



Shaw Research & Consulting

Real Estate Analysis & Market Feasibility Services

**A SENIOR RENTAL HOUSING
MARKET FEASIBILITY ANALYSIS
FOR
SPARTANBURG, SOUTH CAROLINA
(Spartanburg County)**

Archibald Tower Apartments

*764 N. Church Street
Spartanburg, South Carolina 29303*

February 25, 2019

Prepared for:

Mr. Mansur Abdul-Malik
Archibald Tower, LLC
1090 Vermont Ave. NW, Suite 400
Washington, DC 20005

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: February 25, 2019

INTRODUCTION

Shaw Research & Consulting, LLC has prepared the following rental housing study to examine and analyze the Spartanburg area as it pertains to the market feasibility for the proposed rehabilitation of Archibald Rutledge Apartments - an existing subsidized 12-story high-rise rental property originally constructed in 1971 (last rehabbed in 1987), and operated through the Spartanburg Housing Authority. The property is situated in the northern portion of the city along Church Street, just west of the Spartanburg Medical Center. The subject proposal will be renamed Archibald Tower Apartments at the closing of the LIHTC transaction, and will consist of 78 one-bedroom units on the uppermost nine stories (floors four through 12). It should be noted that the redevelopment of the subject property will utilize the “twinning concept”, with the first three stories to be renovated as Archibald Landing in a separate 4% Bond application later in 2019. Currently, Archibald Rutledge serves the general population, but has a generally high percent of older residents. As such, the proposal will target seniors aged 55 and over, and will include several amenities to be added post-rehab to better serve this older population segment.

The purpose of this report is to analyze the market feasibility for the proposed rehabilitation 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 Spartanburg market area. All fieldwork and community data collection was conducted on January 10, 2019 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 rehabilitation 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 renovated Archibald Tower Apartments will feature a total of 79 units, with 78 units restricted to senior households earning less than 60 percent of the area median income (AMI). Furthermore, because this will be a RAD conversion, all units will continue to receive project-based rental assistance (PBRA) when renovation efforts are complete.

EXECUTIVE SUMMARY

Based on the information collected and presented within this report, sufficient evidence has been introduced for the successful rehabilitation and re-absorption of Archibald Tower Apartments within the city of Spartanburg. As such, the following summary highlights the key findings and conclusions reached from this information:

- 1) The subject proposal represents the rehabilitation of Archibald Rutledge Apartments, a subsidized property targeting the general population. As such, the proposal will be renamed Archibald Tower Apartments upon completion of the LIHTC transaction, and will contain a total of 79 units – with one non-revenue manager’s units and 78 units targeting very low and low-income senior households. Further, only floors four through 12 are included in the proposal, and will be totally reconfigured to consist of all one-bedroom units restricted to households at 60 percent of AMI. In addition, it is proposed that all units will continue to contain project-based rental assistance post-renovation.
- 2) Demand estimates for the proposed development show sufficient statistical support for the rehabilitation and re-absorption of the subject property within the Spartanburg PMA, even in the unlikely event that all units will need to be remarketed post-rehab. As such, capture rates as presented in Exhibit S-2 (following the executive summary) are reflective of the need for affordable senior rental housing and are within industry-accepted thresholds.
- 3) Occupancy rates for rental housing are extremely strong throughout the market area at the current time. As such, an overall occupancy rate of 98.2 percent was calculated from a January 2019 survey of 21 rental developments identified and contacted within the PMA.
- 4) Only limited senior rental options are available within Spartanburg at the current time. According to survey results, there was only one senior-only property within the defined PMA which had non-subsidized tax credit units. While three subsidized senior projects were included in the survey, two other senior subsidized facilities would not participate and are not included in the report. Based on survey results, only one vacancy was reported among the four senior properties, resulting in a combined occupancy rate of 99.7 percent. Further, each senior project reported a waiting list.
- 5) The only non-subsidized tax credit rental alternative targeted specifically towards seniors is Cedar Springs Place Apartments, consisting of 48 units constructed in 2008 (with 29 LIHTC and 19 PBRA units). According to the leasing manager, the property is 100 percent occupied with a waiting list.
- 6) In addition, the three family-oriented LIHTC properties included in the survey were a combined 99.6 percent occupied with each maintaining a long waiting list – providing additional evidence of the acceptance and demand for affordable rental options locally.

- 7) The Spartanburg area has experienced significant senior demographic growth in recent years. As such, the overall senior population (55 years and over) is estimated to have increased by 21 percent between 2010 and 2018, representing nearly 5,250 additional seniors. Future projections indicate an additional increase of ten percent is anticipated between 2018 and 2023 (almost 3,000 additional seniors). Considering this strong growth, the demand for additional senior housing will undoubtedly escalate as well.
- 8) The subject property represents a highly successful existing project with historical occupancy rates above 97 percent over the past three years. In addition, the generally positive site location along a well-traveled roadway within a relatively short distance from numerous retail centers and other services required for senior residents can also be considered a positive factor.
- 9) The proposal represents a substantial upgrade to the subject property and will add several amenities and features that will cater specifically to seniors. Additionally, each unit will retain PBRA subsidies, ensuring that tenants will continue to have an affordable rental option post-rehab.
- 10) Considering the subject's location, proposed targeting, inclusion of rental assistance, and generally competitive unit sizes and development features, the renovation and re-introduction of the subject proposal will undoubtedly prove successful. Based on extremely strong senior demographic patterns, high occupancy levels throughout the local rental stock (including senior-only properties), a highly successful existing project, and further considering the lack of adequate affordable senior housing throughout the area, affordable senior-only rental options such as the subject property will continue to be in demand in the foreseeable future.
- 11) As such, evidence presented within this market study suggests a conservative re-absorption period of five to seven months (assuming the project is totally re-marketed) should be anticipated based on project characteristics as proposed. However, because it is likely that roughly one-half of existing residents will be retained post-rehab, the actual re-absorption period will likely be much less. As such, the rehabilitation of the subject proposal will not have any adverse effect on any other existing rental property – either affordable or market rate.

2019 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY - LIHTC

Development Name:	<u>Archibald Tower</u>	Total # Units:	<u>79</u>
Location:	<u>764 N. Church Street, Spartanburg, South Carolina SC</u>	# LIHTC Units:	<u>78</u>
Development Type:	<u>Family</u> <u>XX</u> Older Persons	Farthest Boundary Distance to Subject:	<u>9 Miles</u>

RENTAL HOUSING STOCK (found on page 57)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	21	2,604	47	98.2%
Market-Rate Housing	11	1,683	40	97.6%
Assisted/Subsidized Housing not to include LIHTC	6	593	6	99.0%
LIHTC (All that are stabilized)*	4	328	1	99.7%
Stabilized Comps**	4	328	1	99.7%
Non-stabilized Comps	2	41	NA	(both under construction)

*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
78	1 BR	1.0	750	\$660	\$933	\$1.31	29.3%	\$1,170	\$2.17
Gross Potential Rent Monthly*				\$51,480	\$72,802		29.29%		

*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 38)

	2010		2018		2021	
Renter Households	4,399	27.1%	5,142	27.1%	5,369	27.1%
Income-Qualified Renter HHs (LIHTC)	2,820	64.1%	3,297	64.1%	3,442	64.1%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 52)

Type of Demand	50%	60%	Market Rate	Other: _____	Other: _____	PBRA
Renter Household Growth	--	34	--			145
Existing Households (Overburd + Substand)	--	360	--			1,523
Homeowner Conversion (Seniors)	--	76	--			196
Other:	--	--	--			--
Less Comparable/Competitive Supply	--	41	--			41
Net Income-Qualified Renter HHs	--	430	--	--	--	1,823

CAPTURE RATES (found on page 56)

Targeted Population	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Capture Rate	--	18.2%	--			4.3%

ABSORPTION RATE (found on page 56)

Absorption Period: 5 to 7 months

2019 S-2 RENT CALCULATION WORKSHEET - LIHTC							
	# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
40%	--	0 BR	--	--	--	--	
50%	--	0 BR	--	--	--	--	
60%	--	0 BR	--	--	--	--	
40%	--	1 BR	--	--	--	--	
50%	--	1 BR	--	--	--	--	
60%	78	1 BR	\$660	\$51,480	\$933	\$72,802	
40%	--	2 BR	--	--	--	--	
50%	--	2 BR	--	--	--	--	
60%	--	2 BR	--	--	--	--	
40%	--	3 BR	--	--	--	--	
50%	--	3 BR	--	--	--	--	
60%	--	3 BR	--	--	--	--	
40%	--	4 BR	--	--	--	--	
50%	--	4 BR	--	--	--	--	
60%	--	4 BR	--	--	--	--	
	Totals	78		\$51,480		\$72,802	29.29%

2019 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY - PBRA

Development Name:	<u>Archibald Tower</u>	Total # Units:	<u>79</u>
Location:	<u>764 N. Church Street, Spartanburg, South Carolina SC</u>	# LIHTC Units:	<u>78</u>
Development Type:	<u>Family</u> <u>XX</u> Older Persons	Farthest Boundary Distance to Subject:	<u>9 Miles</u>

RENTAL HOUSING STOCK (found on page 57)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	21	2,604	47	98.2%
Market-Rate Housing	11	1,683	40	97.6%
Assisted/Subsidized Housing not to include LIHTC	6	593	6	99.0%
LIHTC (All that are stabilized)*	4	328	1	99.7%
Stabilized Comps**	4	328	1	99.7%
Non-stabilized Comps	2	41	NA	(both under construction)

*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
78	1 BR	1.0	750	\$709	\$933	\$1.31	24.0%	\$1,170	\$2.17
Gross Potential Rent Monthly*				\$55,302	\$72,802		24.04%		

*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 38)

	2010		2018		2021	
Renter Households	4,399	27.1%	5,142	27.1%	5,369	27.1%
Income-Qualified Renter HHs (LIHTC)	2,820	64.1%	3,297	64.1%	3,442	64.1%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 52)

Type of Demand	50%	60%	Market Rate	Other:	Other:	PBRA
Renter Household Growth	--	34	--			145
Existing Households (Overburd + Substand)	--	360	--			1,523
Homeowner Conversion (Seniors)	--	76	--			196
Other:	--	--	--			--
Less Comparable/Competitive Supply	--	41	--			41
Net Income-Qualified Renter HHs	--	430	--	--	--	1,823

CAPTURE RATES (found on page 56)

Targeted Population	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Capture Rate	--	18.2%	--			4.3%

ABSORPTION RATE (found on page 56)

Absorption Period:	<u>5 to 7</u> months
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2019 S-2 RENT CALCULATION WORKSHEET - PBRA							
	# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
40%	--	0 BR	--	--	--	--	
50%	--	0 BR	--	--	--	--	
60%	--	0 BR	--	--	--	--	
40%	--	1 BR	--	--	--	--	
50%	--	1 BR	--	--	--	--	
60%	78	1 BR	\$709	\$55,302	\$933	\$72,802	
40%	--	2 BR	--	--	--	--	
50%	--	2 BR	--	--	--	--	
60%	--	2 BR	--	--	--	--	
40%	--	3 BR	--	--	--	--	
50%	--	3 BR	--	--	--	--	
60%	--	3 BR	--	--	--	--	
40%	--	4 BR	--	--	--	--	
50%	--	4 BR	--	--	--	--	
60%	--	4 BR	--	--	--	--	
	Totals	78		\$55,302		\$72,802	24.04%

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. Because it is anticipated that the proposal will include project-based rental assistance, the following report will be based on the following two scenarios:

Scenario 1 assumes that project-based vouchers will be included for all 78 units;

Scenario 2 assumes no subsidies will be in place for the development of the subject, and that straight tax credit guidelines will be observed.

Project Name:	ARCHIBALD TOWER								
Project Address:	764 N. Church Street								
Project City:	Spartanburg, South Carolina								
County:	Spartanburg County								
Total Units:	79 (including one non-revenue unit)								
Occupancy Type:	Senior (55+)								
Construction Type:	Rehabilitation								
Targeting/Mix	Number of Units	Unit Type	Number of Baths	Square Feet	Contract Rent	Utility Allow.	Gross Rent	Max. LIHTC Rent*	Incl. PBRA
SCENARIO 1 - INCLUDING PBRA (\$0 to \$28,200 using 60% AMI Limits)									
One-Bedroom Units	79								
60% of Area Median Income	78	Apt	1.0	750	\$709	\$0	\$709	\$660	Yes
Non-Revenue Manager's Unit	1	Apt	1.0	750	---	---	---	---	---
SCENARIO 2 - Using LIHTC Guidelines and No PBRA (\$19,800 to \$28,200)									
One-Bedroom Units	79								
60% of Area Median Income	78	Apt	1.0	750	\$660	\$0	\$660	\$660	Yes
Non-Revenue Manager's Unit	1	Apt	1.0	750	---	---	---	---	---

*Maximum LIHTC Rents and Income Limits are based on 2018 Income & Rent Limits (effective 4/1/2018) obtained from SCSHFDA website (www.schousing.com). NOTE: Figures in "red" reflect proposed rents above the 2018 maximum-allowable LIHTC rents.

Project Description:

Development Location.....	Spartanburg, South Carolina
Construction Type.....	Rehabilitation
Occupancy Type	Older Persons (55+ years)
Target Income Group.....	100% LIHTC
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
Rental Assistance (PBRA).....	78 units

Project Size:

Total Development Size.....	79 units
Number of Affordable Units.....	78 units
Number of Market Rate Units.....	0 units
Number of PBRA Units	78 units
Number of Employee Units	1 units

Development Characteristics:

Number of Total Units	79 units
Number of Garden Apartments.....	79 units
Number of Townhouses.....	0 units
Number of Residential Buildings.....	1 (12 stories – with project on floors 4 thru 12)
Number of Community Buildings	0

Unit Amenities (post-rehab):

- | | |
|---------------------------|---------------------------------|
| ➤ Frost Free Refrigerator | ➤ Ceiling Fans |
| ➤ Oven/Range | ➤ Mini-Blinds/Vertical Blinds |
| ➤ Dishwasher | ➤ Wall Air Conditioning |
| ➤ Garbage Disposal | ➤ In-Unit Emergency Call System |

Development Amenities (post-rehab):

- | | |
|---------------------------------------|-----------------------------|
| ➤ Community Room (4) | ➤ On-Site Laundry Facility |
| ➤ Multi-Purpose Room w/ Kitchenette | ➤ Trash Compactor |
| ➤ Equipped Computer Center | ➤ Elevators (2) |
| ➤ Security Intercom Entry | ➤ On-Site Management Office |
| ➤ Security Cameras | ➤ On-Site Resident Services |
| ➤ On-Site Health Clinic | ➤ On-Site Chapel |
| ➤ On-Site Security/Maintenance Office | |

Additional Assumptions:

- Water, sewer, and trash 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 re-entry is scheduled for late 2020/early 2021;

Archibald Tower Apartments Profile

Current Occupancy Levels.....99 percent
 Current Waiting List Yes – approximately 350 names
 Current Program.....Public Housing – HUD ACC Contract
 Proposed Program.....LIHTC w/ PBRA

Project Narrative (provided by sponsor)

Executive Summary

The Spartanburg Housing Authority (SHA) and The NHP Foundation (NHPF) are applying for funding in the Rehabilitation Set-Aside of the 2019 9% Tax Credit RFP for Archibald Towers, LLC (Archibald Rutledge Apartments) (the Property). The Property (as changed to proposed project) is an 9-story high-rise in Spartanburg, SC that is subsidized under an ACC contract with HUD and is a part of SHA’s portfolio conversion under the Rental Assistance Demonstration (RAD) program. Upon redevelopment, the Property will be for individuals 55 years and older, receive a full renovation, offer greater services to the tenants to improve their quality of life, and continue the advancement of both City and neighborhood redevelopment efforts.

The Property

The Property is a 79-unit high-rise apartment complex built in 1972. Located at 764 North Church Street in Spartanburg City of Spartanburg County, South Carolina, the Property is situated on 2.058 acres of land, and has 79 one-bedroom units, with four units designed to be fully accessible, and one non-revenue unit reserved for a security officer, on-site manager, or maintenance person. Physically it is all brick with 9 floors and a flat roof.

Amenities include a community center, onsite parking, laundry facilities on every other floor, security cameras, and an onsite health clinic. After redevelopment, all current amenities will remain, as well as a computer lab, a game room, and a covered free-standing gazebo with ceiling fan, seating, lighting, and all other required amenities

Building Operations

Currently, 100% of the units are Public Housing units receiving operating subsidy pursuant to an ACC contract between SHA and HUD. Rent is income based, therefore 30% of the resident’s income is charged for rent. The Property is part of SHA’s portfolio conversion under the RAD Program and the subsidy will convert to Project Based Vouchers upon redevelopment. All utilities are currently paid by the property. This includes, gas, electric, water/sewer, and trash removal.

Site/Neighborhood Information

Located in the Northside Community, the Property is minutes from downtown Spartanburg, adjacent to the Spartanburg Regional Medical Center (SRMC) and is the northwestern most boundary for the Northside Initiative Master Plan. SRMC is located across the street (N. Church St.), and they are planning \$500 million in renovations and upgrades to the facility over the next 10 years, which includes relocating the emergency room entrance to be on North Church Street. The Northside Initiative Master Plan is proposing to revitalize the area between Church and Howard Streets with higher density developments, green and community spaces, a diverse mixture of uses, and greater connectivity of the neighborhood to amenities, including the SRMC. Revitalization of the Property along with SRMCs development plans stabilizes the northwestern border of the Northside Initiative redevelopment zone.

Development Concept

Even though the Property currently serves the general population, the size of the units and proximity to SRMC attracts many elderly individuals as potential tenants. Therefore, the redevelopment will be for seniors ages 55 and older, and modernizing it to extend its useful life, and be more amenable to an older tenant population. This combination ensures the Property's physical stability into the distant future and provides needed upgrades for a designated senior building.

Construction includes a complete modernization of all units, and upgrade of common areas and major systems. For instance, four ADA units will be added along with upgrading all MEPs, elevators, and roof. Any hazardous materials will be remediated, and all plumbing and electrical fixtures will be replaced with energy and water saving equivalents.

The project will be structured and financed using a concept called "Twinning". Twinning converts a "single project with multiple revenue streams into multiple projects with separate revenue streams, allocating costs to each project, and funding each project with distinct sources of funding". Similar to combining New Market Tax Credits and Low-Income Housing Tax Credits (LIHTC), Twinning allows projects to monetize excess basis, use tax-exempt bonds and 4% LIHTCs to fill funding gaps, and utilize unused State bond cap. This project will have excess basis due to the level of renovation and the State annual tax credit limit of \$850,000 and will use the Twinning concept to capitalize on the excess basis to fill the funding gap for a separate but related 4% LIHTC transaction.

The building is currently 12 stories with 150 units, and is to be divided into two multifamily condominium structures, with Archibald Towers, LLC serving as a 79-unit development spanning floors 4 through 12. However, to provide a whole site solution for redevelopment and replace all 150 units that were originally in Archibald Rutledge, a scattered site 4% LIHTC application will be submitted to the Authority, if awarded 9% LIHTC allocation for Archibald Tower. The project, Archibald Landing, will serve families and consist of two sites totaling 80 units.

1. Site #1 consists of the rehabilitation of 28 units in the remaining floors (floors 1 through 3) at Archibald Rutledge. The unit mix is 16 studios and 12 one-bedroom units. The combination of Archibald Tower and Archibald Landing will provide a whole building redevelopment of Archibald Rutledge.
2. Site #2 consists of 52 units of new construction at a parcel of land already owned by SHA on the corner of Rev. CM Johnson and Rev. WL Wilson Drive, near Collins Avenue in the City of Spartanburg. The unit mix is 20 one-bedroom units and 32 two-bedroom units. The buildings will be one-story slab on grade duplex buildings

If awarded a 9% allocation for Archibald Tower, a 4% LIHTC application for Archibald Landing will be submitted to the Authority in time to make the June/July board meeting. The scope of work, level of renovation/quality of new construction, and access to services and amenities will be identical for both the 9% and 4% applications. The final product will be seamless and display a greater use of South Carolina State Housing Finance Development Authority funding resources.

