	\$950	\$967	\$0.99	2%	\$1,177	\$1.20	
5	3BR at 80% AMI	2	1,140	\$1,050	\$1,154	\$1.01	10%	\$1,365	\$1.20	
Capture Rates (found on page 59)										
Targeted Population				@30%	@60%	@80%	Market-rate	Other: __	Overall	
Capture Rate:				2.0%	3.4%	1.5%	-	-	2.8%	

*Includes LIHTC and unrestricted (when applicable)

C. PROJECT DESCRIPTION

PROJECT DESCRIPTION

- | | |
|---|---|
| 1. Project Address and Development Location: | The Subject site is located at 12 Pollock Street in Rome, Floyd, Georgia 30161. The Subject site is currently vacant. |
| 2. Construction Type: | The Subject will consist of 16, two-story, residential buildings in addition to one community building. The Subject will be new construction. |
| 3. Occupancy Type: | Families. |
| 4. Special Population Target: | None. |
| 5. Number of Units by Bedroom Type and AMI Level: | See following property profile. |
| 6. Unit Size, Number of Bedrooms and Structure Type: | See following property profile. |
| 7. Rents and Utility Allowances: | See following property profile. |
| 8. Existing or Proposed Project-Based Rental Assistance: | See following property profile. |
| 9. Proposed Development Amenities: | See following property profile. |

SOUTH MEADOWS – ROME, GEORGIA – MARKET STUDY

South Meadows												
Location	12 Pollock Street Rome, GA 30161 Floyd County											
Units	80											
Type	Garden (2 stories)											
Year Built / Renovated	2022 / n/a											
Market												
Program	@30%, @60%, @80%						Leasing Pace	n/a				
Annual Turnover Rate	n/a						Change in Rent (Past Year)	n/a				
Units/Month Absorbed	n/a						Concession	n/a				
Section 8 Tenants	n/a											
Utilities												
A/C	not included – central						Other Electric	not included				
Cooking	not included – electric						Water	included				
Water Heat	not included – electric						Sewer	included				
Heat	not included – electric						Trash Collection	included				
Unit Mix (face rent)												
Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max rent?	
1	1	Garden (2 stories)	5	700	\$250	\$0	@30%	n/a	n/a	n/a	no	
1	1	Garden (2 stories)	10	700	\$575	\$0	@60%	n/a	n/a	n/a	no	
1	1	Garden (2 stories)	5	700	\$825	\$0	@80%	n/a	n/a	n/a	no	
2	1	Garden (2 stories)	10	980	\$290	\$0	@30%	n/a	n/a	n/a	no	
2	1	Garden (2 stories)	20	980	\$650	\$0	@60%	n/a	n/a	n/a	no	
2	1	Garden (2 stories)	10	980	\$950	\$0	@80%	n/a	n/a	n/a	no	
3	2	Garden (2 stories)	5	1,140	\$330	\$0	@30%	n/a	n/a	n/a	no	
3	2	Garden (2 stories)	10	1,140	\$725	\$0	@60%	n/a	n/a	n/a	no	
3	2	Garden (2 stories)	5	1,140	\$1,050	\$0	@80%	n/a	n/a	n/a	no	
Amenities												
In-Unit	Balcony/Patio Blinds Carpeting Central A/C Coat Closet Dishwasher Ceiling Fan Garbage Disposal Oven Refrigerator Walk-In Closet Washer/Dryer hookup					Security	Perimeter Fencing					
Property	Clubhouse/Meeting Room/Community Room Exercise Facility Central Laundry Off-Street Parking On-Site Management Playground					Premium	none					
Services	none					Other	Gazebo, Community Garden					
Comments												
The property will consist of 16, two-story residential buildings in addition to one community building. Construction is expected to begin in June 2021 and completed in October 2022. The proposed utility allowances are \$60, \$77, and \$98 for the one, two, and three-bedroom units, respectively.												

10. Placed in Service Date:

Construction on the Subject is expected to begin in June 2021 and be completed in October 2022.

Conclusion:

The Subject will be an excellent-quality brick and vinyl siding two-story, garden style apartment complex, comparable to superior to most of the inventory in the area. As new construction, the Subject will not suffer from deferred maintenance, functional obsolescence or physical deterioration.

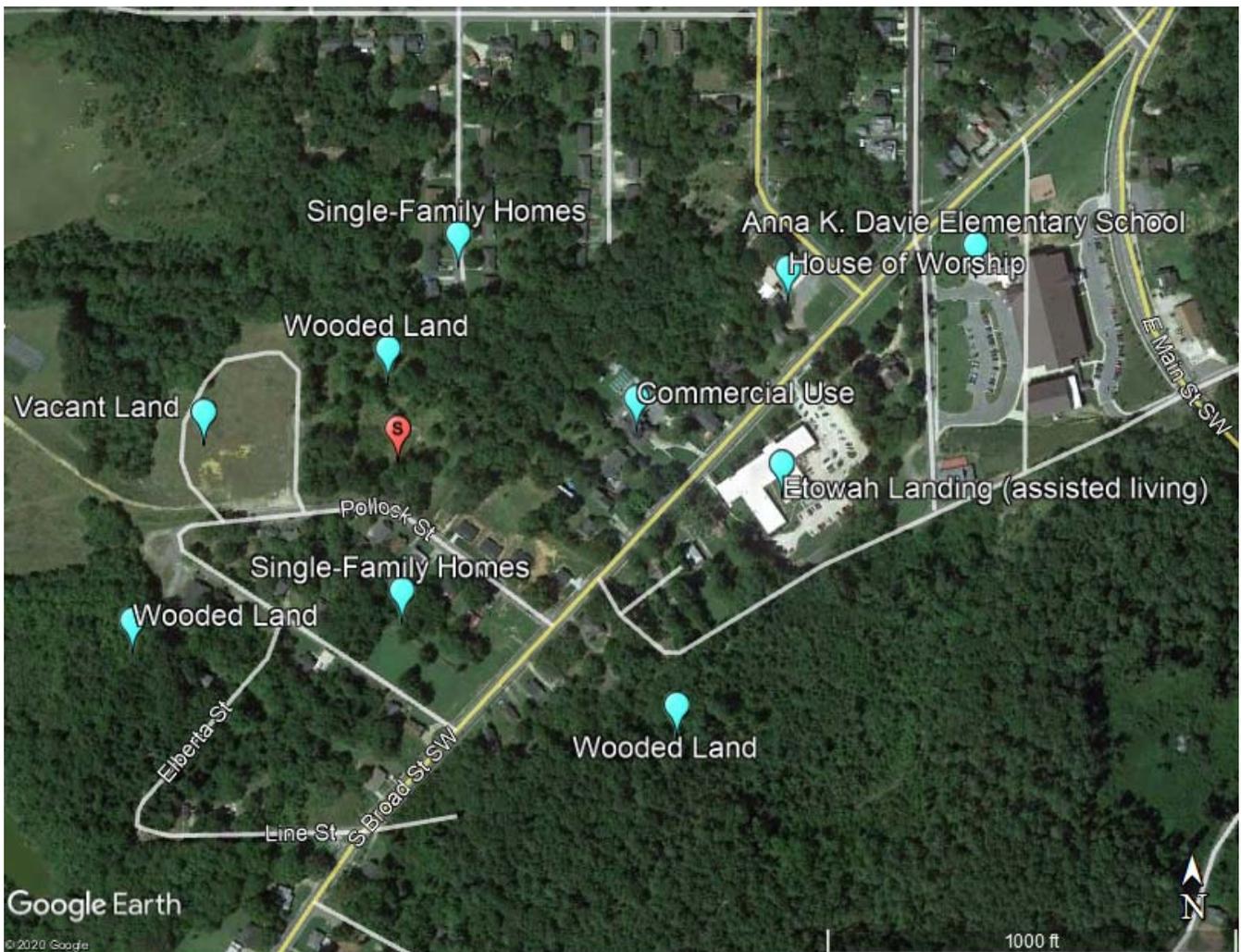
D.SITE EVALUATION

- 1. Date of Site Visit and Name of Inspector:** Brian Neukam visited the site on May 27, 2020.
- 2. Physical Features of the Site:** The following illustrates the physical features of the site.

Frontage: The Subject site has frontage along Pollock Street.

Visibility/Views: The Subject will be located on the north side of Pollock Street. Visibility of the site will be good from Pollock Street. Views from the site will be good and initially will include wooded land, single-family homes in average condition, and commercial uses in average condition.

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



Source: Google Earth, May 2020.

The Subject will be located on the north side of Pollock Street. The Subject site is currently wooded land. North of the Subject site is wooded land. East of the Subject site are single-family homes in

average condition. South of the Subject site are single-family homes in average condition. West of the Subject site is vacant land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of seven out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, all of which are within 1.4 miles of the Subject site.

Positive/Negative Attributes of Site:

The Subject’s proximity to retail and other locational amenities as well as its surrounding uses, which are in average to good condition, are considered positive attributes. Additionally, the Subject site is within close proximity to Highway 27, which provides convenient access to other employment centers.

3. Physical Proximity to Locational Amenities:

The Subject is located within 1.4 miles of all locational amenities.

4. Pictures of Site and Adjacent Uses:

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



View east along Pollock Street



View west along Pollock Street



View of the Subject site



View of the Subject site



View of the Subject site



View of the Subject site



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Medical facility in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Anna K. Davie Elementary School in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Etowah Landing in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



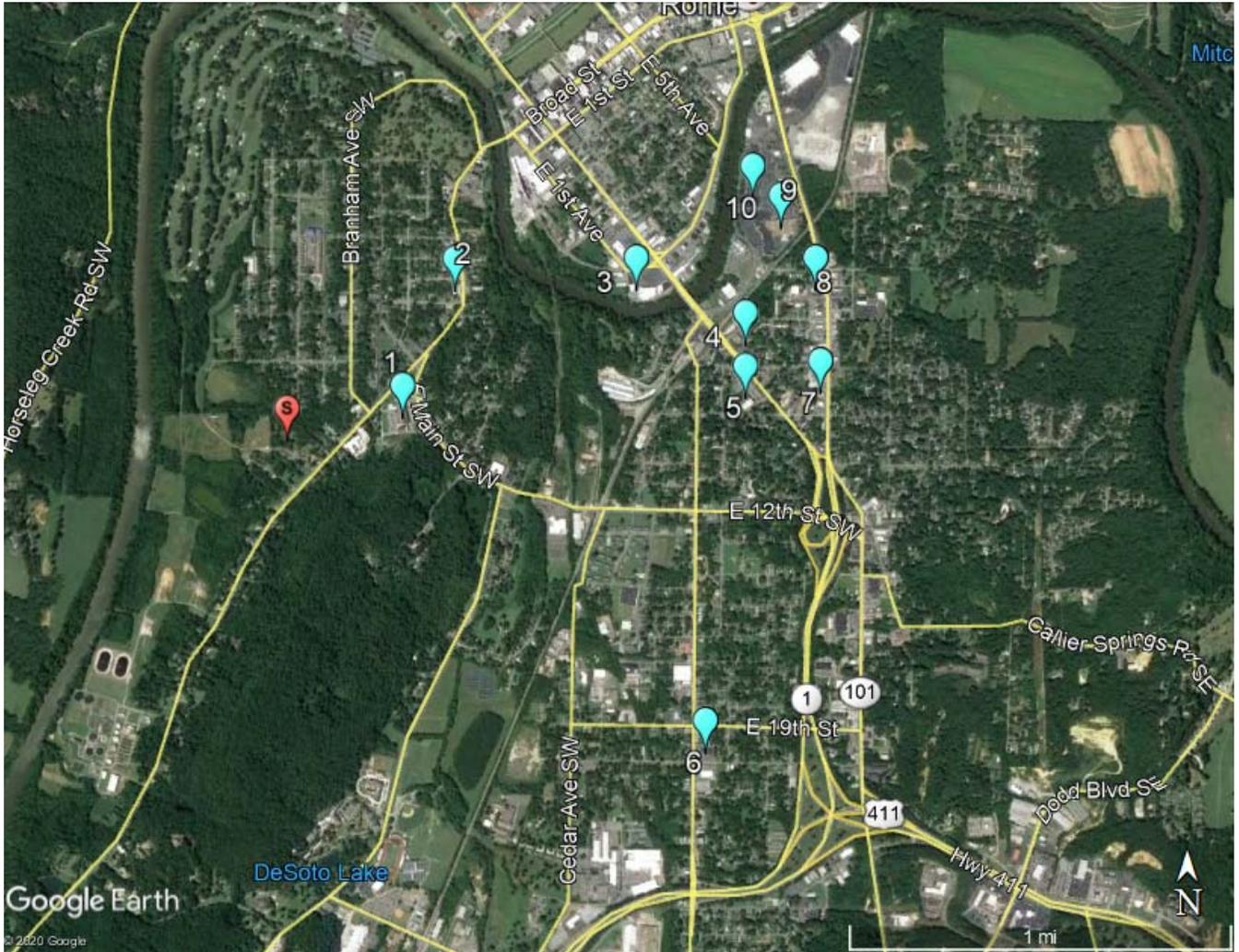
Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood

5. Proximity to Locational Amenities:

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



Source: Google Earth, May 2020.

LOCATIONAL AMENITIES

Map #	Service or Amenity	Distance from Subject (Crow)
1	Anna K. Davie Elementary School	0.3 miles
2	Gas Station	0.6 miles
3	Dollar General	1.0 miles
4	Redmond Medical Group East	1.2 miles
5	Rome-Floyd County YMCA	1.2 miles
6	CVS Pharmacy	1.3 miles
7	Zaxby's	1.4 miles
8	McDonald's	1.4 miles
9	Kroger	1.4 miles
10	T.J. Maxx	1.4 miles

6. Description of Land Uses

The Subject will be located on the north side of Pollock Street. The Subject site is currently wooded land. North of the Subject site is

wooded land. Farther north are single-family homes in average condition. East of the Subject site are single-family homes in average condition. Farther east are commercial uses in average condition, Etowah Landing, which is an assisted living facility, and Anna K. Davie Elementary school in good condition. Etowah Landing was excluded as a comparable property for the purposes of this report as it is a nursing home that targets senior tenancy. South of the Subject site are single-family homes in average condition. Farther south are single-family homes in average condition and wooded land. West of the Subject site is vacant land. Farther west is vacant land and the Coosa River. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by Walkscore with a rating of seven out of 100. The Subject site is considered a desirable building site for rental housing. The Subject site is located in a mixed-use neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, most of which are within 1.4 miles of the Subject site.

7. Crime:

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

2019 CRIME INDICES

	PMA	Rome, GA Metropolitan Statistical Area
Total Crime*	105	123
Personal Crime*	92	113
Murder	98	115
Rape	79	89
Robbery	66	86
Assault	106	129
Property Crime*	107	125
Burglary	126	143
Larceny	106	126
Motor Vehicle Theft	61	65

Source: Esri Demographics 2019, Novogradac Consulting LLP, May 2020

*Unweighted aggregations

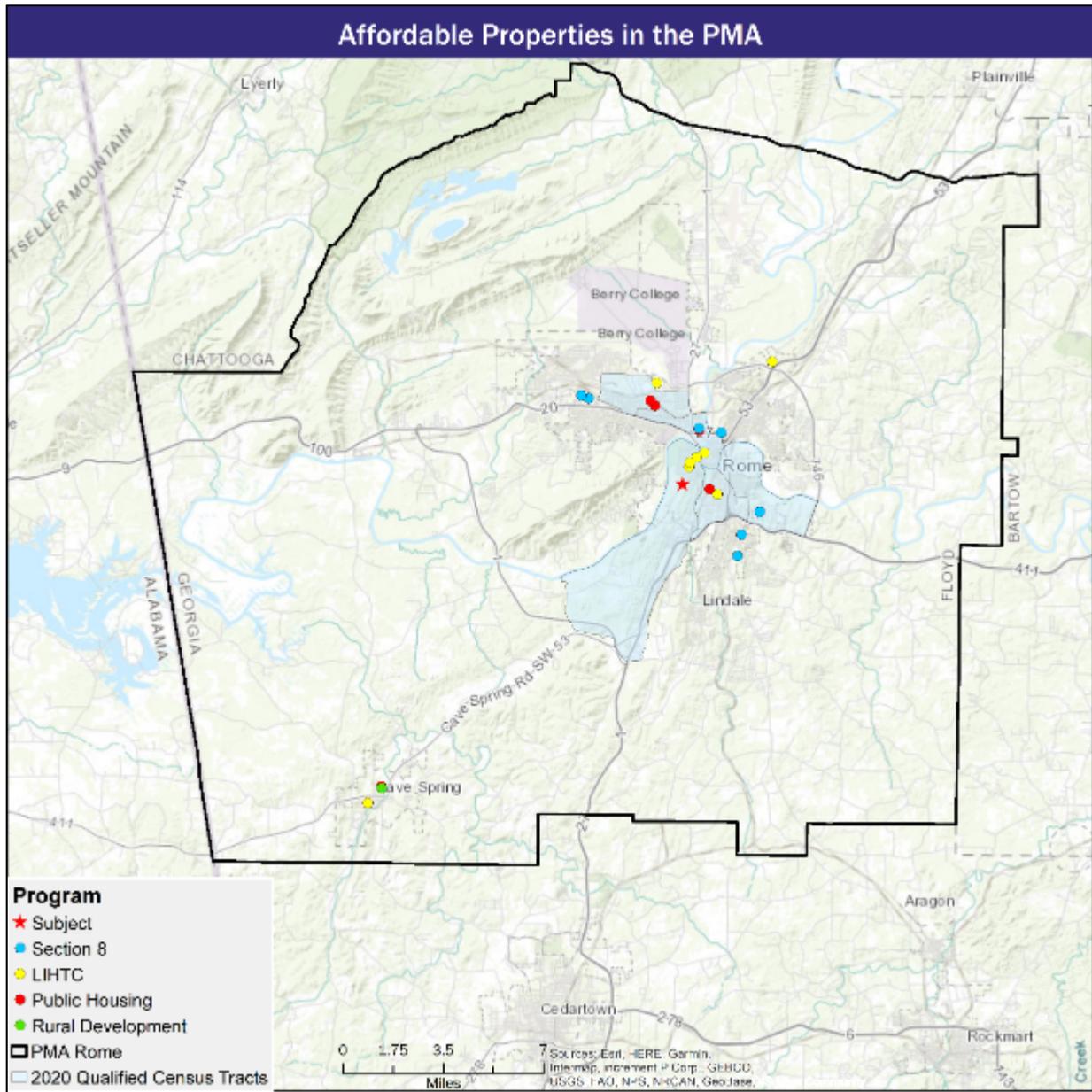
The total crime indices in the PMA are generally below that of the MSA and similar to that of the nation. Personal crime in the PMA is below the national personal crime levels. The Subject will offer perimeter fencing as a security feature. Of the ten comparables, four offer only one security feature and are similar to the Subject. All four properties reported occupancy at 96.0 percent or higher. Thus, the Subject offers generally similar security features to the comparable properties, which are performing well. The Subject’s security features appear to be market-oriented.

8. Existing Assisted Rental Housing Property Map:

The following map and list identifies all assisted rental housing properties in the PMA.

AFFORDABLE PROPERTIES IN THE PMA

Property Name	Program	Location	Tenancy	# of Units	Distance from Subject	Map Color	
South Meadows	LIHTC	Rome	Family	80	-	Star	
Altview Terrace	LIHTC	Rome	Family	66	1.1 miles	Yellow	
Ashland Park Apartments	LIHTC	Rome	Family	184	4.4 miles		
Burrell Square	LIHTC	Rome	Family	84	0.4 miles		
Etowah Terrace	LIHTC, PBRA, Market	Rome	Senior	77	0.8 miles		
Greystone Apartments	LIHTC, Section 8, S+C	Rome	Senior	71	1.1 miles		
Highland Estates	LIHTC, Market	Rome	Senior	84	3.0 miles		
Pennington Place	LIHTC (HOME), Public Housing	Rome	Family	8	0.5 miles		
Spring Haven Apartments	LIHTC (HOME)	Cave Springs	Senior	24	13.0 miles		
Charles Hight Homes	Public Housing	Rome	Family	202	1.6 miles		Red
John Graham Homes	Public Housing	Rome	Family	150	0.8 miles		
Housing Authority of the City of Cave Spring	Public Housing	Cave Spring	Family	20	12.3 miles		
Village Green	Public Housing	Rome	Family	10	2.3 miles		
Willingham at Division	Public Housing	Rome	Family	27	2.3 miles		
Willingham Village	Public Housing	Rome	Family	76	2.6 miles		
Steve Pettis Court Apts	Rural Development	Cave Springs	Family	31	12.4 miles		
Callier Forest Apartments	Section 8	Rome	Family	130	2.5 miles		
Heatherwood Apartments	Section 8	Rome	Senior	68	2.2 miles		
High Rise	Section 8	Rome	Senior	101	1.6 miles		
Meadow Lane Apartments	Section 8, LIHTC, Non-Rental	Rome	Family	119	3.7 miles	Green	
Oak Ridge	PSHP, Non-Rental	Rome	Family	35	2.8 miles		
Park Homes	Section 8	Rome	Family	100	1.8 miles		
Pine Ridge Apartments	Section 8	Rome	Family	30	3.8 miles		
Tamassee Apartments	Section 8	Rome	Family	80	3.9 miles		
The Villas	Section 8	Rome	Family	39	2.4 miles		
							Blue



9. Road, Infrastructure or Proposed Improvements:

We did not witness any road, infrastructure or proposed improvements during our field work.

10. Access, Ingress-Egress and Visibility of Site:

The Subject site can be accessed from Pollock Street, which is a two-lane, neighborhood street. Pollock Street provides access to S Broad Street, which in turn merges with East Main Street SW. East Main Street SW provides access to Highway 27 approximately 1.4 miles to the east of the Subject site. Highway 27 is a major thoroughfare and provides access to Carrollton, Georgia approximately 45 miles south of the Subject site and Chattanooga, Tennessee approximately 54

miles to the north of the Subject site. Overall, access and visibility are considered good.

11. Conclusion:

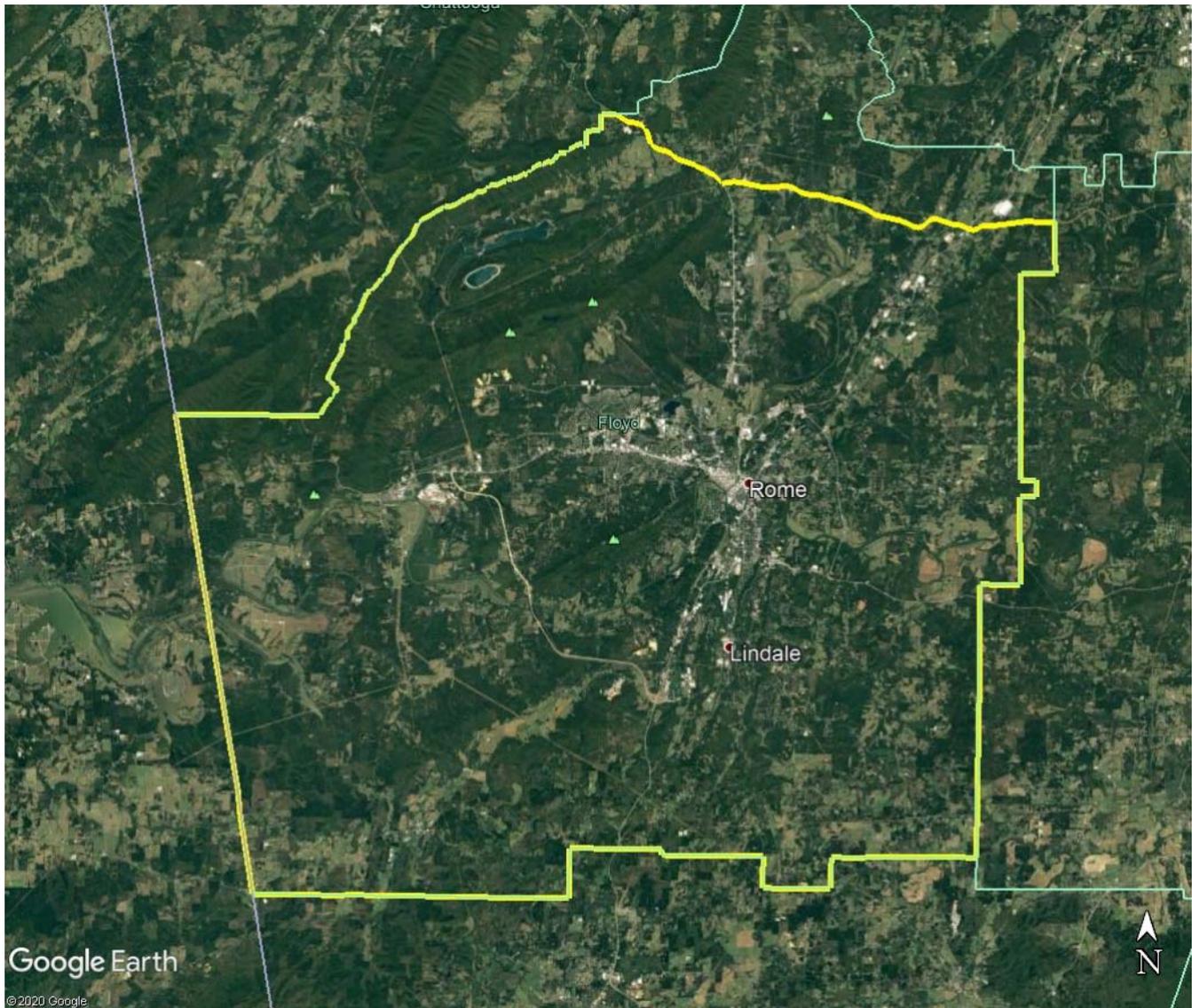
The Subject site is located on the north side of Pollock Street. The Subject site has good visibility and accessibility from Pollock Street. The Subject site is currently wooded land. Surrounding uses consist of commercial and single-family uses, as well as undeveloped land. Based on our inspection of the neighborhood, retail appeared to be 90 percent occupied. The Subject site is considered “Car-Dependent” by *Walkscore* with a rating of seven out of 100. Crime risk indices in the Subject’s area are considered similar to the overall nation. The Subject site is considered a desirable building site for rental housing. The Subject is located in a residential neighborhood. The uses surrounding the Subject are in average to good condition and the site has good proximity to locational amenities, which are within 1.4 miles of the Subject site.

