

Market Feasibility Analysis

Springfield Apartments
100 Springfield Circle
Darlington, Darlington County, South Carolina 29532

Prepared For

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Effective Date

March 25, 2020

Job Reference Number

20-190 CR



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2020 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (WITH SUBSIDY):

| | | |
|-------------------|--|---|
| Development Name: | Springfield Apartments | Total # Units: 72 |
| Location: | 100 Springfield Circle, Darlington, SC 29532 | # LIHTC Units: 72 |
| PMA Boundary: | South Carolina Central Railroad, Harmony Hall Drive, Greenfield Road and Mechanicsville Highway to the north; State Route 34, Fountain Branch and the Darlington County boundary to the east; Interstate 95, the Darlington County boundary and Interstate 20 to the south; and Oates Highway/State Route 403 and Flinns Road to the west. | |
| Development Type: | <input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons | Farthest Boundary Distance to Subject: 12.0 miles |

RENTAL HOUSING STOCK (found on page H-11 and Add. A-3)

| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing | 12 | 464 | 6 | 98.7% |
| Market-Rate Housing | 3 | 59 | 6 | 89.8% |
| Assisted/Subsidized Housing not to include LIHTC | 4 | 187 | 0 | 100.0% |
| LIHTC (All that are stabilized)* | 5 | 218 | 0 | 100.0% |
| Stabilized Comps** | 3 | 100 | 0 | 100.0% |
| Non-stabilized Comps | 0 | - | - | - |

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

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

| Subject Development | | | | | HUD Area FMR | | | Highest Unadjusted Comparable Rent | |
|--------------------------------------|----------|-------|-----------|----------------------|-----------------|---------------|---------------|------------------------------------|---------------|
| Units | Bedrooms | Baths | Size (SF) | Proposed Tenant Rent | Per Unit | Per SF | Advantage | Per Unit | Per SF |
| 28 | One-Br. | 1.0 | 624 | \$254 | \$586 | \$0.94 | 53.58% | \$830 | \$1.22 |
| 44 | Two-Br. | 1.0 | 990 | \$207 | \$688 | \$0.69 | 69.91% | \$925 | \$0.97 |
| Gross Potential Rent Monthly* | | | | \$16,220 | \$46,680 | | 65.25% | | |

*Market Advantage is calculated using the following formula: Gross HUD FMR (minus) Net Proposed Tenant Rent (divided by) Gross HUD FMR. 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 F-4 & G-5)

| | 2012 | 2019 | | 2022 | |
|-------------------------------------|------|-------|-------|-------|-------|
| Renter Households | | 3,797 | 34.4% | 3,786 | 34.4% |
| Income-Qualified Renter HHs (LIHTC) | | 2,481 | 65.3% | 2,462 | 65.0% |
| Income-Qualified Renter HHs (MR) | | N/A | N/A | N/A | N/A |

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

| Type of Demand | 50% | 60% w/RA | Market-rate | Other: 60% non-RA | Other: __ | Overall |
|---|----------|--------------|-------------|-------------------|-----------|--------------|
| Renter Household Growth | - | -19 | - | 5 | - | -19 |
| Existing Households (Overburd + Substand) | - | 1,409 | - | 239 | - | 1,409 |
| Homeowner conversion (Seniors) | - | N/A | - | N/A | - | N/A |
| Other: | - | 0 | - | 0 | - | 0 |
| Less Comparable/Competitive Supply | - | 2 | - | 0 | - | 0 |
| Net Income-qualified Renter HHs | - | 1,388 | - | 244 | - | 1,388 |

CAPTURE RATES (found on page G-5)

| Targeted Population | 50% | 60% w/RA | Market-rate | Other: 60% non-RA | Other: __ | Overall |
|---------------------|-----|----------|-------------|-------------------|-----------|---------|
| Capture Rate | - | 3.7% | - | 8.6% | - | 5.2% |

ABSORPTION RATE (found on page G-7)

Absorption Period: 5 months

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

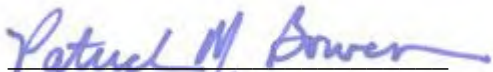
Certified:



Craig Rupert (Primary Contact)
Market Analyst
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Date: March 25, 2020



Ron Pompey
Market Analyst
ronp@bowennational.com
Date: March 25, 2020



Patrick M. Bowen
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Date: March 25, 2020

2020 S-2 RENT CALCULATION WORKSHEET (AS PROPOSED WITH SUBSIDY)

| # Units | Bedroom Type | Current Tenant Paid Rent | Gross Tenant Rent by Bedroom | Fair Market Rent | Gross Adjusted Market Rent | Tax Credit Gross Rent Advantage |
|---------|--------------|--------------------------|------------------------------|------------------|----------------------------|---------------------------------|
| | 0 BR | | \$0 | | \$0 | |
| | 0 BR | | \$0 | | \$0 | |
| | 0 BR | | \$0 | | \$0 | |
| 28 | 1 BR | \$254 | \$7,112 | \$586 | \$16,408 | |
| | 1 BR | | \$0 | | \$0 | |
| | 1 BR | | \$0 | | \$0 | |
| 44 | 2 BR | \$207 | \$9,108 | \$688 | \$30,272 | |
| | 2 BR | | \$0 | | \$0 | |
| | 2 BR | | \$0 | | \$0 | |
| | 3 BR | | \$0 | | \$0 | |
| | 3 BR | | \$0 | | \$0 | |
| | 3 BR | | \$0 | | \$0 | |
| | 4 BR | | \$0 | | \$0 | |
| | 4 BR | | \$0 | | \$0 | |
| | 4 BR | | \$0 | | \$0 | |
| Totals | 72 | | \$16,220 | | \$46,680 | 65.25% |

2020 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY (LIHTC ONLY):

| | | | |
|-------------------|--|--|---|
| Development Name: | Springfield Apartments | Total # Units: | 72 |
| Location: | 100 Springfield Circle, Darlington, SC 29532 | # LIHTC Units: | 72 |
| PMA Boundary: | South Carolina Central Railroad, Harmony Hall Drive, Greenfield Road and Mechanicsville Highway to the north; State Route 34, Fountain Branch and the Darlington County boundary to the east; Interstate 95, the Darlington County boundary and Interstate 20 to the south; and Oates Highway/State Route 403 and Flinns Road to the west. | | |
| Development Type: | <input checked="" type="checkbox"/> Family | <input type="checkbox"/> Older Persons | Farthest Boundary Distance to Subject: 12.0 miles |

RENTAL HOUSING STOCK (found on page H-11 and Add. A-3)

| Type | # Properties | Total Units | Vacant Units | Average Occupancy |
|--|--------------|-------------|--------------|-------------------|
| All Rental Housing | 12 | 464 | 6 | 98.7% |
| Market-Rate Housing | 3 | 59 | 6 | 89.8% |
| Assisted/Subsidized Housing not to include LIHTC | 4 | 187 | 0 | 100.0% |
| LIHTC (All that are stabilized)* | 5 | 218 | 0 | 100.0% |
| Stabilized Comps** | 3 | 100 | 0 | 100.0% |
| Non-stabilized Comps | 0 | - | - | - |

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

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

| Subject Development | | | | | HUD Area FMR | | | Highest Unadjusted Comparable Rent | |
|--------------------------------------|----------|-------|-----------|----------------------|-----------------|--------|---------------|------------------------------------|--------|
| Units | Bedrooms | Baths | Size (SF) | Proposed Tenant Rent | Per Unit | Per SF | Advantage | Per Unit | Per SF |
| 28 | One-Br. | 1.0 | 624 | \$557 | \$586 | \$0.94 | 4.95% | \$830 | \$1.22 |
| 44 | Two-Br. | 1.0 | 990 | \$596 | \$688 | \$0.69 | 13.37% | \$925 | \$0.97 |
| Gross Potential Rent Monthly* | | | | \$41,820 | \$46,680 | | 10.41% | | |

*Market Advantage is calculated using the following formula: Gross HUD FMR (minus) Net Proposed Tenant Rent (divided by) Gross HUD FMR. 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 F-4 & G-5)

| | 2012 | 2019 | | 2022 | |
|-------------------------------------|------|-------|-------|-------|-------|
| Renter Households | | 3,797 | 34.4% | 3,786 | 34.4% |
| Income-Qualified Renter HHs (LIHTC) | | 762 | 20.1% | 767 | 20.3% |
| Income-Qualified Renter HHs (MR) | | N/A | N/A | N/A | N/A |

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

| Type of Demand | 50% | 60% | Market-rate | Other:___ | Other:___ | Overall |
|---|-----|------------|-------------|-----------|-----------|------------|
| Renter Household Growth | - | 5 | - | - | - | 5 |
| Existing Households (Overburd + Substand) | - | 239 | - | - | - | 239 |
| Homeowner conversion (Seniors) | - | N/A | - | - | - | N/A |
| Other: | - | 0 | - | - | - | 0 |
| Less Comparable/Competitive Supply | - | 0 | - | - | - | 0 |
| Net Income-qualified Renter HHs | - | 244 | - | - | - | 244 |

CAPTURE RATES (found on page G-5)

| Targeted Population | 50% | 60% | Market-rate | Other:___ | Other:___ | Overall |
|---------------------|-----|-------|-------------|-----------|-----------|---------|
| Capture Rate | - | 29.5% | - | - | - | 29.5% |

ABSORPTION RATE (found on page G-7)

Absorption Period: 10 months

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

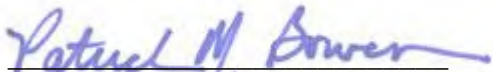
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2019 S-2 RENT CALCULATION WORKSHEET

| # Units | Bedroom Type | Proposed Tenant Paid Rent | Gross Proposed Tenant Rent | Fair Market Rent | Gross Adjusted Market Rent | Tax Credit Gross Rent Advantage |
|---------|--------------|---------------------------|----------------------------|------------------|----------------------------|---------------------------------|
| | 0 BR | | \$0 | | \$0 | |
| | 0 BR | | \$0 | | \$0 | |
| | 0 BR | | \$0 | | \$0 | |
| 28 | 1 BR | \$557 | \$15,596 | \$586 | \$16,408 | |
| | 1 BR | | \$0 | | \$0 | |
| | 1 BR | | \$0 | | \$0 | |
| 44 | 2 BR | \$596 | \$26,224 | \$688 | \$30,272 | |
| | 2 BR | | \$0 | | \$0 | |
| | 2 BR | | \$0 | | \$0 | |
| | 3 BR | | \$0 | | \$0 | |
| | 3 BR | | \$0 | | \$0 | |
| | 3 BR | | \$0 | | \$0 | |
| | 4 BR | | \$0 | | \$0 | |
| | 4 BR | | \$0 | | \$0 | |
| | 4 BR | | \$0 | | \$0 | |
| Totals | 72 | | \$41,820 | | \$46,680 | 10.41% |

B. Project Description

| | |
|--------------------|--|
| Project Name: | Springfield Apartments |
| Location: | 100 Springfield Circle, Darlington, South Carolina 29532 (Darlington County) |
| Census Tract: | 110.00 |
| Target Market: | Family |
| Construction Type: | Renovation of Existing Development |
| Funding Source: | LIHTC |

The proposed project involves the renovation of the 72-unit Springfield Apartments property in Darlington, South Carolina. Built in 1980, the project has operated under the Rural Development (RD) 515 program since that time. In 1995, the project underwent renovations with Low-Income Housing Tax Credit (LIHTC) financing. All units target general-occupancy (family) households earning up to 60% of Area Median Household Income (AMHI). A total of 51 units receive Rental Assistance (RA), which allows tenants of these units to pay up to 30% of their adjusted gross household income towards shelter costs (rent and utilities). According to management, the project is currently 100.0% occupied and maintains a seven-household waiting list. Additionally, six (6) non-RA units are currently occupied by Housing Choice Voucher holders.

The project will be renovated utilizing funding from the LIHTC program, which will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the project will continue to target general-occupancy households with incomes of up to 60% of AMHI. Notably, the project will continue to operate under the RD 515 program, with the 51 units of RA expected to be retained. All renovations are expected to be complete by March of 2022. Additional details of the subject project are as follows:

| Proposed Unit Configuration | | | | | | | | | | |
|-----------------------------|--------------|-------|--------|-------------|------------|-------------------------|----------------|-------------------|------------|---------------------------------|
| Total Units | Bedroom Type | Baths | Style | Square Feet | % AMHI | Current Basic/Note Rent | Proposed Rents | | | Max. Allowable LIHTC Gross Rent |
| | | | | | | | Collected Rent | Utility Allowance | Gross Rent | |
| 28 | One-Br. | 1.0 | Garden | 624 | 60%/RD 515 | \$549/\$640 | \$557 | \$124 | \$681 | \$681 |
| 44 | Two-Br. | 1.0 | Garden | 990 | 60%/RD 515 | \$572/\$710 | \$596 | \$158 | \$754 | \$817 |
| 72 | Total | | | | | | | | | |

Source: Partnership Property Management

AMHI – Area Median Household Income (Darlington County, SC HUD Metro FMR Area (National Non-Metro); 2019)

| Building/Site Information | |
|---------------------------|-------------------------------|
| Residential Buildings: | 10 one- & two-story buildings |
| Building Style: | Walk-up |
| Community Space: | Stand-alone building |
| Acres: | 7.8 |

| Construction Timeline | |
|-----------------------|---------------------|
| Original Year Built: | 1980/Renovated 1995 |
| Renovation Start: | March 2021 |
| Begin Preleasing: | In-Place Renovation |
| Renovation End: | March 2022 |

| Unit Amenities | | |
|--------------------------------|-------------------------------------|----------------------------------|
| • Electric Range | • Central Air Conditioning | • Carpet/Tile/Composite Flooring |
| • Refrigerator | • Patio/Balcony with Storage Closet | • Window Blinds |
| • In-Unit Washer/Dryer Hookups | • Ceiling Fans | |

| Community Amenities | | |
|------------------------------------|--------------------|-------------------|
| • On-Site Management | • Clubhouse* | • Community Room* |
| • Laundry Center* | • Computer Center* | • Playground |
| • Picnic Area with Grills | • CCTV/Cameras | • Parties/Picnics |
| • Surface Parking Lot (121 Spaces) | | |

*To be added during renovation

| Utility Responsibility | | | | | | | |
|------------------------|----------|-----------|----------|------------------|------------|----------|----------|
| | Heat | Hot Water | Cooking | General Electric | Cold Water | Sewer | Trash |
| Paid By | Tenant | Tenant | Tenant | Tenant | Landlord | Landlord | Landlord |
| Source | Electric | Electric | Electric | | | | |

| Current Occupancy Status | | | |
|--------------------------|--------------|----------------|--------------|
| Total Units | Vacant Units | Occupancy Rate | Waiting List |
| 72 | 0 | 100.0% | 7 Households |

PLANNED RENOVATION & CURRENT OCCUPANCY:

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

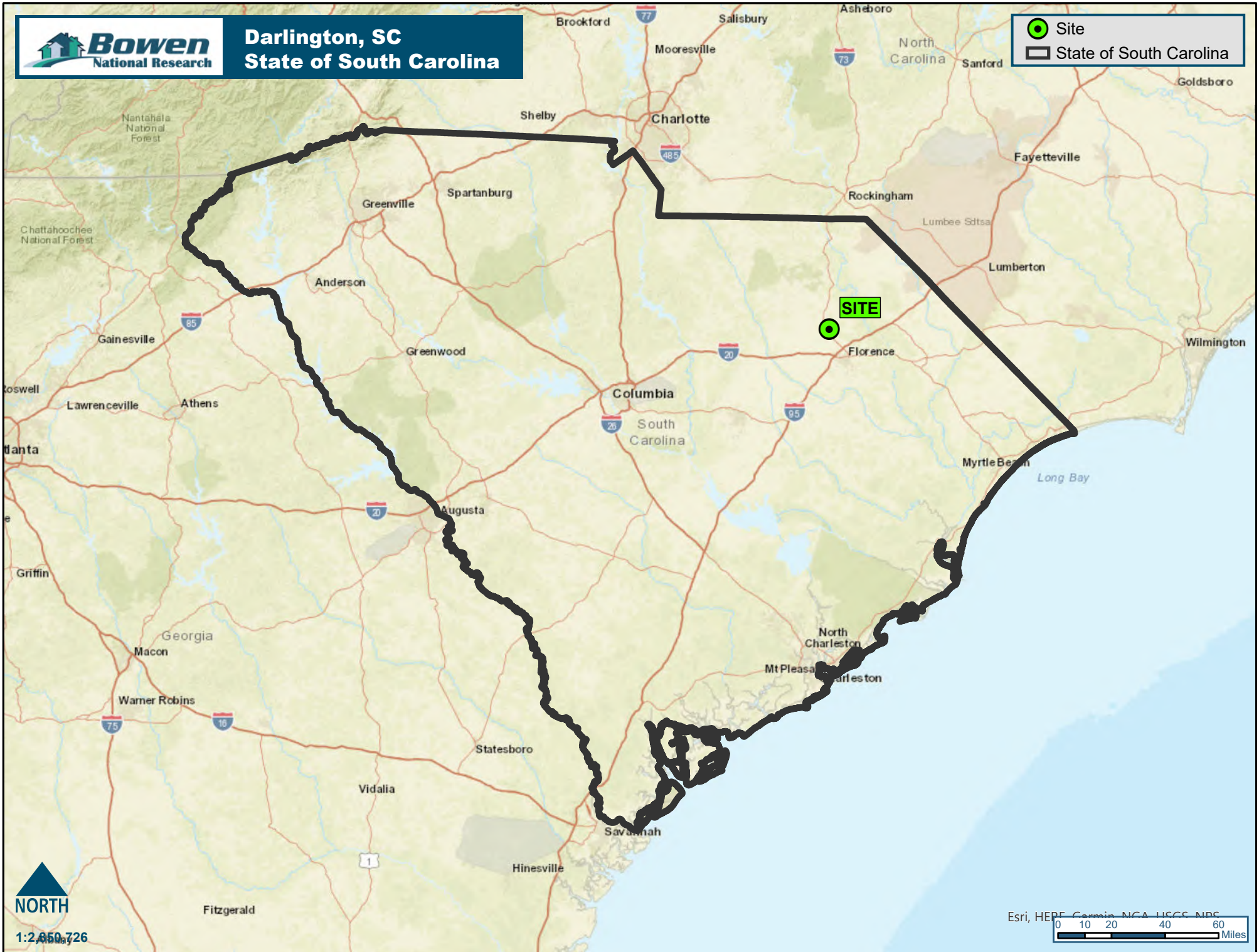
The subject project consists of 72 one- and two-bedroom units that are 100.0% occupied and a seven-household waiting list is maintained for the next available unit. Current Basic and Note rents for the subject units under the RD 515 program are \$549 and \$640 for the one-bedroom units and \$572 and \$710 for the two-bedroom units. However, due to Rental Assistance (RA) available to 51 of the 72 units, the current average tenant-paid rent is \$254 and \$207 for the one- and two-bedroom units, respectively, based on the rent roll reviewed at the time of this report. The rent roll reviewed is included in *Addendum D*. Following Tax Credit renovations, RA will be retained on 51 of the 72 subject units. Considering the retention of RA and the proposed rent levels for the subject project post renovations, it is anticipated that most, if not all, current tenants will continue to income-qualify to reside at the subject project.

A state map, an area map and a site neighborhood map are on the following pages.



Darlington, SC State of South Carolina

- Site
- State of South Carolina



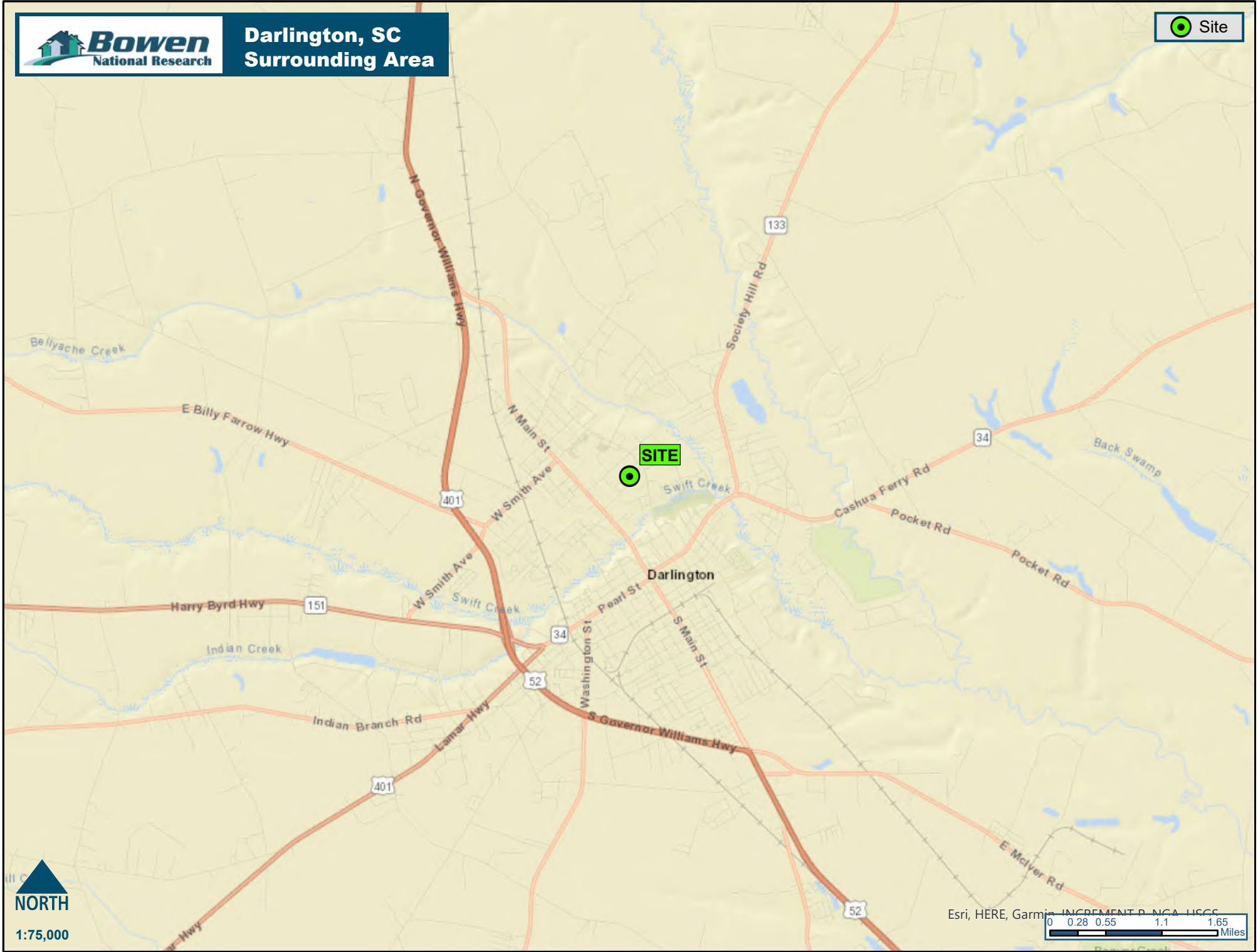
1:2,850,726

Esri, HERE, Garmin, NGA, USGS, NPS
0 10 20 40 60 Miles



Darlington, SC Surrounding Area

Site




NORTH
1:75,000

Esri, HERE, Garmin, INCREMENT P, NCA, USGS
0 0.28 0.55 1.1 1.65 Miles

C. Site Description and Evaluation

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site on Wednesday, March 11, 2020. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

The subject site, Springfield Apartments, is an existing 72-unit Tax Credit and Rural Development property located at 100 Springfield Circle in the northern portion of Darlington, South Carolina. Located within Darlington County, the city of Darlington is approximately 10.0 miles northwest of Florence, South Carolina and approximately 76.0 miles northeast of Columbia, South Carolina. Following is a description of surrounding land uses:

| | |
|----------------|--|
| North - | The northern boundary is defined by single-family homes ranging from fair to good condition and a parcel of wooded land. Continuing north is a convenience store, Darlington High School and a church. A small collection of services is located further northwest while single-family homes and wooded land is farther north. |
| East - | The eastern boundary is defined by wooded land and single-family homes in good condition. Continuing north are additional homes, wooded land and Medford Nursing Center. Additional single-family homes and wooded land extend east. |
| South - | The southern boundary is defined by a combination of single-family homes in good condition and wooded land. These land uses continue toward downtown Darlington, via U.S. Highway 52 Business (Main Street), a two-lane commercial corridor which is populated with a variety of community services, retail stores and commercial businesses. South of the downtown area are additional homes and less-developed land. |
| West - | The western boundary is defined by Palmetto Apartments, a Rural Development property in good condition. Continuing west is a parcel of wooded land, single-family homes, multifamily and commercial buildings, all in fair to good condition, and U.S. Highway 52 Business (Main Street). Additional single-family and multifamily dwellings and less-developed land extend beyond. |

