

# Market Feasibility Analysis

Holly Tree Manor  
185 Doyle Street  
Holly Hill, Orangeburg County, South Carolina 29059

*Prepared For*

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Columbia, South Carolina 29223

*Effective Date*

February 2, 2017

*Job Reference Number*

16-567 CR



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**2017 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (WITH SUBSIDY):**

Development Name:	Holly Tree Manor	Total # Units:	24
Location:	185 Doyle Street, Holly Hill, SC 29059	# LIHTC Units:	24
PMA Boundary:	Lake Marion to the north, the Orangeburg and Dorchester County boundaries to the east; 2 <sup>nd</sup> Bend Road and U.S. Highway 178 to the south; and Interstate 95 to the west.		
Development Type:	<input type="checkbox"/> Family <input checked="" type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	~12.5 miles

**RENTAL HOUSING STOCK (found on page H-15 and Add. A-4)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	4	94	0	100.0%
Market-Rate Housing	0	0	-	-
Assisted/Subsidized Housing not to include LIHTC	2	36	0	100.0%
<b>LIHTC (All that are stabilized)*</b>	2	58	0	100.0%
Stabilized Comps** (In market only)	1	34	0	100.0%
Non-stabilized Comps	0	-	-	-

\* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

\*\* Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Current Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
24	One-Br.	1.0	694	\$135	\$595	\$0.86	77.31%	\$953	\$1.46
<b>Gross Potential Rent Monthly*</b>				<b>\$3,240**</b>	<b>\$14,280</b>		<b>77.31%</b>		

\*Market Advantage is calculated using the following formula: (Gross Adjusted Market Rent (minus) Gross Proposed Tenant Rent) (divided by) Gross Adjusted Market Rent. The calculation should be expressed as a percentage and rounded to two decimal points. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.

\*\*Differs from tenant rent paid illustrated on rent roll (Addendum D), as it indicates one vacant unit which has or will be filled from the waiting list.

**DEMOGRAPHIC DATA (found on page F-4 & G-5)**

	2000	2016		2019	
Renter Households (62+)		411	16.5%	494	18.7%
Income-Qualified Renter HHs (LIHTC)		327	79.6%	371	75.1%
Income-Qualified Renter HHs (MR)		N/A	N/A	N/A	N/A

**TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)**

Type of Demand	50%	60%	Market-rate	Other:	Other: RD	Overall
Renter Household Growth	-	-		-	44	44
Existing Households (Overburd + Substand)	-	-		-	202	202
Homeowner conversion (Seniors)	-	-		-	46	46
Other:	-	-		-	0	0
Less Comparable/Competitive Supply	-	-		-	0	0
<b>Net Income-qualified Renter HHs</b>	-	-		-	<b>292</b>	<b>292</b>

**CAPTURE RATES (found on page G-5)**

Targeted Population	50%	60%	Market-rate	Other:	Other: RD	Overall
Capture Rate	-	-		-	8.2%	8.2%

**ABSORPTION RATE (found on page G-7)**

Absorption Period: Three (3) months

2017 S-2 RENT CALCULATION WORKSHEET (AS PROPOSED WITH SUBSIDY)

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
24	1 BR	\$135	\$3,240	\$595	\$14,280	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	24		\$3,240		\$14,280	77.31%

**2017 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (LIHTC ONLY):**

Development Name:	Holly Tree Manor	Total # Units:	24
Location:	185 Doyle Street, Holly Hill, SC 29059	# LIHTC Units:	24
PMA Boundary:	Lake Marion to the north, the Orangeburg and Dorchester County boundaries to the east; 2 <sup>nd</sup> Bend Road and U.S. Highway 178 to the south; and Interstate 95 to the west.		
Development Type:	Family <input type="checkbox"/> Older Persons <input checked="" type="checkbox"/>	Farthest Boundary Distance to Subject:	~12.5 miles

**RENTAL HOUSING STOCK (found on page H-15 and Add. A-4)**

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	4	94	0	100.0%
Market-Rate Housing	0	0	-	-
Assisted/Subsidized Housing not to include LIHTC	2	36	0	100.0%
<b>LIHTC (All that are stabilized)*</b>	2	58	0	100.0%
Stabilized Comps** (In market only)	1	34	0	100.0%
Non-stabilized Comps	0	-	-	-

\* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

\*\* Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
5	One-Br.	1.0	694	\$367**	\$595	\$0.86	38.32%	\$953	\$1.46
19	One-Br.	1.0	694	\$460	\$595	\$0.86	22.69%	\$953	\$1.46
<b>Gross Potential Rent Monthly*</b>				<b>\$10,575</b>	<b>\$14,280</b>		<b>25.95%</b>		

\*Market Advantage is calculated using the following formula: (Gross Adjusted Market Rent (minus) Gross Proposed Tenant Rent) (divided by) Gross Adjusted Market Rent. The calculation should be expressed as a percentage and rounded to two decimal points. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.

\*\*Reflective of maximum allowable LIHTC rent limit, as proposed rent under RD 515 exceeds maximum allowable LIHTC limit.

**DEMOGRAPHIC DATA (found on page G-5)**

	2000	2016		2019	
Renter Households (55+)		595	17.2%	670	18.5%
Income-Qualified Renter HHs (LIHTC)		135	22.7%	152	22.7%
Income-Qualified Renter HHs (MR)		N/A	N/A	N/A	N/A

**TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)**

Type of Demand	50%	60%	Market-rate	Other:	Other:	Overall
Renter Household Growth	10	12	-	-	-	17
Existing Households (Overburd + Substand)	57	54	-	-	-	83
Homeowner conversion (Seniors)	13	16	-	-	-	22
Other:	0	0	-	-	-	0
Less Comparable/Competitive Supply	0	0	-	-	-	0
<b>Net Income-qualified Renter HHs</b>	<b>80</b>	<b>82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>122</b>

**CAPTURE RATES (found on page G-5)**

Targeted Population	50%	60%	Market-rate	Other:	Other:	Overall
Capture Rate	6.3%	23.2%	-	-	-	19.7%

**ABSORPTION RATE (found on page G-7)**

Absorption Period: Eight (8) months

2017 S-2 RENT CALCULATION WORKSHEET (LIHTC-ONLY)

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
5	1 BR	\$367	\$1,835	\$595	\$2,975	
19	1 BR	\$460	\$8,740	\$595	\$11,305	
	1 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	2 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	3 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	24		\$10,575		\$14,280	25.95%

## B. Project Description

The proposed project involves the renovation of the 24-unit Holly Tree Manor apartment property in Holly Hill, South Carolina. Currently, the project targets senior households age 62 and older and operates under the Low-Income Housing Tax Credit (LIHTC) and Rural Development (RD) 515 program, with 21 units receiving Rental Assistance (RA) directly through RD. The subsidy allows tenants of these units to pay up to 30% of their adjusted gross household incomes towards shelter costs (rent and utilities). According to management, the project is currently 100.0% occupied and maintains a four-household waiting list.

The project will be renovated utilizing funding from the LIHTC program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will target senior households (age 62+) with incomes of up to 50% and 60% of Area Median Household Income (AMHI). Notably, the project will continue to operate under the RD 515 program and the 21 units of RA will be retained post renovations. The proposed collected Tax Credit rent is \$460, regardless of AMHI level. All renovations are expected to be complete by May 2018. Additional details of the subject project are as follows:

- A. PROPERTY LOCATION:** Holly Tree Manor  
185 Doyle Street  
Holly Hill, South Carolina 29059  
(Orangeburg County)
- B. CONSTRUCTION TYPE:** Rehab of existing LIHTC and RD 515 property built in 1993
- C. OCCUPANCY TYPE:** Senior Age 62+
- D. TARGET INCOME GROUP:** 50% and 60% AMHI
- E. SPECIAL NEEDS POPULATION:** None
- F. AND H. TO J. UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Current Tenant Rent*	Current Basic/Note Rent	Proposed Rents			Max. Allowable LIHTC Gross Rent
								Collected Rent	Utility Allowance	Gross Rent	
5	One-Br.	1.0	Garden	694	50%	\$135	\$460/\$727	\$460	\$132	\$592	\$499
19	One-Br.	1.0	Garden	694	60%	\$135	\$460/\$727	\$460	\$132	\$592	\$599
24	Total										

Source: Boyd Management, Inc.

AMHI – Area Median Household Income (Orangeburg County, SC; 2016)

\*Average tenant-paid rent based on current rent roll

*Note that the proposed rents illustrated in the preceding table are reflective of the programmatic rents under the RD 515 program and that the proposed gross rents under this program for the one-bedroom units set at 50% of AMHI exceed the LIHTC maximum allowable limits for such unit types. As such, we have evaluated the subject units at 50% of AMHI assuming maximum allowable LIHTC rent limits for the area, throughout the remainder of this report, as the subject project would need to lower these rents to, or below, maximum allowable LIHTC limits in the unlikely event the project-based subsidy was lost.*

**G. NUMBER OF STORIES/BUILDINGS:** Six (6) one-story residential buildings and one (1) stand-alone 1,280 square-foot community building.

**K. PROJECT-BASED RENTAL ASSISTANCE (EXISTING OR PROPOSED):** Rural Development 515 with 21 units of Rental Assistance

**L. COMMUNITY AMENITIES:**

The subject property, once renovated, will include the following community features:

- Security Cameras
- On-Site Management
- Laundry Facility
- Computer Center
- Recycling Center
- Community Room
- Fitness Center
- Gazebo
- Picnic Area

**M. UNIT AMENITIES:**

Each unit will include the following amenities:

- Electric Range
- Refrigerator
- Central Air Conditioning
- Emergency Call Button
- Microwave Oven
- Vinyl Tile
- Window Blinds
- Washer/Dryer Hookups
- Patio
- Ceiling Fan

**N. PARKING:**

A surface parking lot with 28 unassigned spaces will be available at no additional cost to the residents. This equates to approximately 1.1 spaces per unit, which is considered adequate for age-restricted affordable rental product, as evidenced by the subject's 100.0% occupancy.



**O. RENOVATIONS AND CURRENT OCCUPANCY:**

A detailed scope of work provided by the developer at the time of this report is included in *Addendum C*.

The subject project comprises 24 total units which are currently 100.0% occupied with a four-household waiting list maintained for the next available unit. Note that while the rent roll provided in Addendum D illustrates one (1) vacant unit at the subject project, management of the subject project indicated that this unit has been filled from the waiting list maintained at the property. Thus, we have considered the subject project 100.0% occupied for the purpose of this analysis. The project currently charges basic and net/market rents of \$460 and \$727 for the one-bedroom units under the RD 515 program. Of the 24 total units offered at the subject project, 21 receive RA directly through RD. Due to the subsidy available at the subject project, the average tenant-paid rent is \$135, based on the subject project's current rent roll. Following Tax Credit renovations, the 21 units of RA will be retained and most, if not all, current tenants are expected to continue to income-qualify to reside at the subject project. A copy of the current tenant rent roll provided for review at the time of this analysis has been included in *Addendum D*.

**P. UTILITY RESPONSIBILITY:**

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

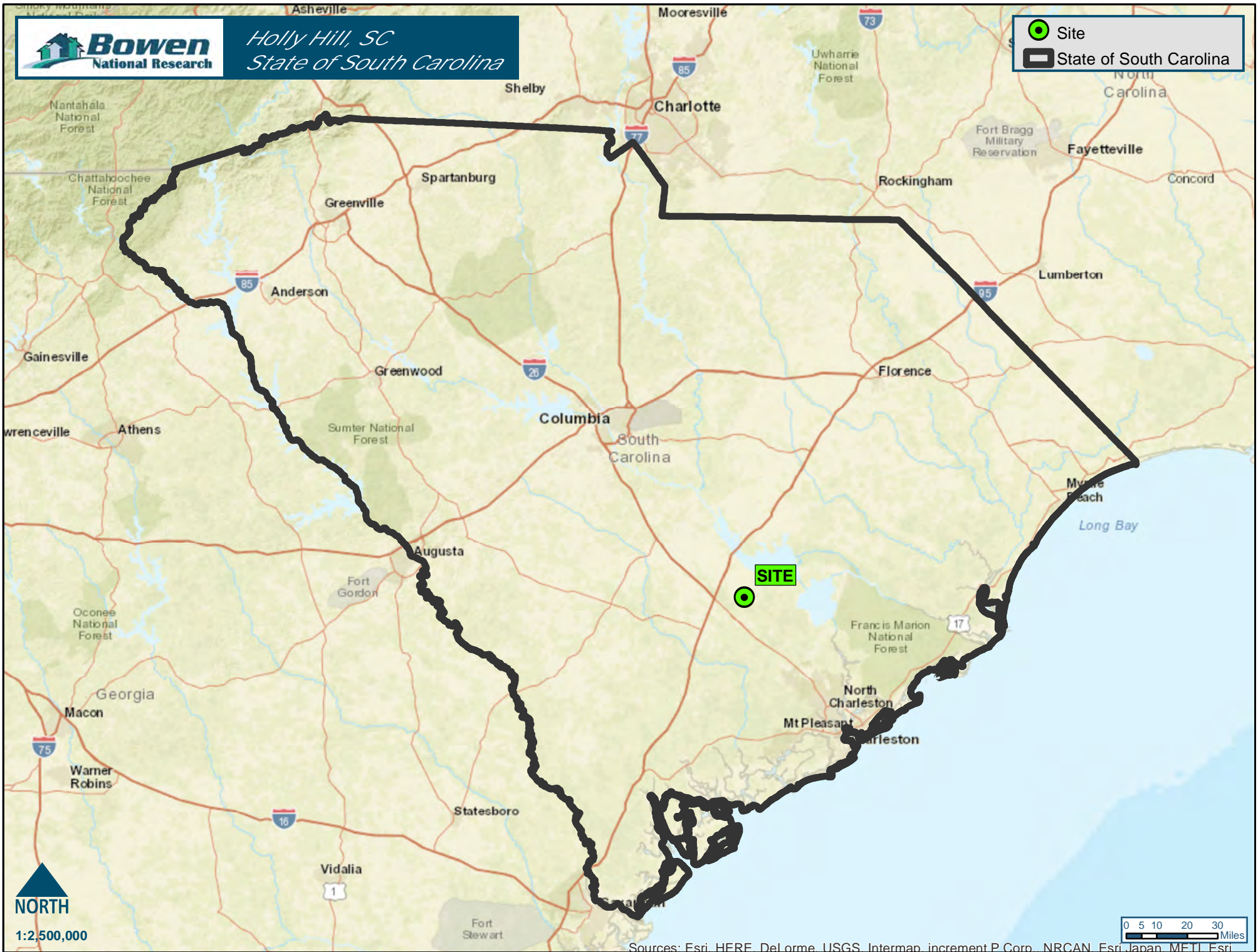
- Electric Heat
- Electric Water Heat
- Cold Water
- Electric Cooking
- General Electricity
- Sewer

A state map and an area map are on the following pages.



Holly Hill, SC  
State of South Carolina

- Site
- State of South Carolina

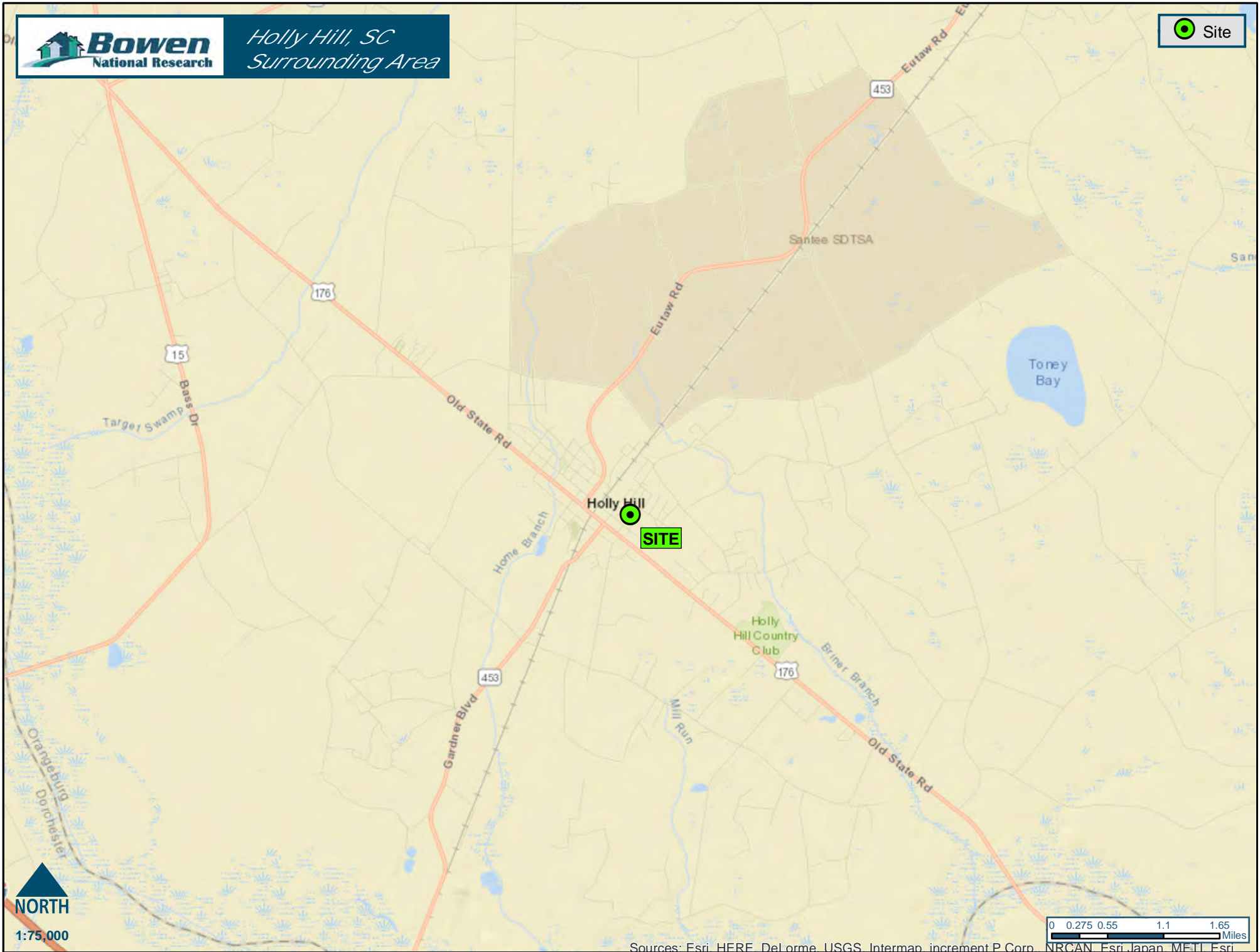


NORTH  
1:2,500,000

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



Holly Hill, SC  
Surrounding Area



**NORTH**  
1:75,000



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

## C. Site Description and Evaluation

### 1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of January 16, 2017. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

### 2. SITE DESCRIPTION AND SURROUNDING LAND USES

The existing subject site, Holly Tree Manor, is comprised of six (6) one-story residential structures and one non-residential community building located on a 4.62-acre site at 185 Doyle Street, in Holly Hill, South Carolina. Located within Orangeburg County, Holly Hill is approximately 29.0 miles northwest of Summerville, South Carolina and approximately 30.0 miles southeast of Orangeburg, South Carolina. Following is a description of surrounding land uses:

<b>North -</b>	A light tree line defines the northern boundary of the site. Continuing north is a mix of vacant land and scattered one- and two-story single-family and manufactured homes, observed to range from subpar to satisfactory condition.
<b>East -</b>	The eastern boundary of the site is defined by vacant undeveloped land and a one-story single-family home observed to be in good condition. Continuing east are residential neighborhoods generally comprised of one- and two-story single-family homes ranging from fair to good condition.
<b>South -</b>	The southern boundary of the site is defined by a moderate tree line. Continuing south are one-story single-family homes observed to be in good condition. Extending farther south are homogenous single-family home neighborhoods and various commercial businesses such as Shell (gas station/convenience store), Holly Hill Motor, and Marathon/Holly Hill Mart (gas station/convenience store), all of which were observed to be in good condition.
<b>West -</b>	The western boundary of the site is defined by a moderate tree line, followed by a residential neighborhood generally comprised of one- and two-story single-family homes ranging from subpar to good condition. Continuing west is the Holly Hill Farm Center industrial complex.

The subject site is within a primarily residential area of Holly Hill. The light to moderate tree lines surrounding much of the site provides a semi-private environment at the subject site and an aesthetically pleasing natural buffer to additional surrounding land uses. The single-family homes within the immediate site area are generally in good condition, though several homes in subpar condition were also observed scattered throughout the site neighborhood. It is of note, however, that such structures are not uncommon throughout the Holly Hill and surrounding areas, based on the observations of our analyst. In addition, the subject project is currently 100.0% occupied with a waitlist, a clear indication that these lesser quality structures have not had any adverse impact on marketability of the subject project. Overall, the subject property fits well with the surrounding land uses and the site location appears to be conducive to age-restricted rental housing, as evidenced by the 100.0% occupancy rate currently maintained at the existing subject project.

**3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE**

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

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	U.S. Highway 176	0.2 Southwest
	State Route 453	0.5 Northwest
Public Bus Stop	Orangeburg County Council on Aging	On-call
Major Employers/ Employment Centers	Holcim	3.3 Southwest
Convenience Store	Shell	0.1 Southwest
	Holly Hill Mart	0.2 Southwest
	Quick Stop	0.3 West
Grocery	General IGA	0.4 West
	Piggly Wiggly	0.6 West
	Dollar General Market	0.7 Northwest
Discount Department Store	Super Ten Stores	0.3 West
	Family Dollar	0.6 Northwest
Shopping Center/Mall	Bradford Village Shopping Center	14.2 Northwest
Hospital	Regional Medical Center of Orangeburg	33.5 Northwest
Medical Center	Family Diagnostic Associates	0.8 Northwest
Police	Holly Hill Police Department	0.3 South
Fire	Holly Hill Fire Department	0.9 West
Post Office	U.S. Post Office	0.4 West
Bank	Farmers & Merchants Bank	0.3 West
	First National Bank of South Carolina	0.3 West
Gas Station	Shell	0.1 Southwest
	Marathon	0.2 Southwest
Pharmacy	CVS	0.5 West
	Holly Hill Pharmacy	0.8 Northwest

(continued)

Community Services	Name	Driving Distance From Site (Miles)
Restaurant	Subway	0.2 West
	Richard & Mama Jane Bar and Grill	0.3 West
	Hardee's	0.4 West
Senior Center	Vance Center	9.3 North
Library	Holly Hill Library	0.6 Northwest
Church	Hill Zion Missionary Baptist Church	0.2 North
	Lovely Hill Baptist Church	0.4 East

Despite the rural nature of the Holly Hill area, most basic area services are located within close proximity of the subject site, including, but not limited to, restaurants, gas stations, convenience stores, churches, grocery stores, and pharmacies, all of which are located within 0.8 miles of the site. The majority of these services are located along, and accessed from, Old State Road (U.S. Highway 176) which is accessible just 0.2 miles southwest of the site.

Public safety services provided by the Holly Hill Fire and Police departments are located within 0.3 and 0.9 miles of the site, respectively. The nearest full-service hospital is the Regional Medical Center of Orangeburg, located approximately 33.5 miles northwest of the subject site in the city of Orangeburg. Although there is not a full-service hospital located within the immediate Holly Hill area there are numerous family practices and clinics offered within the area, including Family Diagnostics Associates which is located 0.8 miles northwest of the site. In addition, the Orangeburg County Council on Aging has many satellite offices located throughout Orangeburg County with the nearest to the subject site being the Vance Center located 9.3 miles north of the site. The Vance Center is a meal and activity center for older adults in Orangeburg County which also provides an on-call transportation service to area residents, which is considered beneficial to the targeted senior population at the subject site.

#### **4. SITE PHOTOGRAPHS**

Photographs of the subject site and surrounding land uses are on the following pages.

