

Tab 19

MARKET STUDY



**A RENTAL HOUSING
MARKET FEASIBILITY ANALYSIS
FOR
FLORENCE, SOUTH CAROLINA
(*Florence County*)**

Mission Village of Florence

*181 West Attwood Avenue (approximate)
Florence, South Carolina 29505*

March 1, 2016

Prepared for:

Jennifer Wilkinson
Commonwealth Development Corporation
1121 Park West Boulevard
Suite B-136
Mount Pleasant, SC 29466

Prepared by:

Steven Shaw
Shaw Research & Consulting, LLC
P.O. Box 38
Bad Axe, MI 48413
Phone: (989) 415-3554

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CERTIFICATE OF ACCURACY AND RELIABILITY

I hereby attest that this market study has been completed by an independent third-party market consultant with no fees received contingent upon the funding of this proposal. Furthermore, information contained within the following report obtained through other sources is considered to be trustworthy and reliable. As such, Shaw Research and Consulting does not guarantee the data nor assume any liability for any errors in fact, analysis, or judgment resulting from the use of this data.



Steven R. Shaw
SHAW RESEARCH & CONSULTING, LLC

Date: March 1, 2016

INTRODUCTION

Shaw Research & Consulting has prepared the following rental housing study to examine and analyze the Florence area as it pertains to the market feasibility of Mission Village of Florence Apartments, a proposed 52-unit affordable rental housing development targeted for low-income family households. The subject proposal is to be located in the southeastern portion of the city of Florence along Attwood Avenue, just west of South Irby Street - one of the main retail/commercial thoroughfares bisecting the city. In addition, the site is approximately one-half mile south of 2nd Loop Road and roughly three miles south of downtown Florence. Furthermore, the immediate neighborhood surrounding the subject property has a mixture of usages, including single-family homes to the north and west, commercial property to the east, and industrial usages to the south. Overall, most buildings within the immediate area are in fair to good condition.

The purpose of this report is to analyze the market feasibility of the subject proposal based on the project specifications and site location presented in the following section. Findings and conclusions will be based through an analytic evaluation of demographic trends, recent economic patterns, existing rental housing conditions, detailed fieldwork and site visit, and a demand forecast for rental housing within the Florence market area. All fieldwork and community data collection was conducted on February 21, 2016 by Steven Shaw. A phone survey of existing rental developments identified within the PMA, as well as site visits to those properties deemed most comparable to the subject, was also reviewed to further measure the potential market depth for the subject proposal.

This study assumes Low Income Housing Tax Credits (LIHTC) will be utilized in the development of the subject rental facility, along with the associated rent and income restrictions obtained from the South Carolina State Housing Finance and Development Authority (SCSHFDA). As a result, the proposed Mission Village of Florence will feature a total of 52 units (22 two-bedroom units and 30 three-bedroom units) restricted to households at 50 percent and 60 percent of the area median income (AMI). Furthermore, there are no unrestricted (market rate) or project-based rental assistance (PBRA) units proposed within the subject development.

EXECUTIVE SUMMARY

Based on the information collected and presented within this report, sufficient evidence has been introduced for the successful introduction and absorption of the subject proposal, as described in the following project description, within the Florence market area. As such, the following summary highlights the key findings and conclusions reached from this information:

- 1) The subject proposal is a 52-unit rental development targeting low-income family households. The facility will consist of a mix of two and three bedroom units restricted to households at 50 and 60 percent of AMI.
- 2) Demand estimates for the proposed development show sufficient statistical support for the introduction and absorption of additional tax credit rental units within the Florence PMA. As such, capture rates as presented in Exhibit S-2 (following the executive summary) are clearly reflective of the need for additional affordable rental housing and within industry-accepted thresholds.
- 3) Occupancy rates for rental housing are extremely positive throughout the market area at the current time. As such, an overall occupancy rate of 99.4 percent was calculated from a February 2016 survey of 20 family-oriented rental developments identified and contacted within the PMA – 16 properties were 100 percent occupied.
- 4) Considering only the six tax credit developments within the survey, a combined occupancy rate of 98.2 percent was calculated, with five of the six properties reporting a waiting list – providing a clear indication of the acceptance and pent-up demand for affordable rental options locally.
- 5) Based on U.S. Census figures and ESRI forecasts, demographic patterns throughout the Florence area have been generally positive since 2000. As such, the overall population within the PMA is estimated to have increased by one percent between 2010 and 2015, representing more than 1,100 additional residents during this time. Furthermore, future projections indicate these gains will continue, with an additional increase of one percent (nearly 1,200 persons) anticipated between 2015 and 2020.
- 6) Considering the subject's proposed targeting, spacious unit sizes, and development features, the introduction of Mission Village of Florence should prove successful. Based on positive demographic patterns, extremely high occupancy levels throughout the local rental stock (especially within tax credit properties), and the rapid absorption of the most recent tax credit property (48 units in just two months), a newly constructed affordable rental option would undoubtedly be successful within the Florence PMA. As such, evidence presented within the market study suggests a normal absorption period (between four to six months) should be anticipated based on project characteristics as proposed. Furthermore, the development of the subject proposal will not have any adverse effect on any other existing rental property – either affordable or market rate.

2016 EXHIBIT S - 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

| | | | |
|-------------------|---|-------------------------------|---|
| Development Name: | <u>MISSION VILLAGE OF FLORENCE</u> | Total # Units: | <u>52</u> |
| Location: | <u>Attwood Avenue</u> | # LIHTC Units: | <u>52</u> |
| PMA Boundary: | <u>North=county border/Black Creek; South=Lynches River; East=SC-327/Cemetary Rd; West=Langston/Peniel Rd</u> | | |
| Development Type: | <u>X</u> Family | <u> </u> Older Persons | Farthest Boundary Distance to Subject: <u>8 Miles</u> |

RENTAL HOUSING STOCK (found on page 52)

| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing | 20 | 2,186 | 14 | 99.4% |
| Market-Rate Housing | 12 | 1,661 | 8 | 99.5% |
| Assisted/Subsidized Housing not to include LIHTC | 2 | 197 | 0 | 100.0% |
| LIHTC (All that are stabilized)* | 6 | 328 | 6 | 98.2% |
| Stabilized Comps** | 6 | 328 | 6 | 98.2% |
| Non-stabilized Comps | 0 | 0 | 0 | NA |

*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 |
| 0 | 1 BR | -- | -- | -- | -- | -- | -- | -- | -- |
| 0 | 1 BR | -- | -- | -- | -- | -- | -- | -- | -- |
| 6 | 2 BR | 2.0 | 1,200 | \$445 | \$851 | \$1,043.94 | 47.7% | \$1,095 | \$0.97 |
| 16 | 2 BR | 2.0 | 1,200 | \$540 | \$851 | \$1,043.94 | 36.5% | \$1,095 | \$0.97 |
| 5 | 3 BR | 2.0 | 1,350 | \$505 | \$987 | \$1,207.13 | 48.8% | \$1,355 | \$1.05 |
| 25 | 3 BR | 2.0 | 1,350 | \$620 | \$987 | \$1,207.13 | 37.2% | \$1,355 | \$1.05 |
| Gross Potential Rent Monthly* | | | | \$29,335 | \$48,329 | | 39.30% | | |

*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.

DEMOGRAPHIC DATA (found on page 34)

| | 2010 | | 2015 | | 2018 | |
|-------------------------------------|--------|-------|--------|-------|--------|-------|
| Renter Households | 11,688 | 34.7% | 12,748 | 37.0% | 12,846 | 37.1% |
| Income-Qualified Renter HHs (LIHTC) | 2,493 | 21.3% | 2,719 | 21.3% | 2,740 | 21.3% |
| Income-Qualified Renter HHs (MR) | -- | -- | -- | -- | -- | -- |

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 46)

| Type of Demand | 50% | 60% | Market Rate | Other: _____ | Other: _____ | Overall |
|---|------------|------------|-------------|--------------|--------------|------------|
| Renter Household Growth | 5 | 6 | | | | 8 |
| Existing Households (Overburd + Substand) | 249 | 302 | | | | 409 |
| Homeowner Conversion (Seniors) | -- | -- | | | | -- |
| Other: | -- | -- | | | | -- |
| Less Comparable/Competitive Supply | 0 | 0 | | | | 0 |
| Net Income-Qualified Renter HHs | 254 | 308 | 0 | 0 | 0 | 417 |

CAPTURE RATES (found on page 46)

| Targeted Population | 50% | 60% | Market Rate | Other: _____ | Other: _____ | Overall |
|---------------------|------|-------|-------------|--------------|--------------|---------|
| Capture Rate | 4.3% | 13.3% | | | | 12.5% |

ABSORPTION RATE (found on page 48)

| | |
|--------------------|----------------------|
| Absorption Period: | <u>4 to 6</u> months |
|--------------------|----------------------|

| 2016 S-2 RENT CALCULATION WORKSHEET | | | | | | |
|--|---------------------|----------------------------------|------------------------------------|-----------------------------|------------------------------------|--|
| # Units | Bedroom Type | Proposed Tenant Paid Rent | Gross Potential Tenant Rent | Adjusted Market Rent | Gross Potential Market Rent | Tax Credit Gross Rent Advantage |
| 0 | 0 BR | | \$0 | | \$0 | |
| 0 | 0 BR | | \$0 | | \$0 | |
| 0 | 0 BR | | \$0 | | \$0 | |
| 0 | 1 BR | | \$0 | | \$0 | |
| 0 | 1 BR | | \$0 | | \$0 | |
| 0 | 1 BR | | \$0 | | \$0 | |
| 6 | 2 BR | \$445 | \$2,670 | \$851 | \$5,104 | |
| 16 | 2 BR | \$540 | \$8,640 | \$851 | \$13,612 | |
| 0 | 2 BR | | \$0 | | \$0 | |
| 5 | 3 BR | \$505 | \$2,525 | \$987 | \$4,935 | |
| 25 | 3 BR | \$620 | \$15,500 | \$987 | \$24,675 | |
| 0 | 3 BR | | \$0 | | \$0 | |
| 0 | 4 BR | | \$0 | | \$0 | |
| 0 | 4 BR | | \$0 | | \$0 | |
| 0 | 4 BR | | \$0 | | \$0 | |
| Totals | 52 | | \$29,335 | | \$48,325 | 39.30% |

A. PROJECT DESCRIPTION

According to project information supplied by the sponsor of the subject proposal, the analysis presented within this report is based on the following development configuration and assumptions:

| | |
|---------------------------|---------------------------------------|
| Project Name: | MISSION VILLAGE OF FLORENCE |
| Project Address: | Attwood Avenue |
| Project City: | Florence, South Carolina |
| County: | Florence County |
| Total Units: | 52 |
| Occupancy Type: | Family |
| Construction Type: | New Construction |
| Income Targeting*: | <i>Overall - \$19,029 to \$32,280</i> |
| | <i>50% AMI - \$19,029 to \$26,900</i> |
| | <i>60% AMI - \$22,286 to \$32,280</i> |

| Targeting/Mix | Number of Units | Unit Type | Number of Baths | Square Feet | Contract Rent | Utility Allow. | Gross Rent | Max. LIHTC Rent* | Incl. PBRA |
|----------------------------|-----------------|-----------|-----------------|-------------|---------------|----------------|------------|------------------|------------|
| Two-Bedroom Units | 22 | | | | | | | | |
| 50% of Area Median Income | 6 | Apt | 2.0 | 1,200 | \$445 | \$110 | \$555 | \$561 | No |
| 60% of Area Median Income | 16 | Apt | 2.0 | 1,200 | \$540 | \$110 | \$650 | \$673 | No |
| Three-Bedroom Units | 30 | | | | | | | | |
| 50% of Area Median Income | 5 | Apt | 2.0 | 1,350 | \$505 | \$137 | \$642 | \$647 | No |
| 60% of Area Median Income | 25 | Apt | 2.0 | 1,350 | \$620 | \$137 | \$757 | \$777 | No |

*Maximum LIHTC Rents and Income Limits are based on 2015 Income & Rent Limits (effective 3/6/2015) obtained from SCSHFDA website (www.schousing.com).

Project Description:

| | |
|---|------------------------------|
| Development Location..... | Florence, South Carolina |
| Construction Type..... | New construction |
| Occupancy Type | Family |
| Target Income Group..... | 100% LIHTC (50% and 60% AMI) |
| Special Population Group | N/A |
| Number of Units by Unit Type | See previous page |
| Unit Sizes | See previous page |
| Rents and Utility Information | See previous page |
| Proposed Rental Assistance (PBRA) | 0 units |

Project Size:

| | |
|----------------------------------|----------|
| Total Development Size..... | 52 units |
| Number of Affordable Units..... | 52 units |
| Number of Market Rate Units..... | 0 units |
| Number of PBRA Units | 0 units |
| Number of Employee Units | 0 units |

Development Characteristics:

| | |
|--------------------------------------|-------------------|
| Number of Total Units | 52 units |
| Number of Garden Apartments..... | 52 units |
| Number of Townhouses | 0 units |
| Number of Residential Buildings..... | 4 (two-story) |
| Number of Community Buildings | 1 |
| Exterior Construction..... | Minimum 70% Brick |

Unit Amenities:

- | | |
|--|-------------------------------|
| ➤ Frost Free Refrigerator w/ Ice maker | ➤ Washer/Dryer Hook-Up |
| ➤ Oven/Range | ➤ Mini-Blinds/Vertical Blinds |
| ➤ Dishwasher | ➤ Central Air Conditioning |
| ➤ Microwave | ➤ Walk-In Closet |
| ➤ Ceiling Fan | |

Development Amenities:

- | | |
|-------------------------------------|-----------------------------|
| ➤ Community Building | ➤ On-Site Laundry Facility |
| ➤ Multi-Purpose Room w/ Kitchenette | ➤ Playground |
| ➤ Equipped Computer Center | ➤ On-Site Management Office |

Additional Assumptions:

- Water, sewer, and trash/recycling removal will be included in the rent. Electricity (including electric heat pump), cable television, internet access, and telephone charges will be paid by the tenant;
- Market entry is scheduled for late 2017/early 2018;

B. SITE DESCRIPTION

1. Site Visit Date

All fieldwork and community data collection was conducted on February 21, 2016 by Steven Shaw.

2. Site Neighborhood and Overview

The subject property is located within the southeastern portion of Florence along the north side of Attwood Avenue, and just west of South Irby Street (U.S. 52/U.S. 301) – one of the main retail/commercial thoroughfares bisecting the city. Located roughly three miles south of downtown Florence, the proposed development is situated within an area with a broad mix of retail, residential, and undeveloped property. Overall characteristics of the immediate neighborhood are relatively mixed, with an auto parts store and commercial building (containing Kids Corner Child Care Academy, Century 21, New Beginnings Missionary Baptist Church, Direct Auto Insurance, and New Destiny Church) adjacent to the east of the site, single-family homes (in fair condition) adjacent to the north, undeveloped wooded property adjacent to the west and south. Additional single-family homes (in good condition) can be found further to the west along Ansley Street, while the Florence Family YMCA, Southgate Bowling Center, Aldi Food Store, and Walmart Supercenter are all within one-third mile from the site. Areas to the west of the subject property are generally residential, while areas to the east along Irby Street are largely commercial and retail-oriented.

The subject property consists of approximately 6.6 acres of undeveloped, densely wooded property. Situated within Census Tract 14 of Florence County, the property is currently zoned as R-5 Multi-Family - which allows for higher density residential development. Access to the site will be from Attwood Avenue, a relatively low-traveled two-lane secondary residential street providing access to Irby Street to the east, and Dexter Drive to the west.

Based on current usages, zoning throughout the neighborhood should not impede or negatively affect the viability of the subject proposal. As such, adjacent land usage is as follows:

- North:** Caudle Avenue/Single-family homes (*in fair condition*)
- South:** Undeveloped wooded property
- West:** Undeveloped, densely wooded property
- East:** Commercial

The subject property's location along a seemingly quiet residential street near a major commercial/retail corridor provides a generally positive curb appeal. Although the site will have limited visibility from a well-traveled roadway, its location just west of Irby Street offers abundant retail opportunities, and should be considered a positive attribute and suitable for multi-family housing. While there is a low volume of traffic along Attwood Avenue, it should be noted that traffic congestion is evident along Irby Street at certain times of the day - however, this should be viewed as only a minor factor. Furthermore, another positive factor is the site's proximity and relatively convenient access to much of the area's retail, medical, recreational, educational, and employment locales.

3. Nearby Retail

Numerous retail opportunities can be found near the subject property, several of which are within walking distance of the site – including an Aldi Food Store, C-Mart convenience store/gas station, Walmart Supercenter, and Southside Commons shopping center all less than one-third mile away. While numerous retail areas are situated along Irby Street (with several additional grocery, pharmacy, and other stores within two miles of the subject), additional nearby concentrations include the Freedom Boulevard/Pamplico Highway intersection (Lowe's, Bi-Lo grocery, and CVS/Pharmacy approximately one mile to the east), and along 2nd Loop Road between March Avenue and Cashua Drive (Food Lion grocery, Dollar General, Walmart Neighborhood Market, and more). Several additional retail centers are also a relatively short drive away – including along Palmetto Street traversing downtown Florence and most notably the Magnolia Mall (a large regional mall situated along David McLeod Boulevard at the northeast corner of the I-20/I-95 interchange).

4. Medical Offices and Hospitals

Numerous medical services and physician offices can be found throughout the immediate area as well. There are two full-service hospitals within Florence, including Carolinas Hospital System (roughly 1¼ miles to the east of the site) and the McLeod Regional Medical Center (3¼ miles to the north). While numerous physician offices and medical/specialty clinics can be found surrounding each of the hospitals, several clinics can be found locally – including a Doctor’s Care Clinic, located less than one-half mile south of the site along Irby Street.

5. Other PMA Services

Additional services of note within the market area include a library and several parks and recreation centers. Most noteworthy is the Florence Family YMCA, which is located less than ¼ mile northwest of the subject property along Dexter Drive. Scheduled, fixed-route bus/transit services are provided locally through Pee Dee Regional Transportation Authority (PDRTA), which offers service throughout the greater Florence area in addition to commuter services to Dillon, Marion, Hartsville, and Darlington. Although there is no bus service along Attwood Avenue, the nearest bus stop is within walking distance along Irby Street

The following identifies pertinent locations and features within the Florence market area, and can be found on the following map by the number next to the corresponding description (*all distances are estimated by paved roadway*):

Retail

1. South Florence Market shopping center1.0 mile south
(w/ Food Lion grocery, Dollar General, and more)
2. Walmart Supercenter/ Southside Commons shopping center.....0.2 miles south
(w/ Dollar Tree, GameStop, GNC, It’s Fashion, Cato Fashions, Sally Beauty Supply)
3. Salvation Army Thrift Store0.4 miles south
4. C-Mart Convenience store/gas station0.2 miles south
5. Aldi Food Store.....0.1 mile east
6. Goody’s.....0.5 miles north
7. Rose’s Discount0.5 miles north
8. Walgreens Pharmacy0.6 miles north
9. Bi-Lo grocery1.0 mile east
10. Lowe’s Home Improvement Warehouse1.0 mile east
11. Family Dollar1.5 miles north
12. Dollar General.....1.7 miles north
13. Piggly Wiggly grocery and CVS/Pharmacy1.9 miles north

14. Food Lion grocery.....2.0 miles northwest
 15. Walmart Neighborhood Market.....3.4 miles northwest
 16. Magnolia Mall.....5.0 miles northwest
 (w/ Anchor stores of Belk, JC Penney, Kick's Sporting Goods, Sears, and Best Buy)
 17. Target5.8 miles northwest
 18. Kohl's/Home Depot5.8 miles northwest

Education

19. Kid's Corner Child Care Academy.....adjacent to east
 20. McLaurin Elementary School).....3.2 miles northeast
 21. Southside Middle School2.0 miles south
 22. South Florence High School1.9 miles south
 23. Florence Christian School and athletic complex0.7 miles south
 24. Francis Marion University (not on map).....8.5 miles northeast
 25. Florence-Darlington Technical College (not on map)7.2 miles northwest

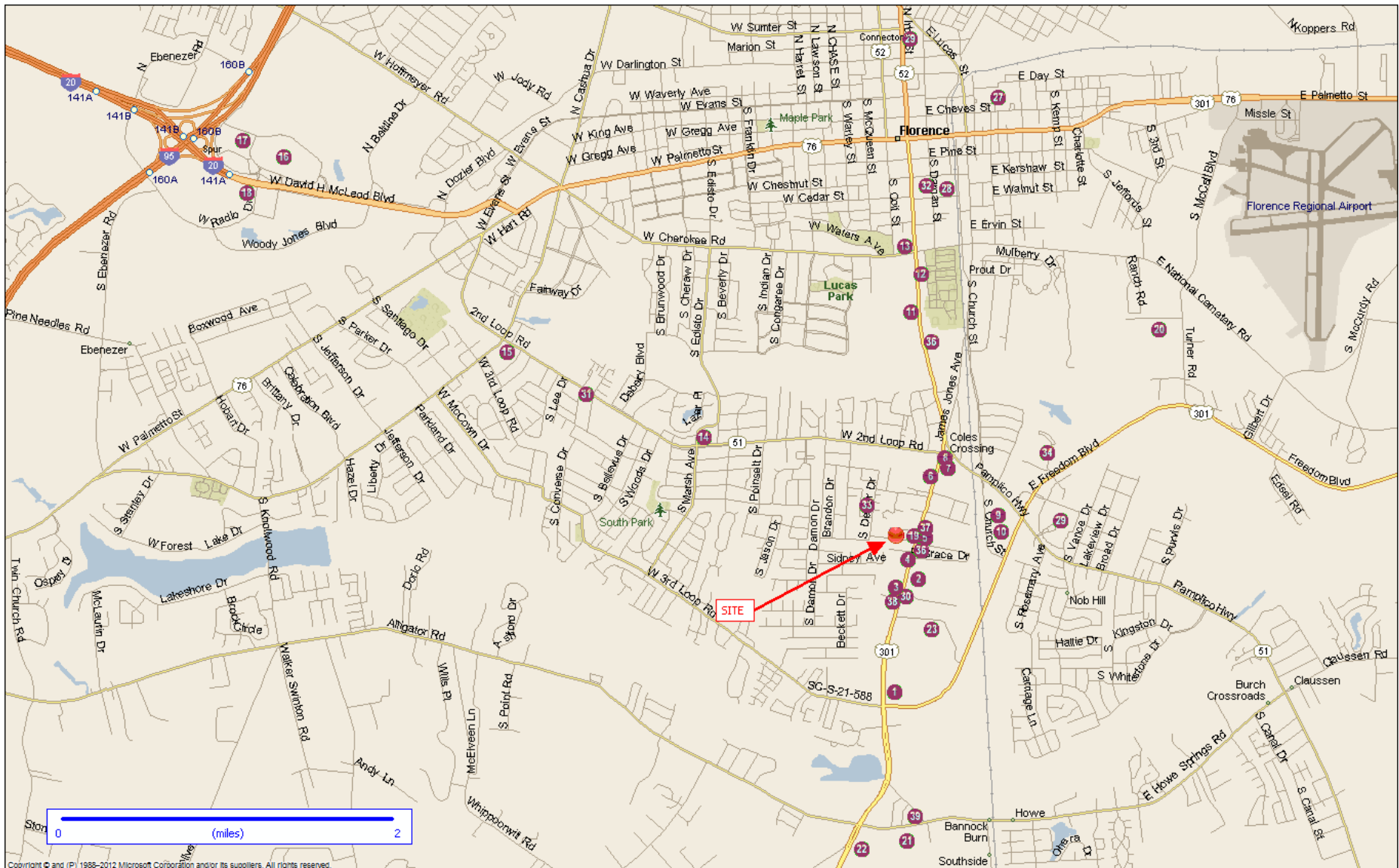
Medical

26. Carolinas Hospital System (Hospital and Medical Mall A, B, and C)1.3 miles east
 27. McLeod Regional Medical Center3.2 miles north
 (w/ McLeod Medical Plaza, Medical Park West, Medical Park East)
 28. Regency Hospital2.3 miles north
 29. Hope Health Medical Center (under construction)3.1 miles north
 30. Doctor's Care Clinic0.4 miles south
 31. First Choice Healthcare.....2.5 miles northwest