E. MARKET AREA

PRIMARY MARKET AREA

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

Primary Market Area Map



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

The PMA is defined by Route 140 to the north, Bartow County to the east, Polk County to the south, and the Alabama state line to the west. The PMA encompasses the majority of Floyd County except its rural northern

portion. This area encompasses 446 square miles. This area encompasses a portion of the Floyd County. The distances from the Subject to the farthest boundaries of the PMA in each direction are listed as follows:

North: 12.4 miles

East: 9.7 miles

South: 10.7 miles

West: 16.2 miles

The PMA was defined based on interviews with the local housing authority and property managers at comparable properties. Many property managers indicated that a significant portion of their tenants come from outside of the county. While we do believe the Subject will experience leakage from outside the PMA boundaries, per the 2020 market study guidelines, we do not account for leakage in our demand analysis found later in this report. The farthest PMA boundary from the Subject is approximately 16.2 miles. The SMA is defined as the Rome, GA Metropolitan Statistical Area (MSA) which encompasses 518 square miles.

F. COMMUNITY DEMOGRAPHIC DATA

COMMUNITY DEMOGRAPHIC DATA

The following sections will provide an analysis of the demographic characteristics within the market area. Data such as population, households and growth patterns will be studied to determine if the Primary Market Area (PMA) and Rome, Georgia MSA are areas of growth or contraction. The discussions will also describe typical household size and will provide a picture of the health of the community and the economy. The following demographic tables are specific to the populations of the PMA and Rome, Georgia MSA.

1. Population Trends

The following tables illustrate Total Population, and Population by Age Group within the population in the MSA, the PMA and nationally from 2000 through 2024.

Total Population

The following table illustrates the total population within the PMA, MSA and nation from 2000 through 2024.

Year	PMA		Rome, GA Metropolitan Statistical Area		USA	
	Number	Annual	Number	Annual Change	Number	Annual
2000	85,990	-	88,426	-	281,250,431	-
2010	92,659	0.8%	96,317	0.9%	308,745,538	1.0%
2019	95,802	0.4%	99,453	0.4%	332,417,793	0.8%
Projected Mkt Entry October 2022	96,772	0.3%	100,435	0.3%	340,913,169	0.8%
2024	97,295	0.3%	100,964	0.3%	345,487,602	0.8%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

Historical population growth in the PMA trailed the MSA between 2000 and 2010. Both geographic areas experienced population growth rates below the overall nation during the time period. Population growth in the PMA slowed between 2010 and 2019, and was similar to the MSA. Growth in both geographic areas remained below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.3 percent through 2024, similar to projected growth in the MSA. However, growth in both geographic areas is expected to trail the nation. Overall, we believe that population growth in the PMA and MSA is a positive indication of demand for the Subject’s proposed units.

Total Population by Age Group

The following table illustrates the total population within the PMA and MSA and nation from 2000 to 2024.

POPULATION BY AGE GROUP

Age Cohort	PMA				Projected Mkt Entry October 2022	2024
	2000	2010	2019			
0-4	5,739	6,344	5,949		5,993	6,017
5-9	6,002	6,360	6,006		5,979	5,964
10-14	6,143	6,195	6,123		6,161	6,182
15-19	6,023	7,064	6,632		6,802	6,894
20-24	6,047	6,346	5,950		5,793	5,708
25-29	5,856	5,818	6,349		5,745	5,419
30-34	5,970	5,565	6,496		6,418	6,376
35-39	6,473	6,037	6,118		6,461	6,645
40-44	6,499	6,010	5,435		5,800	5,997
45-49	5,902	6,412	5,859		5,560	5,399
50-54	5,289	6,376	5,867		5,854	5,847
55-59	4,357	5,851	6,309		5,981	5,805
60-64	3,681	5,144	5,942		6,090	6,170
65-69	3,362	3,955	5,402		5,568	5,657
70-74	3,057	3,119	4,250		4,665	4,889
75-79	2,541	2,528	2,964		3,446	3,705
80-84	1,664	1,862	2,039		2,271	2,396
85+	1,382	1,673	2,112		2,185	2,225
Total	85,987	92,659	95,802		96,772	97,295

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

POPULATION BY AGE GROUP

Age Cohort	Rome, GA Metropolitan Statistical Area				Projected Mkt Entry October 2022	2024
	2000	2010	2019			
0-4	5,853	6,521	6,104		6,145	6,167
5-9	6,130	6,559	6,185		6,153	6,136
10-14	6,252	6,467	6,321		6,363	6,386
15-19	6,477	7,336	6,816		6,992	7,086
20-24	6,657	6,501	6,133		5,943	5,841
25-29	5,987	5,975	6,574		5,934	5,589
30-34	6,098	5,726	6,691		6,639	6,611
35-39	6,598	6,276	6,311		6,666	6,857
40-44	6,607	6,282	5,624		6,001	6,204
45-49	6,000	6,745	6,118		5,781	5,600
50-54	5,386	6,686	6,150		6,127	6,114
55-59	4,442	6,143	6,639		6,285	6,094
60-64	3,740	5,398	6,247		6,411	6,499
65-69	3,414	4,161	5,676		5,853	5,949
70-74	3,092	3,278	4,463		4,900	5,136
75-79	2,580	2,625	3,107		3,615	3,888
80-84	1,697	1,913	2,125		2,374	2,508
85+	1,416	1,725	2,169		2,254	2,299
Total	88,426	96,317	99,453		100,435	100,964

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

The largest age cohorts in the PMA are between 15 and 19 and 30 and 34, which indicates the presence of families.

2. Household Trends

The following tables illustrate (a) Total Households and Average Household Size, (b) Household Tenure, (c) Households by Income, and (d) Renter Households by Size within the population in the MSA, the PMA and nationally from 2000 through 2024.

Total Number of Households and Average Household Size

The following tables illustrate the total number of households and average household size within the PMA, MSA and nation from 2000 through 2024.

HOUSEHOLDS

Year	PMA		Rome, GA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	32,537	-	33,149	-	105,409,439	-
2010	34,471	0.6%	35,890	0.8%	116,716,296	1.1%
2019	35,497	0.3%	36,947	0.3%	125,168,557	0.8%
Projected Mkt Entry October 2022	35,881	0.3%	37,328	0.3%	128,042,211	0.7%
2024	36,087	0.3%	37,533	0.3%	129,589,563	0.7%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

AVERAGE HOUSEHOLD SIZE

Year	PMA		Rome, GA Metropolitan Statistical Area		USA	
	Number	Annual Change	Number	Annual Change	Number	Annual Change
2000	2.55	-	2.55	-	2.59	-
2010	2.57	0.1%	2.57	0.1%	2.58	-0.1%
2019	2.59	0.1%	2.58	0.1%	2.59	0.1%
Projected Mkt Entry October 2022	2.58	0.0%	2.58	0.0%	2.60	0.1%
2024	2.58	0.0%	2.58	0.0%	2.60	0.1%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

Historical household growth in the PMA trailed the MSA between 2000 and 2010. Both geographic areas experienced household growth rates below the overall nation during the time period. Household growth in the PMA slowed between 2010 and 2019, and was similar to the MSA. Growth in both geographic areas remained below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to remain relatively stable at 0.3 percent through 2024, similar to projected growth in the MSA. However, growth in both geographic areas is expected to trail the nation.

The average household size in the PMA is similar to that of the MSA and the nation. Over the next five years, the average household size is projected to remain relatively stable. According to ESRI demographic projections, household sizes in the PMA will remain stable along with the MSA and the nation through 2024.

Households by Tenure

The table below depicts household growth by tenure from 2000 through 2024.

TENURE PATTERNS PMA

Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter- Occupied Units	Percentage Renter-Occupied
2000	21,664	66.6%	10,873	33.4%
2019	21,658	61.0%	13,839	39.0%
Projected Mkt Entry October 2022	22,082	61.5%	13,799	38.5%
2024	22,310	61.8%	13,777	38.2%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA increased between 2000 and 2019, and is estimated to be 39.0 percent as of 2019. This is more than the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to decline slightly through 2022 and continue the slight decline through 2024, although the number of renter households is expected to remain relatively stable.

Household Income

The following table depicts renter household income in the PMA in 2019, market entry, and 2024.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2019		Projected Mkt Entry October 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,378	17.2%	2,250	16.3%	2,181	15.8%
\$10,000-19,999	2,963	21.4%	2,799	20.3%	2,710	19.7%
\$20,000-29,999	2,039	14.7%	1,956	14.2%	1,912	13.9%
\$30,000-39,999	1,470	10.6%	1,426	10.3%	1,403	10.2%
\$40,000-49,999	1,201	8.7%	1,243	9.0%	1,266	9.2%
\$50,000-59,999	928	6.7%	919	6.7%	914	6.6%
\$60,000-74,999	865	6.3%	909	6.6%	933	6.8%
\$75,000-99,999	1,002	7.2%	1,051	7.6%	1,078	7.8%
\$100,000-124,999	316	2.3%	375	2.7%	407	3.0%
\$125,000-149,999	271	2.0%	341	2.5%	378	2.7%
\$150,000-199,999	230	1.7%	292	2.1%	325	2.4%
\$200,000+	176	1.3%	237	1.7%	270	2.0%
Total	13,839	100.0%	13,799	100.0%	13,777	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, June 2020

RENTER HOUSEHOLD INCOME DISTRIBUTION - Rome, GA Metropolitan Statistical Area

Income Cohort	2019		Projected Mkt Entry October 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,398	17.0%	2,268	16.1%	2,198	15.7%
\$10,000-19,999	3,028	21.4%	2,858	20.3%	2,766	19.7%
\$20,000-29,999	2,055	14.6%	1,975	14.0%	1,932	13.8%
\$30,000-39,999	1,480	10.5%	1,433	10.2%	1,407	10.0%
\$40,000-49,999	1,256	8.9%	1,294	9.2%	1,315	9.4%
\$50,000-59,999	973	6.9%	967	6.9%	963	6.9%
\$60,000-74,999	881	6.2%	924	6.6%	947	6.7%
\$75,000-99,999	1,035	7.3%	1,079	7.7%	1,102	7.8%
\$100,000-124,999	321	2.3%	380	2.7%	411	2.9%
\$125,000-149,999	279	2.0%	349	2.5%	387	2.8%
\$150,000-199,999	236	1.7%	298	2.1%	332	2.4%
\$200,000+	180	1.3%	246	1.7%	281	2.0%
Total	14,122	100.0%	14,069	100.0%	14,041	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, June 2020

The Subject will target tenants earning between \$10,629 and \$51,680 for its LIHTC units. As the table above depicts, approximately 62.1 percent of renter households in the PMA are earning incomes between \$10,000 and \$59,999, which is comparable to the 62.3 percent of renter households in the MSA in 2019. For the projected market entry date of October 2022, these percentages are projected to slightly decrease to 60.5 percent and 60.6 percent for the PMA and MSA, respectively.

Renter Households by Number of Persons in the Household

The following table illustrates household size for all households in 2019, market entry and 2024. To determine the number of renter households by number of persons per household, the total number of households is adjusted by the percentage of renter households.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS - PMA

Household Size	2019		Projected Mkt Entry October 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
1 Person	4,935	35.7%	4,939	35.8%	4,941	35.9%
2 Persons	3,092	22.3%	3,039	22.0%	3,010	21.8%
3 Persons	2,363	17.1%	2,372	17.2%	2,377	17.3%
4 Persons	1,678	12.1%	1,668	12.1%	1,663	12.1%
5+ Persons	1,771	12.8%	1,781	12.9%	1,786	13.0%
Total Households	13,839	100%	13,799	100%	13,777	100%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, June 2020

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

Conclusion

The population in the PMA and the MSA increased from 2000 to 2019, though the rate of growth slowed from 2010 to 2019. The rate of population and household growth is projected to slow through 2024. The current population of the PMA is 95,802 and is expected to be 97,295 in 2024. The current number of households in the PMA is 35,497 and is expected to be 36,087 in 2024. Renter households are concentrated in the lowest income cohorts, with 62.1 percent of renters in the PMA earning between \$10,000 and \$59,999 annually. The Subject will target households earning between \$10,629 and \$51,680 for its LIHTC units; therefore, the Subject should be well-positioned to service this market. Overall, population growth and the concentration of

renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

G. EMPLOYMENT TRENDS

Employment Trends

The PMA and Floyd County are economically reliant on the healthcare/social assistance, educational services, and manufacturing sectors. While the retail trade and manufacturing sectors are volatile in times of economic downturn, the healthcare/social assistance sector is traditionally more stable. The local economy appears to be diverse and low paying jobs in the healthcare/social assistance, manufacturing, and retail trade sectors are expected to generate demand for affordable housing in the PMA.

1. Covered Employment

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

COVERED EMPLOYMENT		
Floyd County, Georgia		
Year	Total Employment	% Change
2008	47,077	-
2009	44,302	-6.3%
2010	39,750	-11.5%
2011	39,440	-0.8%
2012	39,913	1.2%
2013	39,614	-0.8%
2014	39,753	0.3%
2015	40,002	0.6%
2016	40,895	2.2%
2017	41,930	2.5%
2018	42,368	1.0%
2019 YTD Average	42,846	2.1%
Dec-18	42,796	-
Dec-19	43,392	1.4%

Source: U.S. Bureau of Labor Statistics

YTD as of Mar 2019

As illustrated in the table above, Floyd County experienced a weakening economy during the national recession. The county began felt the effects of the downturn until 2012 with its first employment increase of 1.2 percent since the recession. Employment growth quickly rebounded and Floyd County exhibited employment growth seven out of eight years from 2012 to 2019. Total employment in Floyd County increased 1.4 percent from December 2018 to December 2019. However, it is important to note that the above data is dated and does not reflect the impact from the COVID-19 pandemic, which is discussed and analyzed in further detail following in this section.

2. Total Jobs by Industry

The following table illustrates the total jobs by employment sectors within Floyd County as of the second quarter of 2018.

TOTAL JOBS BY INDUSTRY		
Floyd County, Georgia - Q2 2018		
	Number	Percent
Total, all industries	33,949	-
Goods-producing	7,428	-
Natural resources and mining	122	0.4%
Construction	881	2.6%
Manufacturing	6,425	18.9%
Service-providing	26,521	-
Trade, transportation, and utilities	7,572	22.3%
Information	648	1.9%
Financial activities	1,135	3.3%
Professional and business services	2,476	7.3%
Education and health services	9,619	28.3%
Leisure and hospitality	4,142	12.2%
Other services	866	2.6%
Unclassified	63	0.2%

Source: Bureau of Labor Statistics, 2019

Education and health services is the largest industry in Floyd County, followed by trade, transportation, and utilities and manufacturing. Manufacturing, trade, and transportation industries are particularly vulnerable in economic downturns and are historically volatile industries, with the exception of utilities. Health services are historically stable during recessionary periods. The following table illustrates employment by industry for the PMA as of 2019 (most recent year available).

2019 EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Manufacturing	7,217	17.0%	16,057,876	10.0%
Healthcare/Social Assistance	6,370	15.0%	22,612,482	14.1%
Educational Services	4,350	10.2%	14,565,802	9.1%
Retail Trade	4,343	10.2%	17,127,172	10.7%
Accommodation/Food Services	3,375	8.0%	11,738,765	7.3%
Construction	3,225	7.6%	11,245,975	7.0%
Other Services	3,171	7.5%	8,141,078	5.1%
Public Administration	1,962	4.6%	7,828,907	4.9%
Admin/Support/Waste Mgmt Svcs	1,579	3.7%	6,106,184	3.8%
Prof/Scientific/Tech Services	1,452	3.4%	11,744,228	7.3%
Transportation/Warehousing	1,335	3.1%	7,876,848	4.9%
Finance/Insurance	926	2.2%	7,377,311	4.6%
Real Estate/Rental/Leasing	721	1.7%	3,204,043	2.0%
Wholesale Trade	696	1.6%	4,183,931	2.6%
Information	603	1.4%	3,157,650	2.0%
Arts/Entertainment/Recreation	459	1.1%	3,332,132	2.1%
Utilities	396	0.9%	1,276,400	0.8%
Agric/Forestry/Fishing/Hunting	181	0.4%	1,915,709	1.2%
Mgmt of Companies/Enterprises	84	0.2%	237,307	0.1%
Mining	6	0.0%	819,151	0.5%
Total Employment	42,451	100.0%	160,548,951	100.0%

Source: Esri Demographics 2019, Novogradac Consulting LLP, May 2020

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and educational services industries, which collectively comprise 42.2 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, other services, and educational services industries. Conversely, the PMA is underrepresented in the professional/scientific/technology services, finance/insurance, and transportation/warehousing industries. The overconcentration of manufacturing employment may make the Subject area more susceptible to employment losses from the ongoing COVID-19 pandemic than the nation overall. However, the significant employment in the healthcare sector should provide stability to the area workforce.

3. Major Employers

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

MAJOR EMPLOYERS FLOYD COUNTY, GA

#	Employer Name	Industry	# Of Employees
1	Floyd Medical Center	Healthcare/Social Assistance	2,507
2	Redmond Regional Medical Center	Healthcare/Social Assistance	1,200
3	Lowe's RDC	Transportation/Warehousing	820
4	Harbin Clinic	Healthcare/Social Assistance	792
5	Berry College	Educational Services	562
6	Kellog's	Manufacturing	552
7	F & P Georgia	Manufacturing	518
8	International Paper Company	Manufacturing	451
9	Syntec Industries	Manufacturing	<u>350</u>
Totals			7,752

Source: Rome-Floyd Chamber of Commerce, retrieved May 2020

The largest employer in Floyd County is the Floyd Medical Center. Seven of the top ten employers in Floyd County are from the healthcare/social assistance and manufacturing sectors. Healthcare/social assistance jobs is a historically stable industry while manufacturing is historically unstable, especially during times of recession and during the current pandemic.

Expansions/Contractions

The following table illustrates the layoffs and closures of significance that occurred or were announced since January 1, 2018 in Floyd County according to the Georgia Department of Labor.

WARN LISTINGS FLOYD COUNTY, GA

Company	Industry	Employees Affected	Layoff Date
Kindred Specialty Hospital LLC	Healthcare/Social Assistance	78	4/6/2020
Bloomin' Brands	Accommodation/Food Services	82	3/15/2020
Transdev On Demand	Transportation/Warehousing	98	5/1/2018
Sykes	Prof/Scientific/Tech Services	<u>181</u>	7/31/2018
Total		439	

Source: Georgia Department of Labor, retrieved May 2020

As illustrated in the above table, there have been 439 employees in the area impacted by layoffs or closures since 2018. Despite these job losses, employment growth in the area has continued. However, beginning in March 2020, the international pandemic caused by the COVID-19 coronavirus resulted in governments across the globe taking dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. Consequently, over the past two months there has been a sharp and dramatic increase in layoffs due to the economic restrictions related to the emergency response. However, governments have passed significant economic stimulus packages to help in offsetting the economic impact. Local governments have begun to lift or loosen restrictions and the stimulus passed thus far has blunted some of the impact from the emergency measures. It remains unclear as to how these measures will impact the housing market long term. However, based on the data available through two months, which indicates some multifamily real estate transactions have continued to close without repricing and rent collection losses during

this period have declined less than projected, the governmental response has offset a significant portion of the economic losses presented by the emergency. There is evidence that, despite the significant level of recent layoffs, many other area employers are hiring. Overall, we anticipate that the elevated layoff pace will subside now that economic restrictions have been loosened in the Subject's market area.

We attempted to contact the Rome-Floyd Chamber of Commerce. As of the date of this report, our calls have yet to be returned. However, we were able to retrieve information on business expansions in the area from the Rome-Floyd Chamber of Commerce website.

EXPANSIONS/NEW ADDITIONS - FLOYD COUNTY, GA

Employer Name	Industry	Jobs
The Kerry Group	Manufacturing	100
Ball Aluminum Cups	Manufacturing	145
Ball Corporation	Manufacturing	46
Marglen Industries	Admin/Support/Waste Mgmt Srvcs	<u>20</u>
Total		311

Source: Rome-Floyd Chamber of Commerce, retrieved May 2020

- The Kerry Group has announced a \$125 million investment for its Rome Plant. This investment will result in the addition of more than 100 new jobs. Construction is expected to be completed in early 2021.
- Ball Aluminum Cups has announced a new manufacturing facility that will be adjacent to Ball's existing aluminum beverage can manufacturing plant in Rome, Georgia, and is expected to ramp up production in the fourth quarter of 2020. Ball plans to hire approximately 145 new employees for the cups facility to support the multi-year investment of approximately \$200 million.
- Additionally, Ball Corporation announced the addition of a fourth production line to the Floyd County Plant. The company will be adding 46 jobs.
- Marglen Industries announced in 2020 that they would add two new lines to its recycling operations. The Marglen project represents a \$17 million investment that will add approximately 20 jobs.

As illustrated, there are several additions in a variety of industries including manufacturing and waste management. There have recently been 311 new jobs announced, which helps to counteract the 439 layoffs in the county since 2018.