# SITE PHOTOGRAPHS



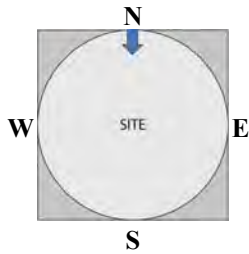
Site entryway



Entryway signage

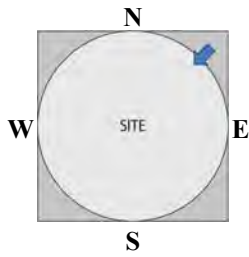


Typical exterior of building

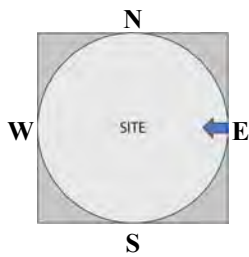


View of site from the north

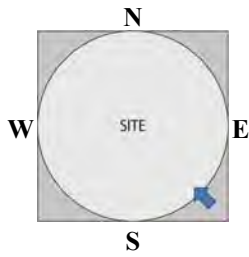




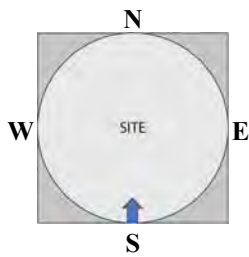
View of site from the northeast



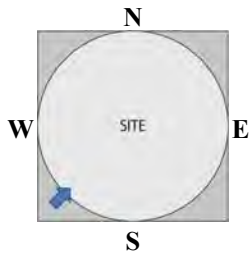
View of site from the east



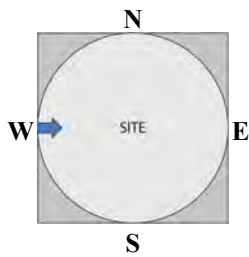
View of site from the southeast



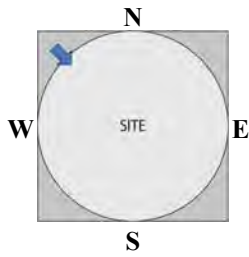
View of site from the south



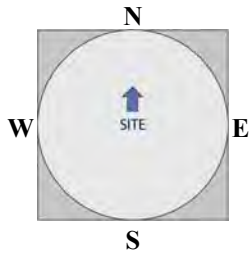
View of site from the southwest



View of site from the west



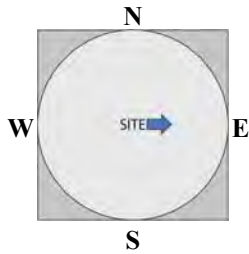
View of site from the northwest



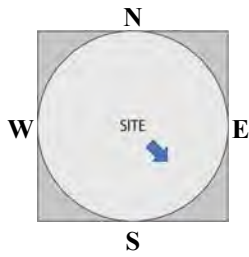
North view from site



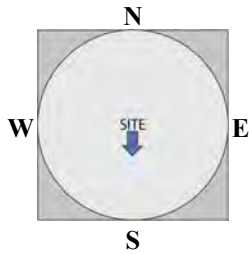
Northeast view from site



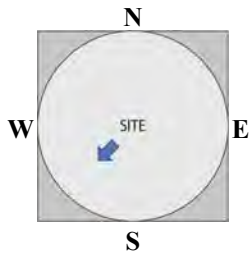
East view from site



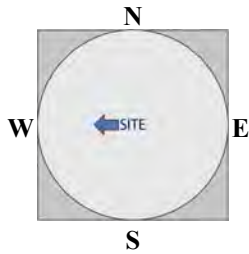
Southeast view from site



South view from site



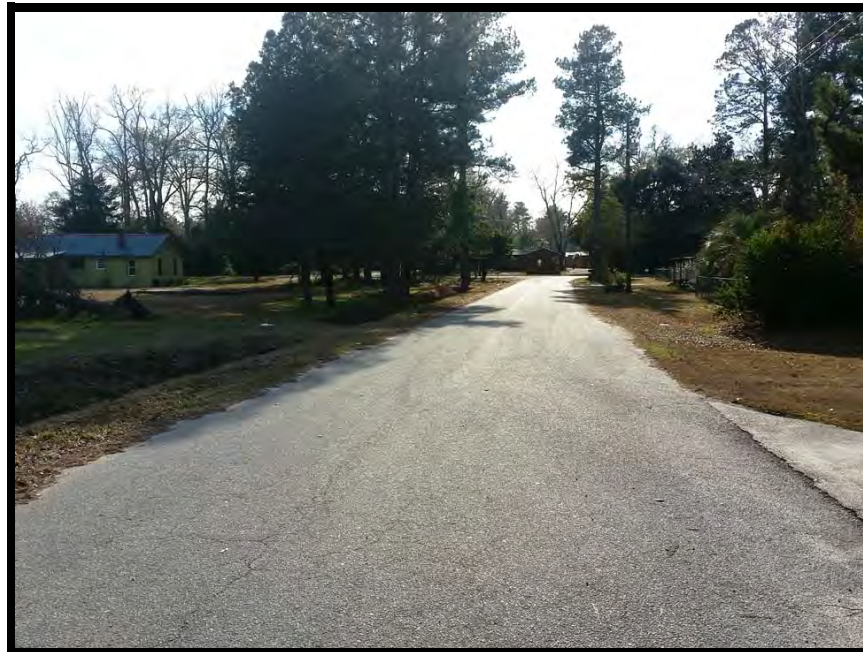
Southwest view from site



West view from site



Northwest view from site



Streetscape: Southwest view of Doyle Street

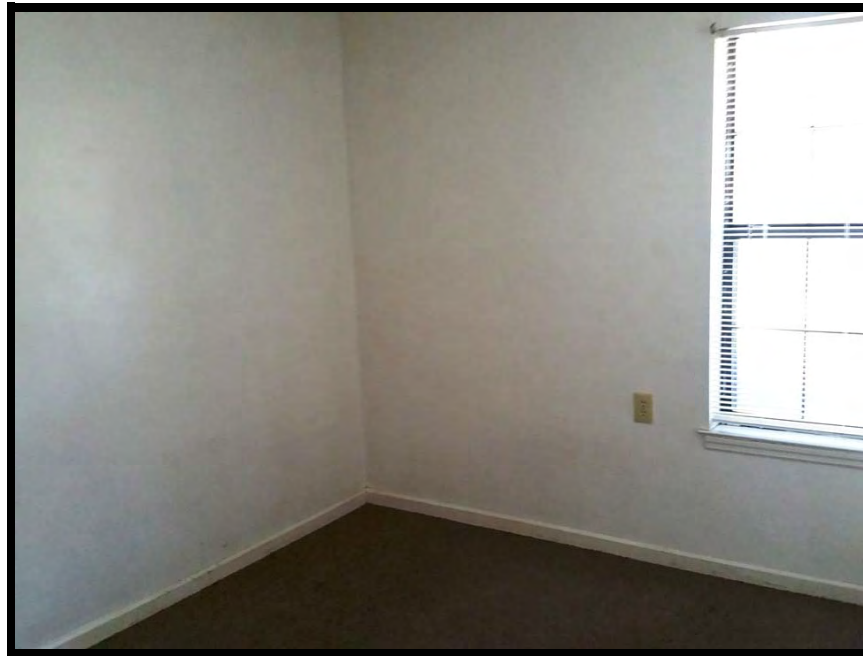




Streetscape: Northeast view of Doyle Street



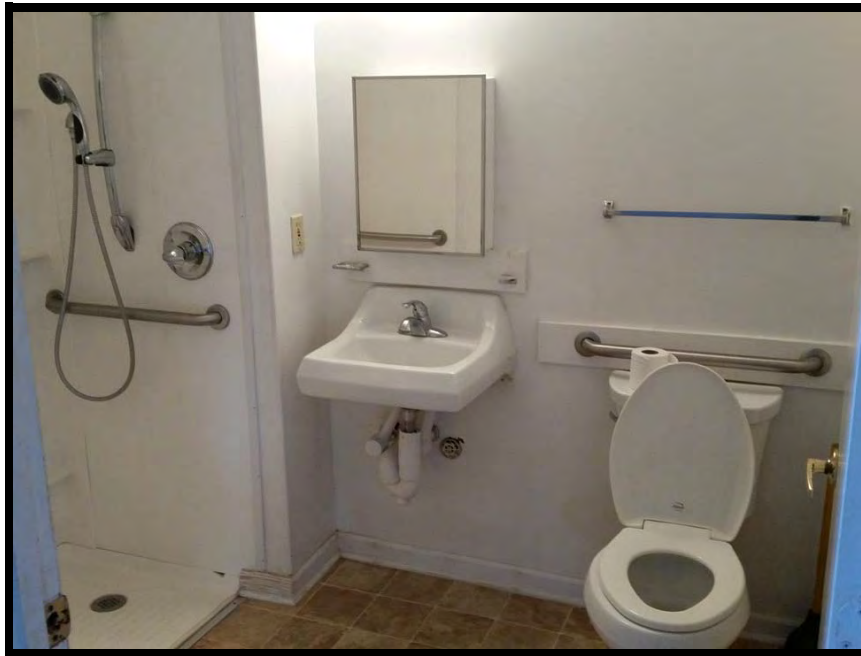
Community Room



Typical bedroom



Typical bathroom



Typical accessible bathroom



Typical kitchen



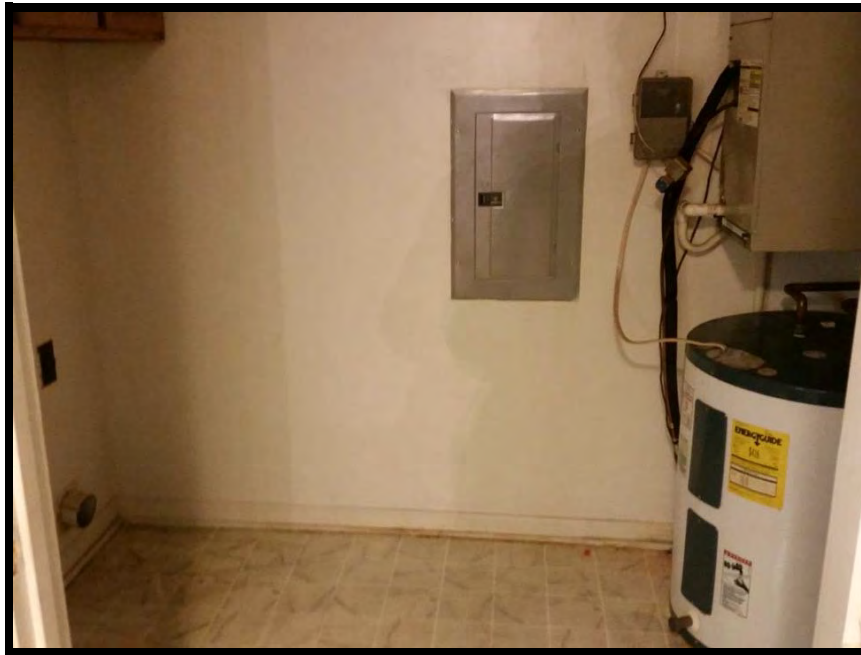
Typical dining room



Typical living room



Typical porch



Wahser/dryer hookup

**5. SITE AND COMMUNITY SERVICES MAPS**

Maps of the subject site and relevant community services follow.



Holly Hill, SC  
Site Neighborhood

Legend  
Site Area

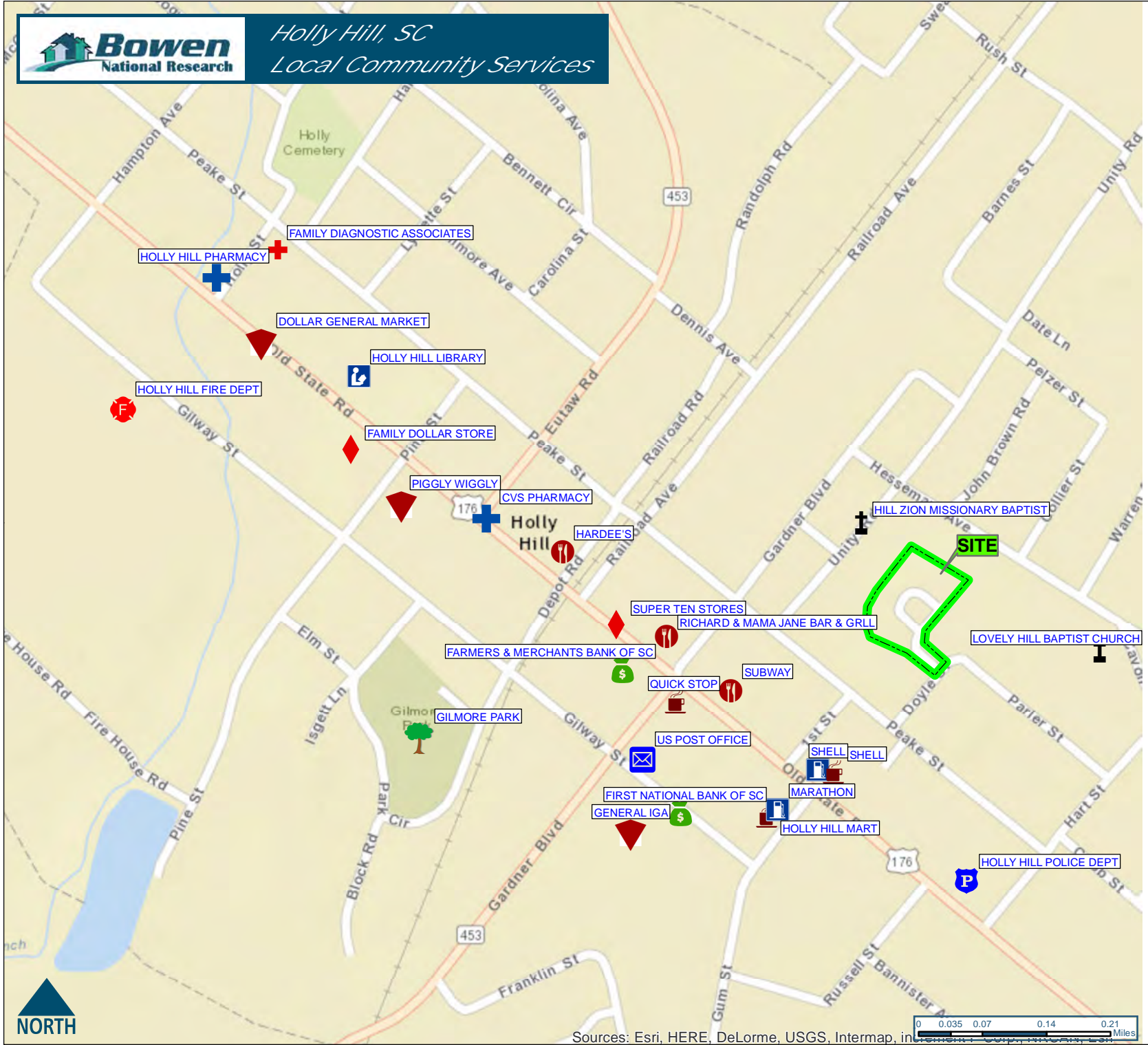


NORTH

1:2,900

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community

0 0.0125 0.025 0.05 0.075 Miles

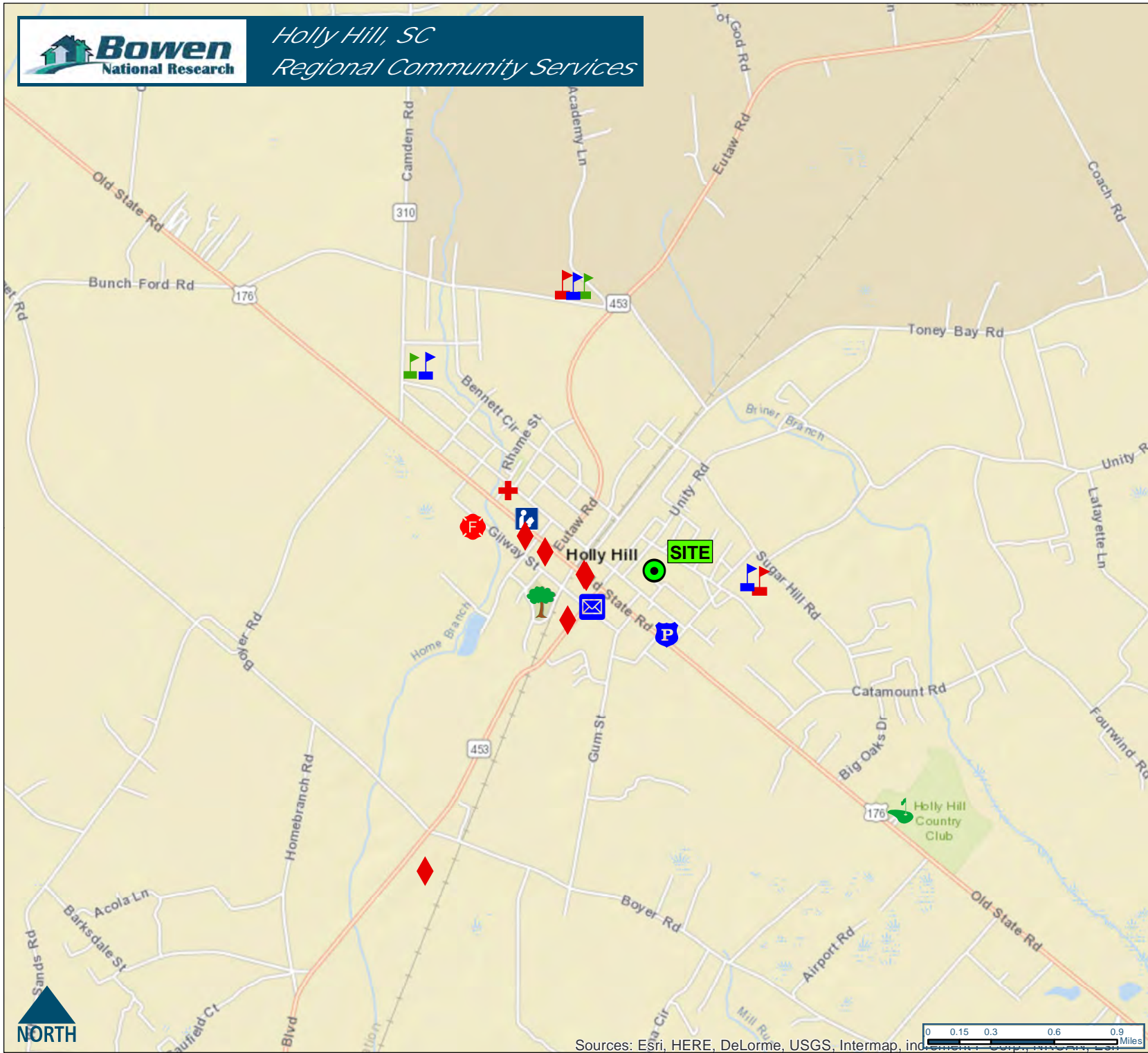


### Legend













- Site Area
- Bank
- Church
- Convenience Store
- Fire
- Gas
- Grocery
- Library
- Medical Center
- Park
- Pharmacy
- Police
- Post Office
- Restaurant
- Shopping







*Legend*

-  Site
-  Elementary School
-  Fire
-  Golf
-  High School
-  Library
-  Medical Center
-  Middle School
-  Park
-  Police
-  Post Office
-  Shopping



**6. CRIME ISSUES**

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

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

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









Total crime risk for the Site PMA is 151 with an overall personal crime index of 195 and a property crime index of 141. Total crime risk for Orangeburg County is 155 with indexes for personal and property crime of 206 and 140, respectively.

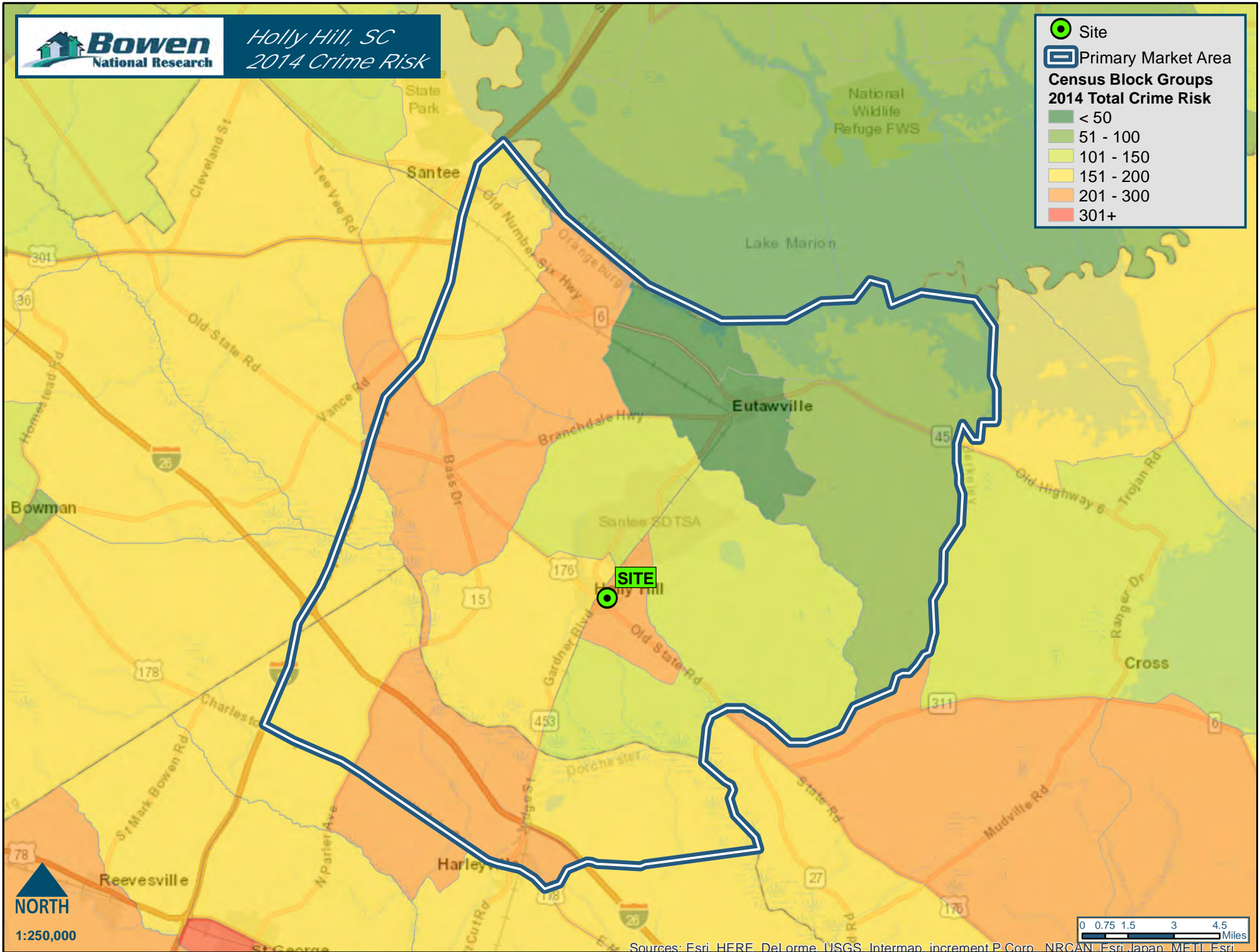
	Crime Risk Index	
	Site PMA	Orangeburg County
<b>Total Crime</b>	<b>151</b>	<b>155</b>
<b>Personal Crime</b>	<b>195</b>	<b>206</b>
Murder	198	181
Rape	121	139
Robbery	95	126
Assault	269	271
<b>Property Crime</b>	<b>141</b>	<b>140</b>
Burglary	173	172
Larceny	144	141
Motor Vehicle Theft	85	85

Source: Applied Geographic Solutions

As the preceding illustrates, the crime risk index reported for the Site PMA (151) is slightly lower than that reported for Orangeburg County (155) as a whole. It is also important to reiterate that the subject project is existing and reports an occupancy rate of 100.0% while also maintaining a four-household waiting list for the next available unit. This is a clear indication that crime does not have any adverse impact on marketability of the subject project.

A map illustrating crime risk is on the following page.

 Site  
 Primary Market Area  
**Census Block Groups**  
**2014 Total Crime Risk**  
 < 50  
 51 - 100  
 101 - 150  
 151 - 200  
 201 - 300  
 301+



**NORTH**  
1:250,000

0 0.75 1.5 3 4.5 Miles

## **7. ACCESS AND VISIBILITY**

The subject site derives access from Doyle Street, a lightly traveled two-lane residential roadway bordering the site to the south. The major corridor in Holly Hill is Old State Road (U.S. Highway 176), a two-lane arterial with light to moderate traffic patterns, which is accessible within just 0.2 miles of the subject site via Peake Street and 1<sup>st</sup> Street, southwest of the site. In addition, State Route 453 can be accessed 0.5 miles northwest of the site. Furthermore, Old State Road (U.S. Highway 176) provides access to U.S. Highway 15 and Interstate 95 which are both within 8.0 miles of the subject site. There is no fixed-route public transportation in Holly Hill. However, the Orangeburg County Council on Aging satellite offices provide an on-call transportation service to residents of the Holly Hill area, including the subject site. This is considered beneficial to the targeted senior population at the subject project.

The subject site maintains frontage and is clearly visible upon ingress along Doyle Street. Visibility of the subject project is also enhanced by site signage located at the entrance to the subject site along Doyle Street. The tree line surrounding much of the site generally obstructs visibility of the subject site from all other directions. However, the limited visibility of the subject project is not expected to have any adverse impact on its continued marketability, as evidenced by the 100.0% occupancy rate and waitlist reported by the subject site.

## **8. VISIBLE OR ENVIRONMENTAL ISSUES**

There are no visible or known environmental issues within the immediate site neighborhood.

## **9. OVERALL SITE CONCLUSIONS**

The subject site is located within a residential area of Holly Hill and fits well with surrounding land uses. The majority of residential structures within the site area are in good condition, though some lesser quality homes were observed throughout the area. Such structures are not uncommon throughout the rural Holly Hill and surrounding areas, however, and are not expected to have any adverse impact on the continued marketability of the subject project. This is further evident by the 100.0% occupancy rate reported at the existing subject project. Residents and visitors of the subject project are not expected to experience any delays upon ingress or egress, given the light vehicular traffic patterns observed within the immediate site neighborhood. In addition, Old State Road (U.S. Highway 176), the primary arterial roadway within the Holly Hill area, is accessible within just 0.2 miles of the subject site, further enhancing accessibility of the subject project. Visibility of subject is somewhat limited due to the light vehicular traffic within the area and tree line surrounding much of the subject

project. The subject site is clearly visible, however, upon ingress along Doyle Street which borders the site to the south. Site signage is also located at the entrance to the subject site, further enhancing visibility and awareness of the project. The site is within 1.0 mile of most area services, many of which are located along Old State Road (U.S. Highway 176), which is accessible within 0.2 miles of the site, as previously stated. Overall, we consider the subject site's location conducive to senior-oriented rental product, as evidenced by the 100.0% occupancy rate reported at the subject project. The subject site location is expected to have a positive impact on the continued marketability of the project following renovations.

## D. Primary Market Area Delineation

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

Louise Neely, Site Manager for Holly Tree Manor (subject site) in Holly Hill, stated the majority of her residents are from Holly Hill, Eutawville, and Vance. Ms. Neely also stated that she occasionally gets interest from residents of Santee, Harleyville, or Orangeburg, though the majority of support originates from the previously mentioned municipalities. Ms. Neely stated that areas southeast of the Holly Hill such as Summerville are too far away and are comprised primarily of higher-income households which would not support an affordable rental property located in Holly Hill. Ms. Neely confirmed the boundaries of Site PMA.

Theresa Liland is the Property Manager of the Holly Way Apartments (Map ID 4), an age-restricted government-subsidized property located in Holly Hill. Ms. Liland stated that her residents are primarily from Holly Hill or Eutawville, with additional support also originating from the Vance area. Ms. Liland further stated that if a tenant is not from within the immediate Holly Hill area, they are going to be from a similar small town nearby such as the Eutawville, Vance, or Harleyville areas, not larger more populated areas such as Summerville or Orangeburg. Ms. Liland confirmed the boundaries of the Site PMA.

The Holly Hill Site PMA includes the municipalities of Holly Hill, Eutawville, Harleyville, and Vance, as well as surrounding unincorporated areas of Orangeburg and Dorchester counties. Specifically, the boundaries of the Site PMA include Lake Marion to the north, the Orangeburg and Dorchester County boundaries to the east; 2<sup>nd</sup> Bend Road and U.S. Highway 178 to the south; and Interstate 95 to the west.