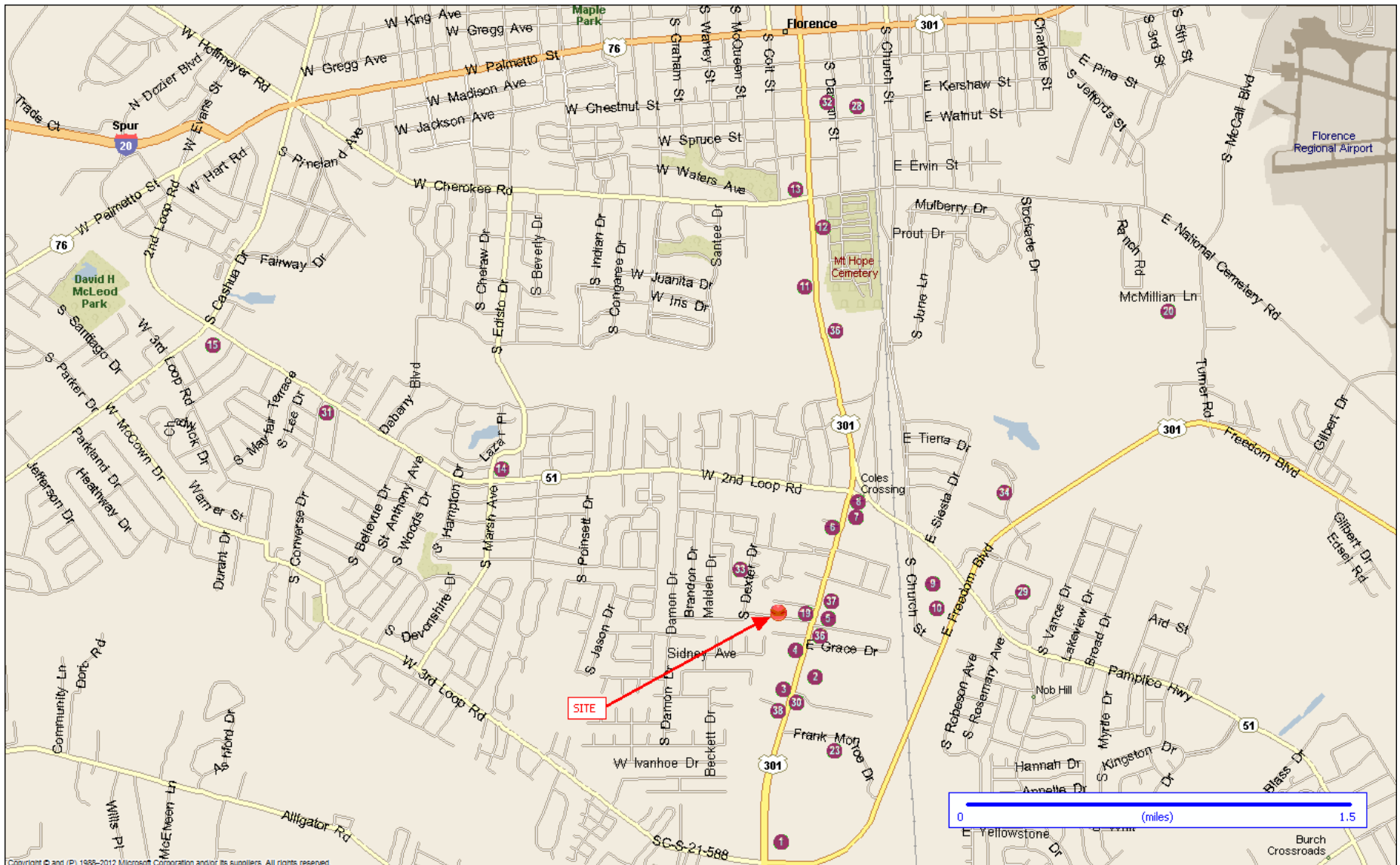
Recreation/Other

32. Florence County Public Library.....2.4 miles north
 33. Florence Family YMCA0.2 miles northwest
 34. Freedom Florence Recreation Complex1.6 miles northeast
 35. Julia Cinemas1.3 miles north
 36. Southgate Bowling Center0.1 mile east
 37. Sonic Restaurant0.2 miles northeast
 38. Dixie Federal Credit Union.....0.5 miles south
 39. Florence Fire Department1.8 miles south

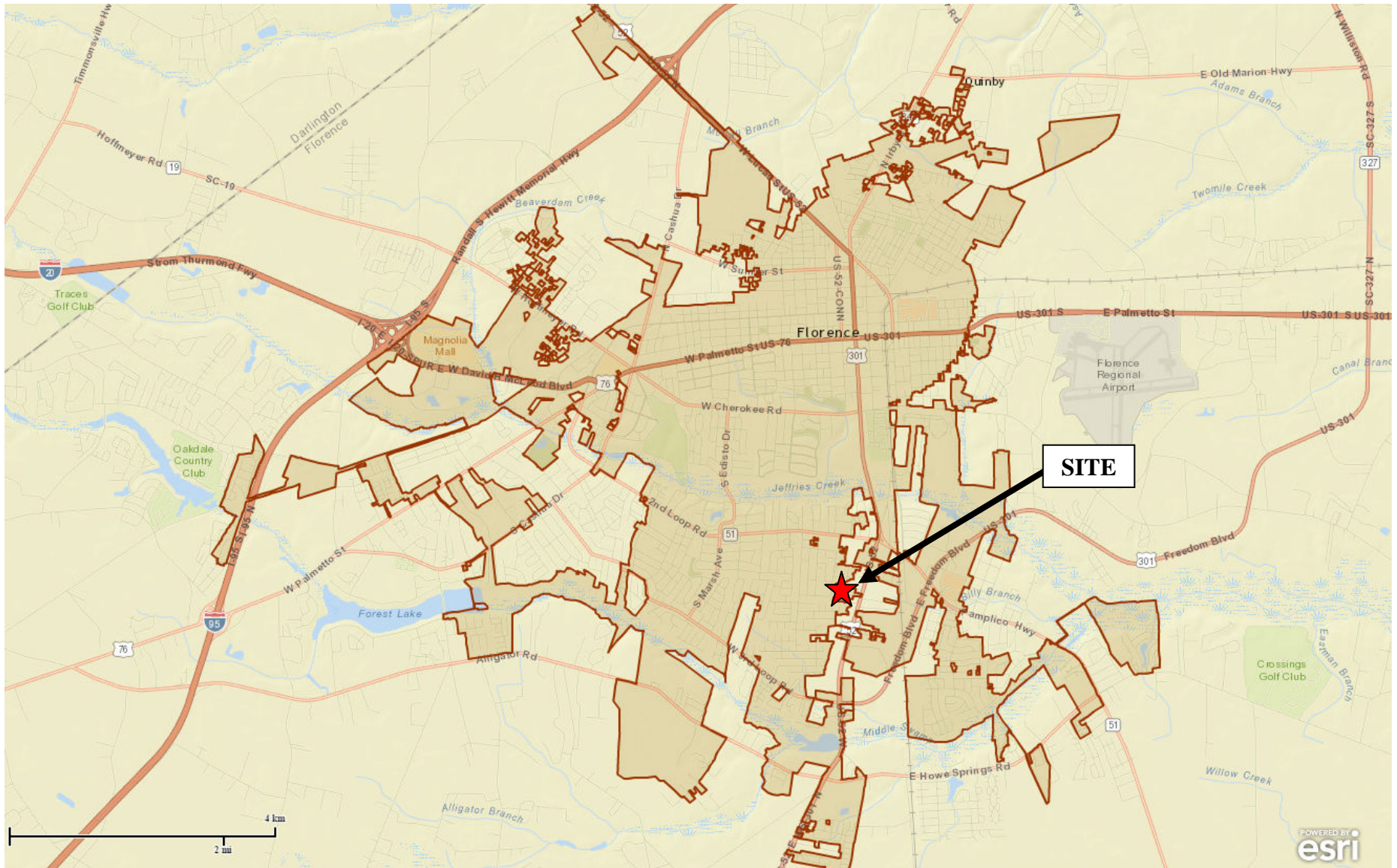
Map 1: Local Features/Amenities – Florence Area



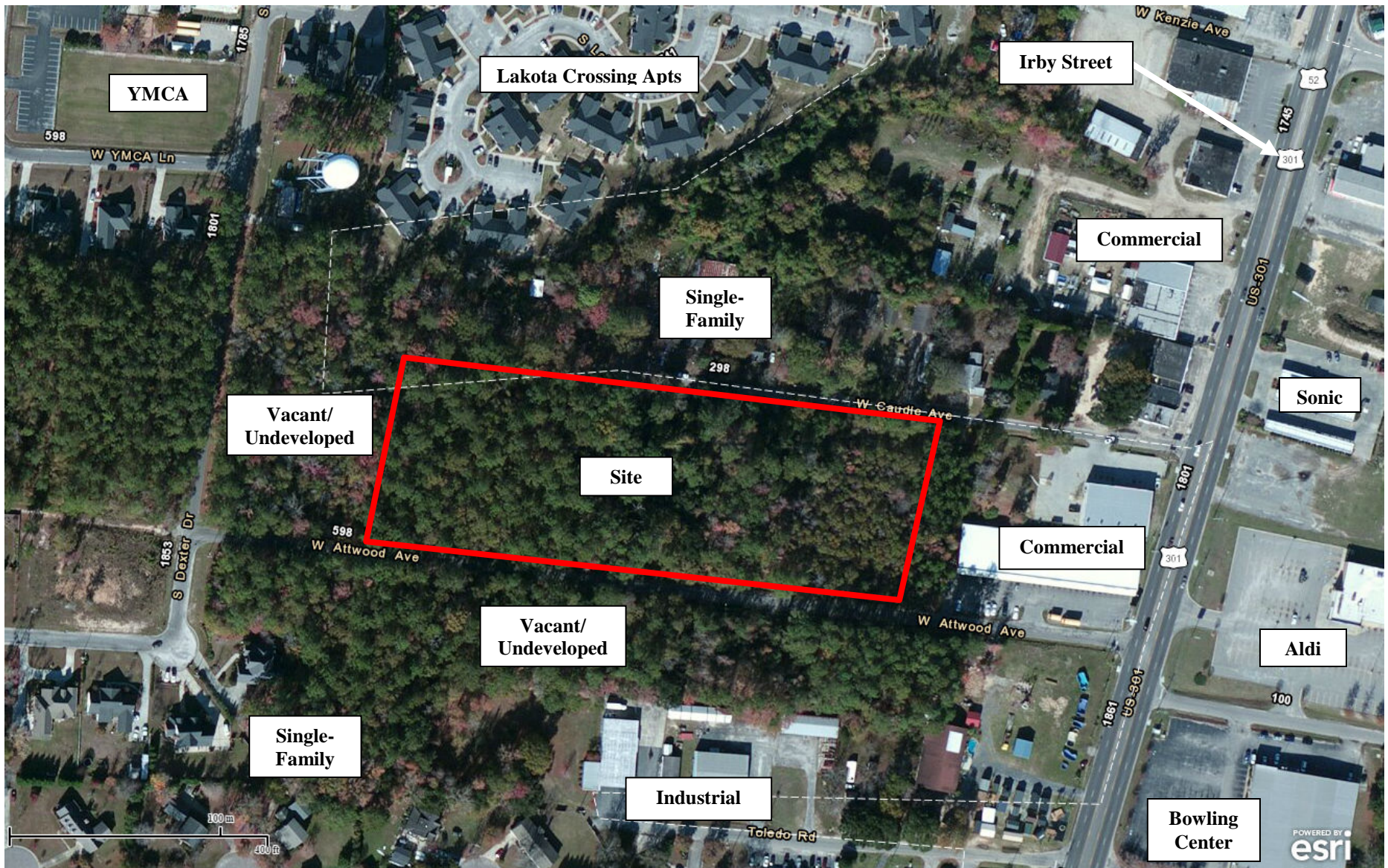
Map 2: Local Features/Amenities – Close View



Map 3: Site Location – City of Florence

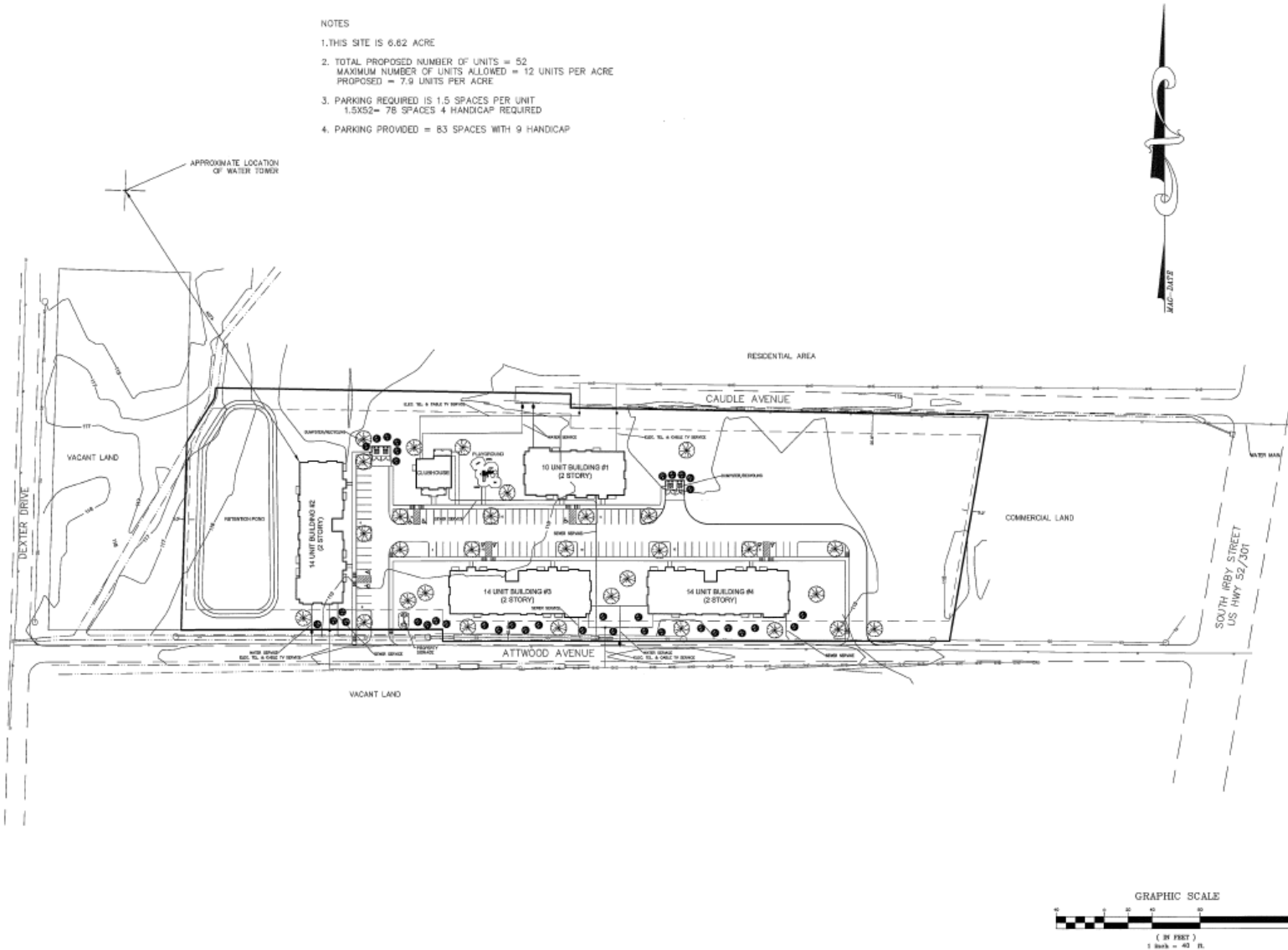


Map 4: Site Location - Aerial Photo

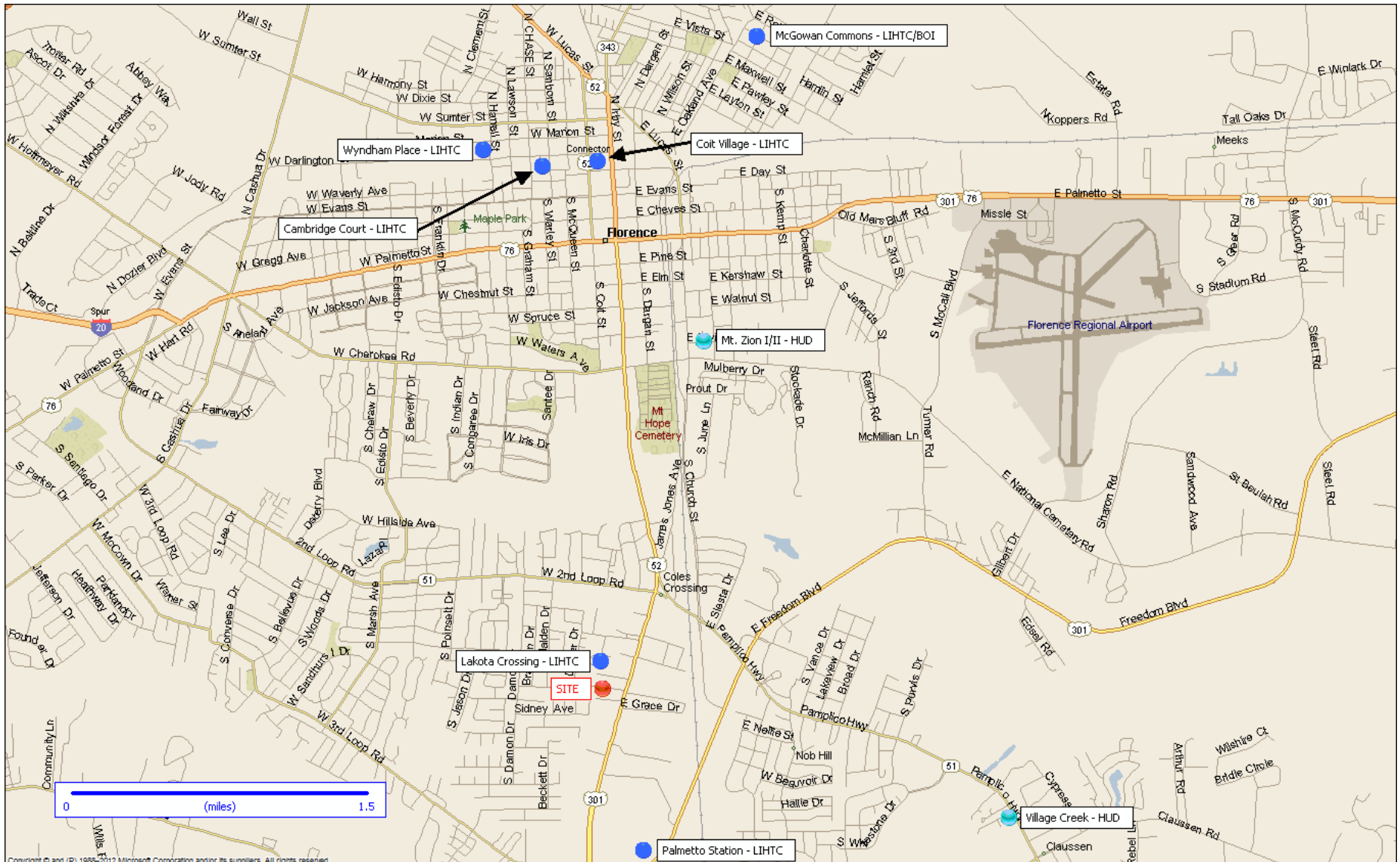


Map 5: Proposed Site Plan – Mission Village of Florence

- NOTES
1. THIS SITE IS 6.62 ACRE
 2. TOTAL PROPOSED NUMBER OF UNITS = 52
MAXIMUM NUMBER OF UNITS ALLOWED = 12 UNITS PER ACRE
PROPOSED = 7.9 UNITS PER ACRE
 3. PARKING REQUIRED IS 1.5 SPACES PER UNIT
1.5x52 = 78 SPACES 4 HANDICAP REQUIRED
 4. PARKING PROVIDED = 83 SPACES WITH 9 HANDICAP



Map 6: Affordable Rental Housing



Site/Neighborhood Photos



**SITE – Mission Village of Florence
West Attwood Avenue
Florence, SC
Facing north from Attwood Avenue**



**SITE – Mission Village of Florence
West Attwood Avenue
Florence, SC
Facing north from Attwood Avenue**



**Facing east along Attwood Avenue
Site is on left side of street**



**Facing west along Attwood Avenue
Site is on right side of street**



Typical single-family home adjacent to north of site
Facing north from Caudle Avenue



Facing east along Caudle Avenue adjacent to north of site
Older single-family homes on left
Site is on right



Undeveloped, wooded property adjacent to south of site
Facing south from Attwood Avenue



Undeveloped, wooded property adjacent to south of site
Facing south from Attwood Avenue



**Commercial building adjacent to east of site
Facing north from Attwood Avenue
Site is wooded area on left**



**Commercial business adjacent to east of site
Facing south from Attwood Avenue
Site is on right**



**Commercial building adjacent to east of site
Facing north from Attwood Avenue**



**Densely wooded property adjacent to west of site
Facing north from Attwood Avenue
Site is to right**

6. Crime Assessment

According to crime data by zip code, the overall crime index within the immediate area is somewhat higher than both state and national levels. According to data obtained from HomeFair.com, which provides demographic and lifestyle statistics by zip code, the area in which the subject property is situated (zip code 29505) had a Total Crime Risk index of 142 – as compared to 130 for the state (whereas an index of 100 is the national average). According to index values, Murder Risk was the highest factor (at 210), followed by Assault Risk (188), and Rape Risk (178). Conversely, Automotive Theft Risk was the lowest of all factors (at 58), and was the only index below both state and national norms. Considering these factors as well as information gathered during the site visit, there does not appear to be any noticeable security concerns within the immediate neighborhood surrounding the site. However, it is still recommended to include a form of security measures (such as cameras or intercom-entry) within the subject property to deter any potential crime issues.

Table 1: Crime Risk Index

| | Zip: 29505 | State |
|---|----------------------|----------------------|
| | <u>Index*</u> | <u>Index*</u> |
| Total Crime Risk Index | 142 | 130 |
| Personal Crime Index | 195 | 165 |
| Murder Risk | 210 | 138 |
| Rape Risk | 178 | 138 |
| Robbery Risk | 101 | 95 |
| Assault Risk | 188 | 200 |
| Property Crime Index | 123 | 124 |
| Burglary Risk | 160 | 137 |
| Larceny Risk | 130 | 125 |
| Automotive Theft Risk | 58 | 91 |
| *Values are represented as an index, where the value 100 represents the national average. | | |
| Source: HomeFair.com - Data by Zip Code | | |

7. Road/Infrastructure Improvements

Based on the site visit and evaluation of the local market area, no significant road work and/or infrastructure improvements were observed near the site that would have any impact (positive or negative) on the marketability or absorption of the subject proposal.

8. Overall Site Conclusions

Overall, the majority of necessary services are situated within a short distance of the site, including a YMCA, Walmart Supercenter, and Aldi Food Store all within one-third mile. Furthermore, several schools, medical offices, parks, and other various services are located within the immediate area. Based on a site visit conducted February 21, 2016, overall site characteristics can be viewed as mostly positive, with no significant visible nuances that can have a potentially negative effect on the marketability or absorption of the subject property. In addition, the subject property's location is readily accessible to Irby Street to the east, offering relatively easy access to much of the city. The subject property has a generally positive curb appeal, with most nearby properties (residential, commercial, or otherwise) in fair to good condition.

