All relevant tables should be placed with corresponding text.

Market Needs Assessment Report Requirements:

A. Project Description

1. Give the following information for the proposed subject as provided by the HOME Applicant:
   a. Development Location
   b. Construction Type: New Construction, Rehab, Acquisition and Rehab, Adaptive Reuse
   c. Occupancy Type: Family, etc.
   d. Target Income Group: 50% AMI, 60% AMI, Market Rate
   e. Special Needs Population (if applicable)
   f. Number of units by bedroom/bathroom
   g. Number of buildings and stories and if there will be an elevator
   h. Unit Size(s)
   i. Structure Type/Design: Townhouse, Garden Apartment, etc.
   j. Proposed Rents and Utility Allowances including energy source (gas, oil, electric) and if utility is Tenant or Owner's responsibility
   k. Status of Project Based Rental Assistance: None, Existing, Proposed
   l. Proposed Development Amenities
   m. Proposed Unit Amenities
   n. For rehab proposals, please provide; current occupancy levels, current rents being charged (versus proposed rents), tenant incomes, as well as detailed information about the scope of work planned and how the rehabilitation will be carried out.
   o. A map showing the proposed site(s)

B. Market Area

1. Census tracts that encompass the PMA
   a. Provide the most recent statistics on race available for the census tract in which the project is located.

C. Local Economy

1. Employment by industry--numbers and percentages (i.e. Manufacturing: 150,000 (20%)).

D. Community Demographic Data

1. Population Trends
   a. Total Population
   b. Population by age groups
   c. Number of (for projects)

2. Household Trends
   a. Total number of households, average household size, and group quarter.
   b. Households by tenure (If appropriate, breakout by elderly and non-elderly).
   c. Households by income. (Elderly proposals should reflect the income distribution of those households only).
   d. Renter households by number of persons in the household.

E. Project-Specific Demand Analysis

Income Restrictions: Use the applicable incomes and rents in the subject's application. Be aware of the specific income restrictions which apply to the HOME program. Take the income restrictions designated in the application into account when estimating demand. The maximum income for the proposed units will be based on 1.5-persons per bedroom (rounded up to the nearest whole person for those that end in 0.5). For elderly developments, the maximum incomes will be capped at the 2-person limits.
1. **Affordability**: Analysts must assume that no family households are able to pay more than 35% of gross income towards gross rent and no elderly households are able to pay more than 40% of their gross income toward gross rent. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.

2. The demand analysis should clearly indicate the minimum and maximum income range for each targeted group.

3. **Demand**: The demand should be derived from the following sources using data established from a reputable source:
   a. **Demand from New Renter Households**: New rental units required in the market area due to projected renter household growth. Determinations must be made using the current base year of 2016 and projecting forward to the anticipated placed-in-service date of 2019. The household projections 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.
      1) In instances where a significant number (more than 20%) of proposed rental units are comprised of three-and four-bedroom units, analysts must refine the analysis for those units by factoring in the number of large households (generally 4+ persons). A demand analysis which does not take this into account may overestimate demand.

   b. **Demand from Existing Households**: The second source of demand should be determined using 2010 census data or the most current American Community Survey (ACS) data and projected from:

      1 **Rent over-burdened households**, if any, within the age group, income cohort and tenure targeted for the proposed development. In order to achieve consistency in methodology, all analysts should assume that the rent-overburdened analysis includes households paying greater than 35% 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.

      2 **Households living in substandard rental housing**. 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 his/her estimate of demand from both households that are rent-overburdened and/or living in substandard housing.

      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 HOME housing. A narrative of the steps taken to arrive at this demand figure should be included.

      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, they 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. **Method**:

   a. **Demand**: The two overall demand components added together 4a and 4b above represent demand for the project.

5. **Example of Method**:

   a. Demand

	Households at 50% Median Income (min. income to max. income)	Households at 60% of Median Income (min. income to max. income)	Project Total (min. income to max. income)
Demand from New Households (age and income appropriate)			
+	+	+	
Demand from Existing Households Rent-Overburdened			
+	+	+	
Demand from Existing Households Renters in Substandard Housing			
+	+	+	
Demand from Existing Households Elderly Homeowner Turnover			
=	=	=	
Total Demand			
-	-	-	
Supply			
=	=	=	
Net Demand			
Proposed Subject Units			
Proposed Subject Units Divided by Net Demand			
Overall Capture Rate by Income Level			

F. Signed Statement Requirements

The signed statement must include the following language:

I 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 needs assessment report requirements. The information included is accurate and can be relied upon by SCSHFDA.

_____   _____
Market Analyst Author   Date