The subject development is located within an established area, primarily surrounded by single-family homes, select community services and wooded land. Most of the single-family homes and commercial buildings in the immediate area were observed to be in good condition. One area of note is the site's proximity to various businesses and services in downtown Darlington, which can be accessed in approximately 1.0 mile and contribute to the marketability of the site. Overall, the subject property fits well with the surrounding land uses, which should continue to contribute to the site's overall marketability.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

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

| Community Services | Name | Driving Distance From Site (Miles) | |
|-------------------------------------|----------------------------------|------------------------------------|---------------|
| Major Highways | U.S. Highway 52 Business | 0.8 Southwest | |
| | State Route 34 | 0.9 Southeast | |
| | U.S. Highway 401 | 2.0 Southwest | |
| Public Bus Stop | Dial-A-Ride Transit (DART) | On-Site | |
| Major Employers/ Employment Centers | G.P. Dixie Products | 1.4 Southeast | |
| | Darlington Veneer | 1.4 Southeast | |
| Convenience Store | Spring Mart | 0.2 Northeast | |
| | City Food/Strickland One Stop | 0.8 Southwest | |
| | Food Center | 1.0 South | |
| Grocery | Darlington IGA | 1.3 South | |
| | Piggly Wiggly | 1.6 South | |
| Discount Department Store | Dollar General | 1.1 West | |
| | Family Dollar | 1.3 South | |
| | Roses Express | 1.6 South | |
| Shopping Center/Mall | Darlington Plaza Shopping Center | 3.1 Southwest | |
| Schools: | Elementary | Brunson Dargan Elementary | 1.3 Southwest |
| | Middle/Junior High | Darlington Middle School | 4.6 Southwest |
| | High | Darlington High School | 0.9 Northwest |
| Hospital | Pee Dee Healthcare | 1.0 South | |
| | McLeod Medical Center Darlington | 2.8 East | |
| Police | Darlington Police Department | 1.5 South | |
| Fire | Darlington Fire Department | 1.4 South | |
| Post Office | U.S. Post Office | 0.9 Northwest | |
| Bank | First Palmetto Bank | 1.0 South | |
| | Dedicated Community Bank | 1.0 South | |
| | Carolina Bank | 1.2 South | |
| Recreational Facilities | Darlington Family YMCA | 1.2 South | |
| | Bill Cain Tennis Center | 1.5 South | |
| | Fitness World Gyms | 2.3 Southwest | |
| | Darlington Raceway | 2.9 Southwest | |
| Gas Station | Marathon Gas | 1.0 South | |
| | BP | 1.1 West | |
| | U.S. Mini Mart | 1.3 South | |

(Continued)

| Community Services | Name | Driving Distance From Site (Miles) |
|--------------------|---|------------------------------------|
| Pharmacy | Professional Pharmacy | 1.0 South |
| | Carolina Drug Store | 1.2 South |
| | Darlington Family Pharmacy | 1.3 South |
| Restaurant | Chianti's Wings and Things | 1.0 South |
| | Mama Mia | 1.1 South |
| | Tenampa Mexican | 1.3 South |
| Day Care | Merryland Daycare | 1.4 South |
| | Kid Stop Daycare & Preschool | 1.9 South |
| Community Center | United Harmon Baldwin Recreation Center | 1.8 South |
| Library | Darlington County Library | 1.0 South |
| Church | Central Baptist Church | 0.5 North |
| | First Church of God | 1.2 West |
| Golf | Darlington Country Club | 2.7 East |
| Park | Williamson Park | 0.6 Southeast |

The subject project is located within 2.0 miles of shopping, dining, employment, education, recreational facilities, public safety services and the nearest medical facility. Dial-A-Ride Transit (DART) is the local public transportation service, which conveniently offers one of its scheduled stops at the location of the subject site. This service provides transit throughout Darlington, and disabled individuals or seniors over the age of 65 may ride for free. The site is also located within 2.0 miles of several arterial roadways, including U.S. Highway 52 and U.S. Highway 401.

Approximately 1.0 mile south of the site is downtown Darlington, which is home to the closest restaurants, banks, pharmacies, day care centers, grocery stores and the Darlington Fire and Police departments. Also in the downtown area is Pee Dee Healthcare, the Darlington Family YMCA and the Harmon Baldwin Recreation Center. Additionally, the Darlington Plaza Shopping Center is approximately 3.0 miles southwest and Walmart is approximately 4.0 miles southeast.

McLeod Medical Center Darlington is approximately 3.0 miles east of the site, offering emergency, urgent and cancer care among its many services. The site area is served by Darlington County School District; the nearest elementary and high schools are within approximately 1.0 mile while Darlington Middle School is 4.6 miles southwest. Overall, the site's surrounding land uses are expected to continue to contribute to the site's overall marketability.

4. SITE PHOTOGRAPHS

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

Springfield Apartments



Typical exterior of building



Entryway Signage



Southwest Site Entryway



Southeast Site Entryway



View of site from the north



View of site from the northeast

Springfield Apartments



View of site from the east



View of site from the southeast



View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest

Springfield Apartments



North view from site



Northeast view from site



East view from site



Southeast view from site



South view from site



Southwest view from site

Springfield Apartments



West view from site



Northwest view from site



Streetscape: Northeast view of Richmond Street



Streetscape: Southwest view of Richmond Street



Recreation Area: Playground

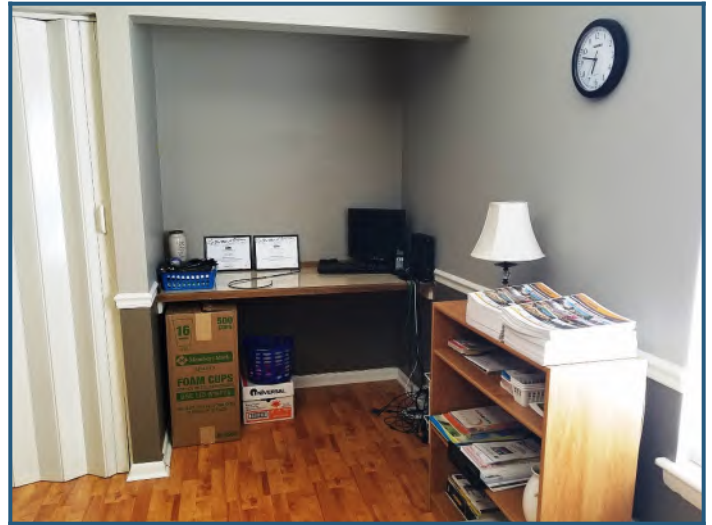


Community Room

Springfield Apartments



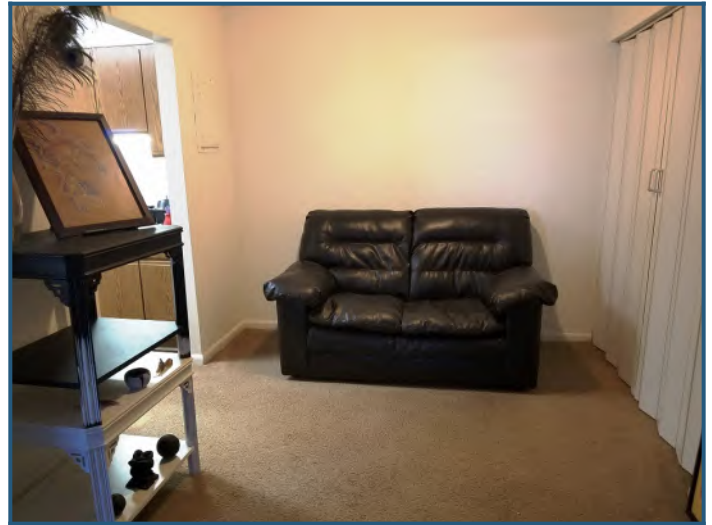
Activity Room



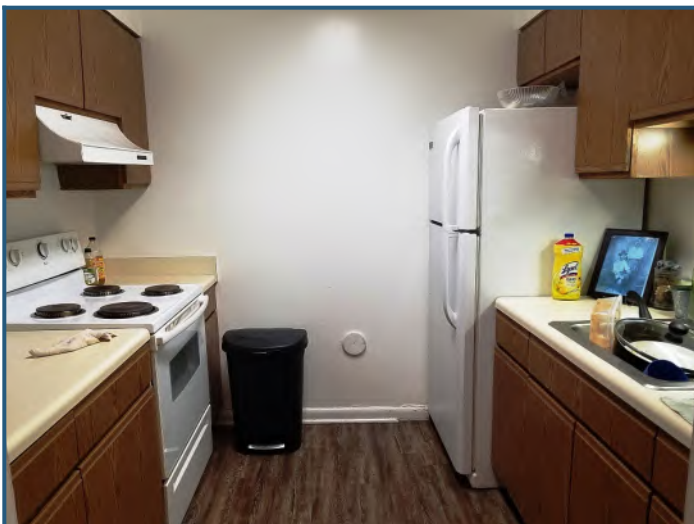
Business Center



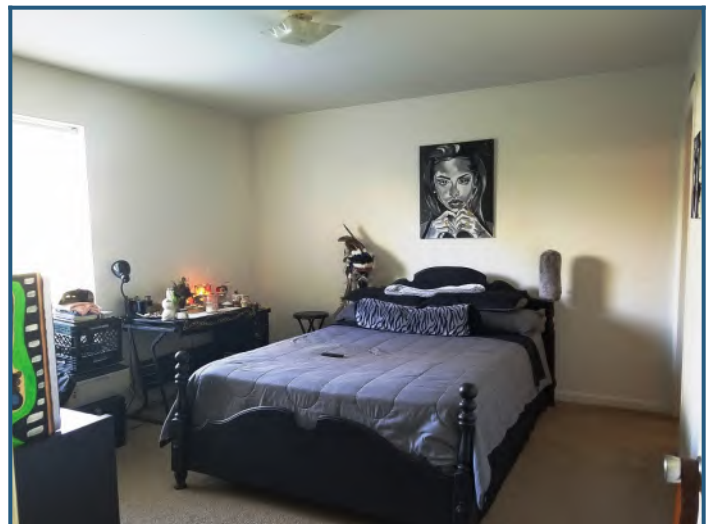
One-Bedroom (Living Room)



One-Bedroom (Dining Room)



One-Bedroom (Kitchen)

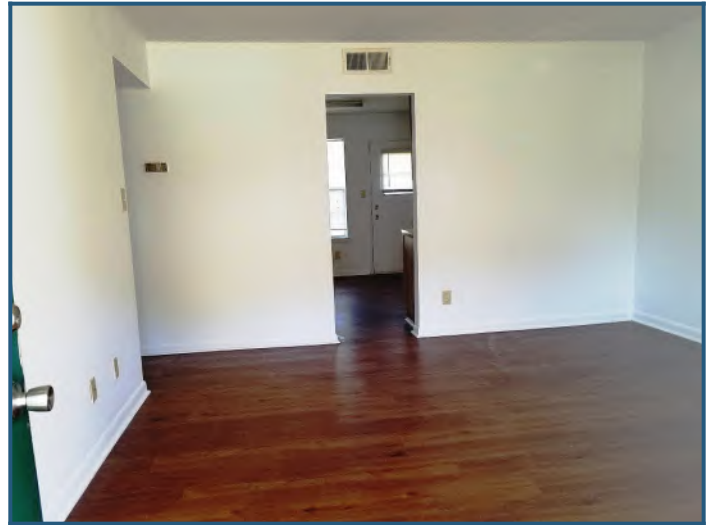


One-Bedroom (Bedroom - View A)

Springfield Apartments



One-Bedroom (Bathroom)



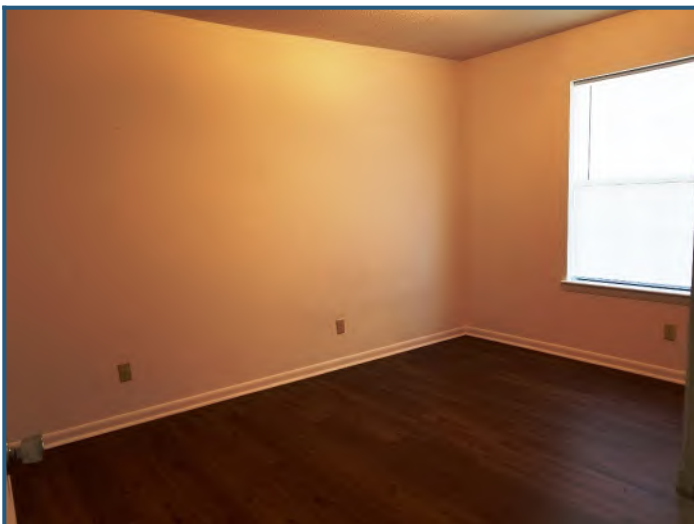
Two-Bedroom (Living Room)



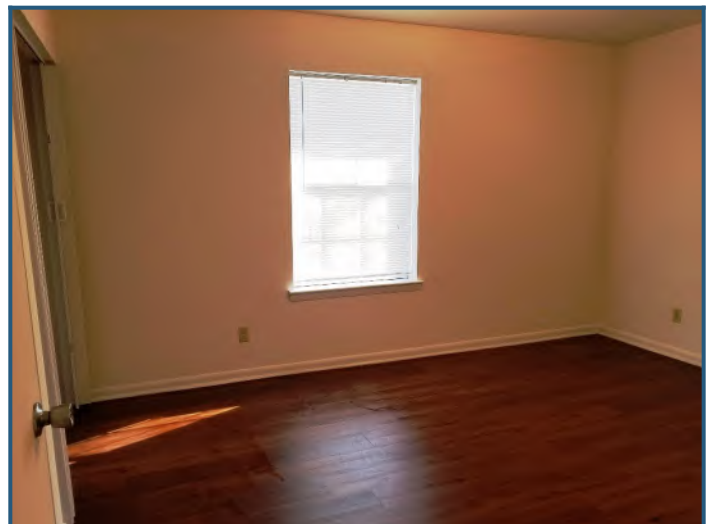
Two-Bedroom (Dining)



Two-Bedroom (Kitchen)



Two-Bedroom (Master Bedroom - View A)



Two-Bedroom (Second Bedroom - View A)

Springfield Apartments



Two-Bedroom (Full Bathroom)

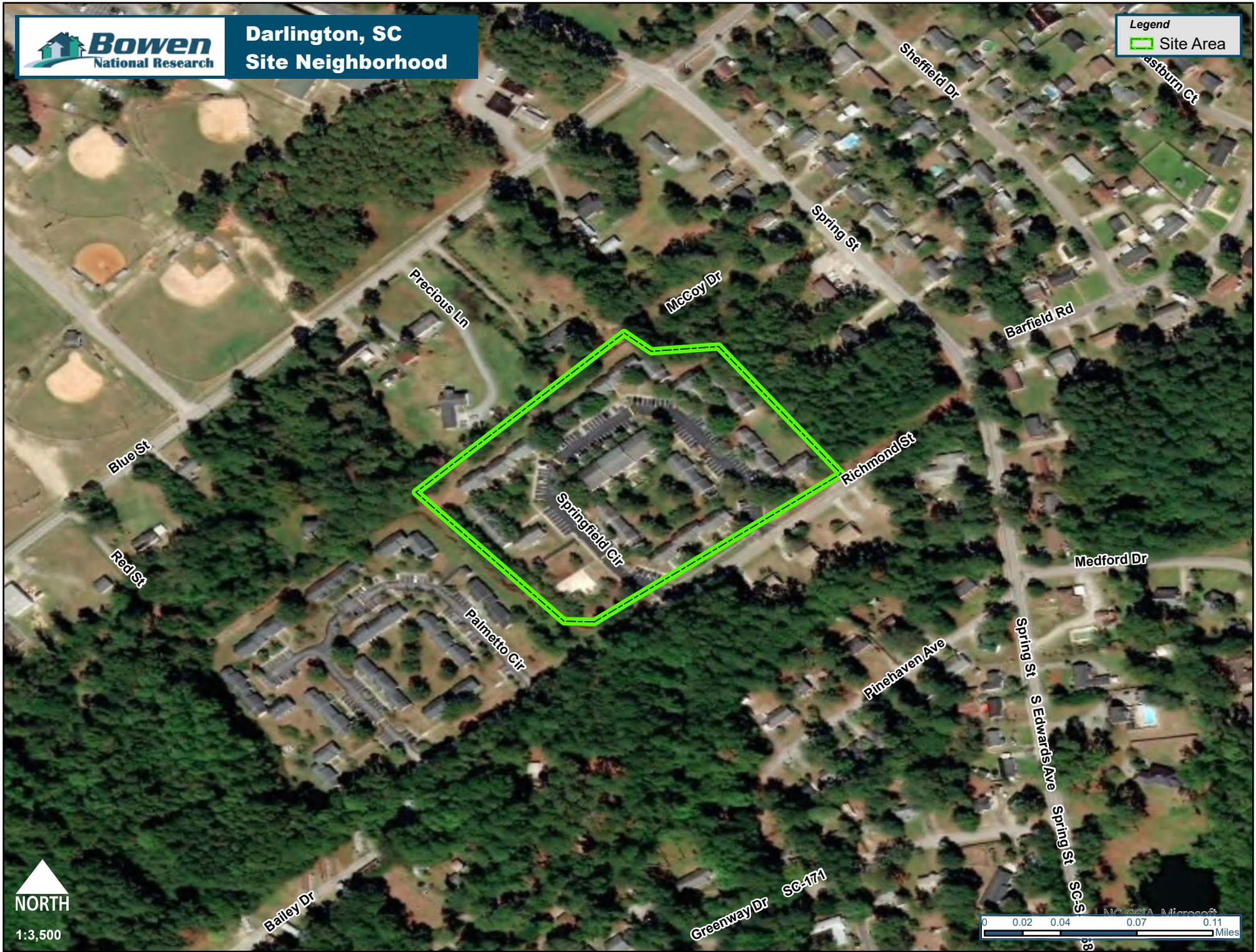
5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.

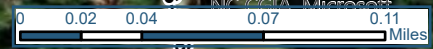


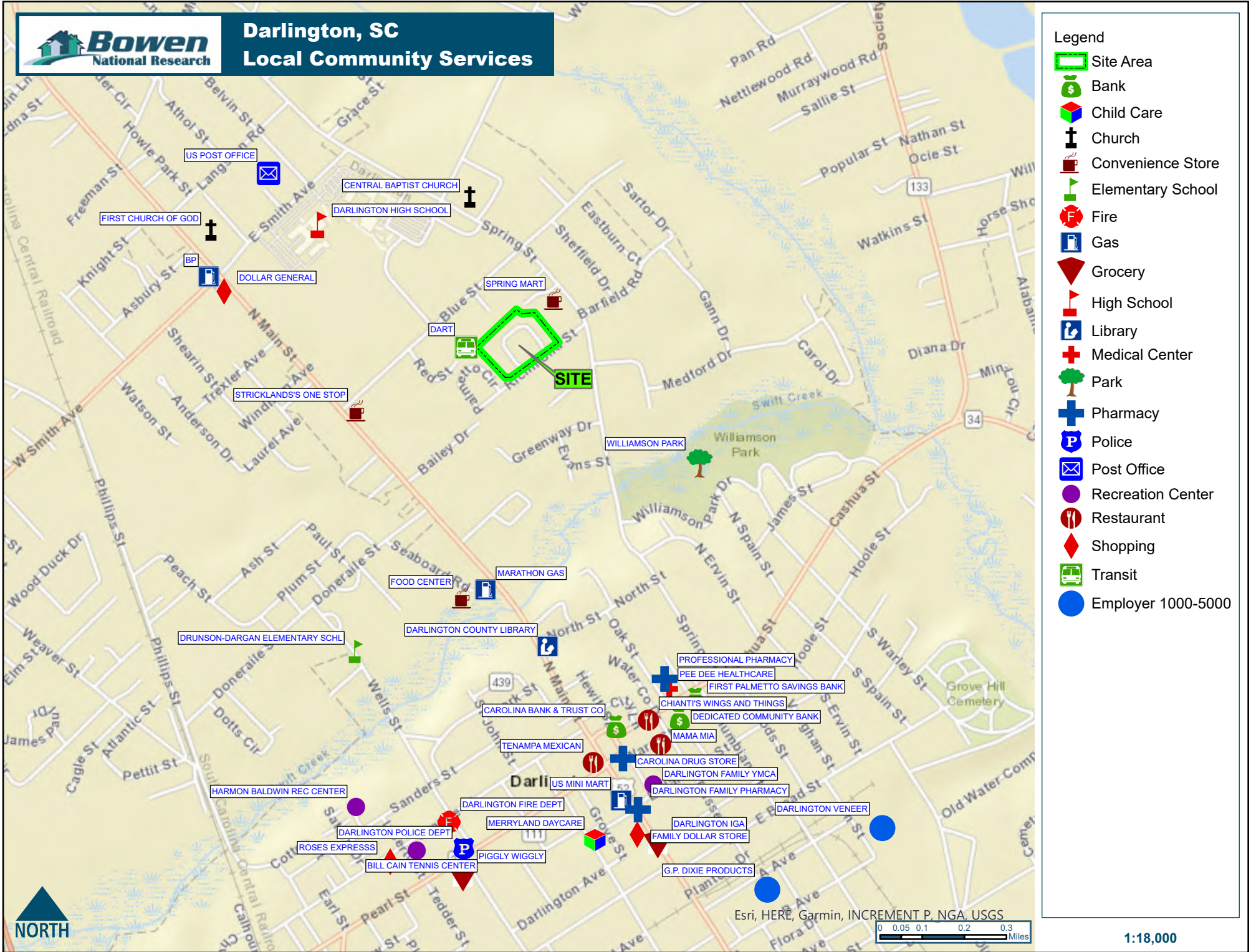
Darlington, SC Site Neighborhood

Legend
Site Area

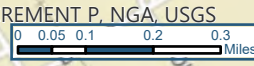


1:3,500





- Legend**
- Site Area
 - Bank
 - Child Care
 - Church
 - Convenience Store
 - Elementary School
 - Fire
 - Gas
 - Grocery
 - High School
 - Library
 - Medical Center
 - Park
 - Pharmacy
 - Police
 - Post Office
 - Recreation Center
 - Restaurant
 - Shopping
 - Transit
 - Employer 1000-5000