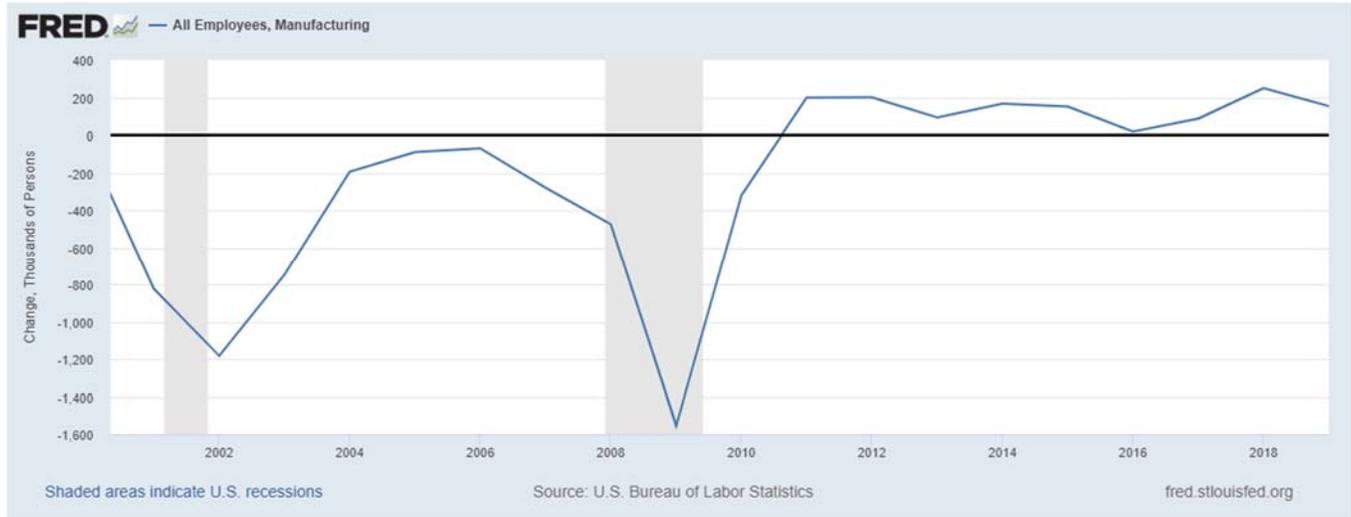
Manufacturing Sector Trends

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

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

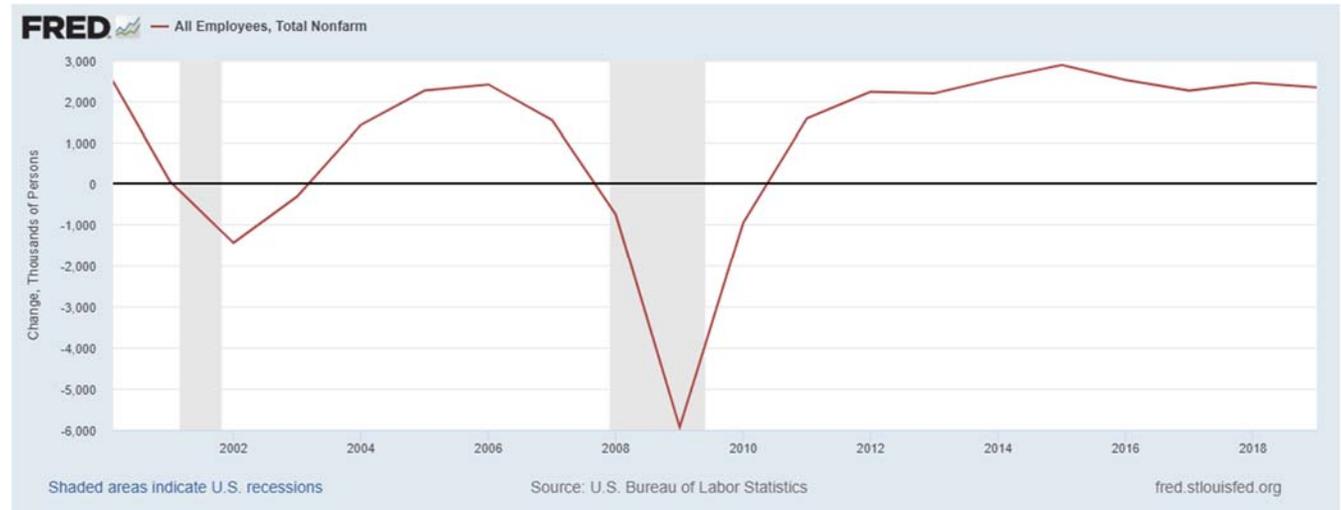
Although recent employment growth in the U.S. manufacturing sector bodes well for the MSA, the manufacturing sector is still not quite as strong as in the past. With manufacturing accounting for close to 10 percent of the U.S. economy and as a major source of employment for the MSA manufacturing employment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

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



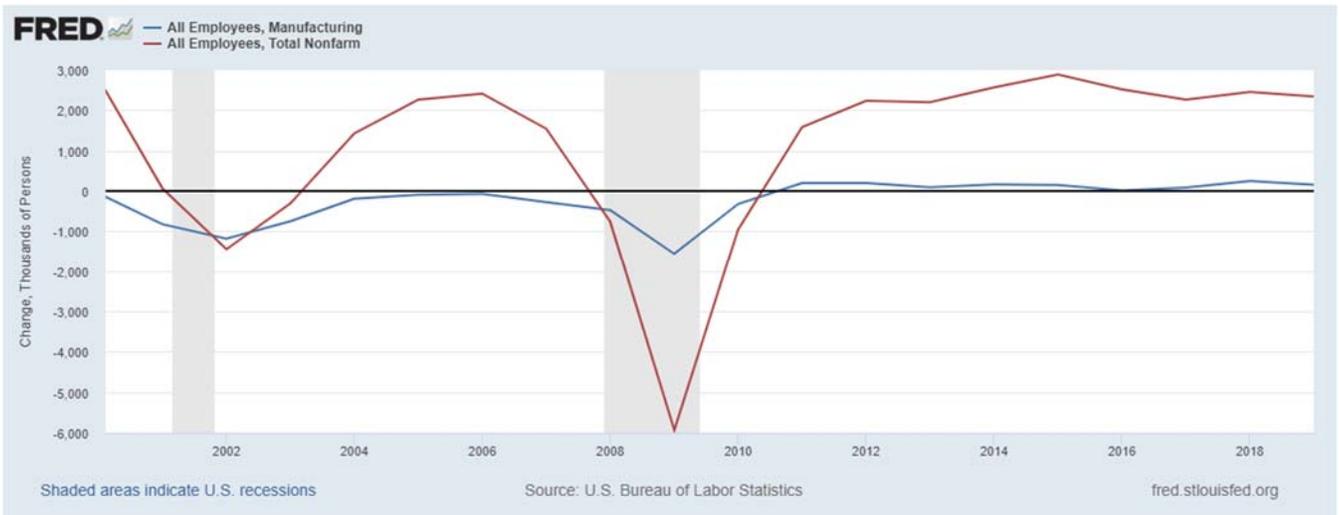
Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.



Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

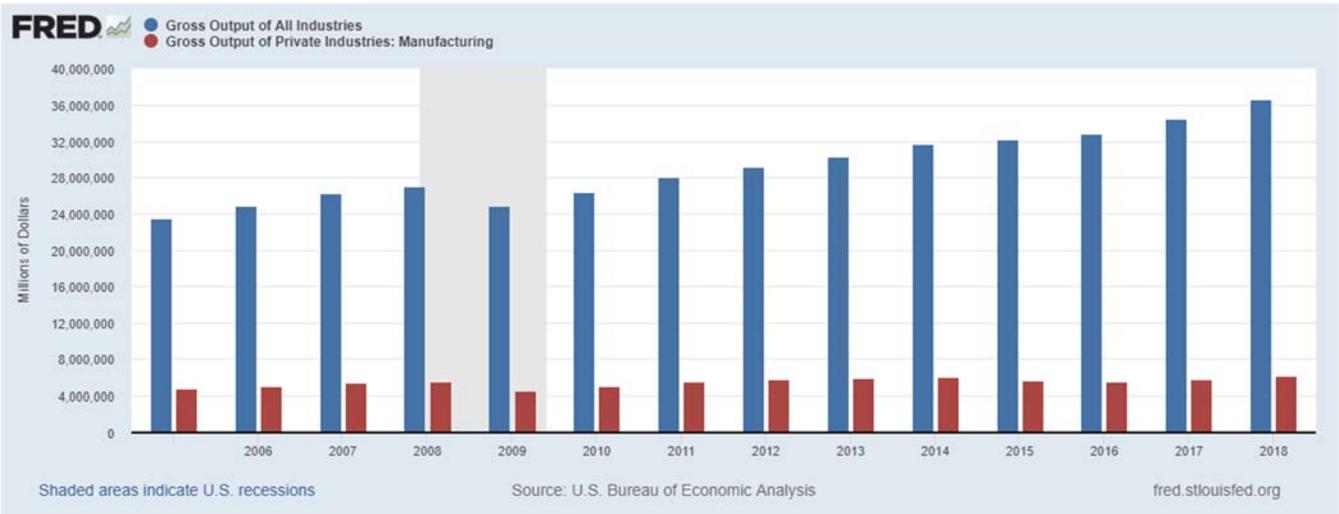


Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions. The employment data is seasonally adjusted.

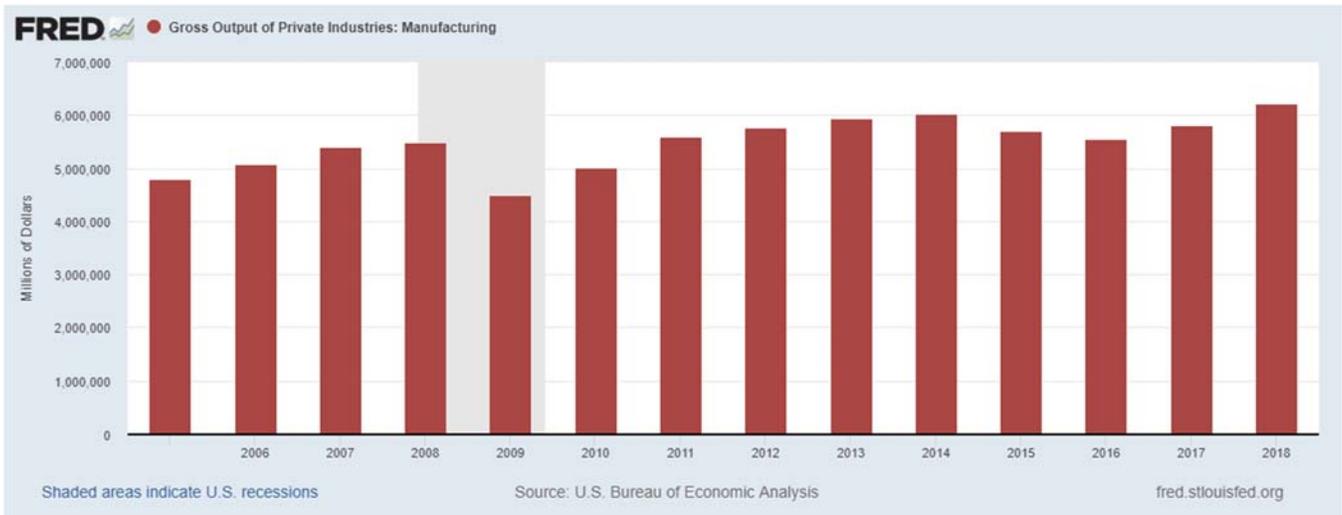
Total employment in the manufacturing sector, as well as the overall non-farm industry sector, declined from 2007 to 2009. Due to the most recent recession, all non-farm industries in the nation, including manufacturing, experienced significant loss. Since the most recent recession, total employment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

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



Source: Federal Reserve Bank of St. Louis, 1/2020.

Note: Shaded area indicates U.S. recessions.



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

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

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

4. Employment and Unemployment Trends

The following table details employment and unemployment trends for the Rome, Georgia MSA from 2003 to November 2019.

EMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)						
	Rome, GA Metropolitan Statistical Area			USA		
	Total Employment	% Change	Differential from peak	Total Employment	% Change	Differential from peak
2003	46,768	-	-1.6%	137,736,000	-	-11.6%
2004	46,862	0.2%	-1.4%	139,252,000	1.1%	-10.6%
2005	47,541	1.4%	0.0%	141,730,000	1.8%	-9.0%
2006	47,104	-0.9%	-0.9%	144,427,000	1.9%	-7.3%
2007	47,450	0.7%	-0.2%	146,047,000	1.1%	-6.2%
2008	47,077	-0.8%	-1.0%	145,363,000	-0.5%	-6.7%
2009	44,302	-5.9%	-6.8%	139,878,000	-3.8%	-10.2%
2010	39,750	-10.3%	-16.4%	139,064,000	-0.6%	-10.7%
2011	39,440	-0.8%	-17.0%	139,869,000	0.6%	-10.2%
2012	39,913	1.2%	-16.0%	142,469,000	1.9%	-8.5%
2013	39,614	-0.7%	-16.7%	143,929,000	1.0%	-7.6%
2014	39,753	0.4%	-16.4%	146,305,000	1.7%	-6.1%
2015	40,002	0.6%	-15.9%	148,833,000	1.7%	-4.4%
2016	40,895	2.2%	-14.0%	151,436,000	1.7%	-2.8%
2017	41,930	2.5%	-11.8%	153,337,000	1.3%	-1.6%
2018	42,368	1.0%	-10.9%	155,761,000	1.6%	0.0%
2019 YTD Average*	42,795	1.0%	-	157,538,083	1.1%	-
Nov-2018	42,440	-	-	157,015,000	-	-
Nov-2019	43,293	2.0%	-	158,945,000	1.2%	-

Source: U.S. Bureau of Labor Statistics, May 2020

UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

	Rome, GA Metropolitan Statistical Area			USA		
	Unemployment Rate	Change	Differential from peak	Unemployment Rate	Change	Differential from peak
2003	4.7%	-	0.4%	6.0%	-	2.1%
2004	4.8%	0.1%	0.5%	5.5%	-0.5%	1.6%
2005	5.2%	0.4%	0.9%	5.1%	-0.5%	1.2%
2006	4.5%	-0.7%	0.2%	4.6%	-0.5%	0.7%
2007	4.7%	0.2%	0.4%	4.6%	0.0%	0.7%
2008	6.5%	1.8%	2.2%	5.8%	1.2%	1.9%
2009	10.5%	4.1%	6.2%	9.3%	3.5%	5.4%
2010	11.8%	1.3%	7.5%	9.6%	0.3%	5.7%
2011	12.1%	0.2%	7.8%	9.0%	-0.7%	5.1%
2012	10.9%	-1.1%	6.6%	8.1%	-0.9%	4.2%
2013	9.5%	-1.4%	5.2%	7.4%	-0.7%	3.5%
2014	7.9%	-1.6%	3.6%	6.2%	-1.2%	2.3%
2015	6.7%	-1.2%	2.4%	5.3%	-0.9%	1.4%
2016	6.0%	-0.7%	1.7%	4.9%	-0.4%	1.0%
2017	5.2%	-0.8%	0.9%	4.4%	-0.5%	0.4%
2018	4.3%	-0.9%	0.0%	3.9%	-0.4%	0.0%
2019 YTD Average*	3.9%	-0.4%	-	3.7%	-0.2%	-
Nov-2018	3.8%	-	-	3.5%	-	-
Nov-2019	3.1%	-0.7%	-	3.3%	-0.2%	-

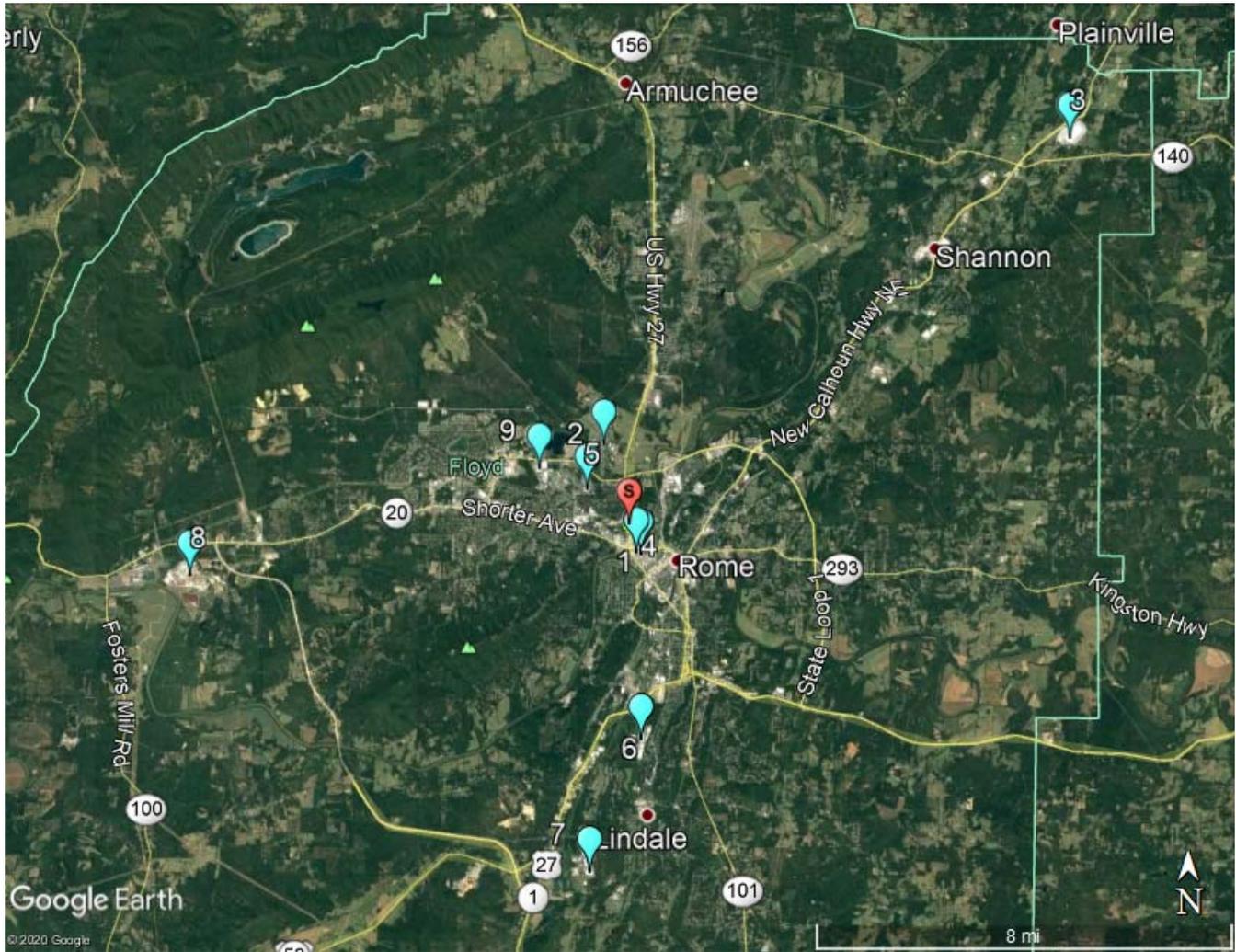
Source: U.S. Bureau of Labor Statistics, May 2020

Prior to the national recession, average employment growth in the MSA generally trailed the nation. Annual job growth in the MSA lagged the nation in every year between 2003 and 2007. The effects of the recession were particularly pronounced in the MSA, which experienced a 17.8 percent contraction in employment growth (2008-2011), well above the 4.9 percent contraction reported by the nation as a whole (2007-2010). Much of the job losses were in the manufacturing sector. Since 2012, average employment growth in the MSA trailed the nation in all but two years. As of November 2019, employment in the MSA has not surpassed its pre-recessionary high. However, employment has increased in each year since 2013. Due to the sudden impact of the COVID-19 pandemic, it is likely that the regional economy has been significantly affected and the near-term employment growth is unclear at this time.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. Unemployment in the MSA reached a historic low in 2006, a year before the overall nation. The effects of the recession were more pronounced in the MSA, which experienced a 7.6 percentage point increase in unemployment, compared to only a 5.0 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a higher unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 3.1 percent, slightly lower than the current national unemployment rate of 3.3 percent. However, again due to the COVID-19 pandemic, it is unclear how severely the regional economy has been affected and how temporary in nature the increase in unemployment will be for the SMA.

5. Map of Site and Major Employment Concentrations

The following map and table details the largest employers in Floyd County, Georgia.



Source: Google Earth, May 2020.

MAJOR EMPLOYERS FLOYD COUNTY, GA

#	Employer Name	Industry	# Of Employees
1	Floyd Medical Center	Healthcare/Social Assistance	2,507
2	Redmond Regional Medical Center	Healthcare/Social Assistance	1,200
3	Lowe's RDC	Transportation/Warehousing	820
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6	Kellogg's	Manufacturing	552
7	F & P Georgia	Manufacturing	518
8	International Paper Company	Manufacturing	451
9	Syntec Industries	Manufacturing	350
Totals			7,752

Source: Rome-Floyd Chamber of Commerce, retrieved May 2020

6. Conclusion

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and educational services industries, which collectively comprise 42.2 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, other services, and educational services industries. Conversely, the PMA is underrepresented in the professional/scientific/technology services, finance/insurance, and transportation/warehousing industries. The overconcentration of manufacturing employment may make the Subject area more susceptible to employment losses from the ongoing COVID-19 pandemic than the nation overall. However, the significant employment in the healthcare sector should provide stability to the area workforce.

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Beginning in March 2020, the international pandemic caused by the COVID-19 coronavirus resulted in governments across the globe taking dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. Consequently, over the past two months there has been a sharp and dramatic increase in layoffs due to the economic restrictions related to the emergency response. However, governments have passed significant economic stimulus packages to help in offsetting the economic impact. Local governments have begun to lift or loosen restrictions and the stimulus passed thus far has blunted some of the impact from the emergency measures. It remains unclear as to how these measures will impact the housing market long term. However, based on the data available through two months, which indicates some multifamily real estate transactions have continued to close without repricing and rent collection losses during this period have declined less than projected, the governmental response has offset a significant portion of the economic losses presented by the emergency. There is evidence that, despite the significant level of recent layoffs, many other area employers are hiring. Overall, we anticipate that the elevated layoff pace will subside now that economic restrictions have been loosened in the Subject's market area. We believe that the Subject's affordable nature will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments).

H. PROJECT-SPECIFIC AFFORDABILITY AND DEMAND ANALYSIS

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

1. Income Restrictions

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

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

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

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

2. Affordability

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

FAMILY INCOME LIMITS

Unit Type	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income	Minimum Allowable Income	Maximum Allowable Income
	@30%		@60%		@80%	
1BR	\$10,629	\$14,370	\$21,771	\$28,740	\$28,286	\$38,320
2BR	\$12,583	\$16,170	\$24,926	\$32,340	\$32,571	\$43,120
3BR	\$14,674	\$19,380	\$28,217	\$38,760	\$36,000	\$51,680

3. Demand

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

Demand from New Households

The number of new households entering the market is the first level of demand calculated. We utilized 2022, the anticipated date of market entry, as the base year for the analysis. Therefore, 2019 household population estimates are inflated to 2022 by interpolation of the difference between 2019 estimates and 2024

projections. This change in households is considered the gross potential demand for the Subject property. This number is adjusted for income eligibility and renter tenure. This is calculated as an annual demand number. In other words, this calculates the anticipated new households in 2022. This number takes the overall growth from 2019 to 2022 and applies it to its respective income cohorts by percentage. This number does not reflect lower income households losing population, as this may be a result of simple dollar value inflation.

Demand from Existing Households

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

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

Demand from Elderly Homeowners likely to Convert to Rentership

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

3d. Other

Per the 2020 GA DCA Qualified Allocation Plan (QAP) and Market Study Manual, GA DCA does not consider demand from outside the Primary Market Area (PMA), including the Secondary Market Area (SMA). Therefore, we do not account for leakage from outside the PMA boundaries in our demand analysis.

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

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

Net Demand

The following pages will outline the overall demand components added together (3(a), 3(b) and 3(c)) less the supply of competitive developments awarded and/or constructed or placed in service from 2016 to the present.

Additions to Supply

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

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

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

COMPETITIVE SUPPLY

Property Name	Program	Location	Tenancy	Status	Competitive Units
Ashland Park	LIHTC	Rome	Family	Under Renovation	0
Meadow Lane	LIHTC/Section 8	Rome	Family	Complete	4
Altoview Terrace	LIHTC/PBRA	Rome	Family	Under construction	0
Park Homes	LIHTC/PBRA	Rome	Family	Complete	0
High Rise	LIHTC/PBRA	Rome	Senior	Complete	0
Callier Forest Apartments	LIHTC/PBRA	Rome	Family	Under Renovation	0

- Ashland Park was allocated in 2019 for the acquisition/rehab of 184 LIHTC units targeting families. Construction is expected to be completed in 2020. This property will be located 4.4 miles from the Subject site in Rome. The property will offer one, two, and three-bedroom units restricted to the 60 percent AMI level. Renovations will occur with tenants in place and income targeting for this property will not change post-renovation. Thus, Ashland Park will not add any new units to the market. As such, no units are deducted in our demand analysis.
- Meadow Lane was allocated in 2017 for the acquisition/rehab of 119 Section 8 and LIHTC units targeting families. This property was built in 1974, and renovations were completed in 2019. This property is located 3.7 miles from the Subject site in Rome. The property offers one, two, three and four-bedroom units restricted to the 60 percent AMI level. Of the Subject’s 119 units at the 60 percent of AMI level, 114 will continue to operate with a Section 8 project-based subsidy and will not be considered directly competitive. Three of the 60 percent AMI units are three-bedroom and one of the 60 percent AMI units are four-bedroom while one unit is a non-revenue unit. The 60 percent AMI three-bedroom units are competitive with the Subject and have been deducted from demand in our analysis.
- Altoview Terrace was allocated in 2018 for the development of 66 LIHTC units targeting families. Construction is expected to be completed in June 2021. This development will be located 1.1 miles from the Subject site in Rome. The property will offer one, two, three and four-bedroom units restricted to the 50 and 60 percent AMI levels. All units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.
- Park Homes was allocated in 2017 for the acquisition/rehab of 100 LIHTC units targeting families. Renovations were completed in February 2019. This property is located 1.8 miles from the Subject site in Rome. The property offers one, two, three and four-bedroom units restricted to the 60 percent AMI level. All units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.
- High Rise was allocated in 2017 for the acquisition/rehab of 101 LIHTC units targeting seniors. Renovations were completed in November 2018. This project is located 1.6 miles from the Subject site in Rome. The property will offer efficiency, one, two, and three-bedroom units restricted to the 60 percent AMI level. All units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. This property targets different tenancy than the Subject and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.
- Callier Forest Apartments was allocated in 2019 for the acquisition/rehab of 130 LIHTC units targeting families. Construction is expected to be completed in November 2020. This property will be located 2.5

miles from the Subject site in Rome. The property will offer one, two, and three-bedroom units restricted to the 60 percent AMI level. All units will be covered by a Section 8 program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.

The following table illustrates the total number of units removed based on existing properties as well as new properties to the market area that have been allocated or are not yet stabilized. Note that this table may illustrate non-competitive units and competitive properties that are not deducted from our demand analysis.

ADDITIONS TO SUPPLY

Unit Type	30% AMI	40% AMI	50% AMI	60% AMI	Unrestricted	Overall
0BR						0
1BR						0
2BR						0
3BR				3		3
4BR				1		1
5BR						0
Total	0	0	0	4	0	4

Rehab Developments and PBRA

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

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

Capture Rates

The above calculations and derived capture rates are illustrated in the following tables. Note that the demographic data used in the following tables, including tenure patterns, household size and income distribution through the projected market entry date of 2022 are illustrated in the previous section of this report.