The Site PMA includes all, or portions, of the following Census Tracts:

101.00	102.00*	103.00
104.00	105.00	103.00**

\*Subject site location

\*\*Dorchester County

We recognize that the subject project will likely receive some support from senior residents relocating to the area from areas outside the Site PMA, likely to be closer to family in the area or to return the area in which they previously resided. However, this support base is expected to be minimal. The northern boundary of the Site PMA, Lake Marion, serves as a good natural boundary and limits access to and from areas farther north of the Site PMA, such as Summerton and Manning, South Carolina. Areas to the east of the Site PMA are primarily comprised of the Summerville, Goose Creek, and Moncks Corner areas which are more densely populated and comprised of higher income households as compared to areas within the Site PMA. Areas south, and west of the Site PMA generally become more rural, and thus less populated, and are primarily comprised of owner-occupied households, as you travel away from the Site PMA. Due to the preceding factors, and the distance of the surrounding areas from the subject site, the boundaries previously detailed for the Holly Hill Site PMA are considered appropriate. We have not considered any secondary market area in this report.

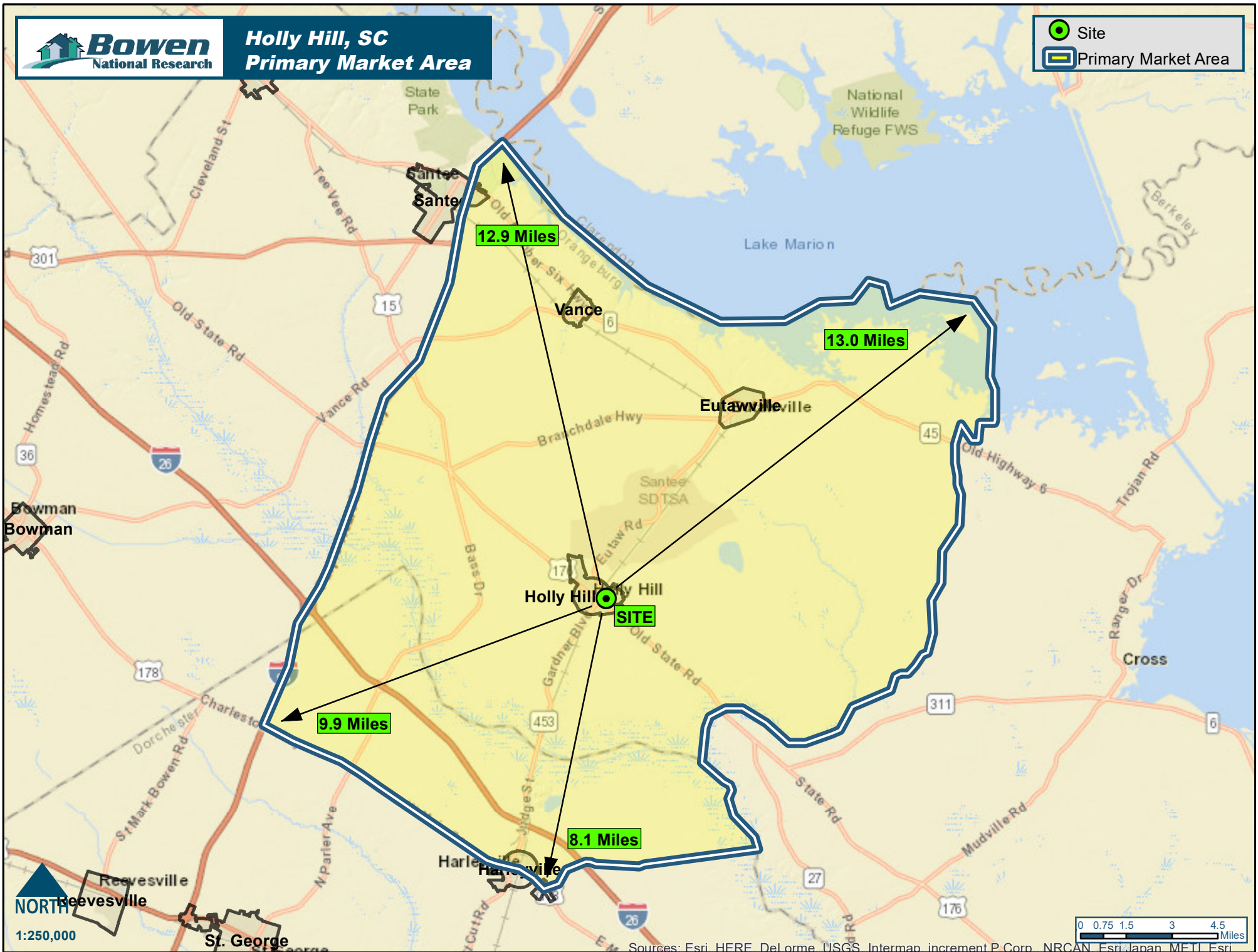
A map delineating the boundaries of the Site PMA is included on the following page.





# Holly Hill, SC Primary Market Area

● Site  
▭ Primary Market Area



## E. Market Area Economy

### 1. EMPLOYMENT BY INDUSTRY

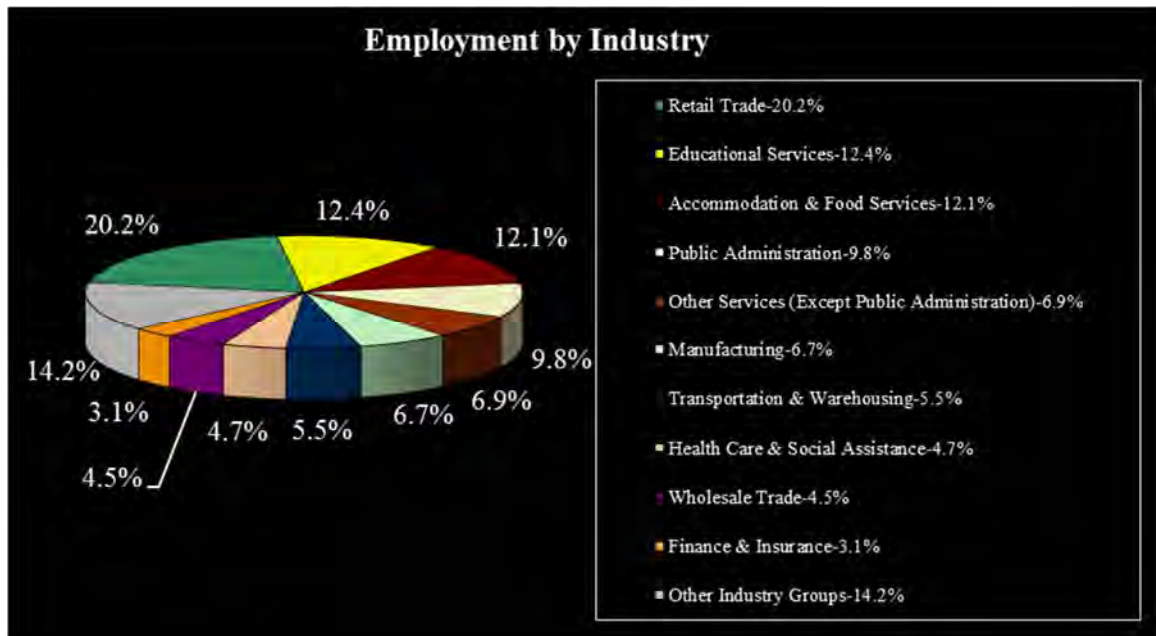
The labor force within the Holly Hill Site PMA is based primarily in three sectors. Retail Trade (which comprises 20.2%), Educational Services and Accommodation & Food Services comprise nearly 45% of the Site PMA labor force. Employment in the Holly Hill Site PMA, as of 2016, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	3	0.6%	22	0.6%	7.3
Mining	1	0.2%	26	0.7%	26.0
Utilities	3	0.6%	71	1.8%	23.7
Construction	22	4.3%	94	2.4%	4.3
Manufacturing	11	2.2%	265	6.7%	24.1
Wholesale Trade	13	2.5%	177	4.5%	13.6
Retail Trade	102	20.0%	795	20.2%	7.8
Transportation & Warehousing	14	2.7%	216	5.5%	15.4
Information	8	1.6%	39	1.0%	4.9
Finance & Insurance	52	10.2%	121	3.1%	2.3
Real Estate & Rental & Leasing	21	4.1%	47	1.2%	2.2
Professional, Scientific & Technical Services	18	3.5%	71	1.8%	3.9
Management of Companies & Enterprises	2	0.4%	67	1.7%	33.5
Administrative, Support, Waste Management & Remediation Services	12	2.4%	33	0.8%	2.8
Educational Services	12	2.4%	485	12.4%	40.4
Health Care & Social Assistance	20	3.9%	184	4.7%	9.2
Arts, Entertainment & Recreation	10	2.0%	79	2.0%	7.9
Accommodation & Food Services	47	9.2%	475	12.1%	10.1
Other Services (Except Public Administration)	105	20.6%	269	6.9%	2.6
Public Administration	24	4.7%	383	9.8%	16.0
Nonclassifiable	10	2.0%	8	0.2%	0.8
Total	510	100.0%	3,927	100.0%	7.7

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

E.P.E. - Average Employees Per Establishment

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



## 2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the Lower Savannah South Carolina Nonmetropolitan Area are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Lower Savannah South Carolina Nonmetropolitan Area	South Carolina
Management Occupations	\$81,760	\$95,340
Business and Financial Occupations	\$53,490	\$60,240
Computer and Mathematical Occupations	\$55,090	\$69,040
Architecture and Engineering Occupations	\$68,060	\$74,930
Community and Social Service Occupations	\$39,330	\$40,270
Art, Design, Entertainment and Sports Medicine Occupations	\$43,800	\$44,040
Healthcare Practitioners and Technical Occupations	\$58,260	\$70,740
Healthcare Support Occupations	\$24,410	\$26,400
Protective Service Occupations	\$31,710	\$35,230
Food Preparation and Serving Related Occupations	\$19,280	\$20,410
Building and Grounds Cleaning and Maintenance Occupations	\$21,080	\$22,840
Personal Care and Service Occupations	\$22,120	\$22,570
Sales and Related Occupations	\$30,200	\$32,250
Office and Administrative Support Occupations	\$31,130	\$32,810
Construction and Extraction Occupations	\$35,780	\$38,370
Installation, Maintenance and Repair Occupations	\$39,810	\$42,030
Production Occupations	\$33,350	\$35,990
Transportation and Moving Occupations	\$30,750	\$31,720

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

Most annual blue-collar salaries range from \$19,280 to \$43,800 within the Lower Savannah South Carolina Nonmetropolitan Area. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$63,332. It is important to note that occupational types within the Lower Savannah South Carolina Nonmetropolitan Area have lower typical wages than the state of South Carolina's typical wages, many of which are below \$35,000, which is generally conducive to affordable housing alternatives such as that offered at the subject project. Regardless, the subject project is restricted to senior households (age 62 and older) many of which will likely be retired and thus unaffected by typical wages within the area.

### 3. AREA'S LARGEST EMPLOYERS

The ten largest employers within the Orangeburg County area comprise a total of 4,745 employees and are summarized as follows:

Employer Name	Business Type	Total Employed
Husqvarna	Manufacturer	2,000
Allied Air Enterprises	Air Conditioning Contractor	400
Cox	Wood Manufacturer	180
Zeus Industrial Products	Industrial Equipment Supplier	450
Koyo Corporation of USA	Manufacturer	200
Food Lion Distribution Center	Warehouse	498
Federal Mogul	Auto Repair Shop	275
Albemarle Corporation	Manufacturer	322
The Okonite Company	Manufacturer	220
Holcim (US) Inc.	Manufacturer	200
Total		4,745

Source: Orangeburg County Development Commission 2016

According to a representative with the Orangeburg County Development Commission, as well as online research conducted at the time of this analysis, the Holly Hill and Orangeburg County economy is improving. Some notable recent economic development activity within the area is summarized as follows:

- Carolina Chips, Incorporated, a wood processor, is starting new operations in Holly Hill, by investing more than \$32 million in a new facility and creating 15 new jobs. The new facility is scheduled for completion and will be fully operational sometime during the first half of 2017.
- A Texas-based chicken franchise restaurant is scheduled to open in the beginning of 2017 at the corner of Chestnut Street and Columbia Road in Orangeburg, South Carolina. The 55-seat restaurant will employ approximately 35 people once complete.

- Labon, a textile manufacturer, invested \$3.1 million in an Orangeburg facility. The 15,700-square-foot facility will open in the beginning of 2018 and create 23 jobs.
- The National Renewable Energy Corporation (NARENCO), will be constructing two new utility solar farms in Orangeburg County. The projects are expected to bring \$89.1 million in new capital investment and are estimated to be completed by mid-2018.
- There are plans to redevelop the former Orangeburg Chestnut Street Kmart and Reid's buildings for new retail and dining establishments. Grand Oak Realty LLC has plans to renovate the 85,000-square-foot Kmart building by subdividing it into three units to include a big-box retailer and two grocery stores. There are also plans to develop the front portion of the property to include a small retail and dining space. Construction is to begin in early 2017 and is estimated to be complete sometime in 2018.
- A company, temporarily called Project Leopard, is planning to invest \$69 million to expand its presence within Orangeburg County. They plan to invest \$29 million in buildings and \$40 million in other expenses within the county. This new expansion promised a minimum of 25 new jobs for the area.
- In November 2016, two companies announced that they are considering making a total investment of \$9.3 million in Orangeburg County. They could bring 38 new jobs over a five-year period. Specifically, Project Omega, an agricultural based company, promises an investment of \$7 million and 28 new jobs in Rowesville, while Project Prince, located within the Orangeburg city limits, promises an investment of \$2.3 million and 10 new jobs.

#### Infrastructure

A full-access interchange at the intersection of Interstate 95 and U.S. Highway 301 near Santee, is currently under construction. Once complete, officials hope it will open the area to more economic development. The project is estimated to be complete in June 2017.

#### WARN (layoff notices):

According to the South Carolina Works Department, there have been three WARN notices of large-scale layoffs/closures reported for Orangeburg County since January 2015. Below is a table summarizing these notices.

WARN Notices				
Company	Location	Jobs	Layoff/Closure	Effective Date
Husqvarna Group	Orangeburg	84	Layoff	03/06/2016
DTZ, Inc.	Orangeburg	100	Closure	06/30/2015
Sodexo	Orangeburg	94	Closure	08/03/2015

As the preceding illustrates, the three WARN notices reported impacted a total of approximately 278 employees, which represents just 0.8% of the total employment base within Orangeburg County through November of 2016. Further, these notices are all for companies based within the city of Orangeburg. Based on the preceding factors, these notices have not likely had any tangible impact on the local economy within the Holly Hill area.

#### 4. EMPLOYMENT TRENDS

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

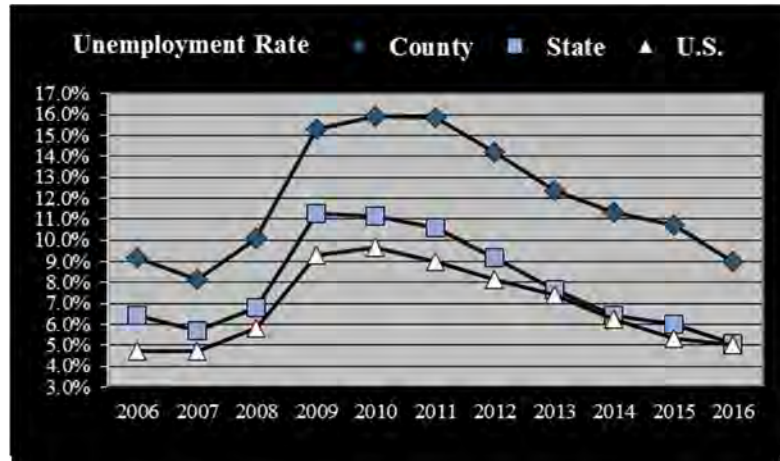
Excluding 2016, the employment base has declined by 2.0% over the past five years in Orangeburg County, while the state of South Carolina increased by 9.1%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Orangeburg County, the state of South Carolina and the United States.

Year	Total Employment					
	Orangeburg County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2006	36,342	-	1,973,337	-	145,000,042	-
2007	37,031	1.9%	2,005,686	1.6%	146,388,400	1.0%
2008	36,936	-0.3%	1,996,409	-0.5%	146,047,748	-0.2%
2009	35,196	-4.7%	1,910,670	-4.3%	140,696,560	-3.7%
2010	33,723	-4.2%	1,915,045	0.2%	140,469,139	-0.2%
2011	33,878	0.5%	1,945,900	1.6%	141,791,255	0.9%
2012	33,726	-0.4%	1,983,506	1.9%	143,688,931	1.3%
2013	33,745	0.1%	2,022,444	2.0%	145,126,067	1.0%
2014	33,477	-0.8%	2,074,277	2.6%	147,604,328	1.7%
2015	33,197	-0.8%	2,122,573	2.3%	149,950,804	1.6%
2016*	33,930	2.2%	2,183,741	2.9%	152,400,435	1.6%

Source: Department of Labor; Bureau of Labor Statistics

\*Through November



As the preceding illustrates, the Orangeburg County employment base experienced significant decline during the national recession and struggled to improve between 2010 and 2015. It is of note, however, that the employment base within the county has increased by 733 jobs, or 2.2%, in 2016 (through November).

Unemployment rates for Orangeburg County, the state of South Carolina and the United States are illustrated as follows:

Year	Unemployment Rate					
	Orangeburg County		South Carolina		United States	
	Total Number	Percent	Total Number	Percent	Total Number	Percent
2006	3,686	9.2%	135,760	6.4%	7,134,635	4.7%
2007	3,271	8.1%	120,205	5.7%	7,190,052	4.7%
2008	4,151	10.1%	145,823	6.8%	9,059,270	5.8%
2009	6,344	15.3%	242,075	11.3%	14,430,158	9.3%
2010	6,380	15.9%	240,623	11.2%	15,070,017	9.7%
2011	6,364	15.8%	229,623	10.6%	14,035,049	9.0%
2012	5,599	14.2%	200,607	9.2%	12,698,111	8.1%
2013	4,751	12.4%	166,924	7.6%	11,642,668	7.4%
2014	4,271	11.3%	142,505	6.4%	9,796,479	6.2%
2015	3,997	10.7%	134,504	6.0%	8,439,309	5.3%
2016*	3,355	9.0%	116,942	5.1%	7,937,201	5.0%

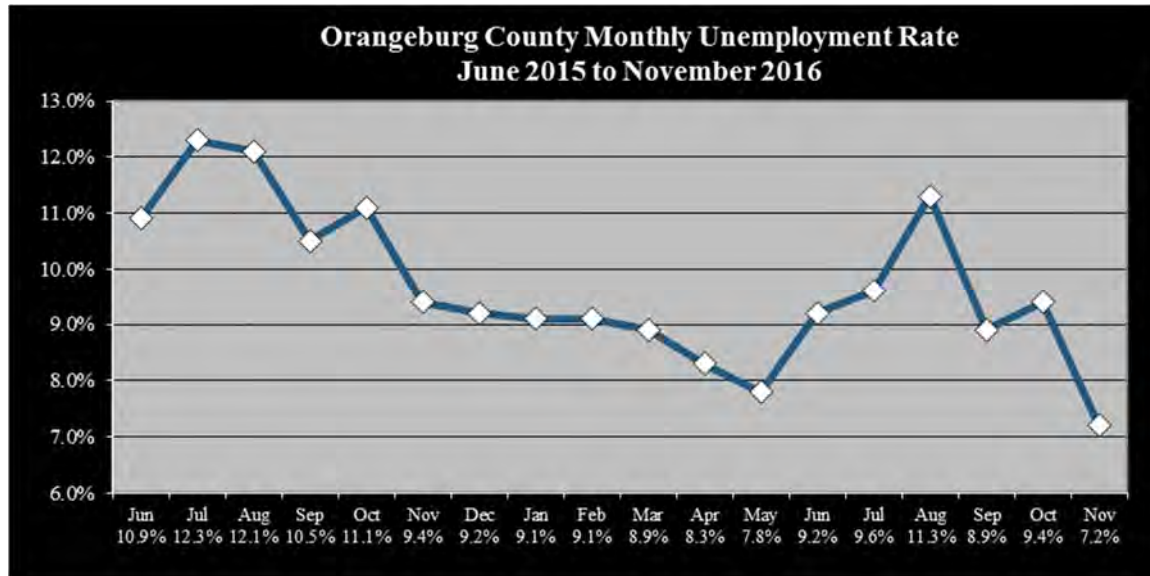
Source: Department of Labor; Bureau of Labor Statistics

\*Through November

The unemployment rate in Orangeburg County spiked to a rate of 15.9% in 2010, during the national recession, and has been well above both state and national averages each year since 2006. The unemployment rate has declined, however, each of the past six years and the 9.0% unemployment rate reported through November is nearly seven full percentage points lower than that reported at the height of the national recession. This rate is also nearing the pre-recession unemployment rate within the county, of 8.1% in 2007. However, the 9.0% unemployment rate remains approximately four full percentage points higher than

the state and national averages and is an indication that many residents remain unemployed, or underemployed, within the county.

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



The unemployment rate within the county has fluctuated significantly over the past 18-month period, but overall, has trended downward during this time period, declining from 10.9% in June of 2015 to 7.2% in November of 2016.

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

In-Place Employment Orangeburg County			
Year	Employment	Change	Percent Change
2006	32,527	-	-
2007	33,664	1,137	3.5%
2008	33,464	-200	-0.6%
2009	31,143	-2,321	-6.9%
2010	30,203	-940	-3.0%
2011	30,289	86	0.3%
2012	30,125	-164	-0.5%
2013	30,024	-101	-0.3%
2014	29,580	-444	-1.5%
2015	28,931	-649	-2.2%
2016*	28,977	46	0.2%

Source: Department of Labor, Bureau of Labor Statistics  
\*Through June



Data for 2015, the most recent year that year-end figures are available, indicates in-place employment in Orangeburg County to be 87.2% of the total Orangeburg County employment. This means that Orangeburg County has more employed persons leaving the county for daytime employment than those who work in the county. This is not unusual, however, of rural areas such as Orangeburg County. Regardless, the majority of support for the subject project is expected to originate from residents already residing within the Orangeburg County and surrounding areas. Thus, most potential tenants of the subject project will be familiar with, and thus unaffected by, in-place employment trends within the county. This is especially true when considering that the subject project is age-restricted and that many of its tenants will likely be retired.

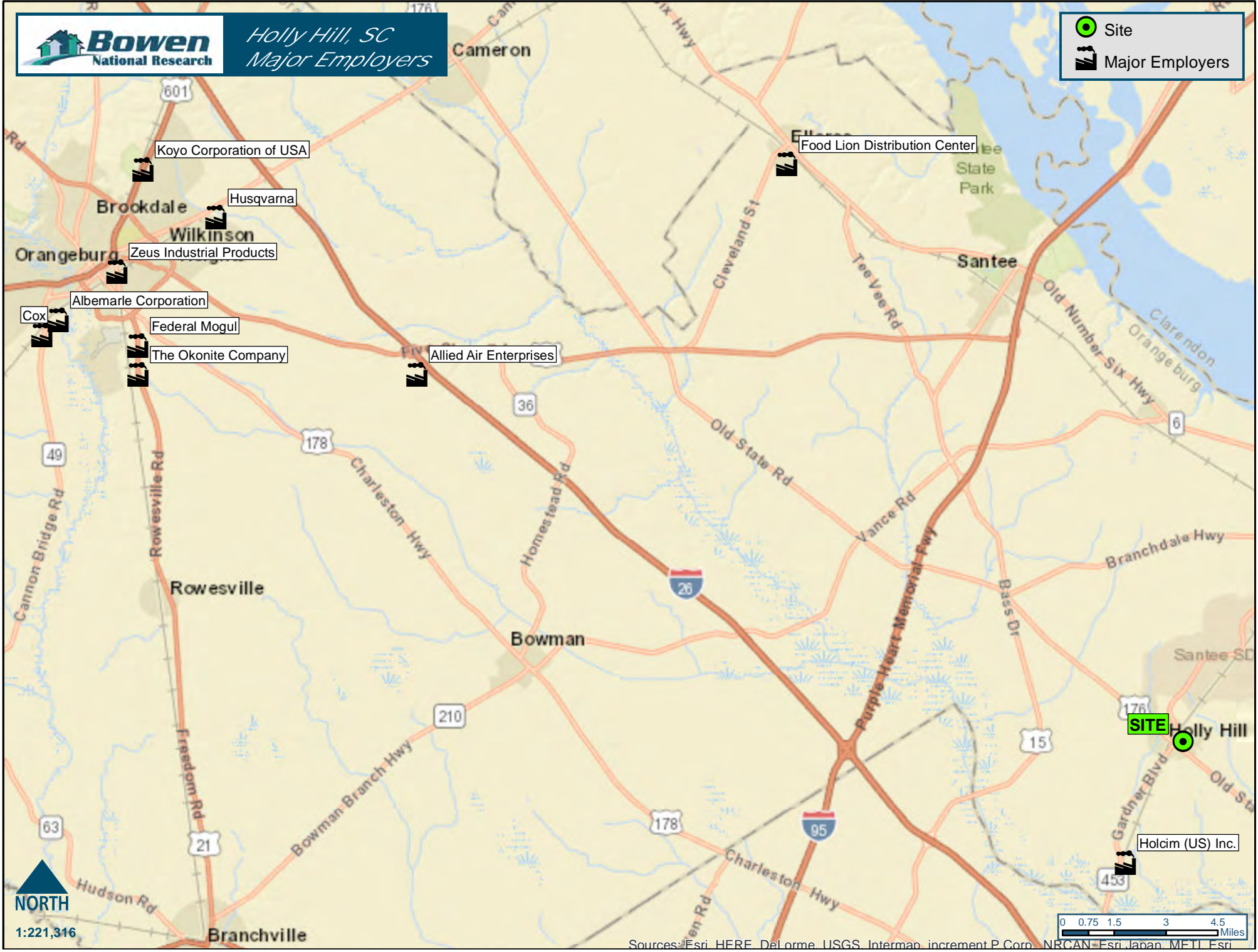
5. **EMPLOYMENT CENTERS MAP**

A map illustrating the location of the area's largest employers is included on the following page.