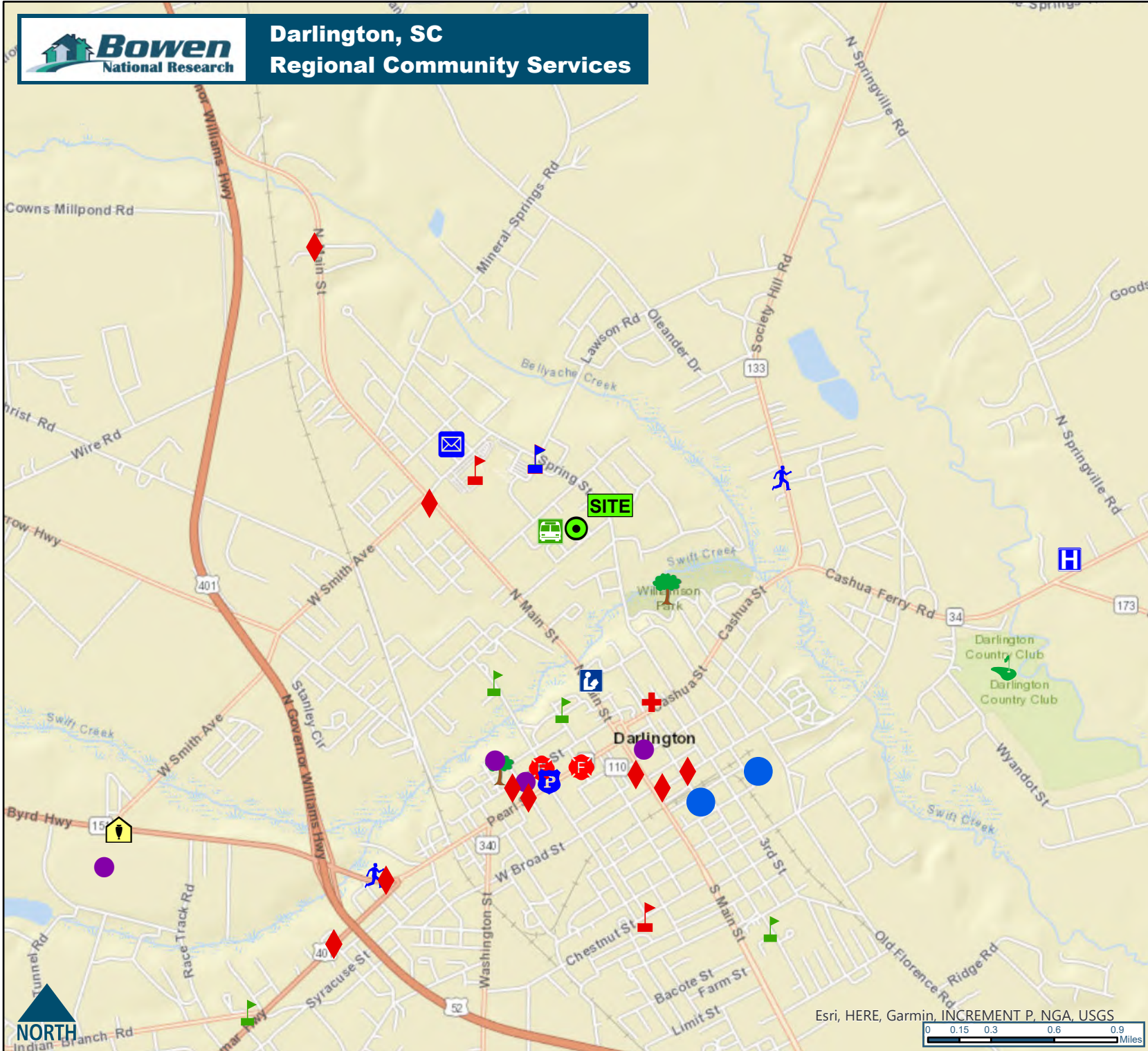


1:18,000

Esri, HERE, Garmin, INCREMENT P, NGA, USGS



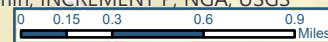
Darlington, SC Regional Community Services



- Legend
- Site
 - Elementary School
 - Fire
 - Fitness Center
 - Golf
 - High School
 - Hospital
 - Library
 - Medical Center
 - Middle School
 - Museum
 - Park
 - Police
 - Post Office
 - Recreation Center
 - Shopping
 - Transit
 - Employer 1000-5000



Esri, HERE, Garmin, INCREMENT P, NGA, USGS



1:40,000

6. CRIME ISSUES

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

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

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

Total crime risk for the Site ZIP Code is 140, with an overall personal crime index of 156 and a property crime index of 138. Total crime risk for Darlington County is 126, with indexes for personal and property crime of 154 and 122, respectively.

| | Crime Risk Index | |
|-----------------------|------------------|-------------------|
| | Site Zip Code | Darlington County |
| Total Crime | 140 | 126 |
| Personal Crime | 156 | 154 |
| Murder | 192 | 191 |
| Rape | 60 | 87 |
| Robbery | 79 | 74 |
| Assault | 204 | 198 |
| Property Crime | 138 | 122 |
| Burglary | 166 | 158 |
| Larceny | 136 | 117 |
| Motor Vehicle Theft | 88 | 77 |

Source: Applied Geographic Solutions

The crime risk index for the Site Zip Code (140) is slightly higher than that reported for the county (126) and both are above the national average of 100. A crime index of 140 is not, however, considered high for a developed area such as the subject site area. Additionally, the 100.0% occupancy rates reported for the subject site and neighboring Palmetto Apartments are clear indications that there is likely a low perception of crime within the immediate site neighborhood and that crime is not a factor impacting rental occupancy rates within the area.

A map illustrating crime risk is on the following page.



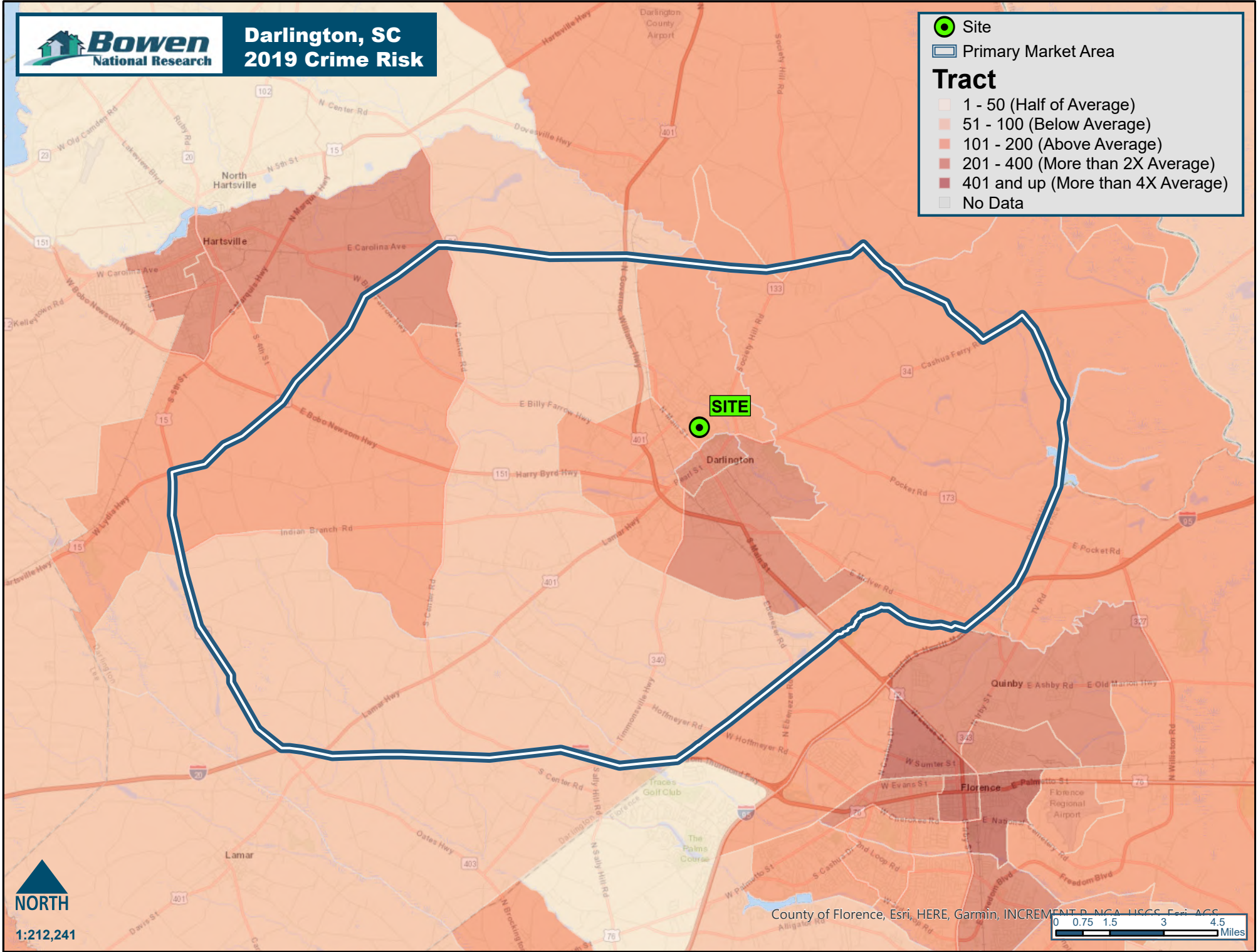
Darlington, SC 2019 Crime Risk

Site

Primary Market Area

Tract

- 1 - 50 (Half of Average)
- 51 - 100 (Below Average)
- 101 - 200 (Above Average)
- 201 - 400 (More than 2X Average)
- 401 and up (More than 4X Average)
- No Data



NORTH
1:212,241

County of Florence, Esri, HERE, Garmin, INCREMENT P, NGA, USGS, Aero, ACS
 0 0.75 1.5 3 4.5 Miles

7. ACCESS AND VISIBILITY

The subject site is located along Springfield Circle, a small half-circle residential roadway utilized only by residents and visitors of the subject site. This road is accessible via Richmond Street, a lightly traveled two-lane residential road that terminates as it extends southwest of the site. Richmond Street provides direct access to and from Spring Street northeast of the site. The site area experiences light passerby traffic due to the fact that Richmond Street terminates southwest of the site. The light vehicular traffic patterns within the site area allow for unimpeded ingress/egress of the subject project. It is also important to reiterate that an on-site Dial-A-Ride Transit (DART) public transportation stop is located at the subject project. This further enhances accessibility of the subject project.

The subject property is clearly visible from Richmond Street which borders the site to the southeast. However, due to this aforementioned roadway terminating southwest of the site, the subject property does not receive much passerby traffic. The wooded land and additional residential structures surrounding much of the subject site also limits visibility of the property within the subject site neighborhood. Regardless, the subject's 100.0% occupancy rate is clear indication that the subject's limited visibility does not have any adverse impact on the property's marketability, as it is well-established within the Darlington community.

8. VISIBLE OR ENVIRONMENTAL ISSUES

There were no nuisances observed within proximity of the subject site.

9. OVERALL SITE CONCLUSIONS

The subject site is situated within an established and primarily residential portion of Darlington. Surrounding structures were observed to be well-maintained and in good condition, as was the subject property. The property is clearly visible upon ingress from Richmond Street, but the property does receive minimal passerby traffic due to this aforementioned roadway terminating southwest of the site. The subject property is easily accessible given the light vehicular traffic patterns experienced within the immediate site area. Most basic area services are located within 2.0 miles of the property and many are located within approximately 1.0 mile of the property, in the downtown Darlington area. Public transportation is also available via DART, which offers an on-site stop at the subject project. This further enhances accessibility of many area services, as well as the subject site itself. Overall, the subject site location is expected to positively impact its continued marketability within the Darlington market and is clearly conducive to affordable multifamily rental product, as evident by the 100.0% occupancy rate currently maintained at the subject project.

D. Primary Market Area Delineation

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

The Darlington Site PMA includes Darlington and the surrounding unincorporated areas of Darlington County. Specifically, the boundaries of the Darlington Site PMA generally consist of the South Carolina Central Railroad, Harmony Hall Drive, Greenfield Road and Mechanicsville Highway to the north; State Route 34, Fountain Branch and the Darlington County boundary to the east; Interstate 95, the Darlington County boundary and Interstate 20 to the south; and Oates Highway/State Route 403 and Flinns Road to the west. The subject site is approximately 12.0 miles from the furthest Site PMA boundary, as evidenced by the map included later in this section. The Site PMA is comprised of the following Census Tracts:

| | | | |
|---------|--------|--------|--------|
| 101.00 | 106.00 | 108.00 | 109.00 |
| 110.00* | 111.00 | 112.00 | 113.00 |
| 114.00 | 115.00 | | |

*Subject site location

The following are summaries of various interviews conducted to help establish the Darlington Site PMA:

- Tracy Young is the Site Manager at the subject site Springfield Apartments, a Tax Credit and Rural Development property. Ms. Young confirmed the Site PMA boundaries, stating that most of her tenants are from the local Darlington Area. Ms. Young indicated that she receives some support from Florence and other cities farther away; however, most is from the City of Darlington as tenants typically move from other apartments in the area.
- Thelma Brown is the Site Manager at Palmetto Apartments, a Rural Development property located adjacent the subject site. Ms. Brown stated that most of the tenants at her property are from Darlington and the surrounding areas. Ms. Brown explained that she gets some inquiries from people who live Florence, but by the time their names come up on the waitlist they have found somewhere else to live or do not respond to her call back. Ms. Brown confirmed that the Florence area should not be included in the Darlington Site PMA and confirmed the boundaries of the Darlington Site PMA.

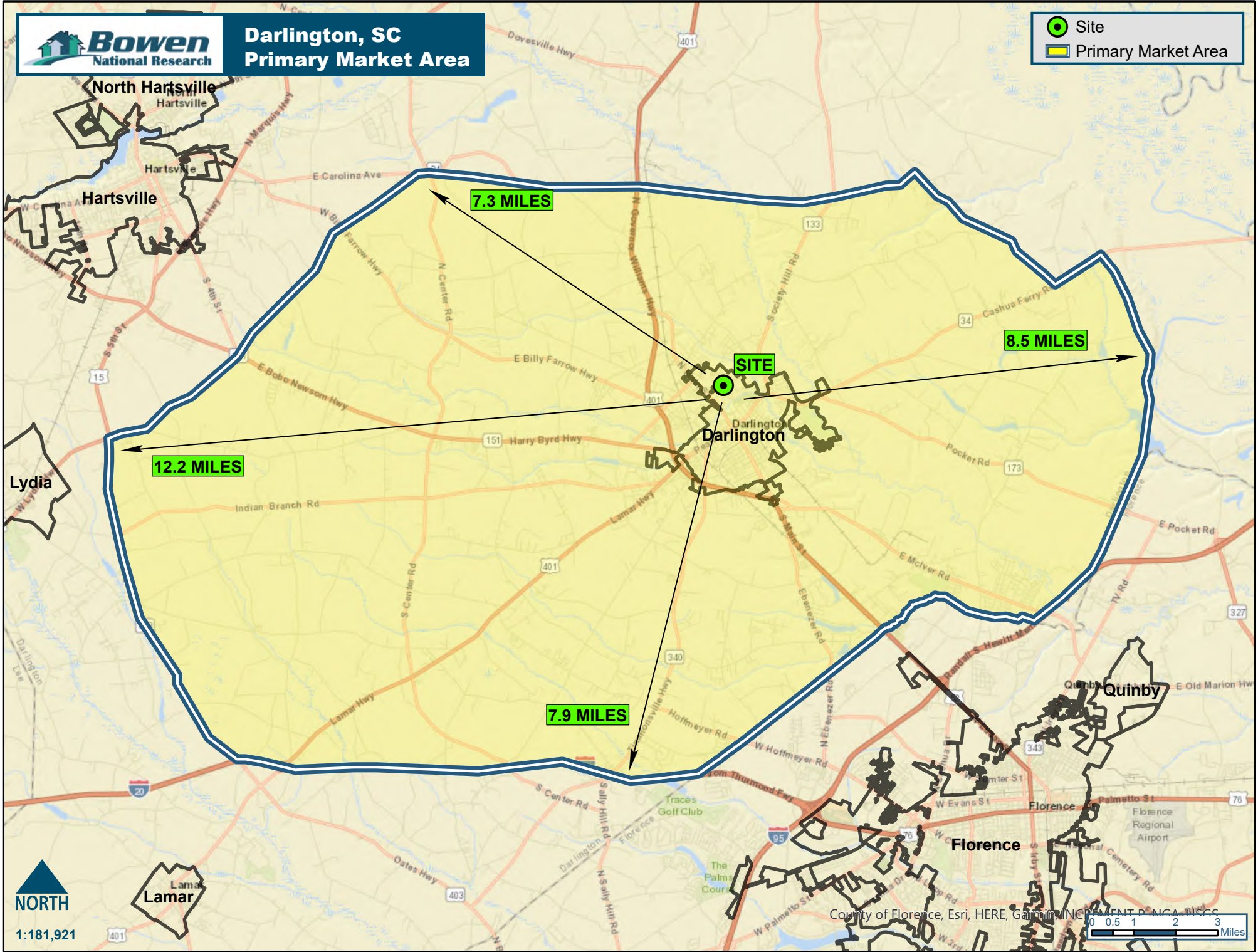
A modest portion of support may originate from some of the outlying areas surrounding the Darlington Site PMA. However, based on our observations and information obtained from area property managers, this potential base of support is expected to be minimal and therefore we have not considered any secondary market area in this report.

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



Darlington, SC Primary Market Area

● Site
▭ Primary Market Area



1:181,921



E. Market Area Economy

1. EMPLOYMENT BY INDUSTRY

The labor force within the Darlington Site PMA is based primarily in four sectors. Manufacturing (which comprises 13.2%), Retail Trade, Educational Services and Health Care & Social Assistance comprise over 50% of the Site PMA labor force. Employment in the Darlington Site PMA, as of 2019, was distributed as follows:

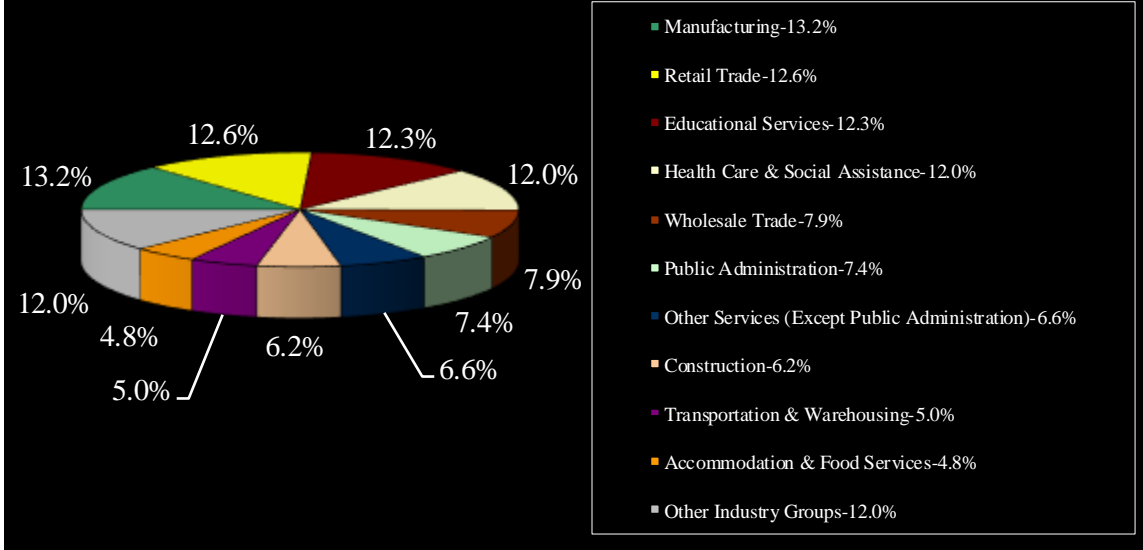
| NAICS Group | Establishments | Percent | Employees | Percent | E.P.E. |
|--|----------------|---------------|--------------|---------------|-------------|
| Agriculture, Forestry, Fishing & Hunting | 7 | 0.9% | 40 | 0.5% | 5.7 |
| Mining | 1 | 0.1% | 1 | 0.0% | 1.0 |
| Utilities | 3 | 0.4% | 141 | 1.7% | 47.0 |
| Construction | 53 | 7.2% | 513 | 6.2% | 9.7 |
| Manufacturing | 26 | 3.5% | 1,101 | 13.2% | 42.3 |
| Wholesale Trade | 45 | 6.1% | 656 | 7.9% | 14.6 |
| Retail Trade | 120 | 16.2% | 1,049 | 12.6% | 8.7 |
| Transportation & Warehousing | 31 | 4.2% | 418 | 5.0% | 13.5 |
| Information | 5 | 0.7% | 27 | 0.3% | 5.4 |
| Finance & Insurance | 40 | 5.4% | 192 | 2.3% | 4.8 |
| Real Estate & Rental & Leasing | 28 | 3.8% | 70 | 0.8% | 2.5 |
| Professional, Scientific & Technical Services | 38 | 5.1% | 277 | 3.3% | 7.3 |
| Management of Companies & Enterprises | 1 | 0.1% | 44 | 0.5% | 44.0 |
| Administrative, Support, Waste Management & Remediation Services | 19 | 2.6% | 133 | 1.6% | 7.0 |
| Educational Services | 29 | 3.9% | 1,027 | 12.3% | 35.4 |
| Health Care & Social Assistance | 37 | 5.0% | 995 | 12.0% | 26.9 |
| Arts, Entertainment & Recreation | 9 | 1.2% | 60 | 0.7% | 6.7 |
| Accommodation & Food Services | 30 | 4.1% | 398 | 4.8% | 13.3 |
| Other Services (Except Public Administration) | 135 | 18.3% | 548 | 6.6% | 4.1 |
| Public Administration | 59 | 8.0% | 613 | 7.4% | 10.4 |
| Nonclassifiable | 23 | 3.1% | 15 | 0.2% | 0.7 |
| Total | 739 | 100.0% | 8,318 | 100.0% | 11.3 |

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

E.P.E. - Average Employees Per Establishment

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

Employment by Industry



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the Florence Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

| Typical Wage by Occupation Type | | |
|--|--------------|----------------|
| Occupation Type | Florence MSA | South Carolina |
| Management Occupations | \$106,950 | \$103,100 |
| Business and Financial Occupations | \$59,720 | \$64,640 |
| Computer and Mathematical Occupations | \$65,470 | \$74,030 |
| Architecture and Engineering Occupations | \$76,790 | \$79,960 |
| Community and Social Service Occupations | \$36,500 | \$43,170 |
| Art, Design, Entertainment and Sports Medicine Occupations | \$49,170 | \$48,550 |
| Healthcare Practitioners and Technical Occupations | \$71,160 | \$73,040 |
| Healthcare Support Occupations | \$27,140 | \$29,070 |
| Protective Service Occupations | \$34,400 | \$38,670 |
| Food Preparation and Serving Related Occupations | \$20,670 | \$21,910 |
| Building and Grounds Cleaning and Maintenance Occupations | \$23,030 | \$25,170 |
| Personal Care and Service Occupations | \$21,570 | \$24,210 |
| Sales and Related Occupations | \$34,240 | \$34,590 |
| Office and Administrative Support Occupations | \$34,410 | \$34,970 |
| Construction and Extraction Occupations | \$37,470 | \$41,220 |
| Installation, Maintenance and Repair Occupations | \$44,620 | \$44,730 |
| Production Occupations | \$37,510 | \$39,000 |
| Transportation and Moving Occupations | \$31,550 | \$33,870 |

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

Most annual blue-collar salaries range from \$20,670 to \$49,170 within the Florence MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$76,018. It is important to note that most occupational types within the Florence MSA have lower typical wages than the state of South Carolina's typical wages. Regardless, the subject project will generally target households with incomes below \$35,000. As such, the area employment base appears to have a significant number of income-appropriate occupations from which potential tenants of the subject project could choose.

3. AREA'S LARGEST EMPLOYERS

Based on the most current data available, the ten largest employers within Darlington area comprise a total of 7,823 employees. These employers are summarized in the following table:

| Employer Name | Business Type | Total Employed |
|--|-------------------------------|----------------|
| Darlington County School District | Education | 1,948 |
| Sonoco Products Company | Packing Products Manufacturer | 1,578 |
| HB Robinson Nuclear Plant | Power Plant | 830 |
| Carolina Pines Regional Medical Center | Health Care | 638 |
| Dixie/Georgia Pacific | Paper Products Manufacturer | 535 |
| Coker College | Education | 525 |
| Nucor | Steel Bar Manufacturer | 510 |
| Galey & Lord | Textile Mill | 499 |
| Darlington County | Local Government | 460 |
| Walmart Supercenter | Retail | 300 |
| Total | | 7,823 |

Source: Darlington County Economic Development Partnership (2016)

According to a representative with the Darlington County Economic Development Partnership, the Darlington County economy has been growing and improving despite the COVID-19 pandemic, which has acutely affected the area's hospitality industry. Recent announcements include the temporary closing of indoor restaurant dining and the temporary closing of the Darlington Raceway. The cancellation and postponement of local events and activities have significantly decreased traffic to local hotels and restaurants. According to the representative, there have been several large capital investment expansions which have laid the groundwork for future job creation, despite the temporary quarantine-induced setbacks. The following are summaries of some recent economic development activity within the Darlington area:

- Nucor Corporation announced in 2019 they would be investing over \$100 million into their bar mill in Darlington. This project is expected to be complete in late 2020, though no jobs will be created it will expand the company's range of products available.
- Georgia Pacific also announced an expansion in January 2020 to its Darlington plant, investing approximately \$145 million into expanding their paper plate and bowl manufacturing operations.
- Fiber Industries invested \$30 million into updating and reopening the old Palmetto Plant off McIver Road. The former business in this building, Wellman Inc., went bankrupt in 2008 and subsequently closed. When Fiber Industries first opened this location, it created 135 jobs for the area.