RENTER HOUSEHOLD INCOME DISTRIBUTION - PMA

Income Cohort	2019		Projected Mkt Entry October 2022		2024	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,378	17.2%	2,250	16.3%	2,181	15.8%
\$10,000-19,999	2,963	21.4%	2,799	20.3%	2,710	19.7%
\$20,000-29,999	2,039	14.7%	1,956	14.2%	1,912	13.9%
\$30,000-39,999	1,470	10.6%	1,426	10.3%	1,403	10.2%
\$40,000-49,999	1,201	8.7%	1,243	9.0%	1,266	9.2%
\$50,000-59,999	928	6.7%	919	6.7%	914	6.6%
\$60,000-74,999	865	6.3%	909	6.6%	933	6.8%
\$75,000-99,999	1,002	7.2%	1,051	7.6%	1,078	7.8%
\$100,000-124,999	316	2.3%	375	2.7%	407	3.0%
\$125,000-149,999	271	2.0%	341	2.5%	378	2.7%
\$150,000-199,999	230	1.7%	292	2.1%	325	2.4%
\$200,000+	176	1.3%	237	1.7%	270	2.0%
Total	13,839	100.0%	13,799	100.0%	13,777	100.0%

Source: HISTA Data / Ribbon Demographics 2019, Novogradac Consulting LLP, June 2020

30% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @30%

Minimum Income Limit		\$10,629	Maximum Income Limit		\$19,380
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter Households within Bracket
	in Households PMA 2019 to Prj Mrkt Entry October 2022				
\$0-9,999	-128	317.7%	\$0	0.0%	0
\$10,000-19,999	-164	408.1%	\$8,751	87.5%	-144
\$20,000-29,999	-83	204.8%	\$0	0.0%	0
\$30,000-39,999	-44	108.1%	\$0	0.0%	0
\$40,000-49,999	42	-104.8%	\$0	0.0%	0
\$50,000-59,999	-9	22.6%	\$0	0.0%	0
\$60,000-74,999	44	-109.7%	\$0	0.0%	0
\$75,000-99,999	49	-122.6%	\$0	0.0%	0
\$100,000-124,999	59	-146.8%	\$0	0.0%	0
\$125,000-149,999	70	-172.6%	\$0	0.0%	0
\$150,000-199,999	62	-153.2%	\$0	0.0%	0
\$200,000+	61	-151.6%	\$0	0.0%	0
Total	-40	100.0%		357.2%	-144

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @30%

Minimum Income Limit		\$10,629	Maximum Income Limit		\$19,380
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket
	\$0-9,999	2,378			
\$10,000-19,999	2,963	21.4%	\$8,751	87.5%	2,593
\$20,000-29,999	2,039	14.7%	\$0	0.0%	0
\$30,000-39,999	1,470	10.6%	\$0	0.0%	0
\$40,000-49,999	1,201	8.7%	\$0	0.0%	0
\$50,000-59,999	928	6.7%	\$0	0.0%	0
\$60,000-74,999	865	6.3%	\$0	0.0%	0
\$75,000-99,999	1,002	7.2%	\$0	0.0%	0
\$100,000-124,999	316	2.3%	\$0	0.0%	0
\$125,000-149,999	271	2.0%	\$0	0.0%	0
\$150,000-199,999	230	1.7%	\$0	0.0%	0
\$200,000+	176	1.3%	\$0	0.0%	0
Total	13,839	100.0%		18.7%	2,593

ASSUMPTIONS - @30%

Tenancy		Family	% of Income towards Housing			35%
Rural/Urban		Urban	Maximum # of Occupants			5
Persons in Household	OBR	1BR	2BR	3BR	4BR+	
1	0%	90%	10%	0%	0%	
2	0%	20%	80%	0%	0%	
3	0%	0%	60%	40%	0%	
4	0%	0%	30%	70%	0%	
5+	0%	0%	0%	100%	0%	

Demand from New Renter Households 2019 to October 2022

Income Target Population	@30%
New Renter Households PMA	-40
Percent Income Qualified	357.2%
New Renter Income Qualified Households	-144

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@30%
Total Existing Demand	13,839
Income Qualified	18.7%
Income Qualified Renter Households	2,593
Percent Rent Overburdened Prj Mrkt Entry October 2022	41.1%
Rent Overburdened Households	1,067

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,593
Percent Living in Substandard Housing	2.8%
Households Living in Substandard Housing	72

Senior Households Converting from Homeownership

Income Target Population	@30%
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	1,139
Total New Demand	-144
Total Demand (New Plus Existing Households)	995

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

By Bedroom Demand

One Person	35.8%	356
Two Persons	22.0%	219
Three Persons	17.2%	171
Four Persons	12.1%	120
Five Persons	12.9%	128
Total	100.0%	995

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
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Of one-person households in 1BR units	90%	321
Of two-person households in 1BR units	20%	44
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
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Of one-person households in 2BR units	10%	36
Of two-person households in 2BR units	80%	175
Of three-person households in 2BR units	60%	103
Of four-person households in 2BR units	30%	36
Of five-person households in 2BR units	0%	0
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Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	68
Of four-person households in 3BR units	70%	84
Of five-person households in 3BR units	100%	128
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Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	0%	0
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Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		995

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	364	-	0	=	364
2 BR	350	-	0	=	350
3 BR	281	-	0	=	281
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	995		0		995

	Developer's Unit Mix		Net Demand	Capture Rate	
0 BR	-	/	-	=	-
1 BR	5	/	364	=	1.4%
2 BR	10	/	350	=	2.9%
3 BR	5	/	281	=	1.8%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	20		995		2.0%

60% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$21,771		Maximum Income Limit		\$38,760	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter		
	in Households PMA 2019 to Prj Mrkt	Entry October 2022			Households	within Bracket	
\$0-9,999	-128	317.7%	\$0	0.0%	0		
\$10,000-19,999	-164	408.1%	\$0	0.0%	0		
\$20,000-29,999	-83	204.8%	\$8,228	82.3%	-68		
\$30,000-39,999	-44	108.1%	\$8,760	87.6%	-38		
\$40,000-49,999	42	-104.8%	\$0	0.0%	0		
\$50,000-59,999	-9	22.6%	\$0	0.0%	0		
\$60,000-74,999	44	-109.7%	\$0	0.0%	0		
\$75,000-99,999	49	-122.6%	\$0	0.0%	0		
\$100,000-124,999	59	-146.8%	\$0	0.0%	0		
\$125,000-149,999	70	-172.6%	\$0	0.0%	0		
\$150,000-199,999	62	-153.2%	\$0	0.0%	0		
\$200,000+	61	-151.6%	\$0	0.0%	0		
Total	-40	100.0%		263.2%	-106		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @60%

Minimum Income Limit		\$21,771		Maximum Income Limit		\$38,760	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households		
					within Bracket		
\$0-9,999	2,378	17.2%	\$0	0.0%	0		
\$10,000-19,999	2,963	21.4%	\$0	0.0%	0		
\$20,000-29,999	2,039	14.7%	\$8,228	82.3%	1,678		
\$30,000-39,999	1,470	10.6%	\$8,760	87.6%	1,288		
\$40,000-49,999	1,201	8.7%	\$0	0.0%	0		
\$50,000-59,999	928	6.7%	\$0	0.0%	0		
\$60,000-74,999	865	6.3%	\$0	0.0%	0		
\$75,000-99,999	1,002	7.2%	\$0	0.0%	0		
\$100,000-124,999	316	2.3%	\$0	0.0%	0		
\$125,000-149,999	271	2.0%	\$0	0.0%	0		
\$150,000-199,999	230	1.7%	\$0	0.0%	0		
\$200,000+	176	1.3%	\$0	0.0%	0		
Total	13,839	100.0%		21.4%	2,966		

ASSUMPTIONS - @60%

ASSUMPTIONS - @60%					
Tenancy		Family		% of Income towards Housing	
Rural/Urban		Urban		Maximum # of Occupants	
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	30%	70%	0%
5+	0%	0%	0%	100%	0%

Demand from New Renter Households 2019 to October 2022

Income Target Population	@60%
New Renter Households PMA	-40
Percent Income Qualified	263.2%
New Renter Income Qualified Households	-106

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@60%
Total Existing Demand	13,839
Income Qualified	21.4%
Income Qualified Renter Households	2,966
Percent Rent Overburdened Prj Mrkt Entry October 2022	41.1%
Rent Overburdened Households	1,220

Demand from Living in Substandard Housing

Income Qualified Renter Households	2,966
Percent Living in Substandard Housing	2.8%
Households Living in Substandard Housing	82

Senior Households Converting from Homeownership

Income Target Population	@60%
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	1,303
Total New Demand	-106
Total Demand (New Plus Existing Households)	1,197

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

By Bedroom Demand

One Person	35.8%	428
Two Persons	22.0%	263
Three Persons	17.2%	206
Four Persons	12.1%	145
Five Persons	12.9%	154
Total	100.0%	1,197

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	90%	385
Of two-person households in 1BR units	20%	53
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	43
Of two-person households in 2BR units	80%	211
Of three-person households in 2BR units	60%	123
Of four-person households in 2BR units	30%	43
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	82
Of four-person households in 3BR units	70%	101
Of five-person households in 3BR units	100%	154
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	0%	0
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		1,197

	Total Demand (Subject Unit Types)		Additions to Supply	=	Net Demand
0 BR	-	-	-	=	-
1 BR	438	-	0	=	438
2 BR	420	-	0	=	420
3 BR	338	-	3	=	335
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	1,197		3		1,194

	Developer's Unit Mix		Net Demand	=	Capture Rate
0 BR	-	/	-	=	-
1 BR	10	/	438	=	2.3%
2 BR	20	/	420	=	4.8%
3 BR	10	/	335	=	3.0%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	40		1,194		3.4%

80% AMI

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - @80%

Minimum Income Limit		\$28,286		Maximum Income Limit		\$51,680	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter		
	in Households PMA 2019 to Prj Mrkt Entry October 2022				Households within Bracket		
\$0-9,999	-128	317.7%	\$0	0.0%	0		
\$10,000-19,999	-164	408.1%	\$0	0.0%	0		
\$20,000-29,999	-83	204.8%	\$1,713	17.1%	-14		
\$30,000-39,999	-44	108.1%	\$9,999	100.0%	-44		
\$40,000-49,999	42	-104.8%	\$9,999	100.0%	42		
\$50,000-59,999	-9	22.6%	\$1,680	16.8%	-2		
\$60,000-74,999	44	-109.7%	\$0	0.0%	0		
\$75,000-99,999	49	-122.6%	\$0	0.0%	0		
\$100,000-124,999	59	-146.8%	\$0	0.0%	0		
\$125,000-149,999	70	-172.6%	\$0	0.0%	0		
\$150,000-199,999	62	-153.2%	\$0	0.0%	0		
\$200,000+	61	-151.6%	\$0	0.0%	0		
Total	-40	100.0%		42.1%	-17		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - @80%

Minimum Income Limit		\$28,286		Maximum Income Limit		\$51,680	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	2,378	17.2%	\$0	0.0%	0		
\$10,000-19,999	2,963	21.4%	\$0	0.0%	0		
\$20,000-29,999	2,039	14.7%	\$1,713	17.1%	349		
\$30,000-39,999	1,470	10.6%	\$9,999	100.0%	1,470		
\$40,000-49,999	1,201	8.7%	\$9,999	100.0%	1,201		
\$50,000-59,999	928	6.7%	\$1,680	16.8%	156		
\$60,000-74,999	865	6.3%	\$0	0.0%	0		
\$75,000-99,999	1,002	7.2%	\$0	0.0%	0		
\$100,000-124,999	316	2.3%	\$0	0.0%	0		
\$125,000-149,999	271	2.0%	\$0	0.0%	0		
\$150,000-199,999	230	1.7%	\$0	0.0%	0		
\$200,000+	176	1.3%	\$0	0.0%	0		
Total	13,839	100.0%		23.0%	3,176		

ASSUMPTIONS - @80%

ASSUMPTIONS - @80%					
Tenancy		Family	% of Income towards Housing		35%
Rural/Urban		Urban	Maximum # of Occupants		5
Persons in Household	OBR	1BR	2BR	3BR	4BR+
1	0%	90%	10%	0%	0%
2	0%	20%	80%	0%	0%
3	0%	0%	60%	40%	0%
4	0%	0%	30%	70%	0%
5+	0%	0%	0%	100%	0%

Demand from New Renter Households 2019 to October 2022

Income Target Population	@80%
New Renter Households PMA	-40
Percent Income Qualified	42.1%
New Renter Income Qualified Households	-17

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	@80%
Total Existing Demand	13,839
Income Qualified	23.0%
Income Qualified Renter Households	3,176
Percent Rent Overburdened Prj Mrkt Entry October 2022	41.1%
Rent Overburdened Households	1,307

Demand from Living in Substandard Housing

Income Qualified Renter Households	3,176
Percent Living in Substandard Housing	2.8%
Households Living in Substandard Housing	88

Senior Households Converting from Homeownership

Income Target Population	@80%
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	1,395
Total New Demand	-17
Total Demand (New Plus Existing Households)	1,378

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

By Bedroom Demand

One Person	35.8%	493
Two Persons	22.0%	303
Three Persons	17.2%	237
Four Persons	12.1%	167
Five Persons	12.9%	178
Total	100.0%	1,378

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	90%	444
Of two-person households in 1BR units	20%	61
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	49
Of two-person households in 2BR units	80%	243
Of three-person households in 2BR units	60%	142
Of four-person households in 2BR units	30%	50
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	95
Of four-person households in 3BR units	70%	117
Of five-person households in 3BR units	100%	178
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	0%	0
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		1,378

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	-	=	-
1 BR	505	-	0	=	505
2 BR	484	-	0	=	484
3 BR	389	-	0	=	389
4 BR	-	-	-	=	-
5 BR	-	-	-	=	-
Total	1,378		0		1,378

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	5	/	505	=	1.0%
2 BR	10	/	484	=	2.1%
3 BR	5	/	389	=	1.3%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	20		1,378		1.5%

Overall

NEW RENTER HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$10,629		Maximum Income Limit		\$51,680	
Income Category	New Renter Households - Total Change		Income Brackets	Percent within Cohort	Renter		
	in Households PMA 2019 to Prj Mrkt Entry October 2022				Households within Bracket		
\$0-9,999	-128	317.7%	\$0	0.0%	0		
\$10,000-19,999	-164	408.1%	\$8,751	87.5%	-144		
\$20,000-29,999	-83	204.8%	\$8,228	82.3%	-68		
\$30,000-39,999	-44	108.1%	\$9,999	100.0%	-44		
\$40,000-49,999	42	-104.8%	\$9,999	100.0%	42		
\$50,000-59,999	-9	22.6%	\$1,680	16.8%	-2		
\$60,000-74,999	44	-109.7%	\$0	0.0%	0		
\$75,000-99,999	49	-122.6%	\$0	0.0%	0		
\$100,000-124,999	59	-146.8%	\$0	0.0%	0		
\$125,000-149,999	70	-172.6%	\$0	0.0%	0		
\$150,000-199,999	62	-153.2%	\$0	0.0%	0		
\$200,000+	61	-151.6%	\$0	0.0%	0		
Total	-40	100.0%		532.7%	-215		

POTENTIAL EXISTING HOUSEHOLD DEMAND BY INCOME COHORT - Overall

Minimum Income Limit		\$10,629		Maximum Income Limit		\$51,680	
Income Category	Total Renter Households PMA 2019		Income Brackets	Percent within Cohort	Households within Bracket		
\$0-9,999	2,378	17.2%	\$0	0.0%	0		
\$10,000-19,999	2,963	21.4%	\$8,751	87.5%	2,593		
\$20,000-29,999	2,039	14.7%	\$8,228	82.3%	1,678		
\$30,000-39,999	1,470	10.6%	\$9,999	100.0%	1,470		
\$40,000-49,999	1,201	8.7%	\$9,999	100.0%	1,201		
\$50,000-59,999	928	6.7%	\$1,680	16.8%	156		
\$60,000-74,999	865	6.3%	\$0	0.0%	0		
\$75,000-99,999	1,002	7.2%	\$0	0.0%	0		
\$100,000-124,999	316	2.3%	\$0	0.0%	0		
\$125,000-149,999	271	2.0%	\$0	0.0%	0		
\$150,000-199,999	230	1.7%	\$0	0.0%	0		
\$200,000+	176	1.3%	\$0	0.0%	0		
Total	13,839	100.0%		51.3%	7,098		

ASSUMPTIONS - Overall

Tenancy		Family		% of Income towards Housing		35%	
Rural/Urban		Urban		Maximum # of Occupants		5	
Persons in Household	OBR	1BR	2BR	3BR	4BR+		
1	0%	90%	10%	0%	0%		
2	0%	20%	80%	0%	0%		
3	0%	0%	60%	40%	0%		
4	0%	0%	30%	70%	0%		
5+	0%	0%	0%	100%	0%		

Demand from New Renter Households 2019 to October 2022

Income Target Population	Overall
New Renter Households PMA	-40
Percent Income Qualified	532.7%
New Renter Income Qualified Households	-215

Demand from Existing Households 2019

Demand from Rent Overburdened Households

Income Target Population	Overall
Total Existing Demand	13,839
Income Qualified	51.3%
Income Qualified Renter Households	7,098
Percent Rent Overburdened Prj Mrkt Entry October 2022	41.1%
Rent Overburdened Households	2,921

Demand from Living in Substandard Housing

Income Qualified Renter Households	7,098
Percent Living in Substandard Housing	2.8%
Households Living in Substandard Housing	197

Senior Households Converting from Homeownership

Income Target Population	Overall
Total Senior Homeowners	0
Rural Versus Urban	2.0%
Senior Demand Converting from Homeownership	0

Total Demand

Total Demand from Existing Households	3,118
Total New Demand	-215
Total Demand (New Plus Existing Households)	2,903

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

By Bedroom Demand

One Person	35.8%	1,039
Two Persons	22.0%	639
Three Persons	17.2%	499
Four Persons	12.1%	351
Five Persons	12.9%	375
Total	100.0%	2,903

To place Person Demand into Bedroom Type Units

Of one-person households in studio units	0%	0
Of two-person households in studio units	0%	0
Of three-person households in studio units	0%	0
Of four-person households in studio units	0%	0
Of five-person households in studio units	0%	0
Of one-person households in 1BR units	90%	935
Of two-person households in 1BR units	20%	128
Of three-person households in 1BR units	0%	0
Of four-person households in 1BR units	0%	0
Of five-person households in 1BR units	0%	0
Of one-person households in 2BR units	10%	104
Of two-person households in 2BR units	80%	511
Of three-person households in 2BR units	60%	299
Of four-person households in 2BR units	30%	105
Of five-person households in 2BR units	0%	0
Of one-person households in 3BR units	0%	0
Of two-person households in 3BR units	0%	0
Of three-person households in 3BR units	40%	200
Of four-person households in 3BR units	70%	246
Of five-person households in 3BR units	100%	375
Of one-person households in 4BR units	0%	0
Of two-person households in 4BR units	0%	0
Of three-person households in 4BR units	0%	0
Of four-person households in 4BR units	0%	0
Of five-person households in 4BR units	0%	0
Of one-person households in 5BR units	0%	0
Of two-person households in 5BR units	0%	0
Of three-person households in 5BR units	0%	0
Of four-person households in 5BR units	0%	0
Of five-person households in 5BR units	0%	0
Total Demand		2,903

	Total Demand (Subject Unit Types)		Additions to Supply		Net Demand
0 BR	-	-	0	=	-
1 BR	1,063	-	0	=	1,063
2 BR	1,020	-	0	=	1,020
3 BR	820	-	3	=	817
4 BR	-	-	0	=	-
5 BR	-	-	0	=	-
Total	2,903		3		2,900

	Developer's Unit Mix		Net Demand		Capture Rate
0 BR	-	/	-	=	-
1 BR	20	/	1,063	=	1.9%
2 BR	40	/	1,020	=	3.9%
3 BR	20	/	817	=	2.4%
4 BR	-	/	-	=	-
5 BR	-	/	-	=	-
Total	80		2,900		2.8%

CAPTURE RATE ANALYSIS CHART

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

- The number of households in the PMA is expected to increase 0.3 percent annually between 2019 and 2022.
- This demand analysis does not measure the PMA's or Subject's ability to attract additional or latent demand into the market from elsewhere by offering an affordable option. We believe this to be moderate and therefore the demand analysis is somewhat conservative in its conclusions because this demand is not included.

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

DEMAND AND NET DEMAND

DCA Conclusion Tables (Family)	HH at @30% AMI (\$10,629 to \$19,380)	HH at @60% AMI (\$21,771 to \$38,760)	HH at @80% AMI (\$28,286 to \$51,680)	Overall Demand
Demand from New Households (age and income appropriate)	-144	-106	-17	-215
PLUS	+	+	+	+
Demand from Existing Renter Households - Substandard Housing	72	82	88	197
PLUS	+	+	+	+
Demand from Existing Renter Households - Rent Overburdened Households	1,067	1,220	1,307	2,921
Sub Total	995	1,197	1,378	2,903
Demand from Existing Households - Elderly Homeowner Turnover (Limited to 2% where applicable)	0	0	0	0
Equals Total Demand	995	1,197	1,378	2,903
Less	-	-	-	-
Competitive New Supply	0	3	0	3
Equals Net Demand	995	1,194	1,378	2,900

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Average Market Rents	Minimum Market Rent	Maximum Market Rent	Proposed Rents
1BR at 30% AMI	\$10,629	\$14,370	5	364	0	364	1.4%	\$608	\$374	\$1,145	\$250
1BR at 60% AMI	\$21,771	\$28,740	10	438	0	438	2.3%	\$673	\$399	\$1,145	\$575
1BR at 80% AMI	\$28,286	\$38,320	5	505	0	505	1.0%	\$878	\$695	\$1,145	\$825
1BR Overall	\$10,629	\$38,320	20	1,063	0	1,063	1.9%	-	-	-	-
2BR at 30% AMI	\$12,583	\$16,170	10	350	0	350	2.9%	\$704	\$461	\$1,177	\$290
2BR at 60% AMI	\$24,926	\$32,340	20	420	0	420	4.8%	\$762	\$481	\$1,177	\$650
2BR at 80% AMI	\$32,571	\$43,120	10	484	0	484	2.1%	\$967	\$852	\$1,177	\$950
2BR Overall	\$12,583	\$43,120	40	1,020	0	1,020	3.9%	-	-	-	-
3BR at 30% AMI	\$14,674	\$19,380	5	281	0	281	1.8%	\$803	\$517	\$1,365	\$330
3BR at 60% AMI	\$28,217	\$38,760	10	338	3	335	3.0%	\$870	\$537	\$1,365	\$725
3BR at 80% AMI	\$36,000	\$51,680	5	389	0	389	1.3%	\$1,154	\$1,015	\$1,365	\$1,050
3BR Overall	\$14,674	\$51,680	20	820	3	817	2.4%	-	-	-	-
@30% Overall	\$10,629	\$19,380	20	995	0	995	2.0%	-	-	-	-
@60% Overall	\$21,771	\$38,760	40	1,197	3	1,194	3.4%	-	-	-	-
@80% Overall	\$28,286	\$51,680	20	1,378	0	1,378	1.5%	-	-	-	-
Overall	\$10,629	\$51,680	80	2,903	3	2,900	2.8%	-	-	-	-

As the analysis illustrates, the Subject’s capture rates at the 30 percent AMI level will range from 1.4 to 2.9 percent, with an overall capture rate of 2.0 percent. The Subject’s 60 percent AMI capture rates range from 2.3 to 4.8 percent, with an overall capture rate of 3.4 percent. The Subject’s 80 percent AMI capture rates range from 1.0 to 2.1 percent, with an overall capture rate of 1.5 percent. The overall capture rate for the project’s 30, 60, and 80 percent units is 2.8 percent. Therefore, we believe there is adequate demand for the Subject. All capture rates are within Georgia DCA thresholds.

I. EXISTING COMPETITIVE RENTAL ENVIRONMENT

Survey of Comparable Projects

Comparable properties are examined on the basis of physical characteristics, i.e. building type, age/quality, level of common amenities, absorption, as well as similarity in rent structure. We attempted to compare the Subject to complexes from the competing market to provide a broader picture of the health and available supply in the market. Our competitive survey includes ten “true” comparable properties containing 911 units.

The availability of LIHTC data is considered average. We included five LIHTC comparables in our analysis. Two of the LIHTC comparables are located within the PMA, within 6.6 miles of the Subject site. Three of the comparables, Etowah Village, Evergreen Village, and Park Place Apartments, are located outside of the PMA in Cartersville, Cedartown and Rockmart and are within 14.6 to 22.0 miles from the Subject. These properties are considered reasonable proxies for the Subject as they are among the most recently constructed LIHTC properties within the market targeting families and offering one, two, and three-bedroom units that agreed to participate in our survey. Cartersville is considered a superior location to the Subject in terms of median household income and median rent. Cedartown and Rockmart are considered similar locations to the Subject in terms of median household income and median rent. All of the LIHTC comparables target families and were built or renovated between 1999 and 2017.

The availability of market rate data is considered good. The Subject is located in Rome and there are several market-rate properties in the immediate area. We include five conventional properties in our analysis of the competitive market. All of the comparables are located in the PMA and are within 1.6 and 2.7 miles of the Subject. Other market rate properties have been excluded as they offer an inferior age and condition or we were unable to contact a representative with the property to participate in our survey. Overall, we believe the market rate properties used in our analysis are the most comparable.