Financial and Economic Feasibility

The total development cost is \$10.3 million. The project will be financed with \$2.9 million in permanent debt that will fall within a 1.15 to 1.45 debt service coverage ratio, 6.50% interest rate (including an underwriting cushion for interest rate inflation), and a 35-year amortization. There is \$7.3 million in tax credit equity, which anticipates an \$.86.5 per credit price.

Construction/Scope of Work

Construction consists of \$89,000 per unit in renovation, including a 10% contingency. The scope of work includes, but will not be limited to:

- Roof replacement, including a 30-year warranty
- Adding new energy star appliances and light fixtures (including microwave)
- New kitchens
- New bathrooms
- New windows
- New flooring
- Plumbing and electrical upgrades
- New HVAC
- New hot water heaters
- Remediation of hazardous materials
- Creation of four fully accessible units
- Creation of a one-bedroom units by combining multiple studio apartments
- Repair existing fire suppression system, and add Range Queens to all ranges
- Add new emergency call boxes
- Create additional community space to provide services (with computers)
- Upgrade landscaping
- Repair and upgrade of elevators
- New trash compactor
- New laundry rooms
- Create new elevator lobbies on every floor
- Upgrade the existing security camera system
- Upgrade the existing common areas and management offices
- Sidewalk repair
- Create one non-revenue units reserved for a security officer, on-site manager, or maintenance person
- Create a covered free-standing gazebo with ceiling fan, seating, lighting, and all other required amenities

Relocation

Due to the level of renovation, residents will be required to relocate out of their units while construction is ongoing. Upon notification of a 9% LIHTC award, SHA will stop leasing units to build vacancy to temporarily relocate residents onsite. In the event there aren't enough vacant units to house all residents on site, residents will be temporarily relocated to off-site units within proximity of the Property. All requirements and regulations of the Uniform Relocation Act will be followed, and residents will not pay for approved relocation expenses. No resident will be displaced during this process. A description of the process and procedures, and itemized budget is included in the relocation plan accompanying this application.

B. SITE DESCRIPTION

1. Site Visit Date

All fieldwork and community data collection was conducted on January 10, 2019 by Steven Shaw.

2. Site Neighborhood and Overview

The subject property is located within the northern portion of the city of Spartanburg at the intersection of North Church Street and Centennial Street, just west of the Spartanburg Medical Center (SMC) and roughly one mile north of the main downtown business district. The site consists of a single 12-story brick building, with the subject proposal encompassing the uppermost nine stories. Overall characteristics of the immediate neighborhood are relatively mixed, consisting of residential, commercial, and undeveloped properties. As such, multi-family units (operated by the Spartanburg Housing Authority) are adjacent to the west along Centennial Street, an automotive commercial business is to the north, and undeveloped vacant property can be found to the immediate south and east of the site. In addition, residential areas (in fair to good condition) are located to the west of the subject property, the Spartanburg Medical Center (SMC) and other medical buildings are to the north along Church Street, while areas to the south along Church Street are predominately commercial oriented.

The subject property consists of a single 12-story residential building in fair to good condition, and in need of an update to remain competitive within the local marketplace. Situated within Census Tract 203.01 of Spartanburg County, the property is currently zoned for multi-family usage. 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:** Centennial Street/Commercial (Ricky's Auto Transmission Service)
- South:** Undeveloped, wooded property
- East:** Church Street/Undeveloped, grass-covered property
- West:** Multi-family (Spartanburg Housing Authority)

The subject property has prime frontage along Church Street (representing a well-traveled five-lane roadway), as well as from Centennial Street to the north (a lesser-traveled two-lane residential street). The subject property's location near SMC provides a generally positive

curb appeal (including ingress/egress) with no significant visible traffic congestion and most nearby properties (commercial, residential, or otherwise) in fair to good condition. Furthermore, the site's location also provides for relatively convenient access to much of the area's retail, medical, recreational, and employment locales, and can be considered a positive factor.

3. Nearby Retail

While there are only limited retail opportunities within walking distance of the site, numerous retail areas are located just a short drive away. As such, the nearest significant concentration can be found less than one mile east of the subject property along Pine Street – offering a Food Lion grocery, Rite-Aid pharmacy, CVS/Pharmacy, Dollar General, Big Lots, and numerous other opportunities. Furthermore, a Citgo Food Mart is located less than ½ mile northeast of the site at the intersection of Church Street and Whitney Road, while a Family Dollar and Wise Buys Discount Groceries are less than one mile away along Whitney Road. In addition, Asheville Highway to the west of the site also contains numerous retail options, with another larger concentration roughly two miles away near Veterans Parkway.

4. Medical Offices and Hospitals

Numerous medical services and physician offices can be found throughout the immediate area, with the Spartanburg Medical Center located approximately one-eighth mile northeast of the subject property along Church Street. In addition to a large variety of medical offices surrounding the hospital (many of which are less than one-third mile from the site), other nearby medical offices include MEDcare Urgent Care (½ mile east), St. Luke's Free Medical Clinic (1½ miles south), and ReGenesis Health Care (1½ mile southeast).

5. Other PMA Services

In addition to the Senior Life and Wellness Club (SL&WC) situated within the subject building on the first floor, additional services of note within the immediate area include a library, senior center, YMCA, and several parks and recreation facilities within two miles of the site. The SL&WC offers on-site group meals five days per week, local transportation to and from the center, exercise and wellness activities, weekly bible study, and social/recreational/ educational activities. Additionally, the Shepherd's Senior Center is situated approximately 1¾ mile to the south in downtown Spartanburg, offering numerous additional activities and services - including

exercise classes, activities, educational enrichment, volunteer opportunities, and many other social programs.

Fixed-route bus/transit services are offered locally through the Spartanburg Area Regional Transit Agency (SPARTA), providing public bus service to all areas of the city and select areas outside of the city’s limits. The nearest bus stop can be found adjacent to the subject property along Church Street.

The following identifies pertinent locations and features within the local 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. Pinewood Shopping Center.....0.9 miles northeast
(w/ Big Lots, Dollar General, Rose’s Express, and more)
- 2. Wise Buys Discount Grocery.....0.8 miles northeast
- 3. Food Lion grocery.....0.8 miles east
- 4. Rite-Aid Pharmacy.....0.8 miles east
- 5. CVS/Pharmacy.....0.9 miles east
- 6. Family Dollar0.9 miles northeast
- 7. Dollar General.....0.9 miles northwest
- 8. Bi-Lo grocery.....2.0 miles northwest
- 9. Citgo Food Mart.....0.4 miles northeast
- 10. Greater Spartanburg Ministries Resale and Outreach Center0.2 miles southwest

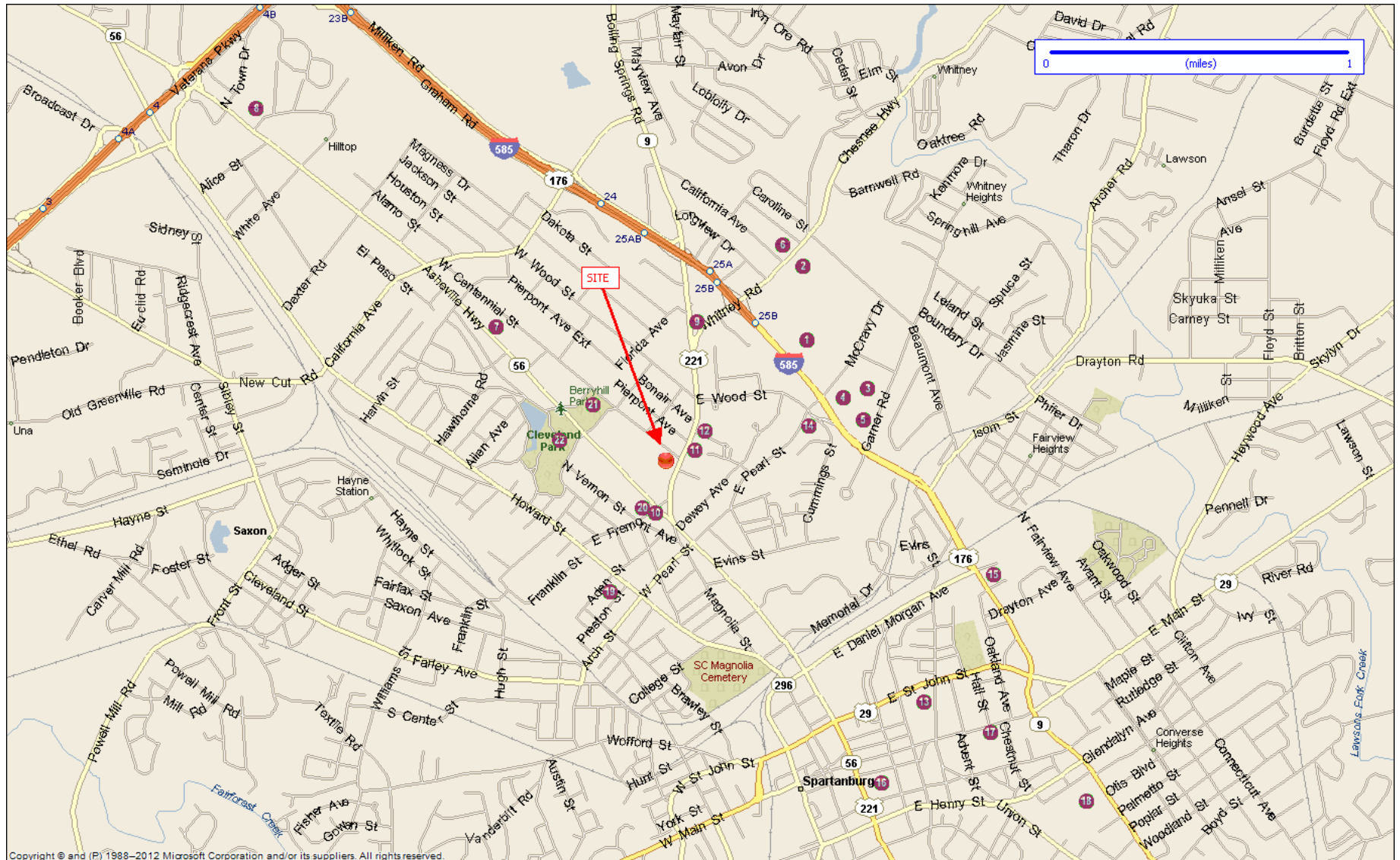
Medical

- 11. Spartanburg Medical Center0.1 mile northeast
- 12. SMC Physicians Center0.2 miles northeast
- 13. St. Luke’s Free Medical Clinic1.5 miles south
- 14. MEDcare Urgent Care0.5 miles east
- 15. ReGenesis Health Care1.5 miles southeast

Recreation/Other

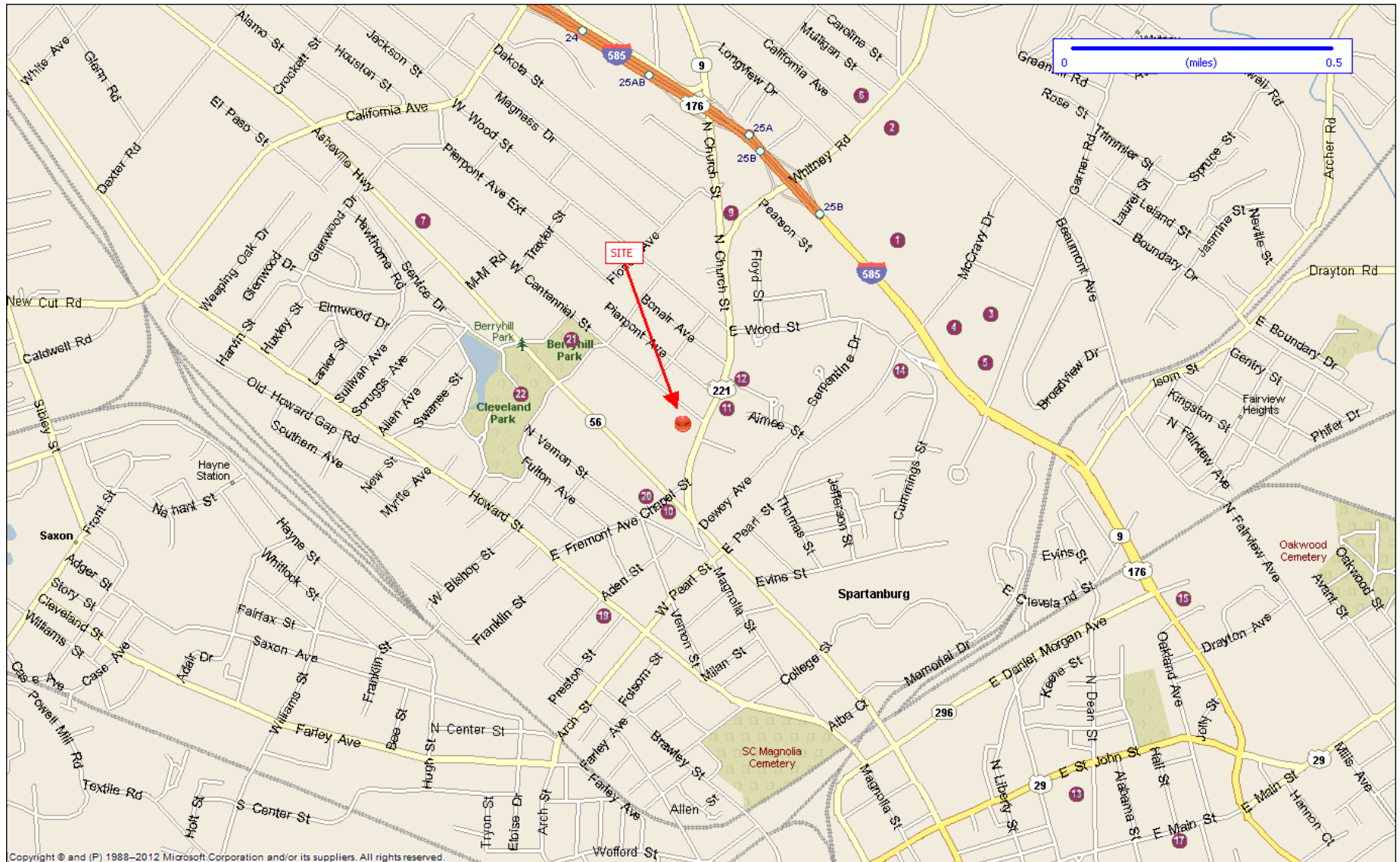
- 16. Spartanburg Public Library.....1.3 miles south
- 17. Shepherd’s Senior Center1.8 miles south
- 18. YMCA of Greater Spartanburg.....2.2 miles southeast
- 19. Dr. TK Gregg Community Center *(under construction)*.....0.6 miles southwest
- 20. Chapel Street Park.....0.2 miles southwest
- 21. Berry Field0.2 miles northwest
- 22. Cleveland Park0.4 miles northwest

Map 1: Local Features/Amenities – Spartanburg Area

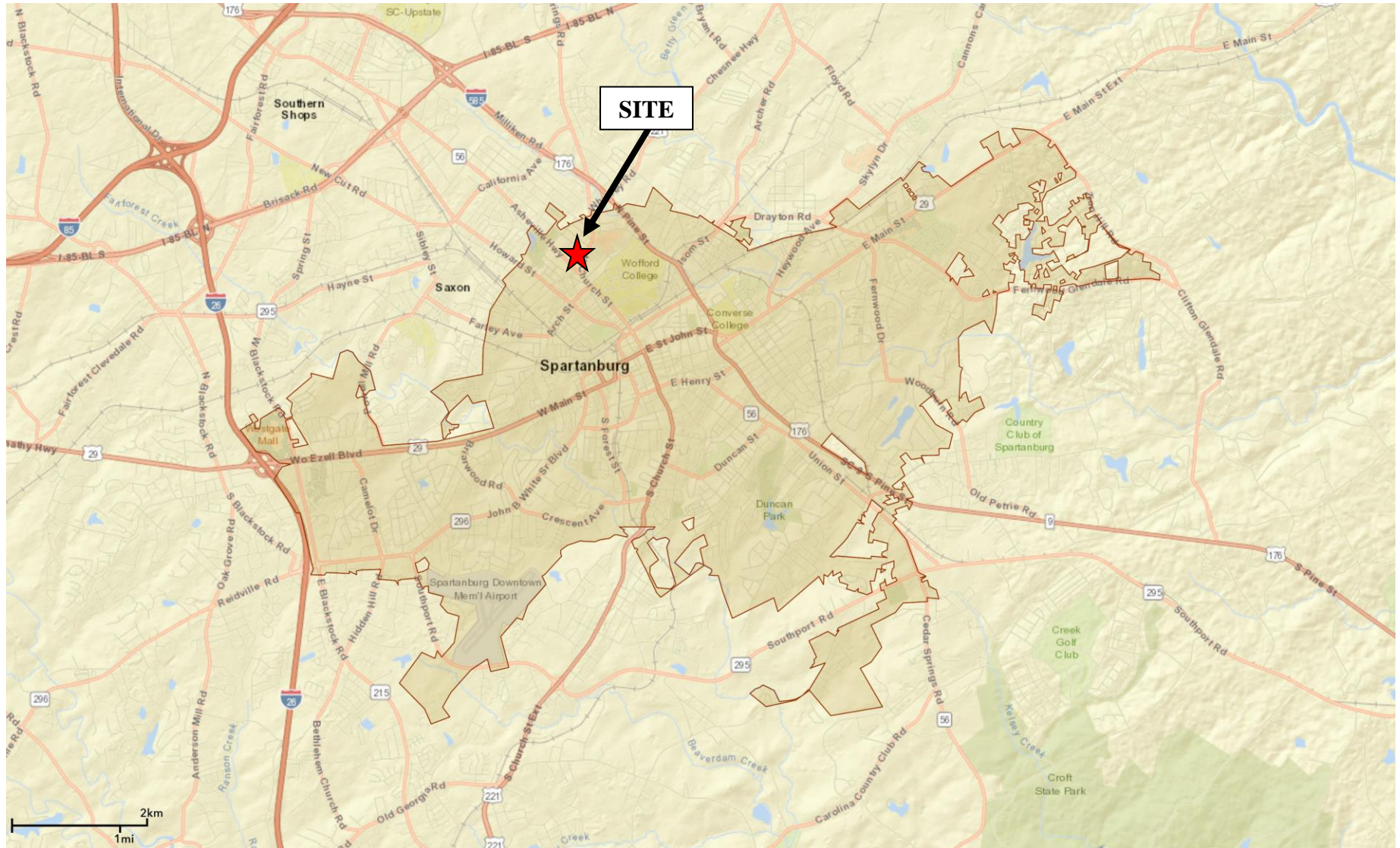


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Map 2: Local Features/Amenities – Close View