- Southern Current, a solar energy company, is planning to invest over \$350 million into the county, spread out over 17 different solar farms. The solar farms will be built on privately owned land and leased back to Southern Current.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed on March 24, 2020 and according to South Carolina Works there has been one WARN notice reported for Darlington County over the past 18 months. Below is a table summarizing this notice.

| WARN Notices | | | |
|-----------------|------------|------|-------------|
| Company | Location | Jobs | Notice Date |
| Georgia-Pacific | Darlington | 81 | 4/1/2020 |

4. EMPLOYMENT TRENDS

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

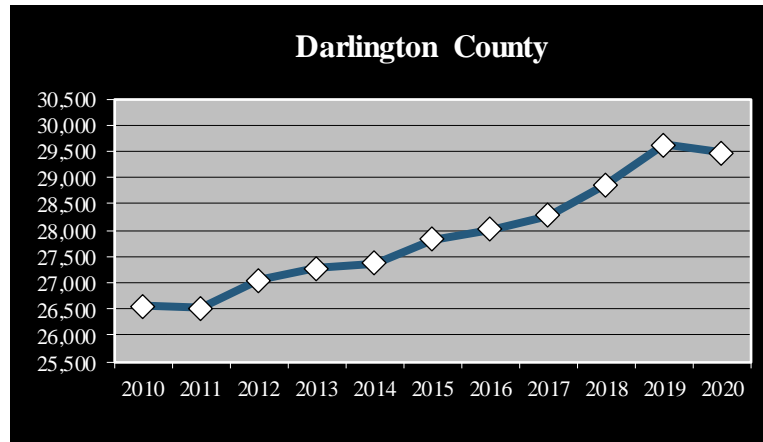
Excluding 2020, the employment base has increased by 6.5% over the past five years in Darlington County, less than the South Carolina state increase of 8.0%. Total employment reflects the number of employed persons who live within the county.

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

| Year | Total Employment | | | | | |
|-------|-------------------|----------------|----------------|----------------|---------------|----------------|
| | Darlington County | | South Carolina | | United States | |
| | Total Number | Percent Change | Total Number | Percent Change | Total Number | Percent Change |
| 2010 | 26,555 | - | 1,915,045 | - | 140,469,139 | - |
| 2011 | 26,517 | -0.1% | 1,945,900 | 1.6% | 141,791,255 | 0.9% |
| 2012 | 27,048 | 2.0% | 1,985,618 | 2.0% | 143,621,634 | 1.3% |
| 2013 | 27,276 | 0.8% | 2,023,642 | 1.9% | 145,017,562 | 1.0% |
| 2014 | 27,364 | 0.3% | 2,078,592 | 2.7% | 147,313,048 | 1.6% |
| 2015 | 27,823 | 1.7% | 2,137,158 | 2.8% | 149,500,941 | 1.5% |
| 2016 | 28,010 | 0.7% | 2,181,587 | 2.1% | 151,887,366 | 1.6% |
| 2017 | 28,279 | 1.0% | 2,212,845 | 1.4% | 154,160,937 | 1.5% |
| 2018 | 28,859 | 2.1% | 2,259,057 | 2.1% | 156,081,212 | 1.2% |
| 2019 | 29,624 | 2.7% | 2,308,362 | 2.2% | 158,102,439 | 1.3% |
| 2020* | 29,465 | -0.5% | 2,313,562 | 0.2% | 157,927,470 | -0.1% |

Source: Department of Labor; Bureau of Labor Statistics

*Through January



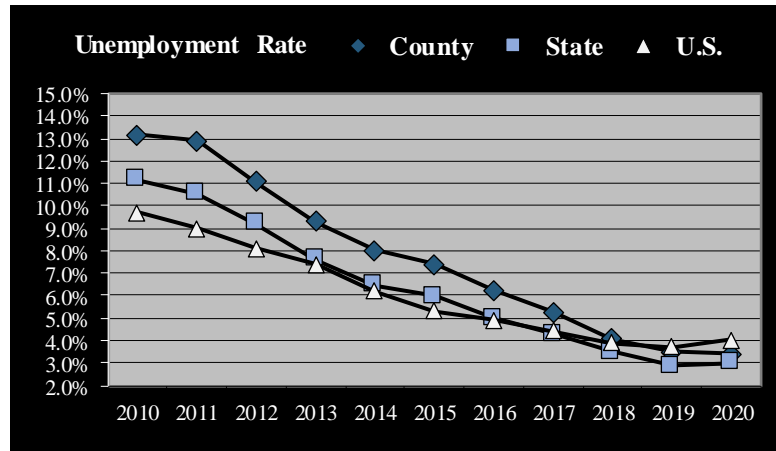
As the preceding illustrates, the Darlington County employment base increased by 3,069 employees from 2010 to 2019. Although a slight decline was reported during the first month of 2020, year over year trends for the preceding nine years would suggest this decline may be short lived. However, when considering the current state of the Covid-19 pandemic, employment growth is likely to be nominal, if any, during this pandemic.

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

| Year | Unemployment | | | | | |
|-------|-------------------|---------|----------------|---------|---------------|---------|
| | Darlington County | | South Carolina | | United States | |
| | Total Number | Percent | Total Number | Percent | Total Number | Percent |
| 2010 | 4,035 | 13.2% | 240,623 | 11.2% | 15,070,017 | 9.7% |
| 2011 | 3,933 | 12.9% | 229,623 | 10.6% | 14,035,049 | 9.0% |
| 2012 | 3,364 | 11.1% | 201,260 | 9.2% | 12,691,553 | 8.1% |
| 2013 | 2,809 | 9.3% | 167,326 | 7.6% | 11,634,201 | 7.4% |
| 2014 | 2,379 | 8.0% | 143,753 | 6.5% | 9,776,089 | 6.2% |
| 2015 | 2,220 | 7.4% | 135,838 | 6.0% | 8,417,793 | 5.3% |
| 2016 | 1,869 | 6.3% | 115,213 | 5.0% | 7,854,801 | 4.9% |
| 2017 | 1,574 | 5.3% | 98,921 | 4.3% | 7,093,912 | 4.4% |
| 2018 | 1,227 | 4.1% | 80,882 | 3.5% | 6,385,787 | 3.9% |
| 2019 | 1,072 | 3.5% | 67,707 | 2.9% | 6,073,924 | 3.7% |
| 2020* | 1,034 | 3.4% | 70,328 | 3.0% | 6,602,253 | 4.0% |

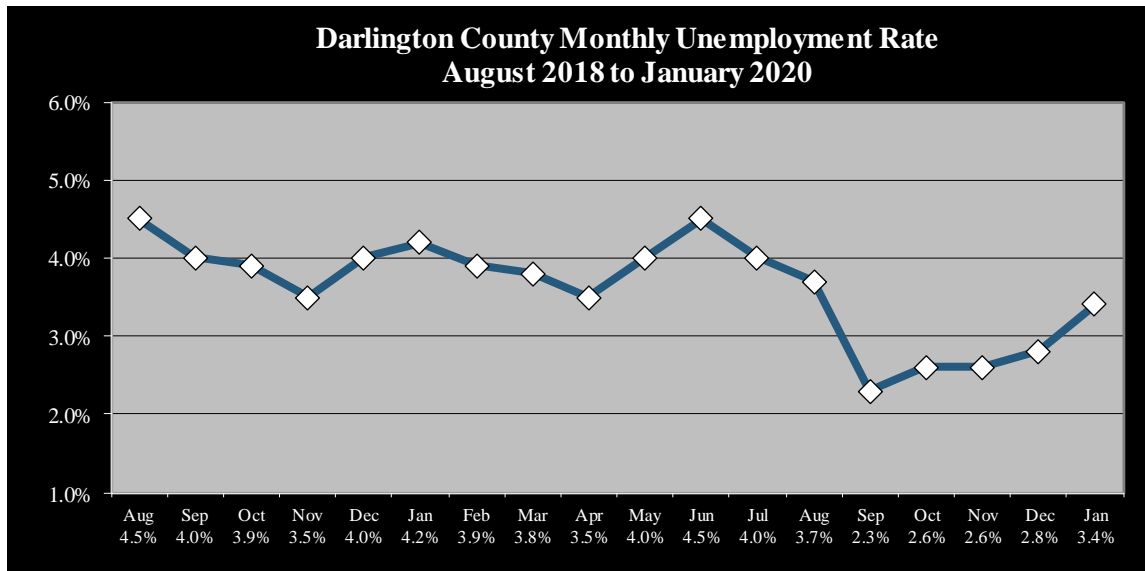
Source: Department of Labor; Bureau of Labor Statistics

*Through January



The unemployment rate in Darlington County has declined by nearly ten full percentage points since 2010, to a rate of 3.4% through January of 2020. Although slightly above the state average, this unemployment rate is below the national average of 4.0% and is considered low and a good indication of a well performing economy.

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



The monthly unemployment rate reported for Darlington County has remained equal to or below 4.5% since August of 2018 and, below 4.0% each month since August of 2019.

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

| In-Place Employment Darlington County | | | |
|---------------------------------------|------------|--------|----------------|
| Year | Employment | Change | Percent Change |
| 2009 | 18,406 | - | - |
| 2010 | 18,168 | -238 | -1.3% |
| 2011 | 18,382 | 214 | 1.2% |
| 2012 | 18,621 | 239 | 1.3% |
| 2013 | 19,479 | 858 | 4.6% |
| 2014 | 19,528 | 49 | 0.3% |
| 2015 | 19,808 | 280 | 1.4% |
| 2016 | 19,993 | 185 | 0.9% |
| 2017 | 20,136 | 143 | 0.7% |
| 2018 | 20,933 | 797 | 4.0% |
| 2019* | 20,569 | -364 | -1.7% |

Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2018, the most recent year that year-end figures are available, indicates in-place employment in Darlington County to be 72.5% of the total Darlington County employment. This means that Darlington County has more employed persons leaving the county for daytime employment than those who work in the county. This is not uncommon of areas near larger metropolitan areas, however, such as Darlington's proximity to the Florence, South Carolina area. Regardless, the 100.0% occupancy rate reported at the subject project is clear indication that in-place employment trends do not have any adverse impact on marketability of the subject project.

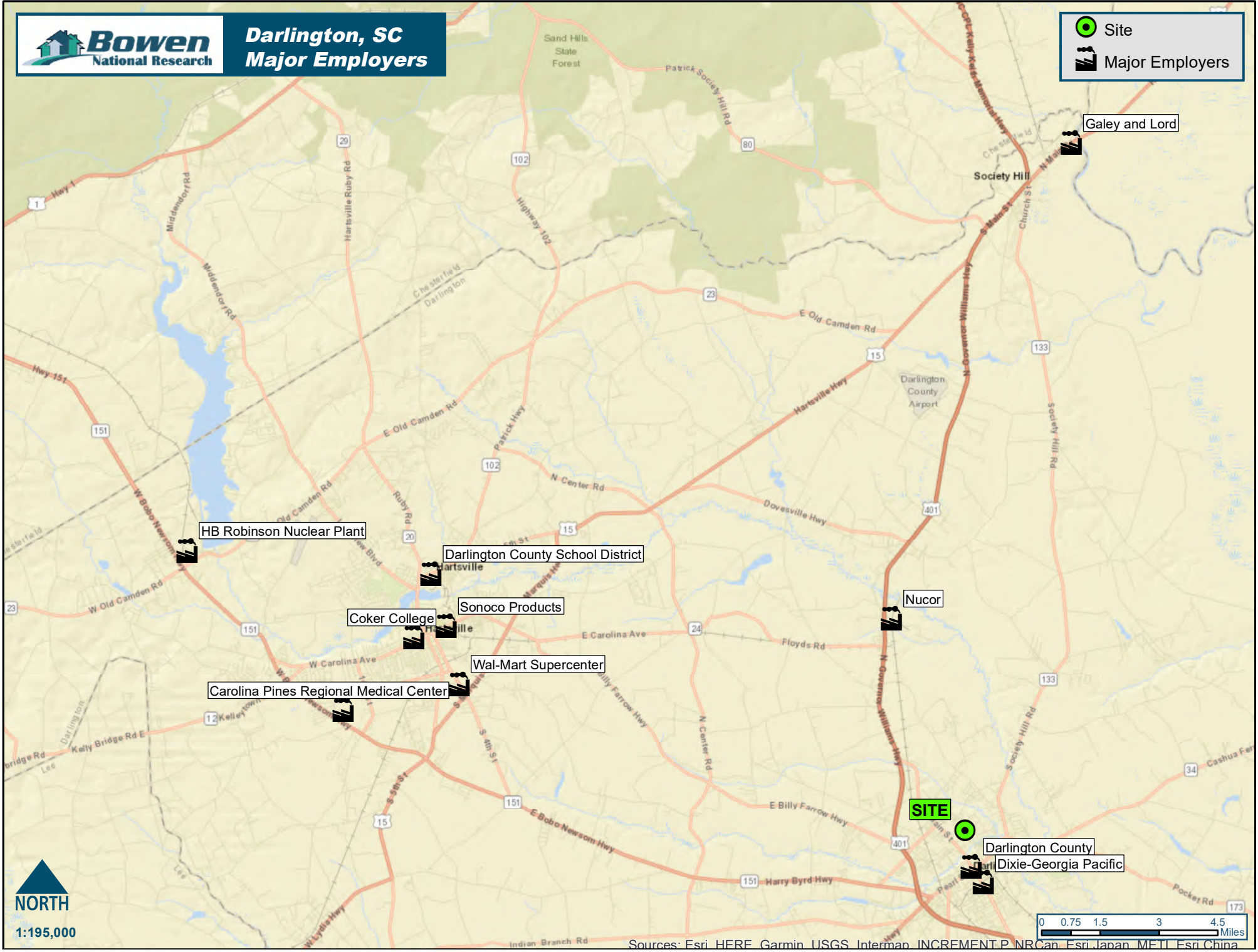
5. EMPLOYMENT CENTERS MAP

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



Darlington, SC Major Employers

- Site
- Major Employers



NORTH
1:195,000

Sources: Esri, HERE, Garmin, USGS, Intermap, INCREMENT P, NRCan, Esri, Japan, METI, Esri, China

6. COMMUTING PATTERNS

Based on the American Community Survey (2013-2017), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

| Mode of Transportation | Workers Age 16+ | |
|------------------------|-----------------|---------|
| | Number | Percent |
| Drove Alone | 8,803 | 81.9% |
| Carpooled | 1,296 | 12.1% |
| Public Transit | 50 | 0.5% |
| Walked | 209 | 1.9% |
| Other Means | 66 | 0.6% |
| Worked at Home | 325 | 3.0% |
| Total | 10,749 | 100.0% |

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

Nearly 82% of all workers drove alone, 12.1% carpoled and only 0.5% used public transportation. Given the subject site serves very low-income households and is provided an on-site dial-a-ride transportation service, we anticipate a higher than normal share of site residents' use of public transportation.

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

| Travel Time | Workers Age 16+ | |
|----------------------|-----------------|---------|
| | Number | Percent |
| Less Than 15 Minutes | 3,317 | 30.9% |
| 15 to 29 Minutes | 4,710 | 43.8% |
| 30 to 44 Minutes | 1,613 | 15.0% |
| 45 to 59 Minutes | 327 | 3.0% |
| 60 or More Minutes | 457 | 4.3% |
| Worked at Home | 325 | 3.0% |
| Total | 10,749 | 100.0% |

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 30-minute drive to most of the area's largest employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.

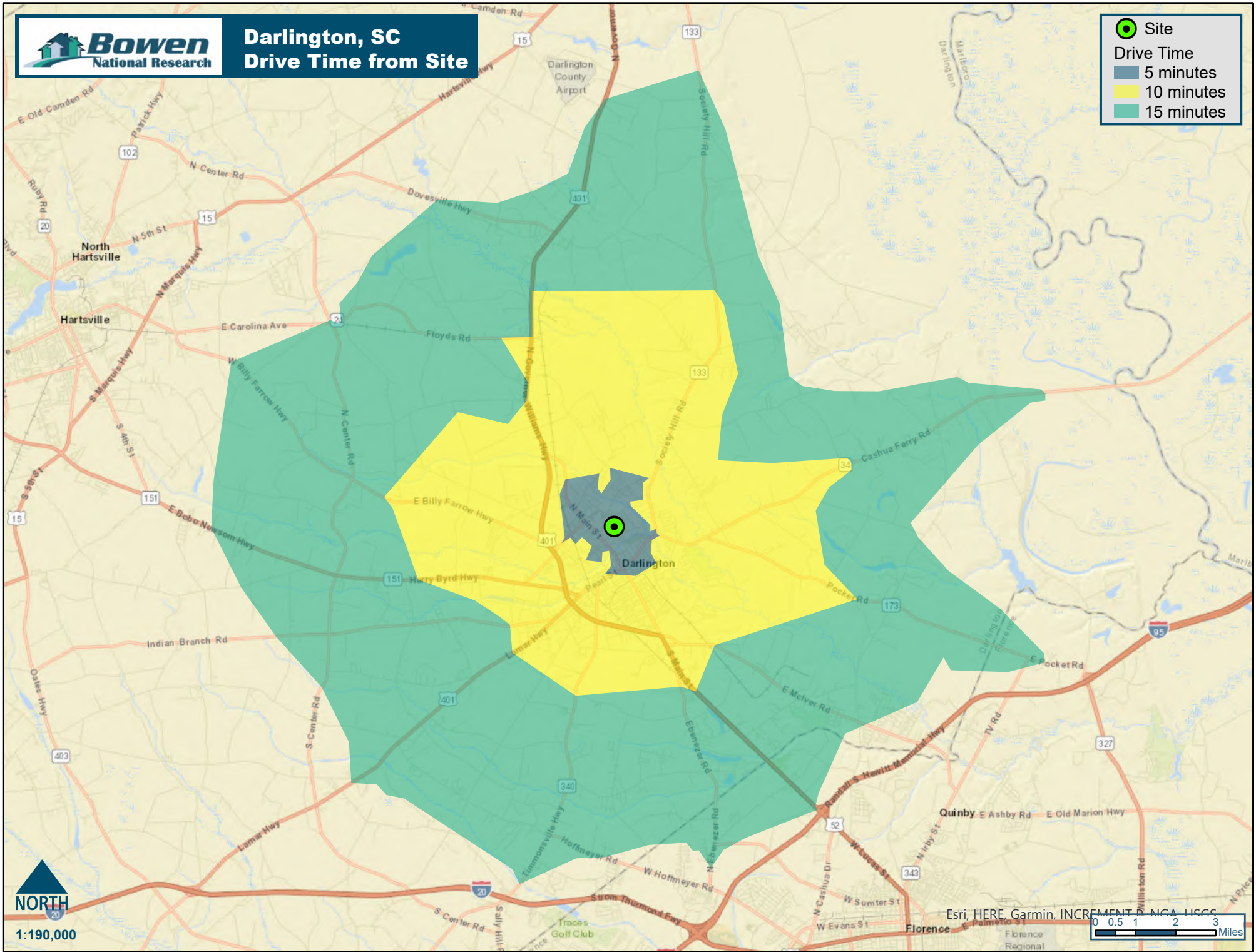


Darlington, SC Drive Time from Site

● Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:190,000

Esri, HERE, Garmin, INCREMENTAL, NGA, USGS
0 0.5 1 2 3 Miles

7. ECONOMIC FORECAST AND HOUSING IMPACT

The labor force within the Darlington Site PMA is relatively well-balanced as no single industry segment represents more than 13.2% of the total labor force. The Retail, Manufacturing, and Educational Services industries represent the three largest industry segments within the Site PMA and comprise approximately 38.1% of the total labor force. These industry segments typically offer lower-wage paying positions which are generally conducive to affordable housing alternatives such as that provided at the subject project.

The Darlington County economy is performing well as both total employment and unemployment rate trends have been positive over the past decade. Notably, the employment base increased by over 3,000 jobs, or 11.6%, from 2010 to 2019. The unemployment rate has declined by nearly ten full percentage points since 2010. While area development representatives indicated that the hospitality industry has recently been adversely affected by the COVID-19 pandemic, they also indicated that the area economy has been strong regardless and that numerous major employers have recently made capital investments to lay the groundwork for future job creation. Based on the preceding factors, the Darlington County economy is considered stable, though the impact on the COVID-19 pandemic is expected to slow economic development activity and could result in some job loss within the county, as is true of most markets throughout the country during this pandemic.

F. Community Demographic Data

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

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2019 (estimated) and 2022 (projected) are summarized as follows:

| | Year | | | |
|-------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2019 (Estimated) | 2022 (Projected) |
| Population | 27,622 | 28,473 | 28,612 | 28,607 |
| Population Change | - | 851 | 139 | -5 |
| Percent Change | - | 3.1% | 0.5% | <0.1% |

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

The Darlington Site PMA population base increased by 851 between 2000 and 2010. This represents a 3.1% increase over the 2000 population, or an annual rate of 0.3%. Between 2010 and 2019, the population increased by 139, or 0.5%. It is projected that the population will decline by five, or less than 0.1%, between 2019 and 2022.

Based on the 2010 Census, the population residing in group-quarters is represented by 2.1% of the Site PMA population, as demonstrated in the following table:

| | Number | Percent |
|----------------------------------|--------|---------|
| Population in Group Quarters | 611 | 2.1% |
| Population not in Group Quarters | 27,862 | 97.9% |
| Total Population | 28,473 | 100.0% |

Source: 2010 Census

b. Population by Age Group

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

| Population by Age | 2010 (Census) | | 2019 (Estimated) | | 2022 (Projected) | | Change 2019-2022 | |
|-------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 19 & Under | 7,646 | 26.9% | 6,907 | 24.1% | 6,966 | 24.4% | 59 | 0.9% |
| 20 to 24 | 1,656 | 5.8% | 1,483 | 5.2% | 1,404 | 4.9% | -79 | -5.3% |
| 25 to 34 | 3,321 | 11.7% | 3,682 | 12.9% | 3,348 | 11.7% | -334 | -9.1% |
| 35 to 44 | 3,554 | 12.5% | 3,460 | 12.1% | 3,507 | 12.3% | 47 | 1.4% |
| 45 to 54 | 4,159 | 14.6% | 3,533 | 12.3% | 3,540 | 12.4% | 7 | 0.2% |
| 55 to 64 | 3,986 | 14.0% | 4,063 | 14.2% | 3,875 | 13.5% | -188 | -4.6% |
| 65 to 74 | 2,403 | 8.4% | 3,389 | 11.8% | 3,577 | 12.5% | 188 | 5.6% |
| 75 & Over | 1,748 | 6.1% | 2,095 | 7.3% | 2,388 | 8.3% | 293 | 14.0% |
| Total | 28,473 | 100.0% | 28,612 | 100.0% | 28,607 | 100.0% | -5 | 0.0% |

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

As the preceding table illustrates, nearly 52% of the population was estimated to be between 25 and 64 years old in 2019. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

The subject project is not age-restricted; therefore, all persons with appropriate incomes will be eligible to live at the subject development. As a result, we have not included an analysis of the PMA’s senior and non-senior population.

d. Special Needs Population

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

e. Minority Concentrations

The following table compares the concentration of minorities in the state of South Carolina to the site Census Tract.

| Minority Group | Statewide Share | Equal To or Greater Than | Site Census Tract Share |
|--|-----------------|--------------------------|-------------------------|
| Total Minority Population | 33.8% | 33.8% + 20.0% = 53.8% | 35.9% |
| Black or African American | 27.9% | 27.9% + 20.0% = 47.9% | 34.6% |
| American Indian and Alaska Native | 0.4% | 0.4% + 20.0% = 20.4% | 0.2% |
| Asian | 1.3% | 1.3% + 20.0% = 21.3% | 0.4% |
| Native Hawaiian and Other Pacific Islander | 0.1% | 0.1% + 20.0% = 20.1% | 0.0% |
| Hispanic or Latino | 5.1% | 5.1% + 20.0% = 25.1% | 0.8% |

Source: U.S. Census Bureau, 2010 Census

Based on the data in the preceding table, the site Census Tract is not primarily comprised of minorities.