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

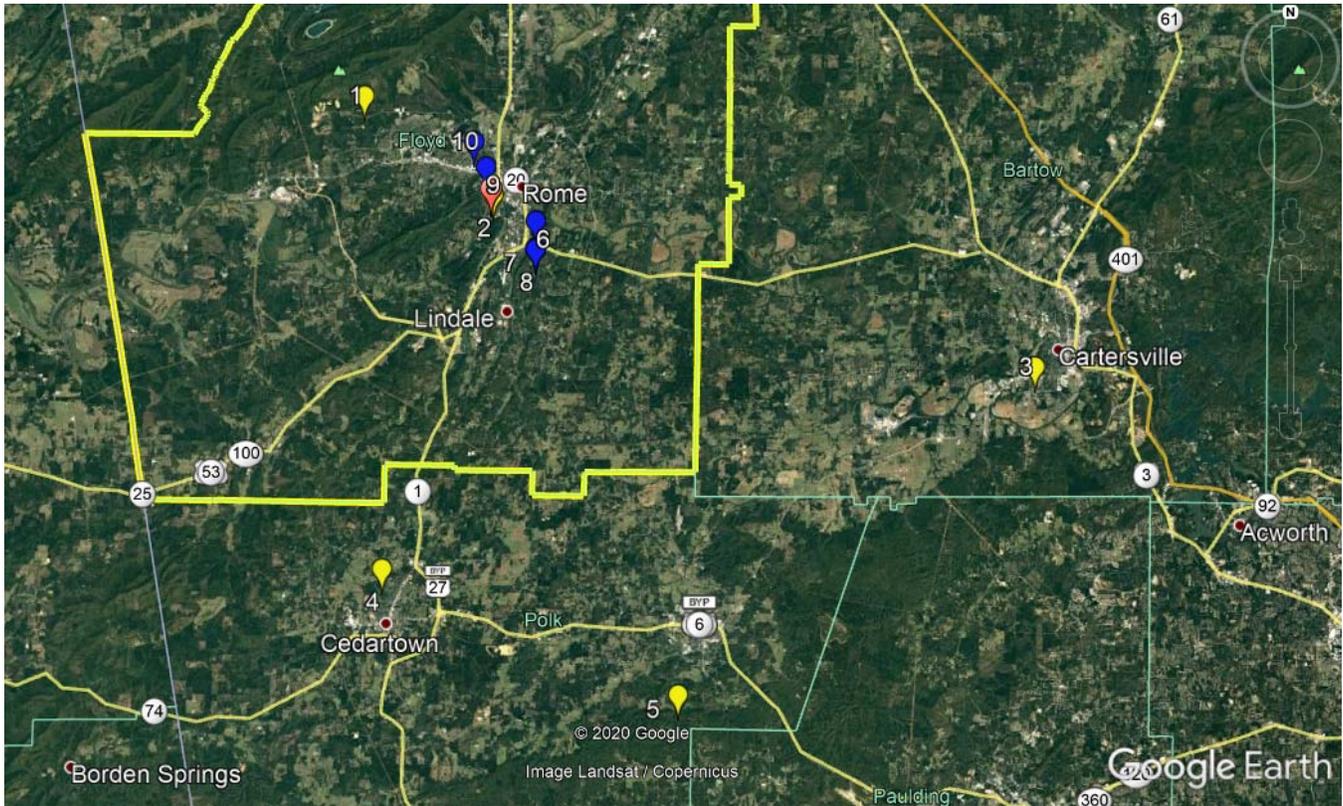
Excluded Properties

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

EXCLUDED PROPERTIES

Property Name	Program	Location	Tenancy	# of Units	Reason for Exclusion
South Meadows	LIHTC	Rome	Family	80	-
Altoview Terrace	LIHTC	Rome	Family	66	Proposed
Etowah Terrace	LIHTC, PBRA, Market	Rome	Senior	77	Dissimilar tenancy
Greystone Apartments	LIHTC, Section 8, S+C	Rome	Senior	71	Dissimilar tenancy
Highland Estates	LIHTC, Market	Rome	Senior	84	Dissimilar tenancy
Pennington Place	LIHTC (HOME), Public Housing	Rome	Family	8	Dissimilar restriction levels/dissimilar tenancy
Spring Haven Apartments	LIHTC (HOME)	Cave Springs	Senior	24	Dissimilar tenancy
Charles Hight Homes	Public Housing	Rome	Family	202	Subsidized
John Graham Homes	Public Housing	Rome	Family	150	Subsidized
Housing Authority of the City of Cave Spring	Public Housing	Cave Spring	Family	20	Subsidized
Village Green	Public Housing	Rome	Family	10	Subsidized
Willingham at Division	Public Housing	Rome	Family	27	Subsidized
Willingham Village	Public Housing	Rome	Family	76	Subsidized
Steve Pettis Court Apts	Rural Development	Cave Springs	Family	31	Subsidized
Callier Forest Apartments	Section 8	Rome	Family	130	Subsidized
Heatherwood Apartments	Section 8	Rome	Senior	68	Subsidized
High Rise	Section 8	Rome	Senior	101	Subsidized
Meadow Lane Apartments	Section 8, LIHTC, Non-Rental	Rome	Family	119	Subsidized
Oak Ridge	PSHP, Non-Rental	Rome	Family	35	Subsidized
Park Homes	Section 8	Rome	Family	100	Subsidized
Pine Ridge Apartments	Section 8	Rome	Family	30	Subsidized
Tamassee Apartments	Section 8	Rome	Family	80	Subsidized
The Villas	Section 8	Rome	Family	39	Subsidized
Arbor Terrace Apartments	Market	Rome	Family	99	Inferior age/condition
Claridge Gate	Market	Rome	Family	32	Refused to participate
Redomnd Chase	Market	Rome	Family	149	Refused to participate
Riverpoint Luxury Apartments	Market	Rome	Family	124	Refused to participate
Riverwood Park	Market	Rome	Family	91	Inferior age/condition/refused to participate
Summer Stone	Market	Rome	Family	32	More proximate property
Willow Way Apartments	Market	Rome	Family	65	Inferior age/condition

1. Comparable Rental Property Map



Source: Google Earth, May 2020.

COMPARABLE PROPERTIES

#	Comparable Property	City	Rent Structure	Distance to Subject
S	South Meadows	Rome	LIHTC/ Market	-
1	Ashland Park Apartments	Rome	LIHTC	4.4 miles
2	Burrell Square	Rome	LIHTC	0.4 miles
3	Etowah Village*	Cartersville	LIHTC	22.0 miles
4	Evergreen Village*	Cedartown	LIHTC	14.6 miles
5	Park Place Apartments*	Rockmart	LIHTC/ Market	20.2 miles
6	Ashton Ridge	Rome	Market	1.8 miles
7	Eastland Court	Rome	Market	2.3 miles
8	Guest House Apartments	Rome	Market	2.4 miles
9	Hamilton Ridge	Rome	Market	1.6 miles
10	The Grove At Six Hundred	Rome	Market	2.7 miles

*Located outside PMA

SOUTH MEADOWS – ROME, GEORGIA – MARKET STUDY

RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed:	911	Weighted Occupancy:	96.6%		
	Market Rate	431	Market Rate	97.7%		
	Tax Credit	480	Tax Credit	95.6%		
One Bedroom One Bath		Two Bedroom One Bath		Three Bedroom Two Bath		
RENT	Property	Average	Property	Average	Property	
	Eastland Court (Market)	\$1,145	Eastland Court (Market)(2BA)	\$1,177	Eastland Court (Market)	\$1,365
	Eastland Court (Market)	\$970	Guest House Apartments (Market)(1.5BA)	\$992	The Grove At Six Hundred (Market)	\$1,195
	South Meadows (@80%)	\$825	South Meadows (@80%)	\$950	South Meadows (@80%)	\$1,050
	Ashton Ridge (Market)	\$795	Ashton Ridge (Market)(2BA)	\$942	Ashton Ridge (Market)	\$1,040
	Guest House Apartments (Market)	\$785	The Grove At Six Hundred (Market)(1.5BA)	\$870	Hamilton Ridge (Market)(1BA)	\$1,015
	Hamilton Ridge (Market)	\$695	Hamilton Ridge (Market)	\$852	Etowah Village (@50%)	\$978
	South Meadows (@60%)	\$575	Etowah Village (@50%)(2BA)	\$838	Etowah Village (@60%)	\$978
	Ashland Park Apartments (@60%)	\$540	South Meadows (@60%)	\$650	South Meadows (@60%)	\$725
	Park Place Apartments (Market)	\$505	Ashland Park Apartments (@60%)(2BA)	\$617	Ashland Park Apartments (@60%)	\$680
	Burrell Square (@60%)	\$486	Park Place Apartments (Market)	\$610	Burrell Square (@60%)	\$655
	Park Place Apartments (@60%)	\$411	Burrell Square (@60%)(2BA)	\$580	Park Place Apartments (Market)	\$654
	Park Place Apartments (@50%)	\$400	Evergreen Village (@60%)	\$498	Park Place Apartments (@60%)	\$581
	Evergreen Village (@60%)	\$399	Park Place Apartments (@60%)	\$481	Evergreen Village (@60%)	\$537
	Evergreen Village (@50%)	\$394	Burrell Square (@50%)(2BA)	\$470	Park Place Apartments (@50%)	\$525
	Burrell Square (@50%)	\$374	Park Place Apartments (@50%)	\$466	Burrell Square (@50%)	\$525
	South Meadows (@30%)	\$250	Evergreen Village (@50%)	\$461	Evergreen Village (@50%)	\$517
			South Meadows (@30%)	\$290	South Meadows (@30%)	\$330
SQUARE FOOTAGE	Eastland Court (Market)	919	Ashland Park Apartments (@60%)(2BA)	1,149	Eastland Court (Market)	1,516
	Ashland Park Apartments (@60%)	874	The Grove At Six Hundred (Market)(1.5BA)	1,120	Ashland Park Apartments (@60%)	1,388
	Eastland Court (Market)	804	Etowah Village (@50%)(2BA)	1,106	The Grove At Six Hundred (Market)	1,320
	Evergreen Village (@50%)	756	Guest House Apartments (Market)(1.5BA)	1,100	Hamilton Ridge (Market)(1BA)	1,300
	Evergreen Village (@60%)	756	Eastland Court (Market)(2BA)	1,056	Burrell Square (@60%)	1,250
	Burrell Square (@60%)	750	Burrell Square (@50%)(2BA)	1,050	Burrell Square (@50%)	1,250
	Burrell Square (@50%)	750	Burrell Square (@60%)(2BA)	1,050	Etowah Village (@60%)	1,237
	Ashton Ridge (Market)	708	Hamilton Ridge (Market)	1,000	Etowah Village (@50%)	1,237
	South Meadows (@80%)	700	South Meadows (@30%)	980	South Meadows (@60%)	1,140
	South Meadows (@60%)	700	South Meadows (@80%)	980	South Meadows (@30%)	1,140
	South Meadows (@30%)	700	South Meadows (@60%)	980	South Meadows (@80%)	1,140
	Park Place Apartments (@50%)	677	Ashton Ridge (Market)(2BA)	933	Evergreen Village (@50%)	1,136
	Park Place Apartments (Market)	677	Evergreen Village (@60%)	915	Evergreen Village (@60%)	1,136
	Park Place Apartments (@60%)	677	Evergreen Village (@50%)	915	Ashton Ridge (Market)	1,134
	Guest House Apartments (Market)	550	Park Place Apartments (Market)	883	Park Place Apartments (Market)	1,100
	Hamilton Ridge (Market)	532	Park Place Apartments (@50%)	883	Park Place Apartments (@60%)	1,100
			Park Place Apartments (@60%)	883	Park Place Apartments (@50%)	1,100
RENT PER SQUARE FOOT	Guest House Apartments (Market)	\$1.43	Eastland Court (Market)(2BA)	\$1.11	South Meadows (@80%)	\$0.92
	Hamilton Ridge (Market)	\$1.31	Ashton Ridge (Market)(2BA)	\$1.01	Ashton Ridge (Market)	\$0.92
	Eastland Court (Market)	\$1.25	South Meadows (@80%)	\$0.97	The Grove At Six Hundred (Market)	\$0.91
	Eastland Court (Market)	\$1.21	Guest House Apartments (Market)(1.5BA)	\$0.90	Eastland Court (Market)	\$0.90
	South Meadows (@80%)	\$1.18	Hamilton Ridge (Market)	\$0.85	Etowah Village (@50%)	\$0.79
	Ashton Ridge (Market)	\$1.12	The Grove At Six Hundred (Market)(1.5BA)	\$0.78	Etowah Village (@60%)	\$0.79
	South Meadows (@60%)	\$0.82	Etowah Village (@50%)(2BA)	\$0.76	Hamilton Ridge (Market)(1BA)	\$0.78
	Park Place Apartments (Market)	\$0.75	Park Place Apartments (Market)	\$0.69	South Meadows (@60%)	\$0.64
	Burrell Square (@60%)	\$0.65	South Meadows (@60%)	\$0.66	Park Place Apartments (Market)	\$0.59
	Ashland Park Apartments (@60%)	\$0.62	Burrell Square (@60%)(2BA)	\$0.55	Park Place Apartments (@60%)	\$0.53
	Park Place Apartments (@60%)	\$0.61	Park Place Apartments (@60%)	\$0.54	Burrell Square (@60%)	\$0.52
	Park Place Apartments (@50%)	\$0.59	Evergreen Village (@60%)	\$0.54	Ashland Park Apartments (@60%)	\$0.49
	Evergreen Village (@60%)	\$0.53	Ashland Park Apartments (@60%)(2BA)	\$0.54	Park Place Apartments (@50%)	\$0.48
	Evergreen Village (@50%)	\$0.52	Park Place Apartments (@50%)	\$0.53	Evergreen Village (@60%)	\$0.47
	Burrell Square (@50%)	\$0.50	Evergreen Village (@50%)	\$0.50	Evergreen Village (@50%)	\$0.46
	South Meadows (@30%)	\$0.36	Burrell Square (@50%)(2BA)	\$0.45	Burrell Square (@50%)	\$0.42
			South Meadows (@30%)	\$0.30	South Meadows (@30%)	\$0.29

PROPERTY PROFILE REPORT

Ashland Park Apartments

Effective Rent Date	1/21/2020
Location	10 Ashland Park Boulevard NE Rome, GA 30165 Floyd County
Distance	4.4 miles
Units	184
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2005 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Ashton Ridge, Riverwood Park
Tenant Characteristics	Mostly families
Contact Name	Ginger
Phone	706-290-1040



Market Information

Program	@60%
Annual Turnover Rate	26%
Units/Month Absorbed	N/A
HCV Tenants	30%
Leasing Pace	Within two weeks
Annual Chg. in Rent	None reported
Concession	None
Waiting List	Yes, 20 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	24	874	\$480	\$0	@60%	Yes	0	0.0%	no	None
2	2	Garden (3 stories)	88	1,149	\$550	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (3 stories)	72	1,388	\$600	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$480	\$0	\$480	\$60	\$540
2BR / 2BA	\$550	\$0	\$550	\$67	\$617
3BR / 2BA	\$600	\$0	\$600	\$80	\$680

Ashland Park Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Business Center/Computer Lab	Car Wash	None	None
Clubhouse/Meeting Room/Community	Exercise Facility		
Garage(\$50.00)	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		
Swimming Pool			

Comments

Rents are below maximum allowable levels, and priced to what the market can bear. A renovation of this property is planned for later in 2020. Marketing will soon cease because of this planned renovation. The property also provides supportive housing for a small number of units to veterans via the Veterans Affairs Supportive Housing (VASH) program, and these units typically turnover at a greater rate than general occupancy units. Garage parking is available for \$50 per month.

Photos



PROPERTY PROFILE REPORT

Burrell Square

Effective Rent Date	1/22/2020
Location	425 Cherokee Street Rome, GA 30161 Floyd County
Distance	0.4 miles
Units	84
Vacant Units	3
Vacancy Rate	3.6%
Type	Various (3 stories)
Year Built/Renovated	2017 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mix of local area families from Rome and Floyd CO, some seniors
Contact Name	Cherene
Phone	706-410-2764



Market Information

Program	@50%, @60%
Annual Turnover Rate	28%
Units/Month Absorbed	21
HCV Tenants	2%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Inc. 0-2% since 2Q 2019
Concession	None
Waiting List	Yes; unknown length

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	13	750	\$374	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (3 stories)	9	750	\$486	\$0	@60%	Yes	0	0.0%	no	None
2	2	Duplex (2 stories)	4	1,050	\$470	\$0	@50%	Yes	0	0.0%	no	None
2	2	Duplex (2 stories)	37	1,050	\$580	\$0	@60%	Yes	1	2.7%	no	None
3	2	Duplex (2 stories)	4	1,250	\$525	\$0	@50%	Yes	0	0.0%	no	None
3	2	Duplex (2 stories)	17	1,250	\$655	\$0	@60%	Yes	2	11.8%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$374	\$0	\$374	\$0	\$374	1BR / 1BA	\$486	\$0	\$486	\$0	\$486
2BR / 2BA	\$470	\$0	\$470	\$0	\$470	2BR / 2BA	\$580	\$0	\$580	\$0	\$580
3BR / 2BA	\$525	\$0	\$525	\$0	\$525	3BR / 2BA	\$655	\$0	\$655	\$0	\$655

Amenities

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

Comments

This property consists of three non-contiguous but nearby components, the 34-unit Burrell Square at 425 Cherokee Street, the 23-unit Etowah Bend at 2 Etowah Terrace, and the 27-unit McCall Place at 310 South Broad Street. All were constructed at about the same time and all components are jointly managed. Rents are the same among all three components. For simplicity, we refer to this development as Burrell Square, which has the most units out of the three properties. Rents are below maximum allowable levels, priced to what the market can bear according to the manager. The next rent increase is scheduled for April 2020. There are three vacant units, none of which are formally preleased. Nonetheless, the manager states that these units will be leased by households from the waiting list, the number of which was not revealed. Turnover is largely the result of evictions according to the manager. A large portion of tenants are younger households, many of which are on their own for the first time.

Photos



PROPERTY PROFILE REPORT

Etowah Village

Effective Rent Date	10/31/2019
Location	366 Old Mill Road Cartersville, GA 30120 Bartow County
Distance	22 miles
Units	96
Vacant Units	6
Vacancy Rate	6.2%
Type	Garden (2 stories)
Year Built/Renovated	1998 / 2012
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	Mostly from local area
Contact Name	Katie
Phone	470-315-1658



Market Information

Program	@50%, @60%
Annual Turnover Rate	20%
Units/Month Absorbed	N/A
HCV Tenants	3%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 14 to 16 percent
Concession	None
Waiting List	Yes, five households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	24	1,106	\$786	\$0	@50%	Yes	N/A	N/A	yes	None
3	2	Garden (2 stories)	36	1,237	\$913	\$0	@50%	Yes	N/A	N/A	yes	None
3	2	Garden (2 stories)	36	1,237	\$913	\$0	@60%	Yes	N/A	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 2BA	\$786	\$0	\$786	\$52	\$838	3BR / 2BA	\$913	\$0	\$913	\$65	\$978
3BR / 2BA	\$913	\$0	\$913	\$65	\$978						

Etowah Village, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Business Center/Computer Lab	None	None
Car Wash	Carport		
Central Laundry	Off-Street Parking		
On-Site Management	Playground		
Volleyball Court			

Comments

Of the six vacant units, two units are pre-leased. The contact had no additional comments.

Photos



PROPERTY PROFILE REPORT

Evergreen Village

Effective Rent Date	1/21/2020
Location	110 Evergreen Lane Cedartown, GA 30125 Polk County
Distance	14.6 miles
Units	56
Vacant Units	12
Vacancy Rate	21.4%
Type	Garden (2 stories)
Year Built/Renovated	1999 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Park Place
Tenant Characteristics	None identified
Contact Name	Lane
Phone	770-749-9333



Market Information

Program	@50%, @60%
Annual Turnover Rate	22%
Units/Month Absorbed	N/A
HCV Tenants	9%
Leasing Pace	Within one week
Annual Chg. in Rent	None reported
Concession	None
Waiting List	Not maintained

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	8	756	\$394	\$0	@50%	No	N/A	N/A	no	None
1	1	Garden (2 stories)	8	756	\$399	\$0	@60%	No	N/A	N/A	no	None
2	1	Garden (2 stories)	10	915	\$461	\$0	@50%	No	N/A	N/A	no	None
2	1	Garden (2 stories)	10	915	\$498	\$0	@60%	No	N/A	N/A	no	None
3	2	Garden (2 stories)	10	1,136	\$517	\$0	@50%	No	N/A	N/A	no	None
3	2	Garden (2 stories)	10	1,136	\$537	\$0	@60%	No	N/A	N/A	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$394	\$0	\$394	\$0	\$394	1BR / 1BA	\$399	\$0	\$399	\$0	\$399
2BR / 1BA	\$461	\$0	\$461	\$0	\$461	2BR / 1BA	\$498	\$0	\$498	\$0	\$498
3BR / 2BA	\$517	\$0	\$517	\$0	\$517	3BR / 2BA	\$537	\$0	\$537	\$0	\$537

Evergreen Village, continued

Amenities

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

Comments

The owner is planning to renovate the property with new LIHTC equity. It was allocated tax credits in 2018 and construction is expected to begin in 2020. The 12 vacant units are not being marketed due to the upcoming renovation. Rents are deliberately held below maximum allowable levels. Previous to that, the manager indicated that the property was typically 100 percent occupied with a waiting list.

Photos



PROPERTY PROFILE REPORT

Park Place Apartments

Effective Rent Date	1/21/2020
Location	800 Park Place Circle Rockmart, GA 30153 Polk County
Distance	20.2 miles
Units	60
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2003 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Edward Management Co.; Privately owned properties
Tenant Characteristics	Singles, couples, families from Polk County
Contact Name	Holly
Phone	678-757-0070



Market Information

Program	@50%, @60%, Market
Annual Turnover Rate	15%
Units/Month Absorbed	5
HCV Tenants	8%
Leasing Pace	Immediate
Annual Chg. in Rent	None
Concession	None
Waiting List	Yes, 3-8 HH's

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	8	677	\$400	\$0	@50%	Yes	N/A	N/A	no	None
1	1	Garden (3 stories)	2	677	\$411	\$0	@60%	Yes	N/A	N/A	no	None
1	1	Garden (3 stories)	2	677	\$505	\$0	Market	Yes	N/A	N/A	N/A	None
2	1	Garden (3 stories)	14	883	\$466	\$0	@50%	Yes	N/A	N/A	no	None
2	1	Garden (3 stories)	5	883	\$481	\$0	@60%	Yes	N/A	N/A	no	None
2	1	Garden (3 stories)	5	883	\$610	\$0	Market	Yes	N/A	N/A	N/A	None
3	2	Garden (3 stories)	14	1,100	\$525	\$0	@50%	Yes	N/A	N/A	no	None
3	2	Garden (3 stories)	5	1,100	\$581	\$0	@60%	Yes	N/A	N/A	no	None
3	2	Garden (3 stories)	5	1,100	\$654	\$0	Market	Yes	N/A	N/A	N/A	None

Photos



PROPERTY PROFILE REPORT

Ashton Ridge

Effective Rent Date	1/22/2020
Location	2522 Callier Springs Road Rome, GA 30161 Floyd County
Distance	1.8 miles
Units	88
Vacant Units	4
Vacancy Rate	4.5%
Type	Garden (3 stories)
Year Built/Renovated	1999 / 2020
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Arbor Terrace, Grove At Six Hundred
Tenant Characteristics	Mostly families
Contact Name	Cheryl
Phone	706-802-0017



Market Information

Program	Market
Annual Turnover Rate	27%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within two weeks
Annual Chg. in Rent	Increased 30% for new leases
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	14	708	\$750	\$0	Market	No	N/A	N/A	N/A	None
2	2	Garden (3 stories)	37	933	\$890	\$0	Market	No	N/A	N/A	N/A	None
3	2	Garden (3 stories)	37	1,134	\$975	\$0	Market	No	N/A	N/A	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$750	\$0	\$750	\$45	\$795
2BR / 2BA	\$890	\$0	\$890	\$52	\$942
3BR / 2BA	\$975	\$0	\$975	\$65	\$1,040

Ashton Ridge, continued

Amenities

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

Comments

The property was originally developed as a LIHTC property, but converted to a market rate development in 2014. The property changed ownership in October 2019 and the new owner has begun a renovation, the scope of which includes new kitchens and baths among others. Asking rents increased dramatically for new tenants by \$175 to \$215 from September 2019. Rents for existing tenants will be gradually increased to the new market levels over time. Of the four vacant units, two are preleased.

Photos



PROPERTY PROFILE REPORT

Eastland Court

Effective Rent Date	1/20/2020
Location	40 Chateau Drive Rome, GA 30161 Floyd County
Distance	2.3 miles
Units	116
Vacant Units	2
Vacancy Rate	1.7%
Type	Garden (4 stories)
Year Built/Renovated	2005/2007 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Sara
Phone	706-232-2300



Market Information

Program	Market
Annual Turnover Rate	7%
Units/Month Absorbed	0
HCV Tenants	0%
Leasing Pace	Within one week
Annual Chg. in Rent	Increased 2-6% since 2019
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (4 stories)	21	804	\$925	\$0	Market	No	0	0.0%	N/A	None
1	1	Garden (4 stories)	4	919	\$1,100	\$0	Market	No	0	0.0%	N/A	None
2	2	Garden (4 stories)	68	1,056	\$1,125	\$0	Market	No	2	2.9%	N/A	None
3	2	Garden (4 stories)	23	1,516	\$1,300	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$925 - \$1,100	\$0	\$925 - \$1,100	\$45	\$970 - \$1,145
2BR / 2BA	\$1,125	\$0	\$1,125	\$52	\$1,177
3BR / 2BA	\$1,300	\$0	\$1,300	\$65	\$1,365

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpeting	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Exterior Storage(\$50.00)	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Vaulted Ceilings		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Clubhouse/Meeting Room/Community	Exercise Facility	None	None
Garage(\$100.00)	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Recreation Areas		
Swimming Pool			

Comments

The market rate property is among the most upscale apartment properties in the Rome area. A waiting list has been maintained in the past, but none currently. Storage units and garage parking are available to tenants for an additional \$50 and \$100 per month, respectively.