Map 3: Site Location – City of Spartanburg

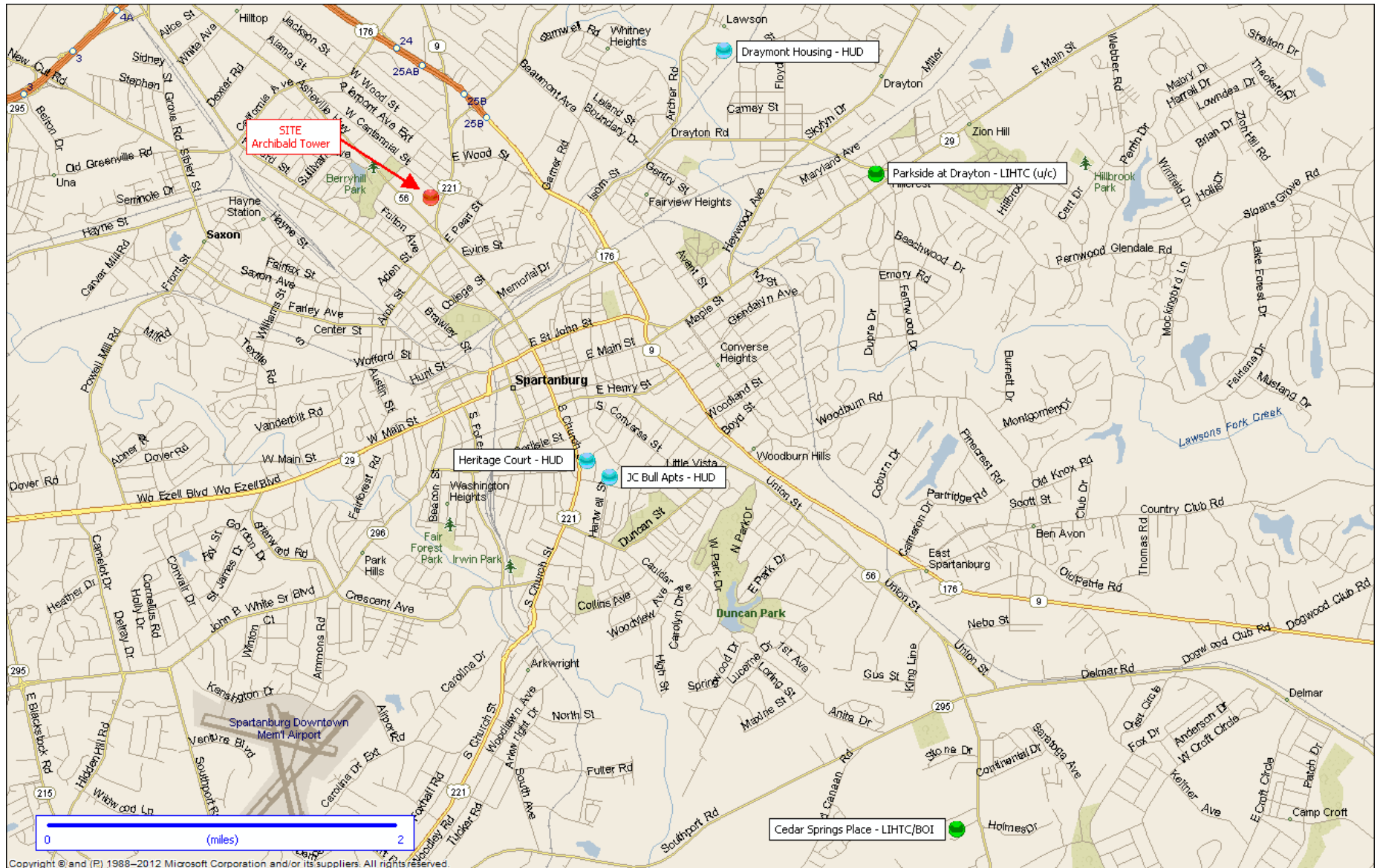


NOTE: Shaded area is city of Spartanburg

Map 4: Site Location - Aerial Photo



Map 5: Affordable Senior Rental Housing



Site/Neighborhood Photos



**SITE – Archibald Tower
764 N. Church Street
Spartanburg, SC
Facing northwest from Church Street**



**SITE – Archibald Tower
764 N. Church Street
Spartanburg, SC
Facing west from Church Street**



**Multi-family apartments adjacent to west of site
Spartanburg Housing Authority**



**Multi-family apartments adjacent to west of site
Spartanburg Housing Authority**



**Undeveloped wooded property adjacent to south of site
Facing west from Church Street
Site is on right**



**Undeveloped wooded property adjacent to south of site
Facing south from subject property**



**Undeveloped grassy property adjacent to east of site
Facing east from subject property/Church Street**



**Undeveloped grassy property adjacent to east of site
Facing east from subject property/Church Street**



**Commercial property adjacent to north of site
Facing north from subject property**



**Commercial property adjacent to north of site
Facing north from Centennial Street**



**Facing north along Church Street
Photo taken from corner of Centennial Street
Hospital can be seen in distance on right**



**Facing south along Church Street
Photo taken from corner of Centennial Street
Site is on right**



**Facing northwest along Centennial Street
Site is on left
Photo taken from Church Street**



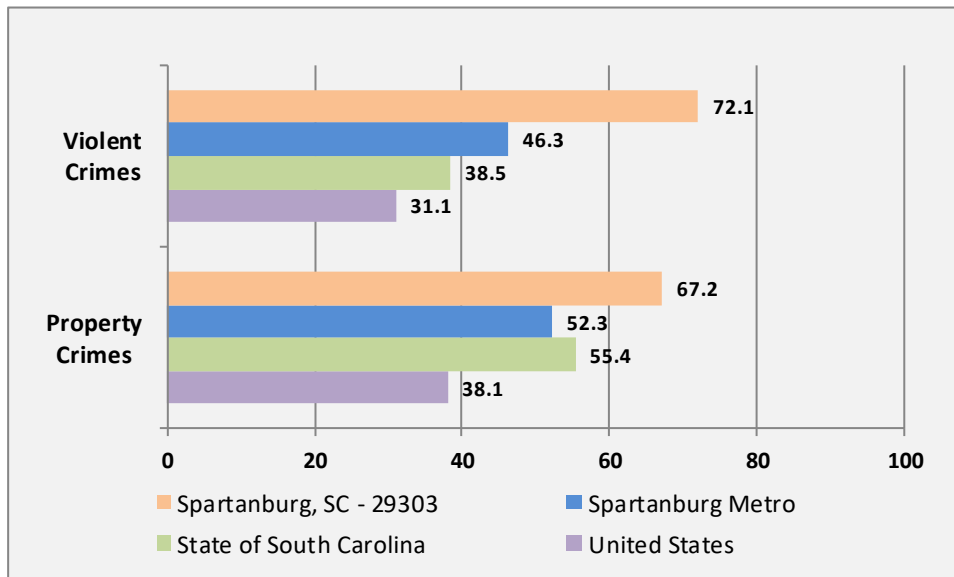
**Facing northeast from site at corner of Church Street
and Centennial Street
Spartanburg Medical Center can be seen in distance**

6. Crime Assessment

Based on crime information by zip code, the crime rates for the site neighborhood are notably above region, state, and national levels. As such, on a scale from one (indicating low crime) to 100 (high crime), the area in which the subject property is situated (zip code 29303) had a violent crime (murder, non-negligent manslaughter, rape, robbery, and aggravated assault) score of 72.1, while the property crime (burglary, larceny-theft, motor vehicle theft, and arson) score was 67.2. As can be seen, violent crime scores are significantly above state and national averages, while property crimes are marginally above state norms.

Although first hand observations from a recent site visit did not indicate a significant crime risk at the subject property or surrounding neighborhood, the elevated crime statistics for the immediate area need to be taken into consideration. As such, extra security precautions should be deemed as a necessary measure to provide a safe environment for potential residents of the subject property (such as extra lighting, surveillance cameras, and/or intercom access). 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 that would affect marketability or absorption at the subject property.

Table 1: Crime Risk Index



7. Road/Infrastructure Improvements

Based on the site visit and evaluation of the local market area, there does not appear to be any noteworthy road work and/or infrastructure improvement projects near the subject property.

8. Overall Site Conclusions

Overall, the majority of necessary services are situated within a short distance of the site, with several grocery stores and retail centers, medical facilities, and other pertinent services located less than two miles away (many of which are less than one mile). Furthermore, the subject property is located along a well-traveled roadway, offering prime visibility and relatively convenient access to other prominent thoroughfares and numerous retail centers located throughout the area. Based on a site visit conducted January 10, 2019, 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 provides a generally positive curb appeal, with no visible traffic congestion and most nearby properties (residential or otherwise) in fair to good condition.

C. PRIMARY MARKET AREA DELINEATION

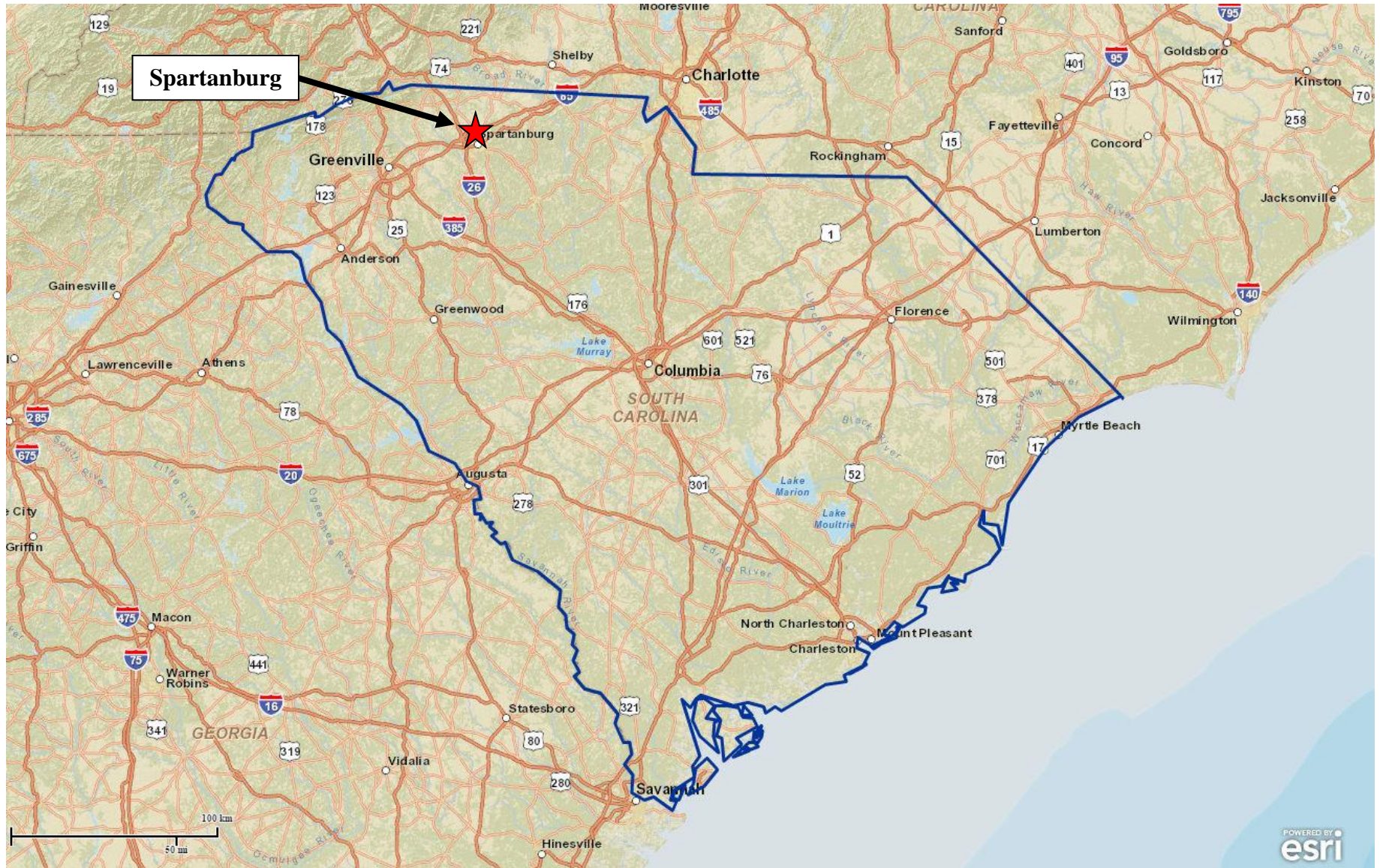
The Primary Market Area (PMA) is defined as the geographic area from which the subject property (either proposed or existing) is expected to draw the *majority* of its residents. For the purpose of this report, the Archibald Tower PMA consists of the city of Spartanburg and the immediate surrounding area. More specifically, the PMA is comprised of 30 census tracts in central Spartanburg County, and reaches approximately 5½ miles to the west and south of the site, five miles to the north, and 7½ miles to the east. 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 site location just north of downtown Spartanburg along Church Street near the Spartanburg Medical Center, as well as its proximity to several of the area’s key roadways - providing relatively convenient transportation throughout the greater Spartanburg region.

Factors such as socio-economic conditions and patterns, local roadway infrastructure, commuting patterns, physical boundaries, the proposals targeting (seniors 55 years and over), an already existing property, the inclusion of project-based rental assistance for all units, and personal experience were also utilized when defining the primary market area. As such, the PMA is comprised of the following census tracts (*all are in Spartanburg County*):

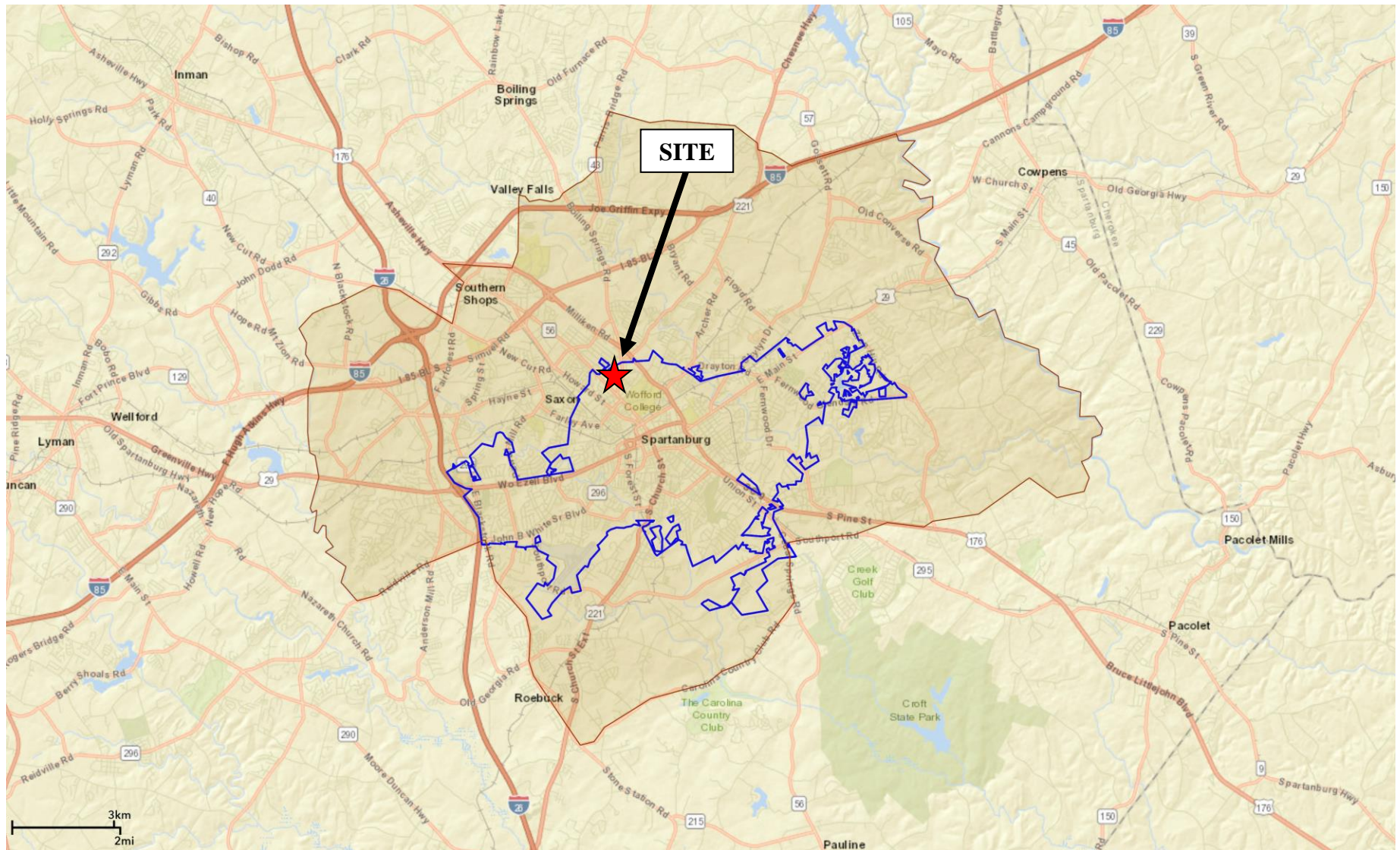
- Tract 203.01*
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- Tract 220.03
- Tract 220.07
- Tract 221.01
- Tract 221.02
- Tract 222.01

* Site is located in Census Tract 203.01

Map 6: State of South Carolina



Map 7: Archibald Tower PMA – Spartanburg, SC



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

Map 8: Archibald Tower PMA – Census Tracts

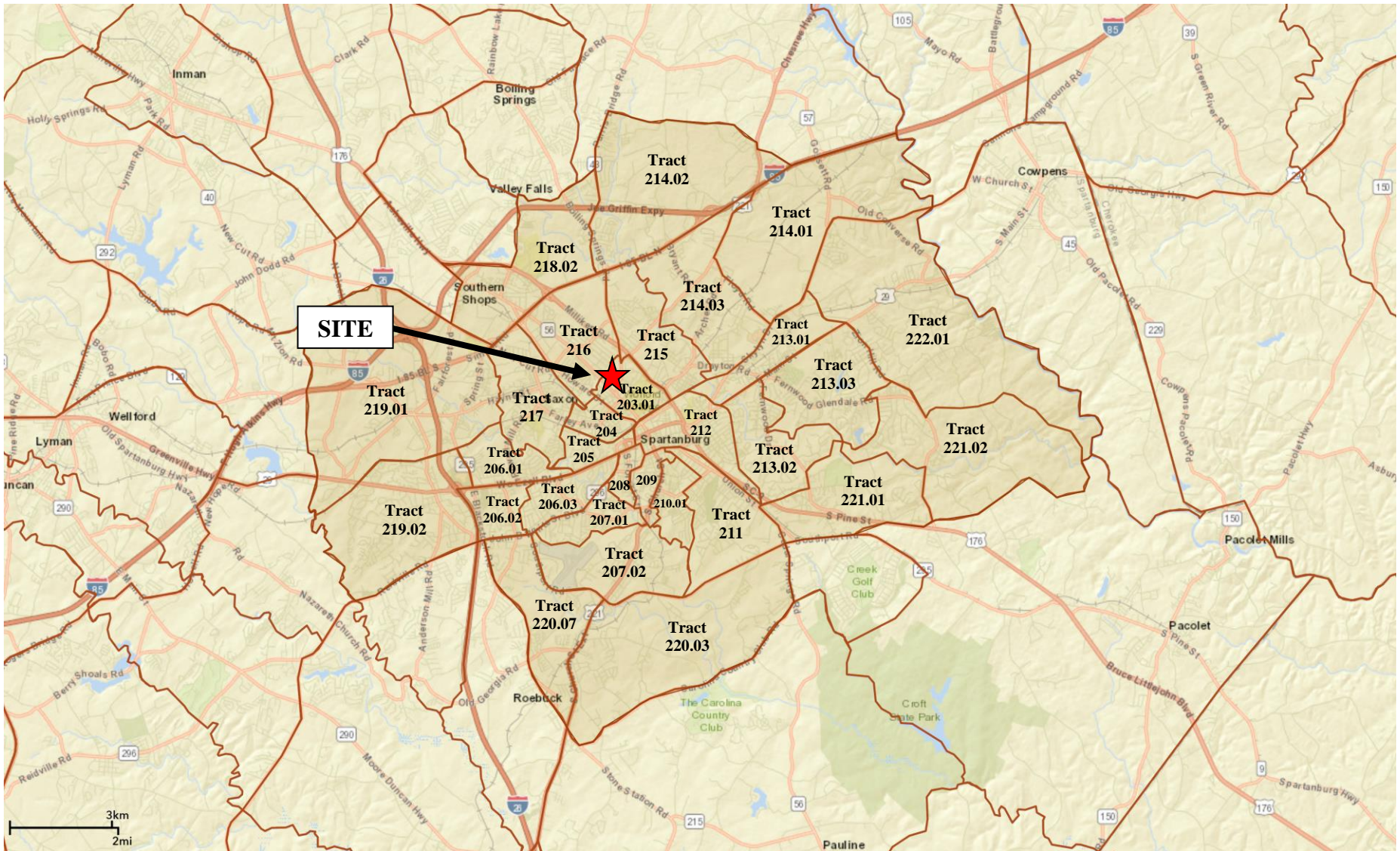


Table 2: Race Distribution (2010)

Census Tract 203.01 - Spartanburg County, SC		
	<u>Number</u>	<u>Percent</u>
Total Population (all races)	2,905	100.0%
White*	1,648	56.7%
Black or African American*	1,193	41.1%
American Indian/Alaska Native*	15	0.5%
Asian*	53	1.8%
Native Hawaiian/Pacific Islander*	2	0.1%
Other Race*	35	1.2%

*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 Spartanburg County in 2017 was manufacturing (at approximately 21 percent of all jobs), followed by persons employed in health care/social assistance (13 percent), and retail trade (11 percent). Based on a comparison of employment by industry from 2012, nearly every industry experienced a net gain over the past five years. Manufacturing and administrative/waste services had the largest growth (with 3,929 and 3,548 new jobs, respectively), followed by health care/social assistance, transportation/warehousing, and retail trade (each increasing by more than 2,450 jobs). In contrast, only two industries experienced minor declines between 2012 and 2017 (both decreasing by fewer than 200 jobs).