# Holly Hill, SC Major Employers

- Site
- Major Employers



1:221,316



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

## 6. COMMUTING PATTERNS

Based on the American Community Survey (2011-2015), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	4,033	86.9%
Carpooled	360	7.8%
Public Transit	3	0.1%
Walked	56	1.2%
Other Means	89	1.9%
Worked at Home	100	2.2%
Total	4,641	100.0%

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

Nearly 87% of all workers drove alone, 7.8% carpoled and only 0.1% used public transportation. Although fixed-route public transportation is not provided within the Holly Hill area, an on-call transportation service is available to area residents, which is considered beneficial to the targeted senior tenant population at the subject site. Given the subject site serves very low-income senior households and is provided an on-call transportation service, we anticipate a higher than normal share of site residents' use of public transportation.

Typical travel times to work for the Site PMA residents are illustrated as follows:

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	1,010	21.8%
15 to 29 Minutes	870	18.7%
30 to 44 Minutes	941	20.3%
45 to 59 Minutes	910	19.6%
60 or More Minutes	812	17.5%
Worked at Home	100	2.2%
Total	4,643	100.0%

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

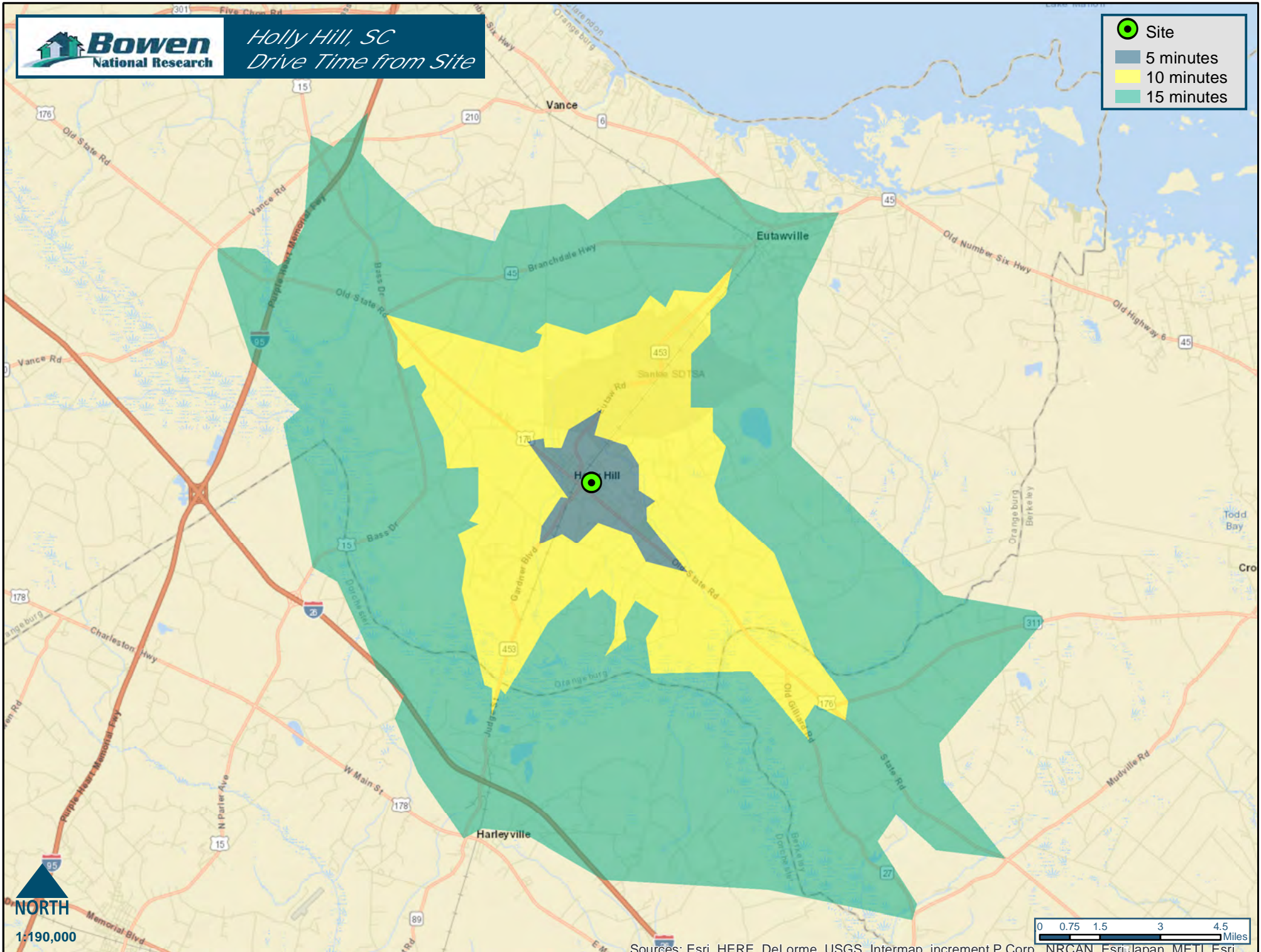
The largest share of area commuters has typical travel times to work ranging from zero to 15 minutes. The subject site is within a 45-minute drive to most of the area's largest employers. Regardless, the subject project is age-restricted and thus many tenants of the subject project are likely to be retired and therefore unaffected by longer than typical commute times. This is evidenced by the 100.0% occupancy rate reported at the existing subject project. A drive-time map for the subject site is on the following page.



# Holly Hill, SC

## Drive Time from Site

- Site
- 5 minutes
- 10 minutes
- 15 minutes



NORTH  
1:190,000

0 0.75 1.5 3 4.5 Miles

## **7. ECONOMIC FORECAST AND HOUSING IMPACT**

The Orangeburg County economy was severely impacted by the national recession and has struggled to improve in terms of total employment, since the end of the recession. This is likely due primarily to a large reliance on the manufacturing industry within the area, as six of the top ten employers within Orangeburg County are manufacturing based. In addition, nearly one third (32.3%) of the total labor force within the Holly Hill Site PMA is comprised within the Retail Trade and Accommodation & Food Service industries. These aforementioned industries are also generally heavily impacted by downturns in the economy, such as the national recession, and have also influenced economic trends within the Holly Hill and Orangeburg County areas. It is of note however, that the employment base within the county has experienced an increase of 733 jobs, or 2.2%, in 2016 (through November), the first significant increase since 2007. The unemployment rate was also severely impacted during the national recession, reaching a high of 15.9% in 2010. As compared to total employment trends, the unemployment rate has improved much more rapidly within the county, since the end of the national recession. Notably, the unemployment rate has declined by nearly seven full percentage points since 2010, to rate of 9.0% through November of 2016. Based on the preceding factors, and considering several announcements of business openings/expansions within the county, we expect the Orangeburg County economy will continue to improve for the foreseeable future. However, as the unemployment rate remains well above both state and national averages, and total employment remains well below pre-recession levels for the county, we also expect demand for affordable housing within the area will remain as the economy continues to recover from the impact of the national recession.

## F. Community Demographic Data

The following demographic data relates to the Site PMA. It is important to note that not all 2019 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2019 projections do not vary more than 1.0%.

### 1. POPULATION TRENDS

#### a. Total Population

The Site PMA population bases for 2000, 2010, 2016 (estimated) and 2019 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2016 (Estimated)	2019 (Projected)
Population	14,999	15,000	15,275	15,298
Population Change	-	1	275	23
Percent Change	-	< 0.1%	1.8%	0.2%

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

The Holly Hill Site PMA population base increased by one (1) between 2000 and 2010. This represents a less than 0.1% increase over the 2000 population. Between 2010 and 2016, the population increased by 275, or 1.8%. It is projected that the population will continue to increase between 2016 and 2019, by 23, or 0.2%, during this time period. Although modest, this population growth demonstrates a stable overall demographic base within the Site PMA.

Based on the 2010 Census, the population residing in group-quarters is represented by 0.2% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	24	0.2%
Population not in Group Quarters	14,976	99.8%
Total Population	15,000	100.0%

Source: 2010 Census

**b. Population by Age Group**

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

Population by Age	2010 (Census)		2016 (Estimated)		2019 (Projected)		Change 2016-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	3,919	26.1%	3,641	23.8%	3,617	23.6%	-24	-0.7%
20 to 24	789	5.3%	899	5.9%	808	5.3%	-91	-10.1%
25 to 34	1,561	10.4%	1,667	10.9%	1,608	10.5%	-59	-3.5%
35 to 44	1,579	10.5%	1,560	10.2%	1,601	10.5%	41	2.7%
45 to 54	2,313	15.4%	2,072	13.6%	1,905	12.4%	-167	-8.1%
55 to 64	2,262	15.1%	2,379	15.6%	2,406	15.7%	27	1.1%
65 to 74	1,509	10.1%	1,927	12.6%	2,097	13.7%	170	8.8%
75 & Over	1,067	7.1%	1,130	7.4%	1,256	8.2%	126	11.2%
Total	14,999	100.0%	15,275	100.0%	15,298	100.0%	23	0.2%

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

The subject project is restricted to seniors age 62 and older, thus the primary group of potential renters at the subject project is the 65 and older age cohort. As the preceding illustrates, 20.0% of the total population was estimated to be within this primary age cohort in 2016. This age cohort is also projected to increase in population between 2016 and 2019, by a total of 296, or 9.7%.

**c. Elderly and Non-Elderly Population**

The subject project will be restricted to senior renters age 62 and older. The following compares the PMA's elderly (age 62+) and non-elderly population.

Population Type	Year		
	2010 (Census)	2016 (Estimated)	2019 (Projected)
Elderly (Age 62+)	3,221	3,766	4,085
Non-Elderly	11,779	11,509	11,213
Total	15,000	15,275	15,298

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

The elderly population is projected to increase by 319, or 8.5%, between 2016 and 2019. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing.

**d. Special Needs Population**

The subject project will not offer special needs units. Therefore, we have not provided any population data regarding special needs populations.

**e. Minority Concentrations**

As requested by SCSHFDA, we have provided data regarding the composition of minorities within the site Census Tract. The following table compares the concentration of minorities in the state of South Carolina to the site Census Tract.

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	70.3%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	66.8%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	2.4%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.5%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.0%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	0.7%

Source: U.S. Census Bureau, 2010 Census

Based on the data in the preceding table, the site Census Tract does contain a high share of minorities. However, based on Table B25074 of the American Community Survey (ACS) 2011-2015 5-year estimates, nearly 43.0% of households residing in the site Census Tract are considered to be rent overburdened. Combined with the fact that all affordable developments surveyed within the market are 100.0% occupied with waiting lists, low-income renter households within the subject site's Census Tract are in need of good quality affordable rental housing and currently have no other alternative. The subject development will continue to provide a good quality, modern affordable rental housing option that is much needed within the Census Tract in which it is located.

**2. HOUSEHOLD TRENDS**

**a. Total Households**

Household trends within the Holly Hill Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2016 (Estimated)	2019 (Projected)
Households	5,630	5,924	6,025	6,031
Household Change	-	294	101	6
Percent Change	-	5.2%	1.7%	0.1%
Household Size	2.66	2.53	2.53	2.53

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



Within the Holly Hill Site PMA, households increased by 294 (5.2%) between 2000 and 2010. Between 2010 and 2016, households increased by 101 or 1.7%. By 2019, there will be 6,031 households, an increase of six (6) households, or 0.1% over 2016 levels. This is an increase of approximately two (2) households annually over the next three years. Similar to population trends, this household growth is considered modest, but demonstrates a stable overall demographic base within the Site PMA.

**b. Households by Tenure**

Households by tenure for 2010, 2016 (estimated) and 2019 (projected) are distributed as follows:

Tenure	2010 (Census)		2016 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	4,683	79.1%	4,653	77.2%	4,645	77.0%
Renter-Occupied	1,241	20.9%	1,372	22.8%	1,386	23.0%
Total	5,924	100.0%	6,025	100.0%	6,031	100.0%

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

In 2016, homeowners occupied 77.2% of all occupied housing units, while the remaining 22.8% were occupied by renters.

Households by tenure for those age 62 and older in 2010, 2016 (estimated) and 2019 (projected) are distributed as follows:

Tenure Age 62+	2010 (Census)		2016 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	1,905	86.2%	2,085	83.5%	2,155	81.3%
Renter-Occupied	304	13.8%	411	16.5%	494	18.7%
Total	2,209	100.0%	2,496	100.0%	2,650	100.0%

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

A total of 411 (16.5%) of all households age 62 and older within the Site PMA were renters in 2016. Notably, the number of elderly renter households is projected to increase by 83, or 20.2%, between 2016 and 2019. This will likely increase demand for senior-oriented rental housing within the Site PMA.

**c. Households by Income**

The distribution of households by income age 62 and older within the Holly Hill Site PMA is summarized as follows:

Household Income 62+	2010 (Census)		2016 (Estimated)		2019 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	738	33.4%	785	31.5%	822	31.0%
\$15,000 to \$24,999	494	22.4%	436	17.5%	425	16.0%
\$25,000 to \$34,999	317	14.4%	330	13.2%	335	12.6%
\$35,000 to \$49,999	257	11.6%	407	16.3%	466	17.6%
\$50,000 to \$74,999	240	10.9%	266	10.7%	291	11.0%
\$75,000 to \$99,999	85	3.8%	128	5.1%	146	5.5%
\$100,000 to \$149,999	42	1.9%	110	4.4%	124	4.7%
\$150,000 to \$199,999	21	1.0%	27	1.1%	34	1.3%
\$200,000 & Over	15	0.7%	7	0.3%	8	0.3%
Total	2,209	100.0%	2,496	100.0%	2,650	100.0%
Median Income	\$22,419		\$25,818		\$27,348	

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

In 2010, the median household income for households age 62 and older was \$22,419. This increased by 15.2% to \$25,818 in 2016. By 2019, it is projected that the median household income will be \$27,348, an increase of 5.9% over 2016.

**d. Average Household Size**

Information regarding average household size is considered in 2. a. *Total Households* of this section.

**e. Households by Income by Tenure**

The following tables illustrate renter household income by household size for age 62 and older for 2010, 2016 and 2019 for the Holly Hill Site PMA:

Renter Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	117	24	12	13	13	179
\$15,000 to \$24,999	43	9	5	6	4	67
\$25,000 to \$34,999	23	5	2	2	2	34
\$35,000 to \$49,999	7	1	1	1	0	10
\$50,000 to \$74,999	5	1	0	1	0	7
\$75,000 to \$99,999	5	1	0	0	0	6
\$100,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	1	0	0	0	0	1
\$200,000 & Over	0	0	0	0	0	0
Total	201	41	20	23	19	304

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2016 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	144	31	13	15	22	225
\$15,000 to \$24,999	65	13	6	7	9	100
\$25,000 to \$34,999	20	6	2	2	4	34
\$35,000 to \$49,999	20	5	2	3	3	33
\$50,000 to \$74,999	8	2	1	1	0	12
\$75,000 to \$99,999	5	2	0	0	0	7
\$100,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	0	0	0	0	0	0
Total	262	59	24	28	38	411

Source: ESRI; Urban Decision Group

Renter Age 62+ Households	2019 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	157	36	15	17	26	253
\$15,000 to \$24,999	70	17	8	9	12	116
\$25,000 to \$34,999	28	8	3	4	5	48
\$35,000 to \$49,999	30	9	4	5	5	52
\$50,000 to \$74,999	9	3	1	1	1	14
\$75,000 to \$99,999	7	2	1	1	1	11
\$100,000 to \$149,999	0	0	0	0	0	0
\$150,000 to \$199,999	1	1	0	0	0	1
\$200,000 & Over	0	0	0	0	0	0
Total	302	75	32	36	49	494

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2016 and 2019 for the Holly Hill Site PMA:

Owner Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	199	179	91	43	47	559
\$15,000 to \$24,999	146	140	71	34	36	427
\$25,000 to \$34,999	94	94	47	23	25	283
\$35,000 to \$49,999	76	86	43	21	21	247
\$50,000 to \$74,999	70	81	41	20	21	233
\$75,000 to \$99,999	24	27	14	6	8	79
\$100,000 to \$149,999	13	15	8	3	3	42
\$150,000 to \$199,999	6	7	4	2	1	20
\$200,000 & Over	4	6	3	1	1	15
Total	632	635	322	153	163	1,905

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2016 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	209	179	87	39	46	560
\$15,000 to \$24,999	119	110	54	25	28	336
\$25,000 to \$34,999	95	102	49	23	27	296
\$35,000 to \$49,999	121	128	62	29	34	374
\$50,000 to \$74,999	83	87	42	20	22	254
\$75,000 to \$99,999	40	40	20	9	12	121
\$100,000 to \$149,999	33	39	19	9	10	110
\$150,000 to \$199,999	8	10	4	2	3	27
\$200,000 & Over	2	3	1	1	0	7
Total	710	698	338	157	182	2,085

Source: ESRI; Urban Decision Group

Owner Age 62+ Households	2019 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	216	180	87	40	46	569
\$15,000 to \$24,999	110	101	49	22	26	308
\$25,000 to \$34,999	95	97	47	22	26	287
\$35,000 to \$49,999	132	143	69	32	38	414
\$50,000 to \$74,999	88	96	46	22	25	277
\$75,000 to \$99,999	45	45	22	10	13	135
\$100,000 to \$149,999	37	44	21	10	11	124
\$150,000 to \$199,999	10	12	6	2	3	32
\$200,000 & Over	3	4	1	1	0	8
Total	735	723	349	161	187	2,155

Source: ESRI; Urban Decision Group

The following tables illustrate all household income by household size for age 62 and older for 2010, 2016 and 2019 for the Holly Hill Site PMA:

All Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	316	203	103	56	60	738
\$15,000 to \$24,999	189	149	76	40	40	494
\$25,000 to \$34,999	117	99	49	25	27	317
\$35,000 to \$49,999	83	87	44	22	21	257
\$50,000 to \$74,999	75	82	41	21	21	240
\$75,000 to \$99,999	29	28	14	6	8	85
\$100,000 to \$149,999	13	15	8	3	3	42
\$150,000 to \$199,999	7	7	4	2	1	21
\$200,000 & Over	4	6	3	1	1	15
Total	833	676	342	176	182	2,209

Source: ESRI; Urban Decision Group

All Age 62+ Households	2016 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	353	210	100	54	68	785
\$15,000 to \$24,999	184	123	60	32	37	436
\$25,000 to \$34,999	115	108	51	25	31	330
\$35,000 to \$49,999	141	133	64	32	37	407
\$50,000 to \$74,999	91	89	43	21	22	266
\$75,000 to \$99,999	45	42	20	9	12	128
\$100,000 to \$149,999	33	39	19	9	10	110
\$150,000 to \$199,999	8	10	4	2	3	27
\$200,000 & Over	2	3	1	1	0	7
Total	972	757	362	185	220	2,496

Source: ESRI; Urban Decision Group

All Age 62+ Households	2019 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$15,000	373	217	102	58	72	822
\$15,000 to \$24,999	180	118	57	31	38	425
\$25,000 to \$34,999	123	105	50	26	31	335
\$35,000 to \$49,999	162	152	73	37	42	466
\$50,000 to \$74,999	97	99	47	23	26	291
\$75,000 to \$99,999	52	47	23	11	13	146
\$100,000 to \$149,999	37	44	21	10	11	124
\$150,000 to \$199,999	10	12	6	2	3	34
\$200,000 & Over	3	4	1	1	0	8
Total	1,036	798	381	198	237	2,650

Source: ESRI; Urban Decision Group

### Demographic Summary

Although modest, the Holly Hill Site PMA has experienced demographic growth between 2010 and 2016, in terms of both the total population and overall household base, a trend which is projected to continue between 2016 and 2019. The subject project is restricted to seniors age 62 and older. Notably, this targeted age cohort is projected to increase by 154 households, or 5.8%, between 2016 and 2019, as compared to a decline of 4.2% (147 households) among households under the age of 62 during this same time period. This is a good indication that demand for senior-oriented housing alternatives such as that offered at the subject project will increase more rapidly than that for family-oriented rental product within the Holly Hill Site PMA. It is also of note that 369 elderly (age 62 and older) renter households are projected to earn below \$25,000 in 2019. This represents an increase of 44 (13.5%) low-income senior renter households in the market between 2016 and 2019, and such households will comprise nearly 75.0% of all senior renter households in 2019. Based on the preceding factors, demand for affordable senior-oriented rental housing such as that offered at the subject project is expected to increase in the Holly Hill Site PMA through 2019.

## G. Project-Specific Demand Analysis

### 1. INCOME RESTRICTIONS

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

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

The subject site is within Orangeburg County, South Carolina (non-metropolitan area), which has a four-person median household income of \$41,400 for 2016. However, the project location is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$53,300 in 2016. The subject property will be restricted to senior (age 62 and older) households with incomes of up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI levels.

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$18,650	\$22,380
Two-Person	\$21,300	\$25,560

The subject project is comprised entirely of one-bedroom units which are expected to continue housing up to two-person senior (age 62 and older) households. As such, the maximum allowable income at the subject site is **\$25,560**.

### 2. AFFORDABILITY

Leasing industry standards typically require households to have rent-to-income ratios of 25% to 30%. Pursuant to SCSHFDA market study guidelines, the maximum rent-to-income ratio permitted for a family project is 35% and for a senior project is 40%.

Since 21 of the subject's 24 units operate with Rental Assistance (RA) that allows tenants to pay 30% of their adjusted gross income towards rent, some households could have little or no income and still reside at the subject project. Therefore, we have evaluated support for the subject's RD 515 units with RA using \$0 as the minimum income.

In the unlikely event the subject project did not retain RA and all units had to operate exclusively under the LIHTC guidelines, the proposed LIHTC units will have to lower its one-bedroom rents at 50% AMHI to at least \$499 (maximum allowable). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$5,988. Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$14,970.

Based on the preceding analyses, the income-appropriate ranges required for residency at the subject project with units built to serve households at 50% and 60% of AMHI with and without RA are included in the following table:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit w/RA (Limited To 60% Of AMHI)	\$0	\$25,560
Tax Credit Only (Limited To 50% Of AMHI)	\$14,970	\$21,300
Tax Credit Only (Limited To 60% Of AMHI)	\$17,760	\$25,560
Tax Credit Only - Overall	\$14,970	\$25,560

### 3. DEMAND COMPONENTS

The following are the demand components as outlined by the South Carolina State Housing Finance and Development Authority:

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2016 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2019) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

*In instances where a significant number (more than 20%) of proposed rental units are comprised of three- and/or four-bedroom units, analysts must conduct the required capture rate analysis, followed by an additional refined overall capture rate analysis for the proposed three- and/or four-bedroom units by considering only the number of large households (generally three- or four+-persons). A demand analysis which does not consider both the overall capture rate and the additional refined larger-household analysis may not accurately illustrate the demographic support base.*

b. **Demand from Existing Households:** *The second source of demand should be determined using 2010 Census data (as available), ACS 5 year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source:*

- 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent-overburdened analysis includes households paying greater than 35%, or in the case of elderly 40%, of their gross income toward gross rent rather than some greater percentage. If an analyst feels strongly that the rent-overburdened analysis should focus on a greater percentage, they must give an in-depth explanation why this assumption should be included. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.*

Based on Table B25074 of the American Community Survey (ACS) 2011-2015 5-year estimates, approximately 46.2% to 58.4% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on Table B25016 of the ACS 2011-2015 5-Year Estimates, 9.6% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included. The elderly homeowner conversion demand component shall not account for more than 20% of the total demand.*



The subject project is located in a rural area of South Carolina. As a result, we anticipate that 5.0% of senior homeowners will consider the subject project as a housing alternative. Therefore, we used a 5.0% homeowner conversion rate in our capture rate estimates.

- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

#### **4. METHODOLOGY**

Please note that the Authority's stabilized level of occupancy is 93.0%

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 2016 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2016 which have not reached stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

#### **5. DEMAND/CAPTURE RATE CALCULATIONS**

Within the Site PMA, there are no affordable housing projects that were funded and/or built during the projection period (2016 to current). We did not identify any projects that were placed in service prior to 2016 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.

The following is a summary of our demand calculations. *Note that under the RD 515 program, the subject project will be restricted to seniors age 62 and older. In the unlikely event the subsidy was lost and the project was to operate exclusively under the LIHTC guidelines, it would then be open to seniors age 55 and older. The following demand estimates consider these aforementioned age restrictions for each of these scenarios.*

Demand Component	Percent of Median Household Income			
	Age 62+	Age 55+		
	RD 515 60% AMHI with RA (\$0 - \$25,560)	Tax Credit 50% AMHI without RA (\$14,970 - \$21,300)	Tax Credit 60% AMHI without RA (\$17,760 - \$25,560)	Tax Credit Only Overall (\$14,970 - \$25,560)
Demand from New Renter Households (Age- And Income-Appropriate)	371 - 327 = 44	94 - 84 = 10	110 - 98 = 12	152 - 135 = 17
+				
Demand from Existing Households (Rent Overburdened)	327 X 52.2% = 171	84 X 58.4% = 49	98 X 46.2% = 45	135 X 52.1% = 70
+				
Demand from Existing Households (Renters in Substandard Housing)	327 X 9.6% = 31	84 X 9.6% = 8	98 X 9.6% = 9	135 X 9.6% = 13
+				
Demand from Existing Households (Senior Homeowner Conversion)	913 X 5.0% = 46	266 X 5.0% = 13	325 X 5.0% = 16	443 X 5.0% = 22
=				
Total Demand	292	80	82	122
-				
Supply (Directly Comparable Units Built and/or Funded Since 2016)	0	0	0	0
=				
Net Demand	292	80	82	122
Proposed Units	24	5	19	24
Proposed Units/ Net Demand	24 / 292	5 / 80	19 / 82	24 / 122
Capture Rate	= 8.2%	= 6.3%	= 23.2%	= 19.7%

RA – Rental Assistance

The subject project operates under the RD 515 program and will maintain RA on 21 of the 24 subject units. Under this scenario, the subject project has an overall capture rate of 8.2%. Typically, utilizing this methodology, capture rates below 30.0% are acceptable, while capture rates under 20% are ideal. As such, the 8.2% capture rate for the subject project is considered low and easily achievable within the Holly Hill Site PMA.

In the unlikely event that the subject project did not retain RA and had to operate exclusively under the LIHTC program, the overall capture rate would increase to 19.7%, which although higher, is considered achievable and below the 30.0% threshold. Also note that the subject capture rates by AMHI level are also considered achievable under this scenario, ranging from 6.3% to 23.2%. The preceding demand estimates demonstrate a sufficient base of age- and income-appropriate renter support within the Holly Hill Site PMA for the subject project to operate under either of the previously detailed scenarios. Regardless, it is important to reiterate that the subject project is existing and currently maintains a 100.0% occupancy rate. Assuming RA is retained on all 21 units currently receiving this subsidy, most (if not all) current tenants of the property are expected to remain post renovations. Thus, the effective capture rate for the subject project is 0.0%.