Photos



PROPERTY PROFILE REPORT

Guest House Apartments

Effective Rent Date	1/20/2020
Location	48 Chateau Drive Rome, GA 30161 Floyd County
Distance	2.4 miles
Units	75
Vacant Units	3
Vacancy Rate	4.0%
Type	Various (2 stories)
Year Built/Renovated	1989 / 2002/2019
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Brittany
Phone	706-234-4872



Market Information

Program	Market
Annual Turnover Rate	27%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 3-4% since 2019
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden	59	550	\$725	\$0	Market	No	2	3.4%	N/A	None
2	1.5	Townhouse (2 stories)	16	1,100	\$925	\$0	Market	No	1	6.2%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$725	\$0	\$725	\$60	\$785
2BR / 1.5BA	\$925	\$0	\$925	\$67	\$992

Amenities

In-Unit	Security	Services
Balcony/Patio	Perimeter Fencing	None
Carpeting		
Coat Closet		
Ceiling Fan		
Refrigerator		
Washer/Dryer		
Blinds		
Central A/C		
Dishwasher		
Oven		
Walk-In Closet		
Washer/Dryer hookup		
Property	Premium	Other
Clubhouse/Meeting Room/Community	None	None
On-Site Management		
Playground		
Off-Street Parking		
Picnic Area		
Swimming Pool		

Comments

The property is gradually renovating units as leases expire. The rents shown in the profile are for renovated units. Non-renovated units rent for a discount of approximately \$30 to \$50 per month. Renovations include new stainless steel appliances, plank flooring, and fixtures. One of the three vacant units is released.

Photos



PROPERTY PROFILE REPORT

Hamilton Ridge

Effective Rent Date	1/22/2020
Location	72 Hamilton Avenue Rome, GA 30165 Floyd County
Distance	1.6 miles
Units	48
Vacant Units	0
Vacancy Rate	0.0%
Type	Garden (3 stories)
Year Built/Renovated	2002 / N/A
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	None identified
Tenant Characteristics	None identified
Contact Name	Colin
Phone	(706) 291-9191



Market Information

Program	Market
Annual Turnover Rate	N/A
Units/Month Absorbed	N/A
HCV Tenants	N/A
Leasing Pace	Pre-leased
Annual Chg. in Rent	Increased 3% to 6%
Concession	None
Waiting List	Yes, 6-8 households

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (3 stories)	20	532	\$650	\$0	Market	Yes	0	0.0%	N/A	None
2	1	Garden (3 stories)	20	1,000	\$800	\$0	Market	Yes	0	0.0%	N/A	None
3	1	Garden (3 stories)	8	1,300	\$950	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
1BR / 1BA	\$650	\$0	\$650	\$45	\$695
2BR / 1BA	\$800	\$0	\$800	\$52	\$852
3BR / 1BA	\$950	\$0	\$950	\$65	\$1,015

Hamilton Ridge, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Limited Access	None
Carpet/Hardwood	Central A/C	Perimeter Fencing	
Coat Closet	Dishwasher		
Ceiling Fan	Garbage Disposal		
Microwave	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Central Laundry	Off-Street Parking	None	None
On-Site Management			

Comments

Hamilton Ridge is among the most upscale market rate properties in the Rome area. The property is typically 100 percent occupied and there is a current waiting list of six to eight households. Additional information, such as turnover and a tenant profile, were not provided.

Photos



PROPERTY PROFILE REPORT

The Grove At Six Hundred

Effective Rent Date	1/21/2020
Location	600 Redmond Road NW Rome, GA 30165 Floyd County
Distance	2.7 miles
Units	104
Vacant Units	1
Vacancy Rate	1.0%
Type	Townhouse (2 stories)
Year Built/Renovated	1974 / 2017
Marketing Began	N/A
Leasing Began	N/A
Last Unit Leased	N/A
Major Competitors	Arbor Terrace, Heritage Pointe
Tenant Characteristics	Mostly families
Contact Name	Tina
Phone	706-291-2154



Market Information

Program	Market
Annual Turnover Rate	28%
Units/Month Absorbed	N/A
HCV Tenants	0%
Leasing Pace	Within one month
Annual Chg. in Rent	None on balance
Concession	None
Waiting List	None

Utilities

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

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1.5	Townhouse (2 stories)	88	1,120	\$870	\$0	Market	No	1	1.1%	N/A	None
3	2	Townhouse (2 stories)	16	1,320	\$1,195	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj.	Adj. Rent
2BR / 1.5BA	\$870	\$0	\$870	\$0	\$870
3BR / 2BA	\$1,195	\$0	\$1,195	\$0	\$1,195

Amenities

In-Unit	Security	Services
Balcony/Patio	Patrol	None
Carpeting		
Coat Closet		
Ceiling Fan		
Oven		
Walk-In Closet		
Property	Premium	Other
Clubhouse/Meeting Room/Community	None	None
On-Site Management		
Swimming Pool		

Comments

The property accepts Housing Choice Vouchers, but there are no tenants currently using them. This property was formerly known as Westminster Townhouse. Minor renovations on the property were completed in 2017 and included updated kitchens and bathrooms with new fixtures, appliances, new flooring, exterior improvements, and a change in management. The contact stated that rents increased between \$50 and \$100 post-renovation. Rents at this property were decreased in the fall of 2019 as the manager reports that it's more difficult to attract new tenants during this time of the year. The two-bedroom rents were decreased to \$795, down from \$995 in May 2019. Rents have begun to increase as the manager states that more households are willing to move after the new year. For instance, the two-bedroom rent of \$870 is well above the recent low point but still below the level of last spring. Meanwhile the current three-bedroom rent is \$45 above what it was in the Spring of 2019. There is one vacant unit, which is not preleased.

Photos



Housing Choice Vouchers

We were able to speak with Ms. Valencia Jordan, Director of Operations, of the Georgia Department of Community Affairs regarding the Housing Choice Voucher program in Candler County. According to Ms. Jordan, the Georgia Departments of Community Affairs allots 16,500 statewide, of which 14,000 are currently in use. Ms. Jordan also stated that there are 69 families utilizing these Housing Choice Vouchers in Floyd County. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. There are currently approximately 9,000 households on the waiting list, 51 of which are from Floyd County. The following table illustrates voucher usage at the comparables.

TENANTS WITH VOUCHERS			
Property Name	Rent Structure	Tenancy	Housing Choice Voucher Tenants
Ashland Park Apartments	LIHTC	Family	30%
Burrell Square	LIHTC	Family	2%
Etowah Village*	LIHTC	Family	3%
Evergreen Village*	LIHTC	Family	9%
Park Place Apartments*	LIHTC/ Market	Family	8%
Ashton Ridge	Market	Family	0%
Eastland Court	Market	Family	0%
Guest House Apartments	Market	Family	0%
Hamilton Ridge	Market	Family	N/A
The Grove At Six Hundred	Market	Family	0%

*Located outside of the PMA

Housing Choice Voucher usage in this market ranges from zero to 30 percent. All of the LIHTC properties report a low reliance on tenants with vouchers. Thus, it appears that the Subject will not need to rely on voucher residents in order to maintain a high occupancy level. As a LIHTC property, we anticipate the Subject will operate with a voucher usage of less than ten percent.

2. Phased Developments

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

Lease Up History

The following table details regional absorption data in the area. It should be noted that only one of the comparables was able to provide recent absorption data, and thus, we extended our search to other properties throughout Northwest Georgia.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Brentwood Senior Apartments	LIHTC	Senior	2019	70	11
Stone Ridge Apartments	LIHTC	Family	2018	64	64
Burrell Square	LIHTC	Family	2017	84	21
Station 92 At Woodstock	Market	Family	2015	272	15
Average					28

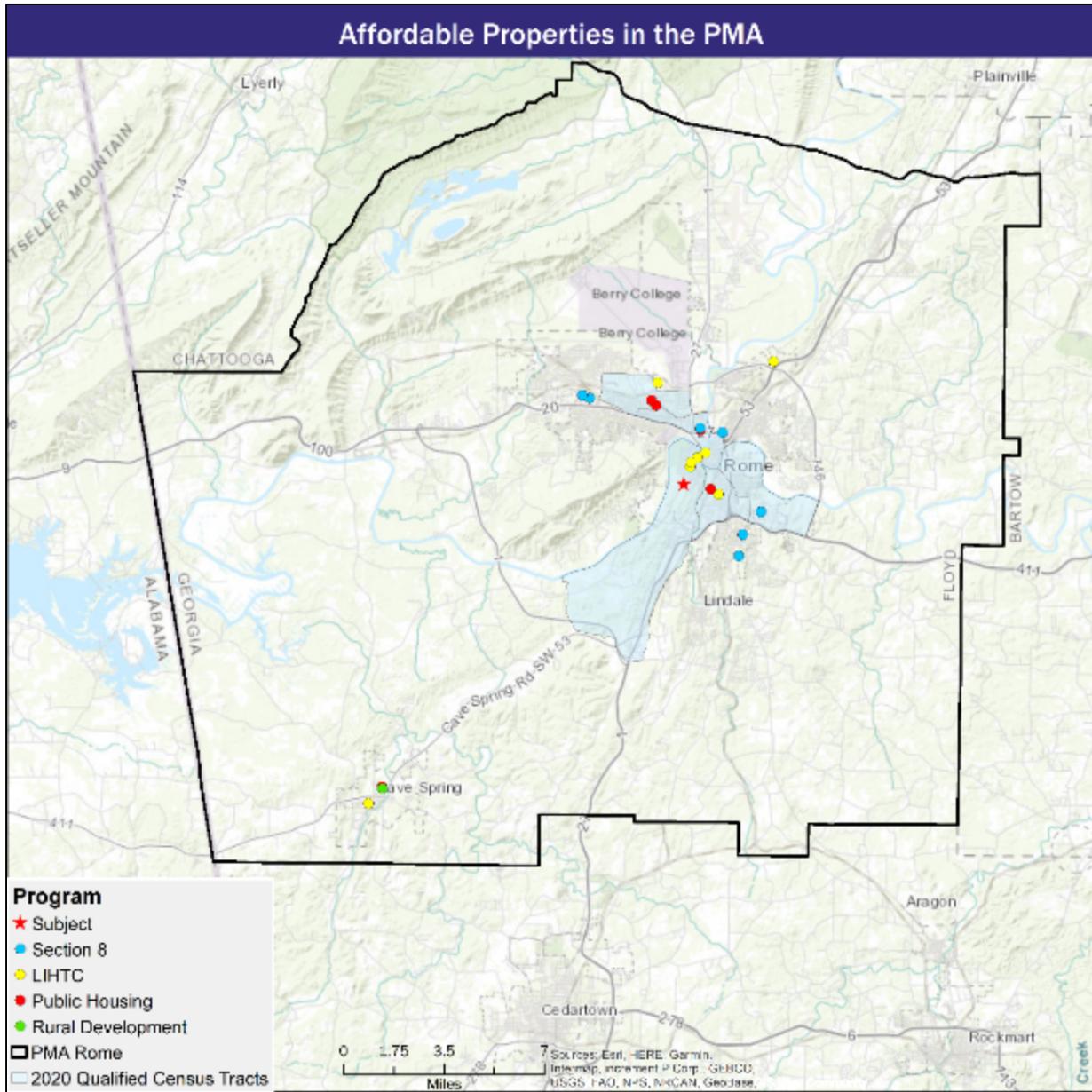
Per DCA guidelines, we calculated the absorption to 93 percent occupancy. As illustrated, the LIHTC and comparables achieved stabilized occupancy in approximately one to six months. Additionally, all of the affordable comparables have historically reported strong occupancy rates. We believe the Subject, as a proposed LIHTC property, will be absorbed at a rate similar to that of Burrell Square, the most comparable family LIHTC property reporting absorption. Thus, we believe the Subject will achieve an absorption rate of approximately 20 units per month, equating to an absorption period of approximately four to five months. It

should be noted that construction on the Subject is not anticipated to be completed until October 2022, which is considered outside of the primary window from the COVID-19 pandemic.

3. Competitive Project Map

COMPETITIVE PROJECTS

Property Name	Program	Location	Tenancy	# of Units	Occupancy	Map Color
South Meadows	LIHTC	Rome	Family	80	-	Star
Altview Terrace	LIHTC	Rome	Family	66	N/A	Yellow
Ashland Park Apartments	LIHTC	Rome	Family	184	100.0%	
Burrell Square	LIHTC	Rome	Family	84	98.8%	
Etowah Terrace	LIHTC, PBRA, Market	Rome	Senior	77	97.4%	
Greystone Apartments	LIHTC, Section 8, S+C	Rome	Senior	71	100.0%	
Highland Estates	LIHTC, Market	Rome	Senior	84	91.7%	
Pennington Place	LIHTC (HOME), Public Housing	Rome	Family	8	100.0%	
Spring Haven Apartments	LIHTC (HOME)	Cave Springs	Senior	24	100.0%	
Charles Hight Homes	Public Housing	Rome	Family	202	N/A	
John Graham Homes	Public Housing	Rome	Family	150	100.0%	
Housing Authority of the City of Cave Spring	Public Housing	Cave Spring	Family	20	N/A	Red
Village Green	Public Housing	Rome	Family	10	N/A	
Willingham at Division	Public Housing	Rome	Family	27	N/A	
Willingham Village	Public Housing	Rome	Family	76	100.0%	
Steve Pettis Court Apts	Rural Development	Cave Springs	Family	31	N/A	
Callier Forest Apartments	Section 8	Rome	Family	130	N/A	Blue
Heatherwood Apartments	Section 8	Rome	Senior	68	100.0%	
High Rise	Section 8	Rome	Senior	101	N/A	
Meadow Lane Apartments	Section 8, LIHTC, Non-Rental	Rome	Family	119	N/A	
Oak Ridge	PSHP, Non-Rental	Rome	Family	35	100.0%	
Park Homes	Section 8	Rome	Family	100	N/A	
Pine Ridge Apartments	Section 8	Rome	Family	30	96.7%	
Tamassee Apartments	Section 8	Rome	Family	80	100.0%	
The Villas	Section 8	Rome	Family	39	100.0%	



4. Amenities

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

AMENITY MATRIX

	Subject	Ashland Park Apartments	Burrell Square	Etowah Village	Evergreen Village	Park Place Apartments	Ashton Ridge	Eastland Court	Guest House Apartments	Hamilton Ridge	The Grove At Six Hundred
Rent Structure	LIHTC/Market	LIHTC	LIHTC	LIHTC	LIHTC	LIHTC/Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family	Family
Building											
Property Type	Garden	Garden	Various	Garden	Garden	Garden	Garden	Garden	Various	Garden	Townhouse
# of Stories	2-stories	3-stories	3-stories	2-stories	2-stories	3-stories	3-stories	4-stories	2-stories	3-stories	2-stories
Year Built	2022	2005	2017	1998	1999	2003	1999	2005/2007	1989	2002	1974
Year Renovated	n/a	n/a	n/a	2012	n/a	n/a	2020	n/a	2002/2019	n/a	2017
Commercial	no	no	no	no	no	no	no	no	no	no	no
Elevators	no	no	no	no	no	no	no	no	no	no	no
Courtyard	no	no	no	no	no	no	no	no	no	no	no
Utility Structure											
Cooking	no	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no	no
Heat	no	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no	no
Water	yes	no	yes	no	yes	yes	no	no	no	no	yes
Sewer	yes	no	yes	no	yes	yes	no	no	no	no	yes
Trash	yes	no	yes	yes	yes	yes	yes	yes	no	yes	yes
Unit Amenities											
Balcony/Patio	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Hardwood	no	no	no	no	no	no	no	no	no	yes	no
Central A/C	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Ceiling Fan	yes	yes	yes	yes	yes	no	yes	yes	yes	yes	yes
Coat Closet	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	no	no	no	yes	yes	no	yes	yes	no	no	no
Vaulted Ceilings	no	no	no	no	no	no	no	yes	no	no	no
Walk-In Closet	yes	yes	yes	no	no	yes	yes	yes	yes	no	yes
Washer/Dryer	no	no	no	no	yes	no	no	no	yes	no	no
W/D Hookup	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Kitchen											
Dishwasher	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	yes	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Microwave	no	no	no	no	no	no	no	no	no	yes	no
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Community											
Business Center	no	yes	yes	yes	no	no	no	no	no	no	no
Community Room	yes	yes	yes	no	yes	yes	yes	yes	yes	no	yes
Central Laundry	yes	yes	yes	yes	yes	yes	yes	no	no	yes	no
On-Site Mgmt	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Concierge	no	no	no	no	no	no	no	no	no	no	no
Recreation											
Basketball Court	no	no	no	yes	yes	yes	no	no	no	no	no
Exercise Facility	yes	yes	yes	no	yes	no	no	yes	no	no	no
Playground	yes	yes	yes	yes	yes	yes	yes	yes	yes	no	yes
Swimming Pool	no	yes	no	no	no	no	no	yes	yes	no	yes
Picnic Area	no	yes	yes	no	yes	yes	yes	yes	yes	no	no
Sport Court	no	no	no	no	no	no	no	no	no	no	no
Recreational Area	no	no	no	no	no	no	no	yes	no	no	no
Volleyball Court	no	no	no	yes	no	no	no	no	no	no	no
WiFi	no	no	no	no	no	no	no	no	no	no	no
Security											
In-Unit Alarm	no	no	no	no	no	no	no	no	no	no	no
Intercom (Buzzer)	no	no	no	no	no	no	no	no	no	no	no
Intercom (Phone)	no	no	no	no	no	no	no	no	no	no	no
Limited Access	no	no	no	no	no	no	no	yes	no	yes	no
Patrol	no	no	no	no	no	no	no	no	no	no	yes
Perimeter Fencing	yes	yes	yes	no	no	no	no	yes	yes	yes	no
Video Surveillance	no	no	no	no	no	no	no	no	no	no	no
Parking											
Carport	no	no	no	yes	no	no	no	no	no	no	no
Garage	no	yes	no	no	no	no	no	yes	no	no	no
Garage Fee	\$0	\$50	\$0	\$0	\$0	\$0	\$0	\$100	\$0	\$0	\$0
Off-Street Parking	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject will offer inferior to similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and slightly inferior to superior property amenities. The Subject will offer a community building and exercise facility, which many of the comparables will lack. However, the Subject will lack exterior storage and a swimming pool, which are offered at several of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market.

5. Comparable Tenancy

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

Vacancy

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Ashland Park Apartments	LIHTC	Family	184	0	0.0%
Burrell Square	LIHTC	Family	84	3	3.6%
Etowah Village*	LIHTC	Family	96	6	6.2%
Evergreen Village*	LIHTC	Family	56	12	21.4%
Park Place Apartments*	LIHTC/ Market	Family	60	0	0.0%
Ashton Ridge	Market	Family	88	4	4.5%
Eastland Court	Market	Family	116	2	1.7%
Guest House Apartments	Market	Family	75	3	4.0%
Hamilton Ridge	Market	Family	48	0	0.0%
The Grove At Six Hundred	Market	Family	104	1	1.0%
Total LIHTC			480	21	4.4%
Total Market Rate			431	10	2.3%
Overall Total			911	31	3.4%

*Located outside of the PMA

Overall vacancy in the market is low at 3.4 percent. Evergreen Village reports a vacancy rate of 21.4 percent. The contact at Evergreen Village stated the 12 vacant units are not being marketed due to the upcoming renovation expected to begin in 2020. Previous to that, the manager indicated that the property was typically 100 percent occupied with a waiting list. Etowah Village also has a high vacancy rate at 6.2 percent. Two of the six vacant units are preleased. Excluding Evergreen Village and Etowah Village, which appear to be outliers, the affordable properties report vacancy rates ranging from zero to 3.6 percent. Further, four of the five LIHTC comparables reported maintaining waiting lists up to 20 households in length, indicating strong demand for affordable housing in the area. The low vacancy rates and the presence of waiting lists at these properties indicates there is a strong demand for affordable housing in the area.

Hamilton Ridge reported no vacancies. The overall vacancy rate at the market rate properties is 2.3 percent. The strong performance at these properties indicates that there is demand for conventional rental housing in the Subject's PMA. As a newly constructed property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less.

6. Properties Under Construction and Proposed

The following section details properties currently planned, proposed or under construction.

Altoview Terrace

- a. Location: 14th Street And Maple Avenue, Rome, GA
- b. Owner: Northwest Georgia Housing Authority
- c. Total number of units: 66 units
- d. Unit configuration: One, two, three, and four-bedroom units
- e. Rent structure: 50 and 60 percent AMI, all units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA).
- f. Estimated market entry: June 2021
- g. Relevant information: All units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.

Meadow Lane

- a. Location: 22 Tamassee Lane, Rome, GA
- b. Owner: LHP Development, LLC (developer)
- c. Total number of units: 119 units
- d. Unit configuration: One, two, three, and four-bedroom units
- e. Rent structure: 60 percent AMI, 114 will continue to operate with a Section 8 project-based subsidy
- f. Estimated market entry: 2019
- g. Relevant information: Of the 119 units, 114 will continue to operate with a Section 8 project-based subsidy and will not be considered directly competitive. Three of the 60 percent AMI units are three-bedroom and one of the 60 percent AMI units are four-bedroom while one unit is a non-revenue unit. The 60 percent AMI three-bedroom units are competitive with the Subject and have been deducted from demand in our analysis.

Park Homes

- a. Location: 201 Reservoir Street, Rome, GA
- b. Owner: REA Ventures (developer)
- c. Total number of units: 100 units
- d. Unit configuration: One, two, three, and four-bedroom units
- e. Rent structure: 60 percent AMI, all units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA).
- f. Estimated market entry: February 2019
- g. Relevant information: All units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.

High Rise

- a. Location: 906 N 5th Avenue, Rome, GA
- b. Owner: REA Ventures (developer)
- c. Total number of units: 101 units
- d. Unit configuration: One, two and three bedroom units
- e. Rent structure: 60 percent AMI, all units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA).
- f. Estimated market entry: November 2018
- g. Relevant information: All units will be subsidized and will not be considered directly competitive. This property targets different tenancy than the Subject and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.

Callier Forest Apartments

- a. Location: 131 Dodd Boulevard SE, Rome, GA
- b. Owner: Unknown
- c. Total number of units: 130 units
- d. Unit configuration: One, two and three bedroom units
- e. Rent structure: 60 percent AMI, all units will be covered by a Section 8 program where all units will receive Section 8 project-based rental assistance (PBRA).
- f. Estimated market entry: November 2020
- g. Relevant information: All units will be covered by a Section 8 program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.

Ashland Park

- a. Location: 10 Ashland Park Boulevard NE, Rome, GA
- b. Owner: Northwest Georgia Housing Authority
- c. Total number of units: 184 units
- d. Unit configuration: One, two and three bedroom units
- e. Rent structure: 60 percent AMI,
- f. Estimated market entry: 2020
- g. Relevant information: Renovations will occur with tenants in place and income targeting for this property will not change post-renovation. Thus, Ashland Park will not add any new units to the market. As such, no units are deducted in our demand analysis.

7. Rental Advantage

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

SIMILARITY MATRIX

#	Property Name	Program	Tenancy	Property Amenities	Unit Features	Location	Age / Condition	Unit Sizes	Overall Comparison
1	Ashland Park Apartments	LIHTC	Family	Slightly Superior	Similar	Slightly Superior	Inferior	Similar	0
2	Burrell Square	LIHTC	Family	Similar	Similar	Similar	Similar	Similar	0
3	Etowah Village	LIHTC	Family	Inferior	Slightly Superior	Superior	Slightly Inferior	Similar	0
4	Evergreen Village	LIHTC	Family	Slightly Inferior	Superior	Similar	Slightly Inferior	Similar	0
5	Park Place Apartments	LIHTC/Market	Family	Inferior	Similar	Similar	Inferior	Similar	-20
6	Ashton Ridge	Market	Family	Inferior	Slightly Superior	Similar	Slightly Inferior	Similar	-10
7	Eastland Court	Market	Family	Similar	Slightly Superior	Similar	Inferior	Slightly Superior	0
8	Guest House Apartments	Market	Family	Similar	Superior	Similar	Slightly Inferior	Similar	5
9	Hamilton Ridge	Market	Family	Inferior	Similar	Slightly Superior	Inferior	Similar	-15
10	The Grove At Six Hundred	Market	Family	Similar	Similar	Slightly Superior	Slightly Inferior	Slightly Superior	5

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

The rental rates at the LIHTC properties are compared to the Subject’s proposed 30 percent AMI rents in the following table.