C. PRIMARY MARKET AREA DELINEATION

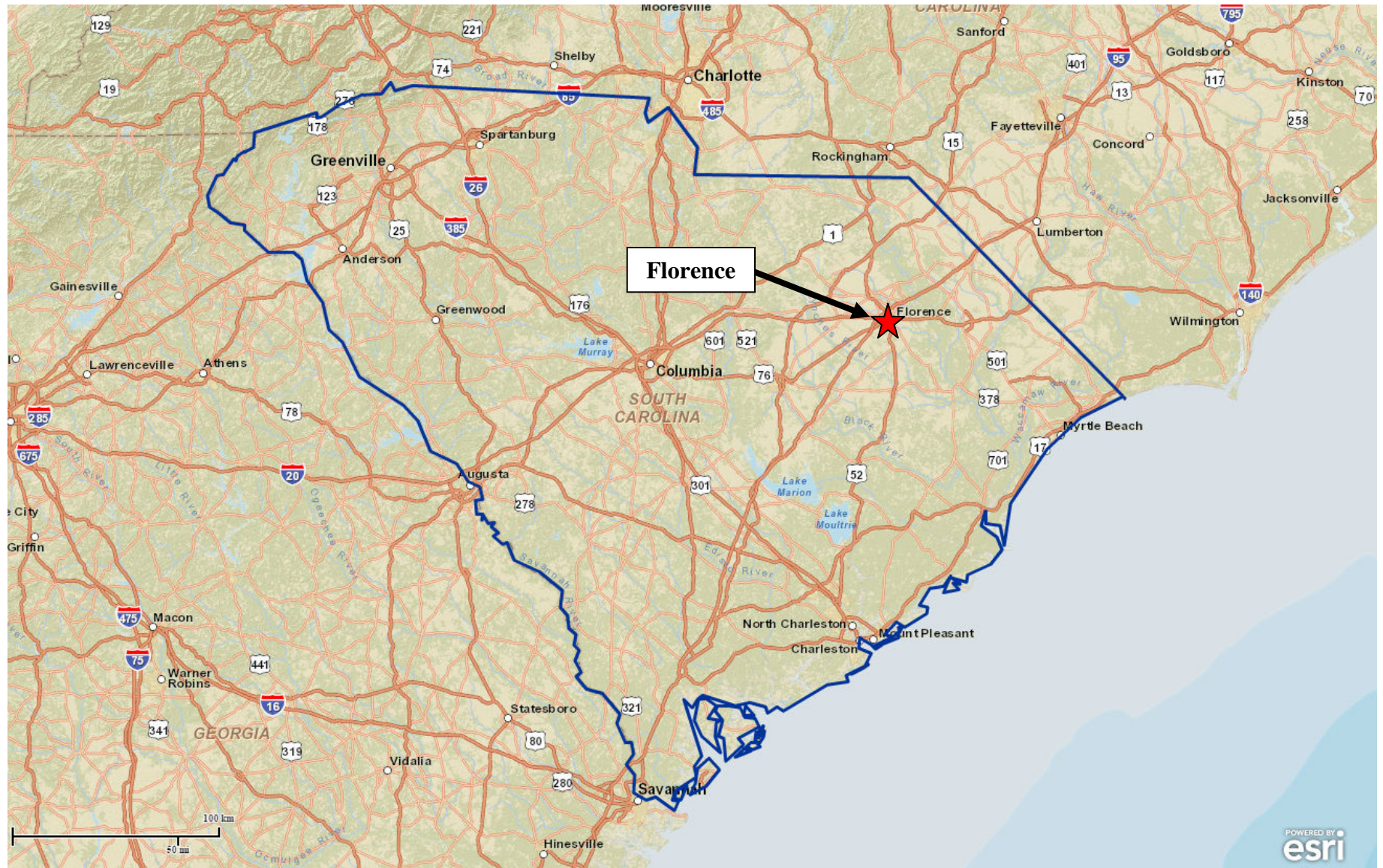
The Primary Market Area (PMA) is defined as the geographic area from which the subject property (either proposed or existing) is expected to draw the *majority* of its residents. For the purpose of this report, the Florence PMA consists of the city of Florence and the immediate surrounding area. More specifically, the PMA is comprised of 21 census tracts in central Florence County, and reaches approximately eight miles to the east of the site, six miles to the north, and roughly eight miles to the south and west. As such, the aforementioned primary market area delineation can be considered as a realistic indication of the potential draw of the subject proposal based on a positive site location and Florence being the primary economic center of the county and region. Additionally, the site is located near several key roadways (including U.S. 301, U.S. 52, and U.S. 76), each providing relatively convenient access throughout the majority of the PMA and Florence County.

Factors such as socio-economic conditions and patterns, local roadway infrastructure, commuting patterns, school boundaries, physical boundaries, and personal experience were utilized when defining the primary market area. The PMA is also based on a previously SCSHFDA-approved delineation, and is comprised of the following census tracts (*all within Florence County*):

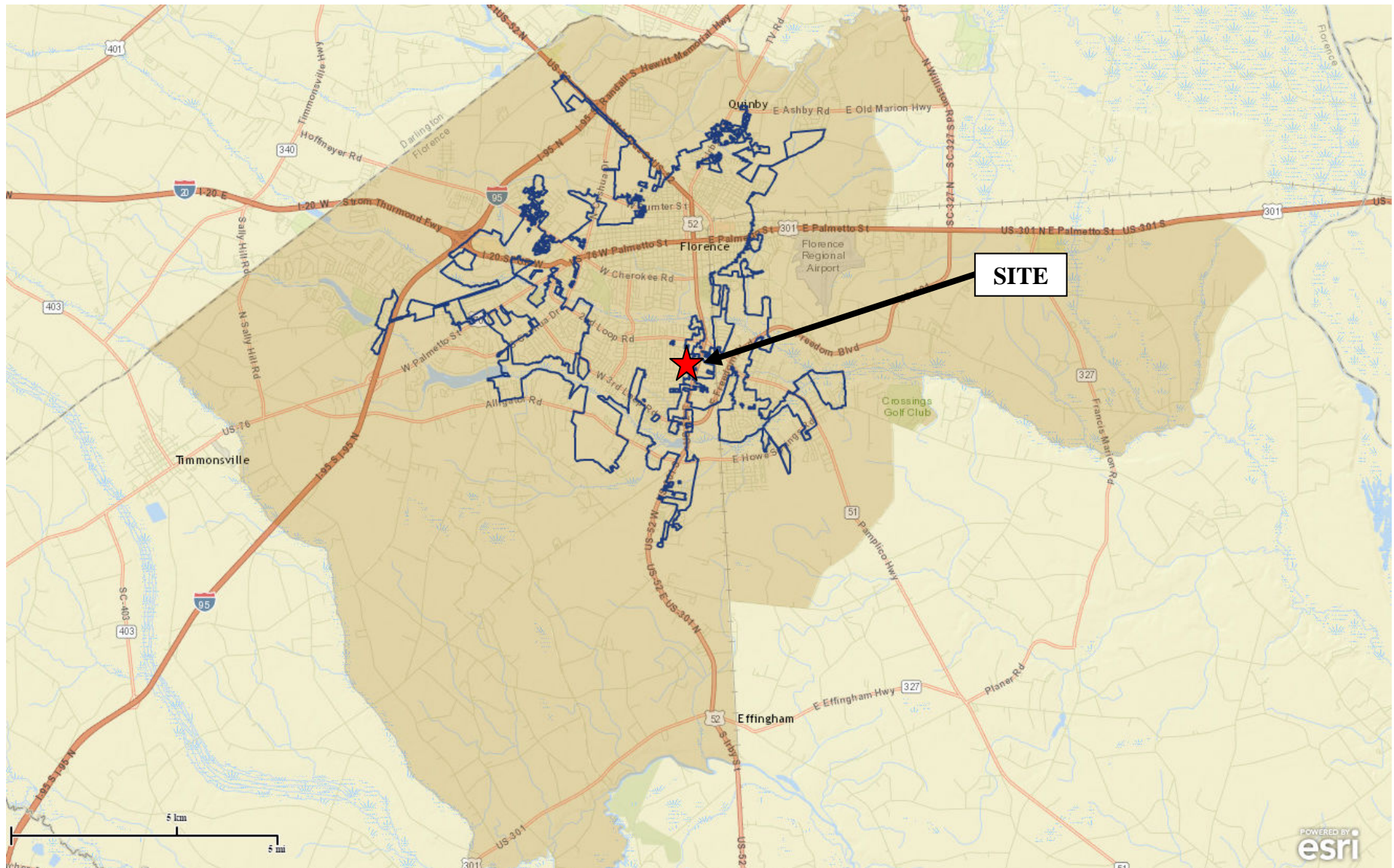
- Tract 1.01
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- Tract 11.00
- Tract 12.00
- Tract 13.00
- Tract 14.00*
- Tract 15.03
- Tract 15.04
- Tract 15.05
- Tract 15.06
- Tract 16.01
- Tract 9801

* Site is located in Census Tract 14.00

Map 7: State of South Carolina



Map 8: Primary Market Area – City of Florence



NOTE: Shaded area is PMA; Blue outline is city of Florence

Map 9: Florence Primary Market Area – Census Tracts

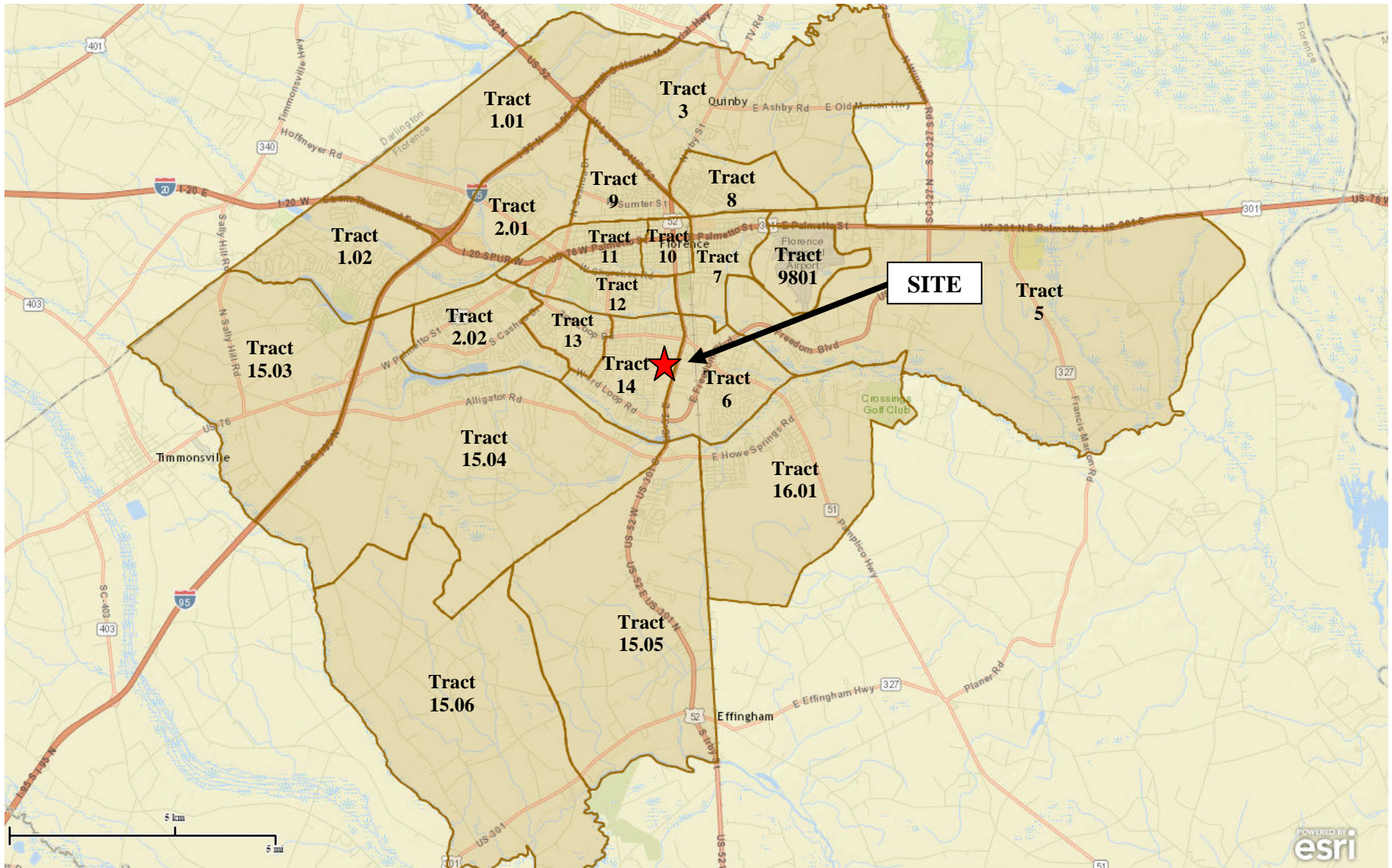


Table 2: Race Distribution (2010)

| Census Tract 14 - Florence County, SC | | |
|--|---------------|----------------|
| | <u>Number</u> | <u>Percent</u> |
| Total Population (all races) | 7,856 | 100.0% |
| White* | 5,805 | 73.9% |
| Black or African American* | 1,766 | 22.5% |
| American Indian/Alaska Native* | 37 | 0.5% |
| Asian* | 296 | 3.8% |
| Native Hawaiian/Pacific Islander* | 1 | 0.0% |
| Other Race* | 48 | 0.6% |

*NOTE: Race figures are "alone or in combination" - which allows persons to report their racial makeup as more than one race. As such, the sum of individual races may add up to more than the total population.

SOURCE: U.S. Census - 2010 - Table QT-P6

D. MARKET AREA ECONOMY

1. Employment by Industry

According to information from the South Carolina Department of Employment and Workforce, the largest individual employment industry within Florence County was health care/social assistance (at approximately 21 percent of all jobs), followed by persons employed in retail trade (14 percent), and accommodation/food services (11 percent). Based on a comparison of employment by industry from 2010, roughly one-half of all industries experienced a net gain over the past five years. Accommodation/food services and administrative/waste services had the largest growth by far (with 1,029 and 1,020 new jobs, respectively), followed by retail trade and wholesale trade (both increasing by more than 420 jobs or more). In contrast, industries experiencing the greatest declines include finance/insurance and public administration, both declining by more than 500 jobs between 2010 and 2015.

Table 3: Employment by Industry – Florence County (2Q 2015)

| <u>Industry</u> | <u>2015 (2Q)</u> | | <u>2010 (2Q)</u> | | <u>Change (2010-2015)</u> | |
|--|------------------------|----------------|------------------------|----------------|---------------------------|----------------|
| | <u>Number Employed</u> | <u>Percent</u> | <u>Number Employed</u> | <u>Percent</u> | <u>Number Employed</u> | <u>Percent</u> |
| Total - All Industries | 61,599 | 100.0% | 59,570 | 100.0% | 2,029 | 3% |
| Agriculture, forestry, fishing and hunting | 212 | 0.3% | 232 | 0.4% | (20) | -9% |
| Mining | * | * | * | * | * | * |
| Utilities | 49 | 0.1% | * | * | * | * |
| Construction | 1,773 | 2.9% | 1,733 | 2.9% | 40 | 2% |
| Manufacturing | 5,643 | 9.2% | 5,741 | 9.6% | (98) | -2% |
| Wholesale trade | 2,629 | 4.3% | 2,208 | 3.7% | 421 | 19% |
| Retail trade | 8,553 | 13.9% | 8,030 | 13.5% | 523 | 7% |
| Transportation and warehousing | 2,012 | 3.3% | 2,126 | 3.6% | (114) | -5% |
| Information | 790 | 1.3% | 889 | 1.5% | (99) | -11% |
| Finance and insurance | 2,406 | 3.9% | 3,009 | 5.1% | (603) | -20% |
| Real estate and rental and leasing | 823 | 1.3% | 658 | 1.1% | 165 | 25% |
| Professional and technical services | 2,294 | 3.7% | 2,389 | 4.0% | (95) | -4% |
| Management of companies and enterprises | 885 | 1.4% | 624 | 1.0% | 261 | 42% |
| Administrative and waste services | 2,974 | 4.8% | 1,954 | 3.3% | 1,020 | 52% |
| Educational services | 5,134 | 8.3% | 5,257 | 8.8% | (123) | -2% |
| Health care and social assistance | 13,168 | 21.4% | 12,856 | 21.6% | 312 | 2% |
| Arts, entertainment, and recreation | 706 | 1.1% | 687 | 1.2% | 19 | 3% |
| Accommodation and food services | 6,854 | 11.1% | 5,825 | 9.8% | 1,029 | 18% |
| Other services, exc. public administration | 1,481 | 2.4% | 1,573 | 2.6% | (92) | -6% |
| Public administration | 3,197 | 5.2% | 3,716 | 6.2% | (519) | -14% |

* - Data Not Available
Source: South Carolina Department of Employment & Workforce - Florence County, SC (2010 - 2015)

2. Commuting Patterns

Based on place of employment (using 2014 American Community Survey data), 85 percent of PMA residents are employed within Florence County, while 15 percent work outside of the county – most of which commute to neighboring Darlington County for employment, as well as Williamsburg and Marion Counties to a lesser extent.

An overwhelming majority of workers throughout Florence County traveled alone to their place of employment, whether it was within the county or commuting outside of the area. According to ACS data, approximately 84 percent of workers within the PMA drove alone to their place of employment, while nine percent carpooled in some manner. A relatively small number (three percent) utilized public transportation, walked, or some other means to work.

Table 4: Place of Work/ Means of Transportation (2014)

| EMPLOYMENT BY PLACE OF WORK | | | | | | |
|---|-------------------------|---------------|---------------------|---------------|------------------------|---------------|
| | City of Florence | | Florence PMA | | Florence County | |
| Total | 16,315 | 100.0% | 38,640 | 100.0% | 56,568 | 100.0% |
| Worked in State of Residence | 16,221 | 99.4% | 38,240 | 99.0% | 56,008 | 99.0% |
| Worked in County of Residence | 14,107 | 86.5% | 32,979 | 85.3% | 47,837 | 84.6% |
| Worked Outside County of Residence | 2,114 | 13.0% | 5,261 | 13.6% | 8,171 | 14.4% |
| Worked Outside State of Residence | 94 | 0.6% | 400 | 1.0% | 560 | 1.0% |

| MEANS OF TRANSPORTATION TO WORK | | | | | | |
|---|-------------------------|---------------|---------------------|---------------|------------------------|---------------|
| | City of Florence | | Florence PMA | | Florence County | |
| Total | 16,315 | 100.0% | 38,640 | 100.0% | 56,221 | 100.0% |
| Drove Alone - Car, Truck, or Van | 13,852 | 84.9% | 32,574 | 84.3% | 47,212 | 84.0% |
| Carpooled - Car, Truck, or Van | 1,248 | 7.6% | 3,606 | 9.3% | 5,404 | 9.6% |
| Public Transportation | 150 | 0.9% | 195 | 0.5% | 218 | 0.4% |
| Walked | 187 | 1.1% | 345 | 0.9% | 650 | 1.2% |
| Other Means | 336 | 2.1% | 538 | 1.4% | 703 | 1.3% |
| Worked at Home | 542 | 3.3% | 1,382 | 3.6% | 2,034 | 3.6% |

Source: U.S. Census Bureau; American Community Survey

Table 5: Employment Commuting Patterns (2010)

| Top Areas Florence County Residents are Commuting To | | Top Areas Florence County Residents are Communit From | |
|---|----------------------|--|----------------------|
| Commuters Living In: | <u>Number</u> | Commuters Working In : | <u>Number</u> |
| Darlington County, SC | 3,212 | Darlington County, SC | 8,050 |
| Williamsburg County, SC | 1,705 | Marion County, SC | 2,175 |
| Marion County, SC | 583 | Williamsburg County, SC | 1,629 |
| Horry County, SC | 561 | Dillon County, SC | 1,331 |
| Sumter County, SC | 354 | Sumter County, SC | 818 |
| Clarendon County, SC | 348 | Clarendon County, SC | 586 |
| Georgetown County, SC | 276 | Horry County, SC | 539 |

Source: U.S. Census Bureau - 2010

3. Largest Employers

Below is a chart depicting the 20 largest employers within Florence County, according to information obtained through the South Carolina Department of Employment and Workforce:

| Florence County Top Employers <i>(Listed Alphabetically)</i> | |
|--|---------------------------------------|
| Assurant Group | Carolinas Hospital System |
| City of Florence | ESAB Welding Products, Inc. |
| Floco Foods, Inc. | Florence County Council |
| Florence County School District #3 | Florence-Darlington Technical College |
| Florence County School District #1 | Francis Marion University |
| Honda of South Carolina Mfg, Inc. | McLeod Health |
| McLeod Physician Associates II | McLeod Regional Medical Center |
| Nightingales Nursing & Attendant | QVC, Inc. |
| Rock Tenn Services, Inc. | SC Dept. of Disabilities & Special |
| Walmart Associates, Inc. | Wellman Plastics Recycling LLC |
| <i>Source: SC Department of Employment & Workforce – 2014 Q3</i> | |

4. Employment and Unemployment Trends

The overall economy throughout Florence County has been generally stable over the past decade, with employment increases in five of the last eight years since 2010. As such, Florence County recorded an increase of more than 3,150 jobs between 2010 and 2015, representing an increase of six percent (an annual increase of 1.1 percent). In addition, the average annual unemployment rate for 2015 was calculated at 6.9 percent, the county's lowest rate since 2007. In comparison, the state and national annual unemployment rate for 2015 was 6.1 and 5.3 percent, respectively.

More recently, an increase of roughly 1,125 jobs was recorded between December 2014 and December 2015. As such, the unemployment decreased from 7.2 percent to 6.0 percent – remaining slightly above both the state and national averages (5.3 percent and 4.8 percent, respectively).