Based on the distribution of persons per household and the share of rental units in the market, we estimate the share of demand by bedroom type within the Site PMA as follows:

Estimated Demand by Bedroom	
Bedroom Type	Percent
One-Bedroom	60.0%
Two-Bedroom	40.0%
Total	100.0%

Applying the preceding shares to the income-qualified households yields demand and capture rates of the proposed units by bedroom type as illustrated in the following tables:

Tax Credit w/RA - Units Targeting 50% & 60% of AMHI (202 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Proposed Subject Units	Capture Rate by Bedroom Type
One-Bedroom (60%)	121	0	121	24	19.8%

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

Tax Credit Only - Units Targeting 50% of AMHI (80 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Proposed Subject Units	Capture Rate by Bedroom Type
One-Bedroom (60%)	48	0	48	5	10.4%

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

Tax Credit Only - Units Targeting 60% of AMHI (82 Units of Demand)					
Bedroom Size (Share of Demand)	Total Demand	Supply*	Net Demand by Bedroom Type	Proposed Subject Units	Capture Rate by Bedroom Type
One-Bedroom (60%)	49	0	49	19	38.8%

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

Assuming the retention of RA, the subject units have a capture rate by bedroom type of 19.8%, demonstrating sufficient demographic support for the subject units within the Site PMA. In the unlikely event RA was lost and the subject units had to operate exclusively under the LIHTC guidelines, capture rates for the subject's one-bedroom units are 10.4% for those at 50% of AMHI and 38.8% for those at 60% of AMHI. These are both considered achievable and demonstrate sufficient support for each of the proposed unit types at the subject project under this unlikely scenario. Regardless, the subject project is existing and 100.0% occupied, as previously stated. Most, if not all, current tenants are expected to remain post renovations, assuming the retention of RA. Thus, the effective capture rate for the subject project is 0.0%, as previously detailed.

It is important to note, however, that while our demand estimates demonstrate sufficient age- and income-appropriate household support for the subject project under both scenarios (with RA and LIHTC-only) evaluated, the subject rents must also be appropriately and competitively positioned among comparable units within the market and/or region. The competitive position of the subject's proposed Tax Credit rents is evaluated in Section H and has been considered in our absorption projections.

## **6. ABSORPTION PROJECTIONS**

According to management, the subject project is currently 100.0% occupied and a four-household wait is maintained. It is anticipated that few, if any, of the current tenants will move from the project following renovations. Furthermore, it is important to note that the renovations at the subject site will not necessitate the displacement of current residents and the project will be renovated in such a way to minimize off-site relocation. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purpose of this analysis, we assume that all 24 subject units will be vacated and that all units will have to be re-rented simultaneously, assuming the retention of Rental Assistance (RA) on 21 of the 24 subject units. We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy and that the initial renovated units at the site will be available for rent sometime in May of 2018. A different completion date may impact (positively or negatively) the absorption potential for the subject project.

It is our opinion that the 24 units at the subject site will reach a stabilized occupancy of 93.0% within three months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately seven to eight units per month. Our absorption projections assume that no other projects targeting a similar age or income group will be developed during the projection period and that the renovations will be completed as outlined in this report. Changes to the project's rents, amenities, scope of renovations, or other features may invalidate our findings.

We assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Finally, these absorption projections also assume that RA will be retained following renovations. Should RA not be retained, the 24 LIHTC units at the subject site would likely have an extended absorption period as this would no longer allow the subject project to target households earning below \$14,970, assuming the project operates at the proposed LIHTC rent levels in this report. However, it is also important to note that the proposed subject rents are below current Payment Standards set by the South Carolina Regional Housing Authority #3. As such, Housing Choice Voucher holders would be eligible to reside at the subject project in this unlikely scenario. Regardless, the subject's proposed gross Tax Credit rents are considered high for the market based on the findings of this report and thus would likely have a slowing impact on absorption of the subject project in this unlikely *LIHTC only* scenario. This has been considered in our absorption projections. Based on the preceding analysis, along with other factors contained within this report, we would anticipate the rehabilitated units would reach a stabilized occupancy rate of 93.0% within eight months. This assumes an average absorption rate of approximately three units per month.

In reality, however, the absorption period for this project will be less than one month as most, if not all, tenants are expected to remain at the project, with the majority continuing to pay up to 30% of their adjusted gross income towards housing costs.

## H. Rental Housing Analysis (Supply)

### 1. COMPETITIVE DEVELOPMENTS

Following renovations, the subject project will offer one-bedroom units targeting senior (age 62 and older) households earning up to 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. In addition to the LIHTC program, the subject project will also continue to operate under the Rural Development 515 (RD 515) program, with Rental Assistance (RA) retained on 21 of the 24 subject units.

Within the Site PMA, we identified and surveyed one property which operates under the LIHTC program. This property, Winfield Apartments (Map ID 3), is a general-occupancy (family) property. However, since it offers one-bedroom garden-style units, it will offer a good base of comparison for the subject project, despite the age-restriction at the subject project. It is also of note that this aforementioned property also operates under the RD 515 program, with the majority of its units also receiving RA, similar to the subject project.

Given the very limited supply of LIHTC product within the Site PMA, we also identified and surveyed four additional properties located outside the Site PMA which offer unit types and/or target a similar demographic, as compared to the subject project. These properties are located in the surrounding towns of Goose Creek, Manning, and Summerville, South Carolina. Since these properties are located outside of the Site PMA, they derive demographic support from different geographic areas as compared to the subject project and therefore are not considered directly competitive. We recognize that the Goose Creek and Summerville markets in which some of the comparable LIHTC projects are located are superior to the Holly Hill market in terms of household income and rents charged. Thus, the rents reported among these projects likely will not translate to the subject market, which has been considered in our analysis. However, these are believed to be some of the nearest comparable non-subsidized LIHTC properties in the region, and thus they have been included in our comparable analysis for the purpose of evaluating the competitive position of the subject project in terms of unit design and amenities offered.

These comparable LIHTC properties and the subject development are summarized below:

Map I.D.	Project Name	Year Built/Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	<b>Holly Tree Manor</b>	<b>1993 / 2018</b>	<b>24</b>	<b>100.0%</b>	-	<b>4 H.H.</b>	<b>Seniors 62+; 50% &amp; 60% AMHI &amp; RD 515</b>
3	Winfield Apts.	1983 / 2016	34	100.0%	8.6 Miles	6 H.H.	Families; 50% AMHI & RD 515
902	Summerville Garden Apts.	2012	72	100.0%	28.4 Miles	18 Months	Families; 50% & 60% AMHI
912	Crowfield Greene	2011	42	100.0%	30.2 Miles	78 H.H.	Seniors 55+; 50% & 60% AMHI
913	Hallmark Timberlake Apts.	2007	224	100.0%	33.3 Miles	1 & 2-Br: 25 H.H.	Families; 60% AMHI
915	Ashton Trace	2006	32	100.0%	34.8 Miles	7 H.H.	Seniors 55+; 50% AMHI

900 Series Map IDs are located outside the Site PMA

OCC. – Occupancy

H.H. - Households

The five LIHTC projects have a combined occupancy rate of 100.0%, with all five properties maintaining waiting lists for their next available units. It is also important to reiterate that the subject project is an existing LIHTC project which is also 100.0% occupied with a waiting list. These are clear indications of pent-up demand for LIHTC product in the market and region.

The following table identifies the comparable LIHTC properties that accept Housing Choice Vouchers as well as the approximate number and share of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
3	Winfield Apts.	2*	1	50.0%
902	Summerville Garden Apts.	72	2	2.8%
912	Crowfield Greene	42	2	4.8%
913	Hallmark Timberlake Apts.	224	89	39.7%
915	Ashton Trace	32	8	25.0%
Total		372	102	27.4%

900 Series Map IDs are located outside the Site PMA

\*Units without Rental Assistance only

As the preceding table illustrates, there are a total of approximately 102 Voucher holders residing at the comparable properties within the market and region, only one of which is currently residing at the one comparable LIHTC project located in the Site PMA. This comprises 27.4% of the 372 total non-subsidized LIHTC units offered among these projects. As such, it can be concluded that the gross rents at these properties are achievable within the region.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
<b>Site</b>	<b>Holly Tree Manor</b>	<b>\$499/50% (5)</b> <b>\$592/60% (19)</b>	-	-	-
3	Winfield Apts.	\$642-\$687*/50% (12/0)	\$694-\$746*/50% (22/0)	-	None
902	Summerville Garden Apts.	\$577/50% (5/0) \$616/60% (13/0)	\$674/50% (9/0) \$699/60% (27/0)	\$765/50% (4/0) \$823/60% (14/0)	None
912	Crowfield Greene	\$584/50% (7/0) \$677/60% (7/0)	\$703/50% (14/0) \$839/60% (14/0)	-	None
913	Hallmark Timberlake Apts.	\$702/60% (20/0)	\$829/60% (120/0)	\$953/60% (84/0)	None
915	Ashton Trace	\$477/50% (16/0)	\$566/50% (16/0)	-	None

900 Series Map IDs are located outside the Site PMA

\*Denotes basic and market rents under the RD 515 program

As the preceding illustrates, the subject's proposed gross Tax Credit rents are lower than those reported for similar unit types at the comparable LIHTC projects, with the exception of those reported at Ashton Trace (Map ID 915). It is important to reiterate, however, that three of the non-subsidized LIHTC properties surveyed are located in the towns of Goose Creek and Summerville, which are comprised of higher income households as compared to the subject market area. Thus, these properties can command rent premiums as compared to similar product located in the Holly Hill area. The Ashton Trace (Map ID 915) property is, however, located in the town of Manning, which is similar to the subject market in terms of household income and median gross rents, based on American Community Survey (ACS) data. As such, the rents reported at Ashton Trace provide the most accurate base of comparison for the subject project. The subject rents set at 50% of AMHI are \$22 higher than those reported at the aforementioned Ashton Trace property. When factoring for unit design (square feet) and amenities offered, as well as the 100.0% occupancy rate reported at this property, it is our opinion that the subject project would likely need to have its gross 50% rents set at or near \$460. Considering the difference between maximum allowable rents at the 50% and 60% AMHI level for Orangeburg County, as well as the differences between the 50% and 60% rents reported among the comparable LIHTC projects, it is likely that the subject's gross rents at the 60% AMHI level would need to be set at, or near, \$530.



Note that while our demand estimates included in Section G indicate sufficient demographic support for the subject project at the proposed rent levels, the aforementioned rent recommendations for the subject project also take into account the competitive position of the subject rents as compared to those being charged for similar unit types at the comparable LIHTC projects surveyed in the region. It is also important to reiterate that the subject project will continue to operate under the RD 515 program with Rental Assistance (RA) retained on 21 of the 24 subject units. As such, the preceding rent recommendations are considered necessary only in the unlikely event that the subject project lost its project-based subsidy and had to operate exclusively under the LIHTC guidelines.

One-page summary sheets, including property photographs of each comparable Tax Credit property, are included on the following pages.

**902** **Summerville Garden Apts.**

28.4 miles to site



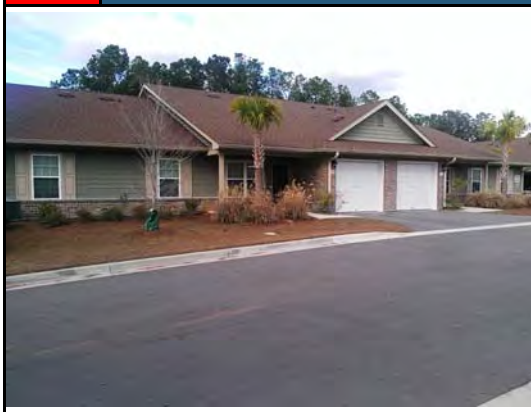
<b>Address</b>	340 Holiday Dr. Summerville, SC 29483		
<b>Phone</b>	(843) 771-0106	<b>Contact</b>	Carnisea
<b>Total Units</b>	72	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Tax Credit		
<b>Year Open</b>	2012	<b>Floors</b>	2,3
<b>Concessions</b>	No Rent Specials		
<b>Age Restrictions</b>	NONE		
<b>Waiting List</b>	18 months		
<b>Ratings:</b>	<b>Quality</b> B+	<b>Neighborhood</b> B	<b>Access/Visibility</b> B/B
<b>Remarks</b>	50% & 60% AMHI; HCV (2 units)		

**FEATURES AND UTILITIES**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
<b>Project Amenities</b>	On-site Management, Laundry Facility, Club House, Fitness Center, Playground, Lake, Computer Lab, Picnic Area
<b>Parking</b>	Surface Parking

**UNIT CONFIGURATION**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	13	0	763	\$0.71	\$539	60%
1	1	G	5	0	763	\$0.66	\$500	50%
2	2 to 3	G	27	0	973	\$0.62	\$600	60%
2	2	G	9	0	973	\$0.59	\$575	50%
3	2	G	14	0	1125	\$0.62	\$700	60%
3	2	G	4	0	1125	\$0.57	\$642	50%



**Address** 179 Turnmill Dr.  
Goose Creek, SC 29445

**Phone** (843) 818-1195 **Contact** Kylie

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

**Project Type** Tax Credit

**Year Open** 2011 **Floors** 1

**Concessions** No Rent Specials

**Age Restrictions** Senior (55+)

**Waiting List** 78 households

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

**Remarks** 50% & 60% AMHI; HCV (2 units); Six handicap units have E-call buttons; Larger 2-br has den

**FEATURES AND UTILITIES**

**Utilities** Landlord pays Water, Sewer, Trash  
**Unit Amenities** Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, E-Call Button  
**Project Amenities** On-site Management, Laundry Facility, Club House, Fitness Center, Computer Lab, Picnic Area, Social Services, Business Center, Gazebo  
**Parking** Attached Garages, Surface Parking

**UNIT CONFIGURATION**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	7	0	952	\$0.63	\$600	60%
1	1	G	7	0	952	\$0.53	\$507	50%
2	2	G	14	0	1331	\$0.56	\$740	60%
2	2	G	14	0	1237	\$0.49	\$604	50%

**913 Hallmark Timberlake Apts.**

33.3 miles to site



<b>Address</b>	1000 Hallmark Dr. Goose Creek, SC 29445		
<b>Phone</b>	(843) 820-2528	<b>Contact</b>	Richard
<b>Total Units</b>	224	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Tax Credit		
<b>Year Open</b>	2007	<b>Floors</b>	3
<b>Concessions</b>	No Rent Specials		
<b>Age Restrictions</b>	NONE		
<b>Waiting List</b>	1 & 2-br: 25 HH		
<b>Ratings:</b>	<b>Quality</b> B-	<b>Neighborhood</b> B	<b>Access/Visibility</b> B+/-
<b>Remarks</b>	60% AMHI, Tax Credit Bond; HCV (approx 89 units)		

**FEATURES AND UTILITIES**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Playground, Lake, Computer Lab
<b>Parking</b>	Surface Parking

**UNIT CONFIGURATION**

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	20	0	701	\$0.89	\$625	60%
2	2	G	120	0	969	\$0.75	\$730	60%
3	2	G	84	0	1101	\$0.75	\$830	60%

**915 Ashton Trace**

34.8 miles to site



<b>Address</b>	1013 Ashton Trace Dr. Manning, SC 29102		
<b>Phone</b>	(803) 435-9580	<b>Contact</b>	Bobbie
<b>Total Units</b>	32	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Tax Credit		
<b>Year Open</b>	2006	<b>Floors</b>	1
<b>Concessions</b>	No Rent Specials		
<b>Age Restrictions</b>	Senior (55+)		
<b>Waiting List</b>	7 households		
<b>Ratings:</b>	<b>Quality</b> B+	<b>Neighborhood</b> B	<b>Access/Visibility</b> B/B
<b>Remarks</b>	50% AMHI; HCV (8 units)		

**FEATURES AND UTILITIES**

<b>Utilities</b>	Landlord pays Trash
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds, E-Call Button
<b>Project Amenities</b>	On-site Management, Laundry Facility, Meeting Room, Fitness Center, Computer Lab, Picnic Area
<b>Parking</b>	Surface Parking

**UNIT CONFIGURATION**

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	16	0	750	\$0.47	\$350	50%
2	2	G	16	0	900	\$0.44	\$399	50%

**3 Winfield Apts.**

8.6 miles to site



<b>Address</b>	129 Bowman St. Harleyville, SC 29448		
<b>Phone</b>	(843) 462-7637	<b>Contact</b>	Tanya
<b>Total Units</b>	34	<b>Vacancies</b>	0
		<b>Percent Occupied</b>	100.0%
<b>Project Type</b>	Tax Credit & Government-Subsidized		
<b>Year Open</b>	1983	<b>Renovated</b>	2016
		<b>Floors</b>	1, 2
<b>Concessions</b>	No Rent Specials		
<b>Age Restrictions</b>	NONE		
<b>Waiting List</b>	6 households		
<b>Ratings:</b>	<b>Quality</b> B	<b>Neighborhood</b> B	<b>Access/Visibility</b> B/B
<b>Remarks</b>	50% AMHI; RD 515, has RA (32 units); HCV (1 unit); Washer/dryer hookup in one unit (handicap); Ph II opened 1987		

**FEATURES AND UTILITIES**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash
<b>Unit Amenities</b>	Refrigerator, Range, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
<b>Project Amenities</b>	On-site Management, Laundry Facility, Meeting Room, Playground, Computer Lab
<b>Parking</b>	Surface Parking

**UNIT CONFIGURATION**

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	12	0	562	\$1.01 - \$1.09	\$565 to \$610	50%
2	1	G	22	0	741 to 834	\$0.78 - \$0.80	\$595 to \$647	50%

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

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Holly Tree Manor</b>	<b>694</b>	<b>-</b>	<b>-</b>
3	Winfield Apts.	562	741 - 834	-
902	Summerville Garden Apts.	763	973	1,125
912	Crowfield Greene	952	1,237 - 1,331	-
913	Hallmark Timberlake Apts.	701	969	1,101
915	Ashton Trace	750	900	-

900 Series Map IDs are located outside the Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Holly Tree Manor</b>	<b>1.0</b>	<b>-</b>	<b>-</b>
3	Winfield Apts.	1.0	1.0	-
902	Summerville Garden Apts.	1.0	2.0 - 3.0	2.0
912	Crowfield Greene	1.0	2.0	-
913	Hallmark Timberlake Apts.	1.0	2.0	2.0
915	Ashton Trace	1.0	2.0	-

900 Series Map IDs are located outside the Site PMA

The subject’s one-bedroom units are competitively positioned among those offered at the comparable LIHTC projects in terms of both unit size (square feet) and number of bathrooms offered. In fact, the subject units are more than 100 square feet larger than those offered at the one existing LIHTC property in the Site PMA, Winfield Apartments (Map ID 3). It is also of note that the subject project is an existing property which is 100.0% occupied, further demonstrating the marketability of the subject’s one-bedroom units in terms of square footage and bathrooms offered.

The following tables compare the amenities of the subject development with the other LIHTC projects in the market and region.



# COMPARABLE PROPERTIES AMENITIES - HOLLY HILL, SOUTH CAROLINA

MAP ID	APPLIANCES							UNIT AMENITIES												
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING	OTHER
◆ <b>SITE</b>	X	X				X	X		∇		X	X	X				B	X	S	
<b>902</b>	X	X	X	X	X	X	X		C		X	X	X				B		S	
◆ <b>912</b>	X	X		X	X		X		C		X	X	X				B	S	A, S	
<b>913</b>	X	X		X	X		X		C		X		X				B		S	
◆ <b>915</b>	X	X	X	X	X	X	X		C		X	X	X				B	X	S	
<b>3</b>	X	X				X	X		C		X		X				B		S	

MAP ID	PROJECT AMENITIES														OTHER				
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB		LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER
◆ <b>SITE</b>		X	X		X	X								X		X			Security Cameras; Gazebo; Recycling Center
<b>902</b>		X	X	X		X		X						X		X		X	Gazebo
◆ <b>912</b>		X	X	X		X								X		X	X		
<b>913</b>	X	X	X	X				X						X					
◆ <b>915</b>		X	X		A	X								X		X			
<b>3</b>		X	X		X			X						X					

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

X - All Units
S - Some Units
O - Optional

<b>Window Treatments</b>
B - Blinds
C - Curtains
D - Drapes

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

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

<b>Floor Covering</b>
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

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



The unit and project amenity packages proposed at the subject project are relatively competitive with those offered among the non-subsidized LIHTC properties surveyed in the region. They are also superior to those offered at Winfield Apartments (Map ID 3), the one comparable LIHTC project located in the Site PMA, which also operates under the RD 515 program, similar to the subject project. As such, the subject project does not appear to lack any key amenities that would adversely impact its continued marketability within the Holly Hill Site PMA, especially when considering the very limited supply of LIHTC product in this market. The 100.0% occupancy rate currently maintained at the subject project is further indication that the amenities offered are marketable to and appropriate for the targeted senior population at the subject project.

#### Comparable/Competitive Tax Credit Summary

The Holly Hill market is very rural and thus offers a very limited supply of rental product, particularly LIHTC product, as only one such property (aside from the subject project) is offered within the PMA. This property, Winfield Apartments (Map ID 3) also operates under the RD 515 program, similar to the subject project, and is 100.0% occupied with a waiting list. This, along with the 100.0% occupancy rate and waiting list maintained at the subject project, demonstrates pent-up demand for LIHTC product within the Site PMA. We also identified and surveyed four additional non-subsidized LIHTC projects outside the Site PMA, but within the region, that offer similar unit types and/or target similar tenant populations, as compared to the subject project. These properties are also 100.0% occupied with waiting lists. The subject's gross Tax Credit rents, although supportable demographically, are considered high based on the rents reported for similar unit types among the comparable non-subsidized LIHTC properties surveyed. These high proposed gross Tax Credit rents would likely have a slowing impact on the absorption of the subject project in the unlikely scenario that RA was lost and the property had to operate exclusively under the LIHTC guidelines and have been considered in our absorption projections. Lowering the subject's *gross* Tax Credit rents at 50% and 60% of AMHI to levels at, or near, \$460 and \$530, respectively, would ensure the subject's competitive position within the Holly Hill market. Please note, however, that these rent reductions are only deemed necessary in the unlikely event that the subject project did not retain Rental Assistance (RA) and had to operate exclusively under the LIHTC program. In reality, RA will be retained and most tenants will continue to pay up to 30% of their adjusted gross income towards rent. Thus, the subject project will remain a significant value to low-income seniors within the Holly Hill Site PMA. The subject project is also considered marketable in terms of unit design (square feet and number of bathrooms offered) and amenities offered, as evidenced by the 100.0% occupancy rate reported at the subject project.

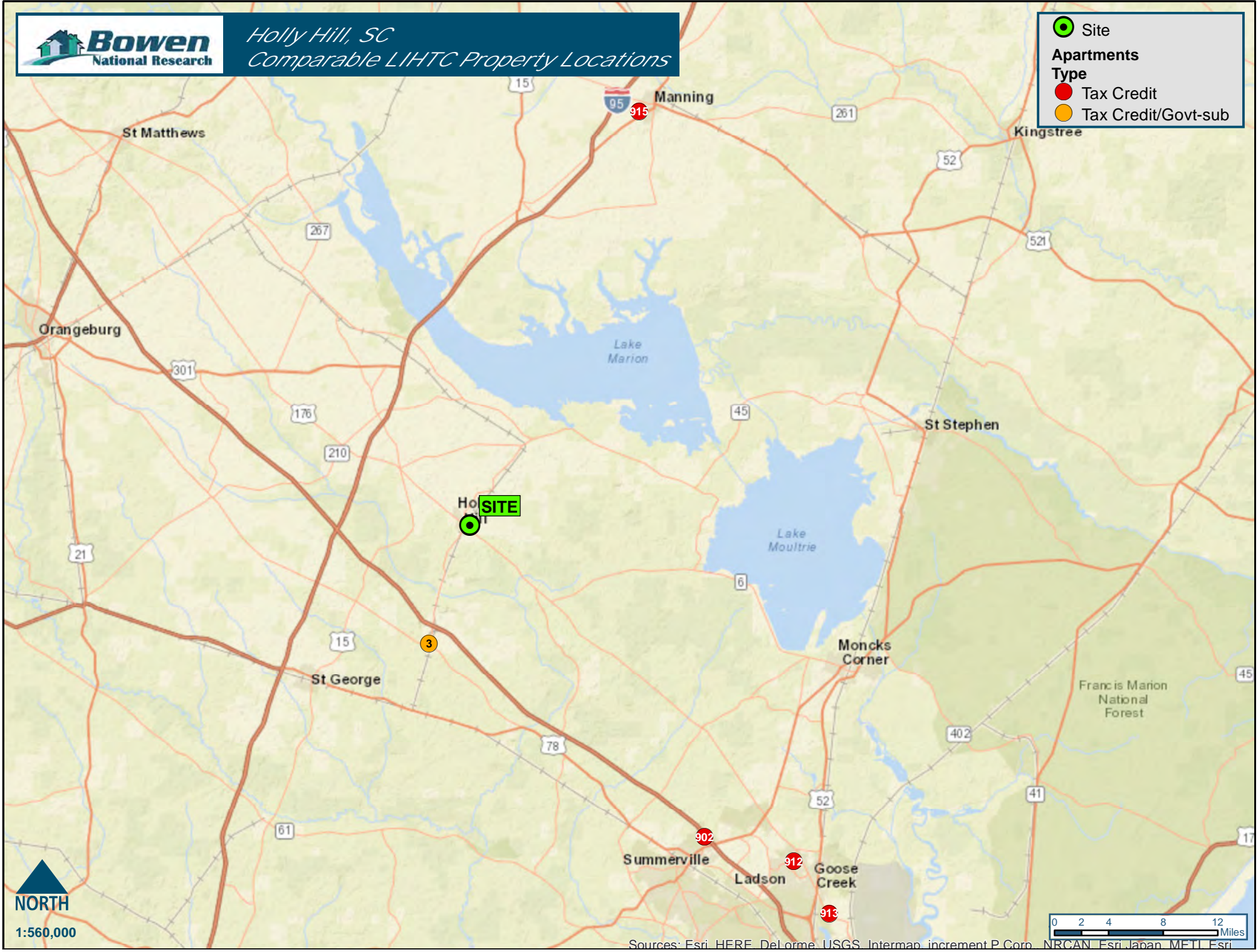
**2. COMPARABLE TAX CREDIT PROPERTIES MAP**

A map illustrating the location of the comparable properties we surveyed is on the following page.