LIHTC RENT COMPARISON @30%

Property Name	County	1BR	2BR	3BR	Rents at Max?
South Meadows	Floyd	\$250	\$290	\$330	No
2019 LIHTC Maximum Rent (Net) (Floyd County)	Floyd	\$276	\$327	\$368	

The Subject property is held to the 2019 maximum allowable levels for Floyd County. Floyd County experienced its peak AMI level in 2019. The Subject’s proposed 30 percent AMI rents are set below the 2019 maximum allowable levels. None of the comparable properties offer rents at the 30 percent of AMI level. The Subject’s proposed 30 percent AMI rents will be the lowest in the market. Thus, we believe the Subject’s 30 percent AMI rents for the one, two, and three-bedroom units are achievable as proposed.

The rental rates at the LIHTC properties are compared to the Subject’s proposed 60 percent AMI rents in the following table.

LIHTC RENT COMPARISON @60%

Property Name	County	1BR	2BR	3BR	Rents at Max?
South Meadows	Floyd	\$575	\$650	\$725	No
2019 LIHTC Maximum Rent (Net) (Floyd County)	Floyd	\$613	\$731	\$835	
2019 LIHTC Maximum Rent (Net) (Bartow County)	Bartow	\$837	\$1,000	\$1,145	
2018 LIHTC Maximum Rent (Net) (Polk County)	Polk	\$518	\$616	\$703	
Ashland Park Apartments	Floyd	\$540	\$617	\$680	No
Burrell Square	Floyd	\$486	\$580	\$655	No
Etowah Village	Bartow	-	-	\$978	No
Evergreen Village	Polk	\$399	\$498	\$537	No
Park Place Apartments	Polk	\$411	\$481	\$581	No
Average		\$459	\$544	\$686	

Floyd and Bartow Counties experienced peak AMI levels in 2019. Therefore, none of the comparable properties are “held harmless” and all of the comparable LIHTC properties will operate with maximum allowable income and rent limits in Floyd and Bartow counties. However, Polk County experienced its highest AMI level in 2018 as the AMI level in Polk County declined in 2019. Evergreen Village and Park Place were constructed and placed in service prior to 2018. Thus, these properties are held harmless to Polk County 2018 maximum allowable rents. None of the comparable properties report achieving maximum allowable rents.

Burrell Square is located 0.4 miles from the Subject in Rome and offers a similar location to the Subject. Burrell Square is not achieving maximum allowable LIHTC rents. This property was constructed in 2017 and exhibits excellent condition, which is considered similar to the anticipated excellent condition of the Subject. Burrell Square offers similar property and in-unit amenities as the proposed Subject will offer. This property offers similar unit sizes. Overall, Burrell Square is considered similar to the Subject. Burrell Square reports all vacant units are being processed from the waiting list and reports a waiting list of unknown length, indicating higher rents are achievable at this property.

Ashland Park is located 4.4 miles from the South Meadows proposed site in the same PMA as the subject. This property was built in 2005 and exhibits average condition, which is considered inferior to the Subject. Ashland Park offers slightly superior property amenities to the Subject as it offers a swimming pool, which the Subject will not offer. The in-unit amenities are similar to the Subject’s proposed in-unit amenities. The unit sizes are similar to the proposed property’s unit sizes. Overall, Ashland Park is considered similar to the Subject. Ashland Park reports a waiting list of 20 households indicating higher rents are achievable at this property.

The Subject’s proposed rents are set below the 2019 maximum allowable levels. None of the comparables report achieving maximum allowable levels. The LIHTC comparables report low vacancy rates and four of the

five LIHTC comparables report waiting lists indicating asking LIHTC rents in the market are achievable. The Subject is considered similar to Burrell Square and Ashland Park. Both Burrell Square and Ashland Park report waiting lists indicating higher rents are achievable at these properties. Thus, we believe the Subject’s LIHTC rents are feasible as proposed.

The rental rates at the market rate properties are compared to the Subject’s proposed 80 percent AMI rents in the following tables.

LIHTC RENT COMPARISON @80%

Property Name	County	1BR	2BR	3BR	Rents at Max?
South Meadows	Floyd	\$825	\$950	\$1,050	No
2019 LIHTC Maximum Rent (Net) (Floyd County)	Floyd	\$838	\$1,001	\$1,146	
Ashton Ridge	Floyd	\$795	\$942	\$1,040	N/A
Eastland Court	Floyd	\$1,145	\$1,177	\$1,365	N/A
Guest House Apartments	Floyd	\$785	\$992	-	N/A
Hamilton Ridge	Floyd	\$695	\$852	\$1,015	N/A
The Grove At Six Hundred	Floyd	-	\$870	\$1,195	N/A
Average		\$855	\$967	\$1,154	

The Subject will offer one, two, and three-bedroom units at 80 percent AMI. None of the comparable properties offer rents at this moderate income level. Therefore, we believe the most comparable rents for the Subject’s 80 percent AMI units are market rate rents. The Subject’s proposed rents at the 80 percent AMI level are within the range of the unrestricted rents in the market. The qualifying incomes for this unit type, as illustrated in our demand analysis, are above 60 percent of the median household income within a half-mile radius of the Subject site. This indicates that the majority of tenants who would qualify for the Subject’s unit types are likely living in market rate housing and the Subject’s units at the 80 percent of the AMI level would be in direct competition with these units.

Eastland Court is located 2.3 miles from the Subject site in Rome and offers a similar location. Eastland Court was built in 2005 and 2007 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Eastland Court offers slightly superior in-unit amenities in comparison to the Subject as it offers exterior storage, which the Subject will not offer. Eastland Court offers similar property amenities when compared to the Subject. Eastland Court offers slightly superior unit sizes to the Subject. Overall, Eastland Court is considered similar to the Subject as proposed.

Hamilton Ridge is located 1.6 miles from the Subject site in Rome and offers a slightly superior location in terms of median income and median rent. Hamilton Ridge was built in 2002 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Hamilton Ridge offers similar in-unit amenities in comparison to the Subject. Hamilton Ridge offers inferior property amenities when compared to the Subject as it does not offer a community building and exercise facility, which the Subject will offer. Hamilton Ridge offers similar unit sizes to the Subject. Overall, Hamilton Ridge is considered inferior to the Subject as proposed.

The qualifying incomes for this unit type, as illustrated in our demand analysis, are above 60 percent of the median household income within a half-mile radius of the Subject site. This indicates that the majority of tenants who would qualify for the Subject’s unit types are likely living in market rate housing and the Subject’s units at the 80 percent of the AMI level would be in direct competition with these units. Thus, we believe the Subject can achieve rents higher than those at Hamilton Ridge and similar to those at Eastland Court. The Subject’s proposed 80 percent AMI rents represent a 15 to 23 percent advantage compared to the market rents currently achieved at Eastland Court. As such, we believe the Subject’s rents are reasonable and achievable as proposed.

Analysis of “Market Rents”

Per DCA’s market study guidelines, “average market rent is to be a reflection of rents that are achieved in the market. In other words, the rents the competitive properties are currently receiving. Average market rent is not ‘Achievable unrestricted market rent.’” In an urban market with many tax credit comparables, the average market rent might be the weighted average of those tax credit comparables. In cases where there are few tax credit comparables, but many market rate comparables with similar unit designs and amenity packages, then the average market rent might be the weighted average of those market rate comparables. In a small rural market there may be neither tax credit comparables nor market rate comparables with similar positioning as the subject. In a case like that the average market rent would be a weighted average of whatever rents were present in the market.

When comparing the Subject’s rents to the average comparable rent, we do not include surveyed rents at lower AMI levels given that this artificially lowers the average surveyed rent. Including rents at lower AMI levels does not reflect an accurate average rent for rents at higher income levels. For example, if the Subject offers rents at the 50 and 60 percent of AMI levels, and there is a distinct difference at comparable properties between rents at the two AMI levels, we do not include the 50 percent of AMI rents in the average comparable rent for the 60 percent of AMI comparison.

The overall average and the maximum and minimum adjusted rents for the comparable properties surveyed are illustrated in the table below in comparison with net rents for the Subject.

SUBJECT COMPARISON TO COMPARABLE RENTS

Unit Type	Subject Proposed Rent	Surveyed Min	Surveyed Max	Surveyed Average	Subject Rent Advantage
1BR @30%	\$250	\$374	\$1,145	\$608	143%
2BR @30%	\$290	\$461	\$1,177	\$704	143%
3BR @30%	\$330	\$517	\$1,365	\$803	143%
1BR @60%	\$575	\$399	\$1,145	\$673	17%
2BR @60%	\$650	\$481	\$1,177	\$762	17%
3BR @60%	\$725	\$537	\$1,365	\$870	20%
1BR @80%	\$825	\$695	\$1,145	\$878	6%
2BR @80%	\$950	\$852	\$1,177	\$967	2%
3BR @80%	\$1,050	\$1,015	\$1,365	\$1,154	10%

As illustrated the Subject’s proposed 30, 60, and 80 percent rents are below the surveyed average when compared to the comparables, both LIHTC and market rate. All of the Subject’s proposed LIHTC rents are within the surveyed range of comparable LIHTC and market rents.

Eastland Court is achieving the highest one, two, and three-bedroom unrestricted rents in the market. The Subject will be similar to Eastland Court as a market rate property. Eastland Court was built in 2005 and 2007 and exhibits average condition, which is inferior to the anticipated excellent condition of the Subject upon completion. Eastland Court is located 2.3 miles from the Subject site in Rome and offers a similar location. Eastland Court offers slightly superior in-unit amenities in comparison to the Subject as it offers exterior storage, which the Subject will not offer. Eastland Court offers similar property amenities when compared to the Subject. Eastland Court offers slightly superior unit sizes to the Subject. The lowest one, two, and three-bedroom rents at Eastland Court are approximately 69, 81, and 88 percent higher than the Subject’s proposed rents at 60 percent of the AMI, respectively. Overall, we believe that the Subject’s proposed rents are achievable in the market and will offer an advantage when compared to the average rents being achieved at comparable properties.

8. LIHTC Competition – DCA Funded Properties within the PMA

Capture rates for the Subject are considered low for all bedroom types and AMI levels. If allocated, the Subject will be similar to superior to the existing LIHTC housing stock. The average LIHTC vacancy rate is at 4.4 percent. Evergreen Village reports a vacancy rate of 21.4 percent. The contact at Evergreen Village stated the 12 vacant units are not being marketed due to the upcoming renovation expected to begin in 2020. Previous to that, the manager indicated that the property was typically 100 percent occupied with a waiting list. Etowah Village also has a high vacancy rate at 6.2 percent. Two of the six vacant units are preleased. The contact at Etowah Village had no additional comments regarding the vacancy rate. Excluding Evergreen Village and Etowah Village, which appear to be outliers, the affordable properties report vacancy rates ranging from zero to 3.6 percent. Further, four of the five LIHTC comparables reported maintaining waiting lists up to 20 households long, indicating strong demand for affordable housing in the area. The low vacancy rates and the presence of waiting lists at these properties indicates there is a strong demand for affordable housing in the area.

According to LIHTC allocation lists provided by the Georgia Department of Community Affairs, there have been six properties allocated tax credits within the Subject’s PMA since 2017. We identified Ashland Park, Meadow Lane, Altoview Terrace, Park Homes, High Rise, and Callier Forest Apartments as competitive properties in the PMA coming online.

Per GA DCA guidelines, competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the Subject development.

COMPETITIVE SUPPLY

Property Name	Program	Location	Tenancy	Status	Competitive Units
Ashland Park	LIHTC	Rome	Family	Under Renovation	0
Meadow Lane	LIHTC/Section 8	Rome	Family	Complete	4
Altoview Terrace	LIHTC/PBRA	Rome	Family	Under construction	0
Park Homes	LIHTC/PBRA	Rome	Family	Complete	0
High Rise	LIHTC/PBRA	Rome	Senior	Complete	0
Callier Forest Apartments	LIHTC/PBRA	Rome	Family	Under Renovation	0

- Altoview Terrace was allocated in 2018 for the development of 66 LIHTC units targeting families. Construction is expected to be completed in June 2021. This development will be located 1.1 miles from the Subject site in Rome. The property will offer one, two, three and four-bedroom units restricted to the 50 and 60 percent AMI levels. All units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.
- Meadow Lane was allocated in 2017 for the acquisition/rehab of 119 Section 8 and LIHTC units targeting families. This property was built in 1974, and renovations were completed in 2019. This property is located 3.7 miles from the Subject site in Rome. The property offers one, two, three and four-bedroom units restricted to the 60 percent AMI level. Of the Subject’s 119 units at the 60 percent of AMI level, 114 will continue to operate with a Section 8 project-based subsidy and will not be considered directly competitive. Three of the 60 percent AMI units are three-bedroom and one of the 60 percent AMI units are four-bedroom while one unit is a non-revenue unit. The 60 percent AMI three-bedroom units are competitive with the Subject and have been deducted from demand in our analysis.
- Park Homes was allocated in 2017 for the acquisition/rehab of 100 LIHTC units targeting families. Renovations were completed in February 2019. This property is located 1.8 miles from the Subject site in Rome. The property offers one, two, three and four-bedroom units restricted to the 60 percent AMI level.

All units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.

- High Rise was allocated in 2017 for the acquisition/rehab of 101 LIHTC units targeting seniors. Renovations were completed in November 2018. This project is located 1.6 miles from the Subject site in Rome. The property will offer efficiency, one, two, and three-bedroom units restricted to the 60 percent AMI level. All units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. This property targets different tenancy than the Subject and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.
- Callier Forest Apartments was allocated in 2019 for the acquisition/rehab of 130 LIHTC units targeting families. Construction is expected to be completed in November 2020. This property will be located 2.5 miles from the Subject site in Rome. The property will offer one, two, and three-bedroom units restricted to the 60 percent AMI level. All units will be covered by a Section 8 program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.
- Ashland Park was allocated in 2019 for the acquisition/rehab of 184 LIHTC units targeting families. Construction is expected to be completed in 2020. This property will be located 4.4 miles from the Subject site in Rome. The property will offer one, two, and three-bedroom units restricted to the 60 percent AMI level. Renovations will occur with tenants in place and income targeting for this property will not change post-renovation. Thus, Ashland Park will not add any new units to the market. As such, no units are deducted in our demand analysis.

We do not believe that the addition of the Subject to the market will impact the new LIHTC properties or the existing LIHTC properties that are in overall good condition and currently performing well.

9. Rental Trends in the PMA

The table below depicts household growth by tenure from 2000 through 2024.

TENURE PATTERNS PMA				
Year	Owner-Occupied Units	Percentage Owner-Occupied	Renter-Occupied Units	Percentage Renter-Occupied
2000	21,664	66.6%	10,873	33.4%
2019	21,658	61.0%	13,839	39.0%
Projected Mkt Entry October 2022	22,082	61.5%	13,799	38.5%
2024	22,310	61.8%	13,777	38.2%

Source: Esri Demographics 2019, Novogradac Consulting LLP, June 2020

The preceding table details household tenure patterns in the PMA since 2000. The percentage of renter households in the PMA increased between 2000 and 2019, and is estimated to be 39.0 percent as of 2019. This is more than the estimated 33 percent of renter households across the overall nation. According to ESRI demographic projections, the percentage of renter households in the PMA is expected to decline slightly through 2022 and continue the slight decline through 2024, although the number of renter households is expected to remain relatively stable.

Historical Vacancy

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

HISTORICAL VACANCY

#	Property Name	Program	Total Units	2015 Q2	2017 Q2	2018 Q2	2019 Q2	2019 Q3	2020 Q1
1	Ashland Park Apartments	LIHTC	184	3.8%	0.5%	N/A	1.1%	0.0%	0.0%
2	Burrell Square	LIHTC	84	N/A	N/A	N/A	0.0%	1.2%	3.6%
3	Etowah Village	LIHTC	96	1.0%	3.1%	N/A	N/A	3.1%	6.2%
4	Evergreen Village	LIHTC	56	0.0%	3.6%	N/A	5.4%	12.5%	21.4%
5	Park Place Apartments	LIHTC/ Market	60	N/A	3.3%	N/A	5.0%	6.7%	0.0%
6	Ashton Ridge	Market	88	2.3%	4.5%	0.0%	0.0%	0.0%	4.5%
7	Eastland Court	Market	116	0.0%	0.9%	0.9%	N/A	0.9%	1.7%
8	Guest House Apartments	Market	75	N/A	4.0%	N/A	0.0%	1.3%	4.0%
9	Hamilton Ridge	Market	48	N/A	4.2%	0.0%	N/A	N/A	0.0%
10	The Grove At Six Hundred	Market	104	N/A	N/A	N/A	N/A	1.0%	1.0%

The historical vacancy rates at all of the comparable properties for several quarters in the past five years are illustrated in the previous table. Evergreen Village reports a vacancy rate of 21.4 percent. The contact at Evergreen Village stated the 12 vacant units are not being marketed due to the upcoming renovation expected to begin in 2020. Previous to that, the manager indicated that the property was typically 100 percent occupied with a waiting list. Etowah Village also has a high vacancy rate at 6.2 percent. Two of the six vacant units are preleased. Current vacancy at the comparables is considered to be low and is indicative of a healthy market. Overall, we believe that the current performance of the LIHTC comparable properties, as well as their historically low vacancy rates, indicates demand for affordable rental housing in the Subject’s market.

Change in Rental Rates

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

RENT GROWTH

Property Name	Rent Structure	Tenancy	Rent Growth
Ashland Park Apartments	LIHTC	Family	None reported
Burrell Square	LIHTC	Family	Inc. 0-2% since 2Q 2019
Etowah Village*	LIHTC	Family	Increased 14 to 16 percent
Evergreen Village*	LIHTC	Family	None reported
Park Place Apartments*	LIHTC/ Market	Family	None
Ashton Ridge	Market	Family	Increased 30% for new leases
Eastland Court	Market	Family	Increased 2-6% since 2Q19
Guest House Apartments	Market	Family	Increased 3-4% since 2Q19
Hamilton Ridge	Market	Family	Increased 3% to 6%
The Grove At Six Hundred	Market	Family	None on balance

*Located outside of the PMA

The LIHTC properties report growth in some instances up to 16 percent in the past year. One property, Evergreen Village, is preparing for upcoming renovations. As such, the rents remained stable until the renovations are completed. The market rate properties reported in some instances rent growth up to 30 percent for those tenants signing new leases. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a LIHTC property.

10. Impact of Foreclosed, Abandoned and Vacant Structures

According to *RealtyTrac* statistics, one in every 9,569 housing units nationwide was in some stage of foreclosure as of April 2020. The City of Rome is experiencing a foreclosure rate of one in every 16,151 homes, which is similar to Floyd County. Georgia experienced one foreclosure in every 11,360 housing units. Overall, Rome is experiencing a similar foreclosure rate to Floyd County, and a lower rate than the state of Georgia and

the nation as a whole, indicating a healthy housing market. The Subject's neighborhood does not have a significant amount of abandoned or vacant structures that would impact the marketability of the Subject.

11. Effect of Subject on Other Affordable Units in Market

According to LIHTC allocation lists provided by the Georgia Department of Community Affairs, there have been six properties allocated tax credits within the Subject's PMA since 2017. Overall vacancy in the market is low at 3.4 percent. Evergreen Village reports a vacancy rate of 21.4 percent. The contact at Evergreen Village stated the 12 vacant units are not being marketed due to the upcoming renovation expected to begin in 2020. Previous to that, the manager indicated that the property was typically 100 percent occupied with a waiting list. Etowah Village also has a high vacancy rate at 6.2 percent. Two of the six vacant units are preleased. Excluding Evergreen Village and Etowah Village, which appear to be outliers, the affordable properties report vacancy rates ranging from zero to 3.6 percent. Further, four of the five LIHTC comparables reported maintaining waiting lists up to 20 households long, indicating strong demand for affordable housing in the area. In summary, the performance of the comparable LIHTC properties and the existence of waiting lists for affordable units indicates that the Subject will not negatively impact the existing or proposed affordable rental units in the market.

Conclusions

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are experiencing a weighted average vacancy rate of 4.4 percent, which is considered low. It should be noted Evergreen Village reports a vacancy rate of 21.4 percent. The contact at Evergreen Village stated the 12 vacant units are not being marketed due to the upcoming renovation expected to begin in 2020. Previous to that, the manager indicated that the property was typically 100 percent occupied with a waiting list. Etowah Village also has a high vacancy rate at 6.2 percent. Two of the six vacant units are preleased. Excluding Evergreen Village and Etowah Village, which appear to be outliers, the affordable properties report vacancy rates ranging from zero to 3.6 percent. Further, four of the five LIHTC comparables reported maintaining waiting lists up to 20 households long, indicating strong demand for affordable housing in the area. The low vacancy rates and the presence of waiting lists at these properties indicates there is a strong demand for affordable housing in the area. The Subject will offer inferior to similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and slightly inferior to superior property amenities. The Subject will offer a community building and exercise facility, which many of the comparables will lack. However, the Subject will lack exterior storage and a swimming pool, which are offered at several of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at several LIHTC comparable properties and the low capture rates, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well. Further, we believe that the Subject's affordable operation will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments). The timing of the Subject's construction will further insulate it from the current COVID-19 pandemic.

J. ABSORPTION AND STABILIZATION RATES

ABSORPTION AND STABILIZATION RATES

The following table details regional absorption data in the area. It should be noted that only one of the comparables was able to provide recent absorption data, and thus, we extended our search to other properties throughout Northwest Georgia.

ABSORPTION					
Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Brentwood Senior Apartments	LIHTC	Senior	2019	70	11
Stone Ridge Apartments	LIHTC	Family	2018	64	64
Burrell Square	LIHTC	Family	2017	84	21
Station 92 At Woodstock	Market	Family	2015	272	15
Average					28

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. As illustrated, the LIHTC and comparables achieved stabilized occupancy in approximately one to six months. Additionally, all of the affordable comparables have historically reported strong occupancy rates. We believe the Subject, as a proposed LIHTC property, will be absorbed at a rate similar to that of Burrell Square, the most comparable family LIHTC property reporting absorption. Thus, we believe the Subject will achieve an absorption rate of approximately 20 units per month, equating to an absorption period of approximately four to five months. It should be noted that construction on the Subject is not anticipated to be completed until October 2022, which is considered outside of the primary window from the COVID-19 pandemic.

K. INTERVIEWS

Georgia Department of Community Affairs

We were able to speak with Ms. Valencia Jordan, Director of Operations, of the Georgia Department of Community Affairs regarding the Housing Choice Voucher program in Candler County. According to Ms. Jordan, the Georgia Departments of Community Affairs allots 16,500 statewide, of which 14,000 are currently in use. Ms. Jordan also stated that there are 69 families utilizing these Housing Choice Vouchers in Floyd County. According to the Georgia DCA website, the waiting list for vouchers was open for one week, from February 1 to 7, 2016, and is currently closed. There are currently approximately 9,000 households on the waiting list, 51 of which are from Floyd County. The payment standards for Floyd County are listed below.

PAYMENT STANDARDS

Unit Type	Standard
One-Bedroom	\$644
Two-Bedroom	\$793
Three-Bedroom	\$1,064

Source: Georgia Department of Community Affairs, effective January 1, 2020

The Subject's proposed 30 and 60 percent rents, as well as the 80 percent three-bedroom rents are below the current payment standards. Thus, tenants utilizing vouchers in these units will not be required to pay out of pocket. The Subject's proposed 80 percent one and two-bedroom rents are above the payment standards. Therefore, tenants in these units will be required to pay out of pocket.

Planning

We made numerous attempts to contact the Rome-Floyd County Planning and Zoning Department. However, as of the date of this report, our calls have not been returned. We conducted additional online research utilizing LIHTC allocation lists provided by the Georgia Department of Community Affairs and a CoStar new construction report. According to our research, there are six multifamily developments currently planned, proposed, or under construction in the Subject's PMA.

COMPETITIVE SUPPLY

Property Name	Program	Location	Tenancy	Status	Competitive Units
Ashland Park	LIHTC	Rome	Family	Under Renovation	0
Meadow Lane	LIHTC/Section 8	Rome	Family	Complete	4
Altoview Terrace	LIHTC/PBRA	Rome	Family	Under construction	0
Park Homes	LIHTC/PBRA	Rome	Family	Complete	0
High Rise	LIHTC/PBRA	Rome	Senior	Complete	0
Callier Forest Apartments	LIHTC/PBRA	Rome	Family	Under Renovation	0

- Ashland Park was allocated in 2019 for the acquisition/rehab of 184 LIHTC units targeting families. Construction is expected to be completed in 2020. This property will be located 4.4 miles from the Subject site in Rome. The property will offer one, two, and three-bedroom units restricted to the 60 percent AMI level. Renovations will occur with tenants in place and income targeting for this property will not change post-renovation. Thus, Ashland Park will not add any new units to the market. As such, no units are deducted in our demand analysis.
- Meadow Lane was allocated in 2017 for the acquisition/rehab of 119 Section 8 and LIHTC units targeting families. This property was built in 1974, and renovations were completed in 2019. This property is located 3.7 miles from the Subject site in Rome. The property offers one, two, three and four-bedroom units restricted to the 60 percent AMI level. Of the Subject's 119 units at the 60 percent of AMI level, 114 will continue to operate with a Section 8 project-based subsidy and will not be considered directly competitive. Three of the 60 percent AMI units are three-bedroom and one of the 60 percent AMI units are four-

bedroom while one unit is a non-revenue unit. The 60 percent AMI three-bedroom units are competitive with the Subject and have been deducted from demand in our analysis.