2. HOUSEHOLD TRENDS

a. Total Households

Household trends within the Darlington Site PMA are summarized as follows:

| | Year | | | |
|------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2019 (Estimated) | 2022 (Projected) |
| Households | 10,620 | 11,005 | 11,025 | 11,018 |
| Household Change | - | 385 | 20 | -7 |
| Percent Change | - | 3.6% | 0.2% | -0.1% |
| Household Size | 2.60 | 2.59 | 2.54 | 2.54 |

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

Within the Darlington Site PMA, households increased by 385 (3.6%) between 2000 and 2010. Between 2010 and 2019, households increased by 20 or 0.2%. By 2022, there will be 11,018 households, a decline of seven households, or 0.1% over 2019 levels. This is a decline of approximately two to three households annually over the next three years.

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

| Households by Age | 2010 (Estimated) | | 2019 (Estimated) | | 2022 (Projected) | | Change 2019-2022 | |
|----------------------|------------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 25 | 383 | 3.5% | 291 | 2.6% | 288 | 2.6% | -3 | -1.0% |
| 25 to 34 | 1,330 | 12.1% | 1,427 | 12.9% | 1,284 | 11.7% | -143 | -10.0% |
| 35 to 44 | 1,864 | 16.9% | 1,717 | 15.6% | 1,724 | 15.6% | 7 | 0.4% |
| 45 to 54 | 2,291 | 20.8% | 1,844 | 16.7% | 1,833 | 16.6% | -11 | -0.6% |
| 55 to 64 | 2,475 | 22.5% | 2,382 | 21.6% | 2,249 | 20.4% | -133 | -5.6% |
| 65 to 74 | 1,560 | 14.2% | 2,091 | 19.0% | 2,189 | 19.9% | 98 | 4.7% |
| 75 to 84 | 824 | 7.5% | 949 | 8.6% | 1,082 | 9.8% | 133 | 14.0% |
| 85 & Over | 278 | 2.5% | 324 | 2.9% | 369 | 3.3% | 45 | 13.9% |
| Total | 11,005 | 100.0% | 11,025 | 100.0% | 11,018 | 100.0% | -7 | -0.1% |

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

Household growth is projected to be concentrated among seniors age 65 and older between 2019 and 2022. However, it is important to note that nearly 65.0% of the overall household base will be between 25 and 64 years of age in 2021. This is the primary group of potential renters at the subject project. It is also of note that the subject's one- and two-bedroom garden-style units are expected to appeal to seniors within the Darlington area and therefore the property will be able to accommodate a portion of the expanding senior household base as well.

b. Households by Tenure

Households by tenure are distributed as follows:

| Tenure | 2010 (Census) | | 2019 (Estimated) | | 2022 (Projected) | |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 7,615 | 69.2% | 7,228 | 65.6% | 7,232 | 65.6% |
| Renter-Occupied | 3,390 | 30.8% | 3,797 | 34.4% | 3,786 | 34.4% |
| Total | 11,005 | 100.0% | 11,025 | 100.0% | 11,018 | 100.0% |

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

In 2019, homeowners occupied 65.6% of all occupied housing units, while the remaining 34.4% were occupied by renters. The share of renters is typical of a relatively rural market such as the Darlington Site PMA and represents a good base of potential renter support in the market for the subject development. Although the total number of renter households is projected to decline slightly, nearly 3,800 renter households will remain in the market in 2022.

The following tables demonstrate the share of substandard housing found in the Site PMA, based on the presence or absence of kitchen and bathroom facilities:

| | Kitchen Characteristics | | | |
|--------------------------|-------------------------|---------|-----------------|---------|
| | Owner-Occupied | | Renter-Occupied | |
| | Number | Percent | Number | Percent |
| Complete Kitchen | 7,567 | 99.6% | 3,679 | 99.3% |
| Lacking Complete Kitchen | 29 | 0.4% | 25 | 0.7% |
| Total | 7,596 | 100.0% | 3,704 | 100.0% |

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

| | Bathroom Characteristics | | | |
|---------------------------|--------------------------|---------|-----------------|---------|
| | Owner-Occupied | | Renter-Occupied | |
| | Number | Percent | Number | Percent |
| Complete Plumbing | 7,557 | 99.5% | 3,662 | 98.9% |
| Lacking Complete Plumbing | 39 | 0.5% | 42 | 1.1% |
| Total | 7,596 | 100.0% | 3,704 | 100.0% |

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

Based on the 2013-2017 ACS estimates, the percentage of owner- and renter-occupied housing with incomplete kitchen facilities was 0.4% and 0.7%, respectively, while owner- and renter-occupied housing with incomplete plumbing facilities was 0.5% and 1.1%, respectively.

Owner and renter cost as a percent of income is illustrated in the following table:

| Percentage of Income | Owner | | Renter | |
|----------------------|--------|---------|--------|---------|
| | Number | Percent | Number | Percent |
| Less Than 20% | 4,634 | 61.0% | 810 | 21.9% |
| 20% to 29% | 1,192 | 15.7% | 499 | 13.5% |
| 30% or More | 1,642 | 21.6% | 1,883 | 50.9% |
| Not Computed | 127 | 1.7% | 511 | 13.8% |
| Total | 7,595 | 100.0% | 3,703 | 100.0% |

Source: American Community Survey (2013-2017); ESRI; Urban Decision Group; Bowen National Research

As the preceding illustrates, 50.9% of renter households in the market pay more than 30% of their income towards rent. This is higher than the national average of 46.8%.

c. Households by Income

The distribution of households by income within the Darlington Site PMA is summarized as follows:

| Household Income | 2010 (Census) | | 2019 (Estimated) | | 2022 (Projected) | |
|------------------------|---------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| Less Than \$10,000 | 1,330 | 12.1% | 1,015 | 9.2% | 1,003 | 9.1% |
| \$10,000 to \$19,999 | 1,785 | 16.2% | 1,766 | 16.0% | 1,785 | 16.2% |
| \$20,000 to \$29,999 | 1,597 | 14.5% | 2,120 | 19.2% | 2,116 | 19.2% |
| \$30,000 to \$39,999 | 1,502 | 13.6% | 1,570 | 14.2% | 1,588 | 14.4% |
| \$40,000 to \$49,999 | 1,234 | 11.2% | 952 | 8.6% | 903 | 8.2% |
| \$50,000 to \$59,999 | 930 | 8.5% | 789 | 7.2% | 768 | 7.0% |
| \$60,000 to \$74,999 | 999 | 9.1% | 920 | 8.3% | 901 | 8.2% |
| \$75,000 to \$99,999 | 884 | 8.0% | 702 | 6.4% | 703 | 6.4% |
| \$100,000 to \$124,999 | 264 | 2.4% | 495 | 4.5% | 512 | 4.6% |
| \$125,000 to \$149,999 | 170 | 1.5% | 312 | 2.8% | 330 | 3.0% |
| \$150,000 to \$199,999 | 187 | 1.7% | 286 | 2.6% | 308 | 2.8% |
| \$200,000 & Over | 123 | 1.1% | 98 | 0.9% | 102 | 0.9% |
| Total | 11,005 | 100.0% | 11,025 | 100.0% | 11,020 | 100.0% |
| Median Income | \$35,263 | | \$33,895 | | \$33,817 | |

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

In 2010, the median household income was \$35,263. This declined by 3.9% to \$33,895 in 2019. By 2022, it is projected that the median household income will be \$33,817, a decline of 0.2% over 2019.

d. Average Household Size

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

e. Households by Income by Tenure

The following tables illustrate renter household income by household size for 2010, 2019 and 2022 for the Darlington Site PMA:

| Renter Households | 2010 (Census) | | | | | |
|------------------------|---------------|------------|------------|------------|------------|--------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 253 | 197 | 124 | 83 | 67 | 724 |
| \$10,000 to \$19,999 | 310 | 225 | 141 | 95 | 76 | 847 |
| \$20,000 to \$29,999 | 193 | 162 | 102 | 68 | 55 | 580 |
| \$30,000 to \$39,999 | 140 | 131 | 83 | 55 | 45 | 454 |
| \$40,000 to \$49,999 | 98 | 95 | 60 | 40 | 32 | 325 |
| \$50,000 to \$59,999 | 42 | 48 | 30 | 20 | 16 | 157 |
| \$60,000 to \$74,999 | 47 | 51 | 32 | 21 | 17 | 169 |
| \$75,000 to \$99,999 | 25 | 27 | 17 | 11 | 9 | 90 |
| \$100,000 to \$124,999 | 5 | 5 | 3 | 2 | 2 | 16 |
| \$125,000 to \$149,999 | 3 | 3 | 2 | 1 | 1 | 11 |
| \$150,000 to \$199,999 | 3 | 3 | 2 | 1 | 1 | 11 |
| \$200,000 & Over | 2 | 2 | 1 | 1 | 1 | 7 |
| Total | 1,120 | 950 | 597 | 400 | 323 | 3,390 |

Source: ESRI; Urban Decision Group

| Renter Households | 2019 (Estimated) | | | | | |
|------------------------|------------------|--------------|------------|------------|------------|--------------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 188 | 146 | 90 | 57 | 50 | 530 |
| \$10,000 to \$19,999 | 358 | 222 | 138 | 86 | 76 | 880 |
| \$20,000 to \$29,999 | 341 | 248 | 153 | 96 | 84 | 923 |
| \$30,000 to \$39,999 | 187 | 154 | 95 | 60 | 52 | 549 |
| \$40,000 to \$49,999 | 96 | 82 | 51 | 32 | 28 | 289 |
| \$50,000 to \$59,999 | 64 | 60 | 37 | 24 | 21 | 206 |
| \$60,000 to \$74,999 | 74 | 71 | 44 | 28 | 24 | 241 |
| \$75,000 to \$99,999 | 26 | 26 | 16 | 10 | 9 | 88 |
| \$100,000 to \$124,999 | 14 | 14 | 9 | 5 | 5 | 47 |
| \$125,000 to \$149,999 | 9 | 9 | 5 | 3 | 3 | 29 |
| \$150,000 to \$199,999 | 3 | 3 | 2 | 1 | 1 | 11 |
| \$200,000 & Over | 1 | 1 | 1 | 0 | 0 | 4 |
| Total | 1,363 | 1,036 | 642 | 403 | 353 | 3,797 |

Source: ESRI; Urban Decision Group

| Renter Households | 2022 (Projected) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 177 | 136 | 84 | 52 | 46 | 496 |
| \$10,000 to \$19,999 | 361 | 217 | 134 | 84 | 74 | 869 |
| \$20,000 to \$29,999 | 348 | 251 | 155 | 97 | 85 | 935 |
| \$30,000 to \$39,999 | 189 | 155 | 96 | 60 | 53 | 551 |
| \$40,000 to \$49,999 | 90 | 77 | 48 | 30 | 26 | 271 |
| \$50,000 to \$59,999 | 70 | 64 | 39 | 24 | 22 | 219 |
| \$60,000 to \$74,999 | 81 | 75 | 46 | 29 | 26 | 257 |
| \$75,000 to \$99,999 | 27 | 26 | 16 | 10 | 9 | 88 |
| \$100,000 to \$124,999 | 15 | 16 | 10 | 6 | 5 | 52 |
| \$125,000 to \$149,999 | 11 | 10 | 6 | 4 | 3 | 34 |
| \$150,000 to \$199,999 | 3 | 3 | 2 | 1 | 1 | 9 |
| \$200,000 & Over | 1 | 1 | 1 | 0 | 0 | 3 |
| Total | 1,373 | 1,029 | 637 | 397 | 350 | 3,786 |

Source: ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for 2010, 2019 and 2022 for the Darlington Site PMA:

| Owner Households | 2010 (Census) | | | | | |
|------------------------|---------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 161 | 214 | 104 | 80 | 47 | 606 |
| \$10,000 to \$19,999 | 265 | 324 | 157 | 121 | 71 | 938 |
| \$20,000 to \$29,999 | 263 | 363 | 176 | 135 | 80 | 1,017 |
| \$30,000 to \$39,999 | 245 | 387 | 187 | 144 | 85 | 1,048 |
| \$40,000 to \$49,999 | 208 | 338 | 164 | 126 | 74 | 909 |
| \$50,000 to \$59,999 | 159 | 296 | 143 | 110 | 65 | 773 |
| \$60,000 to \$74,999 | 170 | 318 | 154 | 118 | 70 | 830 |
| \$75,000 to \$99,999 | 161 | 305 | 148 | 114 | 67 | 794 |
| \$100,000 to \$124,999 | 49 | 96 | 46 | 36 | 21 | 248 |
| \$125,000 to \$149,999 | 30 | 62 | 30 | 23 | 14 | 159 |
| \$150,000 to \$199,999 | 34 | 69 | 33 | 26 | 15 | 176 |
| \$200,000 & Over | 23 | 45 | 22 | 17 | 10 | 116 |
| Total | 1,767 | 2,817 | 1,365 | 1,048 | 619 | 7,615 |

Source: ESRI; Urban Decision Group

| Owner Households | 2019 (Estimated) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 131 | 175 | 82 | 61 | 36 | 485 |
| \$10,000 to \$19,999 | 283 | 298 | 140 | 104 | 62 | 886 |
| \$20,000 to \$29,999 | 350 | 419 | 196 | 146 | 86 | 1,197 |
| \$30,000 to \$39,999 | 271 | 371 | 174 | 129 | 77 | 1,021 |
| \$40,000 to \$49,999 | 163 | 247 | 116 | 86 | 51 | 663 |
| \$50,000 to \$59,999 | 132 | 223 | 104 | 78 | 46 | 583 |
| \$60,000 to \$74,999 | 153 | 260 | 122 | 91 | 54 | 679 |
| \$75,000 to \$99,999 | 132 | 238 | 111 | 83 | 49 | 614 |
| \$100,000 to \$124,999 | 96 | 174 | 82 | 61 | 36 | 448 |
| \$125,000 to \$149,999 | 62 | 109 | 51 | 38 | 23 | 283 |
| \$150,000 to \$199,999 | 57 | 108 | 50 | 38 | 22 | 275 |
| \$200,000 & Over | 20 | 37 | 17 | 13 | 8 | 94 |
| Total | 1,850 | 2,658 | 1,245 | 927 | 549 | 7,228 |

Source: ESRI; Urban Decision Group

| Owner Households | 2022 (Projected) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|-------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 139 | 182 | 85 | 63 | 37 | 507 |
| \$10,000 to \$19,999 | 299 | 305 | 142 | 106 | 63 | 915 |
| \$20,000 to \$29,999 | 347 | 413 | 193 | 143 | 85 | 1,181 |
| \$30,000 to \$39,999 | 277 | 376 | 176 | 130 | 77 | 1,037 |
| \$40,000 to \$49,999 | 155 | 236 | 110 | 82 | 49 | 632 |
| \$50,000 to \$59,999 | 126 | 209 | 98 | 73 | 43 | 549 |
| \$60,000 to \$74,999 | 148 | 246 | 115 | 85 | 51 | 644 |
| \$75,000 to \$99,999 | 134 | 238 | 111 | 82 | 49 | 615 |
| \$100,000 to \$124,999 | 99 | 179 | 84 | 62 | 37 | 460 |
| \$125,000 to \$149,999 | 66 | 114 | 53 | 39 | 23 | 296 |
| \$150,000 to \$199,999 | 62 | 117 | 55 | 40 | 24 | 298 |
| \$200,000 & Over | 21 | 38 | 18 | 13 | 8 | 99 |
| Total | 1,874 | 2,656 | 1,239 | 919 | 546 | 7,235 |

Source: ESRI; Urban Decision Group

The following tables illustrate all household income by household size for 2010, 2019 and 2022 for the Darlington Site PMA:

| All Households | 2010 (Census) | | | | | |
|------------------------|---------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 414 | 411 | 228 | 163 | 114 | 1,330 |
| \$10,000 to \$19,999 | 575 | 549 | 298 | 215 | 148 | 1,785 |
| \$20,000 to \$29,999 | 456 | 525 | 278 | 203 | 135 | 1,597 |
| \$30,000 to \$39,999 | 385 | 518 | 270 | 199 | 130 | 1,502 |
| \$40,000 to \$49,999 | 306 | 433 | 223 | 166 | 107 | 1,234 |
| \$50,000 to \$59,999 | 201 | 344 | 173 | 130 | 81 | 930 |
| \$60,000 to \$74,999 | 217 | 369 | 186 | 140 | 87 | 999 |
| \$75,000 to \$99,999 | 186 | 332 | 165 | 125 | 76 | 884 |
| \$100,000 to \$124,999 | 54 | 101 | 49 | 38 | 23 | 264 |
| \$125,000 to \$149,999 | 33 | 66 | 32 | 25 | 15 | 170 |
| \$150,000 to \$199,999 | 37 | 72 | 35 | 27 | 16 | 187 |
| \$200,000 & Over | 25 | 47 | 23 | 18 | 11 | 123 |
| Total | 2,887 | 3,766 | 1,962 | 1,448 | 942 | 11,005 |

Source: ESRI; Urban Decision Group

| All Households | 2019 (Estimated) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 319 | 320 | 172 | 118 | 86 | 1,015 |
| \$10,000 to \$19,999 | 641 | 520 | 277 | 190 | 137 | 1,766 |
| \$20,000 to \$29,999 | 692 | 666 | 349 | 242 | 171 | 2,120 |
| \$30,000 to \$39,999 | 458 | 525 | 269 | 189 | 129 | 1,570 |
| \$40,000 to \$49,999 | 259 | 329 | 167 | 118 | 79 | 952 |
| \$50,000 to \$59,999 | 196 | 283 | 142 | 101 | 67 | 789 |
| \$60,000 to \$74,999 | 227 | 331 | 166 | 118 | 78 | 920 |
| \$75,000 to \$99,999 | 159 | 264 | 128 | 93 | 58 | 702 |
| \$100,000 to \$124,999 | 110 | 188 | 90 | 66 | 41 | 495 |
| \$125,000 to \$149,999 | 71 | 118 | 56 | 41 | 25 | 312 |
| \$150,000 to \$199,999 | 60 | 111 | 52 | 39 | 23 | 286 |
| \$200,000 & Over | 21 | 38 | 18 | 13 | 8 | 98 |
| Total | 3,213 | 3,694 | 1,887 | 1,330 | 901 | 11,025 |

Source: ESRI; Urban Decision Group



| All Households | 2022 (Projected) | | | | | Total |
|------------------------|------------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | |
| Less Than \$10,000 | 316 | 318 | 169 | 116 | 84 | 1,003 |
| \$10,000 to \$19,999 | 660 | 522 | 277 | 189 | 137 | 1,785 |
| \$20,000 to \$29,999 | 695 | 664 | 348 | 240 | 170 | 2,116 |
| \$30,000 to \$39,999 | 466 | 531 | 271 | 190 | 130 | 1,588 |
| \$40,000 to \$49,999 | 245 | 314 | 158 | 112 | 75 | 903 |
| \$50,000 to \$59,999 | 196 | 273 | 137 | 97 | 65 | 768 |
| \$60,000 to \$74,999 | 229 | 321 | 161 | 114 | 76 | 901 |
| \$75,000 to \$99,999 | 161 | 265 | 127 | 93 | 58 | 703 |
| \$100,000 to \$124,999 | 114 | 195 | 93 | 68 | 42 | 512 |
| \$125,000 to \$149,999 | 77 | 124 | 59 | 43 | 27 | 330 |
| \$150,000 to \$199,999 | 65 | 120 | 56 | 42 | 25 | 308 |
| \$200,000 & Over | 22 | 39 | 19 | 14 | 8 | 102 |
| Total | 3,247 | 3,685 | 1,876 | 1,316 | 896 | 11,020 |

Source: ESRI; Urban Decision Group

Demographic Summary

The demographic base within the Darlington Site PMA is projected to remain relatively stable between 2019 and 2022 in terms of both total population and households. Renter households will comprise more than one-third (34.4%) of all households in the Site PMA and nearly 3,800 renter households will remain in the market through 2022. More than 60.0% of all renter households are projected to earn less than \$30,000 in 2022, which is conducive to affordable rental product such as that offered at the subject project. Based on the preceding analysis, a good base of potential renter support will continue to exist for affordable rental product such as that offered at the subject site through 2022.



G. Project-Specific Demand Analysis

1. INCOME RESTRICTIONS

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

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

The subject site is within the Darlington County, SC HUD Metro FMR Area, which has a median four-person household income of \$54,600 for 2019. However, the project location, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$60,600 in 2019. The subject property will be restricted to households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI level.

| Household Size | Maximum Allowable Income |
|----------------|--------------------------|
| | 60% |
| One-Person | \$25,440 |
| Two-Person | \$29,100 |
| Three-Person | \$32,700 |

The largest units (two-bedroom) offered at the subject site are expected to house up to three-person households. As such, the maximum allowable income at the subject site is **\$32,700**.

2. AFFORDABILITY

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

Since 51 of the subject's 72 units operate with Rental Assistance (RA) that allows tenants to pay 30% of their adjusted gross income towards rent, some households could have little or no income and still reside at the subject project. Therefore, we have evaluated support for the subject's RD 515 units with RA using \$0 as the minimum income.

For the subject’s non-RA units, and in the unlikely event the subject project did not retain RA and all units had to operate exclusively under the LIHTC guidelines, the proposed LIHTC units have a lowest gross rent of \$681 (one-bedroom unit at 60% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$8,172. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the non-RA Tax Credit units of **\$23,349**.

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

| Unit Type | Income Range | |
|--|--------------|----------|
| | Minimum | Maximum |
| Tax Credit w/RA (Limited To 60% Of AMHI) | \$0 | \$32,700 |
| Tax Credit Only (Limited To 60% Of AMHI) | \$23,349 | \$32,700 |

3. **DEMAND COMPONENTS**

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

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2019 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2022) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

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

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

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

Based on Table B25074 of the American Community Survey (ACS) 2013-2017 5-year estimates, approximately 28.4% to 53.8% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

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

Based on Table B25016 of the ACS 2013-2017 5-Year Estimates, 3.0% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

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

Not applicable; subject property is general-occupancy.

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

4. **METHODOLOGY**

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

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service since 2019 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2019 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. **DEMAND/CAPTURE RATE CALCULATIONS**

Within the Site PMA, we identified and surveyed four existing LIHTC properties, aside from the subject property. All four of these properties are 100.0% occupied with waiting lists, though one subsidized LIHTC property, Brockington Heights, was allocated Tax Credits in 2018 and still has four (4) units offline and under renovation. It is also of note that only two (2) of these four (4) units are directly comparable to the subject units in terms of bedroom types offered. Based on the preceding factors, we have only considered the two (2) directly comparable two-bedroom units currently offline at Brockington Heights in our demand estimates.