Holly Hill, SC  
Comparable LIHTC Property Locations

● Site  
**Apartments**  
**Type**  
● Tax Credit  
● Tax Credit/Govt-sub



NORTH  
1:560,000

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

### 3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Holly Hill Site PMA in 2010 and 2016 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2016 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	5,924	77.4%	6,025	77.6%
Owner-Occupied	4,683	79.1%	4,653	77.2%
Renter-Occupied	1,241	20.9%	1,372	22.8%
Vacant	1,726	22.6%	1,740	22.4%
Total	7,650	100.0%	7,765	100.0%

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

Based on a 2016 update of the 2010 Census, of the 7,765 total housing units in the market, 22.4% were vacant. Note that the number and share of vacant housing units remained stable between 2010 and 2016. Regardless, these include abandoned, dilapidated and/or for-sale housing units, as well as housing units utilized solely for recreational/seasonal purposes. As such, the number and share of vacant units reflected in the preceding table is likely not reflective of the long-term rental housing market within the Site PMA. As such, we have conducted a Field Survey of Conventional Rentals to better determine the strength of the Holly Hill rental housing market.

#### Conventional Apartments

The Holly Hill Site PMA is very rural and thus offers a limited supply of conventional rental product, which is further evident by the fact that we identified and personally surveyed just four conventional rental housing projects containing a total of 94 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. Each of the rental housing segments surveyed is summarized in the following table.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Tax Credit/Government-Subsidized	2	58	0	100.0%
Government-Subsidized	2	36	0	100.0%
Total	4	94	0	100.0%

As the preceding illustrates, all four of the rental properties identified and surveyed in the Site PMA offer affordable (Tax Credit and/or Government-Subsidized) units. These properties are all 100.0% occupied and all four properties maintain waiting lists for their next available units. These are clear indications that affordable rental product is in high demand within the Site PMA.

Given the lack of non-subsidized (Tax Credit and market-rate) product within the Site PMA, it was necessary to identify and survey such product outside the Site PMA in order to establish a base of comparison for the subject project. As such, we identified and surveyed a total of nine properties (four Tax Credit and five market-rate) which offer unit types and/or target population segments similar to those at the subject project. Although located outside the Site PMA, these properties are within the region, in the towns of Goose Creek, Manning, Moncks Corner, and Summerville, South Carolina. The non-subsidized Tax Credit properties surveyed were evaluated in comparison to the subject project earlier in this section of the report, while the comparable unrestricted market-rate properties are evaluated later in the *Market Rent Advantage* section of this report.

A complete list of all properties surveyed is included in *Addendum A, Field Survey of Conventional Rentals*.

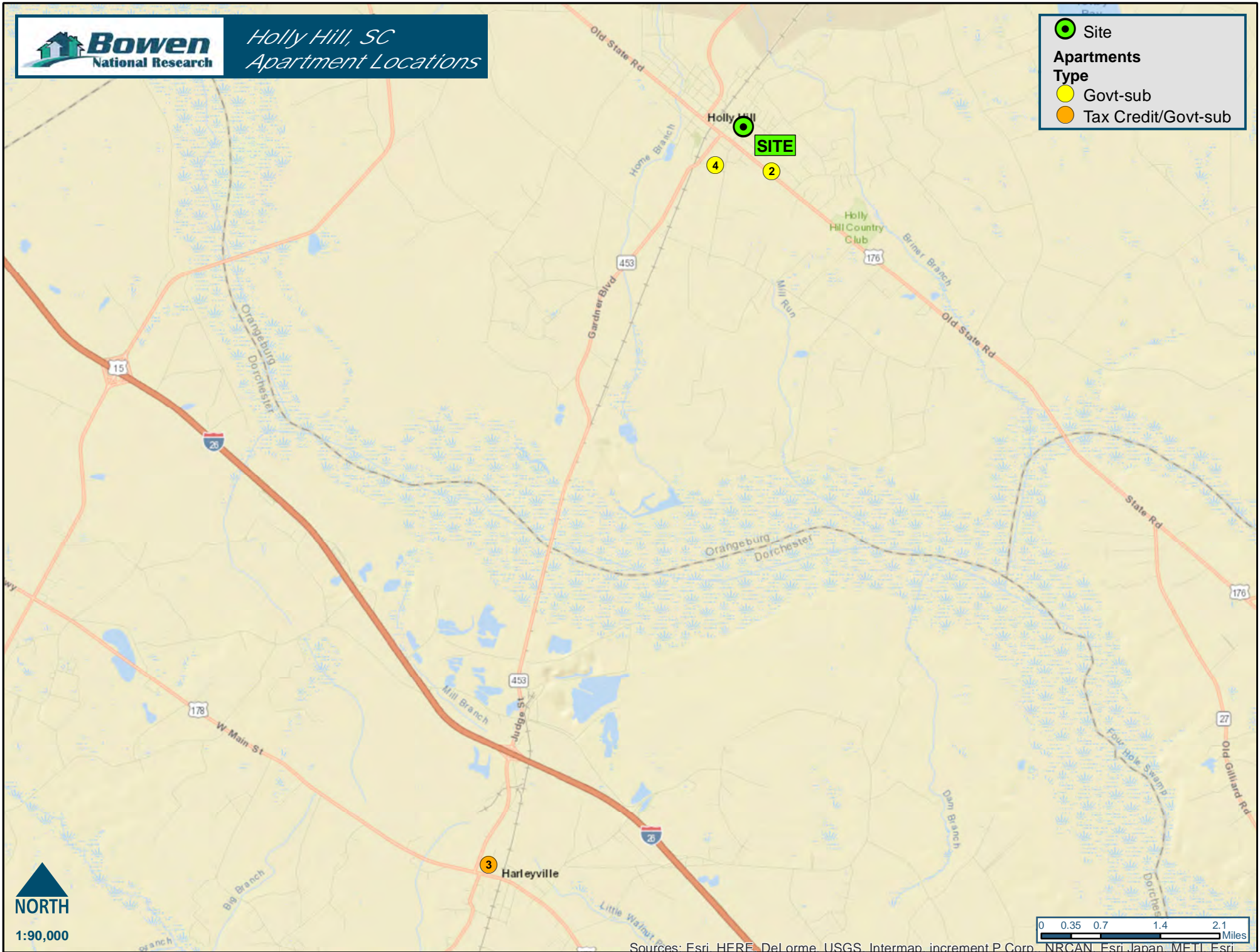
#### **4. RENTAL HOUSING INVENTORY MAP**

A map identifying the location of all properties surveyed within the Holly Hill Site PMA is on the following page.



Holly Hill, SC  
Apartment Locations

● Site  
**Apartments Type**  
● Govt-sub  
● Tax Credit/Govt-sub



NORTH  
1:90,000



## 5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with local building and planning representatives for various municipalities comprised within the Site PMA, it was determined that there are no planned rental projects within the Site PMA.

## 7. MARKET RENT ADVANTAGE

We did not identify any market-rate properties within the Holly Hill Site PMA that we consider comparable in terms of age, structure, unit types offered and/or amenities offered to the subject project. As such, it was necessary to identify and survey comparable market-rate product outside of the Site PMA but within the region. Thus, we identified and surveyed five market-rate properties in the nearby towns of Moncks Corner and Summerville that we consider comparable to the subject project, based on design and unit types offered. Note that since the selected properties are located in more affluent areas (Moncks Corner and Summerville) as compared to the subject project in terms of median household income and median gross rent, based on American Community Survey (ACS) data, an adjustment has been applied to each of the selected properties to account for out of market differences. These selected properties are used to derive market rent for a project with characteristics similar to the subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

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

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

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

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

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

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>Holly Tree Manor</b>	<b>1993 / 2018</b>	<b>24</b>	<b>100.0%</b>	<b>24 (100.0%)</b>	<b>-</b>	<b>-</b>
901	Colonial Village at Waters Edge	1986	204	99.0%	64 (100.0%)	140 (98.6%)	-
903	Westbury Mews	1989	132	96.2%	44 (100.0%)	72 (94.4%)	16 (93.8%)
904	Vista Sands Apts.	2005	280	96.4%	120 (96.7%)	144 (96.5%)	16 (93.8%)
905	Tradition at Summerville	2004	232	91.4%	64 (93.8%)	156 (90.4%)	12 (91.7%)
914	Village Apts.	1981	59 + 5*	100.0%	15 (100.0%)	44 (100.0%)	-

900 Series Map IDs are located outside the Site PMA

Occ. – Occupancy

\*Units under construction

The five selected market-rate projects have a combined total of 907 units with an overall occupancy rate of 95.9%. None of the comparable properties has an occupancy rate below 91.4%. These occupancy rates indicate that each selected project is well-received within the region. Therefore, these projects will serve as an accurate benchmark with which to compare to the subject development.

The Rent Comparability Grid on the following page shows the collected rents for each of the selected properties and illustrates the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist between the selected properties and the subject development.



**Rent Comparability Grid**

Unit Type →

**ONE BEDROOM**

<i>Subject</i>		<i>Comp #1</i>		<i>Comp #2</i>		<i>Comp #3</i>		<i>Comp #4</i>		<i>Comp #5</i>	
Holly Tree Manor		Colonial Village at Waters Edge		Westbury Mews		Vista Sands Apts.		Tradition at Summerville		Village Apts.	
185 Doyle Street		9989 Dorchester Rd.		1425 Old Trolley Rd.		1001 Bear Island Rd.		325 Marymeade Dr.		325 Gulledge St.	
Holly Hill, SC		Summerville, SC		Summerville, SC		Summerville, SC		Summerville, SC		Moncks Corner, SC	
<b>A.</b>	<b>Rents Charged</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent / Restricted?	\$868		\$765		\$948		\$953		\$662	
2	Date Surveyed	Jan-17		Jan-17		Jan-17		Jan-17		Jan-17	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		97%		94%		100%	
5	Effective Rent & Rent/ sq. ft	\$868	1.24	\$765	1.20	\$948	1.44	\$953	1.46	\$662	0.87
<b>B.</b>	<b>Design, Location, Condition</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure / Stories	R/1		WU/2,3		WU/3		WU/2,3		WU/2	
7	Yr. Built/Yr. Renovated	1993/2018		1986	\$20	1989	\$17	2005	\$1	2004	\$2
8	Condition /Street Appeal	G		G		E	(\$15)	E	(\$15)	G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	No	(\$174)	No	(\$153)	No	(\$190)	No	(\$191)	No	(\$132)
<b>C.</b>	<b>Unit Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	1		1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	694	(\$2)	700	\$18	658	\$11	652	\$13	760	(\$20)
14	Balcony/ Patio	Y	\$5	N		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	Y/N	(\$5)	N/Y	(\$5)	Y/Y	(\$10)	Y/Y	(\$10)	N/N	\$5
18	Washer/Dryer	HU/L	(\$25)	W/D		HU/L		W/D	(\$25)	HU/L	
19	Floor Coverings	V		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/Y	(\$5)	N/N	
22	Garbage Disposal	N	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	N	
23	Ceiling Fans/E-Call Buttons	Y/Y	\$5	Y/N	\$5	Y/N	\$5	Y/N	\$5	Y/N	\$5
<b>D</b>	<b>Site Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security Gate/Camera	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
27	Clubhouse/ Meeting Space	Y		Y		Y		Y		N	\$5
28	Pool/ Recreation Areas	F/G	(\$10)	P/F/S	(\$10)	P/F/S	(\$10)	P/F/S	(\$10)	N	\$8
29	Computer/Business Center	Y		Y	\$3	Y		Y		N	\$3
30	Picnic Area	Y	\$3	N		Y		Y		N	\$3
31	Library	N		N		N		Y	(\$3)	N	
32	Cable Service Included	N	(\$40)	Y		N		N		N	
<b>E.</b>	<b>Utilities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N	(\$50)	N/N		N/N		Y/Y	(\$50)
39	Trash /Recycling	Y/N	\$15	N/N		N/N	\$15	Y/N		Y/N	
<b>F.</b>	<b>Adjustments Recap</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	5	7	5	4	4	5	4	8	8	2
41	Sum Adjustments B to D	\$36	(\$261)	\$46	(\$173)	\$20	(\$230)	\$23	(\$264)	\$57	(\$152)
42	Sum Utility Adjustments	\$15			(\$50)	\$15					(\$50)
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/ Gross Adjmts B to E	(\$210)	\$312	(\$177)	\$269	(\$195)	\$265	(\$241)	\$287	(\$145)	\$259
<b>G.</b>	<b>Adjusted &amp; Market Rents</b>	<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$658		\$588		\$753		\$712		\$517	
45	Adj Rent/Last rent		76%		77%		79%		75%		78%
46	Estimated Market Rent	\$595	\$0.86	← Estimated Market Rent/ Sq. Ft							

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

Based on the preceding Rent Comparability Grid, it was determined that the current achievable market rent for a one-bedroom unit similar to those offered at the subject project is \$595. Note that we have provided two market-rent advantage analyses for the purposes of this report. The first analysis compares the achievable market rent with the *average current tenant-paid rent*, assuming that RA is retained on the majority of the subject units as proposed and that all current tenants continue to reside at the project post LIHTC renovations. The second analysis compares the achievable market rent with the proposed/programmatic Tax Credit rents in the unlikely event the subject project lost its subsidy and solely operated as a LIHTC development.

Market Rent Advantage – Current Rents

Per SCSHFDA methodology, for existing projects that offer a project-based subsidy, the subject’s market rent advantage should be calculated utilizing current tenant-paid rents to represent the “true” value the subsidy represents to low-income households, relative to comparable unrestricted market-rate product. Based on the project’s current rent roll, as illustrated in *Addendum D* of this report, the average tenant rent paid is \$135. This equates to a total (gross) tenant rent paid of \$3,240 (\$135 x 24 units = \$3,240). The following table illustrates the subject project’s overall market-rent advantage with the retention of the subsidy:

Bedroom Type	Average Current Tenant-Paid Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	\$135	\$595	77.31%

As the preceding illustrates, the subject’s market rent advantage as proposed with RA being retained on 21 of the 24 subject units is 77.31%, which is well above the SCSHFDA threshold of 35.0%. This demonstrates that the subject project represents a significant value within the Holly Hill market, which is further evident by its 100.0% occupancy rate and waiting list currently reported at the property. The preceding market rent advantage has been included in Exhibit S-2 per SCSHFDA requirements.



Market Rent Advantage - Proposed/Programmatic Tax Credit Rents

As previously discussed, the proposed LIHTC rents evaluated throughout this report are only effective for the subject units which do not receive RA and/or in the unlikely event the project-based RA was lost. Regardless, the market rent advantage for the proposed LIHTC rents evaluated throughout this report are illustrated in the following table.

Bedroom Type	% AMHI	Proposed Collected Rent	Achievable Market Rent	Market Rent Advantage
One-Br.	50%	\$367	\$595	38.32%
One-Br.	60%	\$460	\$595	22.68%
<b>Weighted Average</b>				<b>25.95%</b>

The subject’s market rent advantages ranging from 22.68% to 38.32%, depending upon AMHI level, suggest that the subject’s proposed Tax Credit rents would represent a value in the market. While this is true in regards to similar market-rate product surveyed in the region, the subject project must also be competitively positioned among similar non-subsidized LIHTC product in the region. As detailed earlier in this section of the report, the subject’s proposed gross Tax Credit rents are high for the market, as compared to the rents reported among similar unit types at the comparable LIHTC projects located outside the Site PMA. These high proposed gross Tax Credit rents will likely have a slowing impact on absorption of the subject project, despite the aforementioned market rent advantages. It is important to reiterate, however, that this assumes the unlikely event RA is not retained and the property had to operate exclusively under the LIHTC guidelines. In reality, the subject project will continue to operate under the RD 515 program with RA provided to the majority of its units. Thus, the subject project will continue to represent a value to low-income seniors in the Holly Hill market.

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

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



7. Upon completion of renovations, the subject project will have an effective age of 2006. The selected properties were built between 1981 and 2005. We have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties as compared to the subject project.
8. It is anticipated that the subject project will have a good quality finished look and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have either a superior or an inferior quality to the subject development.
10. As previously stated, we did not identify any comparable market-rate properties within the Holly Hill Site PMA. As such, we identified and surveyed five comparable properties located outside of the Site PMA, but within the region in the towns of Moncks Corner and Summerville. Note that since these areas are considered to be superior to the Holly Hill area in terms of median household income and median gross rents, we have applied a negative adjustment to each of the selected properties to account for out of market differences.
13. The adjustment for differences in square footage is based on the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25% of the average as the baseline for this adjustment.
- 14.-23. The subject project offers a unit amenity package that is considered inferior to those offered among the selected properties. We have, however, made adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the selected properties do not offer compared to the subject project.
- 24.-32. Similarly, the project amenity package offered at the subject project is also considered inferior to those offered among the selected properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property as needed. The utility adjustments were based on the local housing authority's utility cost estimates.

## 8. AFFORDABLE HOUSING IMPACT

As discussed throughout this section of the report, there is only one existing LIHTC project in the Site PMA, aside from the subject project. This property, Winfield Apartments (Map ID 3), is located approximately 8.5 miles south of the subject project in nearby Harleyville, South Carolina. In addition, this property is a general-occupancy (family) project offering one- through three-bedroom units, as compared to the age-restricted subject project which is comprised entirely of one-bedroom units. Based on the preceding factors, the aforementioned property is not considered directly competitive with the subject project. Winfield Apartments is also 100.0% occupied with a waitlist of six households. Likewise, the subject project is also 100.0% occupied with a waitlist, and the proposed renovations will not involve the introduction of any new LIHTC units to the Holly Hill market. Based on the preceding analysis, we do not anticipate the renovations of the subject project will have any adverse impact on future occupancy rates at the one other existing LIHTC project, Winfield Apartments, in the market. In fact, we expect the aforementioned property, as well as the existing subject project, to maintain their 100.0% occupancy levels following renovations at the subject project.

## 9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$87,652. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for an \$87,652 home is \$527, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$87,652
Mortgaged Value = 95% of Median Home Price	\$83,269
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$422
Estimated Taxes and Insurance*	\$105
Estimated Monthly Mortgage Payment	\$527

\*Estimated at 25% of principal and interest

In comparison, the Rental Assistance in place at the subject project will allow most tenants to pay up to 30% of their adjusted gross household income towards housing costs. As such, the estimated monthly mortgage payment of \$527 is likely considerably higher than most prospective tenants would be able or willing to afford. In the unlikely event the subject project was to lose its project-based Rental Assistance and operate solely under Tax Credit guidelines, the estimated monthly mortgage payment would still be at least \$67 greater than the cost of renting at the subject project. While some residents may be able to afford the cost of a typical home in this scenario, the number of tenants who

would also be able to afford the down payment, monthly utility expenses and/or routine maintenance costs associated with such a home in the market is considered minimal. Based on the preceding analysis, we do not anticipate any competitive impact on or from the homebuyer market. In fact, since the subject project is restricted to seniors (age 62 and older), we anticipate the subject project will receive some support from senior homeowners seeking a smaller, maintenance-free, housing alternative.

#### **10. HOUSING VOIDS**

As detailed throughout this section of the report, the Holly Hill market is very rural and thus offers a very limited supply of conventional rental product, which is evident by the fact that we surveyed just four conventional rental properties within the Site PMA. All four of the properties surveyed offer affordable (Tax Credit and/or Government-Subsidized) rental units and are 100.0% occupied with waiting lists. This is a clear indication of pent-up demand for affordable rental product within the Site PMA. The four properties surveyed offer a total of 94 units, of which only 36 (38.3%) are age-restricted units, which includes the 24 units offered at the subject project. Demographic projections for the Holly Hill Site PMA indicate that the targeted senior demographic (age 62 and older) will experience household growth between 2016 and 2019, including renter household growth among senior households earning below \$25,000. This is a good indication that demand for affordable senior-oriented rental product such as that offered at the subject project, will remain high within the Site PMA for the foreseeable future. The subject project will continue to meet a portion of demand for such product in the Holly Hill Site PMA, following renovations.

## I. Interviews

The following are summaries of interviews conducted with various government and private sector individuals regarding the need for affordable housing in the Site PMA:

Janie Robertson, Deputy Director of Section 8 at the South Carolina Regional Housing Authority #3, stated that there is a need for affordable housing for seniors as well as families throughout the Orangeburg County area. Ms. Robertson further stated that because the baby boomer generation is now retiring, there is a need for senior housing in Holly Hill and other rural areas in the county. Ms. Robertson also added that she believes seniors, and the disabled population, would prefer to live in accommodations with other similar individuals and that two-bedroom units are the most in demand. Additionally, Ms. Robertson indicated that there are currently 113 households on the waiting list maintained by the housing authority for additional Housing Choice Vouchers. This is further evidence of the ongoing demand for affordable housing in the area. *Phone Number: (803)-259-4622.*

Louise Neely, Site Manager for Holly Tree Manor (subject site) in Holly Hill, stated there is a need for more affordable housing for seniors in Holly Hill. Ms. Neely explained there is a lot of interest for affordable housing among seniors in Holly Hill, but not a lot of housing options. Ms. Neely stated senior properties have very little turnover and many other properties are too expensive for people on a fixed income. *Phone Number: (803)-496-3445.*

Theresa Liland, Property Manager of Holly Way Apartments in Holly Hill, stated there is a need for more affordable housing for seniors in Holly Hill. Ms. Liland explained that senior properties in the area typically have waitlists and very little turnover. Ms. Liland stated there is interest for affordable housing, but people typically do not want to wait, thus she feels that additional affordable housing would be beneficial to the area. *Phone Number: (803)-496-7119.*

## J. Recommendations

Based on the findings reported in our market study, it is our opinion that a market will continue to exist following renovations at the 24-unit Holly Tree Manor project, assuming it is renovated as detailed in this report and retains Rental Assistance (RA) as anticipated on 21 of the 24 subject units. Changes to the project's scope of renovations, subsidy availability, or renovation completion date may alter these findings.

The proposed subject project is located within an established portion of Holly Hill and is easily accessible and within close proximity of most basic area services, despite the rural nature of the area. The subject project fits well with other existing residential structures within the area, but is also provided an aesthetically pleasing natural tree line buffer to additional land uses within the immediate site neighborhood. The 100.0% occupancy rate reported at the existing subject project is further indication that the site location is conducive to affordable age-restricted rental product.

The Holly Hill Site PMA is very rural and thus offers a limited supply of conventional rental product, as evidenced by our Field Survey of Conventional Rentals, which contains just four properties. Notably, all four properties surveyed, including the subject site, offer affordable rental units and are 100.0% occupied with waiting lists. This demonstrates pent-up demand for affordable rental product within the market. Given the lack of non-subsidized LIHTC product within the market, we also surveyed four such properties outside the Site PMA for comparability purposes. Based on our evaluation of these properties, it was determined that the subject's gross Tax Credit rents are high for the Holly Hill market, which will likely have a slowing impact on absorption of the subject project in the unlikely event RA was lost and the property had to operate exclusively under the LIHTC guidelines. In this unlikely scenario, it is our recommendation that the subject's gross Tax Credit rents be set at, or very near, \$460 and \$530 for the 50% and 60% AMHI units, respectively. Regardless, the subject project will retain RA and will continue to represent a significant value in the market post renovations.

The Holly Hill Site PMA is projected to experience demographic growth, albeit modest, between 2016 and 2019, in terms of both total population and households. Notably, the targeted senior age cohort (age 62 and older) is projected to experience much more rapid growth than the overall household base within the market, which will likely result in more rapidly increasing demand for senior-oriented housing within the market, as compared to family-oriented product. Our demand estimates included in Section G demonstrate that sufficient support exists within the market for the subject project, which is further evident by the 100.0% occupancy rate reported at the property. It should be noted that our demand estimates also demonstrate sufficient support for the subject project even in the unlikely scenario that RA was lost and the property had to operate at the proposed LIHTC rent levels evaluated



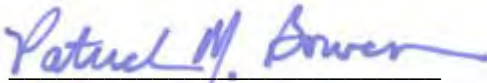
throughout this report. However, as previously stated, the proposed LIHTC rents are considered high for this market, based on the rents reported among similar non-subsidized LIHTC projects surveyed in the region. Thus, the proposed LIHTC rents would likely need to be lowered in the unlikely event that RA was lost, despite the depth of support illustrated by our demand estimates for the subject project under this unlikely scenario.

While we recommend that the proposed gross LIHTC rents be lowered in order to ensure the subject's competitive position and marketability within the Holly Hill Site PMA, this would only be necessary in the unlikely event RA was not retained and the property was to exclusively operate under the LIHTC guidelines. Assuming the subject project is renovated as proposed and continues to operate under the RD 515 program with RA provided to the majority of the subject units, we expect the subject project will continue to represent a significant value to low-income senior renters in the Holly Hill market. Under this scenario, we do not have any recommendations to the subject project.

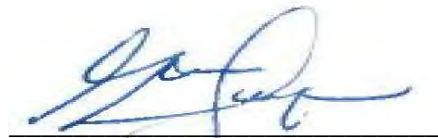
## K. Signed Statement Requirement

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance and Development Authority's programs. I also affirm that I have no financial interest in the project or current business relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCSHFDA's market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low-income housing rental market.

Certified:



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Market Analyst  
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Date: February 2, 2017

## L. Qualifications

### The Company

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

### Company Leadership

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

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

### Market Analysts

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

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

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

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

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

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

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

**Elijah Wright**, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Wright holds a Bachelor of Arts degree in Integrated Media from Ohio University.

## **Research Staff**

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

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

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

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

## M. Methodologies, Disclaimers & Sources

This market feasibility analysis complies with the requirements established by the South Carolina State Housing Finance and Development Authority (SCSHFDA) and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the acceptable definitions of key terms used in market studies for affordable housing projects and model standards for the content of market studies for affordable housing projects. The standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

### 1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

- A detailed demographic and socioeconomic evaluation
  - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
  - A drive-time analysis for the site
  - Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the proposed property.
- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the proposed development. An in-depth evaluation of these two property types provides an indication of the potential of the proposed development.