Table 3: Employment by Industry – Spartanburg County (2012-2017)

<u>Industry</u>	<u>Annual 2017</u>		<u>Annual 2012</u>		<u>Change (2012-2017)</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	137,220	100.0%	114,608	100.0%	22,612	20%
Agriculture, forestry, fishing and hunting	159	0.1%	157	0.1%	2	1%
Mining	145	0.1%	124	0.1%	21	17%
Utilities	553	0.4%	522	0.5%	31	6%
Construction	6,546	4.8%	5,213	4.5%	1,333	26%
Manufacturing	29,024	21.2%	25,095	21.9%	3,929	16%
Wholesale trade	6,808	5.0%	6,071	5.3%	737	12%
Retail trade	15,685	11.4%	13,230	11.5%	2,455	19%
Transportation and warehousing	7,566	5.5%	4,824	4.2%	2,742	57%
Information	1,024	0.7%	946	0.8%	78	8%
Finance and insurance	3,029	2.2%	3,189	2.8%	(160)	(5%)
Real estate and rental and leasing	1,356	1.0%	914	0.8%	442	48%
Professional and technical services	4,824	3.5%	3,759	3.3%	1,065	28%
Management of companies and enterprises	1,931	1.4%	1,531	1.3%	400	26%
Administrative and waste services	10,790	7.9%	7,242	6.3%	3,548	49%
Educational services	10,687	7.8%	9,492	8.3%	1,195	13%
Health care and social assistance	17,601	12.8%	14,660	12.8%	2,941	20%
Arts, entertainment, and recreation	1,126	0.8%	931	0.8%	195	21%
Accommodation and food services	11,630	8.5%	10,397	9.1%	1,233	12%
Other services, exc. public administration	3,167	2.3%	2,566	2.2%	601	23%
Public administration	3,570	2.6%	3,747	3.3%	(177)	(5%)

* - Data Not Available
Source: South Carolina Department of Employment & Workforce - Spartanburg County

2. Commuting Patterns

Based on place of employment (using 2017 American Community Survey data), 85 percent of PMA residents are employed within Spartanburg County, while 15 percent work outside of the county – the overwhelming majority of which commute to neighboring Greenville County for employment.

An overwhelming majority of workers throughout Spartanburg 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 82 percent of workers within the PMA drove alone to their place of employment, while 11 percent carpooled in some manner. A relatively small number (four percent) utilized public transportation, walked, or some other means to work.

Table 4: Place of Work/ Means of Transportation (2017)

EMPLOYMENT BY PLACE OF WORK						
	City of Spartanburg		Archibald Tower PMA		Spartanburg County	
Total	15,791	100.0%	43,053	100.0%	132,407	100.0%
Worked in State of Residence	15,680	99.3%	42,481	98.7%	129,508	97.8%
Worked in County of Residence	13,739	87.0%	36,746	85.4%	103,397	78.1%
Worked Outside County of Residence	1,941	12.3%	5,735	13.3%	26,111	19.7%
Worked Outside State of Residence	111	0.7%	572	1.3%	2,899	2.2%
MEANS OF TRANSPORTATION TO WORK						
	City of Spartanburg		Archibald Tower PMA		Spartanburg County	
Total	15,791	100.0%	43,053	100.0%	130,042	100.0%
Drove Alone - Car, Truck, or Van	12,477	79.0%	35,409	82.2%	109,343	84.1%
Carpooled - Car, Truck, or Van	1,691	10.7%	4,849	11.3%	13,842	10.6%
Public Transportation	228	1.4%	302	0.7%	615	0.5%
Walked	613	3.9%	994	2.3%	1,823	1.4%
Other Means	176	1.1%	307	0.7%	1,136	0.9%
Worked at Home	606	3.8%	1,192	2.8%	3,283	2.5%
Source: U.S. Census Bureau; American Community Survey						

Table 5: Employment Commuting Patterns (2010)

Top Places Residents Are Commuting FROM:		Top Places Residents Are Commuting TO:	
Commuters Living In:	<u>Number</u>	Commuters Working In :	<u>Number</u>
Greenville County, SC	14,910	Greenville County, SC	15,920
Cherokee County, SC	3,940	Cherokee County, SC	2,325
Union County, SC	2,947	Union County, SC	768
Polk County, NC	1,728	Laurens County, SC	556
Anderson County, SC	1,622	Polk County, NC	478
Laurens County, SC	1,619	Rutherford County, NC	334
Pickens County, SC	797	Mecklenburg County, NC	316

Source: U.S. Census Bureau - 2010

3. Largest Employers

Below is a table with the 15 largest employers within Spartanburg County, according to information obtained through Spartanburg Economic Futures Group and Upstate Alliance. BMW is the largest employer within the county, as the largest employers involve manufacturing, healthcare, and education.

Employer	Product/Service	Number of Employees
BMW	Manufacturing	10,000
Spartanburg Regional Healthcare System	Healthcare	7,500
Spartanburg School District	Education	5,287
Spartanburg Regional Medical Center	Healthcare	4,127
Milliken & Company	Manufacturing	3,650
Adidas America, Inc.	Manufacturing	2,600
Mary Black Health System, LLC	Healthcare	1,400
Michelin North America	Manufacturing	1,100
DAA Draexlmaier Automotive of America LLC	Manufacturing	1,075
Benore Logistic Systems	Business Services	800
Lear Corp.	Manufacturing	800
Sitel Corp.	Business Services	770
AFL Telecommunications LLC	Communications	768
American Credit Acceptance	Financial	627
DISH Network	Communications	566

4. Employment and Unemployment Trends

The overall economy throughout Spartanburg County has seemingly improved over the past several years, with strong employment increases in each of the last seven years. As such, Spartanburg County recorded an increase of nearly 25,600 jobs since 2010, representing an increase of 22 percent (an annual increase of 2.8 percent). In addition, the average annual unemployment rate for 2017 was calculated at 4.0 percent, which was an improvement from 4.6 percent in 2016 and representing the county’s lowest rate since at least 2005. More recently, the county’s November 2018 unemployment rate was 2.8 percent (an improvement from 3.7 percent in November 2017), remaining slightly below both the state and national averages (at 3.1 percent and 3.5 percent, respectively).

Table 6: Historical Employment Trends

Year	Spartanburg County				Employment Annual Change			Unemployment Rate		
	Labor Force	Number Employed	Annual Change	Percent Change	Spartanburg County	South Carolina	United States	Spartanburg County	South Carolina	United States
2005	131,691	121,861	--	--	--	--	--	7.5%	6.7%	5.1%
2006	133,837	124,936	3,075	2.5%	2.5%	2.3%	1.9%	6.7%	6.4%	4.6%
2007	134,253	126,674	1,738	1.4%	1.4%	1.6%	1.1%	5.6%	5.7%	4.6%
2008	135,710	126,430	(244)	-0.2%	-0.2%	-0.5%	-0.5%	6.8%	6.8%	5.8%
2009	135,629	119,499	(6,931)	-5.5%	-5.5%	-4.3%	-3.8%	11.9%	11.2%	9.3%
2010	131,818	116,205	(3,294)	-2.8%	-2.8%	0.2%	-0.6%	11.8%	11.2%	9.6%
2011	133,260	118,717	2,512	2.2%	2.2%	1.6%	0.6%	10.9%	10.6%	8.9%
2012	134,781	122,074	3,357	2.8%	2.8%	2.0%	1.9%	9.4%	9.2%	8.1%
2013	135,761	125,267	3,193	2.6%	2.6%	2.1%	1.0%	7.7%	7.6%	7.4%
2014	137,001	128,326	3,059	2.4%	2.4%	2.7%	1.7%	6.3%	6.4%	6.2%
2015	139,941	131,924	3,598	2.8%	2.8%	2.6%	1.7%	5.7%	6.0%	5.3%
2016	142,477	135,953	4,029	3.1%	3.1%	2.4%	1.7%	4.6%	4.8%	4.9%
2017	146,296	140,420	4,467	3.3%	3.3%	1.2%	1.3%	4.0%	4.3%	4.4%
Nov 2017*	146,591	141,221	---	---	---	---	---	3.7%	4.0%	3.9%
Nov 2018*	145,878	141,783	562	0.4%	0.4%	1.1%	1.9%	2.8%	3.1%	3.5%

Spartanburg County				South Carolina		
	Number	Percent	Ann. Avg.		Percent	Ann. Avg.
Change (2005-Present):	19,922	16.3%	1.3%	Change (2005-Present):	15.9%	1.2%
Change (2010-Present):	25,578	22.0%	2.8%	Change (2010-Present):	16.8%	2.1%
Change (2015-Present):	9,859	7.5%	2.5%	Change (2015-Present):	4.7%	1.6%
Change (2005-2010):	(5,656)	-4.6%	-0.9%	Change (2005-2010):	-0.7%	-0.1%
Change (2010-2015):	15,719	13.5%	2.7%	Change (2010-2015):	11.5%	2.3%

*Monthly data not seasonally adjusted

Figure 1: Employment Growth

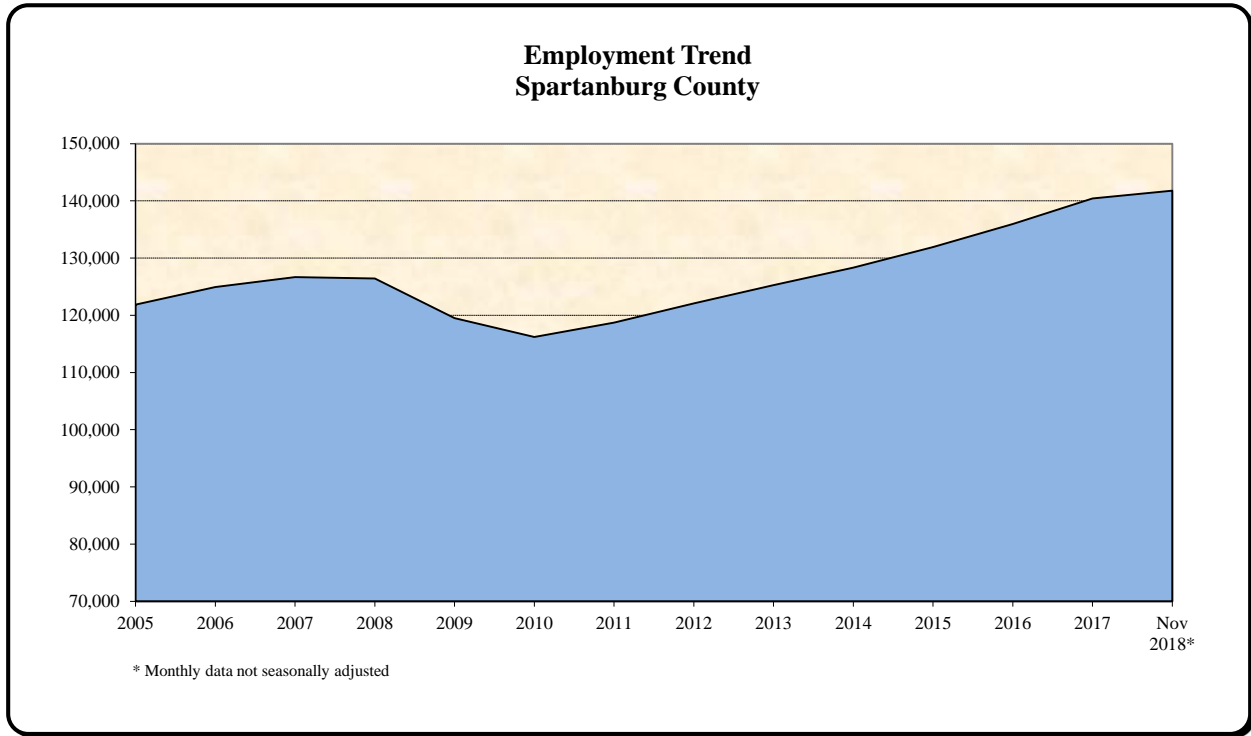
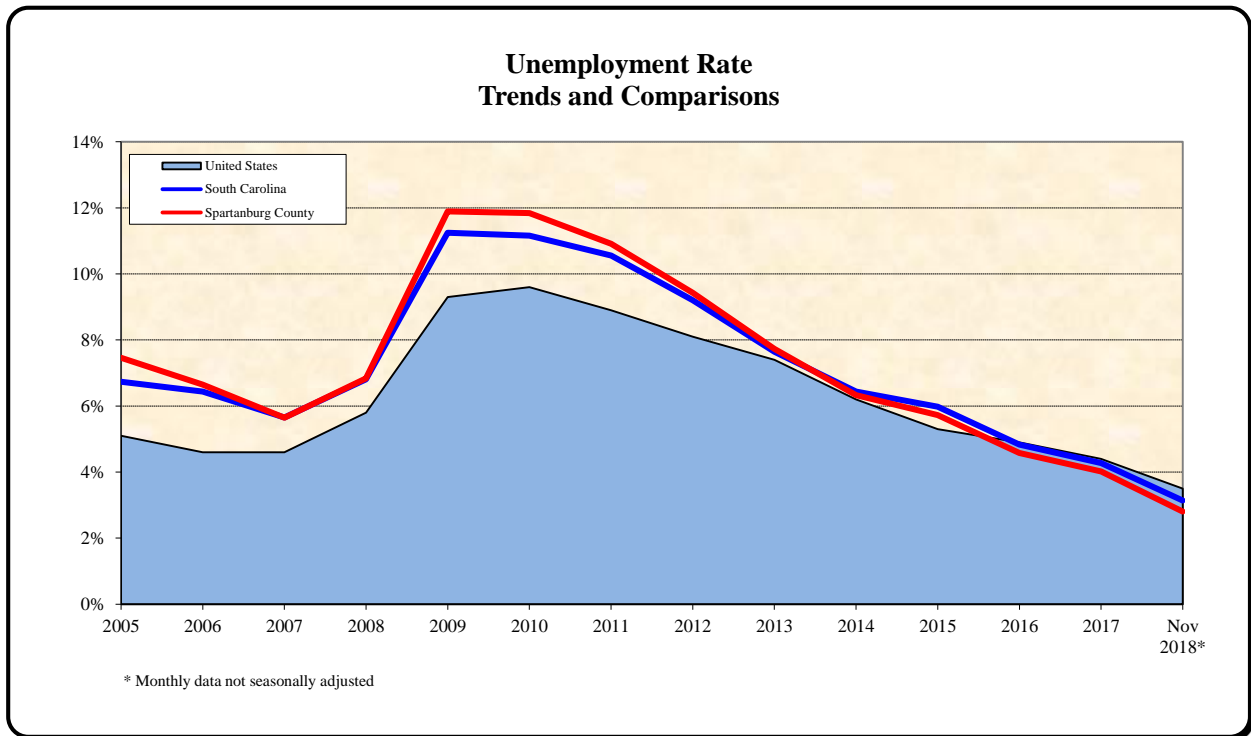
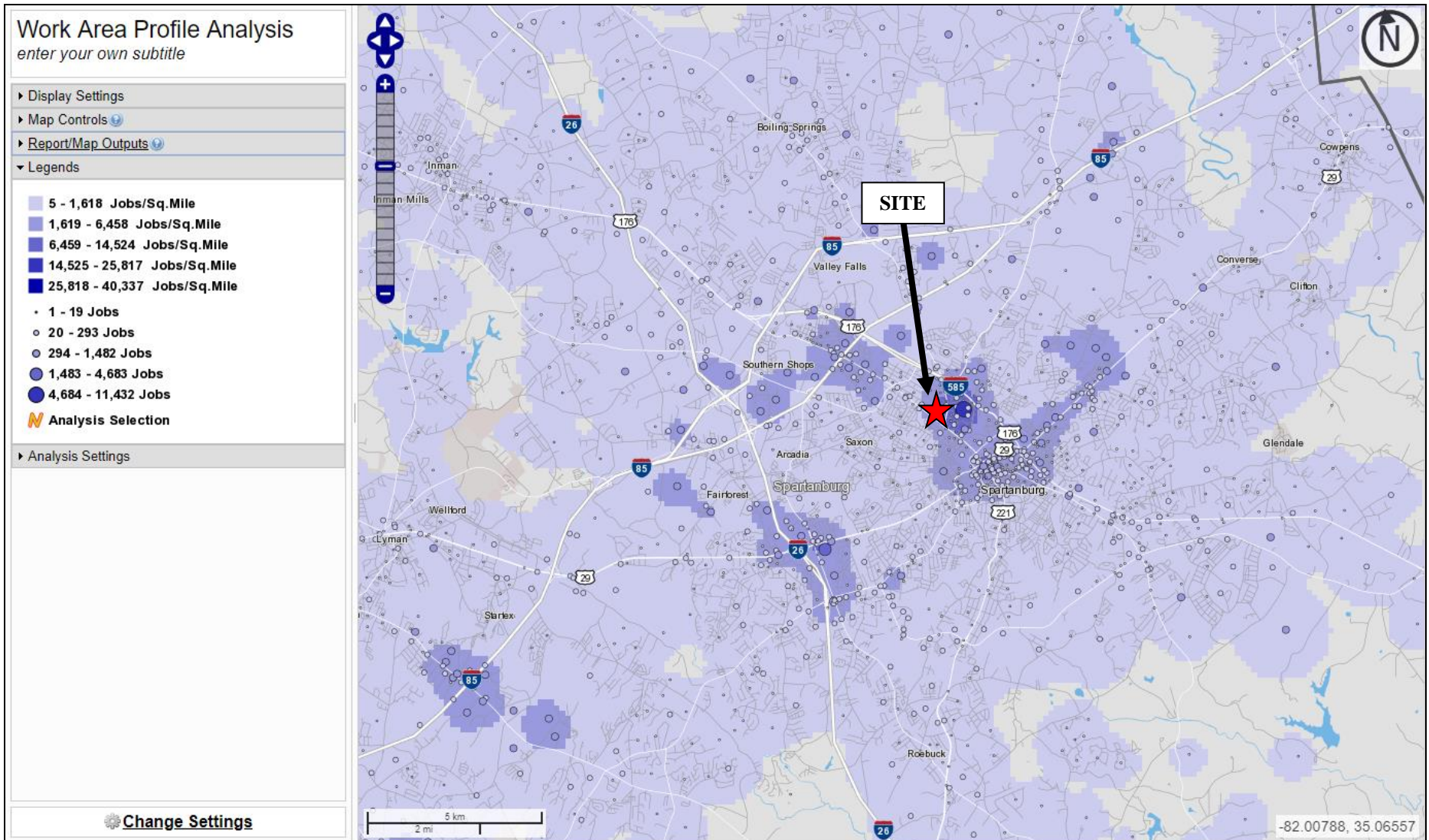


Figure 2: Historical Unemployment Rate



Map 9: Employment Concentrations – Spartanburg Area



E. COMMUNITY DEMOGRAPHIC DATA

1. Population Trends

Based on U.S. Census data and ESRI forecasts, much of Spartanburg County has experienced generally positive demographic gains since 2000, including Spartanburg and the market area. Overall, the PMA had an estimated population of 101,462 persons in 2018, representing an increase of seven percent from 2010 (a gain of more than 6,800 persons). Additionally, Spartanburg proper increased by five percent during this time, while Spartanburg County increased by a somewhat greater ten percent between 2010 and 2018.