- Altoview Terrace was allocated in 2018 for the development of 66 LIHTC units targeting families. Construction is expected to be completed in June 2021. This development will be located 1.1 miles from the Subject site in Rome. The property will offer one, two, three and four-bedroom units restricted to the 50 and 60 percent AMI levels. All units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.
- Park Homes was allocated in 2017 for the acquisition/rehab of 100 LIHTC units targeting families. Renovations were completed in February 2019. This property is located 1.8 miles from the Subject site in Rome. The property offers one, two, three and four-bedroom units restricted to the 60 percent AMI level. All units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.
- High Rise was allocated in 2017 for the acquisition/rehab of 101 LIHTC units targeting seniors. Renovations were completed in November 2018. This project is located 1.6 miles from the Subject site in Rome. The property will offer efficiency, one, two, and three-bedroom units restricted to the 60 percent AMI level. All units will be covered by a Rental Assistance Demonstration (RAD) program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. This property targets different tenancy than the Subject and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.
- Callier Forest Apartments was allocated in 2019 for the acquisition/rehab of 130 LIHTC units targeting families. Construction is expected to be completed in November 2020. This property will be located 2.5 miles from the Subject site in Rome. The property will offer one, two, and three-bedroom units restricted to the 60 percent AMI level. All units will be covered by a Section 8 program where all units will receive Section 8 project-based rental assistance (PBRA). Thus, all units will be subsidized and will not be considered directly competitive. As such, we have not deducted these units in our demand analysis.

Rome-Floyd Chamber of Commerce

We attempted to contact the Rome-Floyd Chamber of Commerce. As of the date of this report, our calls have yet to be returned. However, we were able to retrieve information on business expansions in the area from the Rome-Floyd Chamber of Commerce website.

EXPANSIONS/NEW ADDITIONS - FLOYD COUNTY, GA

Employer Name	Industry	Jobs
The Kerry Group	Manufacturing	100
Ball Aluminum Cups	Manufacturing	145
Ball Corporation	Manufacturing	46
Marglen Industries	Admin/Support/Waste Mgmt Svcs	20
Total		311

Source: Rome-Floyd Chamber of Commerce, retrieved May 2020

- The Kerry Group has announced a \$125 million investment for its Rome Plant. This investment will result in the addition of more than 100 new jobs. Construction is expected to be completed in early 2021.
- Ball Aluminum Cups has announced a new manufacturing facility that will be adjacent to Ball's existing aluminum beverage can manufacturing plant in Rome, Georgia, and is expected to ramp up production in the fourth quarter of 2020. Ball plans to hire approximately 145 new employees for the cups facility to support the multi-year investment of approximately \$200 million.

- Additionally, Ball Corporation announced the addition of a fourth production line to the Floyd County Plant. The company will be adding 46 jobs.
- Marglen Industries announced in 2020 that they would add two new lines to its recycling operations. The Marglen project represents a \$17 million investment that will add approximately 20 jobs.

As illustrated, there are several additions in a variety of industries including manufacturing and waste management. There have recently been 311 new jobs announced, which helps to counteract the 439 layoffs in the county since 2018.

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

L. CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

Demographics

The population in the PMA and the MSA increased from 2000 to 2019, though the rate of growth slowed from 2010 to 2019. The rate of population and household growth is projected to slow through 2024. The current population of the PMA is 95,802 and is expected to be 97,295 in 2024. The current number of households in the PMA is 35,497 and is expected to be 36,087 in 2024. Renter households are concentrated in the lowest income cohorts, with 62.1 percent of renters in the PMA earning between \$10,000 and \$59,999 annually. The Subject will target households earning between \$10,629 and \$51,680 for its LIHTC units; therefore, the Subject should be well-positioned to service this market. Overall, population growth and the concentration of renter households at the lowest income cohorts indicates significant demand for affordable rental housing in the market.

Employment Trends

Employment in the PMA is concentrated in the manufacturing, healthcare/social assistance, and educational services industries, which collectively comprise 42.2 percent of local employment. The large share of PMA employment in manufacturing is notable as this industry is historically volatile, and prone to contraction during economic downturns. However, the PMA also has a significant share of employment in the healthcare industry, which is historically known to exhibit greater stability during recessionary periods. Relative to the overall nation, the PMA features comparatively greater employment in the manufacturing, other services, and educational services industries. Conversely, the PMA is underrepresented in the professional/scientific/technology services, finance/insurance, and transportation/warehousing industries. The overconcentration of manufacturing employment may make the Subject area more susceptible to employment losses from the ongoing COVID-19 pandemic than the nation overall. However, the significant employment in the healthcare sector should provide stability to the area workforce.

Prior to the national recession, average employment growth in the MSA generally trailed the nation. Annual job growth in the MSA lagged the nation in every year between 2003 and 2007. The effects of the recession were particularly pronounced in the MSA, which experienced a 17.8 percent contraction in employment growth (2008-2011), well above the 4.9 percent contraction reported by the nation as a whole (2007-2010). Much of the job losses were in the manufacturing sector. Since 2012, average employment growth in the MSA trailed the nation in all but two years. As of November 2019, employment in the MSA has not surpassed its pre-recessionary high. However, employment has increased in each year since 2013. Due to the sudden impact of the COVID-19 pandemic, it is likely that the regional economy has been significantly affected and the near-term employment growth is unclear at this time.

The MSA experienced a lower average unemployment rate relative to the overall nation during the years preceding the recession. Unemployment in the MSA reached a historic low in 2006, a year before the overall nation. The effects of the recession were more pronounced in the MSA, which experienced a 7.6 percentage point increase in unemployment, compared to only a 5.0 percentage point increase across the overall nation. Since 2012, the MSA generally experienced a higher unemployment rate compared to the overall nation. According to the most recent labor statistics, the unemployment rate in the MSA is 3.1 percent, slightly lower than the current national unemployment rate of 3.3 percent. However, again due to the COVID-19 pandemic, it is unclear how severely the regional economy has been affected and how temporary in nature the increase in unemployment will be for the SMA.

Beginning in March 2020, the international pandemic caused by the COVID-19 coronavirus resulted in governments across the globe taking dramatic efforts to slow the spread and flatten the infection curve in order to reduce the strain on our health care system. Consequently, over the past two months there has been a sharp and dramatic increase in layoffs due to the economic restrictions related to the emergency response. However, governments have passed significant economic stimulus packages to help in offsetting the economic

impact. Local governments have begun to lift or loosen restrictions and the stimulus passed thus far has blunted some of the impact from the emergency measures. It remains unclear as to how these measures will impact the housing market long term. However, based on the data available through two months, which indicates some multifamily real estate transactions have continued to close without repricing and rent collection losses during this period have declined less than projected, the governmental response has offset a significant portion of the economic losses presented by the emergency. There is evidence that, despite the significant level of recent layoffs, many other area employers are hiring. Overall, we anticipate that the elevated layoff pace will subside now that economic restrictions have been loosened in the Subject's market area. We believe that the Subject's affordable nature will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments).

Capture Rates

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

CAPTURE RATE ANALYSIS CHART

Unit Type	Minimum Income	Maximum Income	Units Proposed	Total Demand	Supply	Net Demand	Capture Rate	Proposed Rents
1BR at 30% AMI	\$10,629	\$14,370	5	364	0	364	1.4%	\$250
1BR at 60% AMI	\$21,771	\$28,740	10	438	0	438	2.3%	\$575
1BR at 80% AMI	\$28,286	\$38,320	5	505	0	505	1.0%	\$825
1BR Overall	\$10,629	\$38,320	20	1,063	0	1,063	1.9%	-
2BR at 30% AMI	\$12,583	\$16,170	10	350	0	350	2.9%	\$290
2BR at 60% AMI	\$24,926	\$32,340	20	420	0	420	4.8%	\$650
2BR at 80% AMI	\$32,571	\$43,120	10	484	0	484	2.1%	\$950
2BR Overall	\$12,583	\$43,120	40	1,020	0	1,020	3.9%	-
3BR at 30% AMI	\$14,674	\$19,380	5	281	0	281	1.8%	\$330
3BR at 60% AMI	\$28,217	\$38,760	10	338	3	335	3.0%	\$725
3BR at 80% AMI	\$36,000	\$51,680	5	389	0	389	1.3%	\$1,050
3BR Overall	\$14,674	\$51,680	20	820	3	817	2.4%	-
@30% Overall	\$10,629	\$19,380	20	995	0	995	2.0%	-
@60% Overall	\$21,771	\$38,760	40	1,197	3	1,194	3.4%	-
@80% Overall	\$28,286	\$51,680	20	1,378	0	1,378	1.5%	-
Overall	\$10,629	\$51,680	80	2,903	3	2,900	2.8%	-

We believe these calculated capture rates are reasonable, particularly as these calculations do not consider demand from outside the PMA or standard rental household turnover. We believe there is adequate demand for the Subject. All capture rates are within Georgia DCA thresholds.

Absorption

The following table details regional absorption data in the area. It should be noted that only one of the comparables was able to provide recent absorption data, and thus, we extended our search to other properties throughout Northwest Georgia.

ABSORPTION

Property Name	Rent	Tenancy	Year	Total Units	Absorption (units/month)
Brentwood Senior Apartments	LIHTC	Senior	2019	70	11
Stone Ridge Apartments	LIHTC	Family	2018	64	64
Burrell Square	LIHTC	Family	2017	84	21
Station 92 At Woodstock	Market	Family	2015	272	15
Average					28

Per DCA guidelines, we calculated the absorption to 93 percent occupancy. As illustrated, the LIHTC and comparables achieved stabilized occupancy in approximately one to six months. Additionally, all of the affordable comparables have historically reported strong occupancy rates. We believe the Subject, as a proposed LIHTC property, will be absorbed at a rate similar to that of Burrell Square, the most comparable family LIHTC property reporting absorption. Thus, we believe the Subject will achieve an absorption rate of approximately 20 units per month, equating to an absorption period of approximately four to five months. It should be noted that construction on the Subject is not anticipated to be completed until October 2022, which is considered outside of the primary window from the COVID-19 pandemic.

Vacancy Trends

The following table illustrates the vacancy rates in the market.

OVERALL VACANCY					
Property Name	Rent Structure	Tenancy	Total Units	Vacant Units	Vacancy Rate
Ashland Park Apartments	LIHTC	Family	184	0	0.0%
Burrell Square	LIHTC	Family	84	3	3.6%
Etowah Village*	LIHTC	Family	96	6	6.2%
Evergreen Village*	LIHTC	Family	56	12	21.4%
Park Place Apartments*	LIHTC/ Market	Family	60	0	0.0%
Ashton Ridge	Market	Family	88	4	4.5%
Eastland Court	Market	Family	116	2	1.7%
Guest House Apartments	Market	Family	75	3	4.0%
Hamilton Ridge	Market	Family	48	0	0.0%
The Grove At Six Hundred	Market	Family	104	1	1.0%
Total LIHTC			480	21	4.4%
Total Market Rate			431	10	2.3%
Overall Total			911	31	3.4%

*Located outside of the PMA

Overall vacancy in the market is low at 3.4 percent. Evergreen Village reports a vacancy rate of 21.4 percent. The contact at Evergreen Village stated the 12 vacant units are not being marketed due to the upcoming renovation expected to begin in 2020. Previous to that, the manager indicated that the property was typically 100 percent occupied with a waiting list. Etowah Village also has a high vacancy rate at 6.2 percent. Two of the six vacant units are preleased. Excluding Evergreen Village and Etowah Village, which appear to be outliers, the affordable properties report vacancy rates ranging from zero to 3.6 percent. Further, four of the five LIHTC comparables reported maintaining waiting lists up to 20 households long, indicating strong demand for affordable housing in the area. The low vacancy rates and the presence of waiting lists at these properties indicates there is a strong demand for affordable housing in the area.

Hamilton Ridge reported no vacancies. The overall vacancy rate at the market rate properties is 2.3 percent. The strong performance at these properties indicates that there is demand for conventional rental housing in the Subject's PMA. As a newly constructed property with a competitive amenity package, we anticipate that the Subject would perform with a vacancy rate of five percent or less.

Strengths of the Subject

The Subject will be the newest LIHTC development in the PMA upon completion. The Subject will exhibit excellent condition upon completion, which is similar to superior to the existing LIHTC housing stock in the PMA. The Subject will offer competitive amenity packages, which will include a community building and exercise facility, which many of the comparables will lack. The Subject will offer a considerable rent advantage over the comparables; the Subject's proposed rents are among the lowest in the market. Therefore, we believe

the Subject will be well received in the market given its competitive advantage over the existing housing stock, competitive amenity packages, and rent advantage over the LIHTC and market rate comparables.

Conclusion

Based upon our market research, demographic calculations and analysis, we believe there is adequate demand for the Subject property as proposed. The LIHTC comparables are experiencing a weighted average vacancy rate of 4.4 percent, which is considered low. It should be noted Evergreen Village reports a vacancy rate of 21.4 percent. The contact at Evergreen Village stated the 12 vacant units are not being marketed due to the upcoming renovation expected to begin in 2020. Previous to that, the manager indicated that the property was typically 100 percent occupied with a waiting list. Etowah Village also has a high vacancy rate at 6.2 percent. Two of the six vacant units are preleased. Excluding Evergreen Village and Etowah Village, which appear to be outliers, the affordable properties report vacancy rates ranging from zero to 3.6 percent. Further, four of the five LIHTC comparables reported maintaining waiting lists up to 20 households long, indicating strong demand for affordable housing in the area. The low vacancy rates and the presence of waiting lists at these properties indicates there is a strong demand for affordable housing in the area. The Subject will offer inferior to similar in-unit amenities in comparison to the LIHTC and market rate comparable properties and slightly inferior to superior property amenities. The Subject will offer a community building and exercise facility, which many of the comparables will lack. However, the Subject will lack exterior storage and a swimming pool, which are offered at several of the comparable developments. Overall, we believe that the proposed amenities will allow the Subject to effectively compete in the LIHTC market. As new construction, the Subject will be in excellent condition upon completion and will be superior in terms of condition to the majority of the comparable properties. The Subject's proposed unit sizes will be competitive with the comparable properties. Given the Subject's anticipated superior condition relative to the competition and the demand for affordable housing evidenced by low vacancy at several LIHTC comparable properties and the low capture rates, we believe that the Subject is feasible as proposed. We believe that it will fill a void in the market and will perform well. Further, we believe that the Subject's affordable operation will make it more likely to weather the current economic challenges due to COVID-19 better than average (as compared with other multifamily developments). The timing of the Subject's construction will further insulate it from the current COVID-19 pandemic.

Recommendations

We recommend the Subject as proposed.

M. SIGNED STATEMENT REQUIREMENTS

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

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

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



H. Blair Kincer, MAI
Partner
Novogradac Consulting LLP

June 17, 2020



Brian Neukam
Manager
Novogradac Consulting LLP

June 17, 2020



Brinton Noble
Analyst
Novogradac Consulting LLP

June 17, 2020

ADDENDUM A
Assumptions and Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

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

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

ADDENDUM B
Subject and Neighborhood Photographs

Photographs of Subject Site and Surrounding Uses



View east along Pollock Street



View west along Pollock Street



View of the Subject site



View of the Subject site



View of the Subject site



View of the Subject site



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Medical facility in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Anna K. Davie Elementary School in the Subject's neighborhood



Commercial use in the Subject's neighborhood



Etowah Landing in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood



Single-family home in the Subject's neighborhood

ADDENDUM C
Qualifications

STATEMENT OF PROFESSIONAL QUALIFICATIONS

H. BLAIR KINCER, MAI, CRE

I. Education

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

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

II. Licensing and Professional Affiliation

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

Certified General Real Estate Appraiser, No. GA12288 – District of Columbia
Certified General Real Estate Appraiser, No CG1694 – State of Maine
Certified General Real Estate Appraiser, No. 1326 – State of Maryland
Certified General Real Estate Appraiser, No. 103789 – State of Massachusetts
Certified General Real Estate Appraiser, No. 46000039124 – State of New York
Certified General Real Estate Appraiser, No. A6765 – State of North Carolina
Certified General Real Estate Appraiser, No. GA001407L – Commonwealth of Pennsylvania
Certified General Real Estate Appraiser, No. 5930 – State of South Carolina
Certified General Real Estate Appraiser, No. 3918 – State of Tennessee
Certified General Real Estate Appraiser, No. 4001004822 – Commonwealth of Virginia

III. Professional Experience

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

IV. Professional Training

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

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

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

V. Real Estate Assignments – Examples

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

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

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

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

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
BRIAN NEUKAM**

EDUCATION

Georgia Institute of Technology, Bachelor of Industrial Engineering, 1995

State of Georgia Certified General Real Property Appraiser No.329471

State of North Carolina Certified General Appraiser No. 8284

State of South Carolina Certified General Appraiser No. 7493

PROFESSIONAL TRAINING

National USPAP and USPAP Updates

General Appraiser Market Analysis and Highest & Best Use

General Appraiser Sales Comparison Approach

General Appraiser Site Valuation and Cost Approach

General Appraiser Income Capitalization Approach I and II

General Appraiser Report Writing and Case Studies

EXPERIENCE

Novogradac & Company LLP, Manager, December 2016-present

Novogradac & Company LLP, Senior Real Estate Analyst, September 2015- December 2016

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

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

REAL ESTATE ASSIGNMENTS

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

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

STATEMENT OF PROFESSIONAL QUALIFICATIONS

Brinton Noble

I. Education

Clemson University - Clemson, SC
Bachelor of Science in Economics

II. Professional Experience

Analyst, Novogradac & Company LLP, December 2019 – Present
Junior Analyst, Novogradac & Company LLP, January 2019 – December 2019
Substitute Teacher, Fayetteville-Manlius School District, September 2017 - October 2018
Intern to the Assistant Superintendent of Business Administration, Fayetteville-Manlius School District, May 2016 - June 2016

III. Research Assignments

A representative sample of work on various types of projects:

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

ADDENDUM D
Summary Matrix

SUMMARY MATRIX

Comp #	Property Name	Distance to Subject	Type / Built / Renovated	Rent Structure	Unit Description	#	%	Size (SF)	Restriction	Rent (Adj)	Max Rent?	Waiting List?	Vacant Units	Vacancy Rate
Subject	South Meadows 12 Pollock Street Rome, GA 30161 Floyd County	-	Garden 2-stories 2022 / n/a Family	@30%, @60%, @80%	1BR / 1BA	5	6.3%	700	@30%	\$250	No	N/A	N/A	N/A
					1BR / 1BA	10	12.5%	700	@60%	\$575	No	N/A	N/A	N/A
					1BR / 1BA	5	6.3%	700	@80%	\$825	No	N/A	N/A	N/A
					2BR / 1BA	10	12.5%	980	@30%	\$290	No	N/A	N/A	N/A
					2BR / 1BA	20	25.0%	980	@60%	\$650	No	N/A	N/A	N/A
					2BR / 1BA	10	12.5%	980	@80%	\$950	No	N/A	N/A	N/A
					3BR / 2BA	5	6.3%	1,140	@30%	\$330	No	N/A	N/A	N/A
					3BR / 2BA	10	12.5%	1,140	@60%	\$725	No	N/A	N/A	N/A
					3BR / 2BA	5	6.3%	1,140	@80%	\$1,050	No	N/A	N/A	N/A
										<u>80</u>				
1	Ashland Park Apartments 10 Ashland Park Boulevard NE Rome, GA 30165 Floyd County	4.4 miles	Garden 3-stories 2005 / n/a Family	@60%	1BR / 1BA	24	13.0%	874	@60%	\$540	No	No	0	0.0%
					2BR / 2BA	88	47.8%	1,149	@60%	\$617	No	No	0	0.0%
					3BR / 2BA	72	39.1%	1,388	@60%	\$680	No	No	0	0.0%
										<u>184</u>				
2	Burrell Square 425 Cherokee Street Rome, GA 30161 Floyd County	0.4 miles	Various 3-stories 2017 / n/a Family	@50%, @60%	1BR / 1BA	13	15.5%	750	@50%	\$374	No	Yes	0	0.0%
					1BR / 1BA	9	10.7%	750	@60%	\$486	No	Yes	0	0.0%
					2BR / 2BA	4	4.8%	1,050	@50%	\$470	No	Yes	0	0.0%
					2BR / 2BA	37	44.1%	1,050	@60%	\$580	No	Yes	1	2.7%
					3BR / 2BA	4	4.8%	1,250	@50%	\$525	No	Yes	0	0.0%
					3BR / 2BA	17	20.2%	1,250	@60%	\$655	No	Yes	2	11.8%
										<u>84</u>				
3	Etowah Village 366 Old Mill Road Cartersville, GA 30120 Bartow County	22.0 miles	Garden 2-stories 1998 / 2012 Family	@50%, @60%	2BR / 2BA	24	25.0%	1,106	@50%	\$838	Yes	Yes	N/A	N/A
					3BR / 2BA	36	37.5%	1,237	@50%	\$978	Yes	Yes	N/A	N/A
					3BR / 2BA	36	37.5%	1,237	@60%	\$978	No	Yes	N/A	N/A
										<u>96</u>				
4	Evergreen Village 110 Evergreen Lane Cedartown, GA 30125 Polk County	14.6 miles	Garden 2-stories 1999 / n/a Family	@50%, @60%	1BR / 1BA	8	14.3%	756	@50%	\$394	No	Yes	N/A	N/A
					1BR / 1BA	8	14.3%	756	@60%	\$399	No	Yes	N/A	N/A
					2BR / 1BA	10	17.9%	915	@50%	\$461	No	Yes	N/A	N/A
					2BR / 1BA	10	17.9%	915	@60%	\$498	No	Yes	N/A	N/A
					3BR / 2BA	10	17.9%	1,136	@50%	\$517	No	Yes	N/A	N/A
					3BR / 2BA	10	17.9%	1,136	@60%	\$537	No	Yes	N/A	N/A
										<u>56</u>				
5	Park Place Apartments 800 Park Place Circle Rockmart, GA 30153 Polk County	20.2 miles	Garden 3-stories 2003 / n/a Family	@50%, @60%, Market	1BR / 1BA	8	13.3%	677	@50%	\$400	No	No	N/A	N/A
					1BR / 1BA	2	3.3%	677	@60%	\$411	No	No	N/A	N/A
					1BR / 1BA	2	3.3%	677	Market	\$505	N/A	No	N/A	N/A
					2BR / 1BA	14	23.3%	883	@50%	\$466	No	No	N/A	N/A
					2BR / 1BA	5	8.3%	883	@60%	\$481	No	No	N/A	N/A
					2BR / 1BA	5	8.3%	883	Market	\$610	N/A	No	N/A	N/A
					3BR / 2BA	14	23.3%	1,100	@50%	\$525	No	No	N/A	N/A
					3BR / 2BA	5	8.3%	1,100	@60%	\$581	No	No	N/A	N/A
					3BR / 2BA	5	8.3%	1,100	Market	\$654	N/A	No	N/A	N/A
										<u>60</u>				
6	Ashton Ridge 2522 Callier Springs Road Rome, GA 30161 Floyd County	1.8 miles	Garden 3-stories 1999 / 2020 Family	Market	1BR / 1BA	14	15.9%	708	Market	\$795	N/A	No	N/A	N/A
					2BR / 2BA	37	42.1%	933	Market	\$942	N/A	No	N/A	N/A
					3BR / 2BA	37	42.1%	1,134	Market	\$1,040	N/A	No	N/A	N/A
										<u>88</u>				
7	Eastland Court 40 Chateau Drive Rome, GA 30161 Floyd County	2.3 miles	Garden 4-stories 2005/2007 / n/a Family	Market	1BR / 1BA	21	18.1%	804	Market	\$970	N/A	No	0	0.0%
					1BR / 1BA	4	3.5%	919	Market	\$1,145	N/A	No	0	0.0%
					2BR / 2BA	68	58.6%	1,056	Market	\$1,177	N/A	No	2	2.9%
					3BR / 2BA	23	19.8%	1,516	Market	\$1,365	N/A	No	0	0.0%
										<u>116</u>				
8	Guest House Apartments 48 Chateau Drive Rome, GA 30161 Floyd County	2.4 miles	Various 2-stories 1989 / 2002/2019 Family	Market	1BR / 1BA	59	78.7%	550	Market	\$785	N/A	No	2	3.4%
					2BR / 1.5BA	16	21.3%	1,100	Market	\$992	N/A	No	1	6.3%
										<u>75</u>				
9	Hamilton Ridge 72 Hamilton Avenue Rome, GA 30165 Floyd County	1.6 miles	Garden 3-stories 2002 / n/a Family	Market	1BR / 1BA	20	41.7%	532	Market	\$695	N/A	Yes	0	0.0%
					2BR / 1BA	20	41.7%	1,000	Market	\$852	N/A	Yes	0	0.0%
					3BR / 1BA	8	16.7%	1,300	Market	\$1,015	N/A	Yes	0	0.0%
										<u>48</u>				
10	The Grove At Six Hundred 600 Redmond Road NW Rome, GA 30165 Floyd County	2.7 miles	Townhouse 2-stories 1974 / 2017 Family	Market	2BR / 1.5BA	88	84.6%	1,120	Market	\$870	N/A	No	1	1.1%
					3BR / 2BA	16	15.4%	1,320	Market	\$1,195	N/A	No	0	0.0%
										<u>104</u>				