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

Please note that non-numbered items in this report are not required by SCSHFDA; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the development potential of proposed projects.

## **2. REPORT LIMITATIONS**

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

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

Any reproduction or duplication of this report without the express approval of Bowen National Research is strictly prohibited.

## **3. SOURCES**

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

- The 2000 and 2010 Census on Housing
- American Community Survey
- ESRI
- Urban Decision Group (UDG)
- Applied Geographic Solutions
- Area Chamber of Commerce
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- South Carolina State Housing Finance and Development Authority



## ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

### HOLLY HILL, SOUTH CAROLINA

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

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

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

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

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

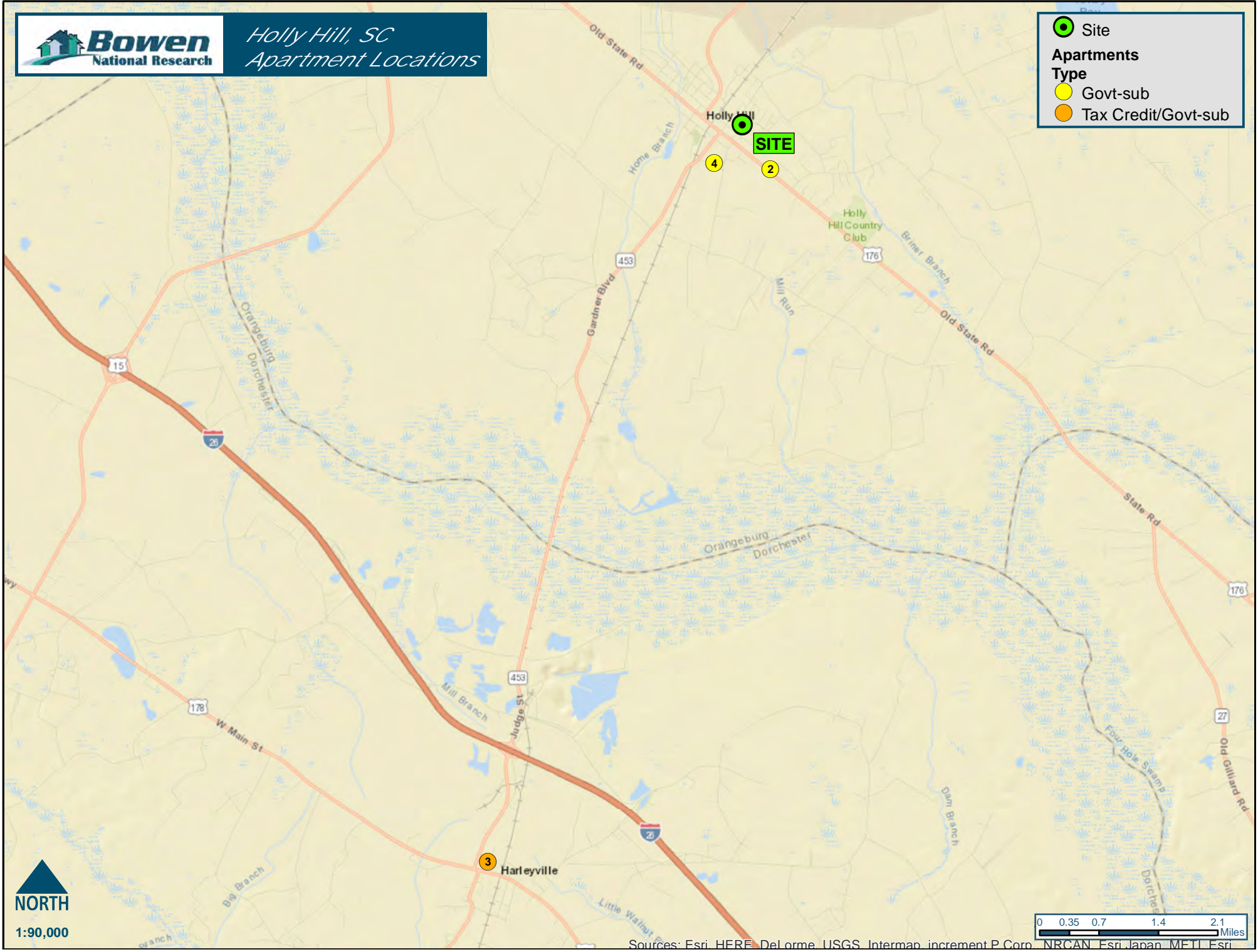


# Holly Hill, SC Apartment Locations

Site

**Apartments Type**

- Govt-sub
- Tax Credit/Govt-sub



NORTH  
1:90,000



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

# MAP IDENTIFICATION LIST - HOLLY HILL, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
◆ 1	Holly Tree Manor (Site)	TGS	B	1993	24	0	100.0%	-
2	Meadows Apts.	GSS	C+	1982	24	0	100.0%	0.7
3	Winfield Apts.	TGS	B	1983	34	0	100.0%	8.6
◆ 4	Holly Way	GSS	B	2008	12	0	100.0%	0.8

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
TGS	2	58	0	100.0%	0
GSS	2	36	0	100.0%	0

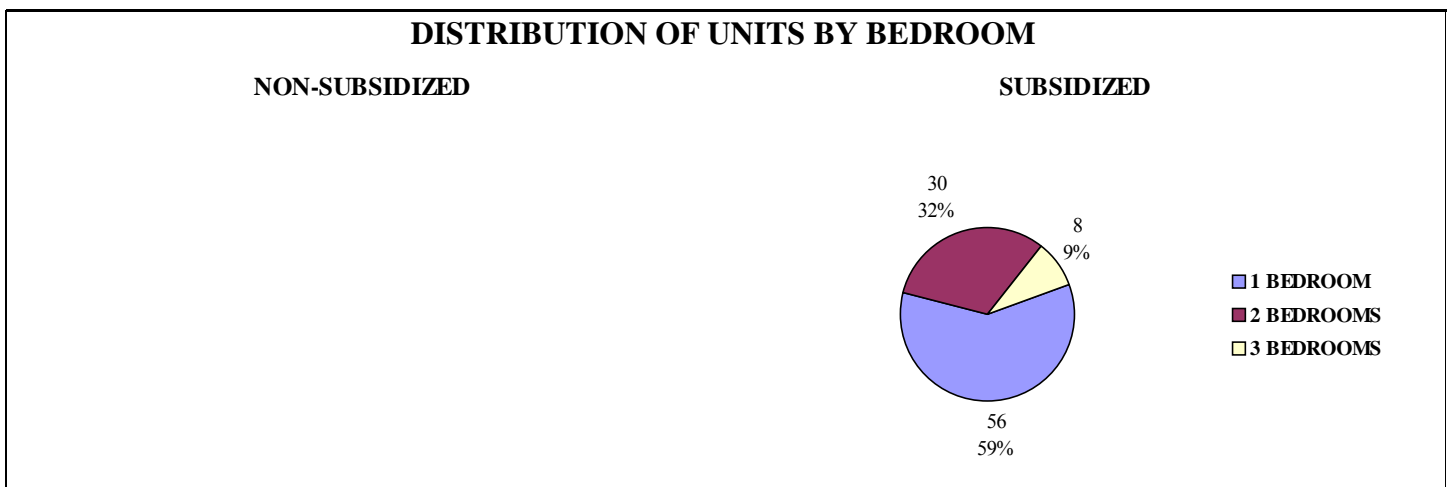
◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

\* - Drive Distance (Miles)



Survey Date: January 2017

# DISTRIBUTION OF UNITS - HOLLY HILL, SOUTH CAROLINA

<b>TAX CREDIT, GOVERNMENT-SUBSIDIZED</b>						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	36	62.1%	0	0.0%	N.A.
2	1	22	37.9%	0	0.0%	N.A.
<b>TOTAL</b>		<b>58</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	
<b>GOVERNMENT-SUBSIDIZED</b>						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	20	55.6%	0	0.0%	N.A.
2	1	8	22.2%	0	0.0%	N.A.
3	1	8	22.2%	0	0.0%	N.A.
<b>TOTAL</b>		<b>36</b>	<b>100.0%</b>	<b>0</b>	<b>0.0%</b>	
<b>GRAND TOTAL</b>		<b>94</b>	<b>-</b>	<b>0</b>	<b>0.0%</b>	



# SURVEY OF PROPERTIES - HOLLY HILL, SOUTH CAROLINA

1 Holly Tree Manor (Site)			
	<b>Address</b> 185 Doyle St. Holly Hill, SC 29059	<b>Phone</b> (803) 496-3445 (Contact in person)	<b>Total Units</b> 24
	<b>Year Built</b> 1993	<b>Contact</b> Autumn	<b>Vacancies</b> 0
	<b>Comments</b> 60% AMHI; RD 515, has RA (21 units); Accepts HCV		<b>Occupied</b> 100.0%
			<b>Floors</b> 1
			<b>Quality Rating</b> B
			<b>Senior Restricted (62+)</b>
			<b>Waiting List</b>
			4 households
2 Meadows Apts.			
	<b>Address</b> 8926 Old State Rd. Holly Hill, SC 29059	<b>Phone</b> (803) 496-5228 (Contact in person)	<b>Total Units</b> 24
	<b>Year Built</b> 1982	<b>Contact</b> Lula	<b>Vacancies</b> 0
	<b>Comments</b> RD 515, has RA (23 units); Accepts HCV (0 currently); Square footage estimated		<b>Occupied</b> 100.0%
			<b>Floors</b> 2
			<b>Quality Rating</b> C+
			<b>Waiting List</b>
			15 households
3 Winfield Apts.			
	<b>Address</b> 129 Bowman St. Harleyville, SC 29448	<b>Phone</b> (843) 462-7637 (Contact in person)	<b>Total Units</b> 34
	<b>Year Built</b> 1983 <b>Renovated</b> 2016	<b>Contact</b> Tanya	<b>Vacancies</b> 0
	<b>Comments</b> 50% AMHI; RD 515, has RA (32 units); HCV (1 unit); Washer/dryer hookup in one unit (handicap); Ph II opened 1987		<b>Occupied</b> 100.0%
			<b>Floors</b> 1, 2
			<b>Quality Rating</b> B
			<b>Waiting List</b>
			6 households
4 Holly Way			
	<b>Address</b> 100 Holly Way Ct. Holly Hill, SC 29059	<b>Phone</b> (803) 496-7119 (Contact in person)	<b>Total Units</b> 12
	<b>Year Built</b> 2008	<b>Contact</b> Theresa	<b>Vacancies</b> 0
	<b>Comments</b> HUD Section 202; HUD Section 8; Square footage estimated		<b>Occupied</b> 100.0%
			<b>Floors</b> 1
			<b>Quality Rating</b> B
			<b>Senior Restricted (62+)</b>
			<b>Waiting List</b>
			4: households

### Project Type

<span style="color: blue;">■</span>	Market-rate
<span style="color: cyan;">■</span>	Market-rate/Tax Credit
<span style="color: pink;">■</span>	Market-rate/Government-subsidized
<span style="color: purple;">■</span>	Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span>	Tax Credit
<span style="color: orange;">■</span>	Tax Credit/Government-subsidized
<span style="color: yellow;">■</span>	Government-subsidized

Survey Date: January 2017

# TAX CREDIT UNITS - HOLLY HILL, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
1	Holly Tree Manor (Site)	24	694	1	60%	\$460 - \$727
3	Winfield Apts.	12	562	1	50%	\$565 - \$610
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Winfield Apts.	22	741 - 834	1	50%	\$595 - \$647

◆ - Senior Restricted

# DISTRIBUTION OF UTILITIES - HOLLY HILL, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
<b>HEAT</b>			
TENANT			
ELECTRIC	4	94	100.0%
			100.0%
<b>COOKING FUEL</b>			
TENANT			
ELECTRIC	4	94	100.0%
			100.0%
<b>HOT WATER</b>			
TENANT			
ELECTRIC	4	94	100.0%
			100.0%
<b>ELECTRIC</b>			
TENANT	4	94	100.0%
			100.0%
<b>WATER</b>			
LANDLORD	3	70	74.5%
TENANT	1	24	25.5%
			100.0%
<b>SEWER</b>			
LANDLORD	3	70	74.5%
TENANT	1	24	25.5%
<b>TRASH PICK-UP</b>			
LANDLORD	4	94	100.0%
			100.0%



# UTILITY ALLOWANCE - HOLLY HILL, SOUTH CAROLINA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$30	\$11		\$9	\$8	\$11	\$4	\$5	\$40	\$22	\$25	\$15	\$20
1	GARDEN	\$34	\$13		\$11	\$10	\$13	\$4	\$6	\$45	\$23	\$27	\$15	\$20
1	TOWNHOUSE	\$34	\$13		\$11	\$10	\$13	\$4	\$6	\$45	\$23	\$27	\$15	\$20
2	GARDEN	\$36	\$16		\$13	\$14	\$16	\$6	\$8	\$59	\$31	\$37	\$15	\$20
2	TOWNHOUSE	\$36	\$16		\$13	\$14	\$16	\$6	\$8	\$59	\$31	\$37	\$15	\$20
3	GARDEN	\$39	\$19		\$15	\$18	\$20	\$8	\$11	\$73	\$42	\$52	\$15	\$20
3	TOWNHOUSE	\$39	\$19		\$15	\$18	\$20	\$8	\$11	\$73	\$42	\$52	\$15	\$20
4	GARDEN	\$42	\$23		\$16	\$23	\$24	\$10	\$16	\$88	\$54	\$68	\$15	\$20
4	TOWNHOUSE	\$42	\$23		\$16	\$23	\$24	\$10	\$13	\$88	\$54	\$68	\$15	\$20

SC-Midlands Region (1/2017) Fees


Survey Date: January 2017

## Addendum B – Member Certification & Checklist

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

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

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Date: February 2, 2017

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com/MarketStudiesNCAHMA/AboutNCAHMA/tabid/234/Default.aspx>

## ADDENDUM-MARKET STUDY INDEX

### A. INTRODUCTION

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

### B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

### C. CHECKLIST

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

**CHECKLIST (Continued)**

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

**CHECKLIST (Continued)**

<b>OTHER REQUIREMENTS</b>		<b>Section (s)</b>
54.	Preparation date of report	Title Page
55.	Date of Field Work	C
56.	Certifications	K
57.	Statement of qualifications	L
58.	Sources of data not otherwise identified	D
59.	Utility allowance schedule	Addendum A

ADDENDUM C:  
SCOPE OF RENOVATIONS

**REHAB SCOPE OF WORK**  
Per SCSHFDA 2017/2018 QAP

South Carolina 2017 9%  
Holly Tree Apts  
FINAL CONTRACT SCOPE OF WORK

2/3/2017

BLDGS:	6
UNITS:	24
TYPE	Flats

		MANDATORY DESIGN CRITERIA: All Rehabilitation Developments 2017	For ALL Rehabilitation Developments:	Optional Development Design Criteria:	
HOLLY TREE APARTMENTS	Scope of Work	31) All materials for construction must meet all local, state, federal regulations and specifications. 36) At a minimum, all developments must meet the 2006 International Energy Conservation Code.	Any of the following mandatory items (not to include repainting of the entire unit) replaced on or after January 1, 2010 are not required to be replaced as part of the rehabilitation.	Requirement 9% Optional	POINTS Req'd
				15) A minimum square footage per unit based on the number of bedrooms per unit specified as follows: One Bedroom =	0
EARTHWORK				18)One (1) rental unit reserved for a security officer, on-site manager or maintenance person.	
Drainage/Erosion (Allowance)	N/A				
Retention/Retention Ponds	N/A	6) All retention and/or detention ponds must be fenced in unless a letter is provided from the Department of Health and Environmental Control(DHEC) that a fence is not required. The storm water retention and/or detention ponds basin design, maintenance and management shall be sole responsibility of the owner/developer and shall be in strict accordance with all applicable federal, state, local and regulatory codes and regulations.			
Termite Bond	N/A				
SITE IMPROVEMENTS		(20) Mailboxes, playground and all exterior project amenities must be ADA accessible. 35) Gazebos, Picnic Shelters, Mail Kiosks, etc.: Exposed components used as part of the structure must be constructed so that no wood exposed. Concealment shall be with materials such as aluminum or vinyl siding or cementations materials. Decorative rails and /or guard rail systems used shall be code compliant systems of vinyl, fiberglass or metal. Wood railings are not allowed. Gazebos and picnic shelters shall have table and bench			
Mailbox Cover	Install new centrally located Mailbox Kiosk				
Fitness Center	Transform existing maintenance shop in community building into new fitness center for residents use	(7b) For older persons developments – (i) An exercise room with a minimum of three (3) nautilus type work-out machines (this room's square footage may be included in the minimum 1,200 sq. ft. community building), OR (ii) a minimum of one gazebo, with seating, equipped with an Energy Star ceiling fan with light fixture. 35)Gazebos and picnic shelters shall have table and bench seating.		6) Gazebo (must be covered and have bench seating, permanently affixed and constructed in place, ADA compliant, accessible and contain a minimum of 100 sq. ft.) or covered picnic shelter ( must have a table and bench seating, ADA compliant) May not be selected for points if using this option as a recreation area for older persons under the Mandatory	
Picnic Area Covered w/ Table/Grill	Transform existing room in community building into new business center for resident's use	(7b) For older persons developments – (i) An exercise room with a minimum of three (3) nautilus type work-out machines (this room's square footage may be included in the minimum 1,200 sq. ft. community building), OR (ii) a minimum of one gazebo, with seating, equipped with an Energy Star ceiling fan with light fixture. 35)Gazebos and picnic shelters shall have table and bench seating.		6) or covered picnic shelter ( must have a table and bench seating, ADA compliant) May not be selected for points if using this option as a recreation area for older persons under the Mandatory Design Criteria, All Development Types, Item 6B)	3
Park Bench	Add bench at new Mailbox Kiosk	(7a) weather resistant bench, with a back (7a) For family developments – (i) Playground for children located away from automobile traffic patterns with commercial quality play equipment (the playground area must have a minimum of four (4) separate pieces of equipment or a structure that encompasses a minimum of four (4) pieces of equipment) accessible to handicapped traffic and at least one permanently anchored, weather resistant bench, with a back, OR (ii) an exercise room with a minimum of three nautilus-type work-out machines (this room's square footage may be included in the			
Playground (Allowance)	N/A				
Fence - Playground	N/A				
Fence - Decorative Fence	N/A				

**REHAB SCOPE OF WORK**  
Per SCSHFDA 2017/2018 QAP

South Carolina 2017 9%  
Holly Tree Apts  
FINAL CONTRACT SCOPE OF WORK

2/3/2017

BLDGS:	6
UNITS:	24
TYPE	Flats

		MANDATORY DESIGN CRITERIA: All Rehabilitation Developments 2017	For ALL Rehabilitation Developments:	Optional Development Design Criteria:	
HOLLY TREE APARTMENTS	Scope of Work	31) All materials for construction must meet all local, state, federal regulations and specifications. 36) At a minimum, all developments must meet the 2006 International Energy Conservation Code.	Any of the following mandatory items (not to include repainting of the entire unit) replaced on or after January 1, 2010 are not required to be replaced as part of the rehabilitation.	Requirement 9% Optional	POINTS Req'd
Fence - Dumpster Fence	Replace dumpster fence	(10) Enclosed trash dumpsters and/or compactors. The dumpster must be enclosed by solid fencing on at least three sides. May use solid wood fencing, masonry or chain link fencing. Chain link must include slats inserted to obstruct dumpster view. The pad and approach pad to the dumpster must be concrete and not asphalt. The trash dumpster/compactor must be ADA accessible and			
Dumpsters/Recycling Center	N/A			22) Provide an easily-accessible area that serves the entire development and is dedicated to the collection and storage of non-hazardous material for recycling, including paper, corrugated cardboard, glass, plastics and metals with	5
Fence - Perimeter	N/A			20) Perimeter fencing extending around all sides of the development site, except the entrance. <i>Chain link fencing not</i>	0
HC Parking Signage	Replace accessible parking signage				
Fence - Removal (Perimeter)	N/A			19) Walking trails, minimum 4 feet wide, paved and continuous. Trail should be a minimum 1250 linear feet. At a minimum, install one (1) permanently anchored weather resistant bench with a back at the mid-point of the trail	
<b>LANDSCAPING</b>					
Landscape (Allowance)	Upgrade landscaping within allowance	(5) A landscaping plan must be submitted indicating areas to be sodded and landscaped. Landscaping plan(s) must follow any applicable landscape municipal ordinance. At a minimum, sod shall be installed on the front and side areas to a point twenty (20'-0") feet from the building(s). Landscaping may incorporate sod and drought resistant plants and shrubs. All disturbed areas not sodded must be seeded. <i>The Authority reserves the right to approve</i>			
Irrigation (Allowance)	Repair irrigation within allowance			7) Irrigation serving all landscaped areas	10
Tree Stump Removal (Allowance)	N/A				
Retaining Wall (Allowance)	N/A				
Jogging Trail	N/A			19) Walking trails, minimum 4 feet wide, paved and continuous. Trail should be a minimum 1250 linear	
<b>PAVING</b>					
Parking Lot - Paving	N/A				
Parking Lot - Seal Parking Lot(Allow)	Seal Parking Lot		13.) Reseal all asphalt parking and roadway services throughout the		
Parking Lot Repairs (Allowance)	N/A				
Parking Lot - Stripe Parking Lot	Stripe parking				
Parking Lot - Stripe for Accessibility	Stripe parking lot accessible spaces and crosswalks				
<b>SITE UTILITIES</b>					
Storm Drains	N/A				
<b>CONCRETE</b>					
Concrete Repairs/Trip and Falls	See allowance				
Concrete Accessibility (Allowance)	Upgrade site concrete within allowance according to site plan	(10) The trash dumpster/compactor must be ADA accessible and located on an ADA accessible route. (20) Mailboxes, playground and all exterior project amenities must be ADA accessible.			
Dumpster Pads	See allowance	(10) The pad and approach pad to the dumpster must be concrete and not asphalt.			
Mailbox Pad	See allowance				
Picnic Area/Gazebo Pads	See allowance				



**REHAB SCOPE OF WORK**  
Per SCSHFDA 2017/2018 QAP

South Carolina 2017 9%  
Holly Tree Apts  
FINAL CONTRACT SCOPE OF WORK

2/3/2017

		MANDATORY DESIGN CRITERIA: All Rehabilitation Developments 2017	For ALL Rehabilitation Developments:	Optional Development Design Criteria:	POINTS Req'd
			BLDGs:	6	
			UNITS:	24	
			TYPE:	Flats	
HOLLY TREE APARTMENTS	Scope of Work	31) All materials for construction must meet all local, state, federal regulations and specifications. 36) At a minimum, all developments must meet the 2006 International Energy Conservation Code.	Any of the following mandatory items (not to include repainting of the entire unit) replaced on or after January 1, 2010 are not required to be replaced as part of the rehabilitation.	Requirement 9% Optional	
Sidewalk/Curbing (Allowance)	See allowance			5) Curbing for paved areas throughout the development site including the parking areas.	5
Concrete Stairs(Allowance)	N/A				
Concrete Balcony Repairs (Allowance)	N/A				
<b>MASONRY</b>					
Brick Repairs	Repair and point up brick within allowance				
Other					
<b>METALS</b>					
Dumpster Bollards	Install bollards at dumpster				
Stair Railing/Picket Replacement	N/A				
Handrail Replacement	Install handrail on sidewalk to bridge				
Stair Treads Replacement	N/A		14. Existing wooden stair systems may not be repaired. Instead they must be replaced in their entirety with new steel or		
Cane Detection	N/A				
Stair Railing Repair	N/A				
Other	N/A				
<b>ROUGH CARPENTRY</b>					
Rough Carpentry - Exterior					
Siding - Vinyl Replacement	Replace siding with new vinyl siding				
Soffit - Alluminum Replacement	Replace metal soffit and fascia	(33) Pre-finished fascia and soffits must be vinyl covered, aluminum and/or perforated cementations panels with vents.			
Breezeway Overhang/Porch Ceilings	Replace porch ceilings				
Beam Wrap	Wrap beam with aluminum				
Tyvek	Install Tyvek at all siding locations				
J Blocks for Porch Lights	Install new J Blocks at all light fixture locations				
Dryer Vents	Replace dryer vents at air locations				
Gable Vents	Replace all gable vents				
Gable Vents - Large Custom Vent	Replace all large gable vents				
Columns - Base	Replace column base at air columns				
<b>FINISH CARPENTRY</b>					
Interior - Flood Tear Out Repairs	N/A				
Move HWH from Kitchen to Closet	N/A				
Floor - Sub Floor Repairs (Allowance)	N/A				
<b>INSULATION</b>					
Insulation - Attic	Upgrade to R-38	(21) Exterior wall insulation must have an overall R-11 minimum for the entire wall assembly and roof or attic insulation must have an R-30 rating minimum.		2) Attic Insulation rated R 38 or higher	3
Insulation - Attic Community Building	Upgrade to R-38				
<b>ROOFING/SHEETMETAL</b>					
Roofs	Replace roofs with 30 year architectural shingles	(11) Roofing materials shall be anti-fungal shingles with a minimum 25-year warranty. (27) Roof gable vents must be made of aluminum or vinyl materials.		1) Roof Shingles must be architectural style anti-fungal and warranted for a minimum of 30 years	8
Roof Sheathing Replacement	Replace rotten sheathing as needed				
Gutters/Downspouts	Replace gutters and downspouts	(34) Gutter and downspout systems complete with splash blocks will be supplied surrounding all			
<b>DOORS</b>					
Exterior Door - Unit Entry	Replace exterior doors according to the unit matrix	(3) All entry doors must be metal-clad wood, steel or fiberglass doors that are insulated, paneled, and have a peephole. Deadbolt locks are required in entry doors. Dead bolt locks on entry doors should have "thumb latch" on interior side. Double keyed dead bolt locks are prohibited. The minimum clear width of all exterior doors shall be 34	(5) All entry doors must be steel or fiberglass doors that are insulated, paneled, and have a peephole.		
Exterior Door - Rear Single	N/A				
Exterior Door - Rear Sliding	N/A				
Exterior Door - Storm	Replace storm doors at all units				
Exterior Door- Storage Room	N/A				
Exterior Door - Office/Laundry/Community	Replace all office, laundry and community room doors				
Exterior Door - Double French Fitness	Replace maintenance shop door with French doors at new Fitness				