Future projections indicate continued steady growth, with an estimated increase of five percent anticipated within the PMA between 2018 and 2023 (more than 4,800 additional persons), and a similar four percent gain for Spartanburg. In comparison, the overall population within Spartanburg County as a whole is expected to increase by six percent during this time frame.

Table 7: Population Trends (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	40,145	37,013	39,018	40,018	40,685
Archibald Tower PMA	94,239	94,621	101,462	104,350	106,275
Spartanburg County	253,791	284,307	311,771	322,917	330,347
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-7.8%	5.4%	2.6%	4.3%
Archibald Tower PMA		0.4%	7.2%	2.8%	4.7%
Spartanburg County		12.0%	9.7%	3.6%	6.0%
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Spartanburg		-0.8%	0.7%	0.8%	0.8%
Archibald Tower PMA		0.0%	0.9%	0.9%	0.9%
Spartanburg County		1.1%	1.2%	1.2%	1.2%
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC					

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 Spartanburg and Spartanburg County. 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 similar proportions of the overall city and county populations.

When reviewing distribution patterns between 2000 and 2023, the aging of the population is clearly evident within all three areas analyzed. The proportion of persons under the age of 45 has consistently declined slightly since 2000, and is expected to decrease further through 2023. 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 24 percent of the population in 2000, is expected to increase to account for more than 31 percent of all persons by 2023 – clearly demonstrating the aging of the baby boom generation.

As such, the increasing percentage of persons above the age of 55 seen throughout the PMA (and expected to represent nearly one-third of all persons within Spartanburg itself in 2023) signifies positive trends for the subject proposal by providing a growing base of potential senior tenants for the subject development.

Table 8: Age Distribution (2000 to 2023)

	City of Spartanburg				Archibald Tower PMA				Spartanburg County			
	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2023 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2023 Percent</u>	<u>2010 Number</u>	<u>2000 Percent</u>	<u>2010 Percent</u>	<u>2023 Percent</u>
Under 20 years	10,335	29.1%	27.9%	25.7%	25,512	27.2%	27.0%	25.3%	78,388	27.6%	27.6%	25.2%
20 to 24 years	3,516	8.3%	9.5%	8.2%	8,423	7.7%	8.9%	7.6%	18,886	6.4%	6.6%	5.7%
25 to 34 years	4,447	13.0%	12.0%	12.5%	11,466	13.6%	12.1%	12.5%	33,863	14.3%	11.9%	12.3%
35 to 44 years	4,184	13.6%	11.3%	11.1%	11,644	14.5%	12.3%	12.0%	38,810	15.6%	13.7%	12.7%
45 to 54 years	4,824	12.5%	13.0%	10.6%	12,553	13.5%	13.3%	11.3%	40,946	14.0%	14.4%	12.3%
55 to 64 years	4,296	8.0%	11.6%	12.3%	11,239	8.9%	11.9%	12.2%	35,187	9.5%	12.4%	13.1%
65 to 74 years	2,658	7.1%	7.2%	10.6%	7,087	7.2%	7.5%	10.5%	22,066	6.7%	7.8%	10.9%
75 to 84 years	1,800	6.1%	4.9%	6.2%	4,619	5.3%	4.9%	6.1%	11,736	4.3%	4.1%	5.9%
85 years and older	953	2.3%	2.6%	2.8%	2,078	2.0%	2.2%	2.5%	4,425	1.4%	1.6%	1.9%
Under 20 years	10,335	29.1%	27.9%	25.7%	25,512	27.2%	27.0%	25.3%	78,388	27.6%	27.6%	25.2%
20 to 44 years	12,147	34.9%	32.8%	31.8%	31,533	35.8%	33.3%	32.1%	91,559	36.3%	32.2%	30.7%
45 to 64 years	9,120	20.6%	24.6%	22.9%	23,792	22.4%	25.1%	23.4%	76,133	23.6%	26.8%	25.4%
65 years and older	5,411	15.4%	14.6%	19.6%	13,784	14.6%	14.6%	19.1%	38,227	12.5%	13.4%	18.7%
55 years and older	9,707	23.5%	26.2%	31.9%	25,023	23.5%	26.4%	31.3%	73,414	22.0%	25.8%	31.8%
75 years and older	2,753	8.4%	7.4%	9.0%	6,697	7.3%	7.1%	8.5%	16,161	5.8%	5.7%	7.8%
Non-Elderly (<65)	31,602	84.6%	85.4%	80.4%	80,837	85.4%	85.4%	80.9%	246,080	87.5%	86.6%	81.3%
Elderly (65+)	5,411	15.4%	14.6%	19.6%	13,784	14.6%	14.6%	19.1%	38,227	12.5%	13.4%	18.7%

Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC

2. Household Trends

Similar to population patterns, much of the Spartanburg area has experienced positive household creation since 2000. As such, occupied households within the PMA numbered 40,186 units in 2018, representing an increase of seven percent from 2000 (a gain of over 2,500 households). ESRI forecasts for 2023 indicate this number will continue to increase, with a forecasted growth rate of five percent (roughly 1,925 additional households) anticipated between 2018 and 2023. In comparison, the number of households also grew at a steady rate within both Spartanburg and Spartanburg County as a whole between 2010 and 2018, demonstrating relatively positive demographic patterns throughout the region.

Table 9: Household Trends (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	16,367	15,184	15,928	16,355	16,640
Archibald Tower PMA	37,356	37,661	40,186	41,339	42,108
Spartanburg County	97,735	109,246	119,046	123,180	125,936
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-7.2%	4.9%	2.7%	4.5%
Archibald Tower PMA		0.8%	6.7%	2.9%	4.8%
Spartanburg County		11.8%	9.0%	3.5%	5.8%

Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC

Table 10: Average Household Size (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	2.30	2.27	2.27	2.27	2.28
Archibald Tower PMA	2.39	2.37	2.39	2.39	2.39
Spartanburg County	2.52	2.53	2.55	2.55	2.56
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-1.3%	-0.1%	0.1%	0.1%
Archibald Tower PMA		-0.9%	0.7%	0.1%	0.2%
Spartanburg County		0.3%	0.8%	0.2%	0.3%

Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC

Renter-occupied households throughout the Spartanburg market area have exhibited notable gains over the past decade, increasing at a slightly faster rate than overall household creation. According to U.S. Census figures and ESRI estimates, a total of 17,696 renter-occupied households are estimated within the PMA for 2018, representing an increase of ten percent from 2010 figures (a gain of approximately 1,600 additional rental units).

Overall, a relatively large ratio of renter households exists throughout the Spartanburg market area. For the PMA, the renter household percentage was calculated at 44 percent in 2018, slightly lower than the city ratio (50 percent), but notably larger than the county’s renter representation (31 percent). Furthermore, it should also be noted that overall renter propensities within the PMA have increased by four percentage points since 2000.

Table 11: Renter Household Trends (2000 to 2023)

	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	7,874	7,728	8,027	8,227	8,360
Archibald Tower PMA	14,922	16,084	17,696	18,139	18,434
Spartanburg County	27,396	32,986	36,885	37,864	38,517
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-1.9%	3.9%	2.5%	4.1%
Archibald Tower PMA		7.8%	10.0%	2.5%	4.2%
Spartanburg County		20.4%	11.8%	2.7%	4.4%
	% Renter	% Renter	% Renter	% Renter	% Renter
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	48.1%	50.9%	50.4%	50.3%	50.2%
Archibald Tower PMA	39.9%	42.7%	44.0%	43.9%	43.8%
Spartanburg County	28.0%	30.2%	31.0%	30.7%	30.6%
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC					

Similar to overall households, renter sizes for the Archibald Tower PMA were generally larger than those reported for Spartanburg itself, on average, but somewhat smaller than averages calculated for Spartanburg County as a whole. As such, average renter sizes increased somewhat within the PMA over the past decade – from 2.28 persons per unit in 2000 to 2.34 persons per unit in 2010. Despite the increase in average size, the majority of units locally contained just one or two persons (65 percent), with three persons occupying 16 percent of units, and 19 percent of units consisting of 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 Spartanburg	3,171	1,983	1,199	728	647	2.26	2.24
Archibald Tower PMA	6,380	4,118	2,510	1,639	1,437	2.28	2.34
Spartanburg County	11,553	8,478	5,529	3,984	3,442	2.38	2.44
	<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 Spartanburg	41.0%	25.7%	15.5%	9.4%	8.4%	-0.9%	
Archibald Tower PMA	39.7%	25.6%	15.6%	10.2%	8.9%	2.7%	
Spartanburg County	35.0%	25.7%	16.8%	12.1%	10.4%	2.5%	

Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC

3. Senior-Specific Demographic Data

As noted earlier, the senior population cohort is anticipated to experience substantial growth through 2020 as compared to other age segments. As such, a total of 30,270 seniors (55 years and over) are estimated in the PMA for 2018, representing an increase of 21 percent from 2010 (nearly 5,250 additional seniors). The 2018 figure represents 30 percent of the overall population, which is an increase from a representation of less than 24 percent in 2000. Furthermore, this extremely strong trend is anticipated to continue, with an increase of nine percent (nearly 3,000 seniors) forecast between 2018 and 2023.

Future population trends for the older senior segment (65 years and older) is even stronger than those exhibited by the 55 and older age group, representing strong growth throughout the entire senior segment. As can be seen, overall senior growth and propensities are an encouraging indication of the long-term viability of the subject proposal. Additionally, while considering senior population counts have experienced extremely strong increases since 2000 and are expected to continue in the future, the demand for additional senior housing will likely escalate as well. The increasing percentage of persons over 55 years within the PMA is clearly representative of a steady source of potential renters as this group continues to age in place.

As with senior population patterns, senior household trends (age 55 years and older) have been equally as strong within the PMA and are also expected to continue to increase through 2023. According to Census and ESRI data, the number of senior households within the PMA increased by 17 percent between 2010 and 2018 (roughly 2,750 additional senior households), while ESRI estimates an additional gain of nine percent between 2018 and 2023 – increasing to represent approximately 49 percent of all PMA households in 2023.

Table 13: Senior Population Trends (2000 to 2023)

55+ Population Trends					
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	9,306	9,707	11,984	12,477	12,967
Archibald Tower PMA	22,182	25,023	30,270	31,726	33,219
Spartanburg County	55,949	73,414	93,051	98,913	105,079
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		4.3%	23.5%	4.1%	8.2%
Archibald Tower PMA		12.8%	21.0%	4.8%	9.7%
Spartanburg County		31.2%	26.7%	6.3%	12.9%
<i>Percent of Population</i>					
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	23.2%	26.2%	30.7%	31.2%	31.9%
Archibald Tower PMA	23.5%	26.4%	29.8%	30.4%	31.3%
Spartanburg County	22.0%	25.8%	29.8%	30.6%	31.8%
65+ Population Trends					
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	6,124	5,411	6,980	7,428	7,963
Archibald Tower PMA	13,757	13,784	17,553	18,798	20,283
Spartanburg County	31,740	38,227	51,815	56,372	61,819
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-11.6%	29.0%	6.4%	14.1%
Archibald Tower PMA		0.2%	27.3%	7.1%	15.6%
Spartanburg County		20.4%	35.5%	8.8%	19.3%
<i>Percent of Population</i>					
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	15.3%	14.6%	17.9%	18.6%	19.6%
Archibald Tower PMA	14.6%	14.6%	17.3%	18.0%	19.1%
Spartanburg County	12.5%	13.4%	16.6%	17.5%	18.7%
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC					

Table 14: Senior Household Trends (2000 to 2023)

55+ Household Trends					
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	6,015	6,601	7,841	8,142	8,421
Archibald Tower PMA	13,821	16,207	18,946	19,780	20,592
Spartanburg County	34,619	45,900	55,743	58,878	62,035
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		9.7%	18.8%	3.8%	7.4%
Archibald Tower PMA		17.3%	16.9%	4.4%	8.7%
Spartanburg County		32.6%	21.4%	5.6%	11.3%
<i>Percent of Households</i>					
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	36.8%	43.5%	49.2%	49.8%	50.6%
Archibald Tower PMA	37.0%	43.0%	47.1%	47.8%	48.9%
Spartanburg County	35.4%	42.0%	46.8%	47.8%	49.3%
65+ Household Trends					
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	4,012	3,840	4,750	5,031	5,352
Archibald Tower PMA	8,710	9,340	11,440	12,185	13,048
Spartanburg County	20,277	25,081	32,406	34,989	38,007
		2000-2010	2010-2018	2018-2021	2018-2023
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		-4.3%	23.7%	5.9%	12.7%
Archibald Tower PMA		7.2%	22.5%	6.5%	14.1%
Spartanburg County		23.7%	29.2%	8.0%	17.3%
<i>Percent of Households</i>					
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	24.5%	25.3%	29.8%	30.8%	32.2%
Archibald Tower PMA	23.3%	24.8%	28.5%	29.5%	31.0%
Spartanburg County	20.7%	23.0%	27.2%	28.4%	30.2%
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC					

The percentage of senior renter households, while somewhat smaller than the overall renter household percentage, still indicates a distinct senior renter housing segment exists throughout the Spartanburg area. As such, senior renter households (55 and over) within the PMA numbered 5,142 units in 2018, representing roughly 27 percent of all senior-occupied households within the market area. In comparison, Spartanburg itself contained 2,769 senior renter households, which was 35 percent of all senior households within the city.

Table 15: Senior Renter Household Trends (2000 to 2021)

Senior Renter HHs - 55+					2000-2010	2010-2018	2018-2021
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg	2,053	2,331	2,769	2,875	13.5%	18.8%	3.8%
Archibald Tower PMA	3,373	4,399	5,142	5,369	30.4%	16.9%	4.4%
Spartanburg County	6,052	8,970	10,894	11,506	48.2%	21.4%	5.6%
	% Renter	% Renter	% Renter	% Renter			
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>			
City of Spartanburg	34.1%	35.3%	35.3%	35.3%			
Archibald Tower PMA	24.4%	27.1%	27.1%	27.1%			
Spartanburg County	17.5%	19.5%	19.5%	19.5%			
Senior Renter HHs - 65+					2000-2010	2010-2018	2018-2021
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg	1,310	1,283	1,587	1,681	-2.1%	23.7%	5.9%
Archibald Tower PMA	2,113	2,378	2,913	3,102	12.5%	22.5%	6.5%
Spartanburg County	3,666	4,695	6,066	6,550	28.1%	29.2%	8.0%
	% Renter	% Renter	% Renter	% Renter			
	<u>2000</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>			
City of Spartanburg	32.7%	33.4%	33.4%	33.4%			
Archibald Tower PMA	24.3%	25.5%	25.5%	25.5%			
Spartanburg County	18.1%	18.7%	18.7%	18.7%			
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC							

4. Household Income Trends

Income levels throughout the Spartanburg area have experienced somewhat sluggish gains over the past decade, with most areas within Spartanburg County experiencing median income increases of less than two percent annually between 2010 and 2018. Overall, the median household income for the PMA was estimated at \$41,793 for 2018, which was roughly 11 percent greater than that estimated for Spartanburg proper (\$37,542), but 15 percent below that recorded for Spartanburg County as a whole (\$49,047). Furthermore, the PMA figure represents an annual increase of just 0.8 percent from 2010.

According to ESRI data, however, income appreciation is forecast to improve somewhat for the PMA through 2023. As such, it is projected that the median income will increase by 3.0 percent annually over the next five years, somewhat higher than both the city and county (at 2.7 percent and 2.4 percent annually, respectively).

Table 16: Median Household Incomes (1999 to 2023)

	<u>1999</u>	<u>2010</u>	<u>2018</u>	<u>2021</u>	<u>2023</u>
City of Spartanburg	\$28,836	\$33,276	\$37,542	\$40,532	\$42,526
Archibald Tower PMA	\$34,794	\$39,329	\$41,793	\$45,557	\$48,067
Spartanburg County	\$37,332	\$42,680	\$49,047	\$52,531	\$54,853
		<u>1999-2010</u>	<u>2010-2018</u>	<u>2018-2021</u>	<u>2018-2023</u>
		<u>Change</u>	<u>Change</u>	<u>Change</u>	<u>Change</u>
City of Spartanburg		15.4%	12.8%	8.0%	13.3%
Archibald Tower PMA		13.0%	6.3%	9.0%	15.0%
Spartanburg County		14.3%	14.9%	7.1%	11.8%
		<u>1999-2010</u>	<u>2010-2018</u>	<u>2018-2021</u>	<u>2018-2023</u>
		<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>	<u>Ann. Change</u>
City of Spartanburg		1.4%	1.6%	2.7%	2.7%
Archibald Tower PMA		1.2%	0.8%	3.0%	3.0%
Spartanburg County		1.3%	1.9%	2.4%	2.4%
Source: U.S. Census American FactFinder; ESRI Business Analyst; Shaw Research & Consulting, LLC					

According to the most recent American Housing Survey through the U.S. Census Bureau, approximately 45 percent of all households within the Archibald Tower PMA had an annual income of less than \$35,000 in 2017 – the portion of the population with the greatest need for affordable housing options. In comparison, a similar 46 percent of households within Spartanburg proper had incomes within this range. With nearly one-half of all households within the immediate Spartanburg area earning less than \$35,000 per year, additional affordable housing options will undoubtedly be well received.

Table 17: Overall Household Income Distribution (2017)

Income Range	City of Spartanburg		Archibald Tower PMA		Spartanburg County	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	1,836	11.9%	3,970	10.2%	8,726	7.7%
\$10,000 to \$14,999	1,263	8.2%	2,856	7.3%	6,508	5.7%
\$15,000 to \$19,999	1,091	7.1%	2,771	7.1%	6,630	5.9%
\$20,000 to \$24,999	1,125	7.3%	2,941	7.5%	7,742	6.8%
\$25,000 to \$29,999	953	6.2%	2,425	6.2%	6,218	5.5%
\$30,000 to \$34,999	837	5.4%	2,388	6.1%	6,621	5.8%
\$35,000 to \$39,999	1,188	7.7%	2,544	6.5%	6,340	5.6%
\$40,000 to \$44,999	854	5.6%	1,952	5.0%	5,179	4.6%
\$45,000 to \$49,999	735	4.8%	1,897	4.9%	4,925	4.4%
\$50,000 to \$59,999	1,101	7.2%	2,922	7.5%	9,759	8.6%
\$60,000 to \$74,999	1,305	8.5%	3,624	9.3%	12,506	11.0%
\$75,000 to \$99,999	1,278	8.3%	3,555	9.1%	13,393	11.8%
\$100,000 to \$124,999	510	3.3%	1,932	4.9%	7,622	6.7%
\$125,000 to \$149,999	385	2.5%	1,054	2.7%	4,499	4.0%
\$150,000 to \$199,999	402	2.6%	1,038	2.7%	3,569	3.2%
\$200,000 and Over	505	3.3%	1,162	3.0%	2,954	2.6%
TOTAL	15,368	100.0%	39,031	100.0%	113,191	100.0%
Less than \$34,999	7,105	46.2%	17,351	44.5%	42,445	37.5%
\$35,000 to \$49,999	2,777	18.1%	6,393	16.4%	16,444	14.5%
\$50,000 to \$74,999	2,406	15.7%	6,546	16.8%	22,265	19.7%
\$75,000 to \$99,999	1,278	8.3%	3,555	9.1%	13,393	11.8%
\$100,000 and Over	1,802	11.7%	5,186	13.3%	18,644	16.5%
Source: American Community Survey						

Should the subject property not include any project-based rental assistance, the key targeted income range is \$19,800 to \$28,200 (in current dollars). Utilizing Census information available on senior 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 moderate number of low-income senior households throughout the area. As such, roughly 13 percent of the PMA's senior owner-occupied household number, and 15 percent of the senior renter-occupied household figure are within the income-qualified range. Overall, this income range accounted for approximately 13 percent of all senior households within the PMA. Considering the relative density of the PMA, this equates to nearly 2,675 potential income-qualified senior households for the proposed development, including more than 800 income-qualified senior renter households.