Figure 1: Employment Growth

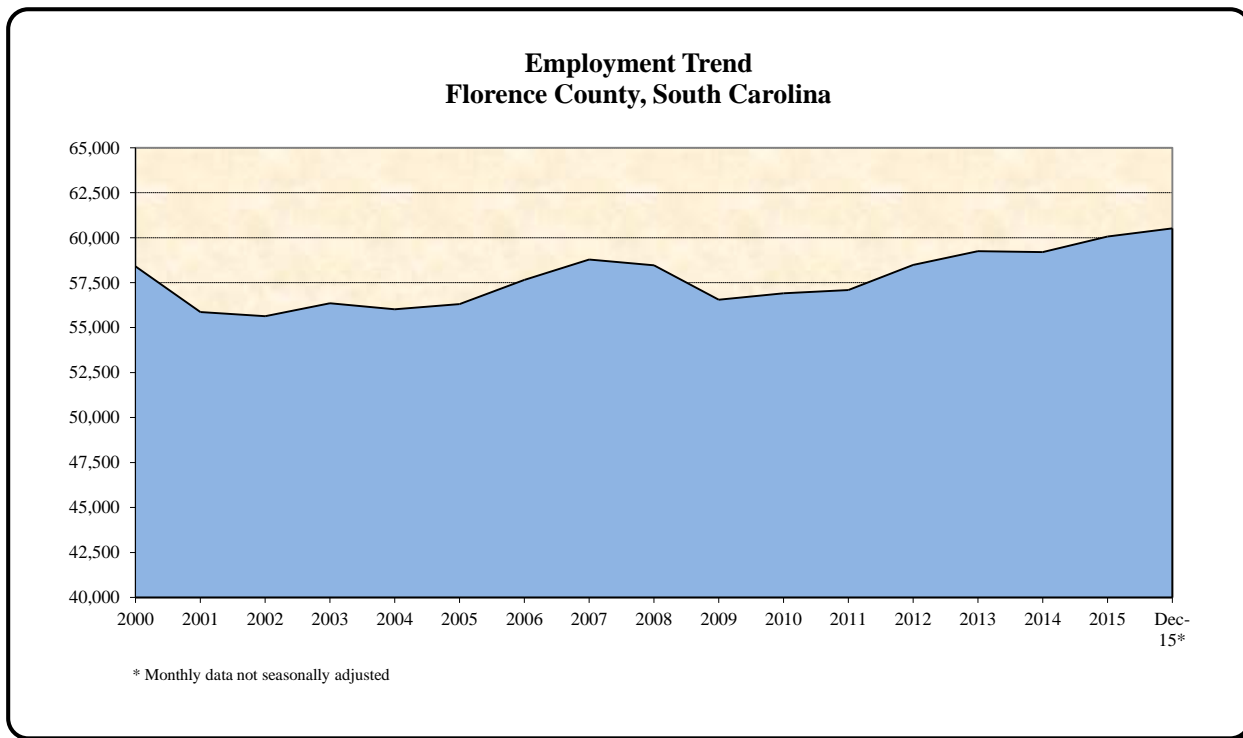


Figure 2: Historical Unemployment Rate

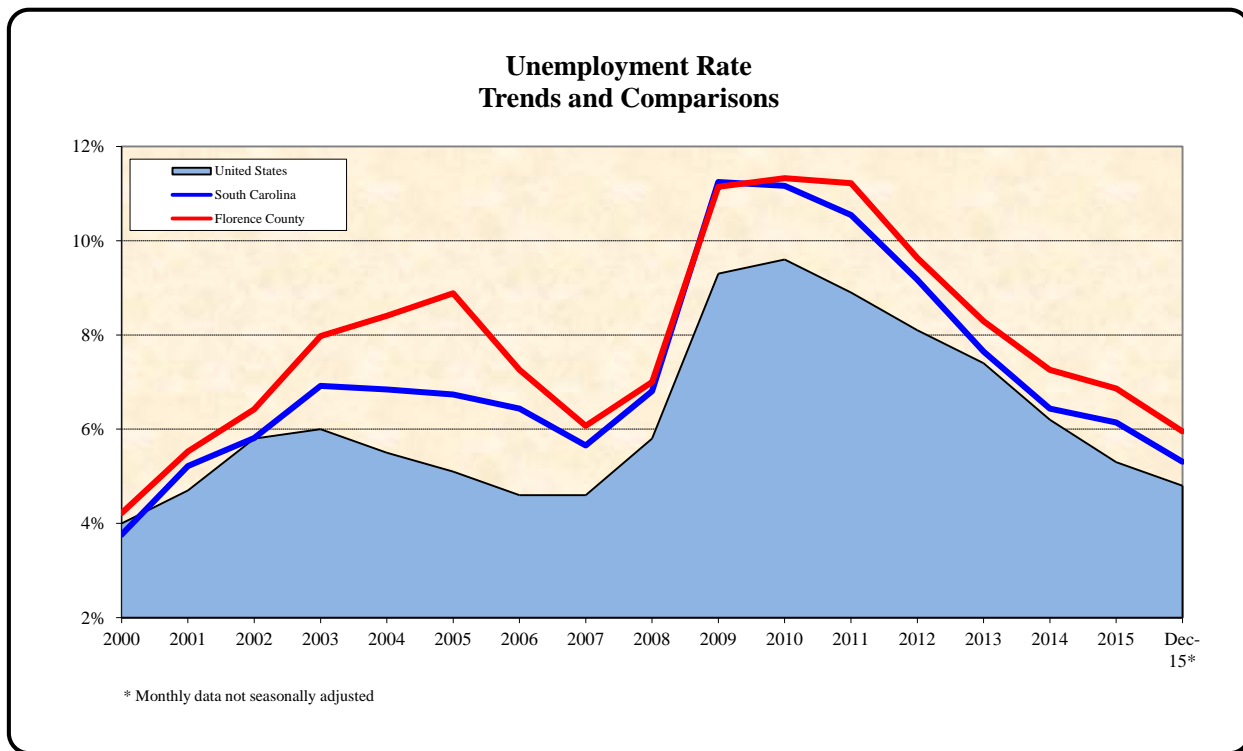


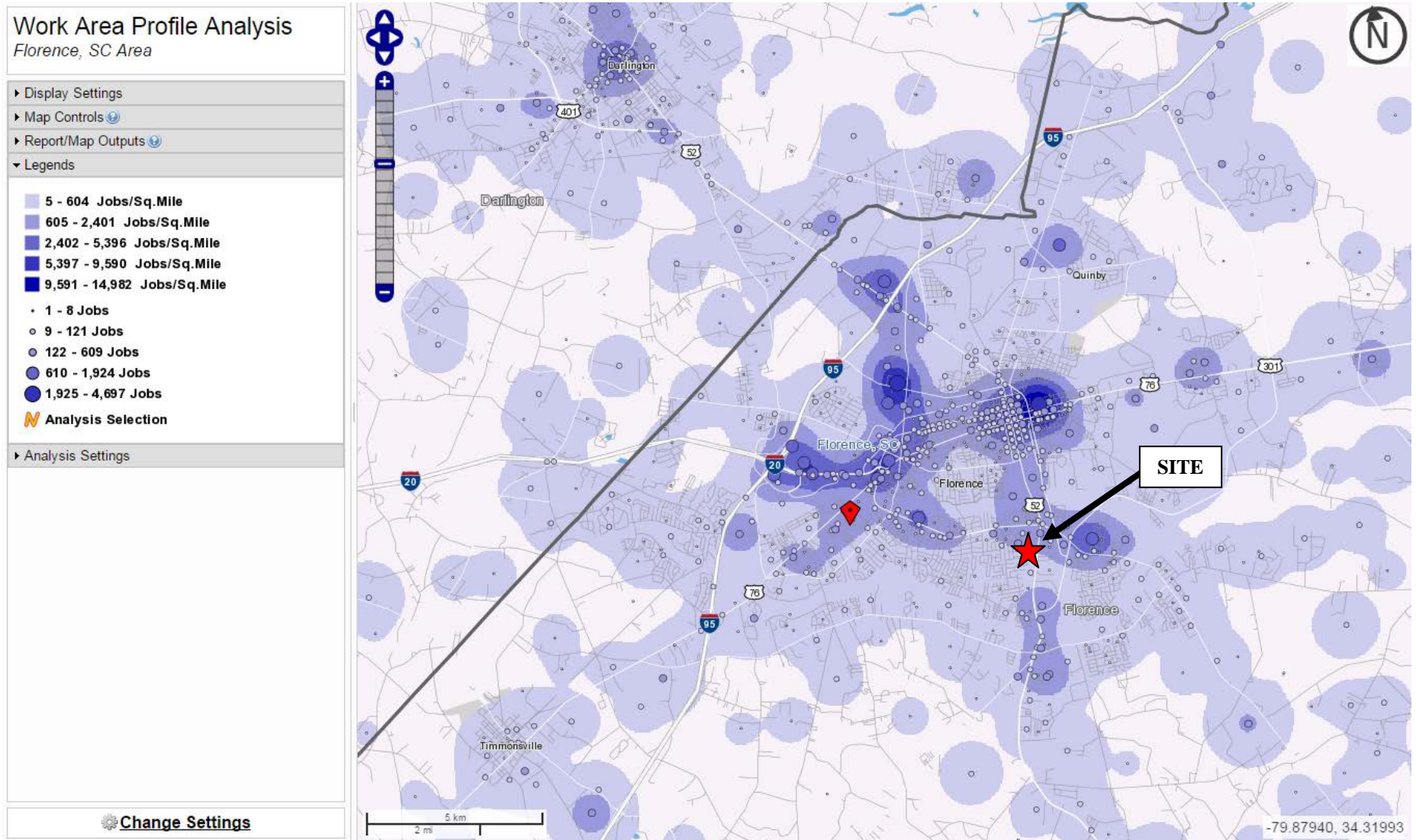
Table 6: Historical Employment Trends

| Year | Florence County | | | | Employment Annual Change | | | Unemployment Rate | | |
|---------|-----------------|-----------------|---------------|----------------|--------------------------|----------------|---------------|-------------------|----------------|---------------|
| | Labor Force | Number Employed | Annual Change | Percent Change | Florence County | South Carolina | United States | Florence County | South Carolina | United States |
| 2000 | 60,971 | 58,398 | --- | --- | --- | --- | --- | 4.2% | 3.8% | 4.0% |
| 2001 | 59,133 | 55,865 | (2,533) | -4.3% | -4.3% | -3.7% | 0.0% | 5.5% | 5.2% | 4.7% |
| 2002 | 59,452 | 55,634 | (231) | -0.4% | -0.4% | -0.7% | -0.3% | 6.4% | 5.8% | 5.8% |
| 2003 | 61,236 | 56,353 | 719 | 1.3% | 1.3% | 1.3% | 0.9% | 8.0% | 6.9% | 6.0% |
| 2004 | 61,160 | 56,018 | (335) | -0.6% | -0.6% | 1.8% | 1.1% | 8.4% | 6.8% | 5.5% |
| 2005 | 61,798 | 56,307 | 289 | 0.5% | 0.5% | 1.9% | 1.8% | 8.9% | 6.7% | 5.1% |
| 2006 | 62,165 | 57,651 | 1,344 | 2.4% | 2.4% | 2.3% | 1.9% | 7.3% | 6.4% | 4.6% |
| 2007 | 62,583 | 58,784 | 1,133 | 2.0% | 2.0% | 1.6% | 1.1% | 6.1% | 5.7% | 4.6% |
| 2008 | 62,863 | 58,463 | (321) | -0.5% | -0.5% | -0.5% | -0.5% | 7.0% | 6.8% | 5.8% |
| 2009 | 63,640 | 56,550 | (1,913) | -3.3% | -3.3% | -4.3% | -3.8% | 11.1% | 11.2% | 9.3% |
| 2010 | 64,175 | 56,907 | 357 | 0.6% | 0.6% | 0.2% | -0.6% | 11.3% | 11.2% | 9.6% |
| 2011 | 64,302 | 57,087 | 180 | 0.3% | 0.3% | 1.4% | 0.6% | 11.2% | 10.5% | 8.9% |
| 2012 | 64,717 | 58,483 | 1,396 | 2.4% | 2.4% | 1.9% | 1.9% | 9.6% | 9.2% | 8.1% |
| 2013 | 64,604 | 59,248 | 765 | 1.3% | 1.3% | 1.8% | 1.0% | 8.3% | 7.6% | 7.4% |
| 2014 | 63,830 | 59,197 | (51) | -0.1% | -0.1% | 2.1% | 1.7% | 7.3% | 6.4% | 6.2% |
| 2015 | 64,488 | 60,062 | 865 | 1.5% | 1.5% | 2.9% | 1.7% | 6.9% | 6.1% | 5.3% |
| Dec-14* | 63,893 | 59,293 | --- | --- | --- | --- | --- | 7.2% | 6.4% | 5.4% |
| Dec-15* | 64,348 | 60,515 | 1,222 | 2.1% | 2.1% | 4.0% | 1.7% | 6.0% | 5.3% | 4.8% |

| Florence County | | | | South Carolina | | |
|------------------------|---------|---------|-----------|------------------------|---------|-----------|
| | Number | Percent | Ann. Avg. | | Percent | Ann. Avg. |
| Change (2000-Present): | 2,117 | 3.6% | 0.2% | Change (2000-Present): | 11.2% | 0.7% |
| Change (2005-Present): | 4,208 | 7.5% | 0.7% | Change (2005-Present): | 10.6% | 1.1% |
| Change (2010-Present): | 3,608 | 6.3% | 1.3% | Change (2010-Present): | 11.4% | 2.3% |
| Change (2000-2005): | (2,091) | -3.6% | -0.7% | Change (2000-2005): | 0.6% | 0.1% |
| Change (2005-2010): | 600 | 1.1% | 0.2% | Change (2005-2010): | -0.7% | -0.1% |
| Change (2010-2015): | 3,155 | 5.5% | 1.1% | Change (2010-2015): | 10.4% | 2.1% |

*Monthly data not seasonally adjusted

Map 10: Employment Concentrations – Florence Area



E. COMMUNITY DEMOGRAPHIC DATA

1. Population Trends

Based on U.S. Census data and ESRI forecasts, much of Florence County has experienced relatively positive demographic gains since 2000, including Florence and the market area. Overall, the PMA had an estimated population of 87,607 persons in 2015, representing an increase of one percent from 2010 (a gain of more than 1,100 persons). Additionally, the city and county both increased by a similar one and two percent, respectively, between 2010 and 2015.

Future projections indicate continued growth with an estimated additional increase of one percent anticipated within the PMA between 2015 and 2020 (nearly 1,200 additional persons), and a similar one percent gain for Florence proper. In comparison, the overall population within Florence County as a whole is expected to increase by two percent over the same time span.

Table 7: Population Trends (2000 to 2020)

| | <u>2000</u> | <u>2010</u> | <u>2015</u> | <u>2018</u> | <u>2020</u> |
|-------------------------|-------------|--------------------|--------------------|--------------------|--------------------|
| City of Florence | 33,612 | 37,056 | 37,358 | 37,508 | 37,733 |
| Florence PMA | 76,227 | 86,489 | 87,607 | 88,085 | 88,803 |
| Florence County | 125,761 | 136,885 | 138,946 | 139,806 | 141,095 |
| | | 2000-2010 | 2010-2015 | 2015-2018 | 2015-2020 |
| | | <u>Change</u> | <u>Change</u> | <u>Change</u> | <u>Change</u> |
| City of Florence | | 10.2% | 0.8% | 0.4% | 1.0% |
| Florence PMA | | 13.5% | 1.3% | 0.5% | 1.4% |
| Florence County | | 8.8% | 1.5% | 0.6% | 1.5% |
| | | 2000-2010 | 2010-2015 | 2015-2018 | 2015-2020 |
| | | <u>Ann. Change</u> | <u>Ann. Change</u> | <u>Ann. Change</u> | <u>Ann. Change</u> |
| City of Florence | | 1.0% | 0.2% | 0.1% | 0.2% |
| Florence PMA | | 1.3% | 0.3% | 0.2% | 0.3% |
| Florence County | | 0.9% | 0.3% | 0.2% | 0.3% |

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

The largest population group for the PMA in 2010 consisted of persons between the ages of 20 and 44 years, accounting for 33 percent of all persons. In comparison, this age group also represented the largest cohort within both the city and county as a whole. Persons under the age of 20 years also accounted for a relatively large portion of the population in each area. As such, 27 percent of the total population in the PMA was within this age cohort in 2010, while representing nearly identical proportions of the overall city and county populations.

When reviewing distribution patterns between 2000 and 2020, the aging of the population is clearly evident within all three areas analyzed. The proportion of persons under the age of 44 has consistently declined slightly since 2000, and is expected to decrease further through 2020. In contrast, the fastest growing portion of the population base is the older age segments. Within the PMA, persons 55 years and over, which represented 21 percent of the population in 2000, is expected to increase to account for 30 percent of all persons by 2020 – clearly demonstrating the aging of the baby boom generation as the younger age cohorts are anticipated to decline during this time.

Although decreasing somewhat, the steady percentage of population below the age of 45 seen throughout Florence and the PMA (56 percent and 58 percent of all persons in 2020, respectively) signifies positive trends for the subject proposal by continuing to provide a solid base of potential tenants for the subject development.

Table 8: Age Distribution (2000 to 2020)

| | City of Florence | | | | Florence PMA | | | | Florence County | | | |
|-----------------------------|------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2010 Number</u> | <u>2000 Percent</u> | <u>2010 Percent</u> | <u>2020 Percent</u> | <u>2010 Number</u> | <u>2000 Percent</u> | <u>2010 Percent</u> | <u>2020 Percent</u> | <u>2010 Number</u> | <u>2000 Percent</u> | <u>2010 Percent</u> | <u>2020 Percent</u> |
| Under 20 years | 10,022 | 27.4% | 27.0% | 24.6% | 23,275 | 28.6% | 26.9% | 25.2% | 37,360 | 29.0% | 27.3% | 25.4% |
| 20 to 24 years | 2,335 | 6.3% | 6.3% | 5.9% | 6,399 | 6.8% | 7.4% | 6.9% | 9,580 | 6.7% | 7.0% | 6.3% |
| 25 to 34 years | 5,019 | 13.6% | 13.5% | 13.5% | 11,082 | 14.0% | 12.8% | 13.1% | 17,062 | 13.6% | 12.5% | 12.7% |
| 35 to 44 years | 4,957 | 14.6% | 13.4% | 12.2% | 11,447 | 15.3% | 13.2% | 12.4% | 17,795 | 15.3% | 13.0% | 12.3% |
| 45 to 54 years | 4,958 | 14.2% | 13.4% | 12.4% | 12,234 | 14.5% | 14.1% | 12.4% | 19,454 | 14.4% | 14.2% | 12.5% |
| 55 to 59 years | 2,429 | 5.0% | 6.6% | 6.5% | 5,785 | 5.0% | 6.7% | 6.6% | 9,303 | 5.1% | 6.8% | 6.7% |
| 60 to 64 years | 2,176 | 3.9% | 5.9% | 6.3% | 5,148 | 4.0% | 6.0% | 6.2% | 8,314 | 4.1% | 6.1% | 6.5% |
| 65 to 74 years | 2,761 | 7.4% | 7.5% | 10.8% | 6,377 | 6.3% | 7.4% | 10.4% | 10,527 | 6.3% | 7.7% | 10.8% |
| 75 to 84 years | 1,623 | 5.7% | 4.4% | 5.5% | 3,397 | 4.1% | 3.9% | 5.0% | 5,458 | 4.1% | 4.0% | 5.1% |
| 85 years and older | 776 | 2.0% | 2.1% | 2.2% | 1,345 | 1.5% | 1.6% | 1.8% | 2,032 | 1.4% | 1.5% | 1.7% |
| Under 20 years | 10,022 | 27.4% | 27.0% | 24.6% | 23,275 | 28.6% | 26.9% | 25.2% | 37,360 | 29.0% | 27.3% | 25.4% |
| 20 to 44 years | 12,311 | 34.5% | 33.2% | 31.6% | 28,928 | 36.0% | 33.4% | 32.4% | 44,437 | 35.6% | 32.5% | 31.2% |
| 45 to 64 years | 9,563 | 23.0% | 25.8% | 25.2% | 23,167 | 23.5% | 26.8% | 25.3% | 37,071 | 23.6% | 27.1% | 25.7% |
| 65 years and older | 5,160 | 15.1% | 13.9% | 18.6% | 11,119 | 12.0% | 12.9% | 17.1% | 18,017 | 11.8% | 13.2% | 17.7% |
| 55 years and older | 9,765 | 23.9% | 26.4% | 31.4% | 22,052 | 20.9% | 25.5% | 29.9% | 35,634 | 21.0% | 26.0% | 30.9% |
| 75 years and older | 2,399 | 7.7% | 6.5% | 7.8% | 4,742 | 5.7% | 5.5% | 6.8% | 7,490 | 5.5% | 5.5% | 6.8% |
| Non-Elderly (<65) | 31,896 | 84.9% | 86.1% | 81.4% | 75,370 | 88.0% | 87.1% | 82.9% | 118,868 | 88.2% | 86.8% | 82.3% |
| Elderly (65+) | 5,160 | 15.1% | 13.9% | 18.6% | 11,119 | 12.0% | 12.9% | 17.1% | 18,017 | 11.8% | 13.2% | 17.7% |

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

2. Household Trends

Similar to population patterns, the Florence area has experienced generally positive household creation since 2000. As such, occupied households within the PMA numbered 34,421 units in 2015, representing an increase of two percent from 2000 (a gain of over 700 households). ESRI forecasts for 2020 indicate this number will continue to increase, with a forecasted growth rate of two percent (roughly 550 additional households) anticipated between 2015 and 2020. In comparison, the number of households grew at a similar rate within Florence and Florence County as a whole between 2010 and 2015 (two percent), demonstrating relatively steady demographic patterns throughout the region.

Table 9: Household Trends (2000 to 2020)

| | <u>2000</u> | <u>2010</u> | <u>2015</u> | <u>2018</u> | <u>2020</u> |
|-------------------------|-------------|------------------|------------------|------------------|------------------|
| City of Florence | 13,274 | 14,979 | 15,213 | 15,285 | 15,394 |
| Florence PMA | 28,939 | 33,720 | 34,421 | 34,641 | 34,970 |
| Florence County | 47,147 | 52,653 | 53,868 | 54,250 | 54,822 |
| | | <u>2000-2010</u> | <u>2010-2015</u> | <u>2015-2018</u> | <u>2015-2020</u> |
| | | <u>Change</u> | <u>Change</u> | <u>Change</u> | <u>Change</u> |
| City of Florence | | 12.8% | 1.6% | 0.5% | 1.2% |
| Florence PMA | | 16.5% | 2.1% | 0.6% | 1.6% |
| Florence County | | 11.7% | 2.3% | 0.7% | 1.8% |

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

Table 10: Average Household Size (2000 to 2020)

| | <u>2000</u> | <u>2010</u> | <u>2015</u> | <u>2018</u> | <u>2020</u> |
|-------------------------|-------------|------------------|------------------|------------------|------------------|
| City of Florence | 2.45 | 2.43 | 2.41 | 2.41 | 2.41 |
| Florence PMA | 2.53 | 2.49 | 2.47 | 2.47 | 2.47 |
| Florence County | 2.59 | 2.54 | 2.52 | 2.52 | 2.51 |
| | | <u>2000-2010</u> | <u>2010-2015</u> | <u>2015-2018</u> | <u>2015-2020</u> |
| | | <u>Change</u> | <u>Change</u> | <u>Change</u> | <u>Change</u> |
| City of Florence | | -0.6% | -0.7% | -0.1% | -0.2% |
| Florence PMA | | -1.7% | -0.7% | -0.1% | -0.2% |
| Florence County | | -1.8% | -0.7% | -0.1% | -0.2% |

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

Renter-occupied households throughout the Florence market area have exhibited notable gains over the past decade, increasing at a notably faster rate than overall household creation. According to U.S. Census figures and ESRI estimates, a total of 12,748 renter-occupied households are estimated within the PMA for 2015, representing an increase of nine percent from 2010 figures (a gain of approximately 1,050 additional rental units).

Overall, a somewhat moderate ratio of renter households exists throughout the Florence market area. For the PMA, the renter household percentage was calculated at 37 percent in 2015, slightly lower than the city ratio (44 percent), and more in line with the county’s renter representation (35 percent). Furthermore, it should also be noted that renter propensities within the PMA have increased since 2000, increasing approximately seven percentage points between 2000 and 2015.

Table 11: Renter Household Trends (2000 to 2018)

| | <u>2000</u> | <u>2010</u> | <u>2015</u> | <u>2018</u> | <u>2000-2010</u> <u>Change</u> | <u>2010-2015</u> <u>Change</u> | <u>2015-2018</u> <u>Change</u> |
|-------------------------|-----------------|-----------------|-----------------|-----------------|-----------------------------------|-----------------------------------|-----------------------------------|
| City of Florence | 4,970 | 6,013 | 6,730 | 6,763 | 21.0% | 11.9% | 0.5% |
| Florence PMA | 8,737 | 11,688 | 12,748 | 12,846 | 33.8% | 9.1% | 0.8% |
| Florence County | 12,732 | 17,127 | 18,796 | 18,937 | 34.5% | 9.7% | 0.8% |
| | <u>% Renter</u> | <u>% Renter</u> | <u>% Renter</u> | <u>% Renter</u> | | | |
| | <u>2000</u> | <u>2010</u> | <u>2015</u> | <u>2018</u> | | | |
| City of Florence | 37.4% | 40.1% | 44.2% | 44.2% | | | |
| Florence PMA | 30.2% | 34.7% | 37.0% | 37.1% | | | |
| Florence County | 27.0% | 32.5% | 34.9% | 34.9% | | | |

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

As with overall households, renter household sizes for the Florence PMA were generally larger than those reported for Florence, on average. However, in contrast to overall household patterns, average renter sizes actually increased over the past decade – from 2.31 persons per rental unit in 2000 to 2.45 persons per unit in 2010. Despite the increase in average size, the majority of units locally contained just one or two persons (61 percent), with three persons occupying 18 percent of units, and 21 percent of units with four or more persons.