The following are summaries of our demand calculations. Note that scenario one assumes the retention of Rental Assistance (RA) on 51 of the 72 units while scenario two assumes the unlikely scenario the subject project lost RA and had to operate exclusively under the LIHTC program at the proposed rent levels evaluated throughout this report.

| Demand Component | Capture Rates by Percent of Median Household Income | | | |
|---|---|-------------------------------------|---------------------------|-----------------------------------|
| | Scenario One – LIHTC w/RA | | | Scenario Two – LIHTC Only |
| | RA Units (\$0-\$32,700) | Non-RA Units (\$23,349-\$32,700) | Overall (\$0-\$32,700) | LIHTC Only (\$23,349-\$32,700) |
| Demand from New Renter Households (Income-Appropriate) | 2,462 - 2,481 = -19 | 767 - 762 = 5 | 2,462 - 2,481 = -19 | 767 - 762 = 5 |
| + | | | | |
| Demand from Existing Households (Rent Overburdened) | 2,481 X 53.8% = 1,335 | 762 X 28.4% = 216 | 2,481 X 53.8% = 1,335 | 762 X 28.4% = 216 |
| + | | | | |
| Demand from Existing Households (Renters in Substandard Housing) | 2,481 X 3.0% = 74 | 762 X 3.0% = 23 | 2,481 X 3.0% = 74 | 762 X 3.0% = 23 |
| + | | | | |
| Demand from Existing Households (Senior Homeowner Conversion) | N/A | N/A | N/A | N/A |
| = | | | | |
| Total Demand | 1,390 | 244 | 1,390 | 244 |
| - | | | | |
| Supply (Directly Comparable Units Built and/or Funded Since 2019) | 2 | 0 | 2 | 0 |
| = | | | | |
| Net Demand | 1,388 | 244 | 1,388 | 244 |
| Proposed Units | 51 | 21 | 72 | 72 |
| Proposed Units / Net Demand | 51 / 1,388 | 21 / 244 | 72 / 1,388 | 72 / 244 |
| Capture Rate | = 3.7% | = 8.6% | = 5.2% | = 29.5% |

RA - Rental Assistance
N/A - Not Applicable

Typically, utilizing this methodology, capture rates below 30.0% are acceptable, while capture rates under 20% are ideal. As such, the subject's overall capture rate of 5.2% assuming the retention of RA is considered low. It is also of note that the 8.6% capture rate for the non-RA units under this scenario is also acceptable and below the ideal threshold of 20.0%. These capture rates are good indications of a sufficient base of support for the property within the Darlington Site PMA, assuming the property continues to provide RA to the majority of its units.

In the unlikely event that RA was lost, and all units had to operate exclusively under the LIHTC program at the proposed rent levels evaluated throughout this report, the subject's capture rate increases to 29.5%. While this is below the typically acceptable capture rate level of 30.0%, it is indicative of a much more limited base of support for the property under this scenario, without the availability of RA.

Nonetheless, the subject property will retain RA and most, if not all, current tenants are expected to continue to income-qualify and remain at the property post renovations. Thus, the subject's effective capture rate is expected to be 0.0%.

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

| Estimated Demand by Bedroom | |
|-----------------------------|---------|
| Bedroom Type | Percent |
| One-Bedroom | 30.0% |
| Two-Bedroom | 45.0% |
| Three-Bedroom+ | 25.0% |
| Total | 100.0% |

Applying the preceding shares to the income-qualified households yields demand and capture rates of the proposed units by bedroom type as illustrated in the following tables. Similar to the preceding analysis, scenario one illustrates capture rates for the subject project as proposed with the retention of RA, while scenario two illustrates the subject project’s capture rates in the unlikely event RA was lost and the property had to operate exclusively under the LIHTC program at the proposed rent levels evaluated throughout this report.

| Scenario One – LIHTC w/RA - Units Limited to 60% Of AMHI (1,390 Units of Demand) | | | | | |
|--|--------------|---------|----------------------------|------------------------|------------------------------|
| Bedroom Size (Share of Demand) | Total Demand | Supply* | Net Demand by Bedroom Type | Proposed Subject Units | Capture Rate by Bedroom Type |
| One-Bedroom (30%) | 417 | 0 | 417 | 28 | 6.7% |
| Two-Bedroom (45%) | 625 | 2 | 623 | 44 | 7.1% |
| Scenario Two – LIHTC Only- Units Limited to 60% Of AMHI (244 Units of Demand) | | | | | |
| Bedroom Size (Share of Demand) | Total Demand | Supply* | Net Demand by Bedroom Type | Proposed Subject Units | Capture Rate by Bedroom Type |
| One-Bedroom (30%) | 73 | 0 | 73 | 28 | 38.4% |
| Two-Bedroom (45%) | 110 | 0 | 110 | 44 | 40.0% |

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

The subject’s capture rates by bedroom type do not exceed 7.1% when assuming the retention of RA. In the unlikely event that RA is lost, the capture rates by bedroom type range from 38.4% to 40.0%. These capture rates are further indication of sufficient support for the subject property within the Darlington Site PMA, assuming the retention of RA. In the unlikely event that RA was lost, a more limited, yet still sufficient, base of demographic support exists for the subject project at the proposed rent levels.

6. ABSORPTION PROJECTIONS

According to management, the subject project is currently 100.0% occupied and a seven-household wait is maintained. It is anticipated that few, if any, of the current tenants will move from the project following renovations. Furthermore, it is important to note that the renovations at the subject site will not necessitate the displacement of current residents and the project will be renovated in such a way to minimize off-site relocation. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the

purpose of this analysis, we assume that all 72 subject units will be vacated and that all units will have to be re-rented simultaneously, assuming the retention of Rental Assistance (RA) on 51 of the 72 subject units. We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy and that the initial renovated units at the site will be available for rent sometime in March of 2022. A different completion date may impact (positively or negatively) the absorption potential for the subject project.

It is our opinion that the 72 units at the subject site will reach a stabilized occupancy of 93.0% within five months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately 13 to 14 units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. Changes to the project's rents, amenities, scope of renovations, or other features may invalidate our findings. We assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and that market conditions remain favorable during the project's initial lease-up period. Finally, these absorption projections also assume that RA will be retained following renovations.

Should RA not be retained, the 72 LIHTC units at the subject site would likely have an extended absorption period of approximately ten months. This assumes an average monthly absorption rate of approximately six to seven units per month. The extended absorption is due to the more limited base of demographic support for the property under this scenario, as this would no longer allow the subject project to target households earning below \$23,349, assuming the project operates at the LIHTC rent levels evaluated in this report.

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

H. Rental Housing Analysis (Supply)

1. COMPETITIVE DEVELOPMENTS

The subject property will offer one- and two-bedroom units targeting general-occupancy (family) households earning up to 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program following renovations. Within the Darlington Site PMA, we identified and surveyed three non-subsidized general-occupancy properties which operate under the LIHTC program and offer unit types similar to those at the subject project.

These three LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in the *Field Survey of Conventional Rentals*.

| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Distance to Site | Waiting List | Target Market |
|-------------|-------------------------------|-------------------------------|-------------|-----------|------------------|--------------|--|
| Site | Springfield Apartments | 1980 / 1995 & 2022 | 72 | - | - | 7 HH | Families; 60% AMHI & RD 515 |
| 3 | Autumn Run | 2004 | 40 | 100.0% | 1.6 Miles | None | Families; 50% & 60% AMHI |
| 6 | Darlington Loft | 1900 / 2007 | 28 | 100.0% | 1.2 Miles | 5 HH | Families; 50% & 60% AMHI |
| 11 | Pecan Grove Apts. | 2007 | 32 | 100.0% | 2.6 Miles | 6 HH | Families; 50% & 60% AMHI |

OCC. – Occupancy
HH - Households

The three comparable LIHTC projects have a combined occupancy rate of 100.0% and two of the three maintain waiting lists of up to six-households. These are clear indications of strong and pent-up demand for general-occupancy LIHTC product within the Darlington Site PMA.

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

| Map I.D. | Project Name | Total Units | Number of Vouchers | Share of Vouchers |
|----------|-------------------|-------------|--------------------|-------------------|
| 3 | Autumn Run | 40 | 6 | 15.0% |
| 6 | Darlington Loft | 28 | 4 | 14.3% |
| 11 | Pecan Grove Apts. | 32 | 5 | 15.6% |
| Total | | 100 | 15 | 15.0% |

There is a total of approximately 15 voucher holders residing at the comparable properties within the market. This comprises 15.0% of the 100 total non-subsidized LIHTC units offered among these properties. This is considered a relatively low share of voucher support and is a good indication that the gross rents at these properties are achievable and will serve as accurate benchmarks with which to compare the subject project.

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

| Map I.D. | Project Name | Gross Rent/Percent of AMHI (Number of Units/Vacancies) | | | Rent Special |
|----------|------------------------|---|---|---|--------------|
| | | One-Br. | Two-Br. | Three-Br. | |
| Site | Springfield Apartments | \$681/60% (28) | \$754/60% (44) | - | - |
| 3 | Autumn Run | - | \$613-\$687/50% (18/0) \$823/60% (10/0) | \$714/50% (6/0) \$957/60% (6/0) | None |
| 6 | Darlington Loft | \$502/50% (9/0) \$617/60% (6/0) | \$680/50% (8/0) \$708/60% (4/0) | \$790/60% (1/0) | None |
| 11 | Pecan Grove Apts. | \$573/50% (4/0) \$511/50% (2/0) \$681/60% (6/0) | \$685/50% (4/0) \$611/50% (4/0) \$754/60% (7/0) | \$801/50% (1/0) \$705/50% (1/0) \$846/60% (3/0) | None |

Note: 51 of the 72 subject units will continue to operate with Rental Assistance (RA) following renovations. Tenants of these units will pay 30% of income towards rent.

The subject’s proposed gross Tax Credit rents are within the range of those reported among similar unit types at the comparable properties. In terms of a competitive standpoint, the subject rents appear to be appropriate for the Darlington market and will allow the non-RA units at the property to compete well. The retention of RA on most units will have a positive impact and contribute to the subject’s continued marketability and value within the Darlington Site PMA.

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



3 Autumn Run 1.6 miles to site



Address: 405 Wells St, Darlington, SC 29532
 Phone: (843) 398-1982 Contact: Tracy (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 40 Year Built: 2004
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist:
 Rent Special:

Ratings
 Quality: B
 Neighborhood: B-
 Access/Visibility: B-/B

Notes: Tax Credit; HCV (6 units); HOME Funds (14 2-br at 50% AMHI, 6 3-br at 50% AMHI)



Features And Utilities

Utility Schedule Provided by: Housing Authority of Darlington

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet)

Property Amenities: Community Room; Laundry Room; On-Site Management; Recreation Areas (Playground)

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|-----------------|----------------|------|
| 2 | 1 | G | 18 | 0 | 850 | \$0.50 - \$0.59 | \$424 - \$498 | 50% |
| 2 | 1 | G | 10 | 0 | 850 | \$0.75 | \$634 | 60% |
| 3 | 2 | G | 6 | 0 | 1,000 | \$0.48 | \$478 | 50% |
| 3 | 2 | G | 6 | 0 | 1,000 | \$0.72 | \$721 | 60% |

* Adaptive Reuse

6 Darlington Loft 1.2 miles to site



Address: 107 Orange St, Darlington, SC 29532
 Phone: (843) 409-9094 Contact: Helen (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 28 Year Built: 1900
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2007
 Turnover: Stories: 1,2
 Waitlist: 5 HH;
 Rent Special:

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

Notes: Tax Credit; HCV (4 units); HOME Funds (Nine 1-br units)



Features And Utilities

Utility Schedule Provided by: Housing Authority of Darlington
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Business Center (Computer, Copy, Fax); Community Room; Laundry Room; Recreation Areas (Playground)

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 1 | 1 | G | 9 | 0 | 600 | \$0.68 | \$405 | 50% |
| 1 | 1 | G | 6 | 0 | 600 | \$0.87 | \$520 | 60% |
| 2 | 2 | G | 8 | 0 | 820 | \$0.68 | \$561 | 50% |
| 2 | 2 | G | 4 | 0 | 820 | \$0.72 | \$589 | 60% |
| 3 | 2 | G | 1 | 0 | 1,100 | \$0.59 | \$644 | 60% |

* Adaptive Reuse

11 Pecan Grove Apts. 2.6 miles to site



Address: 1218 S Main St, Darlington, SC 29532
 Phone: (843) 393-3009 Contact: Helen (In Person)
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 32 Year Built: 2007
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 1
 Waitlist: 6 HH;
 Rent Special:

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



Notes: Tax Credit; HCV (5 units); HOME Funds (7 units)

Features And Utilities

Utility Schedule Provided by: Housing Authority of Darlington
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Deck / Patio; Ceiling Fan; W/D Hookup; Walk-In Closet; Window Treatments; Flooring (Carpet, Vinyl)

Property Amenities: Business Center (Computer, Copy); Activity-Craft Room, Community Room; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Grill, Picnic Table / Area, Playground)

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 1 | 1 | G | 4 | 0 | 570 | \$0.84 | \$476 | 50% |
| 1 | 1 | G | 2 | 0 | 570 | \$0.73 | \$414 | 50% |
| 1 | 1 | G | 6 | 0 | 570 | \$1.02 | \$584 | 60% |
| 2 | 2 | G | 4 | 0 | 700 | \$0.81 | \$566 | 50% |
| 2 | 2 | G | 4 | 0 | 700 | \$0.70 | \$492 | 50% |
| 2 | 2 | G | 7 | 0 | 700 | \$0.91 | \$635 | 60% |
| 3 | 2 | G | 1 | 0 | 837 | \$0.78 | \$655 | 50% |
| 3 | 2 | G | 1 | 0 | 837 | \$0.67 | \$559 | 50% |
| 3 | 2 | G | 3 | 0 | 837 | \$0.84 | \$700 | 60% |

* Adaptive Reuse

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

| Map I.D. | Project Name | Square Footage | | |
|-------------|-------------------------------|----------------|------------|-----------|
| | | One-Br. | Two-Br. | Three-Br. |
| Site | Springfield Apartments | 624 | 990 | - |
| 3 | Autumn Run | - | 850 | 1,000 |
| 6 | Darlington Loft | 600 | 820 | 1,100 |
| 11 | Pecan Grove Apts. | 570 | 700 | 837 |

| Map I.D. | Project Name | Number of Baths | | |
|-------------|-------------------------------|-----------------|------------|-----------|
| | | One-Br. | Two-Br. | Three-Br. |
| Site | Springfield Apartments | 1.0 | 1.0 | - |
| 3 | Autumn Run | - | 1.0 | 2.0 |
| 6 | Darlington Loft | 1.0 | 2.0 | 2.0 |
| 11 | Pecan Grove Apts. | 1.0 | 2.0 | 2.0 |

The subject project offers the largest one- and two-bedroom units among the comparable LIHTC properties, in terms of square feet. This is expected to create a competitive advantage for the property and contribute to its continued marketability within the Darlington market. A lesser number of bathrooms is offered within the subject’s two-bedroom units, as compared to similar unit types at most of the comparable properties. This clearly does not have any adverse impact on the subject’s marketability within the Darlington market, as evident by the subject’s 100.0% occupancy rate.

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

| Tax Credit Unit Amenities by Map ID | | | | | |
|-------------------------------------|-------------------------|--------|---|----|---|
| | Site** | 3 | 6 | 11 | |
| Appliances | Dishwasher | | X | X | X |
| | Disposal | | X | X | X |
| | Icemaker | | X | X | X |
| | Microwave | | X | X | X |
| | Range | X | X | X | X |
| | Refrigerator | X | X | X | X |
| | No Appliances | | | | |
| Unit Amenities | AC-Central | X | X | X | X |
| | AC-Other | | | | |
| | Balcony | X | | | |
| | Deck / Patio | X | | | X |
| | Basement | | | | |
| | Ceiling Fan | X | X | X | X |
| | Controlled Access | | | | |
| | E-Call System | | | | |
| | Fireplace | | | | |
| | Furnished | | | | |
| | Security System | | | | |
| | Sunroom | | | | |
| | W/D Hookup | X | X | X | X |
| | W/D | | | | |
| | Walk-In Closet | | | | X |
| | Window Treatments | X | X | X | X |
| | Flooring | Carpet | X | X | X |
| Ceramic Tile | | X | | | |
| Composite (VCT)(LVT) | | X | | | |
| Hardwood | | | | | |
| Finished Concrete | | | | | |
| Vinyl | | | | X | X |
| Wood Laminate / Plank | | | | | |
| Upgraded | Premium Appliances | | | | |
| | Premium Countertops | | | | |
| | Premium Cabinetry | | | | |
| | Premium Fixtures | | | | |
| | High Ceilings | | | | |
| | Vaulted Ceilings | | | | |
| | Crown Molding | | | | |
| | Oversized Windows | | | | |
| Parking | Attached Garage | | | | |
| | Detached Garage | | | | |
| | Surface Lot | X | X | X | X |
| | Carport | | | | |
| | Property Parking Garage | | | | |
| | Podium Parking | | | | |
| | No Provided Parking | | | | |

** Proposed Site(s): Springfield Apartments

X = All Units, S = Some Units, O = Optional with Fee

* Details in Comparable Property Profile Report

Tax Credit Property Amenities by Map ID

| | Site** | 3 | 6 | 11 | |
|------------------------|-------------------------|---|---|----|---|
| Bike Racks / Storage | | | | | |
| Business Center * | X | | X | X | |
| Car Care * | | | | | |
| Common Patio | | | | | |
| Community Garden | | | | | |
| Community Space | Activity / Craft Room | | | X | |
| | Chapel | | | | |
| | Clubhouse | X | | | |
| | Conference Room | | | | |
| | Community Kitchen | | | | |
| | Community Room | X | X | X | X |
| | Dining Room - Private | | | | |
| | Dining Room - Public | | | | |
| | Rooftop Lounge | | | | |
| | Study Lounge | | | | |
| | TV Lounge | | | | |
| | Concierge Service * | | | | |
| | Convenience Amenities * | | | | |
| Courtyard | | | | | |
| Covered Outdoor Area * | | | | | |
| Elevator | | | | | |
| Laundry Room | X | X | X | X | |
| Meals | | | | | |
| On-Site Management | X | X | | X | |
| Pet Care * | | | | | |
| Recreation | Basketball | | | | |
| | Bocce Ball | | | | |
| | Firepit | | | | |
| | Fitness Center | | | | X |
| | Grill | X | | | X |
| | Game Room - Billiards | | | | |
| | Hiking - Walking Trail | | | | |
| | Hot Tub | | | | |
| | Library | | | | |
| | Media Room / Theater | | | | |
| | Picnic Table / Area | X | | | X |
| | Playground | X | X | X | X |
| | Putting Green | | | | |
| | Racquetball | | | | |
| | Shuffleboard | | | | |
| | Sports Court | | | | |
| | Swimming Pool - Indoor | | | | |
| | Swimming Pool - Outdoor | | | | |
| | Tennis | | | | |
| | Volleyball | | | | |
| Security | CCTV | X | | | |
| | Courtesy Officer | | | | |
| | Gated Community | | | | |
| | Gated Parking | | | | |
| | Police Substation | | | | |
| | Social Services * | X | | | |
| | Storage - Extra | X | | | |
| | Water Feature | | | | |
| | WiFi | | | | |

** Proposed Site(s): Springfield Apartments

X = All Units, S = Some Units, O = Optional with Fee

* Details in Comparable Property Profile Report

The amenity packages offered at the subject project are very competitive with those offered among the comparable properties, as illustrated by the tables on the preceding pages. The subject project does not appear to lack any key amenities that would adversely impact its continued marketability within the Darlington market. This is particularly true when considering the availability of RA on most subject units and the 100.0% occupancy rate currently reported.

Comparable/Competitive Tax Credit Summary

The three comparable LIHTC properties surveyed in the Site PMA are all 100.0% occupied and maintain waiting lists for their next available units. The subject project is competitively priced in terms of gross rents. The one- and two-bedroom units offered at the subject project are the largest such units in the market in terms of square feet, relative to similar unit types offered among the comparable properties. Although a lesser number of bathrooms is offered within the subject's two-bedroom units as compared to the competition, this has not had any adverse impact on the subject's marketability. The amenities offered at the property are very competitive with those offered among the comparable LIHTC projects. Overall, the subject project is considered marketable and will continue to represent a value within the Darlington market, particularly when considering the retention of RA on the majority of the units.

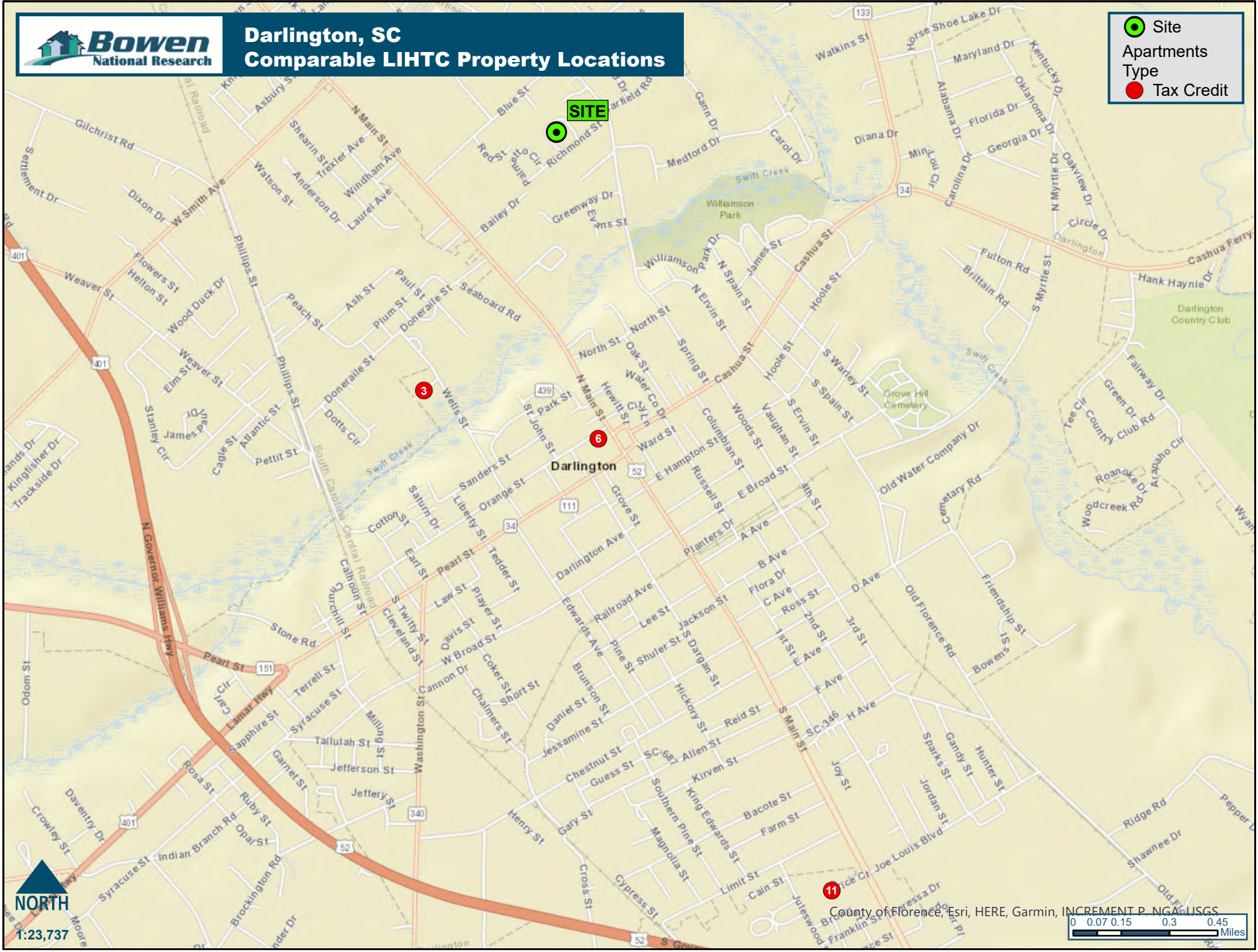
2. COMPARABLE TAX CREDIT PROPERTIES MAP

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



Darlington, SC Comparable LIHTC Property Locations

- Site
- Apartments
- Tax Credit



3. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Darlington Site PMA in 2010 and 2019 (estimated) are summarized in the following table:

| Housing Status | 2010 (Census) | | 2019 (Estimated) | |
|-----------------|---------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Total-Occupied | 11,005 | 88.7% | 11,025 | 87.6% |
| Owner-Occupied | 7,615 | 69.2% | 7,228 | 65.6% |
| Renter-Occupied | 3,390 | 30.8% | 3,797 | 34.4% |
| Vacant | 1,405 | 11.3% | 1,565 | 12.4% |
| Total | 12,410 | 100.0% | 12,590 | 100.0% |

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

Based on a 2019 update of the 2010 Census, of the 12,590 total housing units in the market, 12.4% were vacant. It is important to understand, however, that the vacant housing units included in the following table comprise abandoned, dilapidated, and/or for-sale housing units, as well as housing units utilized solely for seasonal/recreational purposes in addition to for-rent units. As such, we conducted a Field Survey of Conventional Rentals to better determine the strength of the long-term rental market within the Darlington Site PMA.

Conventional Apartments

We identified and personally surveyed 12 conventional rental housing projects containing a total of 464 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 98.7%, a strong rate for rental housing. Each rental housing segment surveyed is summarized in the following table.