However, considering that the proposal is expected to include project-based subsidies, the more accurate targeted income range is \$0 to \$28,200 – representing approximately 8,250 income-qualified senior households, and 3,450 qualified senior renter households.

Table 18: Senior Household Income by Tenure – Archibald Tower PMA (2021)

Income Range	Number of 2021 Households (55+)			Percent of 2021 Households (55+)		
	<u>Total</u>	<u>Owner</u>	<u>Renter</u>	<u>Total</u>	<u>Owner</u>	<u>Renter</u>
Less than \$9,999	1,769	875	894	8.0%	6.1%	16.7%
\$10,000 to \$14,999	2,106	1,080	1,026	9.7%	7.5%	19.1%
\$15,000 to \$19,999	1,774	1,020	754	8.4%	7.1%	14.0%
\$20,000 to \$24,999	1,625	1,080	545	8.0%	7.5%	10.2%
\$25,000 to \$29,999	1,526	1,164	362	7.8%	8.1%	6.7%
\$30,000 to \$34,999	1,346	1,031	315	6.9%	7.2%	5.9%
\$35,000 to \$39,999	1,258	968	290	6.5%	6.7%	5.4%
\$40,000 to \$49,999	1,747	1,419	328	9.2%	9.8%	6.1%
\$50,000 and Over	<u>6,630</u>	<u>5,774</u>	<u>856</u>	<u>35.6%</u>	<u>40.1%</u>	<u>15.9%</u>
TOTAL	19,780	14,411	5,369	100.0%	100.0%	100.0%

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

The 2017 American Community Survey shows that approximately 42 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. Furthermore, ACS data shows that a somewhat larger 48 percent of senior renter households (aged 65 and over) are overburdened within the PMA, while a similar 47 percent of seniors within Spartanburg itself can be considered overburdened. 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 19a: Renter Overburdened Households (2017)

Gross Rent as a % of Household Income	City of Spartanburg		Archibald Tower PMA		Spartanburg County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Total Rental Units	8,314	100.0%	17,408	100.0%	35,088	100.0%
Less than 10.0 Percent	236	3.1%	684	4.3%	1,129	3.6%
10.0 to 14.9 Percent	615	8.1%	1,322	8.4%	3,029	9.8%
15.0 to 19.9 Percent	1,154	15.2%	1,962	12.5%	4,432	14.3%
20.0 to 24.9 Percent	782	10.3%	2,003	12.7%	3,891	12.6%
25.0 to 29.9 Percent	1,006	13.2%	1,713	10.9%	3,587	11.6%
30.0 to 34.9 Percent	792	10.4%	1,505	9.6%	2,650	8.6%
35.0 to 39.9 Percent	580	7.6%	1,220	7.7%	2,085	6.7%
40.0 to 49.9 Percent	556	7.3%	1,272	8.1%	2,911	9.4%
50 Percent or More	1,886	24.8%	4,075	25.9%	7,227	23.4%
Not Computed	707	--	1,652	--	4,147	--
35 Percent or More	3,022	39.7%	6,567	41.7%	12,223	39.5%
40 Percent or More	2,442	32.1%	5,347	33.9%	10,138	32.8%
Source: U.S. Census Bureau; American Community Survey						

Table 19b: Senior Renter Overburdened Households (2017)

Gross Rent as a % of Household Income	City of Spartanburg		Archibald Tower PMA		Spartanburg County	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Householder 65+ Years:	1,377	100.0%	2,445	100.0%	5,079	100.0%
Less than 20.0 Percent	330	25.6%	529	23.5%	1,027	23.8%
20.0 to 24.9 Percent	97	7.5%	152	6.8%	460	10.7%
25.0 to 29.9 Percent	123	9.6%	268	11.9%	494	11.4%
30.0 to 34.9 Percent	130	10.1%	212	9.4%	365	8.5%
35.0 Percent or More	607	47.2%	1,087	48.4%	1,970	45.6%
Not Computed	90	--	197	--	763	--
Source: U.S. Census Bureau; American Community Survey						

F. DEMAND ANALYSIS

1. Demand for Senior 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 four key sources: household growth, substandard housing, rent-overburdened households, and elderly homeowners converting to renting. 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. Senior demand estimates will be calculated for two separate scenarios: 1) based on straight LIHTC guidelines assuming no PBRA will be included (with targeting at 60 percent of AMI); and 2) based on the inclusion of PBRA and using 60 percent AMI maximum levels. As such, calculations will be based on the starting rental rate, a 40 percent rent-to-income ratio, and a maximum income of \$28,200 for both LIHTC and PBRA units. 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>
60% AMI (assuming no PBRA)	\$19,800	\$28,200
60% AMI (including PBRA)	\$0	\$28,200

By applying the income-qualified range and 2021 household forecasts to the current-year household income distribution by tenure (adjusted from census data based on the Labor Statistics’ Consumer Price Index), the number of income-qualified households can be calculated. As a result, 15 percent of all senior renter households within the PMA are estimated to fall within the LIHTC qualified income range, while 64 percent are estimated within the PBRA range.

Based on U.S. Census data and projections from ESRI, approximately 226 additional senior renter households are anticipated between 2018 and 2021. By applying the income-qualified percentage to the overall eligible figure, a demand for 34 senior tax credit rental units and 145 PBRA 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 six percent of all renter households within the Archibald Tower 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 senior renter propensity and income-qualified percentage, to the number of households currently present in 2010 (the base year utilized within the demand calculations), demand resulting from substandard units is calculated at 38 LIHTC units and 160 PBRA units.

Potential demand for the subject proposal may also arise from those senior 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 Community Survey data on rent-overburdened households paying more than 35 percent of monthly income for rent is calculated. Using information contained within the ACS, the percentage of senior renter households within this overburdened range is reported at approximately 48 percent. Applying this rate to the number of renter households yields a total demand of 322 LIHTC units and 1,364 PBRA units as a result of rent overburden.

And lastly, another source of demand is elderly homeowners converting to rental housing. It is estimated that approximately five percent of senior homeowners would convert to a rental property, should an affordable option become readily available. Utilizing 2010 household figures, it is calculated that 13 percent of all senior owner households within the PMA are estimated to fall within the stated LIHTC qualified income range, while 33 percent are within the PBRA range. Considering the income-qualified owner households and estimated conversion, a demand of 76 LIHTC units and 196 PBRA units has been determined arising from existing elderly owner households.

According to SCSHFDA information, there is one comparable senior tax credit property currently under construction at the current time. Therefore, 41 units at Parkside at Drayton (allocated tax credits in 2017 and presently under construction) need to be deducted from the demand calculations. Combining all above factors results in an overall senior demand of 430 LIHTC units and 1,864 PBRA units for 2021. Calculations by individual bedroom size are also provided utilizing the same methodology. As such, it is clear that sufficient demand exists for the proposed project.

Table 20: Senior Demand Calculation – by Income Targeting

2010 Total Occupied Households 55+	16,207		
2010 Owner-Occupied Households 55+	11,808		
2010 Renter-Occupied Households 55+	4,399		
		60% AMI	
		No PBRA	Incl. PBRA
QUALIFIED-INCOME RANGE			
Minimum Annual Income		\$19,800	\$0
Maximum Annual Income		\$28,200	\$28,200
DEMAND FROM NEW HOUSEHOLD GROWTH			
Renter Household Growth, 2018-2021		226	226
Percent Income Qualified Renter Households		15.1%	64.1%
Total Demand From New Households		34	145
DEMAND FROM EXISTING RENTER HOUSEHOLDS			
Percent of Renters in Substandard Housing		5.7%	5.7%
Percent Income Qualified Renter Households		15.1%	64.1%
Total Demand From Substandard Renter HHs		38	160
Percent of Renters Rent-Overburdened		48.4%	48.4%
Percent Income Qualified Renter Households		15.1%	64.1%
Total Demand From Overburdened Renter HHs		322	1,364
DEMAND FROM EXISTING OWNER HOUSEHOLDS			
Owner to Renter Conversion Rate		5.0%	5.0%
Percent Income Qualified		12.9%	33.2%
Total Demand from Owner Households		76	196
Total Demand From Existing Households		436	1,719
TOTAL DEMAND		471	1,864
LESS: Total Comparable Activity Since 2018		41	41
TOTAL NET DEMAND		430	1,823
PROPOSED NUMBER OF UNITS		78	78
CAPTURE RATE		18.2%	4.3%
Note: Totals may not sum due to rounding			

Table 21: Demand Calculation – by Bedroom Size

2010 Total Occupied Households 55+	16,207		
2010 Owner-Occupied Households 55+	11,808		
2010 Renter-Occupied Households 55+	4,399		
		One-Bedroom Units	
		60% AMI	
		No	Incl.
		<u>PBRA</u>	<u>PBRA</u>
QUALIFIED-INCOME RANGE			
Minimum Annual Income		\$19,800	\$0
Maximum Annual Income		\$28,200	\$28,200
DEMAND FROM NEW HOUSEHOLD GROWTH			
Renter Household Growth, 2018-2021	226	226	
Percent Income Qualified Renter Households	15.1%	64.1%	
Total Demand From New Households	34	145	
DEMAND FROM EXISTING RENTER HOUSEHOLDS			
Percent of Renters in Substandard Housing	5.7%	5.7%	
Percent Income Qualified Renter Households	15.1%	64.1%	
Total Demand From Substandard Renter HHs	38	160	
Percent of Renters Rent-Overburdened	48.4%	48.4%	
Percent Income Qualified Renter Households	15.1%	64.1%	
Total Demand From Overburdened Renter HHs	322	1,364	
DEMAND FROM EXISTING RENTER HOUSEHOLDS			
Owner to Renter Conversion Rate	5.0%	5.0%	
Percent Owner Households Income Qualified	12.9%	33.2%	
Total Demand from Owner Households	76	196	
Total Demand From Existing Households	436	1,719	
TOTAL DEMAND	471	1,864	
LESS: Total Comparable Activity Since 2018	41	41	
TOTAL NET DEMAND	430	1,823	
PROPOSED NUMBER OF UNITS	78	78	
CAPTURE RATE	18.2%	4.3%	
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. Should the project be totally remarketed upon completion of rehab efforts (that is, no current tenants will be retained), an overall LIHTC capture rate of 18.2 percent was determined based on the demand calculation (including renter household growth, substandard and overburdened units among existing renter households, potential senior owner households, and excluding any comparable activity since 2018), while the capture rate for PBRA units is 4.3 percent. As such, these capture rates provide a positive indication of the need for affordable senior rental options locally and are within acceptable industry thresholds.

Taking into consideration the strong senior demographic growth within the PMA, coupled with the clear lack of adequate affordable senior housing alternatives throughout the Spartanburg area, an estimate of the overall absorption period (should the entire facility be remarketed) to reach 93 percent occupancy is conservatively estimated at five to seven months. This determination also takes into consideration a market entry in late 2020/early 2021; a minimum of 20 percent of units pre-leased; and assumes all units will enter the market as they are completed. Because it is likely that more than one-half of current residents will remain post-rehab, the actual absorption rate will likely be somewhat shorter. Based on this information, no market-related concerns are present.

G. SUPPLY/COMPARABLE RENTAL ANALYSIS

1. Archibald Tower PMA Rental Market Characteristics

As part of the rental analysis for the Spartanburg area, a survey of existing rental projects within the primary market area was completed by Shaw Research & Consulting in January 2019. Including both senior-only and family-oriented developments, a total of 21 apartment properties (four senior and 17 family) 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 2,604 units were reported, with the majority of units containing one and two bedrooms. Among the properties providing a specific unit breakdown, nine percent of all units were studio/efficiency, 41 percent had one bedroom, 37 percent had two bedrooms, and 12 percent of units contained three bedrooms. There were relatively few four-bedroom units reported in the survey. The average age of the rental properties was 19 years old (an average build/rehab date of 2000), with nine properties built/rehabbed since 2010. In addition, a total of ten facilities reported to have some sort of income eligibility requirements – with six subsidized properties, and four developments containing unsubsidized tax credit units.

Overall conditions for the Spartanburg rental market appear to be quite positive at the current time. Among the 21 properties included in the survey, the overall occupancy rate was calculated at 98.2 percent. When breaking down occupancy rates, the 11 market rate developments averaged 97.6 percent occupancy, the four tax credit properties were a combined 99.7 percent, and the six subsidized projects were 98.9 percent occupied. As such, the strong occupancy rates among affordable properties (family and senior) are clearly reflective of the overall strength and ongoing demand for affordable rental housing options locally.

2. Senior/Comparable Rental Market Characteristics

Overall, only limited senior-only rental options can be found within the Spartanburg area. While four senior properties were included within the survey, three are fully subsidized and only one contains a unit mix including non-subsidized tax credit units (Cedar Springs Place has 19 PBRA units and 29 LIHTC units). Further, one of these developments (Parkside at Drayton is a LIHTC property with 100 percent rental assistance) is currently under construction and has not yet entered the market. It should also be noted that two other senior subsidized developments (Norma Locklear Pitts Senior and Harry C White Manor Apartments) are located within Spartanburg, but would not participate in the survey or return repeated phone calls, and are therefore not included in survey results.

Overall occupancy levels within the senior properties surveyed are extremely positive, with a combined occupancy rate of 99.7 percent – with only one vacancy reported among the 297 senior units surveyed (not including Parkside at Drayton). Additionally, each reported a waiting list, clearly demonstrating the demand for senior-only rental options locally.

Considering that the subject proposal will be developed utilizing tax credits, the only truly comparable senior project is Cedar Springs Place, a 41-unit property with 29 LIHTC (at 50 percent AMI) and 19 PBRA units. However, the leasing manager would not fully cooperate with the survey, and only provided limited information. As such, the facility contains all one-bedroom units and was 100 percent occupied with a waiting list (rental rates and length of the waiting list were not shared).

Furthermore, three family-oriented tax credit facilities within the market area that can be considered as somewhat comparable are also included in the following tables. According to survey results, just one vacancy was reported among a total of 280 units, resulting in an occupancy rate of 99.6 percent. In addition, each of these properties mentioned they were maintaining extremely long waiting lists, further demonstrating the need for additional affordable rental alternatives.

From a market standpoint, it is evident that sufficient demand is present for rehabilitation of the subject proposal. Considering the general lack of affordable senior options within the PMA, a high level of pent-up demand is extremely likely. However, based on prevailing rental rates and income levels, the rent structure is crucial for the long-term viability of any newly introduced rental development. Therefore, considering that all units will contain project-based rental assistance, rental rates are not an issue and should be considered a positive factor.

3. Comparable Pipeline Units

According to SCSHFDA information and local government officials, the only directly comparable senior rental developments are currently proposed or under construction within the market area includes Parkside at Drayton – a 41-unit development allocated tax credits in 2017 and presently under construction. Further, the project will contain PBRA for all units. While this project and the subject proposal will undoubtedly compete for the same tenant, it is evident that sufficient market depth is present for both developments.

4. Impact on Existing Tax Credit Properties

Based on the lack of similar senior-only rental housing locally, as well as the extremely strong occupancy rates among family LIHTC developments included in the survey, rehabilitation of the proposal will undoubtedly prove successful. In addition, considering extremely strong future demographic growth anticipated for the senior segment within the PMA, as well as the generally positive characteristics of the immediate area, affordable senior housing will undoubtedly continue to be in demand locally.

Table 22: 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.	Elect. Incl.	Occup. Rate	Type	Location
Cedar Springs Place Apts	2008	48	0	48	0	0	0	Yes	Yes	Yes	100%	SR 55+	Spartanburg
Heritage Court Apts	1985	149	38	111	0	0	0	Yes	Yes	Yes	99%	SR 62+	Spartanburg
JC Bull Apts	1981	100	0	100	0	0	0	Yes	Yes	Yes	100%	SR 62+	Spartanburg
Parkside at Drayton	2019	41	0	36	5	0	0	No	Yes	No	U/C	SR 62+	Spartanburg
Archibald Rutledge Apts	1987	150	90	60	0	0	0	Yes	Yes	Yes	99%	Open	Spartanburg
Church Street Lofts	2012	88	48	40	0	0	0	No	Yes	No	100%	Open	Spartanburg
City View Apts	2015	36	0	NA	NA	0	0	No	Yes	No	97%	Open	Spartanburg
Companion At Lees Crossing	2010	192	0	34	102	56	0	No	Yes	No	99%	Open	Spartanburg
Crown Point	2003	241	0	NA	NA	NA	0	No	No	No	96%	Open	Spartanburg
Draymont Ridge	2004	40	0	12	17	11	0	No	Yes	No	100%	Open/SN	Spartanburg
Drayton Mills Lofts	2017	289	0	NA	NA	NA	0	No	No	No	99%	Open	Spartanburg
Hidden Park Apts	1974	100	0	24	60	16	0	No	Yes	No	97%	Open	Spartanburg
Highland Crossing Apts	2016	72	0	16	32	24	0	No	Yes	No	100%	Open	Spartanburg
Mayfair Lofts	2007	107	0	57	50	0	0	No	Yes	No	100%	Open	Spartanburg
Riverwind Apts	1983	227	0	84	98	45	0	No	No	No	95%	Open	Spartanburg
The Bluffs Apts	1983	144	0	48	80	16	0	No	No	No	96%	Open	Spartanburg
The Brick Lofts	2018	43	NA	NA	NA	0	0	No	Yes	No	100%	Open	Spartanburg
The Park at Vietti	1986	204	0	76	128	0	0	No	No	No	99%	Open	Spartanburg
Victoria Gardens	1970	81	6	9	26	32	8	Yes	Yes	Yes	96%	Open	Spartanburg
Willow Crossing	2011	48	0	0	NA	NA	0	No	Yes	No	100%	Open	Spartanburg
Willows At North End	2018	204	0	48	120	36	0	No	Yes	No	98%	Open	Spartanburg
Totals and Averages	2000	2,604	182	803	718	236	8	Overall Occupancy:			98.2%		
<i>Unit Distribution</i>			9%	41%	37%	12%	0%	Senior Occupancy:			99.7%		
SUBJECT PROJECT													
Archibald Tower	2021	79	0	79	0	0	0	Yes	Yes	Yes		SR 55+	Spartanburg

Note: Shaded Properties are LIHTC

Table 23: 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.	Elect. Incl.	Occup. Rate	Type	Location	
Totals and Averages <i>Unit Distribution</i>	2000	2,604	182 9%	803 41%	718 37%	236 12%	8 0%				Overall Occupancy: Senior Occupancy:	98.2% 99.7%		
SUBJECT PROJECT														
Archibald Tower	2021	79	0	79	0	0	0	Yes	Yes	Yes		SR 55+	Spartanburg	
SUMMARY														
	Number of Dev.	Year Built/Rehab	Total Units	Studio/ Eff.	1BR	2BR	3BR	4BR	Overall Occup.	Senior Occup.				
Total Developments	21	2000	2,604	182	803	718	236	8	98.2%	99.7%				
Market Rate Only	11	2001	1,683	48	377	536	113	0	97.6%	--				
LIHTC Only	4	2008	328	0	94	119	67	0	99.7%	100.0%				
Subsidized Only	6	1993	593	134	332	63	56	8	98.9%	99.6%				