Table 12: Rental Units by Size (2010)

| | <u>One Person</u> | <u>Two Persons</u> | <u>Three Persons</u> | <u>Four Persons</u> | <u>5 or More Persons</u> | <u>Median Persons Per Rental Unit</u> | |
|------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------|---------------------------------------|-------------|
| | | | | | | <u>2000</u> | <u>2010</u> |
| City of Florence | 2,193 | 1,567 | 1,042 | 640 | 571 | 2.32 | 2.37 |
| Florence PMA | 4,120 | 3,029 | 2,049 | 1,345 | 1,145 | 2.31 | 2.45 |
| Florence County | 5,724 | 4,350 | 3,066 | 2,099 | 1,888 | 2.40 | 2.50 |
| | <u>1 Person Percent</u> | <u>2 Person Percent</u> | <u>3 Person Percent</u> | <u>4 Person Percent</u> | <u>5+ Person Percent</u> | <u>Median Change</u> | |
| City of Florence | 36.5% | 26.1% | 17.3% | 10.6% | 9.5% | 2.2% | |
| Florence PMA | 35.2% | 25.9% | 17.5% | 11.5% | 9.8% | 6.0% | |
| Florence County | 33.4% | 25.4% | 17.9% | 12.3% | 11.0% | 4.2% | |

Source: U.S. Census - 2000/2010; Shaw Research & Consulting

3. Household Income Trends

Income levels throughout the Florence area have experienced somewhat sluggish gains over the past decade. While the PMA recorded an annual increase of just 0.2 percent between 2010 and 2015, it is anticipated that income appreciation will grow by 2.1 percent annually through 2020. In 2015, the median household income for the PMA was estimated at \$46,653, which was roughly six percent higher than that estimated for Florence proper (\$43,848), and 13 percent greater than that recorded for Florence County as a whole (\$41,457). Furthermore, the PMA figure represents an increase of just one percent from 2010 (an average annual increase of 0.2 percent), while the city and county both increased at somewhat larger rates during this time frame (by roughly 0.5 percent annually, respectively).

According to ESRI data, the rate of income growth is forecast to accelerate through 2020. As such, it is projected that the median income within the PMA will increase by 2.1 percent annually between 2015 and 2020 – similar to income appreciation anticipated throughout the city as a whole for the same time span.

Table 13: Median Household Incomes (1999 to 2020)

| | <u>1999</u> | <u>2010</u> | <u>2015</u> | <u>2018</u> | <u>2020</u> |
|------------------|-------------|--------------------|--------------------|--------------------|--------------------|
| City of Florence | \$35,124 | \$42,500 | \$43,848 | \$45,854 | \$48,864 |
| Florence PMA | \$38,018 | \$46,134 | \$46,653 | \$48,657 | \$51,664 |
| Florence County | \$34,845 | \$40,487 | \$41,457 | \$43,285 | \$46,026 |
| | | <u>1999-2010</u> | <u>2010-2015</u> | <u>2015-2018</u> | <u>2015-2020</u> |
| | | <u>Change</u> | <u>Change</u> | <u>Change</u> | <u>Change</u> |
| City of Florence | | 21.0% | 3.2% | 3.2% | 11.4% |
| Florence PMA | | 21.3% | 1.1% | 1.1% | 10.7% |
| Florence County | | 16.2% | 2.4% | 2.4% | 11.0% |
| | | <u>1999-2010</u> | <u>2010-2015</u> | <u>2015-2018</u> | <u>2015-2020</u> |
| | | <u>Ann. Change</u> | <u>Ann. Change</u> | <u>Ann. Change</u> | <u>Ann. Change</u> |
| City of Florence | | 1.7% | 0.6% | 1.5% | 2.2% |
| Florence PMA | | 1.8% | 0.2% | 1.4% | 2.1% |
| Florence County | | 1.4% | 0.5% | 1.4% | 2.1% |

Source: U.S. Census - 2000/2010; ESRI Business Analyst; Shaw Research & Consulting

According to the most recent American Housing Survey through the U.S. Census Bureau, approximately 39 percent of all households within the Florence PMA had an annual income of less than \$35,000 in 2014 – the portion of the population with the greatest need for affordable housing options. In comparison, a somewhat larger 41 percent of city households had incomes within this range as well. With more than one-third of all households within the immediate Florence area earning less than \$35,000 per year, additional affordable housing options will undoubtedly be well received.

Table 14: Overall Household Income Distribution (2014)

| | City of Florence | | Florence PMA | | Florence County | |
|-----------------------------|------------------|----------------|---------------|----------------|-----------------|----------------|
| | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> | <u>Number</u> | <u>Percent</u> |
| Less than \$10,000 | 1,669 | 11.2% | 3,057 | 9.0% | 5,335 | 10.3% |
| \$10,000 to \$14,999 | 1,004 | 6.8% | 2,293 | 6.8% | 3,728 | 7.2% |
| \$15,000 to \$19,999 | 956 | 6.4% | 1,862 | 5.5% | 3,095 | 6.0% |
| \$20,000 to \$24,999 | 938 | 6.3% | 2,049 | 6.1% | 3,200 | 6.2% |
| \$25,000 to \$29,999 | 804 | 5.4% | 1,907 | 5.6% | 3,109 | 6.0% |
| \$30,000 to \$34,999 | 660 | 4.4% | 1,904 | 5.6% | 3,111 | 6.0% |
| \$35,000 to \$39,999 | 852 | 5.7% | 1,536 | 4.5% | 2,604 | 5.0% |
| \$40,000 to \$44,999 | 717 | 4.8% | 1,944 | 5.7% | 2,881 | 5.6% |
| \$45,000 to \$49,999 | 644 | 4.3% | 1,615 | 4.8% | 2,415 | 4.7% |
| \$50,000 to \$59,999 | 1,297 | 8.7% | 3,061 | 9.1% | 4,594 | 8.9% |
| \$60,000 to \$74,999 | 1,026 | 6.9% | 2,987 | 8.8% | 4,553 | 8.8% |
| \$75,000 to \$99,999 | 1,844 | 12.4% | 4,174 | 12.3% | 5,912 | 11.4% |
| \$100,000 to \$124,999 | 974 | 6.6% | 2,156 | 6.4% | 2,924 | 5.6% |
| \$125,000 to \$149,999 | 581 | 3.9% | 1,312 | 3.9% | 1,869 | 3.6% |
| \$150,000 to \$199,999 | 405 | 2.7% | 970 | 2.9% | 1,201 | 2.3% |
| \$200,000 and Over | 499 | 3.4% | 992 | 2.9% | 1,263 | 2.4% |
| TOTAL | 14,870 | 100.0% | 33,819 | 100.0% | 51,794 | 100.0% |
| Less than \$34,999 | 6,031 | 40.6% | 13,072 | 38.7% | 21,578 | 41.7% |
| \$35,000 to \$49,999 | 2,213 | 14.9% | 5,095 | 15.1% | 7,900 | 15.3% |
| \$50,000 to \$74,999 | 2,323 | 15.6% | 6,048 | 17.9% | 9,147 | 17.7% |
| \$75,000 to \$99,999 | 1,844 | 12.4% | 4,174 | 12.3% | 5,912 | 11.4% |
| \$100,000 and Over | 2,459 | 16.5% | 5,430 | 16.1% | 7,257 | 14.0% |

Source: American Community Survey

Based on the proposed income targeting and rent levels, the key income range for the subject proposal is \$19,029 to \$32,280 (in current dollars). Utilizing Census information available on household income by tenure, dollar values were inflated to current dollars using the Consumer Price Index calculator from the Bureau of Labor Statistic's website. Based on this data, the targeted income range accounts for a modest number of low-income households throughout the area. As such, roughly 11 percent of the PMA's owner-occupied household number, and 21 percent of the renter-occupied household figure are within the income-qualified range. Overall, this income range accounted for 15 percent of all households within the PMA. Considering the relative density of the PMA, this equates to approximately 5,225 potential income-qualified households for the proposed development, including nearly 2,750 income-qualified renter households.

Table 15: Household Income by Tenure – Florence PMA (2018)

| | Number of 2018 Households | | | Percent of 2018 Households | | |
|----------------------|---------------------------|---------------|---------------|----------------------------|---------------|---------------|
| | <u>Total</u> | <u>Owner</u> | <u>Renter</u> | <u>Total</u> | <u>Owner</u> | <u>Renter</u> |
| Less than \$5,100 | 1,346 | 488 | 857 | 3.9% | 2.2% | 6.7% |
| \$5,100 to \$10,200 | 1,819 | 397 | 1,422 | 5.2% | 1.8% | 11.1% |
| \$10,201 to \$15,300 | 2,369 | 809 | 1,560 | 6.8% | 3.7% | 12.1% |
| \$15,301 to \$20,400 | 1,923 | 704 | 1,219 | 5.5% | 3.2% | 9.5% |
| \$20,401 to \$25,500 | 2,107 | 1,045 | 1,062 | 6.1% | 4.8% | 8.3% |
| \$25,501 to \$35,700 | 3,921 | 1,889 | 2,032 | 11.3% | 8.7% | 15.8% |
| \$35,701 to \$51,000 | 5,223 | 3,138 | 2,085 | 15.1% | 14.4% | 16.2% |
| \$51,001 to \$75,500 | 6,174 | 4,580 | 1,593 | 17.9% | 21.0% | 12.4% |
| \$76,501 and Over | <u>9,758</u> | <u>8,743</u> | <u>1,015</u> | <u>28.4%</u> | <u>40.1%</u> | <u>7.9%</u> |
| Total | 34,641 | 21,795 | 12,846 | 100.0% | 100.0% | 100.0% |

Source: U.S. Census of Population and Housing; BLS CPI Calculator; Shaw Research & Consulting

The 2014 American Community Survey shows that approximately 39 percent of all renter households within the PMA are rent-overburdened; that is, they pay more than 35 percent of their incomes on rent and other housing expenses. As such, this data demonstrates that the need for affordable housing is quite apparent in the PMA, and the income-targeting plan proposed for the subject would clearly help to alleviate this issue.

Table 16: Renter Overburdened Households (2014)

| Gross Rent as a % of Household Income | City of Florence | | Florence PMA | | Florence County | |
|--|-------------------------|----------------|---------------------|----------------|------------------------|----------------|
| | Number | Percent | Number | Percent | Number | Percent |
| Total Rental Units | 6,060 | 100.0% | 12,302 | 100.0% | 17,728 | 100.0% |
| Less than 10.0 Percent | 181 | 3.3% | 409 | 3.7% | 731 | 4.7% |
| 10.0 to 14.9 Percent | 259 | 4.8% | 863 | 7.8% | 1,363 | 8.8% |
| 15.0 to 19.9 Percent | 508 | 9.3% | 1,349 | 12.2% | 1,871 | 12.1% |
| 20.0 to 24.9 Percent | 715 | 13.1% | 1,548 | 13.9% | 2,030 | 13.2% |
| 25.0 to 29.9 Percent | 741 | 13.6% | 1,150 | 10.4% | 1,731 | 11.2% |
| 30.0 to 34.9 Percent | 877 | 16.1% | 1,432 | 12.9% | 1,745 | 11.3% |
| 35.0 to 39.9 Percent | 361 | 6.6% | 734 | 6.6% | 956 | 6.2% |
| 40.0 to 49.9 Percent | 491 | 9.0% | 891 | 8.0% | 1,166 | 7.6% |
| 50 Percent or More | 1,318 | 24.2% | 2,721 | 24.5% | 3,824 | 24.8% |
| Not Computed | 609 | -- | 1,205 | -- | 2,311 | -- |
| 35 Percent or More | 2,170 | 39.8% | 4,346 | 39.2% | 5,946 | 38.6% |
| 40 Percent or More | 1,809 | 33.2% | 3,612 | 32.5% | 4,990 | 32.4% |

Source: U.S. Census Bureau; American Community Survey

F. DEMAND ANALYSIS

1. Demand for Tax Credit Rental Units

Demand calculations for each targeted income level of the subject proposal are illustrated in the following tables. Utilizing SCSHFDA guidelines, demand estimates will be measured from three key sources: household growth, substandard housing, and rent-overburdened households. All demand sources will be income-qualified, based on the targeting plan of the subject proposal and current LIHTC income restrictions as published by SCSHFDA. Demand estimates will be calculated for units designated at each income level targeted in the subject proposal – in this case, at 50 percent and 60 percent of AMI. As such, calculations will be based on the starting rental rate, a 35 percent rent-to-income ratio, and a maximum income of \$32,280 (the 5-person income limit at 60 percent AMI for Florence County). The resulting overall income-eligibility range (expressed in current-year dollars) for each targeted income level is as follows:

| | <u>Minimum</u> | <u>Maximum</u> |
|--------------------------------|-----------------------|-----------------|
| 50 percent of AMI | \$19,029 | \$26,900 |
| 60 percent of AMI | \$22,286 | \$32,280 |
| Overall | \$19,029 | \$32,280 |

By applying the income-qualified range and 2018 household forecasts to the current-year household income distribution by tenure (adjusted from 2010 data based on the Labor Statistics’ Consumer Price Index), the number of income-qualified households can be calculated. As a result, 21 percent of all renter households within the PMA are estimated to fall within the stated LIHTC qualified income range. More specifically, 13 percent of all renter households are income-qualified for units at 50 percent of AMI, while 16 percent of renters are income-eligible for units restricted at 60 percent of AMI. In addition, it should also be noted that only larger renter households (those with three persons or more) were utilized within the demand calculations.

Based on U.S. Census data and projections from ESRI, approximately 98 additional renter households are anticipated between 2015 and 2018. By applying the income-qualified percentage to the overall eligible figure, a demand for eight tax credit rental units can be calculated as a result of new rental household growth.

Using U.S. Census data on substandard rental housing, it is estimated that approximately three percent of all renter households within the PMA could be considered substandard, either by overcrowding (a greater than 1-to-1 ratio of persons to rooms) or incomplete plumbing facilities (a unit that lacks at least a sink, bathtub, or toilet). Applying this figure, along with the renter propensity and income-qualified percentage, to the number of households currently present in 2010 (the base year utilized within the demand calculations), the tax credit demand resulting from substandard units is calculated at 30 units within the PMA.

And lastly, potential demand for the subject proposal may also arise from those households experiencing rent-overburden, defined by households paying greater than 35 percent of monthly income for rent. Excluding owner-occupied units, an estimate of market potential for the subject proposal based on American Housing Survey data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using information contained within the 2014 ACS, the percentage of renter households within this overburdened range is reported at approximately 39 percent. Applying this rate to the number of renter households yields a total demand of 379 additional units as a result of rent overburden.

According to SCSHFDA information, there are no comparable family-oriented tax credit properties either currently proposed or under construction at the current time. Therefore, no units need to be deducted from the demand calculations. As such, combining all above factors results in an overall demand of 409 LIHTC units for 2018.

Calculations by individual bedroom size are also provided utilizing the same methodology. As such, it is clear that sufficient demand exists for the project and each unit type proposed. Therefore, a new rental housing option for low-income households should receive a positive response due to the strong demographic growth within the market area coupled with extremely positive occupancy levels within existing local affordable rental developments.

Table 17: Demand Calculation – by Income Targeting (2018)

| | | | |
|---|-------------|-------------------------|-----------------|
| 2010 Total Occupied Households | 33,720 | | |
| 2010 Owner-Occupied Households | 22,032 | | |
| 2010 Renter-Occupied Households | 11,688 | | |
| | | Income Targeting | |
| | | 50% | 60% |
| | | AMI | AMI |
| | | | Total |
| QUALIFIED-INCOME RANGE | | | LIHTC |
| Minimum Annual Income | | \$19,029 | \$22,286 |
| Maximum Annual Income | | \$26,900 | \$32,280 |
| | | | \$19,029 |
| | | | \$32,280 |
| DEMAND FROM NEW HOUSEHOLD GROWTH | | | |
| Renter Household Growth, 2015-2018 | 98 | 98 | 98 |
| Percent Income Qualified Renter Households | 13.0% | 15.7% | 21.3% |
| Percentage of large renter households (3+ persons) | 38.8% | 38.8% | 38.8% |
| Total Demand From New Households | 5 | 6 | 8 |
| DEMAND FROM EXISTING HOUSEHOLDS | | | |
| Percent of Renters in Substandard Housing | 3.1% | 3.1% | 3.1% |
| Percent Income Qualified Renter Households | 13.0% | 15.7% | 21.3% |
| Percentage of large renter households (3+ persons) | 38.8% | 38.8% | 38.8% |
| Total Demand From Substandard Renter Households | 18 | 22 | 30 |
| Percent of Renters Rent-Overburdened | 39.2% | 39.2% | 39.2% |
| Percent Income Qualified Renter Households | 13.0% | 15.7% | 21.3% |
| Percentage of large renter households (3+ persons) | 38.8% | 38.8% | 38.8% |
| Total Demand From Overburdened Renter Households | 231 | 280 | 379 |
| Total Demand From Existing Households | 249 | 302 | 409 |
| TOTAL DEMAND | 254 | 308 | 417 |
| LESS: Total Comparable Activity Since 2015 | 0 | 0 | 0 |
| TOTAL NET DEMAND | 254 | 308 | 417 |
| PROPOSED NUMBER OF UNITS | 11 | 41 | 52 |
| CAPTURE RATE | 4.3% | 13.3% | 12.5% |
| Note: Totals may not sum due to rounding | | | |

Table 18: Demand Calculation – by Bedroom Size (2018)

| | | | | | | | |
|---|--------|--------------------------|-------------|----------------------------|-------------|--------------|-----------------|
| 2010 Total Occupied Households | 33,720 | | | | | | |
| 2010 Owner-Occupied Households | 22,032 | | | | | | |
| 2010 Renter-Occupied Households | 11,688 | | | | | | |
| | | Two-Bedroom Units | | Three-Bedroom Units | | | |
| | | 50% | 60% | Total | 50% | 60% | Total |
| | | AMI | AMI | LIHTC | AMI | AMI | LIHTC |
| QUALIFIED-INCOME RANGE | | | | | | | |
| Minimum Annual Income | | \$19,029 | \$22,286 | \$19,029 | \$22,011 | \$25,954 | \$22,011 |
| Maximum Annual Income | | \$22,450 | \$26,940 | \$26,940 | \$26,900 | \$32,280 | \$32,280 |
| DEMAND FROM NEW HOUSEHOLD GROWTH | | | | | | | |
| Renter Household Growth, 2015-2018 | | 98 | 98 | 98 | 98 | 98 | 98 |
| Percent Income Qualified Renter Households | | 6% | 7% | 13% | 8% | 10% | 16% |
| Percentage of large renter households (3+ persons) | | -- | -- | -- | 39% | 39% | 39% |
| Total Demand From New Households | | 6 | 7 | 13 | 3 | 4 | 6 |
| DEMAND FROM EXISTING HOUSEHOLDS | | | | | | | |
| Percent of Renters in Substandard Housing | | 3.1% | 3.1% | 3.1% | 3.1% | 3.1% | 3.1% |
| Percent Income Qualified Renter Households | | 6% | 7% | 13% | 8% | 10% | 16% |
| Percentage of large renter households (3+ persons) | | -- | -- | -- | 39% | 39% | 39% |
| Total Demand From Substandard Renter Households | | 21 | 27 | 47 | 11 | 14 | 23 |
| Percent of Renters Rent-Overburdened | | 39.2% | 39.2% | 39.2% | 39.2% | 39.2% | 39.2% |
| Percent Income Qualified Renter Households | | 6% | 7% | 13% | 8% | 10% | 16% |
| Percentage of large renter households (3+ persons) | | -- | -- | -- | 39% | 39% | 39% |
| Total Demand From Overburdened Renter Households | | 269 | 341 | 597 | 139 | 174 | 287 |
| Total Demand From Existing Households | | 290 | 368 | 644 | 150 | 188 | 310 |
| TOTAL DEMAND | | 296 | 375 | 657 | 153 | 192 | 316 |
| LESS: Total Comparable Activity Since 2015 | | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL NET DEMAND | | 296 | 375 | 657 | 153 | 192 | 316 |
| PROPOSED NUMBER OF UNITS | | 6 | 16 | 22 | 5 | 25 | 30 |
| CAPTURE RATE | | 2.0% | 4.3% | 3.3% | 3.3% | 13.0% | 9.5% |
| Note: Totals may not sum due to rounding | | | | | | | |

2. Capture and Absorption Rates

Utilizing information from the demand forecast calculations, capture rates provide an indication of the percentage of annual income-qualified demand necessary for the successful absorption of the subject property. An overall capture rate of 12.5 percent was determined for LIHTC units based on the demand calculation (including renter household growth, substandard and overburdened units among existing renter households, only renter households with three or more persons, and excluding any comparable activity since 2015), providing a generally positive indication of the overall general market depth for the subject proposal. More specifically, the capture rate for units restricted at 50 percent AMI was calculated at 4.3 percent, while the 60 percent AMI capture rate was 13.3 percent. As such, these capture rates provide an overall positive indication of the need for affordable rental options locally and are well within industry-accepted thresholds.

Taking into consideration the positive demand calculations, the overwhelming success of existing tax credit rental developments locally (including the extremely rapid absorption of Palmetto Station), and also the proposed features and rental rates within the subject, an estimate of the overall absorption period to reach 93 percent occupancy is conservatively estimated at four to six months. This determination takes into consideration previous absorption periods at similar affordable properties, most notably at the most recent family-oriented tax credit property - Palmetto Station entered the market in 2014, and was fully absorbed within two months. Based on this information, no market-related concerns are present.

G. SUPPLY/COMPARABLE RENTAL ANALYSIS

1. Florence PMA Rental Market Characteristics

As part of the rental analysis for the Florence area, a survey of existing rental projects within the primary market area was completed by Shaw Research & Consulting in February 2016. Excluding senior-only developments, a total of 20 apartment properties were identified and questioned for information such as current rental rates, amenities, and vacancy levels. Results from the survey provide an indication of overall market conditions throughout the area, and are discussed below and illustrated on the following pages.

Considering the developments responding to our survey, a total of 2,186 units were reported, with the majority of units containing two bedrooms. Among the properties providing a specific unit breakdown, 20 percent of all units had one bedroom, 65 percent had two bedrooms, and 14 percent of units contained three bedrooms. There were no studio/efficiency or four-bedroom units reported in the survey. The average age of the rental properties was 16 years old (an average build date of 2000), with nine properties built/rehabbed since 2005. In addition, a total of eight facilities reported to have some sort of income eligibility requirements – with six tax credit developments and two subsidized projects.

Overall conditions for the Florence rental market appear to be extremely positive at the current time. Among the 20 properties included in the survey, the overall occupancy rate was calculated at 99.4 percent – with 16 projects 100 percent occupied. When breaking down occupancy rates by financing type, the 12 market rate developments averaged 99.5 percent occupied, the six tax credit properties averaged 98.2 percent occupancy, and the two subsidized projects were both 100 percent occupied – clearly reflective of extremely positive conditions for all types of rental options, affordable and market rate.

2. Comparable Rental Market Characteristics

Considering the subject property will be developed utilizing tax credits, Shaw Research has identified six tax credit facilities within the PMA as being most comparable. According to survey results, the combined occupancy rate for these developments was calculated at 98.2 percent, with three of the six properties at 100 percent occupancy and all six above 96 percent. Detailed results on rent levels and unit sizes are also illustrated in the tables on the following pages. Only one tax credit property had one-bedroom units (Lakota Crossing), which were \$387 per month with an average size of 738 square feet – the resulting average rent per square foot ratio is \$0.52. Including all tax credit developments, the average rent for a two-bedroom unit was calculated at \$485 with an average size of 936 square feet (an average rent per square foot ratio of \$0.52), while three-bedroom units averaged \$565 and 1,142 square feet (\$0.49 per square foot).

In comparison to tax credit averages, the subject proposal's rental rates are very competitive with notably larger unit sizes. Compared to Palmetto Station (the most recent LIHTC development in Florence which opened in late 2014), the subject proposal's rental rates are slightly higher (between one and four percent), but with notably larger unit sizes (between nine and 12 percent). As such, the proposal's rent-per-square-foot ratios are quite competitive, and even lower than most other LIHTC options locally. In addition, it should also be noted that Palmetto Station was rapidly absorbed (within two months) and is currently maintaining a waiting list – providing further evidence of the strong competitive positioning of the subject.

From a market standpoint, it is evident that sufficient demand is present for the development of additional affordable tax credit units targeting low-income family households. However, based on prevailing rental rates and income levels, the rent structure is crucial for the long-term viability of any new rental development. As such, considering income targeting, unit sizes, amenity levels, and rent-per-square foot ratios, the proposed rental rates within the subject are appropriate for the local rental market.