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|----------------------------------|-------------------|-------------|--------------|----------------|
| Market-Rate | 3 | 59 | 6 | 89.8% |
| Tax Credit | 3 | 100 | 0 | 100.0% |
| Tax Credit/Government-Subsidized | 2 | 118 | 0 | 100.0% |
| Government-Subsidized | 4 | 187 | 0 | 100.0% |
| Total | 12 | 464 | 6 | 98.7% |

All affordable rental housing segments (i.e. Tax Credit and/or government-subsidized) surveyed are performing at a high level, as indicated by the 100.0% occupancy rates reported within each segment. Although market-rate product reports a less than stable occupancy rate of 89.8%, it is of note that this is reflective of just six (6) vacant units within this segment. Considering the strong occupancy rates and the fact that affordable product represents nearly 90.0% of the rental product identified and surveyed, such product is clearly in high demand within the Darlington market.

The following table summarizes the breakdown of market-rate and non-subsidized Tax Credit units surveyed within the Site PMA.

| Market-Rate | | | | | | |
|----------------------------|-------|------------|---------------|----------|--------------|-------------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| One-Bedroom | 1.0 | 1 | 1.7% | 0 | 0.0% | \$727 |
| Two-Bedroom | 1.0 | 56 | 94.9% | 6 | 10.7% | \$939 |
| Three-Bedroom | 1.0 | 2 | 3.4% | 0 | 0.0% | \$876 |
| Total Market-Rate | | 59 | 100.0% | 6 | 10.2% | - |
| Tax Credit, Non-Subsidized | | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| One-Bedroom | 1.0 | 27 | 27.0% | 0 | 0.0% | \$573 |
| Two-Bedroom | 1.0 | 28 | 28.0% | 0 | 0.0% | \$687 |
| Two-Bedroom | 2.0 | 27 | 27.0% | 0 | 0.0% | \$685 |
| Three-Bedroom | 2.0 | 18 | 18.0% | 0 | 0.0% | \$824 |
| Total Tax Credit | | 100 | 100.0% | 0 | 0.0% | - |

The market-rate units are 89.8% occupied and the Tax Credit units are 100.0% occupied. The median gross Tax Credit rents within the market are lower than the median gross rents reported among similar market-rate unit types. These lower rents, along with the 100.0% occupancy rate, are good indications that non-subsidized Tax Credit product represents a good value within the Darlington Site PMA.

The following is a distribution of units surveyed by year built for the Site PMA:

| Year Built | Projects | Units | Vacancy Rate |
|--------------|----------|-------|--------------|
| Before 1970 | 2 | 44 | 0.0% |
| 1970 to 1979 | 1 | 36 | 16.7% |
| 1980 to 1989 | 0 | 0 | 0.0% |
| 1990 to 1999 | 0 | 0 | 0.0% |
| 2000 to 2009 | 3 | 79 | 0.0% |
| 2010 to 2014 | 0 | 0 | 0.0% |
| 2015 | 0 | 0 | 0.0% |
| 2016 | 0 | 0 | 0.0% |
| 2017 | 0 | 0 | 0.0% |
| 2018 | 0 | 0 | 0.0% |
| 2019 | 0 | 0 | 0.0% |
| 2020* | 0 | 0 | 0.0% |

*As of March

The newest property surveyed, McLellan Manor (Map ID 9), was built in 2009 and is an unrestricted market-rate property. The newest Tax Credit property is Pecan Grove (Map ID 11), which was built in 2007. Thus, there appears to be a general lack of modern rental product in the Darlington Site PMA. The proposed renovations to the subject project will help preserve and improve existing rental units within the Darlington Site PMA. These renovations are expected to enhance the overall marketability of the subject project.

We rated each property surveyed on a scale of "A" through "F". All properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

| Market-Rate | | | |
|---------------------------|----------|-------------|--------------|
| Quality Rating | Projects | Total Units | Vacancy Rate |
| B+ | 1 | 36 | 16.7% |
| B | 1 | 7 | 0.0% |
| C+ | 1 | 16 | 0.0% |
| Non-Subsidized Tax Credit | | | |
| Quality Rating | Projects | Total Units | Vacancy Rate |
| A | 1 | 32 | 0.0% |
| B+ | 1 | 28 | 0.0% |
| B | 1 | 40 | 0.0% |

Non-subsidized rental product surveyed in the market is generally of good to very good condition, as evident by the quality ratings assigned by our analyst and illustrated in the preceding table. The subject project is in good condition and the proposed renovations are expected to enhance the overall condition/quality of the subject property.

Government-Subsidized

The unit distribution of the government-subsidized projects surveyed within the Site PMA (both with and without Tax Credits) is summarized as follows:

| Subsidized Tax Credit | | | | | |
|------------------------------------|-------|------------|---------------|----------|-------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant |
| One-Bedroom | 1.0 | 28 | 23.7% | 0 | 0.0% |
| Two-Bedroom | 1.0 | 66 | 55.9% | 0 | 0.0% |
| Three-Bedroom | 1.0 | 24 | 20.3% | 0 | 0.0% |
| Total Subsidized Tax Credit | | 118 | 100.0% | 0 | 0.0% |
| Government-Subsidized | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant |
| Studio | 1.0 | 10 | 5.3% | 0 | 0.0% |
| One-Bedroom | 1.0 | 100 | 53.5% | 0 | 0.0% |
| Two-Bedroom | 1.0 | 69 | 36.9% | 0 | 0.0% |
| Three-Bedroom | 1.5 | 8 | 4.3% | 0 | 0.0% |
| Total Subsidized | | 187 | 100.0% | 0 | 0.0% |

The subsidized units, both with and without Tax Credits, are 100.0% occupied. This is a clear indication of strong and pent-up demand for rental product affordable to very low-income renter households within the Darlington market. As the subject project will retain Rental Assistance (RA) on 51 units following renovations, it will continue serve this very low-income population within the Darlington Site PMA.

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

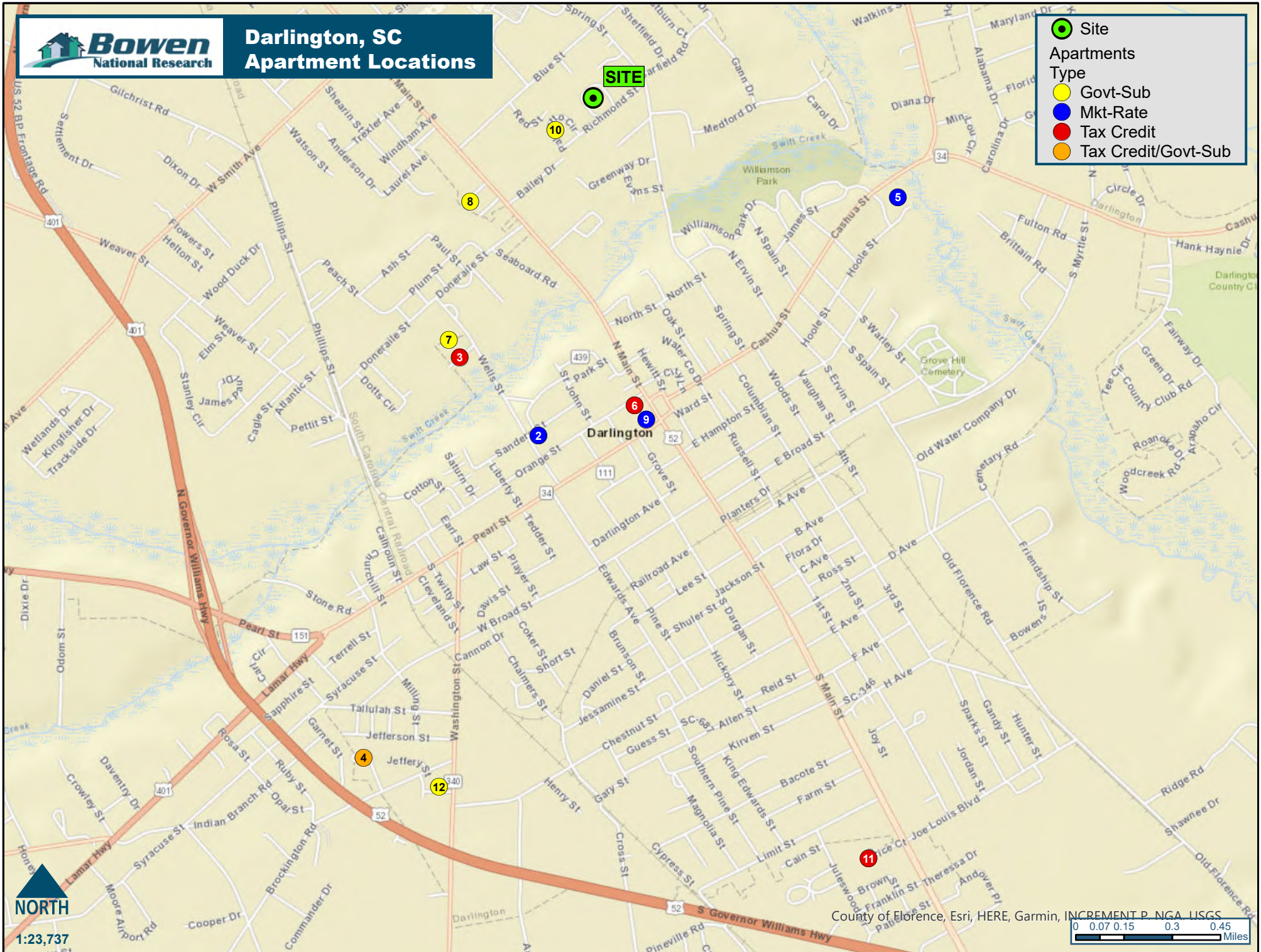
4. RENTAL HOUSING INVENTORY MAP

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



Darlington, SC Apartment Locations

- Site
- Apartment Type
 - Govt-Sub
 - Mkt-Rate
 - Tax Credit
 - Tax Credit/Govt-Sub



NORTH

1:23,737

County of Florence, Esri, HERE, Garmin, INCREMENT P, NGA, USGS

0 0.07 0.15 0.3 0.45 Miles

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

The following tables illustrate single-family and multifamily building permits issued within the city of Darlington and Darlington County for the most recent ten-year period available:

| Housing Unit Building Permits for Darlington, SC: | | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|------|
| Permits | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Multifamily Permits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Single-Family Permits | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 2 | 2 |
| Total Units | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 2 | 2 |

Source: SOCDS Building Permits Database at <http://socds.huduser.org/permits/index.html>

| Housing Unit Building Permits for Darlington County: | | | | | | | | | | |
|--|------|------|------|------|------|------|------|------|------|------|
| Permits | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Multifamily Permits | 0 | 74 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| Single-Family Permits | 52 | 94 | 75 | 75 | 80 | 97 | 154 | 107 | 106 | 95 |
| Total Units | 52 | 168 | 75 | 75 | 80 | 99 | 154 | 107 | 106 | 95 |

Source: SOCDS Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the preceding illustrates, there have been virtually no multifamily building permits issued within the city or county over the past decade. This is further indication of a lack of modern multifamily product in the Darlington area and coincides with the findings of our Field Survey of Conventional Rentals as the newest property surveyed was built in 2009.

Despite multiple attempts, we were unable to receive a response from local planning and building officials. However, based on our research, it was determined that the only planned multifamily project in the development pipeline is the renovation to the existing Brockington Heights property. This property received Tax Credit allocations in 2018 and currently is known to have four (4) units offline for renovations. The directly comparable units currently offline at this property have been considered in our demand estimates.

7. MARKET ADVANTAGE

Per the direction of the South Carolina State Housing Finance and Development Authority (SCSHFDA), the subject's market advantage must be based on current HUD Fair Market Rents (FMRs) for the statistical area the site is located. All developments must have an overall minimum market advantage of **10%**.

The current HUD FMRs for one- and two-bedroom units in Darlington County, South Carolina are \$586 and \$688, respectively. Note that we have provided two market advantage analyses for the purposes of this report. The first analysis compares the FMR with the *average current tenant-paid rent*, assuming that the subsidy is retained on most units as proposed and all current tenants

continue to reside at the project post LIHTC renovations. The second analysis compares the FMR with the proposed Tax Credit rent in the unlikely event the subject project lost its subsidy and solely operated as a LIHTC development.

Market Advantage – Current Rents

Per SCSHFDA methodology, for existing projects that offer a project-based subsidy, the subject’s market advantage should be calculated utilizing current tenant-paid rents to represent the “true” value the availability of the subsidy represents to low-income households, relative to FMRs. Based on the project’s current rent roll, as illustrated in *Addendum C* of this report, the average tenant-paid rent is \$254 for a one-bedroom unit and \$207 for a two-bedroom unit. The following table illustrates the subject project’s market advantage with the retention of the subsidy on all units:

| Bedroom Type | Current Tenant-Paid Rent | Fair Market Rent | Market Advantage |
|-------------------------|--------------------------|------------------|------------------|
| One-Bedroom | \$254 | \$586 | 53.58% |
| Two-Bedroom | \$207 | \$688 | 69.91% |
| Weighted Average | | | 65.25% |

As the preceding illustrates, the subject’s market advantage ranges from 53.58% for the one-bedroom units to 69.91% for the two-bedroom units, with a weighted average of 65.25% for the property as a whole. This is based on the current average tenant-paid rents for the subject project assuming Rental Assistance (RA) is maintained for 51 of the 72 subject units. The market advantages detailed in the preceding table are well above the SCSHFDA threshold of 10.0%. This demonstrates that the subject project will continue to represent a significant value within the Darlington market, which is further evident by its 100.0% occupancy rate and waiting list currently maintained.

Market Advantage - Proposed/Programmatic Tax Credit Rents

As previously discussed, the proposed LIHTC rents evaluated throughout this report are only effective for the non-RA units and for the property as a whole in the unlikely event RA was lost. Regardless, the market advantages for the proposed LIHTC rents evaluated throughout this report are illustrated in the following table:

| Bedroom Type | Proposed Collected Rent | Fair Market Rent | Market Advantage |
|-------------------------|-------------------------|------------------|------------------|
| One-Bedroom | \$557 | \$586 | 4.95% |
| Two-Bedroom | \$596 | \$688 | 13.37% |
| Weighted Average | | | 10.41% |

As the preceding table illustrates, if RA was lost and the subject project had to operate exclusively under the LIHTC program, the proposed rents would represent market advantages ranging from 4.95% to 13.37%, with an overall weighted average of 10.41%. Notably, the subject’s overall weighted average market advantage of 10.41% under this unlikely scenario still meets the SCSHFDA requirement of 10.0%.

Achievable Tax Credit Rent Conclusions

Although not required by SCSHFDA, we have derived achievable Tax Credit rents for the subject project, assuming the project is renovated as outlined in this report. The achievable Tax Credit rents are the highest rent an income-eligible renter would be expected (or willing) to pay. These rents are determined by considering the achievable market rents (as shown in *Addendum E*), the rents, occupancy rates and quality levels of competing/comparable LIHTC properties (as detailed earlier in this section), the performance of other affordable projects, the status and occupancy rates of other rental choices and the depth of support (capture rate) from income-eligible renters within the Site PMA.

| Bedroom Type | % AMHI | Programmatic Rent* | Proposed Collected LIHTC Rent | Achievable LIHTC Rent |
|--------------|--------|--------------------|-------------------------------|-----------------------|
| One-Bedroom | 60% | \$557 | \$557 | \$557 |
| Two-Bedroom | 60% | \$659 | \$596 | \$600 |

*Maximum allowable rents less the value of tenant-paid utilities

As illustrated in the preceding table, the proposed subject rents are positioned equal to or below the achievable LIHTC rent levels. Therefore, the proposed collected LIHTC rents at the subject project are considered appropriate for the market. It is important to reiterate, however, that the majority (51 units) of the subject property will continue to operate with Rental Assistance (RA) following renovations. Thus, most tenants will continue paying up to 30% of their income towards rent rather than the proposed or achievable LIHTC rents reflected in the preceding table.

8. AFFORDABLE HOUSING IMPACT

As detailed earlier in this section, a total of three comparable LIHTC properties were identified and surveyed within the Darlington market. The anticipated occupancy rates of the existing comparable non-subsidized Tax Credit developments during the first year of occupancy at the subject project following renovations are summarized as follows:

| Map I.D. | Project Name | Current Occupancy Rate | Anticipated Occupancy Rate Through 2022 |
|----------|-------------------|------------------------|---|
| 3 | Autumn Run | 100.0% | 95.0% + |
| 6 | Darlington Loft | 100.0% | 95.0% + |
| 11 | Pecan Grove Apts. | 100.0% | 95.0% + |

All three comparable LIHTC projects are 100.0% occupied and two maintain waiting lists for their next available units. Considering the strong demand for such product in this market, we do not anticipate the subject project having any adverse impact on future occupancy rates among these properties. This is particularly true considering the subject project will involve the renovation of an existing property which is currently 100.0% occupied and that the subject property will continue to provide Rental Assistance (RA) to 51 of the 72 subject units. The availability of RA will diminish the competitive overlap between the subject project and the comparable non-subsidized LIHTC properties.

9. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$86,621. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for an \$86,621 home is \$521, including estimated taxes and insurance.

| Buy Versus Rent Analysis | |
|--|----------|
| Median Home Price - ESRI | \$86,621 |
| Mortgaged Value = 95% of Median Home Price | \$82,290 |
| Interest Rate - Bankrate.com | 4.5% |
| Term | 30 |
| Monthly Principal & Interest | \$417 |
| Estimated Taxes and Insurance* | \$104 |
| Estimated Monthly Mortgage Payment | \$521 |

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$557 to \$596 per month. While some potential tenants of the subject project may be able to afford the cost of a typical monthly mortgage in this market, the number that could also afford the down payment, routine maintenance/repair costs, and/or utility costs is considered minimal. This is particularly true when considering the retention of RA on the majority of the subject units. Thus, we do not anticipate any competitive overlap between the subject project and the homebuyer market within the Darlington Site PMA.

10. HOUSING VOIDS

Based on the findings of this report, affordable rental product is in high demand within the Darlington Site PMA, as all such product surveyed is 100.0% occupied. This includes the existing subject project and the three comparable non-subsidized LIHTC properties. The subject project and two of the three comparable properties also maintain waiting lists for their next available units. Therefore, the subject project will continue to provide an affordable rental housing alternative to low-income households within the Site PMA.



I. Interviews

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

- Tracy Young, Site Manager at the subject property Springfield Apartments, stated in her opinion there is a need for more affordable housing in the Darlington area. Ms. Young added that there are individuals that cannot afford market-rate rents, and that she maintains a waiting list. Ms. Young receives numerous inquiries regarding the availability of two- and three-bedroom apartments. *Phone Number: (843) 393-7521.*
- Thelma Brown, Site Manager at the Palmetto Apartments, stated there is a need for more affordable housing in the Darlington area. Ms. Brown explained that there is especially a need for affordable one-bedroom units because the elderly or disabled in Darlington are on fixed incomes and their earnings are not keeping up with market-rate rents. Ms. Brown has a waiting list and receives numerous daily inquiries regarding availability at her property. *Phone Number: (843) 395-3133.*

J. Recommendations

The subject project is located in a developed and good quality residential neighborhood conducive to affordable multifamily rental product. This is further evident by the 100.0% occupancy rate reported at the subject site, as well as the neighboring Palmetto Apartments.

Affordable rental product is clearly in high demand within the Darlington Site PMA, as evident by the 100.0% occupancy rates and waiting lists reported among the affordable properties surveyed, including the subject site. Following renovations, the subject project will retain Rental Assistance (RA) on 51 of the 72 subject units. The subject's non-subsidized Tax Credit rents are also considered appropriate and competitive within the Darlington market. The availability of RA and competitive non-subsidized rents will ensure the subject project remains a significant value and is affordable to low-income renters within the Site PMA.

A sufficient base of income-appropriate renter support will continue to exist in the Darlington market for the subject project, assuming the retention of RA. This is evident by the subject's overall capture rate of 5.2%. In the unlikely event RA was lost and the property had to operate *exclusively* under the LIHTC guidelines, a more limited, yet still sufficient, base of support would exist for the property to operate at the proposed rent levels evaluated throughout this report. This is illustrated by the overall capture rate of 29.5% in this unlikely scenario.

Regardless, the subject project will retain RA on all 51 units currently receiving this subsidy and a sufficient base of support will continue to exist for both the RA and non-RA units at the property post renovations. Most, if not all, current tenants are expected to continue to income-qualify and remain at the property post renovations. Thus, there will effectively be no absorption period for the subject project.

Based on the preceding factors and considering that the proposed renovations will not add any new units to the Darlington market, we do not anticipate the subject project having any adverse impact on other existing affordable rental properties in the market. We have no recommendations to the subject project at this time.

K. Qualifications

The Company

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

Company Leadership

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

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Christopher T. Bunch, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

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

Ambrose Lester, Market Analyst, has conducted detailed research and analysis on a variety of residential alternatives, including rental and for-sale housing. She has conducted on-site research of buildable sites, surveyed existing rental and for-sale housing and conducted numerous stakeholder interviews. She has also conducted research on unique housing issues such as accessory dwelling units, government policy and programs and numerous special needs populations. Ms. Lester has a degree in Economics from Franciscan University of Steubenville.

Sidney McCrary, Market Analyst, is experienced in the on-site analysis of residential and commercial properties. He has the ability to analyze a site's location in relation to community services, competitive properties and the ease of access and visibility. Mr. McCrary has a Bachelor of Science in Business Administration from Ohio Dominican University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

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

Ron Pompey, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Pompey has a Bachelor of Science in Electrical Engineering from the University of Florida.

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

Nathan Stelts, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Stelts has a Bachelor of Science in Business Administration from Bowling Green State University.