Table 24: 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		
Cedar Springs Place Apts	LIHTC/BOI	19			750									
Heritage Court Apts	Market/BOI	148			576									
JC Bull Apts	BOI-HUD	100			500									
Parkside at Drayton	LIHTC/BOI	41			750						1,000			
Archibald Rutledge Apts	BOI-PHA	150			611									
Church Street Lofts	Market	0	\$1,000	\$1,075	827		\$1.21	\$1.30						
City View Apts	Market	0	\$650	\$800	600		\$1.08	\$1.33	\$775	\$800	900		\$0.86	\$0.89
Companion At Lees Crossing	LIHTC	0	\$581		687		\$0.85	\$0.85	\$696		932		\$0.75	\$0.75
Crown Point	Market	0	\$695		756		\$0.92	\$0.92	\$775		1,014		\$0.76	\$0.76
Draymont Ridge	LIHTC	0	\$515		635		\$0.81	\$0.81	\$550	\$600	1,000		\$0.55	\$0.60
Drayton Mills Lofts	Market	0	\$1,025		744		\$1.38	\$1.38	\$1,220		1,267		\$0.96	\$0.96
Hidden Park Apts	Market	0	\$600		670		\$0.90	\$0.90	\$700		864		\$0.81	\$0.81
Highland Crossing Apts	BOI-HUD	72			839						1,177			
Mayfair Lofts	Market	0	\$990	\$1,170	717		\$1.38	\$1.63	\$1,175	\$1,455	1,100		\$1.07	\$1.32
Riverwind Apts	Market	0	\$845	\$995	671	702	\$1.20	\$1.48	\$1,000	\$1,045	988		\$1.01	\$1.06
The Bluffs Apts	Market	0	\$795		700		\$1.14	\$1.14	\$855	\$865	875	925	\$0.92	\$0.99
The Brick Lofts	Market	0	\$795	\$975	449	835	\$0.95	\$2.17	\$895	\$990	789	937	\$0.96	\$1.25
The Park at Vietti	Market	0	\$795	\$815	694	826	\$0.96	\$1.17	\$845	\$1,000	840	1,048	\$0.81	\$1.19
Victoria Gardens	BOI-PHA	80			630						800			
Willow Crossing	LIHTC	0							\$495	\$550	1,200		\$0.41	\$0.46
Willows At North End	Market	0	\$855	\$1,220	675	816	\$1.05	\$1.81	\$845	\$1,337	916	1,075	\$0.79	\$1.46
Totals and Averages		610		\$860		694		\$1.24		\$885		982		\$0.90
SUBJECT PROPERTY														
Archibald Tower	LIHTC/BOI	78		\$660		750		\$0.88		NA		NA		NA
SUMMARY														
Overall				\$860		694		\$1.24		\$885		982		\$0.90
Market Rate Only				\$894		712		\$1.26		\$975		967		\$1.01
LIHTC Only				\$548		691		\$0.79		\$578		1,044		\$0.55
Subsidized Only				NA		651		NA		NA		992		NA

Note: Shaded Properties are LIHTC

Table 25a: Project Amenities - Overall

Project Name	Heat Type	Central Air	Wall A/C	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Club/Comm. Room	Computer Center	Exercise Room
Cedar Springs Place Apts	ELE	Yes	No	Yes	Yes	Y/N	Y/N	No	Yes	No	Yes	Yes	No
Heritage Court Apts	ELE	Yes	No	Yes	No	No	No	Yes	No	No	Yes	No	No
JC Bull Apts	Gas	Yes	No	No	No	No	Yes	Yes	No	No	Yes	No	No
Parkside at Drayton	ELE	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes
Archibald Rutledge Apts	ELE	No	Yes	Yes	Yes	No	Some	No	No	4 units	No	Yes	No
Church Street Lofts	ELE	Yes	No	Yes	Yes	Yes	Yes	1BR	Yes	1BR	No	No	Yes
City View Apts	H2O	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No	No
Companion At Lees Crossing	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Crown Point	ELE	No	Yes	Yes	Yes	No	Some	Some	Yes	Yes	Yes	No	Yes
Draymont Ridge	ELE	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No
Drayton Mills Lofts	ELE	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes
Hidden Park Apts	ELE	Yes	No	Yes	Yes	No	No	No	Yes	No	No	No	No
Highland Crossing Apts	ELE	Yes	No	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	No	Yes
Mayfair Lofts	ELE	Yes	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	Yes
Riverwind Apts	Gas	Yes	No	Yes	Yes	Some	Yes	Yes	Yes	Yes	Yes	Yes	Yes
The Bluffs Apts	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	No	Yes
The Brick Lofts	ELE	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No
The Park at Vietti	ELE	Yes	No	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes
Victoria Gardens	Gas	Yes	No	No	No	No	Yes	No	No	Yes	Yes	Yes	No
Willow Crossing	ELE	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Willows At North End	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Totals and Averages	--	90%	10%	81%	86%	48%	71%	67%	76%	62%	71%	43%	57%
SUBJECT PROJECT													
Archibald Tower	ELE	No	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	No
SUMMARY													
Overall	--	90%	10%	81%	86%	48%	71%	67%	76%	62%	71%	43%	57%
Market Rate Only	--	91%	9%	91%	100%	45%	73%	82%	91%	64%	64%	27%	73%
LIHTC Only	--	100%	0%	75%	100%	75%	100%	50%	100%	50%	75%	75%	50%
Subsidized Only	--	83%	17%	67%	50%	33%	50%	50%	33%	67%	83%	50%	33%

Note: Shaded Properties are LIHTC

Table 25b: Project Amenities - Overall

Project Name	Gazebo	Elevator	Exterior Storage	On-Site Mgt	Security Gate	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage	Emerg-Pull Cord	Activities	Library
Cedar Springs Place Apts	No	Yes	No	Yes	No	Yes	Yes	No	No	No	No	Yes	Yes	No
Heritage Court Apts	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No	No	Yes	Yes	No
JC Bull Apts	No	No	No	Yes	No	No	Yes	No	No	No	No	Yes	Yes	No
Parkside at Drayton	NA	Yes	No	Yes	No	Yes	Yes	No	No	No	No	NA	NA	NA
Archibald Rutledge Apts	No	Yes (2)	No	Yes	No	Yes	Yes	No	No	No	No			
Church Street Lofts	No	Yes	Yes	Yes	No	Yes	No	No	Yes	No	No			
City View Apts	No	Yes	No	Yes	No	Yes	Yes	No	No	No	No			
Companion At Lees Crossing	No	No	Yes	Yes	No	Yes	Yes	Yes	No	No	Yes			
Crown Point	No	No	No	Yes	No	Yes	Yes	2 & 3BR	No	No	No			
Draymont Ridge	No	No	No	Yes	No	No	No	Yes	No	No	No			
Drayton Mills Lofts	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No	No			
Hidden Park Apts	Yes	No	No	Yes	No	No	Yes	No	No	No	No			
Highland Crossing Apts	Yes	No	No	Yes	No	No	Yes	Yes	No	No	No			
Mayfair Lofts	No	Yes	Yes	Yes	No	Yes	No	Yes	No	No	Yes			
Riverwind Apts	No	No	No	Yes	Yes	No	No	No	Yes	No	No			
The Bluffs Apts	No	No	No	Yes	No	No	Yes	No	No	No	No			
The Brick Lofts	No	No	No	Yes	Yes	Yes	Yes	No	No	No	No			
The Park at Vietti	No	No	Yes	Yes	No	No	Yes	Yes	No	No	No			
Victoria Gardens	No	No	No	Yes	No	No	Yes	Yes	No	No	No			
Willow Crossing	Yes	No	Yes	Yes	No	Yes	Yes	Yes	No	No	No			
Willows At North End	No	No	Yes	Yes	No	No	Yes	Yes	No	No	No			
Totals and Averages	24%	38%	38%	100%	14%	52%	76%	43%	14%	0%	10%	19%	19%	5%
SUBJECT PROJECT														
Archibald Tower	No	Yes	No	Yes	No	Yes	Yes	No	No	No	No	Yes	Yes	No
SUMMARY														
Overall	24%	38%	38%	100%	14%	52%	76%	43%	14%	0%	10%	19%	19%	5%
Market Rate Only	9%	36%	45%	100%	27%	55%	64%	36%	27%	0%	9%	0%	0%	0%
LIHTC Only	25%	25%	50%	100%	0%	75%	75%	75%	0%	0%	25%	25%	25%	0%
Subsidized Only	50%	50%	17%	100%	0%	33%	100%	33%	0%	0%	0%	50%	50%	17%

Note: Shaded Properties are LIHTC

Table 26: Other Information - Overall

Project Name	Address	City	Telephone Number	Contact	On-Site Mgt	Waiting List	Concessions/Notes	Survey Date
Cedar Springs Place Apts	200 Serenity Springs Lane	Spartanburg	(864) 253-8450	Yvelle	Yes	Yes	Would not cooperate	23-Jan-19
Heritage Court Apts	425 S. Church Street	Spartanburg	(864) 585-8595	Priscilla	Yes	33 Names	None	2-Jan-19
JC Bull Apts	101 Marion Ave	Spartanburg	(864) 598-6100	Nadine	Yes	100+ Names	None	11-Jan-19
Parkside at Drayton	110 Fernwood Dr	Spartanburg	(803) 937-3545	NA	Yes	NA	Under Construction	NA
Archibald Rutledge Apts	764 N. Church Street	Spartanburg	(864) 598-6085	Stephanie	Yes	347 Names	None	11-Jan-19
Church Street Lofts	275 S Church St	Spartanburg	(864) 308-1659	Todd	Yes	No	None	2-Jan-19
City View Apts	144 W. Henry St.	Spartanburg	(864) 582-0022	Amanda	Yes	No	None	14-Jan-19
Companion At Lees Crossing	100 Lees Crossing Dr	Spartanburg	(864) 574-8494	Jackie	Yes	2 Months	None	2-Jan-19
Crown Point	201 Powell Mill Rd	Spartanburg	(864) 576-7670	Amber	Yes	No	None	26-Dec-18
Draymont Ridge	3900 Taggart Drive	Spartanburg	(864) 585-6116	Jeanine	Yes	50+ Names	1BR for mentally disabled	11-Jan-19
Drayton Mills Lofts	1800 Drayton Rd	Spartanburg	(864) 573-0092	Marissa	Yes	Yes	None	3-Jan-19
Hidden Park Apts	320 Spruce St	Spartanburg	(864) 585-0863	Amanda	Yes	No	None	11-Jan-19
Highland Crossing Apts	201 Highland Ave	Spartanburg	(864) 504-2375	NA	Yes	Yes	WL is closed	11-Jan-19
Mayfair Lofts	100 W Cleveland St	Spartanburg	(864) 576-1073	Megan	Yes	No	None	28-Dec-18
Riverwind Apts	200 Heywood Ave	Spartanburg	(864) 585-9463	Katie	Yes	No	None	4-Jan-19
The Bluffs Apts	100 Vanderbilt Lane	Spartanburg	(864) 574-4877	Rhonda	Yes	No	None	2-Jan-19
The Brick Lofts	600 Magnolia Street	Spartanburg	(864) 308-1659	Todd	Yes	No	None	11-Jan-19
The Park at Vietti	1000 Hunt Club Ln	Spartanburg	(864) 576-0928	Destiny	Yes	5 Names	Formerly Hunt Club Apts	11-Jan-19
Victoria Gardens	695 Howard St.	Spartanburg	(864) 598-6090	Jill	Yes	400+ Names	None	23-Jan-19
Willow Crossing	101 Willow Lane	Spartanburg	(864) 699-9965	Martha	Yes	400+ Names	None	4-Jan-19
Willows At North End	425 Willowdale Dr	Spartanburg	(864) 598-9999	Hannah	Yes	No	None	2-Jan-19

Note: Shaded Properties are LIHTC

Table 27: Rental Housing Survey – Comparable LIHTC

Project Name	Year Built/Rehab	Total Units	Studio/ Eff.	1 BR	2 BR	3 BR	4 BR	Heat Incl.	W/S Incl.	Elect. Incl.	Occup. Rate	Type	Location
Cedar Springs Place Apts	2008	48	0	48	0	0	0	Yes	Yes	Yes	100%	SR 55+	Spartanburg
Parkside at Drayton	2019	41	0	36	5	0	0	No	Yes	No	U/C	SR 62+	Spartanburg
Companion At Lees Crossing	2010	192	0	34	102	56	0	No	Yes	No	99%	Open	Spartanburg
Draymont Ridge	2004	40	0	12	17	11	0	No	Yes	No	100%	Open/SN	Spartanburg
Totals and Averages	2010	321	0	130	124	67	0				99.6%		
<i>Unit Distribution</i>			0%	40%	39%	21%	0%						
SUBJECT PROJECT													
Archibald Tower	2021	79	0	79	0	0	0	Yes	Yes	Yes		SR 55+	Spartanburg

Table 28: Rent Range for 1 & 2 Bedrooms – Comparable LIHTC

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		
Cedar Springs Place Apts	LIHTC/BOI	19			750									
Parkside at Drayton	LIHTC/BOI	41			750						1,000			
Companion At Lees Crossing	LIHTC	0	\$581		687		\$0.85	\$0.85	\$696		932		\$0.75	\$0.75
Draymont Ridge	LIHTC	0	\$515		635		\$0.81	\$0.81	\$550	\$600	1,000		\$0.55	\$0.60
Totals and Averages		60		\$548		706		\$0.78		\$615		977		\$0.63
SUBJECT PROPERTY														
Archibald Tower	LIHTC/BOI	78		\$660		750		\$0.88		NA		NA		NA

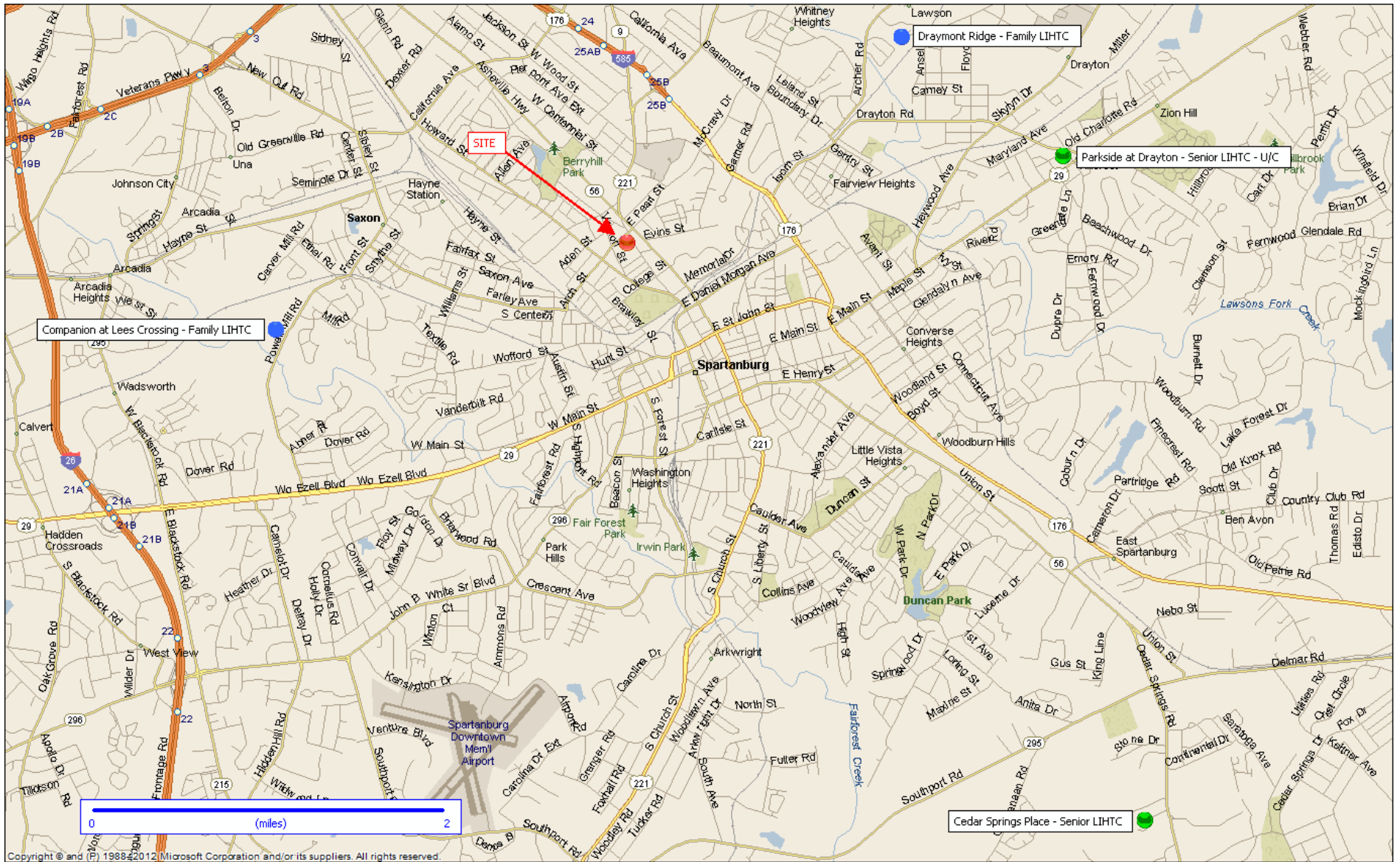
Table 29a: Project Amenities – Comparable LIHTC


Project Name	Heat Type	Central Air	Wall A/C	Garbage Disposal	Dish Washer	Microwave	Ceiling Fan	Walk-in Closet	Mini Blinds	Patio/Balcony	Club/Comm. Room	Computer Center	Exercise Room
Cedar Springs Place Apts	ELE	Yes	No	Yes	Yes	Y/N	Y/N	No	Yes	No	Yes	Yes	No
Parkside at Drayton	ELE	Yes	No	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes
Companion At Lees Crossing	ELE	Yes	No	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Draymont Ridge	ELE	Yes	No	Yes	Yes	Yes	Yes	No	Yes	No	No	No	No
Totals and Averages	--	100%	0%	100%	100%	75%	75%	25%	100%	50%	75%	75%	50%
SUBJECT PROJECT													
Archibald Tower	ELE	No	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	Yes	No


Table 29b: Project Amenities – Comparable LIHTC

Project Name	Gazebo	Elevator	Exterior Storage	On-Site Mgt	Security Intercom	Coin Op Laundry	Laundry Hookup	In-unit Laundry	Carport	Garage	Emerg. Pull Cord	Activities	Library
Cedar Springs Place Apts	No	Yes	No	Yes	Yes	Yes	No	No	No	No	Yes	Yes	No
Parkside at Drayton	NA	Yes	No	Yes	Yes	Yes	No	No	No	No	NA	NA	NA
Companion At Lees Crossing	No	No	Yes	Yes	Yes	Yes	Yes	No	No	Yes			
Draymont Ridge	No	No	No	Yes	No	No	Yes	No	No	No			
Totals and Averages	25%	50%	25%	100%	75%	75%	50%	0%	0%	25%	50%	50%	25%
SUBJECT PROJECT													
Archibald Tower	No	Yes	No	Yes	Yes	Yes	No	No	No	No	Yes	Yes	No


Map 10: Comparable LIHTC Rental Developments – Spartanburg area



COMPARABLE PROJECT INFORMATION											
Project Name: Cedar Springs Place Apts Address: 200 Serenity Springs Lane City: Spartanburg State: SC Zip Code: 29302 Phone Number: (864) 253-8450 Contact Name: Yvelle Contact Date: 01/23/19 Current Occup: 100.0%											
DEVELOPMENT CHARACTERISTICS											
Total Units: 48		Year Built: 2008		Project Type: SR 55+		Floors: 2		Program: LIHTC/BOI		Accept Vouchers: Yes	
PBRA Units*: 19		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 1-BEDROOM UNITS				48					0	100.0%	
1	1.0	BOI	Apt	19	750				0	100.0%	Yes
1	1.0	50	Apt	29	750		NA		0	100.0%	Yes
TOTAL DEVELOPMENT				48					0	100.0%	Yes
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 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 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 type="checkbox"/> - Exercise/Fitness Room <input checked="" type="checkbox"/> - Community Kitchen <input type="checkbox"/> - Swimming Pool <input type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input checked="" 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				<input checked="" type="checkbox"/> - Coin-Operated Laundry <input 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 checked="" type="checkbox"/> - Heat ELE <input checked="" type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer			