3. Comparable Pipeline Units

According to SCSHFDA information and local government officials, no comparable rental properties are currently proposed or under construction within the market area. The most recent family-oriented tax credit activity was the construction of Palmetto Station, which was placed in service in late 2014.

4. Impact on Existing Tax Credit Properties

Based on the relatively strong occupancy rates among all LIHTC developments included in the survey (three of six are 100 percent occupied, and all are above 96 percent with waiting lists), the construction of the proposal will not have any adverse impact on existing affordable rental properties. Considering future demographic growth anticipated for the PMA, as well as the positive characteristics of the immediate area, affordable housing will undoubtedly continue to be in demand locally.

5. Competitive Environment

According to Realtor.com, price points are relatively affordable within the immediate area as compared to previous years. However, considering recent recessionary conditions throughout the state and region, home-ownership (especially those homes needing monetary improvement) is not a viable alternative to a large percentage of households in the PMA, especially among the target market for the subject development who have generally lower incomes and a greater likelihood of having credit issues and/or require some level of assistance for housing expenses. As such, the subject will have limited competition with home-ownership options.

Table 19: Rental Housing Survey - Overall

| Project Name | Year Built/Rehab | Total Units | Studio/ Eff. | 1 BR | 2 BR | 3 BR | 4 BR | Heat Incl. | W/S Incl. | Electric Incl. | Occup. Rate | Type | Location |
|-----------------------------|------------------|--------------|--------------|------------|------------|------------|-----------|------------|-----------|----------------|--------------|------|----------|
| Bentree Apts | 2007 | 132 | 0 | 36 | 72 | 24 | 0 | No | No | No | 100% | Open | Florence |
| Cambridge Court Apts | 2003 | 64 | 0 | 0 | 32 | 32 | 0 | No | No | No | 97% | Open | Florence |
| Charles Pointe Apts | 2001 | 168 | 0 | 78 | 78 | 12 | 0 | No | Yes | No | 100% | Open | Florence |
| Coit Village | 2008 | 60 | 0 | 0 | 36 | 24 | 0 | No | Yes | No | 98% | Open | Florence |
| Columns at Millstone | 2007 | 60 | 0 | 0 | 60 | 0 | 0 | No | Yes | No | 100% | Open | Florence |
| Forest Lake Apts | 1993 | 232 | 0 | 0 | NA | NA | 0 | No | Yes | No | 100% | Open | Florence |
| Lakota Crossing Apts | 2004 | 72 | 0 | 4 | 38 | 30 | 0 | No | Yes | No | 96% | Open | Florence |
| Magnolia Court Apts | 2001 | 24 | 0 | 0 | 24 | 0 | 0 | No | Yes | No | 100% | Open | Florence |
| McGowan Commons | 2012 | 36 | 0 | 0 | 14 | 22 | 0 | No | No | No | 100% | Open | Florence |
| Mt. Zion I/II Apts | 1985 | 101 | 0 | NA | NA | NA | NA | No | Yes | No | 100% | Open | Florence |
| Palmetto Station Apts | 2014 | 48 | 0 | 0 | 24 | 24 | 0 | No | Yes | No | 100% | Open | Florence |
| Reserve at Mill Creek | 2008 | 268 | 0 | 122 | 122 | 24 | 0 | No | No | No | 100% | Open | Florence |
| Sedgefield Apartment Homes | 1976 | 272 | 0 | NA | NA | NA | 0 | No | No | No | 97% | Open | Florence |
| Somerset Acres | 2008 | 192 | 0 | 0 | 192 | 0 | 0 | No | Yes | No | 100% | Open | Florence |
| Sterling Apts | 2008 | 72 | 0 | 16 | 48 | 8 | 0 | No | Yes | No | 100% | Open | Florence |
| Stonehenge Apts | 1985 | 88 | 0 | 0 | 88 | 0 | 0 | No | Yes | No | 100% | Open | Florence |
| Village Creek Apts | 1981 | 96 | 0 | 32 | 56 | 8 | 0 | No | Yes | No | 100% | Open | Florence |
| Village Square Apts | 1984 | 33 | 0 | 11 | 22 | 0 | 0 | No | Yes | No | 100% | Open | Florence |
| Woodlake Apts | 2011 | 120 | 0 | 0 | NA | NA | 0 | No | No | No | 100% | Open | Florence |
| Wyndham Place Apts | 1999 | 48 | 0 | 0 | 48 | 0 | 0 | No | Yes | No | 100% | Open | Florence |
| Totals and Averages | 2000 | 2,186 | 0 | 299 | 954 | 208 | 0 | | | | 99.4% | | |
| <i>Unit Distribution</i> | | | 0% | 20% | 65% | 14% | 0% | | | | | | |
| SUBJECT PROJECT | | | | | | | | | | | | | |
| Mission Village of Florence | 2018 | 52 | 0 | 0 | 22 | 30 | 0 | No | Yes | No | | Open | Florence |

Note: Shaded Properties are LIHTC

Table 20: Rental Housing Summary - Overall

| Project Name | Year Built/Rehab | Total Units | Studio/ Eff. | 1 BR | 2 BR | 3 BR | 4 BR | Heat Incl. | W/S Incl. | Electric Incl. | Occup. Rate | Type | Location |
|--|------------------|-------------|--------------|--------------|------------|------------|---------|------------|----------------|----------------|-------------|------|----------|
| Totals and Averages <i>Unit Distribution</i> | 2000 | 2,186 | 0 0% | 299 20% | 954 65% | 208 14% | 0 0% | | | | 99.4% | | |
| SUBJECT PROJECT | | | | | | | | | | | | | |
| Mission Village of Florence | 2018 | 52 | 0 | 0 | 22 | 30 | 0 | No | Yes | No | | | |
| SUMMARY | | | | | | | | | | | | | |
| | Number of Dev. | Year Built | Total Units | Studio/ Eff. | 1BR | 2BR | 3BR | 4BR | Average Occup. | | | | |
| Total Developments | 20 | 2000 | 2,186 | 0 | 299 | 954 | 208 | 0 | 99.4% | | | | |
| Market Rate Only | 12 | 1999 | 1,661 | 0 | 263 | 706 | 68 | 0 | 99.5% | | | | |
| LIHTC Only | 6 | 2007 | 328 | 0 | 4 | 192 | 132 | 0 | 98.2% | | | | |
| Subsidized Only | 2 | 1983 | 197 | 0 | 32 | 56 | 8 | 0 | 100.0% | | | | |

Table 21: Rent Range for 1 & 2 Bedrooms - Overall

| Project Name | Program | PBRA Units | 1BR Rent | | 1BR Square Feet | | Rent per Square Foot Range | | 2BR Rent | | 2BR Square Feet | | Rent per Square Foot Range | |
|-----------------------------|-----------|---------------|----------|--------------|-----------------|------------|-------------------------------|---------------|----------|--------------|-----------------|--------------|-------------------------------|---------------|
| | | | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH |
| Bentree Apts | Market | 0 | \$625 | \$645 | 650 | | \$0.96 | \$0.99 | \$675 | \$705 | 860 | | \$0.78 | \$0.82 |
| Cambridge Court Apts | LIHTC | 0 | | | | | | | \$447 | \$488 | 900 | | \$0.50 | \$0.54 |
| Charles Pointe Apts | Market | 0 | \$735 | | 700 | | \$1.05 | | \$835 | | 1,100 | | \$0.76 | |
| Coit Village | LIHTC | 0 | | | | | | | \$510 | \$585 | 950 | | \$0.54 | \$0.62 |
| Columns at Millstone | Market | 0 | | | | | | | \$725 | \$775 | 1,100 | | \$0.66 | \$0.70 |
| Forest Lake Apts | Market | 0 | | | | | | | \$600 | | 1,040 | | \$0.58 | |
| Lakota Crossing Apts | LIHTC | 0 | \$387 | | 738 | | \$0.52 | | \$492 | | 936 | | \$0.53 | |
| Magnolia Court Apts | Market | 0 | | | | | | | \$600 | \$675 | 1,050 | 1,250 | \$0.54 | \$0.57 |
| McGowan Commons | LIHTC/BOI | 8 | | | | | | | \$425 | | 954 | | \$0.45 | |
| Mt. Zion I/II Apts | BOI-HUD | 101 | | | | | | | | | | | | |
| Palmetto Station Apts | LIHTC | 0 | | | | | | | \$426 | \$536 | 1,074 | | \$0.40 | \$0.50 |
| Reserve at Mill Creek | Market | 0 | \$895 | \$995 | 783 | 965 | \$1.03 | \$1.14 | \$1,095 | | 1,130 | | \$0.97 | |
| Sedgefield Apartment Homes | Market | 0 | \$595 | \$625 | 650 | 900 | \$0.69 | \$0.92 | \$630 | \$730 | 900 | 1,125 | \$0.65 | \$0.70 |
| Somerset Acres | Market | 0 | | | | | | | \$750 | \$800 | 1,040 | 1,118 | \$0.72 | \$0.72 |
| Sterling Apts | Market | 0 | \$480 | | 650 | | \$0.74 | | \$575 | | 950 | | \$0.61 | |
| Stonehenge Apts | Market | 0 | | | | | | | \$750 | \$775 | 900 | | \$0.83 | \$0.86 |
| Village Creek Apts | BOI-HUD | 96 | | | 646 | | | | | | 887 | | | |
| Village Square Apts | Market | 0 | \$525 | | 850 | | \$0.62 | | \$575 | \$650 | 1,000 | 1,100 | \$0.58 | \$0.59 |
| Woodlake Apts | Market | 0 | | | | | | | \$850 | \$900 | 1,040 | | \$0.82 | \$0.87 |
| Wyndham Place Apts | LIHTC | 0 | | | | | | | \$460 | | 800 | | \$0.58 | |
| Totals and Averages | | 205 | | \$651 | | 753 | | \$0.86 | | \$657 | | 1,009 | | \$0.65 |
| SUBJECT PROPERTY | | | | | | | | | | | | | | |
| Mission Village of Florence | LIHTC | 0 | | NA | | NA | | NA | \$445 | \$540 | | 1,200 | | \$0.37 \$0.45 |
| SUMMARY | | | | | | | | | | | | | | |
| Overall | | | | \$651 | | 753 | | \$0.86 | | \$657 | | 1,009 | | \$0.65 |
| Market Rate Only | | | | \$680 | | 769 | | \$0.88 | | \$734 | | 1,044 | | \$0.70 |
| LIHTC Only | | | | \$387 | | 738 | | \$0.52 | | \$485 | | 936 | | \$0.52 |
| Subsidized Only | | | | NA | | 646 | | NA | | NA | | 887 | | NA |

Note: Shaded Properties are LIHTC

Table 22: Rent Range for 3 & 4 Bedrooms - Overall

| Project Name | Program | 3BR Rent | | 3BR Square Feet | | Rent per Square Foot Range | | 4BR Rent | | 4BR Square Feet | | Rent per Square Foot Range |
|-----------------------------|-----------|----------|--------------|-----------------|--------------|----------------------------|---------------|----------|-----------|-----------------|-----------|----------------------------|
| | | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | |
| Bentree Apts | Market | \$770 | \$805 | 1,100 | | \$0.70 | \$0.73 | | | | | |
| Cambridge Court Apts | LIHTC | \$510 | \$615 | 1,000 | | \$0.51 | \$0.62 | | | | | |
| Charles Pointe Apts | Market | \$990 | | 1,230 | | \$0.80 | | | | | | |
| Coit Village | LIHTC | \$585 | \$660 | 1,120 | | \$0.52 | \$0.59 | | | | | |
| Columns at Millstone | Market | | | | | | | | | | | |
| Forest Lake Apts | Market | \$700 | | 1,224 | | \$0.57 | | | | | | |
| Lakota Crossing Apts | LIHTC | \$569 | \$592 | 1,116 | | \$0.51 | \$0.53 | | | | | |
| Magnolia Court Apts | Market | | | | | | | | | | | |
| McGowan Commons | LIHTC/BOI | \$485 | | 1,240 | | \$0.39 | | | | | | |
| Mt. Zion I/II Apts | BOI-HUD | | | | | | | | | | | |
| Palmetto Station Apts | LIHTC | \$469 | \$599 | 1,235 | | \$0.38 | \$0.49 | | | | | |
| Reserve at Mill Creek | Market | \$1,355 | | 1,285 | | \$1.05 | | | | | | |
| Sedgefield Apartment Homes | Market | \$760 | \$800 | 1,086 | 1,350 | \$0.59 | \$0.70 | | | | | |
| Somerset Acres | Market | | | | | | | | | | | |
| Sterling Apts | Market | \$675 | | 1,160 | | \$0.58 | | | | | | |
| Stonehenge Apts | Market | | | | | | | | | | | |
| Village Creek Apts | BOI-HUD | | | 1,048 | | | | | | | | |
| Village Square Apts | Market | | | | | | | | | | | |
| Woodlake Apts | Market | \$975 | \$1,050 | 1,222 | | \$0.80 | \$0.86 | | | | | |
| Wyndham Place Apts | LIHTC | | | | | | | | | | | |
| Totals and Averages | | | \$735 | | 1,173 | | \$0.63 | | NA | | NA | NA |
| SUBJECT PROPERTY | | | | | | | | | | | | |
| Mission Village of Florence | LIHTC | \$505 | \$620 | | 1,350 | \$0.37 | \$0.46 | | NA | | NA | NA |
| SUMMARY | | | | | | | | | | | | |
| Overall | | | \$735 | | 1,173 | \$0.63 | | | NA | | NA | NA |
| Market Rate Only | | | \$888 | | 1,207 | \$0.74 | | | NA | | NA | NA |
| LIHTC Only | | | \$565 | | 1,142 | \$0.49 | | | NA | | NA | NA |
| Subsidized Only | | | NA | | 1,048 | NA | | | NA | | NA | NA |

Note: Shaded Properties are LIHTC

Table 23a: Project Amenities - Overall

| Project Name | Central Air | Wall A/C | A/C Sleeve | Garbage Disposal | Dish Washer | Microwave | Ceiling Fan | Walk-in Closet | Mini Blinds | Patio/Balcony | Hi-Speed Internet | Club/Comm. Room | Computer Center | Exercise Room |
|-----------------------------|-------------|-----------|------------|------------------|-------------|------------|-------------|----------------|-------------|---------------|-------------------|-----------------|-----------------|---------------|
| Bentree Apts | Yes | No | No | Yes | Yes | No | No | Yes | Yes | Yes | No | Yes | No | No |
| Cambridge Court Apts | Yes | No | No | Yes | Yes | No | Yes | Yes | Yes | Yes | No | No | No | No |
| Charles Pointe Apts | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | No | Yes |
| Coit Village | Yes | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No |
| Columns at Millstone | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | No |
| Forest Lake Apts | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | No |
| Lakota Crossing Apts | Yes | No | No | No | Yes | No | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |
| Magnolia Court Apts | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | No |
| McGowan Commons | Yes | No | No | Yes | Yes | No | No | No | Yes | Yes | No | Yes | Yes | No |
| Mt. Zion I/II Apts | Yes | No | No | Yes | No | No | No | No | Yes | No | No | Yes | Yes | Yes |
| Palmetto Station Apts | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | No | No | Yes | Yes | No |
| Reserve at Mill Creek | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |
| Sedgefield Apartment Homes | Yes | No | No | Yes | Yes | No | No | Yes | Yes | Yes | No | No | No | No |
| Somerset Acres | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | No | Yes |
| Sterling Apts | Yes | No | No | Yes | Yes | No | Yes | Yes | Yes | No | No | No | No | No |
| Stonehenge Apts | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | No | No |
| Village Creek Apts | Yes | No | No | Yes | No | No | No | Yes | Yes | No | No | No | No | No |
| Village Square Apts | Yes | No | No | Yes | Yes | Yes | Yes | No | Yes | Yes | No | No | No | No |
| Woodlake Apts | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | No | Yes |
| Wyndham Place Apts | Yes | No | No | No | Yes | No | No | No | Yes | No | No | Yes | No | No |
| Totals and Averages | 100% | 0% | 0% | 85% | 90% | 55% | 70% | 80% | 100% | 75% | 0% | 55% | 30% | 30% |
| SUBJECT PROJECT | | | | | | | | | | | | | | |
| Mission Village of Florence | Yes | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No |
| SUMMARY | | | | | | | | | | | | | | |
| Overall | 100% | 0% | 0% | 85% | 90% | 55% | 70% | 80% | 100% | 75% | 0% | 55% | 30% | 30% |
| Market Rate Only | 100% | 0% | 0% | 100% | 100% | 75% | 83% | 92% | 100% | 92% | 0% | 42% | 8% | 33% |
| LIHTC Only | 100% | 0% | 0% | 50% | 100% | 33% | 67% | 67% | 100% | 67% | 0% | 83% | 67% | 17% |
| Subsidized Only | 100% | 0% | 0% | 100% | 0% | 0% | 0% | 50% | 100% | 0% | 0% | 50% | 50% | 50% |

Note: Shaded Properties are LIHTC

Table 23b: Project Amenities - Overall

| Project Name | Pool | Playground | Gazebo | Elevator | Exterior Storage | Sports Courts | On-Site Mgt | Security Gate | Security Intercom | Coin Op Laundry | Laundry Hookup | In-unit Laundry | Carport | Garage |
|-----------------------------|------------|------------|------------|-----------|------------------|---------------|-------------|---------------|-------------------|-----------------|----------------|-----------------|-----------|------------|
| Bentree Apts | Yes | Yes | No | No | No | No | Yes | No | No | Yes | Yes | No | No | No |
| Cambridge Court Apts | No | Yes | No | No | Yes | No | Yes | No | No | No | Yes | No | No | No |
| Charles Pointe Apts | Yes | Yes | No | No | Yes | Yes | Yes | No | No | No | Yes | No | No | Yes |
| Coit Village | No | Yes | Yes | No | No | No | Yes | No | No | Yes | Yes | No | No | No |
| Columns at Millstone | No | No | No | No | No | No | No | No | No | No | Yes | No | No | No |
| Forest Lake Apts | Yes | No | No | No | No | No | No | No | No | No | Yes | No | No | No |
| Lakota Crossing Apts | No | Yes | No | No | No | No | Yes | No | No | Yes | Yes | No | No | No |
| Magnolia Court Apts | No | No | No | No | No | No | No | No | No | No | Yes | No | No | No |
| McGowan Commons | No | Yes | Yes | No | Yes | No | Yes | No | No | Yes | Yes | No | No | No |
| Mt. Zion I/II Apts | No | Yes | No | No | No | No | Yes | Yes | Yes | Yes | No | No | No | No |
| Palmetto Station Apts | No | Yes | Yes | No | No | No | Yes | No | Yes | Yes | Yes | No | No | No |
| Reserve at Mill Creek | Yes | Yes | No | No | Yes | No | Yes | Yes | Yes | Yes | Yes | No | No | Yes |
| Sedgefield Apartment Homes | Yes | Yes | No | No | Yes | Yes | Yes | No | No | Yes | Yes | No | No | No |
| Somerset Acres | Yes | No | No | No | No | No | No | No | No | No | Yes | No | No | No |
| Sterling Apts | No | No | No | No | No | No | Yes | No | Yes | Yes | No | No | No | No |
| Stonehenge Apts | Yes | No | No | No | Yes | No | No | No | Yes | No | Yes | No | No | Yes |
| Village Creek Apts | No | Yes | No | No | No | No | Yes | No | No | Yes | No | No | No | No |
| Village Square Apts | No | No | No | No | TH | No | No | No | No | Yes | No | No | No | No |
| Woodlake Apts | Yes | No | No | No | No | No | No | Yes | No | No | Yes | No | No | No |
| Wyndham Place Apts | No | Yes | No | No | No | No | No | No | No | Yes | No | No | No | No |
| Totals and Averages | 40% | 60% | 15% | 0% | 30% | 10% | 60% | 15% | 25% | 60% | 75% | 0% | 0% | 15% |
| SUBJECT PROJECT | | | | | | | | | | | | | | |
| Mission Village of Florence | No | Yes | No | No | No | No | Yes | No | No | Yes | Yes | No | No | No |
| SUMMARY | | | | | | | | | | | | | | |
| Overall | 40% | 60% | 15% | 0% | 30% | 10% | 60% | 15% | 25% | 60% | 75% | 0% | 0% | 15% |
| Market Rate Only | 67% | 33% | 0% | 0% | 33% | 17% | 42% | 17% | 25% | 42% | 83% | 0% | 0% | 25% |
| LIHTC Only | 0% | 100% | 50% | 0% | 33% | 0% | 83% | 0% | 17% | 83% | 83% | 0% | 0% | 0% |
| Subsidized Only | 0% | 100% | 0% | 0% | 0% | 0% | 100% | 50% | 50% | 100% | 0% | 0% | 0% | 0% |

Note: Shaded Properties are LIHTC

Table 24: Rental Housing Survey - Comparable

| Project Name | Year Built/Rehab | Total Units | Studio/ Eff. | 1 BR | 2 BR | 3 BR | 4 BR | Heat Incl. | Heat Type | Electric Incl. | Occup. Rate | Type | Location |
|-----------------------------|------------------|-------------|--------------|-----------|------------|------------|-----------|------------|-----------|----------------|--------------|------|----------|
| Cambridge Court Apts | 2003 | 64 | 0 | 0 | 32 | 32 | 0 | No | ELE | No | 97% | Open | Florence |
| Coit Village | 2008 | 60 | 0 | 0 | 36 | 24 | 0 | No | ELE | No | 98% | Open | Florence |
| Lakota Crossing Apts | 2004 | 72 | 0 | 4 | 38 | 30 | 0 | No | ELE | No | 96% | Open | Florence |
| McGowan Commons | 2012 | 36 | 0 | 0 | 14 | 22 | 0 | No | ELE | No | 100% | Open | Florence |
| Palmetto Station Apts | 2014 | 48 | 0 | 0 | 24 | 24 | 0 | No | ELE | No | 100% | Open | Florence |
| Wyndham Place Apts | 1999 | 48 | 0 | 0 | 48 | 0 | 0 | No | ELE | No | 100% | Open | Florence |
| Totals and Averages | 2007 | 328 | 0 | 4 | 192 | 132 | 0 | | | | 98.2% | | |
| <i>Unit Distribution</i> | | | 0% | 1% | 59% | 40% | 0% | | | | | | |
| SUBJECT PROJECT | | | | | | | | | | | | | |
| Mission Village of Florence | 2018 | 52 | 0 | 0 | 22 | 30 | 0 | No | Yes | No | | Open | Florence |

Table 25: Rent Range for 1 & 2 Bedrooms - Comparable

| Project Name | Program | PBRA Units | 1BR Rent | | 1BR Square Feet | | Rent per Square Foot Range | | 2BR Rent | | 2BR Square Feet | | Rent per Square Foot Range | |
|-----------------------------|-----------|------------|----------|--------------|-----------------|------------|----------------------------|---------------|----------|--------------|-----------------|------------|----------------------------|---------------|
| | | | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH |
| Cambridge Court Apts | LIHTC | 0 | | | | | | | \$447 | \$488 | 900 | | \$0.50 | \$0.54 |
| Coit Village | LIHTC | 0 | | | | | | | \$510 | \$585 | 950 | | \$0.54 | \$0.62 |
| Lakota Crossing Apts | LIHTC | 0 | \$387 | | 738 | | \$0.52 | | \$492 | | 936 | | \$0.53 | |
| McGowan Commons | LIHTC/BOI | 8 | | | | | | | \$425 | | 954 | | \$0.45 | |
| Palmetto Station Apts | LIHTC | 0 | | | | | | | \$426 | \$536 | 1,074 | | \$0.40 | \$0.50 |
| Wyndham Place Apts | LIHTC | 0 | | | | | | | \$460 | | 800 | | \$0.58 | |
| Totals and Averages | | 8 | | \$387 | | 738 | | \$0.52 | | \$485 | | 936 | | \$0.52 |
| SUBJECT PROPERTY | | | | | | | | | | | | | | |
| Mission Village of Florence | LIHTC | 0 | | NA | | NA | | NA | \$445 | \$540 | | 1,200 | \$0.37 | \$0.45 |