**REHAB SCOPE OF WORK**  
Per SCSHFDA 2017/2018 QAP

South Carolina 2017 9%  
Holly Tree Apts  
FINAL CONTRACT SCOPE OF WORK

2/3/2017

		MANDATORY DESIGN CRITERIA: All Rehabilitation Developments 2017	For ALL Rehabilitation Developments:	Optional Development Design Criteria:	POINTS Req'd
			BLDGS:	6	
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			TYPE	Flats	
HOLLY TREE APARTMENTS	Scope of Work	31) All materials for construction must meet all local, state, federal regulations and specifications. 36) At a minimum, all developments must meet the 2006 International Energy Conservation Code.	Any of the following mandatory items (not to include repainting of the entire unit) replaced on or after January 1, 2010 are not required to be replaced as part of the rehabilitation.	Requirement 9% Optional	
Exterior Hardware	Replace all exterior hardware	(3) All entry doors must be metal-clad wood, steel or fiberglass doors that are insulated, paneled, and have a peephole. <b>Deadbolt locks are required in entry doors. Dead bolt locks on entry doors should have "thumb latch" on interior side. Double keyed dead bolt locks are prohibited. The minimum clear width of all exterior doors</b>			
Interior Doors - Units	Replace all interior doors in units		(12) Replace all damaged and worn interior doors, iams, frames and		
Interior Louver Mechanical - Units	Replace with louver doors at mechanical closet				
Interior Double Door - Units	Replace double doors according to unit matrix	(4) Bi-fold and sliding interior doors are prohibited. All doors must be side hinged.			
Interior Doors - Community Interior	Replace interior doors of office				
Interior Hardware - Units	Replace all interior hardware		(12) Replace all damaged and worn interior doors, iams, frames and		
Interior Hardware - Office	Replace interior hardware in office				
Bumpers/Door Stops	Replace all door stops				
Office Storm Door	Replace storm door to office				
<b>WINDOWS</b>					
Shutters	Replace shutters at all window locations	(26) Exterior shutters (new not recycled) are required on all 100% vinyl siding buildings. Only existing rehabilitation developments may have 100%.			
Windows - Units	Replace all windows	(19) Metal flashing or 20 mil polyethylene when used in conjunction with a self- adhering polyethylene laminate flashing, must be installed above all exterior door and window units.	(7) Replace all windows with insulated, double pane glass in either vinyl or aluminum framing.	29) Energy Star rated windows for all units	8
Attics/Fire Walls	N/A	(28) All attics must be vented.			
Windows - Community Building	Replace all windows on community building				
<b>DRYWALL</b>					
Drywall Repairs (Allowance)	Drywall repairs within allowance				
Drywall Repairs - Tubs (Allowance)	Repair drywall at tubs after replacement				
Drywall Repairs - Ceilings (Allowance)	Drywall repairs within allowance				
Drywall Repairs - Common (Allowance)	Drywall allowance for office/laundry/community room				
<b>RESILIENT FLOORING</b>					
Vinyl - 1 (Throughout Entire Unit)	Install LVT in all units according to unit matrix	(29) Resilient flooring materials must meet minimum FHA standards.	(1) Replace and install new flooring in each unit. At a minimum, tile must be VCT or better.		
Vinyl - 1 (Kitchen & Bath Only)	N/A				
Vinyl - (UFAS throughout Entire Unit)	Install LVT in all units according to unit matrix				
Cove Base (Tub only)	Install cove base at all tubs				
Shoe Molding (1/4 Round) - Units	Replace shoe molding in all units				
Baseboard	N/A				
Move Appliances - Units	Move appliances				
Office - Floor Covering	Replace floor covering with LVT in office				
Laundry - Floor Covering	Replace floor covering with LVT in laundry room				
Community Room/Business Center	Replace floor covering with LVT in community room				
Shoe Molding (1/4 Round) - Common	Replace shoe molding at all LVT locations				
<b>CARPET</b>					
Carpet - 1 Bdrm	N/A	(29) Carpet and resilient flooring materials must meet minimum FHA standards.	(1) Replace and install new flooring in each unit.		
Carpet - 2 Bdrm	N/A				
Carpet - 3 Bdrm	N/A				
Office - Floor Covering	N/A				
Common	N/A				
Heavy Furniture	N/A				
Crawl Space	N/A				
Other					
PAINT				26) Minimum bedroom size for all bedrooms is 120 sq. ft. The minimum bedroom Sq. ft. excludes closet	0

**REHAB SCOPE OF WORK**  
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Holly Tree Apts  
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2/3/2017

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UNITS:	24
TYPE	Flats

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HOLLY TREE APARTMENTS	Scope of Work	31) All materials for construction must meet all local, state, federal regulations and specifications. 36) At a minimum, all developments must meet the 2006 International Energy Conservation Code.	Any of the following mandatory items (not to include repainting of the entire unit) replaced on or after January 1, 2010 are not required to be replaced as part of the rehabilitation.	Requirement 9% Optional	POINTS Req'd
Interior Unit - Full 1 Bdrm	Paint all units		(2) Entire unit (all rooms and ceilings) must be		
Interior Unit - Full 2 Bdrm	N/A				
Interior Unit - Full 3 Bdrm	N/A				
Interior Doors - Units	Paint all interior doors and two coats on all new doors				
Office/Laundry/Community Room	Paint office and laundry room and community room				
Exterior Doors - Units	Paint all exterior doors				
Exterior Doors - Common	Paint interior doors in office				
Pressure Wash - Sidewalks	Pressure wash all buildings and sidewalks to include breezeways				
Exterior - Columns	N/A				
<b>SPECIALTIES</b>					
Fire Extinguishers	Management Responsibility	(15) Each unit must be equipped with a 5 lb. ABC rated dry chemical fire extinguisher readily accessible in the kitchen and mounted to accommodate handicapped accessible height in			
Grab Bars	Replace/install grab bars in all standard tubs (2 per tub)				
Mailboxes	Replace mailboxes				
Bath Accessories	Upgrade bath accessories to include the following: (tp holder, towel rods, medicine cabinets)	(23) Mirror length must extend to top of vanity backsplash with top of mirror a minimum of 6'-0" above finish floor. Framed decorative mirrors or medicine cabinets with mirrors are allowed with a minimum size of 14" x 24" and must be hung with the top of mirror a minimum of 6'-0" above finish floor. Vanity cabinets or a medicine cabinet shall be provided in all units. All cabinets in designated handicap accessible units must be installed at ADA			
Property Entrance Signage	Replace site entry sign	(8) A new development sign at the entrance(s) to the complex affixed with a Fair Housing logo.			
Building Signage	Replace building signage				
Unit Signage	Replace all unit signage				
Office / Laundry Signage	Install new office and laundry, fitness center, business center and community room signage				
<b>SPECIAL EQUIPMENT - Appliances</b>					
Dishwasher	N/A			30) In all units, existing appliances replaced with a full size Energy Size refrigerator, with ice maker, have a minimum size of eighteen (18) cubic feet; and an Energy rated dishwasher; and an energy efficient hot water heater with an energy factor greater than .061 for gas or	0
Refrigerator	Replace according to unit matrix	(12) The following Energy Star appliances must be provided in each unit: Full sized refrigerator-freezer, with ice maker, having a minimum size of fourteen (14) cubic feet.	(4d) New kitchen fixtures must be installed to include the following: New Energy Star rated refrigerator, with ice maker that is a minimum of 14 cubic feet.	23) Install Energy Star rated dishwasher in all units. (May not be selected for points if also selecting	0
Stove	Replace according to unit matrix		(11) Full size Energy Star refrigerator, with ice maker, having a minimum size of eighteen(18) cubic feet. (May not be selected for points if also selecting		
Back Splash	Install new back splash on wall at all ranges		(4c) New kitchen fixtures must be installed to include the following: New stove with re-circulating exhaust		
Range Hood - Micro Hood	Replace all range hoods with over the counter micro hoods in standard units		(4c) New kitchen fixtures must be installed to include the following: New stove with re-circulating		
Range Queens	Replace all range queens			13) Over the range mounted microwave, with re-circulating fan, in all units	4
Garbage Disposal	N/A			14) All units must have Range Queen or comparable extinguisher system over the stove.	3

**REHAB SCOPE OF WORK**  
Per SCSHFDA 2017/2018 QAP

South Carolina 2017 9%  
Holly Tree Apts  
FINAL CONTRACT SCOPE OF WORK

2/3/2017

BLDGS:	6
UNITS:	24
TYPE	Flats

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Disposal Fee & Freight	N/A				
Community Appliances/FFE	N/A				
Laundry Equipment	Management Responsibility	(14) A laundry facility containing: (a) at least one (1) commercial washer and one (1) commercial dryer per twenty-four (24) units; and (b) adequate seating and at least one (1) table for folding clothes.			
Ice Maker	Install ice maker in all refrigerators				
<b>CABINETS</b>					
Cabinets - Kitchen (Units)	Replace cabinets according to unit matrix	(2) All kitchen and bathroom interior cabinets must be solid wood or wood/plastic veneer products with dual slide tracks on drawers. New cabinets must have solid wood dual sidetrack drawers and no laminate or particleboard fronts for doors or drawer fronts. Cabinets shall meet the ANSI/KCMA A1 61.1 performance and construction standard for kitchen and vanity cabinets. Cabinets shall bear the certification seal of KCMA (Kitchen Cabinet	(4a) New kitchen fixtures must be installed to include the following: Dual track sliding drawers.		
Counter Tops - Kitchen (Units)	Replace counter tops on according to unit matrix				
Cabinets - Laundry Room (Units)	Replace vanity cabinets in all units				
Vanities - Bath (Units)	Replace according to unit matrix		(3b) New bathroom fixtures must be installed to include the following: Replace sink, VANITY and plumbing fixtures with new. Vanity to include, at a minimum, a pull out drawer		
Cabinets - Community Room	Replace cabinets in community room kitchen				
Business Center Desk Top	Install business center built in desk in new business center				
<b>FURNISHINGS</b>					
Blinds - Units	Replace blinds in all units	(1) Window coverings for each window, including glass doors, must be installed. Metal blinds are not permitted.	(11) Window blinds and exterior window screens to be replaced.		
Blinds - French Door Community Room	Install new blinds on all new French doors in community room				
Blinds - Office/Community Room	Replace blinds in office/laundry community room standard				
<b>SPECIAL CONSTRUCTION-Accessibility</b>					
Unit # 101	Upgrade to meet current UFAS requirements			4) All units must have a balcony, sunroom, or patio. Patio's must be at least 64 sq. ft. Front porches are not considered patios.	0
Unit # 103	Upgrade to meet current UFAS requirements				
Audio / Visual Unit #	Upgrade to meet AV units				
Common - Community Appliances	N/A				
Common - Community Appliances	Replace all community room appliances				
Community Room/Office Accessibility	Upgrade accessibility in office/bath/laundry/community				
Office/Laundry Room Upgrades	Upgrade accessibility in laundry room - Equipment and tables are management responsibility	(14) A laundry facility containing: (a) at least one (1) commercial washer and one (1) commercial dryer per twenty-four (24) units; AND (b) adequate seating AND at least one (1) table for folding clothes.			
Community Business Center	Transform existing room in community building into new business center for resident's use				
Community Building - FFE	Management Responsibility			27) Provide a minimum 1,200 sq. ft. community building. May include leasing office, equipped exercise room, equipped computer center. Laundry and storage/maintenance	10
Community Room - Fitness Center	Transform existing maintenance shop in community building into new fitness center for resident's				

**REHAB SCOPE OF WORK**  
Per SCSHFDA 2017/2018 QAP

South Carolina 2017 9%  
Holly Tree Apts  
FINAL CONTRACT SCOPE OF WORK

2/3/2017

BLDGS:	6
UNITS:	24
TYPE	Flats

		MANDATORY DESIGN CRITERIA: All Rehabilitation Developments 2017	For ALL Rehabilitation Developments:	Optional Development Design Criteria:	
HOLLY TREE APARTMENTS	Scope of Work	31) All materials for construction must meet all local, state, federal regulations and specifications. 36) At a minimum, all developments must meet the 2006 International Energy Conservation Code.	Any of the following mandatory items (not to include repainting of the entire unit) replaced on or after January 1, 2010 are not required to be replaced as part of the rehabilitation.	Requirement 9% Optional	POINTS Req'd
Common - Storefront Doors	N/A			9) Provide in the community room a minimum of 2 current undated computer systems, manufactured within the last 12 months, to include new computers, new printers, and a new scanner. Must be equipped with high speed internet service, and it is expected that printer cartridges, computer supplies and ongoing maintenance of the computers and systems will be furnished as part	3
Maintenance Shop	Building new maintenance shop				
Security Camera System	N/A			17) A minimum 8 camera video system with 6 camera's monitoring roadways and parking areas and all building entrances and 2 monitoring the managers office and community	7
Other	N/A				
PLUMBING				16) Providing bathrooms per unit based on the number of bedrooms according to the following: to qualify, all the units must provide the minimum number of bathrooms as specified: One unit = One full bath	20
Plumbing Pipe	Replace poly pipe in all buildings				
Hot Water Heater - Units	Replace water heaters according to unit matrix	(24) Water heaters must be placed in drain pans with drain piping plumbed to disposal point as per the latest approved addition of the International Plumbing Code	(6) New Energy Star hot water heaters with an energy factor greater than 0.61/gas or .93/electric.		
Water Heater Drain to Exterior - Units	Properly drain water heaters to exterior	(25) Pipe all Water Heater Temperature & Pressure (T&P) relief valve discharges to disposal point as per the latest approved edition of the International			
Water Heater Platform - Units	Install platform on all replaced water heaters				
Washer Box Connection - Units	Replace washer box connection box in all units according to unit matrix		(4b) New kitchen fixtures must be installed to include the following: New double sink.	28) Hookups for standard size washer/dryers in all units. (Hookups for stackable washer/dryers	5
Kitchen - Sinks - Units	Replace kitchen sinks in all units according to unit matrix		(4b) New kitchen fixtures must be installed to include the following: New plumbing fixtures.		
Kitchen - Faucet (included w/ sink)	Replace kitchen sink faucets in all units according to unit matrix				
Dishwasher Installation - Units	N/A				
Tub Replacement - Units	Replace tubs in all units	(22) Tub/shower units must have minimum dimensions of 30-inch width by 60-inch length and be equipped with anti-scald valves. All shower units without a tub must have minimum dimensions of 30-inch width by 48-inch length (ADA approved shower). All tubs in designated handicap accessible units must come complete with factory-installed grab	(3a) New bathroom fixtures must be installed to include the following: New tub and new shower, re-glazing not allowed. Three piece surround insert is acceptable. All		
Stems/Valves	Replace stems/valves and water stops in all units		(3b, e) New bathroom fixtures must be installed to include the following: Replace plumbing fixtures. Install new water supply valves. (4e) New kitchen fixtures must be installed to include the following: Install new		

**REHAB SCOPE OF WORK**  
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2/3/2017

BLDGS:	6
UNITS:	24
TYPE	Flats

		MANDATORY DESIGN CRITERIA: All Rehabilitation Developments 2017	For ALL Rehabilitation Developments:	Optional Development Design Criteria:	
HOLLY TREE APARTMENTS	Scope of Work	31) All materials for construction must meet all local, state, federal regulations and specifications. 36) At a minimum, all developments must meet the 2006 International Energy Conservation Code.	Any of the following mandatory items (not to include repainting of the entire unit) replaced on or after January 1, 2010 are not required to be replaced as part of the rehabilitation.	Requirement 9% Optional	POINTS Req'd
Shower Heads/Faucets/Valves	Replace shower head/faucet and valves in all showers				
Tub Blocking	Blocking should be installed in all tubs				
Plug Floor Drain - Community Laundry	Install plug drain in community laundry				
Bath - Sink - Units	Replace bath sinks in all units according to unit matrix		(3b) New bathroom fixtures must be installed to include the following: Replace sink, vanity and PLUMBING FIXTURES		
Bath - Faucet (included w/ sink)	Replace bath faucets in all units according to unit matrix		(3b) New bathroom fixtures must be installed to include the following: Replace SINK, vanity and plumbing fixtures with new		
Toilets - Units	Replace toilets in all units according to unit matrix		(3c) New bathroom fixtures must be installed to include the following:		
Toilet Flange - Units (Allowance)	Replace toilet flanges as needed within allowance				
Water Cut Offs/Stops - Units	Replace water cut offs as part of plumbing line replacement				
Water Shut off Valves - Units	Replace shut off valves as part of plumbing line replacement				
Hot Water Heater - Community Laundry	Replace community laundry water heater				
W/D Boxes - Community Laundry	Replace w/d box in community laundry				
Ice Maker Hook-up	Install and hook up ice makers in all new and existing refrigerators				
HVAC				21)The development will be built to meet, at a minimum, the Version 3.0 Energy Star Certification.	0
HVAC - Units	Replace HVAC's according to unit matrix (15 seer ES units)	(13) At least fourteen (14) SEER HVAC units must be installed. If the Physical Needs Assessment, completed for a rehabilitation development, does not recommend replacement of existing HVAC units in the development, this mandatory criterion is waived. However, any replacement HVAC units installed in the development must be at least fourteen (14) SEER. All refrigeration lines must be insulated. All developments must have central heat and air. Window units are not allowed for any development.		3)Energy Star rated HVAC systems (15 seer or greater) in all units.	5
HVAC - Line Sets - Units	Replace line sets on all replaced units				
HVAC - Community Rm/Office	Replace community building HVAC system				
HVAC - Community Rm Relocate	Move community room air handler from existing maintenance shop to community room closet				
Add Mini Split in Fitness Center	Add mini split AC unit in new Fitness Center				
Add Drop in Business Center	Add drop of duct and air vent to new business center				
ELECTRICAL				8) Underground utilities(gas/electric, cable, phone)	5
Interior/Ext. Lighting Materials - Units	Replace light fixtures in all units	(16) Wall switch controlled Energy Star rated overhead lighting is required in all rooms.		24) Install overhead light fixture connected to a wall switch in the living room and all bedrooms. All light fixtures must be fitted with Energy Star	3
Interior/Ext. Lighting - Common	Replace all common area light fixtures				
Interior Lighting Labor - Units	Replace interior lights in all units				
Ceiling Fans - Units	Install ceiling fans in all living rooms, dining rooms and bedrooms of all units			10) Each unit must have an Energy Star ceiling fan with light fixture in the living room and all bedrooms. Must be connected to wall with light switches.	5

**REHAB SCOPE OF WORK**  
Per SCSHFDA 2017/2018 QAP

South Carolina 2017 9%  
Holly Tree Apts  
FINAL CONTRACT SCOPE OF WORK

2/3/2017

BLDGS:	6
UNITS:	24
TYPE	Flats

		MANDATORY DESIGN CRITERIA: All Rehabilitation Developments 2017	For ALL Rehabilitation Developments:	Optional Development Design Criteria:	
HOLLY TREE APARTMENTS	Scope of Work	31) All materials for construction must meet all local, state, federal regulations and specifications. 36) At a minimum, all developments must meet the 2006 International Energy Conservation Code.	Any of the following mandatory items (not to include repainting of the entire unit) replaced on or after January 1, 2010 are not required to be replaced as part of the rehabilitation.	Requirement 9% Optional	POINTS Req'd
Exterior Lighting Labor - Units	Replace exterior light fixtures at all units	(9) Exterior lighting fixtures at all entry doors including individual apartment units, community buildings and common areas within the building(s). The fixtures at the individual apartment units are to be controlled from the interior of the unit.			
Smoke Detectors - Units	Replace existing and install new wiring smoke detectors in all units; Locations must meet all codes	(30) Each bedroom and hallway, etc. must have, a battery back-up smoke detector. (32) A carbon monoxide detector must be installed in each unit with gas mechanical systems or gas appliances. Units with an attached garage must also have a carbon			
GFI Outlets - Kitchen/Bath - Units	Replaced in 2006				
Bath Exhaust - Units	Replace exhaust fans in all bathrooms		(3d) New bathroom fixtures must be installed to include the following: Install new re-circulating		
WiFi/Cable Installation - Units	N/A			(12) All units pre-wired for high speed internet hook-up with at least 1 centrally located connection port and connection ports in all bedrooms or a wireless network	3
Electrical - Plate Covers - Units	Replace outlet/switch covers in all units				
Electrical - Outlet/Switch Replacement	Replace all outlets and switches of all units				
Electrical - Wire bath fan/outlet one switch	Wire all bath light fixture to bath exhaust fans				
Electrical - Range Plug in Kitchen	Install range plug outlets according to unit matrix				
Electrical - Wiring Range Hood	Hook up for new range hoods				
Electrical - Wiring HWH	Hook up for new water heaters				
Electrical - Wiring HVAC	Hook up for new HVAC's				
Electrical - Dishwasher	N/A				
Electrical - Emergency Call System	Replace existing emergency call systems				
Electrical - Vanity Light Rough	Relocate vanity light fixture				
Electrical Panel - Upgrade Breaker	Upgrade HVAC breaker according to unit matrix				
Electrical Panel - Panel Replacement	Upgrade Electrical panel according to unit matrix				
Electrical - Outlets for Fitness Center	Upgrade all electrical for new Fitness Center				
Electrical - Fan at Picnic Shelter	Add new fan with timer switch to new picnic shelter				
Electrical - Circuit at Community Oven	Add new community double oven in community room				
Electrical - Mini Split for Fitness Center	Upgrade electrical for mini split in Fitness Center				
Electrical - Maintenance Shop	Upgrade electrical for new maintenance shop				
WiFi/Cable Installation - Community RM	Wire and install cable wiring for community fitness center and business center		(8) All units wired for high speed (broadband) Internet hook-up with at least one (1) centrally located connection port or wireless computer network. All wires to be hidden.		
Exhaust - Community Bath Exhaust Fan	Replace bath exhaust in community laundry room				
Electrical - Interior Common	Replace interior/exterior fixtures in office/laundry/community; Upgrade all electrical switches/outlets to meet	(9) Exterior lighting fixtures at all entry doors including individual apartment units, community buildings and common areas within the building(s).			
Electrical Panel - Common Panel Replace					
<b>TOTAL POINTS</b>					<b>115</b>

ADDENDUM D:  
RENT ROLL



# Affordable Rent Roll

Property: Holly Tree Manor (310) Sort by: Unit

As of 1/17/2017

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Utility Allowance	TTP	Utility Reimb.
<b>Holly Tree Manor (310)</b>																	
101	310h1	654	1	VACANT					727	0	400	0	0	0	132	0	0
103	310h1	654	1	Smith, Valeria	Rental Assistance(RA)		AR	09/01/16	727	592	460	460	376	84	132	216	0
105	310s1	654	1	Wright, Sandra	Rental Assistance(RA)		AR	10/01/16	727	592	460	460	376	84	132	216	0
107	310s1	654	1	Walker, Johnny	Rental Assistance(RA)		AR	11/01/16	727	592	460	460	228	232	132	364	0
201	310s1	654	1	Johnson, Mary	No Deep Tenant Subsidy		AR	10/01/16	727	592	460	460	0	460	132	592	0
203	310s1	654	1	Williams, Korneil	No Deep Tenant Subsidy		AR	01/01/17	727	592	460	460	0	460	132	592	0
205	310s1	654	1	Williams, Barbara	Rental Assistance(RA)		AR	06/01/16	727	592	460	460	376	84	132	216	0
207	310s1	654	1	Bryant, Margaret	Rental Assistance(RA)		AR	07/01/16	727	592	460	460	382	78	132	210	0
301	310s1	654	1	Brown, Leroy	Rental Assistance(RA)		AR	06/01/16	727	592	460	460	371	89	132	221	0
303	310s1	654	1	Guest, Rosa	Rental Assistance(RA)		AR	05/01/16	727	592	460	460	376	84	132	216	0
305	310s1	654	1	Dasher, Gregory	Rental Assistance(RA)		AR	07/01/16	727	592	460	460	382	78	132	210	0
307	310s1	654	1	Goodwin, Gessie	Rental Assistance(RA)		AR	01/01/17	727	592	460	460	381	79	132	211	0
401	310s1	654	1	Sweat, Irene	Rental Assistance(RA)		AR	10/01/16	727	592	460	460	376	84	132	216	0
403	310s1	654	1	Sweat, Lurene	Rental Assistance(RA)		AR	06/01/16	727	592	460	460	170	290	132	422	0
405	310s1	654	1	George, Zula	Rental Assistance(RA)		RA	01/03/17	727	592	460	460	382	78	132	210	0
407	310s1	654	1	Wright, Louvern	Rental Assistance(RA)		AR	10/01/16	727	592	460	460	386	74	132	206	0
501	310s1	654	1	Gillard, Geneva	Rental Assistance(RA)		AR	08/01/16	727	592	460	460	283	177	132	309	0
503	310s1	654	1	Green jr, Jimmie	Rental Assistance(RA)		AR	02/01/16	727	592	460	460	426	34	132	166	0
505	310s1	654	1	ProfitJr., Albert	Rental Assistance(RA)		AR	03/01/16	727	592	460	460	382	78	132	210	0
507	310s1	654	1	Jamison, Jell	Rental Assistance(RA)		AR	02/01/16	727	592	460	460	351	109	132	241	0
601	310s1	654	1	Middleton, Wilhelmina	Rental Assistance(RA)		GR	01/01/17	727	592	460	460	374	86	132	218	0
603	310s1	654	1	Howell, Eula	Rental Assistance(RA)		AR	11/01/16	727	592	460	460	376	84	132	216	0
605	310s1	654	1	Grant, Marvine	Rental Assistance(RA)		AR	11/01/16	727	592	460	460	266	194	132	326	0

# Affordable Rent Roll

Property: Holly Tree Manor (310) Sort by: Unit

As of 1/17/2017

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent Allowance	Utility Allowance	TTP	Utility Reimb.
<b>Holly Tree Manor (310)</b>																	
607	310s1	654	1	Dawson, Joyce	Rental Assistance(RA)		AR	10/01/16	727	592	460	460	328	132	132	264	0
<b>Total :</b>		15,696	24	<b>Number of Units: 24</b>					17,448	13,616	10,980	10580	7,348	3,232	3,168	6,268	0
<b>Grand Total :</b>		<u>15,696</u>	<u>24</u>	<b>Total Units: 24</b>					<u>17,448</u>	<u>13,616</u>	<u>10,980</u>		<u>7,348</u>	<u>3,232</u>	<u>3,168</u>	<u>6,268</u>	<u>0</u>