COMPARABLE PROJECT INFORMATION															
Project Name: Parkside at Drayton Address: 110 Fernwood Dr City: Spartanburg State: SC Zip Code: 29307 Phone Number: (803) 937-3545 Contact Name: 0 Contact Date: Enter Current Occup: Under Construction															
DEVELOPMENT CHARACTERISTICS															
Total Units:	41	Year Built:	Under Const.												
Project Type:	SR 62+	Floors:	3												
Program:	LIHTC/BOI	Accept Vouchers:	41												
PBRA Units*:	41	Voucher #:	NA												
<small>* Including Section 8, Rental Assistance, and any other Project-Based Subsidy</small>															
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				36					NA						
1	1.0	BOI	Apt	36	750										
TOTAL 2-BEDROOM UNITS				5					NA						
2	2.0	BOI	Apt	5	1,000										
TOTAL DEVELOPMENT				41					NA	Under Construction					
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 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 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 type="checkbox"/> - Playground <input type="checkbox"/> - Gazebo <input checked="" 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 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 <input type="checkbox"/> - Garage (att) <input type="checkbox"/> - Garage (det) <table border="1" style="margin-left: auto; margin-right: 0; border-collapse: collapse;"> <tr><td style="width: 50px;">\$0</td></tr> <tr><td>\$0</td></tr> <tr><td>\$0</td></tr> </table> <u>Utilities Included</u> <input type="checkbox"/> - Heat <input type="checkbox"/> - Electricity <input checked="" type="checkbox"/> - Trash Removal <input checked="" type="checkbox"/> - Water/Sewer <table border="1" style="margin-left: auto; margin-right: 0; border-collapse: collapse;"> <tr><td style="width: 50px;">ELE</td></tr> </table>				\$0	\$0	\$0	ELE
\$0															
\$0															
\$0															
ELE															

COMPARABLE PROJECT INFORMATION															
Project Name: Companion At Lees Crossing Address: 100 Lees Crossing Dr City: Spartanburg State: SC Zip Code: 29301 Phone Number: (864) 574-8494 Contact Name: Jackie Contact Date: 01/02/19 Current Occup: 99.5%															
DEVELOPMENT CHARACTERISTICS															
Total Units:		192		Year Built:		2010		Project Type:		Open		Floors:		4	
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 1-BEDROOM UNITS				34					0	100.0%					
1	1.0	60	Apt	34	687		\$581		0	100.0%	Yes				
TOTAL 2-BEDROOM UNITS				102					1	99.0%					
2	2.0	60	Apt	102	932		\$696		1	99.0%	Yes				
TOTAL 3-BEDROOM UNITS				56					0	100.0%					
3	2.0	60	Apt	56	1,107		\$801		0	100.0%	Yes				
TOTAL DEVELOPMENT				192					1	99.5%	2 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 checked="" type="checkbox"/>	- Garbage Disposal			<input checked="" type="checkbox"/>	- Computer Center			<input type="checkbox"/>	- In-Unit Washer/Dryer						
<input checked="" type="checkbox"/>	- Dishwasher			<input checked="" type="checkbox"/>	- Exercise/Fitness Room			<u>Parking Type</u>							
<input type="checkbox"/>	- Microwave			<input type="checkbox"/>	- Community Kitchen			<input checked="" type="checkbox"/>	- Surface Lot						
<input checked="" type="checkbox"/>	- Ceiling Fan			<input checked="" type="checkbox"/>	- Swimming Pool			<input type="checkbox"/>	- Carport				\$0		
<input checked="" type="checkbox"/>	- Walk-In Closet			<input checked="" type="checkbox"/>	- Playground			<input type="checkbox"/>	- Garage (att)				\$0		
<input checked="" type="checkbox"/>	- Mini-Blinds			<input type="checkbox"/>	- Gazebo			<input checked="" type="checkbox"/>	- Garage (det)				\$60		
<input type="checkbox"/>	- Draperies			<input checked="" type="checkbox"/>	- Elevator			<u>Utilities Included</u>							
<input checked="" type="checkbox"/>	- Patio/Balcony			<input checked="" type="checkbox"/>	- Storage			<input type="checkbox"/>	- Heat				ELE		
<input type="checkbox"/>	- Basement			<input type="checkbox"/>	- Sports Courts			<input type="checkbox"/>	- Electricity						
<input type="checkbox"/>	- Fireplace			<input checked="" type="checkbox"/>	- On-Site Management			<input type="checkbox"/>	- Trash Removal						
<input type="checkbox"/>	- High-Speed Internet			<input type="checkbox"/>	- Security - Access Gate			<input checked="" type="checkbox"/>	- Water/Sewer						
<input type="checkbox"/>				<input checked="" type="checkbox"/>	- Security - Intercom			<input type="checkbox"/>							

COMPARABLE PROJECT INFORMATION											
Project Name: Draymont Ridge Address: 3900 Taggart Drive City: Spartanburg State: SC Zip Code: 29303 Phone Number: (864) 585-6116 Contact Name: Jeanine Contact Date: 01/11/19 Current Occup: 100.0%											
DEVELOPMENT CHARACTERISTICS											
Total Units:		40		Year Built:		2003-04					
Project Type:		Mixed		Floors:		1					
Program:		LIHTC		Accept Vouchers:		Yes					
PBRA Units*:		0		Voucher #:		10					
* 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				12					0	100.0%	
1	1.0	60	Apt	12	635		\$515		0	100.0%	Yes
TOTAL 2-BEDROOM UNITS				17					0	100.0%	
2	1.5	50	Apt	3	1,000		\$550		0	100.0%	Yes
2	1.5	60	Apt	14	1,000		\$600		0	100.0%	Yes
TOTAL 3-BEDROOM UNITS				11					0	100.0%	
3	2.0	50	Apt	3	1,348		\$620		0	100.0%	Yes
3	2.0	60	Apt	8	1,348		\$700		0	100.0%	Yes
TOTAL DEVELOPMENT				40					0	100.0%	50+ 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 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 type="checkbox"/> - Community Room <input 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 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				<u>Laundry Type</u> <input 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			

5. 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 five market-rate properties were selected to determine the estimated market rate, based largely on the availability of one and two-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
One-Bedroom Units			
60% AMI	\$709	\$933	24%
60% AMI	\$660	\$933	29%

Rent Comparability Grid

Subject Property		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Project Name		City View Apts		Drayton Mills Lofts		Riverwind Apts		The Brick Lofts		Willows At North End	
Project City	Subject	Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg	
Date Surveyed	Data	1/14/19		1/3/19		1/4/19		1/11/19		1/2/19	
A. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Structure Type	Apts	Apts		Lofts	(\$150)	Apts		Lofts	(\$150)	Apts	
Yr. Built/Yr. Renovated	2021	2015	\$5	2017	\$3	1983	\$29	2018	\$2	2018	\$2
Neighborhood/Location											
B. Unit Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Central A/C	No	Yes	(\$15)	Yes	(\$15)	Yes	(\$15)	Yes	(\$15)	Yes	(\$15)
Garbage Disposal	Yes	No	\$5	Yes		Yes		Yes		Yes	
Dishwasher	Yes	Yes		Yes		Yes		Yes		Yes	
Microwave	No	No		Yes	(\$5)	Some		Yes	(\$5)	No	
Walk-In Closet	No	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)	Yes	(\$3)
Mini-Blinds	Yes	Yes		Yes		Yes		Yes		Yes	
Patio/Balcony	No	No		Yes	(\$5)	Yes	(\$5)	No		Yes	(\$5)
Basement	No	No		Yes	\$0	No		No		No	
Fireplace	No	No		No		Some		No		Some	
C. Site Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Clubhouse	No	No		Yes	(\$5)	Yes	(\$5)	No		Yes	(\$5)
Community Room	Yes	No	\$5	Yes		Yes		No	\$5	No	\$5
Computer Center	Yes	No	\$3	No	\$3	Yes		No	\$3	Yes	
Exercise Room	No	No		Yes	(\$5)	Yes	(\$5)	No		Yes	(\$5)
Swimming Pool	No	No		Yes	(\$5)	Yes	(\$5)	No		Yes	(\$5)
Playground	No	No		No		Yes	\$0	No		Yes	\$0
Sports Courts	No	No		No		Yes	\$0	No		Yes	\$0
On-Site Management	Yes	Yes		Yes		Yes		Yes		Yes	
Security - Access Gate	No	No		Yes	(\$5)	Yes	(\$5)	Yes	(\$5)	No	
Security - Intercom	Yes	Yes		Yes		No	\$3	Yes		No	\$3
D. Other Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Coin-Operated Laundry	Yes	Yes		No	\$5	No	\$5	Yes		Yes	
In-Unit Hook-Up	No	No		No		No		No		Yes	(\$10)
In-Unit Washer/Dryer	No	No		Yes	(\$20)	Yes	(\$20)	No		No	
Carpport	No	No		No		No		No		No	
Garage (attached)	No	No		No		No		No		No	
Garage (detached)	No	No		No		No		No		No	
E. Utilities Included		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
Heat	Yes	No	XX	No	XX	No	XX	No	XX	No	XX
Electric	Yes	No	XX	No	XX	No	XX	No	XX	No	XX
Trash Removal	Yes	Yes		Yes		Yes		Yes		Yes	
Water/Sewer	Yes	Yes		No	XX	No	XX	Yes		Yes	
Heat Type	ELE	H2O		ELE		Gas		ELE		ELE	
Utility Adjustments											
One-Bedroom Units			\$70		\$127		\$127		\$70		\$70

Subject Property		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Project Name		City View Apts		Drayton Mills Lofts		Riverwind Apts		The Brick Lofts		Willows At North End	
Project City	Subject	Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg	
Date Surveyed	Data	1/14/2019		1/3/2019		1/4/2019		1/11/2019		1/2/2019	
F. Average Unit Sizes		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
One-Bedroom Units	750	600	\$23	744	\$1	687	\$10	642	\$16	746	\$1
G. Number of Bathrooms		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
One-Bedroom Units	1.0	1.0	\$0	1.0	\$0	1.0	\$0	1.0	\$0	1.0	\$0
G. Total Adjustments Recap											
One-Bedroom Units			\$92		(\$79)		\$110		(\$82)		\$33

		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Project Name		City View Apts		Drayton Mills Lofts		Riverwind Apts		The Brick Lofts		Willows At North End	
Project City	Subject	Spartanburg		Spartanburg		Spartanburg		Spartanburg		Spartanburg	
Date Surveyed	Data	1/14/2019		1/3/2019		1/4/2019		1/11/2019		1/2/2019	
H. Rent/Adjustment Summary		Unadjust ed Rent	Adjusted Rent	Unadjust ed Rent	Adjusted Rent	Unadjust ed Rent	Adjusted Rent	Unadjust ed Rent	Adjusted Rent	Unadjust ed Rent	Adjusted Rent
Market Rate Units											
One-Bedroom Units	\$933	\$725	\$817	\$1,025	\$946	\$920	\$1,030	\$885	\$803	\$1,038	\$1,070

H. INTERVIEWS

Throughout the course of performing this analysis of the Spartanburg rental market, many individuals were contacted. Based on discussions with local government officials, the only senior multi-family activity reported (either proposed or under construction) within the market area at the current time is Parkside of Drayton - a 41-unit subsidized senior tax credit project currently under construction at 110 Fernwood Drive. While a number of additional multi-family developments were reported in various stages of progress, all are family-oriented and cannot be considered as comparable to the subject proposal. As such, none of the known multi-family activity will have an adverse effect on the marketability or absorption of the subject. The following planning departments were contacted:

Location: City of Spartanburg
Contact: Natalia Rosario, Planner
Phone: (864) 596-2068
Date: 2/25/2019

Location: Spartanburg County
Contact: Josh Henderson, Senior Planner
Phone: (864) 596-3689
Date: 2/25/2019

Additional information was collected during property visits and informal interviews with leasing agents and resident managers throughout the Spartanburg 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 rehabilitation of Archibald Tower Apartments, as proposed, within the Spartanburg PMA. Factors supporting the renovation of the subject property include the following:

1. Extremely positive senior demographic patterns since 2010 throughout the PMA – the overall senior population (55 years and over) is estimated to have increased by 21 percent between 2010 and 2018, representing nearly 5,250 additional persons. Further, it is anticipated that the number of seniors will increase an additional ten percent (nearly 3,000 seniors) through 2023. Considering this strong growth, the demand for additional senior housing will undoubtedly escalate as well;
2. Extremely positive occupancy levels were reported throughout the local market area, with an overall occupancy rate of 98.4 percent calculated among 21 properties surveyed;
3. Only limited affordable rental options currently exist within the Spartanburg area. According to survey results, only one senior-only development with non-subsidized units was identified within the PMA. As such, the overwhelming majority of senior rental units locally contain some type of project-based rental subsidy;
4. Considering family-oriented LIHTC properties within the survey, a combined occupancy rate of 99.6 percent was calculated - providing clear evidence of the strong demand locally for affordable housing;
5. Archibald Rutledge has been extremely successful in recent years, and has typically maintained an occupancy rate above 97 percent. As such, the subject property is currently 99 percent occupied with approximately 350 persons on a waiting list;
6. The proposal represents the rehabilitation of an existing successful development, upgrading appliances, amenities, and features while remaining affordable for local seniors; and
7. A sufficient statistical senior demand calculation, with all capture rates within industry-accepted thresholds resulting in an absorption period conservatively estimated at approximately five to seven 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 & CONSULTING, LLC

Date: February 25, 2019

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

2018/2023 Demographic Forecasts, ESRI Business Analyst Online

American Community Survey – 5-Year Estimates – U.S. Census Bureau

Apartment Listings – www.socialserve.com

Apartment Listings – Yahoo! Local – local.yahoo.com

Apartment Listings – YellowPages – www.yellowpages.com

Community Profile 2019 – Spartanburg County – SC Department of Employment & Workforce

CPI Inflation Calculator – Bureau of Labor Statistics – U.S. Department of Labor

Crime Data – BestPlaces.net

ESRI Business Analyst Online

Income & Rent Limits – South Carolina State Housing Finance & Development Authority

Interviews with community planning officials

Interviews with managers and leasing specialists at local rental developments

Microsoft Streets and Trips

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

L. RESUME

STEVEN R. SHAW SHAW RESEARCH & CONSULTING, LLC

Mr. Shaw is a principal at Shaw Research and Consulting, LLC. With over twenty-eight 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.

2019 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY - LIHTC

Development Name:	<u>Archibald Tower</u>	Total # Units:	<u>79</u>
Location:	<u>764 N. Church Street, Spartanburg, South Carolina SC</u>	# LIHTC Units:	<u>78</u>
Development Type:	<u>Family</u> <u>XX</u> Older Persons	Farthest Boundary Distance to Subject:	<u>9 Miles</u>

RENTAL HOUSING STOCK (found on page 57)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	21	2,604	47	98.2%
Market-Rate Housing	11	1,683	40	97.6%
Assisted/Subsidized Housing not to include LIHTC	6	593	6	99.0%
LIHTC (All that are stabilized)*	4	328	1	99.7%
Stabilized Comps**	4	328	1	99.7%
Non-stabilized Comps	2	41	NA	(both under construction)

*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
78	1 BR	1.0	750	\$660	\$933	\$1.31	29.3%	\$1,170	\$2.17
Gross Potential Rent Monthly*				\$51,480	\$72,802		29.29%		

*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 38)

	2010		2018		2021	
Renter Households	4,399	27.1%	5,142	27.1%	5,369	27.1%
Income-Qualified Renter HHs (LIHTC)	2,820	64.1%	3,297	64.1%	3,442	64.1%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 52)

Type of Demand	50%	60%	Market Rate	Other: _____	Other: _____	PBRA
Renter Household Growth	--	34	--			145
Existing Households (Overburd + Substand)	--	360	--			1,523
Homeowner Conversion (Seniors)	--	76	--			196
Other:	--	--	--			--
Less Comparable/Competitive Supply	--	41	--			41
Net Income-Qualified Renter HHs	--	430	--	--	--	1,823

CAPTURE RATES (found on page 56)

Targeted Population	50%	60%	Market Rate	Other: _____	Other: _____	Overall
Capture Rate	--	18.2%	--			4.3%

ABSORPTION RATE (found on page 56)

Absorption Period: 5 to 7 months

2019 S-2 RENT CALCULATION WORKSHEET - LIHTC							
	# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
40%	--	0 BR	--	--	--	--	
50%	--	0 BR	--	--	--	--	
60%	--	0 BR	--	--	--	--	
40%	--	1 BR	--	--	--	--	
50%	--	1 BR	--	--	--	--	
60%	78	1 BR	\$660	\$51,480	\$933	\$72,802	
40%	--	2 BR	--	--	--	--	
50%	--	2 BR	--	--	--	--	
60%	--	2 BR	--	--	--	--	
40%	--	3 BR	--	--	--	--	
50%	--	3 BR	--	--	--	--	
60%	--	3 BR	--	--	--	--	
40%	--	4 BR	--	--	--	--	
50%	--	4 BR	--	--	--	--	
60%	--	4 BR	--	--	--	--	
	Totals	78		\$51,480		\$72,802	29.29%

2019 EXHIBIT S-2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY - PBRA

Development Name:	<u>Archibald Tower</u>	Total # Units:	<u>79</u>
Location:	<u>764 N. Church Street, Spartanburg, South Carolina SC</u>	# LIHTC Units:	<u>78</u>
Development Type:	<u> </u> Family <u> XX </u> Older Persons	Farthest Boundary Distance to Subject:	<u>9 Miles</u>

RENTAL HOUSING STOCK (found on page 57)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	21	2,604	47	98.2%
Market-Rate Housing	11	1,683	40	97.6%
Assisted/Subsidized Housing not to include LIHTC	6	593	6	99.0%
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Non-stabilized Comps	2	41	NA	(both under construction)

*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
78	1 BR	1.0	750	\$709	\$933	\$1.31	24.0%	\$1,170	\$2.17
Gross Potential Rent Monthly*				\$55,302	\$72,802		24.04%		

*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 38)

	2010		2018		2021	
Renter Households	4,399	27.1%	5,142	27.1%	5,369	27.1%
Income-Qualified Renter HHs (LIHTC)	2,820	64.1%	3,297	64.1%	3,442	64.1%
Income-Qualified Renter HHs (MR)	0	0.0%	0	0.0%	0	0.0%

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page 52)

Type of Demand	50%	60%	Market Rate	Other:	Other:	PBRA
Renter Household Growth	--	34	--			145
Existing Households (Overburd + Substand)	--	360	--			1,523
Homeowner Conversion (Seniors)	--	76	--			196
Other:	--	--	--			--
Less Comparable/Competitive Supply	--	41	--			41
Net Income-Qualified Renter HHs	--	430	--	--	--	1,823

CAPTURE RATES (found on page 56)

Targeted Population	50%	60%	Market Rate	Other:	Other:	Overall
Capture Rate	--	18.2%	--			4.3%

ABSORPTION RATE (found on page 56)

Absorption Period:	<u>5 to 7</u> months
--------------------	----------------------

2019 S-2 RENT CALCULATION WORKSHEET - PBRA							
	# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Potential Tenant Rent	Adjusted Market Rent	Gross Potential Market Rent	Tax Credit Gross Rent Advantage
40%	--	0 BR	--	--	--	--	
50%	--	0 BR	--	--	--	--	
60%	--	0 BR	--	--	--	--	
40%	--	1 BR	--	--	--	--	
50%	--	1 BR	--	--	--	--	
60%	78	1 BR	\$709	\$55,302	\$933	\$72,802	
40%	--	2 BR	--	--	--	--	
50%	--	2 BR	--	--	--	--	
60%	--	2 BR	--	--	--	--	
40%	--	3 BR	--	--	--	--	
50%	--	3 BR	--	--	--	--	
60%	--	3 BR	--	--	--	--	
40%	--	4 BR	--	--	--	--	
50%	--	4 BR	--	--	--	--	
60%	--	4 BR	--	--	--	--	
	Totals	78		\$55,302		\$72,802	24.04%