Table 26: Rent Range for 3 & 4 Bedrooms - Comparable

| Project Name | Program | 3BR Rent | | 3BR Square Feet | | Rent per Square Foot Range | | 4BR Rent | | 4BR Square Feet | | Rent per Square Foot Range | |
|-----------------------------|-----------|----------|--------------|-----------------|--------------|----------------------------|---------------|----------|-----------|-----------------|-----------|----------------------------|-----------|
| | | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH | LOW | HIGH |
| Cambridge Court Apts | LIHTC | \$510 | \$615 | 1,000 | | \$0.51 | \$0.62 | | | | | | |
| Coit Village | LIHTC | \$585 | \$660 | 1,120 | | \$0.52 | \$0.59 | | | | | | |
| Lakota Crossing Apts | LIHTC | \$569 | \$592 | 1,116 | | \$0.51 | \$0.53 | | | | | | |
| McGowan Commons | LIHTC/BOI | \$485 | | 1,240 | | \$0.39 | | | | | | | |
| Palmetto Station Apts | LIHTC | \$469 | \$599 | 1,235 | | \$0.38 | \$0.49 | | | | | | |
| Wyndham Place Apts | LIHTC | | | | | | | | | | | | |
| Totals and Averages | | | \$565 | | 1,142 | | \$0.49 | | NA | | NA | | NA |
| SUBJECT PROPERTY | | | | | | | | | | | | | |
| Mission Village of Florence | LIHTC | \$505 | \$620 | | 1,350 | \$0.37 | \$0.46 | | NA | | NA | | NA |

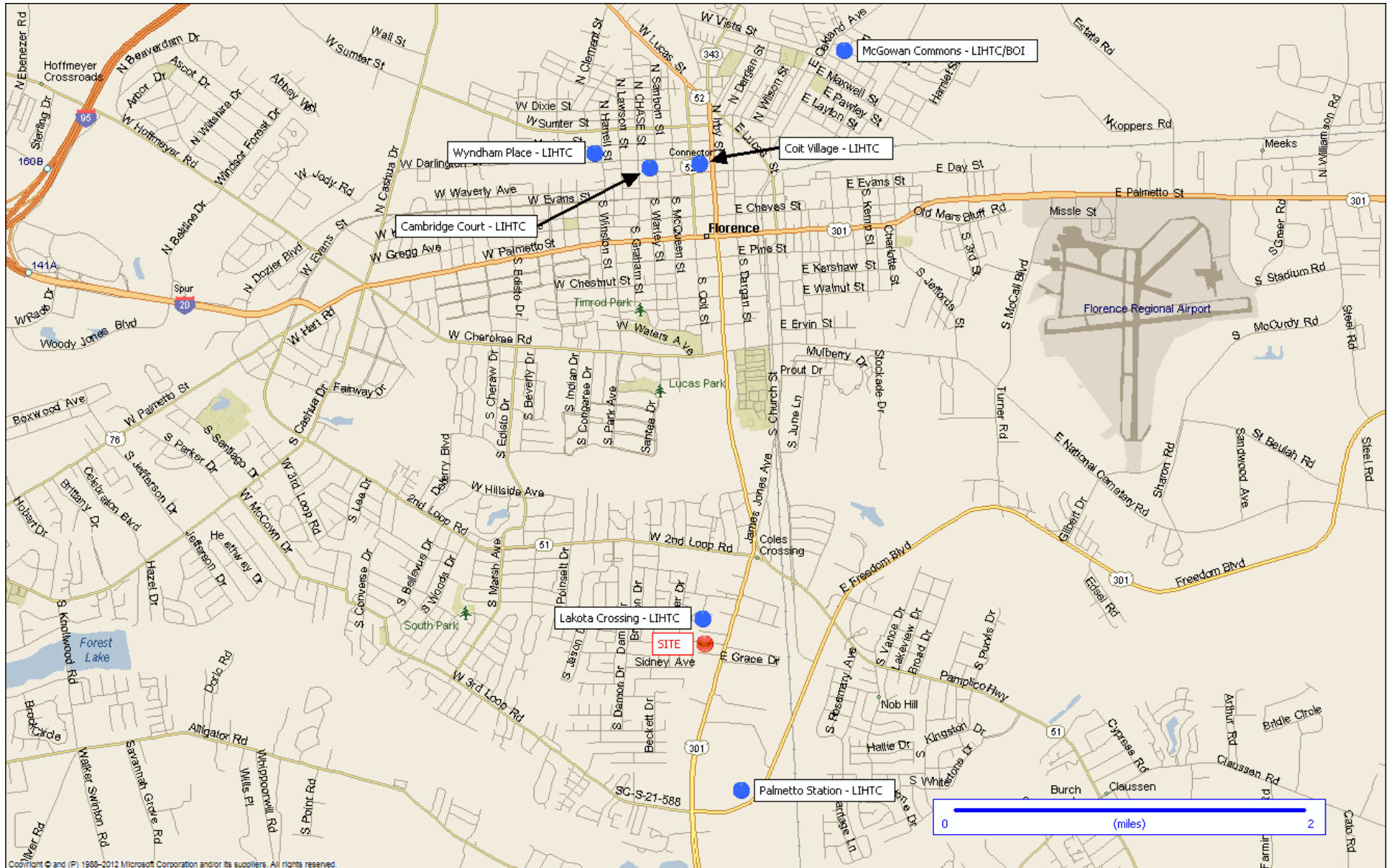
Table 27a: Project Amenities - Comparable


| Project Name | Central Air | Wall A/C | A/C Sleeve | Garbage Disposal | Dish Washer | Microwave | Ceiling Fan | Walk-in Closet | Mini Blinds | Patio/Balcony | Hi-Speed Internet | Club/Comm. Room | Computer Center | Exercise Room |
|-----------------------------|-------------|-----------|------------|------------------|-------------|------------|-------------|----------------|-------------|---------------|-------------------|-----------------|-----------------|---------------|
| Cambridge Court Apts | Yes | No | No | Yes | Yes | No | Yes | Yes | Yes | Yes | No | No | No | No |
| Coit Village | Yes | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No |
| Lakota Crossing Apts | Yes | No | No | No | Yes | No | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |
| McGowan Commons | Yes | No | No | Yes | Yes | No | No | No | Yes | Yes | No | Yes | Yes | No |
| Palmetto Station Apts | Yes | No | No | Yes | Yes | Yes | Yes | Yes | Yes | No | No | Yes | Yes | No |
| Wyndham Place Apts | Yes | No | No | No | Yes | No | No | No | Yes | No | No | Yes | No | No |
| Totals and Averages | 100% | 0% | 0% | 50% | 100% | 33% | 67% | 67% | 100% | 67% | 0% | 83% | 67% | 17% |
| SUBJECT PROJECT | | | | | | | | | | | | | | |
| Mission Village of Florence | Yes | No | No | No | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | No |


Table 27b: Project Amenities - Comparable


| Project Name | Pool | Playground | Gazebo | Elevator | Exterior Storage | Sports Courts | On-Site Mgt | Security Gate | Security Intercom | Coin Op Laundry | Laundry Hookup | In-unit Laundry | Carport | Garage |
|-----------------------------|-----------|-------------|------------|-----------|------------------|---------------|-------------|---------------|-------------------|-----------------|----------------|-----------------|-----------|-----------|
| Cambridge Court Apts | No | Yes | No | No | Yes | No | Yes | No | No | No | Yes | No | No | No |
| Coit Village | No | Yes | Yes | No | No | No | Yes | No | No | Yes | Yes | No | No | No |
| Lakota Crossing Apts | No | Yes | No | No | No | No | Yes | No | No | Yes | Yes | No | No | No |
| McGowan Commons | No | Yes | Yes | No | Yes | No | Yes | No | No | Yes | Yes | No | No | No |
| Palmetto Station Apts | No | Yes | Yes | No | No | No | Yes | No | Yes | Yes | Yes | No | No | No |
| Wyndham Place Apts | No | Yes | No | No | No | No | No | No | No | Yes | No | No | No | No |
| Totals and Averages | 0% | 100% | 50% | 0% | 33% | 0% | 83% | 0% | 17% | 83% | 83% | 0% | 0% | 0% |
| SUBJECT PROJECT | | | | | | | | | | | | | | |
| Mission Village of Florence | No | Yes | No | No | No | No | Yes | No | No | Yes | Yes | No | No | No |


Map 11: Comparable LIHTC Rental Developments





| COMPARABLE PROJECT INFORMATION | | | | | | | | | | | |
|--|------|--------|------|---|-------------|--|---------------|---|----------|---------------|----------------|
| Project Name: Cambridge Court Apts Address: 550 W. Darlington Street City: Florence State: SC Zip Code: 29501 Phone Number: (843) 413-0586 Contact Name: Melinda Contact Date: 01/27/16 Current Occup: 96.9% | | | | | |  | | | | | |
| DEVELOPMENT CHARACTERISTICS | | | | | | | | | | | |
| Total Units: | | 64 | | Year Built: | | 2003 | | | | | |
| Project Type: | | Open | | Floors: | | 2 and 3 | | | | | |
| Program: | | LIHTC | | Accept Vouchers: | | Yes | | | | | |
| PBRA Units*: | | 0 | | Voucher #: | | 32 | | | | | |
| * Including Section 8, Rental Assistance, and any other Project-Based Subsidy | | | | | | | | | | | |
| UNIT CONFIGURATION/RENTAL RATES | | | | | | | | | | | |
| BR | Bath | Target | Type | # Units | Square Feet | | Contract Rent | | Vacant | Occup. Rate | Wait List |
| | | | | | Low | High | Low | High | | | |
| TOTAL 2-BEDROOM UNITS | | | | 32 | | | | | 2 | 93.8% | 1 Month |
| 2 | 2.0 | 50 | Apt | NA | 900 | | \$447 | | NA | 100.0% | |
| 2 | 2.0 | 60 | Apt | NA | 900 | | \$488 | | NA | 100.0% | |
| TOTAL 3-BEDROOM UNITS | | | | 32 | | | | | 0 | 100.0% | 1 Month |
| 3 | 2.0 | 50 | Apt | NA | 1,000 | | \$510 | | 0 | 100.0% | |
| 3 | 2.0 | 60 | Apt | NA | 1,000 | | \$615 | | 0 | 100.0% | |
| TOTAL DEVELOPMENT | | | | 64 | | | | | 2 | 96.9% | 1 Month |
| AMENITIES | | | | | | | | | | | |
| <u>Unit Amenities</u> X - Central A/C - Wall A/C Unit X - Garbage Disposal X - Dishwasher - Microwave X - Ceiling Fan X - Walk-In Closet X - Mini-Blinds - Draperies X - Patio/Balcony - Basement - Fireplace - High-Speed Internet | | | | <u>Development Amenities</u> - Clubhouse - Community Room - Computer Center - Exercise/Fitness Room - Community Kitchen - Swimming Pool X - Playground - Gazebo - Elevator X - Storage - Sports Courts X - On-Site Management - Security - Access Gate - Security - Intercom | | | | <u>Laundry Type</u> - Coin-Operated Laundry X - In-Unit Hook-Up - In-Unit Washer/Dryer <u>Parking Type</u> X - Surface Lot - Carport \$0 - Garage (att) \$0 - Garage (det) \$0 <u>Utilities Included</u> - Heat ELE - Electricity X - Trash Removal - Water/Sewer | | | |

| COMPARABLE PROJECT INFORMATION | | | | | | | | | | | |
|--|-----------------------|--------|------|-------------------------------------|--------------------------|--|---------------|-------------------------------------|-------------------------|---------------|-------------------|
| Project Name: Coit Village Address: 230 North Coit Street City: Florence State: SC Zip Code: 29501 Phone Number: (843) 662-7008 Contact Name: Chrystal Contact Date: 01/27/16 Current Occup: 98.3% | | | | | |  | | | | | |
| DEVELOPMENT CHARACTERISTICS | | | | | | | | | | | |
| Total Units: | | 60 | | Year Built: | | 2008 | | Project Type: | | Open | |
| Program: | | LIHTC | | Accept Vouchers: | | Yes | | PBRA Units*: | | 0 | |
| Floors: | | 3 | | Voucher #: | | 22 | | | | | |
| * Including Section 8, Rental Assistance, and any other Project-Based Subsidy | | | | | | | | | | | |
| UNIT CONFIGURATION/RENTAL RATES | | | | | | | | | | | |
| BR | Bath | Target | Type | # Units | Square Feet | | Contract Rent | | Vacant | Occup. Rate | Wait List |
| | | | | | Low | High | Low | High | | | |
| TOTAL 2-BEDROOM UNITS | | | | 36 | | | | | 1 | 97.2% | 3-6 Months |
| 2 | 2.0 | 50 | Apt | 16 | 950 | | \$510 | | 0 | 100.0% | |
| 2 | 2.0 | 60 | Apt | 20 | 950 | | \$585 | | 1 | 95.0% | |
| TOTAL 3-BEDROOM UNITS | | | | 24 | | | | | 0 | 100.0% | 3-6 Months |
| 3 | 2.0 | 50 | Apt | 8 | 1,120 | | \$585 | | 0 | 100.0% | |
| 3 | 2.0 | 60 | Apt | 16 | 1,120 | | \$660 | | 0 | 100.0% | |
| TOTAL DEVELOPMENT | | | | 60 | | | | | 1 | 98.3% | 3-6 Months |
| AMENITIES | | | | | | | | | | | |
| <u>Unit Amenities</u> | | | | <u>Development Amenities</u> | | | | <u>Laundry Type</u> | | | |
| <input checked="" type="checkbox"/> | - Central A/C | | | <input type="checkbox"/> | - Clubhouse | | | <input checked="" type="checkbox"/> | - Coin-Operated Laundry | | |
| <input type="checkbox"/> | - Wall A/C Unit | | | <input checked="" type="checkbox"/> | - Community Room | | | <input checked="" type="checkbox"/> | - In-Unit Hook-Up | | |
| <input type="checkbox"/> | - Garbage Disposal | | | <input checked="" type="checkbox"/> | - Computer Center | | | <input type="checkbox"/> | - In-Unit Washer/Dryer | | |
| <input checked="" type="checkbox"/> | - Dishwasher | | | <input type="checkbox"/> | - Exercise/Fitness Room | | | <u>Parking Type</u> | | | |
| <input checked="" type="checkbox"/> | - Microwave | | | <input checked="" type="checkbox"/> | - Community Kitchen | | | <input checked="" type="checkbox"/> | - Surface Lot | | |
| <input checked="" type="checkbox"/> | - Ceiling Fan | | | <input type="checkbox"/> | - Swimming Pool | | | <input type="checkbox"/> | - Carport | | |
| <input checked="" type="checkbox"/> | - Walk-In Closet | | | <input checked="" type="checkbox"/> | - Playground | | | <input type="checkbox"/> | - Garage (att) | | |
| <input checked="" type="checkbox"/> | - Mini-Blinds | | | <input checked="" type="checkbox"/> | - Gazebo | | | <input type="checkbox"/> | - Garage (det) | | |
| <input type="checkbox"/> | - Draperies | | | <input type="checkbox"/> | - Elevator | | | | | | |
| <input checked="" type="checkbox"/> | - Patio/Balcony | | | <input type="checkbox"/> | - Storage | | | <u>Utilities Included</u> | | | |
| <input type="checkbox"/> | - Basement | | | <input type="checkbox"/> | - Sports Courts | | | <input type="checkbox"/> | - Heat | | |
| <input type="checkbox"/> | - Fireplace | | | <input checked="" type="checkbox"/> | - On-Site Management | | | <input type="checkbox"/> | - Electricity | | |
| <input type="checkbox"/> | - High-Speed Internet | | | <input type="checkbox"/> | - Security - Access Gate | | | <input checked="" type="checkbox"/> | - Trash Removal | | |
| <input type="checkbox"/> | | | | <input type="checkbox"/> | - Security - Intercom | | | <input checked="" type="checkbox"/> | - Water/Sewer | | |

| COMPARABLE PROJECT INFORMATION | | | | | | | | | | | | |
|--|------|----------|------|--|-------------|--|---------------|---|----------|---------------|-----------------|--|
| Project Name: Lakota Crossing Apts Address: 1741 Lakota Drive City: Florence State: SC Zip Code: 29505 Phone Number: (843) 664-9030 Contact Name: Sheena Contact Date: 02/01/16 Current Occup: 95.8% | | | | | |  | | | | | | |
| DEVELOPMENT CHARACTERISTICS | | | | | | | | | | | | |
| Total Units: | | 72 | | Year Built: | | 2004 | | | | | | |
| Project Type: | | Open | | Floors: | | 1 | | | | | | |
| Program: | | LIHTC | | Accept Vouchers: | | Yes | | | | | | |
| PBRA Units*: | | 0 | | Voucher #: | | 31 | | | | | | |
| * Including Section 8, Rental Assistance, and any other Project-Based Subsidy | | | | | | | | | | | | |
| UNIT CONFIGURATION/RENTAL RATES | | | | | | | | | | | | |
| BR | Bath | Target | Type | # Units | Square Feet | | Contract Rent | | Vacant | Occup. Rate | Wait List | |
| | | | | | Low | High | Low | High | | | | |
| TOTAL 1-BEDROOM UNITS | | | | 4 | | | | | 0 | 100.0% | Yes | |
| 1 | 1.0 | 50 | Apt | 4 | 738 | | | \$387 | 0 | 100.0% | | |
| TOTAL 2-BEDROOM UNITS | | | | 38 | | | | | 2 | 94.7% | Yes | |
| 2 | 1.0 | 50 | Apt | 19 | 936 | | | \$492 | 1 | 94.7% | | |
| 2 | 1.0 | 60 | Apt | 19 | 936 | | | \$492 | 1 | 94.7% | | |
| TOTAL 3-BEDROOM UNITS | | | | 30 | | | | | 1 | 96.7% | Yes | |
| 3 | 2.0 | 50 to 59 | Apt | 15 | 1,116 | | | \$569 | 1 | 93.3% | | |
| 3 | 2.0 | 60+/RD | Apt | 15 | 1,116 | | | \$592 | 0 | 100.0% | | |
| TOTAL DEVELOPMENT | | | | 72 | | | | | 3 | 95.8% | 57 Names | |
| AMENITIES | | | | | | | | | | | | |
| <u>Unit Amenities</u> | | | | <u>Development Amenities</u> | | | | <u>Laundry Type</u> | | | | |
| <input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input checked="" type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input type="checkbox"/> - High-Speed Internet | | | | <input type="checkbox"/> - Clubhouse <input checked="" type="checkbox"/> - Community Room <input checked="" type="checkbox"/> - Computer Center <input checked="" type="checkbox"/> - Exercise/Fitness Room <input checked="" type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input type="checkbox"/> - Security - Intercom | | | | <input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport \$0 <input type="checkbox"/> - Garage (att) \$0 <input type="checkbox"/> - Garage (det) \$0 <u>Utilities Included</u> <input type="checkbox"/> - Heat ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer | | | | |

| COMPARABLE PROJECT INFORMATION | | | | | | | | | | | |
|---|------|-----------|------|--|-------------|--|---------------|--|----------|---------------|----------------|
| Project Name: McGowan Commons Address: 709 Mechanics Street City: Florence State: SC Zip Code: 29501 Phone Number: (843) 317-6736 Contact Name: Britney Contact Date: 02/03/16 Current Occup: 100.0% | | | | | |  | | | | | |
| DEVELOPMENT CHARACTERISTICS | | | | | | | | | | | |
| Total Units: | | 36 | | Year Built: | | 2012 | | | | | |
| Project Type: | | Open | | Floors: | | 2 | | | | | |
| Program: | | LIHTC/BOI | | Accept Vouchers: | | Yes | | | | | |
| PBRA Units*: | | 8 | | Voucher #: | | NA | | | | | |
| * Including Section 8, Rental Assistance, and any other Project-Based Subsidy | | | | | | | | | | | |
| UNIT CONFIGURATION/RENTAL RATES | | | | | | | | | | | |
| BR | Bath | Target | Type | # Units | Square Feet | | Contract Rent | | Vacant | Occup. Rate | Wait List |
| | | | | | Low | High | Low | High | | | |
| TOTAL 2-BEDROOM UNITS | | | | 14 | | | | | 0 | 100.0% | 1+ Year |
| 2 | 2.0 | 50 | TH | 14 | 954 | | | \$425 | 0 | 100.0% | |
| TOTAL 3-BEDROOM UNITS | | | | 22 | | | | | 0 | 100.0% | 1+ Year |
| 3 | 2.0 | 50 | TH | 22 | 1,240 | | | \$485 | 0 | 100.0% | |
| TOTAL DEVELOPMENT | | | | 36 | | | | | 0 | 100.0% | 1+ Year |
| AMENITIES | | | | | | | | | | | |
| <u>Unit Amenities</u> <input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input type="checkbox"/> - Microwave <input type="checkbox"/> - Ceiling Fan <input type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input checked="" type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input type="checkbox"/> - High-Speed Internet | | | | <u>Development Amenities</u> <input checked="" type="checkbox"/> - Clubhouse <input checked="" type="checkbox"/> - Community Room <input checked="" type="checkbox"/> - Computer Center <input type="checkbox"/> - Exercise/Fitness Room <input type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input checked="" type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input checked="" type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input type="checkbox"/> - Security - Intercom | | | | <u>Laundry Type</u> <input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport \$0 <input type="checkbox"/> - Garage (att) \$0 <input type="checkbox"/> - Garage (det) \$0 <u>Utilities Included</u> <input type="checkbox"/> - Heat ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input type="checkbox"/> - Water/Sewer | | | |

| COMPARABLE PROJECT INFORMATION | | | | | | | | | | | |
|--|------|--------|------|---|-------------|--|---------------|--|----------|---------------|-----------------|
| Project Name: Palmetto Station Apts Address: 2300 Freedom Blvd City: Florence State: SC Zip Code: 29505 Phone Number: (843) 407-5031 Contact Name: LeeAnn Contact Date: 02/29/16 Current Occup: 100.0% | | | | | |  | | | | | |
| DEVELOPMENT CHARACTERISTICS | | | | | | | | | | | |
| Total Units: | | 48 | | Year Built: | | 2014 | | | | | |
| Project Type: | | Open | | Floors: | | 2 | | | | | |
| Program: | | LIHTC | | Accept Vouchers: | | Yes | | | | | |
| PBRA Units*: | | 0 | | Voucher #: | | NA | | | | | |
| * Including Section 8, Rental Assistance, and any other Project-Based Subsidy | | | | | | | | | | | |
| UNIT CONFIGURATION/RENTAL RATES | | | | | | | | | | | |
| BR | Bath | Target | Type | # Units | Square Feet | | Contract Rent | | Vacant | Occup. Rate | Wait List |
| | | | | | Low | High | Low | High | | | |
| TOTAL 2-BEDROOM UNITS | | | | 24 | | | | | 0 | 100.0% | Yes |
| 2 | 2.0 | 50 | Apt | 6 | 1,074 | | \$426 | | 0 | 100.0% | |
| 2 | 2.0 | 60 | Apt | 18 | 1,074 | | \$536 | | 0 | 100.0% | |
| TOTAL 3-BEDROOM UNITS | | | | 24 | | | | | 0 | 100.0% | Yes |
| 3 | 2.0 | 50 | Apt | 6 | 1,235 | | \$469 | | 0 | 100.0% | |
| 3 | 2.0 | 60 | Apt | 18 | 1,235 | | \$599 | | 0 | 100.0% | |
| TOTAL DEVELOPMENT | | | | 48 | | | | | 0 | 100.0% | 17 Names |
| AMENITIES | | | | | | | | | | | |
| <u>Unit Amenities</u> <input checked="" type="checkbox"/> - Central A/C <input type="checkbox"/> - Wall A/C Unit <input checked="" type="checkbox"/> - Garbage Disposal <input checked="" type="checkbox"/> - Dishwasher <input checked="" type="checkbox"/> - Microwave <input checked="" type="checkbox"/> - Ceiling Fan <input checked="" type="checkbox"/> - Walk-In Closet <input checked="" type="checkbox"/> - Mini-Blinds <input type="checkbox"/> - Draperies <input type="checkbox"/> - Patio/Balcony <input type="checkbox"/> - Basement <input type="checkbox"/> - Fireplace <input type="checkbox"/> - High-Speed Internet | | | | <u>Development Amenities</u> <input type="checkbox"/> - Clubhouse <input checked="" type="checkbox"/> - Community Room <input checked="" type="checkbox"/> - Computer Center <input type="checkbox"/> - Exercise/Fitness Room <input checked="" type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input checked="" type="checkbox"/> - Playground <input checked="" type="checkbox"/> - Gazebo <input type="checkbox"/> - Elevator <input type="checkbox"/> - Storage <input type="checkbox"/> - Sports Courts <input checked="" type="checkbox"/> - On-Site Management <input type="checkbox"/> - Security - Access Gate <input checked="" type="checkbox"/> - Security - Intercom | | | | <u>Laundry Type</u> <input checked="" type="checkbox"/> - Coin-Operated Laundry <input checked="" type="checkbox"/> - In-Unit Hook-Up <input type="checkbox"/> - In-Unit Washer/Dryer <u>Parking Type</u> <input checked="" type="checkbox"/> - Surface Lot <input type="checkbox"/> - Carport \$0 <input type="checkbox"/> - Garage (att) \$0 <input type="checkbox"/> - Garage (det) \$0 <u>Utilities Included</u> <input type="checkbox"/> - Heat ELE <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer | | | |

| COMPARABLE PROJECT INFORMATION | | | | | | | | | | | |
|---|------|-------------------------------|------|---|-------------|--|---------------|---|----------|-----------------------------|-------------|
| Project Name: Wyndham Place Apts Address: 307 Harrell Street City: Florence State: SC Zip Code: 29501 Phone Number: (843) 669-6619 Contact Name: Cindy Contact Date: 02/03/16 Current Occup: 100.0% | | | | | |  | | | | | |
| DEVELOPMENT CHARACTERISTICS | | | | | | | | | | | |
| Total Units: 48 | | Year Built: Rehab 1999 | | Project Type: Open | | Floors: 1 | | Program: LIHTC | | Accept Vouchers: Yes | |
| PBRA Units*: 0 | | Voucher #: 8 | | | | | | | | | |
| * Including Section 8, Rental Assistance, and any other Project-Based Subsidy | | | | | | | | | | | |
| UNIT CONFIGURATION/RENTAL RATES | | | | | | | | | | | |
| BR | Bath | Target | Type | # Units | Square Feet | | Contract Rent | | Vacant | Occup. Rate | Wait List |
| | | | | | Low | High | Low | High | | | |
| TOTAL 2-BEDROOM UNITS | | | | 48 | | | | | 0 | 100.0% | No |
| 2 | 1.0 | 50 | Apt | 24 | 800 | | | \$460 | 0 | 100.0% | |
| 2 | 1.0 | 60 | Apt | 24 | 800 | | | \$460 | 0 | 100.0% | |
| TOTAL DEVELOPMENT | | | | 48 | | | | | 0 | 100.0% | None |
| AMENITIES | | | | | | | | | | | |
| <u>Unit Amenities</u> | | | | <u>Development Amenities</u> | | | | <u>Laundry Type</u> | | | |
| <input checked="" type="checkbox"/> - Central A/C | | | | <input type="checkbox"/> - Clubhouse | | | | <input checked="" type="checkbox"/> - Coin-Operated Laundry | | | |
| <input type="checkbox"/> - Wall A/C Unit | | | | <input checked="" type="checkbox"/> - Community Room | | | | <input type="checkbox"/> - In-Unit Hook-Up | | | |
| <input type="checkbox"/> - Garbage Disposal | | | | <input type="checkbox"/> - Computer Center | | | | <input type="checkbox"/> - In-Unit Washer/Dryer | | | |
| <input checked="" type="checkbox"/> - Dishwasher | | | | <input type="checkbox"/> - Exercise/Fitness Room | | | | | | | |
| <input type="checkbox"/> - Microwave | | | | <input checked="" type="checkbox"/> - Community Kitchen | | | | <u>Parking Type</u> | | | |
| <input type="checkbox"/> - Ceiling Fan | | | | <input type="checkbox"/> - Swimming Pool | | | | <input checked="" type="checkbox"/> - Surface Lot | | | |
| <input type="checkbox"/> - Walk-In Closet | | | | <input checked="" type="checkbox"/> - Playground | | | | <input type="checkbox"/> - Carport | | | |
| <input checked="" type="checkbox"/> - Mini-Blinds | | | | <input type="checkbox"/> - Gazebo | | | | <input type="checkbox"/> - Garage (att) \$0 | | | |
| <input type="checkbox"/> - Draperies | | | | <input type="checkbox"/> - Elevator | | | | <input type="checkbox"/> - Garage (det) \$0 | | | |
| <input type="checkbox"/> - Patio/Balcony | | | | <input type="checkbox"/> - Storage | | | | | | | |
| <input type="checkbox"/> - Basement | | | | <input type="checkbox"/> - Sports Courts | | | | <u>Utilities Included</u> | | | |
| <input type="checkbox"/> - Fireplace | | | | <input type="checkbox"/> - On-Site Management | | | | <input type="checkbox"/> - Heat ELE | | | |
| <input type="checkbox"/> - High-Speed Internet | | | | <input type="checkbox"/> - Security - Access Gate | | | | <input type="checkbox"/> - Electricity | | | |
| | | | | <input type="checkbox"/> - Security - Intercom | | | | <input checked="" type="checkbox"/> - Trash Removal | | | |
| | | | | | | | | <input checked="" type="checkbox"/> - Water/Sewer | | | |

6. Market Rent Calculations

Estimated market rents are utilized to determine the approximate rental rates that can be achieved within the local PMA assuming no income restrictions. Based on existing market rate properties that can be considered as most comparable to the subject proposal (based on but not limited to location, target market, building type, and age), rental rates are adjusted according to specific factors as compared to the subject. Adjustment factors include design, location, and condition of the property, construction date, unit and site amenities, unit sizes, and utilities included.

A total of four market-rate properties were selected to determine the estimated market rate, based largely on the availability of two and three-bedroom units, location, and building type. Using the Rent Comparability Grid on the following pages, the following is a summary of the estimated market rents by bedroom size along with the subject property's corresponding market advantage:

| | Proposed Net Rent | Estimated Market Rent | Market Advantage |
|----------------------------|------------------------------|----------------------------------|-----------------------------|
| Two-Bedroom Units | | | |
| 50% AMI | \$445 | \$851 | 48% |
| 60% AMI | \$540 | \$851 | 37% |
| Three-Bedroom Units | | | |
| 50% AMI | \$505 | \$987 | 49% |
| 60% AMI | \$620 | \$987 | 37% |

Rent Comparability Grid

| Subject Property | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | |
|---------------------------------------|---------------------|---------------------|---------------|----------------------|---------------|----------------|---------------|----------------|---------------|
| Project Name | | Charles Pointe Apts | | Columns at Millstone | | Bentree Apts | | Woodlake Apts | |
| Project City | Subject Data | Florence | | Florence | | Florence | | Florence | |
| Date Surveyed | | 2/1/16 | | 1/28/16 | | 1/26/16 | | 1/28/16 | |
| A. Design, Location, Condition | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| Structure Type | Apts | Apts | \$0 | Apts | \$0 | Apts | \$0 | Apts | \$0 |
| Yr. Built/Yr. Renovated | 2018 | 2001 | \$13 | 2007 | \$8 | 1995 | \$17 | 2011 | \$5 |
| Condition /Street Appeal | Good | Good | \$0 | Good | \$0 | Good | \$0 | Good | \$0 |
| B. Unit Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| Central A/C | Yes | Yes | | Yes | | Yes | | Yes | |
| Garbage Disposal | No | Yes | (\$3) | Yes | (\$3) | Yes | (\$3) | Yes | (\$3) |
| Dishwasher | Yes | Yes | | Yes | | Yes | | Yes | |
| Microwave | Yes | Yes | | Yes | | No | \$3 | Yes | |
| Walk-In Closet | Yes | Yes | | Yes | | Yes | | Yes | |
| Mini-Blinds | Yes | Yes | | Yes | | Yes | | Yes | |
| Patio/Balcony | Yes | Yes | | Yes | | Yes | | Yes | |
| Basement | No | No | | No | | No | | No | |
| Fireplace | No | No | | No | | No | | No | |
| C. Site Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| Clubhouse | Yes | Yes | | No | \$3 | No | \$3 | No | \$3 |
| Community Room | Yes | No | \$3 | No | \$3 | Yes | | No | \$3 |
| Computer Center | Yes | No | \$3 | No | \$3 | No | \$3 | No | \$3 |
| Exercise Room | No | Yes | (\$3) | No | | No | | Yes | (\$3) |
| Swimming Pool | No | Yes | (\$5) | No | | Yes | (\$5) | Yes | (\$5) |
| Playground | Yes | Yes | | No | \$5 | Yes | | No | \$5 |
| Sports Courts | No | Yes | (\$3) | No | | No | | No | |
| On-Site Management | Yes | Yes | | No | \$3 | Yes | | No | \$3 |
| Security - Access Gate | No | No | | No | | No | | Yes | (\$3) |
| Security - Intercom | No | No | | No | | No | | No | |
| D. Other Amenities | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| Coin-Operated Laundry | Yes | No | \$5 | No | \$5 | Yes | | No | \$5 |
| In-Unit Hook-Up | Yes | Yes | | Yes | | Yes | | Yes | |
| In-Unit Washer/Dryer | No | No | | No | | No | | No | |
| Carport | No | No | | No | | No | | No | |
| Garage (attached) | No | No | | No | | No | | No | |
| Garage (detached) | No | Yes | \$0 | No | | No | | No | |
| E. Utilities Included | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| Heat | No | No | | No | | No | | No | |
| Electric | No | No | | No | | No | | No | |
| Trash Removal | Yes | Yes | | Yes | | Yes | | Yes | |
| Water/Sewer | Yes | Yes | | Yes | | No | XXX | No | XXX |
| Heat Type | ELE | ELE | | ELE | | Gas | | ELE | |
| Utility Adjustments | | | | | | | | | |
| Efficiency Units | | | | | | | | | |
| One-Bedroom Units | | | | | | | | | |
| Two-Bedroom Units | | | | | | | | | |
| Three-Bedroom Units | | | | | | | | | |
| Four-Bedroom Units | | | | | | | | | |

| <i>Subject Property</i> | | <i>Comp #1</i> | | <i>Comp #2</i> | | <i>Comp #3</i> | | <i>Comp #4</i> | |
|-----------------------------------|---------------------|---------------------|---------------|----------------------|---------------|----------------|---------------|----------------|---------------|
| Project Name | | Charles Pointe Apts | | Columns at Millstone | | Bentree Apts | | Woodlake Apts | |
| Project City | Subject Data | Florence | | Florence | | Florence | | Florence | |
| Date Surveyed | | 42401 | | 42397 | | 42395 | | 42397 | |
| F. Average Unit Sizes | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| Two-Bedroom Units | 1,200 | 1,100 | \$15 | 1,100 | \$15 | 860 | \$51 | 1,040 | \$24 |
| Three-Bedroom Units | 1,350 | 1,230 | \$18 | | | 1,100 | \$38 | 1,222 | \$19 |
| G. Number of Bathrooms | | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| Two-Bedroom Units | 2.0 | 2.0 | \$0 | 2.0 | \$0 | 1.5 | \$15 | 2.0 | \$0 |
| Three-Bedroom Units | 2.0 | 2.0 | \$0 | | | 2.0 | \$0 | 2.0 | \$0 |
| G. Total Adjustments Recap | | | | | | | | | |
| Two-Bedroom Units | | | \$25 | | \$42 | | \$84 | | \$37 |
| Three-Bedroom Units | | | \$28 | | | | \$56 | | \$32 |

| | | <i>Comp #1</i> | | <i>Comp #2</i> | | <i>Comp #3</i> | | <i>Comp #4</i> | |
|-----------------------------------|---------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| Project Name | | Charles Pointe Apts | | Columns at Millstone | | Bentree Apts | | Woodlake Apts | |
| Project City | Subject Data | Florence | | Florence | | Florence | | Florence | |
| Date Surveyed | | 42401 | | 42397 | | 42395 | | 42397 | |
| H. Rent/Adjustment Summary | | Unadjusted Rent | Adjusted Rent | Unadjusted Rent | Adjusted Rent | Unadjusted Rent | Adjusted Rent | Unadjusted Rent | Adjusted Rent |
| Market Rate Units | | | | | | | | | |
| Two-Bedroom Units | \$851 | \$835 | \$860 | \$775 | \$817 | \$705 | \$789 | \$900 | \$937 |
| Three-Bedroom Units | \$987 | \$990 | \$1,018 | | | \$805 | \$861 | \$1,050 | \$1,082 |

H. INTERVIEWS

Throughout the course of performing this analysis of the Florence rental market, many individuals were contacted. Based on discussions with local government officials, there was no directly comparable multi-family rental activity reported (planned or under construction) within the market area. However, there are two projects currently under construction: 1) a 48-unit senior tax credit project to be located at the intersection of Cherokee and South Irby, and 2) an 83-unit family project located at Irby Street and Cheves Street in downtown Florence – it is assumed that this is a market rate development. In addition, officials did not offer an opinion regarding the need for additional affordable housing in the area. The following planning departments were contacted:

Location: City of Florence
Contact: Clint Moore, Planner
Phone: 843-665-3113
Date: 2/19/2016

Furthermore, although not noted by city officials, it should be noted that another senior LIHTC development received an allocation in 2015 – Crescent Villas will consist of 48 units situated along Hoffmeyer Road. As such, considering the only current multi-family activity consists of senior tax credit and family market rate properties, it is not anticipated that any of these developments will have an adverse impact on the marketability or absorption of the subject proposal.

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Florence rental market as part of our survey of existing rental housing to collect more specific data. The results of these interviews are presented within the supply section of the market study. Based on these interviews, no widespread specials/concessions were reported throughout the local rental market.

I. CONCLUSIONS/RECOMMENDATIONS

Based on the information collected and reported within this study, sufficient evidence has been presented for the successful introduction and absorption of the subject property, as proposed, within the Florence PMA. Factors supporting the introduction of a newly constructed rental alternative targeted for low-income family households include the following:

1. Generally positive demographic patterns since 2010 throughout the PMA – the overall population is estimated to have increased by one percent between 2010 and 2015, representing more than 1,100 additional persons;
2. Extremely strong occupancy levels throughout the market area, with an overall occupancy rate of 99.4 percent calculated among 20 properties surveyed;
3. Extraordinarily strong occupancy rates within the area's family LIHTC properties, as well. Of the six tax credit properties within the survey, a combined occupancy rate of 98.2 percent was calculated. Furthermore, three were 100 percent occupied, and all six reported a waiting list;
4. The newest family-oriented tax credit development in Florence, Palmetto Station, opened in late 2014 and was fully absorbed within two months - providing clear evidence of the strong need and pent-up demand for affordable housing locally;
5. A generally positive site location just off of Irby Street and a short distance from numerous retail centers and other services required for multi-family housing;
6. The proposal represents a modern product with numerous amenities and features at an affordable rental level; and
7. A sufficient statistical demand calculation, with an absorption period conservatively estimated at approximately four to six months.

As such, the proposed facility should maintain at least a 93 percent occupancy rate into the foreseeable future with no long-term adverse effects on existing local rental facilities – either affordable or market rate. Assuming the subject proposal is developed as described within this analysis, Shaw Research & Consulting can provide a positive recommendation for the proposed development with no reservations or conditions.

J. SIGNED STATEMENT REQUIREMENTS

I affirm that I have made a physical inspection of the market and surrounding area and that 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 & 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.



Steven R. Shaw
SHAW RESEARCH AND CONSULTING, LLC

Date: March 1, 2016

K. SOURCES

2000 U.S. Census of Population and Housing - U.S. Census Bureau
2010 U.S. Census of Population and Housing – U.S. Census Bureau
2010-2014 American Community Survey – 5-Year Estimates – U.S. Census Bureau
2015/2020 Demographic Forecasts, ESRI Business Analyst Online
Apartment Listings – LIHTC – low-income-housing.credio.com
Apartment Listings – www.socialserve.com
Apartment Listings – Yahoo! Local – local.yahoo.com
Apartment Listings – Yellowbook – www.yellowbook.com
Community Info – Greater Florence Chamber of Commerce – www.florenceschamber.com
Community Profile 2016 – Florence County – SC Department of Employment & Workforce
CPI Inflation Calculator – Bureau of Labor Statistics – U.S. Department of Labor
Crime Data – HomeFair.com
Demographic Data – ESRI Business Analyst Online
Government Info – Florence County, SC – www.florenceco.org
Government Info – City of Florence, SC – www.cityofflorence.com
Income & Rent Limits 2015 – South Carolina State Housing Finance & Development Authority
Interviews with community planning officials
Interviews with managers and leasing specialists at local rental developments
South Carolina Industry Data – SC Works Online Services
South Carolina Labor Market Information – U.S. Bureau of Labor Statistics
South Carolina LIHTC Allocations – SC State Housing Finance & Development Authority
Microsoft Streets and Trips 2013

L. RESUME

STEVEN R. SHAW SHAW RESEARCH & CONSULTING, LLC

Mr. Shaw is a principal at Shaw Research and Consulting. With over twenty-five years of experience in market research, he has assisted a broad range of clients with the development of various types of housing alternatives throughout the United States, including multi-family rental properties, single-family rental developments, for-sale condominiums, and senior housing options. Clients include developers, federal and state government agencies, non-profit organizations, and financial institutions. Areas of expertise include market study preparation, pre-feasibility analysis, strategic targeting and market identification, customized survey and focus group research, and demographic and economic analysis. Since 2000, Mr. Shaw has reviewed and analyzed housing conditions in nearly 400 markets across 24 states.

Previous to forming Shaw Research in January 2007, he most recently served as partner and Director of Market Research at Community Research Services (2004-2006). In addition, Mr. Shaw also was a partner for Community Research Group (1999-2004), and worked as a market consultant at Community Targeting Associates (1997-1999). Each of these firms provided the same types of services as Shaw Research and Consulting.

Additional market research experience includes serving as manager of automotive analysis for J.D. Power and Associates (1992-1997), a global automotive market research firm based in Troy, Michigan. While serving in this capacity, Mr. Shaw was responsible for identifying market trends and analyzing the automotive sector through proprietary and syndicated analytic reports. During his five-year tenure at J.D. Power, Mr. Shaw developed a strong background in quantitative and qualitative research measurement techniques through the use of mail and phone surveys, focus group interviews, and demographic and psychographic analysis. Previous to J.D. Power, Mr. Shaw was employed as a Senior Market Research Analyst with Target Market Systems (the market research branch of First Centrum Corporation) in East Lansing, Michigan (1990-1992). At TMS, his activities consisted largely of market study preparation for housing projects financed through RHS and MSHDA programs. Other key duties included the strategic targeting and identification of new areas for multi-family and single-family housing development throughout the Midwest.

A 1990 graduate of Michigan State University, Mr. Shaw earned a Bachelor of Arts degree in Marketing with an emphasis in Market Research, while also earning an additional major in Psychology.

MARKET STUDY

S-2 Primary Market Analysis Summary

2016 EXHIBIT S - 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

| | | | |
|-------------------|--|--|--|
| Development Name: | MISSION VILLAGE OF FLORENCE | Total # Units: | 52 |
| Location: | Attwood Avenue | # LIHTC Units: | 52 |
| PMA Boundary: | North=county border/Black Creek; South=Lynches River; East=SC-327/Cemetary Rd; West=Langston/Peniel Rd | | |
| Development Type: | <input checked="" type="checkbox"/> Family | <input type="checkbox"/> Older Persons | Farthest Boundary Distance to Subject: 8 Miles |

RENTAL HOUSING STOCK (found on page 52)

| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing | 20 | 2,186 | 14 | 99.4% |
| Market-Rate Housing | 12 | 1,661 | 8 | 99.5% |
| Assisted/Subsidized Housing not to include LIHTC | 2 | 197 | 0 | 100.0% |
| LIHTC (All that are stabilized)* | 6 | 328 | 6 | 98.2% |
| Stabilized Comps** | 6 | 328 | 6 | 98.2% |
| Non-stabilized Comps | 0 | 0 | 0 | NA |

*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 |
| 0 | 1 BR | -- | -- | -- | -- | -- | -- | -- | -- |
| 0 | 1 BR | -- | -- | -- | -- | -- | -- | -- | -- |
| 6 | 2 BR | 2.0 | 1,200 | \$445 | \$851 | \$1,043.94 | 47.7% | \$1,095 | \$0.97 |
| 16 | 2 BR | 2.0 | 1,200 | \$540 | \$851 | \$1,043.94 | 36.5% | \$1,095 | \$0.97 |
| 5 | 3 BR | 2.0 | 1,350 | \$505 | \$987 | \$1,207.13 | 48.8% | \$1,355 | \$1.05 |
| 25 | 3 BR | 2.0 | 1,350 | \$620 | \$987 | \$1,207.13 | 37.2% | \$1,355 | \$1.05 |
| Gross Potential Rent Monthly* | | | | \$29,335 | \$48,329 | | 39.30% | | |

*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.

DEMOGRAPHIC DATA (found on page 34)

| | 2010 | | 2015 | | 2018 | |
|-------------------------------------|--------|-------|--------|-------|--------|-------|
| Renter Households | 11,688 | 34.7% | 12,748 | 37.0% | 12,846 | 37.1% |
| Income-Qualified Renter HHs (LIHTC) | 2,493 | 21.3% | 2,719 | 21.3% | 2,740 | 21.3% |
| Income-Qualified Renter HHs (MR) | -- | -- | -- | -- | -- | -- |

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 46)

| Type of Demand | 50% | 60% | Market Rate | Other: | Other: | Overall |
|---|------------|------------|-------------|----------|----------|------------|
| Renter Household Growth | 5 | 6 | | | | 8 |
| Existing Households (Overburd + Substand) | 249 | 302 | | | | 409 |
| Homeowner Conversion (Seniors) | -- | -- | | | | -- |
| Other: | -- | -- | | | | -- |
| Less Comparable/Competitive Supply | 0 | 0 | | | | 0 |
| Net Income-Qualified Renter HHs | 254 | 308 | 0 | 0 | 0 | 417 |

CAPTURE RATES (found on page 46)

| Targeted Population | 50% | 60% | Market Rate | Other: | Other: | Overall |
|---------------------|------|-------|-------------|--------|--------|---------|
| Capture Rate | 4.3% | 13.3% | | | | 12.5% |

ABSORPTION RATE (found on page 48)

| | | |
|--------------------|--------|--------|
| Absorption Period: | 4 to 6 | months |
|--------------------|--------|--------|

MARKET STUDY

S-2 Rent Calculation Worksheet

| 2016 S-2 RENT CALCULATION WORKSHEET | | | | | | |
|-------------------------------------|--------------|---------------------------|-----------------------------|----------------------|-----------------------------|---------------------------------|
| # Units | Bedroom Type | Proposed Tenant Paid Rent | Gross Potential Tenant Rent | Adjusted Market Rent | Gross Potential Market Rent | Tax Credit Gross Rent Advantage |
| 0 | 0 BR | | \$0 | | \$0 | |
| 0 | 0 BR | | \$0 | | \$0 | |
| 0 | 0 BR | | \$0 | | \$0 | |
| 0 | 1 BR | | \$0 | | \$0 | |
| 0 | 1 BR | | \$0 | | \$0 | |
| 0 | 1 BR | | \$0 | | \$0 | |
| 6 | 2 BR | \$445 | \$2,670 | \$851 | \$5,104 | |
| 16 | 2 BR | \$540 | \$8,640 | \$851 | \$13,612 | |
| 0 | 2 BR | | \$0 | | \$0 | |
| 5 | 3 BR | \$505 | \$2,525 | \$987 | \$4,935 | |
| 25 | 3 BR | \$620 | \$15,500 | \$987 | \$24,675 | |
| 0 | 3 BR | | \$0 | | \$0 | |
| 0 | 4 BR | | \$0 | | \$0 | |
| 0 | 4 BR | | \$0 | | \$0 | |
| 0 | 4 BR | | \$0 | | \$0 | |
| Totals | 52 | | \$29,335 | | \$48,325 | 39.30% |