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

Research Staff

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

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

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

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

L. Methodologies, Disclaimers & Sources

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

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

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

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

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

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

2. REPORT LIMITATIONS

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

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

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

3. SOURCES

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

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

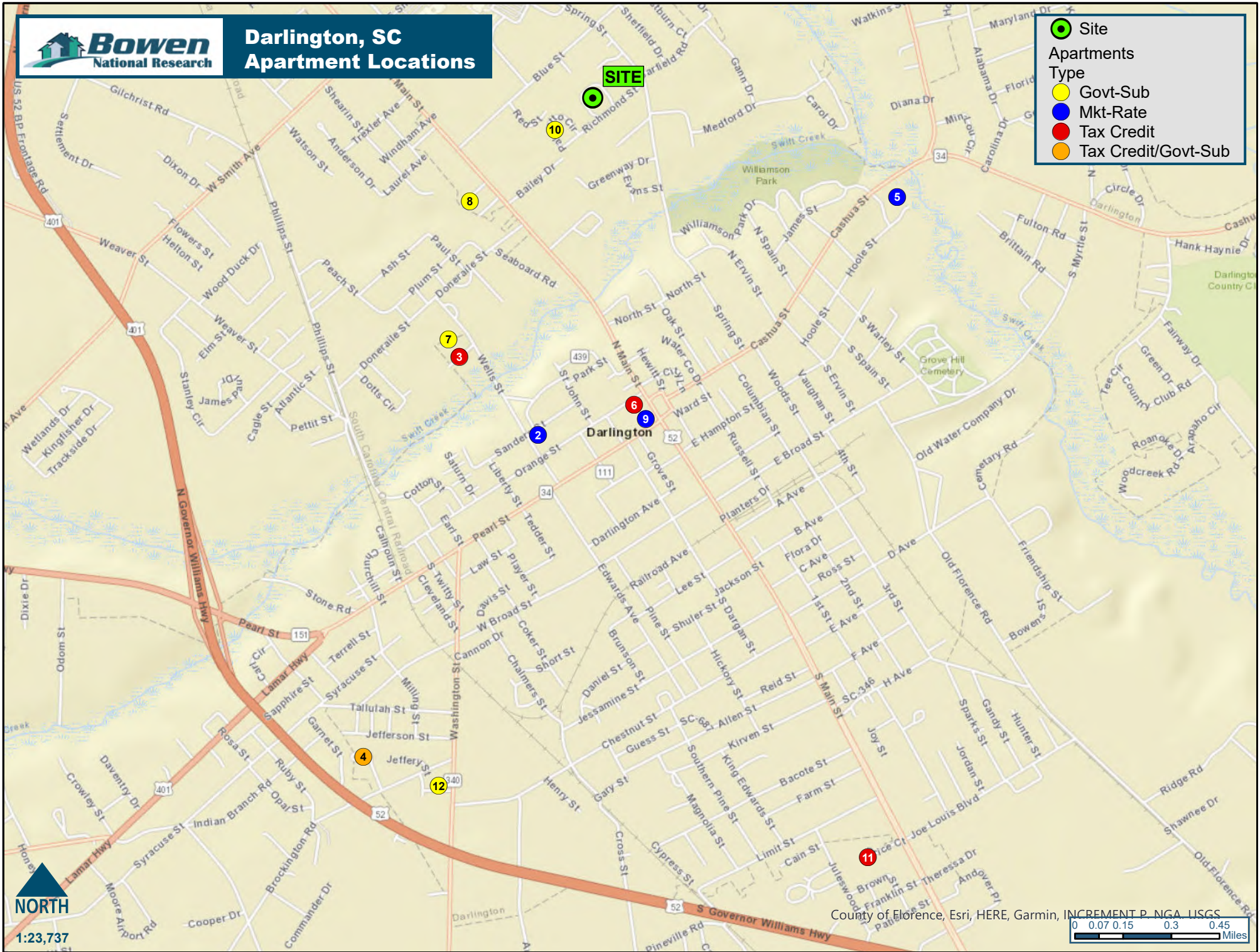
ADDENDUM A:

FIELD SURVEY OF
CONVENTIONAL RENTALS



Darlington, SC Apartment Locations

- Site
- Apartment Type
 - Govt-Sub
 - Mkt-Rate
 - Tax Credit
 - Tax Credit/Govt-Sub



NORTH

















1:23,737






County of Florence, Esri, HERE, Garmin, INCREMENT P, NGA, USGS

0 0.07 0.15 0.3 0.45 Miles

















| Map ID | Property | Prop Type | Quality Rating | Year Built | Total Units | Vacant | Occ. Rate | Distance To Site* |
|--------|-------------------------|-----------|----------------|------------|-------------|--------|-----------|-------------------|
| 1 | Springfield Apts. | TGS | B+ | 1980 | 72 | 0 | 100.0% | - |
| 2 | 121 Sanders St | MRR | C+ | 1966 | 16 | 0 | 100.0% | 1.6 |
| 3 | Autumn Run | TAX | B | 2004 | 40 | 0 | 100.0% | 1.6 |
| 4 | Brockington Heights | TGS | B | 1970 | 46 | 0 | 100.0% | 2.7 |
| 5 | Creekside Apts. | MRR | B+ | 1971 | 36 | 6 | 83.3% | 1.5 |
| 6 | Darlington Loft | TAX | B+ | 1900 | 28 | 0 | 100.0% | 1.2 |
| 7 | E.M.E Apts. | GSS | C+ | 1972 | 48 | 0 | 100.0% | 1.6 |
| 8 | Indian Creek | GSS | B | 1984 | 50 | 0 | 100.0% | 1.0 |
| 9 | McLellan Manor | MRR | B | 2009 | 7 | 0 | 100.0% | 1.2 |
| 10 | Palmetto Apts. | GSS | B | 1984 | 49 | 0 | 100.0% | 0.2 |
| 11 | Pecan Grove Apts. | TAX | A | 2007 | 32 | 0 | 100.0% | 2.6 |
| 12 | Washington Square Apts. | GSS | B | 1989 | 40 | 0 | 100.0% | 2.5 |
| 901 | Bentree Apartment Homes | MRR | B | 1982 | 132 | 3 | 97.7% | 11.7 |
| 902 | Charles Pointe Apts. | MRR | B | 2001 | 168 | 7 | 95.8% | 15.5 |
| 903 | Sedgefield | MRR | C+ | 1980 | 272 | 0 | 100.0% | 12.4 |

*Drive distance in miles






| | | |
|--|--|--|
|  Comparable Property |  (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized |  (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized |
|  Senior Restricted |  (TAX) Tax Credit |  (INR) Income Restricted (not LIHTC) |
|  (MRR) Market-Rate |  (TGS) Tax Credit & Govt Subsidized |  (ING) Income Restricted (not LIHTC) & Govt Subsidized |
|  (MRT) Market-Rate & Tax Credit |  (TIN) Tax Credit & Income Restricted (not LIHTC) |  (GSS) Govt Subsidized |
|  (MRG) Market-Rate & Govt Subsidized |  (TMG) Tax Credit, Market-Rate & Govt Subsidized |  (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted |
|  (MIN) Market-Rate & Income Restricted (not LIHTC) | | |

| | | |
|--|---|--|
| 1 | Springfield Apts. 100 Springfield Cir, Darlington, SC 29532 | Contact: Tracy (In Person) Phone: (843) 393-7521 |
|  | Total Units: 72 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1980 BR: 1,2 Vacant Units: 0 Waitlist: 7 HH; AR Year: Target Population: Family Yr Renovated: 1995 Rent Special: Notes: Tax Credit; RD 515, has RA (51 units); HCV (6 units) | |
| 2 | 121 Sanders St 121 Sanders St, Darlington, SC 29532 | Contact: Billy (In Person) Phone: (843) 395-2434 |
|  | Total Units: 16 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1966 BR: 2 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HCV (1 unit) | |
| 3 | Autumn Run 405 Wells St, Darlington, SC 29532 | Contact: Tracy (In Person) Phone: (843) 398-1982 |
|  | Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2004 BR: 2, 3 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (6 units); HOME Funds (14 2-br at 50% AMHI, 6 3-br at 50% AMHI) | |
| 4 | Brockington Heights 201 Saleeby Loop, Darlington, SC 29532 | Contact: Kiarra (In Person) Phone: (843) 395-1261 |
|  | Total Units: 46 UC: 4 Occupancy: 100.0% Stories: 1,2 Year Built: 1970 BR: 2, 3 Vacant Units: 0 Waitlist: 100 HH; AR Year: Target Population: Family Yr Renovated: 2019 Rent Special: Notes: Tax Credit; HUD Section 8; 4 units offline due to renovations | |
| 5 | Creekside Apts. 710 Cashua St, Darlington, SC 29532 | Contact: Billy (In Person) Phone: (843) 395-2434 |
|  | Total Units: 36 UC: 0 Occupancy: 83.3% Stories: 2 Year Built: 1971 BR: 2 Vacant Units: 6 Waitlist: AR Year: 2018 Target Population: Family Yr Renovated: Rent Special: After six months, one month free Notes: Does not accept HCV; Preleasing 4/2019, opened 6/2019, still in lease-up | |




| | | |
|---|--|--|
|  Comparable Property |  (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized |  (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized |
|  Senior Restricted |  (TAX) Tax Credit |  (INR) Income Restricted (not LIHTC) |
|  (MRR) Market-Rate |  (TGS) Tax Credit & Govt Subsidized |  (ING) Income Restricted (not LIHTC) & Govt Subsidized |
|  (MRT) Market-Rate & Tax Credit |  (TIN) Tax Credit & Income Restricted (not LIHTC) |  (GSS) Govt Subsidized |
|  (MRG) Market-Rate & Govt Subsidized |  (TMG) Tax Credit, Market-Rate & Govt Subsidized |  (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted |
|  (MIN) Market-Rate & Income Restricted (not LIHTC) | | |




| | | |
|--|--|--|
| 6 | Darlington Loft 107 Orange St, Darlington, SC 29532 | Contact: Helen (In Person) Phone: (843) 409-9094 |
|  | Total Units: 28 UC: 0 Occupancy: 100.0% Stories: 1,2 Year Built: 1900 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 5 HH; AR Year: Target Population: Family Yr Renovated: 2007 Rent Special: Notes: Tax Credit; HCV (4 units); HOME Funds (Nine 1-br units) | |
| 7 | E.M.E Apts. 411 Wells St, Darlington, SC 29532 | Contact: Angela (In Person) Phone: (843) 393-5112 |
|  | Total Units: 48 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1972 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 6-24 mos; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8 | |
| 8 | Indian Creek 415 N Main St, Darlington, SC 29532 | Contact: Randy (In Person) Phone: (843) 393-6391 |
|  | Total Units: 50 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1984 BR: 1, 2 Vacant Units: 0 Waitlist: 6 mos; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: HUD Section 8 | |
| 9 | McLellan Manor 20 Public Sq, Darlington, SC 29532 | Contact: Helen (In Person) Phone: (843) 409-9094 |
|  | Total Units: 7 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2009 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 2 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Accepts HCV (0 currently) | |
| 10 | Palmetto Apts. 200 Palmetto Cir, Darlington, SC 29532 | Contact: Thelma (In Person) Phone: (843) 395-3133 |
|  | Total Units: 49 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1984 BR: 1, 2 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: RD 515, has RA (all units) | |

| | | |
|---|--|--|
| Comparable Property | (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized | (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized |
| Senior Restricted | (TAX) Tax Credit | (INR) Income Restricted (not LIHTC) |
| (MRR) Market-Rate | (TGS) Tax Credit & Govt Subsidized | (ING) Income Restricted (not LIHTC) & Govt Subsidized |
| (MRT) Market-Rate & Tax Credit | (TIN) Tax Credit & Income Restricted (not LIHTC) | (GSS) Govt Subsidized |
| (MRG) Market-Rate & Govt Subsidized | (TMG) Tax Credit, Market-Rate & Govt Subsidized | (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted |
| (MIN) Market-Rate & Income Restricted (not LIHTC) | | |




| | | |
|--|---|---|
| 11 | Pecan Grove Apts. 1218 S Main St, Darlington, SC 29532 | Contact: Helen (In Person) Phone: (843) 393-3009 |
|  | Total Units: 32 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 2007 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 6 HH; AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Tax Credit; HCV (5 units); HOME Funds (7 units) | |




| | | |
|--|--|---|
| 12 | Washington Square Apts. 600 Washington St, Darlington, SC 29532 | Contact: Rujon (In Person) Phone: (843) 393-8067 |
|  | Total Units: 40 UC: 0 Occupancy: 100.0% Stories: 1 Year Built: 1989 BR: 0, 1 Vacant Units: 0 Waitlist: Yes AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: Notes: HUD Sections 8; HUD Section 202 | |




| | | |
|---|--|---|
| 901 | Bentree Apartment Homes 200 Bentree Ln, Florence, SC 29501 | Contact: Bernard (In Person) Phone: (843) 669-5399 |
|  | Total Units: 132 UC: 0 Occupancy: 97.7% Stories: 2 Year Built: 1982 BR: 1, 2, 3 Vacant Units: 3 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV; Higher rent for renovated units | |



| | | |
|--|--|---|
| 902 | Charles Pointe Apts. 201 Millstone Rd, Florence, SC 29505 | Contact: Cindy (In Person) Phone: (843) 661-0111 |
|  | Total Units: 168 UC: 0 Occupancy: 95.8% Stories: 3 Year Built: 2001 BR: 1, 2, 3 Vacant Units: 7 Waitlist: 3-br: 4 households AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV | |



| | | |
|--|--|--|
| 903 | Sedgefield 1300 Valparaiso Dr, Florence, SC 29503 | Contact: Jennifer (In Person) Phone: (843) 667-6063 |
|  | Total Units: 272 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1980 BR: 1, 2, 3 Vacant Units: 0 Waitlist: AR Year: Target Population: Family Yr Renovated: Rent Special: Notes: Does not accept HCV | |

| | | |
|---|---|--|
| Comparable Property Senior Restricted (MRR) Market-Rate (MRT) Market-Rate & Tax Credit (MRG) Market-Rate & Govt Subsidized (MIN) Market-Rate & Income Restricted (not LIHTC) | (MIG) Market-Rate, Income Restricted (not LIHTC) & Govt Subsidized (TAX) Tax Credit (TGS) Tax Credit & Govt Subsidized (TIN) Tax Credit & Income Restricted (not LIHTC) (TMG) Tax Credit, Market-Rate & Govt Subsidized | (TIG) Tax Credit, Income Restricted (not LIHTC) & Govt Subsidized (INR) Income Restricted (not LIHTC) (ING) Income Restricted (not LIHTC) & Govt Subsidized (GSS) Govt Subsidized (ALL) Tax Credit, Market-Rate, Govt Subsidized & Income Restricted |
|---|---|--|

Source: Housing Authority of Darlington
Effective: 02/2020

Monthly Dollar Allowances

| | | Garden | | | | | | Townhome | | | | | |
|-------------------|--------------|--------|------|------|------|------|------|----------|------|------|------|------|------|
| | | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR | 0 BR | 1 BR | 2 BR | 3 BR | 4 BR | 5 BR |
| Heating | Natural Gas | 18 | 20 | 24 | 27 | 31 | 37 | 18 | 20 | 24 | 27 | 31 | 37 |
| | +Base Charge | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Bottled Gas | 37 | 44 | 53 | 62 | 72 | 89 | 37 | 44 | 53 | 62 | 72 | 89 |
| | Electric | 19 | 24 | 31 | 37 | 45 | 58 | 19 | 24 | 31 | 37 | 45 | 58 |
| | Heat Pump | 11 | 14 | 18 | 22 | 27 | 34 | 11 | 14 | 18 | 22 | 27 | 34 |
| | Oil | 24 | 29 | 35 | 41 | 48 | 60 | 24 | 29 | 35 | 41 | 48 | 60 |
| Cooking | Natural Gas | 7 | 8 | 9 | 10 | 11 | 12 | 7 | 8 | 9 | 10 | 11 | 12 |
| | Bottled Gas | 9 | 12 | 15 | 17 | 19 | 21 | 9 | 12 | 15 | 17 | 19 | 21 |
| | Electric | 6 | 7 | 9 | 10 | 12 | 13 | 6 | 7 | 9 | 10 | 12 | 13 |
| Other Electric | 42 | 46 | 52 | 58 | 64 | 72 | 42 | 46 | 52 | 58 | 64 | 72 | |
| +Base Charge | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Air Conditioning | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Water Heating | Natural Gas | 14 | 17 | 20 | 27 | 34 | 41 | 14 | 17 | 20 | 27 | 34 | 41 |
| | Bottled Gas | 27 | 36 | 44 | 61 | 79 | 98 | 27 | 36 | 44 | 61 | 79 | 98 |
| | Electric | 13 | 20 | 27 | 41 | 57 | 73 | 13 | 20 | 27 | 41 | 57 | 73 |
| | Oil | 19 | 25 | 31 | 43 | 56 | 69 | 19 | 25 | 31 | 43 | 56 | 69 |
| Water | 18 | 21 | 26 | 39 | 51 | 67 | 18 | 21 | 26 | 39 | 51 | 67 | |
| Sewer | 13 | 17 | 21 | 28 | 36 | 44 | 13 | 17 | 21 | 28 | 36 | 44 | |
| Trash Collection | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | |
| Internet* | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | |
| Cable* | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | |
| Alarm Monitoring* | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

* Estimated- not from source

Addendum B – Member Certification & Checklist

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

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

Certified:



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President
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Date: March 25, 2020



Craig Rupert
Market Analyst
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Date: March 25, 2020

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

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

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

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

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

C. CHECKLIST

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

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

ADDENDUM C:
SCOPE OF RENOVATIONS

SECTION 01 11 00 - SCOPE OF WORK DESCRIPTION

ISED

Property Name: **Springfield Apartments**
 Address: **100 Springfield Circle, Apt. 14-A - Darlington, SC 29532**

Existing Conditions: Property was completed and first occupied on 03/01/1980.
If completed after March 13, 1991, all improvements are to meet or exceed the Fair Housing Design requirements. All work regardless of the age of the property must meet or exceed Section 504.
 Fair Housing Design Standards **DO NOT** Apply at this property
YES Known - Asbestos **TILE, & TILE MASTIC - Disturbance/Removal by professionally licensed remediation company only where necessary to complete renovation work. Full abatement is only anticipated in accessible units that are scheduled for major renovations.**
NO Known- Lead Based Paint
NO Gas Utilities
 Property is located in Radon Zone 3 - Refer to QAP Appendix B Section II, E, 2
 Elderly Property Provisions **DO NOT** apply

| | | |
|-------------------|----|---|
| Project Unit Mix: | 24 | one bedroom 2-Story Units |
| | 4 | one bedroom , including - 3 - Type "A" accessible A/V units (15-A, 15-B, 16-A) and - 1 - A/V unit (16-B) |
| | 44 | two bedroom, including - 1 - Type "A" accessible A/V unit (25-B) and - 1 - A/V unit (14-A) |
| | 72 | total units |
| | 1 | office/community building (a 2BR unit[14A] is currently utilized for the Office/Community Space but will be converted back into a revenue producing unit. A new office will be constructed) |

NOTE: Key numbers (1, 2...) below are positioned on the drawings to indicate general locations of scope of work items.
 See Unit by Unit Scope of Work for scope information for individual dwelling units and quantities required.
 See Site Plan for unit locations and key numbers within individual building and unit floor plans.
 Consult property condition assessment and environmental reports for existing condition information.

Key Section: *Required scope of work (scope includes office/community building, maintenance building, and each unit):
 "Provide" means furnish material, equipment, permits, labor, and insurance to complete.*

| # | Category | A | Description of Modification | | |
|---|---------------------------|---|---|---|--|
| 1 | <u>General Conditions</u> | a | Provide evidence of maintained workman compensation insurance coverage. | | |
| | | b | Provide evidence of maintained liability Insurance \$500,000/ \$1,000,000. | | |
| | | c | All work shall meet all applicable codes. | | |
| | | d | All work shall be professional and have one year warranty unless a longer warranty is otherwise required by the QAP or plans. | | |
| | | e | Meet or exceed all building product manufacturer's recommendations. | | |
| | | f | Bidder to visit and inspect jobsite and must confirm all counts and measurements. | | |
| | | g | Inspect each unit prior to turn-over with property manager. | | |
| | | h | Complete punch-list and complete necessary repairs prior to final payment. | | |
| | | i | Final clean each unit immediately prior to turn-over for vacant units. Clean occupied units daily and as needed after each project is completed. | | |
| | | j | Any replacement of existing materials or components must comply with the design standards for new construction as detailed in the QAP and/or Appendix B , Design Quality Standards & Requirements. Exceptions should be noted in the SOW. | | |
| | | k | Unless otherwise noted, General Contractor shall request documentation from the owner for all waivers granted for this project. | | |
| 2 | <u>Coordination:</u> | l | Compliance with 2020 SCHFA QAP and subsequent bulletin documents published under the LIHTC program is required. General Contractor and all subcontractors are responsible for reading, evaluating and applying minimum standards referenced in SCHFA manuals for Year 2020 . | | |
| | | a | Prepare sequencing plan (schedule) for relocation and staging of work. | | |
| | | b | Submit work sequencing plan to Property Manager and Owner designated representative, if applicable, one week before start. | | |
| | | c | Limit work duration in each apartment to shortest possible time interval. | | |
| | | 3 | <u>Demolition/Cleaning</u> | a | Remove / dispose of all items to be removed or replaced (per jurisdiction disposal requirements): Consult environmental studies. KNOWN ASBESTOS TILE AND FLOOR MASTIC |
| | | | | b | General Contractor to be responsible for all costs of disposal/removal. |
| | | | | c | The repair and finish of adjacent material where items have been removed shall be provided in kind by the General Contractor. |
| | | | | d | General Contractor is responsible for the removal and disposal of all items listed to be replace in the SOW or unit matrix unless an exception is specifically written in the SOW. |
| | | | | e | Eliminate old/overgrown or damaged plant material as needed around dumpster pad expansions and other concrete work as necessary to complete the required SOW. |
| | | | | f | Any concrete, asphalt paving, curb and sidewalks, etc. that are being repaired or replaced. |
| | | | | g | Walls shown on drawings to be removed, portion of walls to enlarge window rough openings, door openings, closet door changes, etc. |

| # | Category | A | Description of Modification |
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| | | h | Where Shingles are replaced, old shingles must be removed. Overlayment is not allowable. |
| | | i | All construction related dirt, splash stains, tracks, etc. should be pressure washed/cleaned from all new and existing building materials including wall, concrete, and flooring surfaces. |
| | | j | Where cabinets are replaced, clean/treat with a mold/mildew blocking agent any discoloration behind cabinets and vanities once they are removed and replace any damaged/deteriorated drywall. Provide moisture resistant drywall in these wet locations where drywall patching or replacement is necessary. (DUPLICATED IN DRYWALL & CASEWORK) |
| | | k | Thoroughly clean all mechanical rooms to eliminate debris, dust, etc. |
| | | l | Where applicable, Doors, frames/trim, hardware, windows and frames/trim, (SEE MATRIX) |
| | | m | Demo all soffits and HVAC duct work in all accessible units |
| | | n | Existing Clotheslines to remain |
| 4.1 | <u>Site:</u> | a | GENERAL - Upgrade site access to meet UFAS accessibility requirements. (See Site Plan) |
| 4.2 | <u>Site Improvements:</u> | a | TRASH RECEPTICALS - Provide accessible trash receptical location, see site plan. |
| | | b | Provide new accessible 6' white vinyl/PVC (low maintenance) trash receptical enclosures around existing and new trash receptical locations. |
| | | c | Where playgrounds are provided, install an accessible bench with appropriate landings beside and in front of the bench. (5' by the length of the bench in front and a minimum 48" x 36" pad adjacent to playground - All with 2% or less slope) |
| | | d | MAILBOXES - Provide new accessible USPS approved mailboxes for all units at covered entry to Office/Community Building. All boxes should have a reach range between 15" & 48" and shall have a wheelchair level approach centered on the box lock (30"x48") CFS. See Site plan for location. |
| 4.3 | <u>Asphalt:</u> | a | Repair and patch parking areas and drives. (See Site Plan) |
| | | b | Stripe accessible parking spaces, access aisles and/or cross-walks as shown on site plan. (DUPLICATED IN PAINTING) Provide HC parking signage per PPM specs |
| | | c | Where needed, Provide Parking stops along accessible pathways where turndown sidewalks are less than 6'6" in width. (See Site Plan) |
| | | d | Overlay parking lot with compacted [1-1/2"] or [2"] Type 2 asphalt surface. |
| | | e | Profile mil edges around all curbing, turndowns, crosswalks, parking pads, etc. |
| | | f | Stripe parking areas, accessible spaces, access aisles and/or cross-walks as shown on site plan. |
| 5 | <u>Concrete:</u> | a | GENERAL - Upgrade concrete to meet UFAS, ANSI, and other applicable codes per site plan. |
| | | b | All public spaces and amenities shall be connected by 4' wide ADA accessible sidewalks with turnaround areas. Accessible sidewalk slopes shall be limited to less than 1:20 slope. Limited 6' lengths of accessible sidewalk may be sloped up to 1:12 slope without handrails. See site plan for extent of accessible route throughout site. |
| | | c | Pour Refuse collection area pad for rolling carts, See Site Plan. Dumpster are not offered by the municipality at this location. |
| | | d | Accessible Parking spaces must be a minimum of 8' in width, 18' in length and level 2% in all direction. They should be designed to allow water to flow away from the curb cuts and not puddle/pond in any location. An access aisle with a minimum width of 5' or 8' will be required adjacent to each accessible parking space. Position access aisles so there is a level transition to an adjacent curb cut or street cross walk. |
| | | e | Transitions off parking pads, access aisles and/or cross walks that exceed a 10% slope need prior approval. |
| | | f | Provide concrete fill for plumbing repairs below slab. |
| | | g | Edge protection or grading to eliminate drop offs is required along all concrete with the exception of turndown sidewalks |
| | | h | Drainage pipes are not allowed under sidewalks to allow water shed. Metal plates should be utilized and should have adequate drop off protection. |
| | | i | Provide new front & rear porches at handicap units. Porches cannot exceed 2% slope in all directions. Positive drainage away from the building must be maintained. |
| | | j | Provide raised concrete crosswalk with flared concrete side transitions. Transitions should not exceed a 10% max slope where possible and should be square to the crosswalk. |
| | | k | Provide separate concrete pad for tenant recycling receptacles. |
| | | l | Provide pad for new office and picnic shelter |
| | | m | Provide 18" curb and gutter around the perimeter of the parking lot (Approx. 1400 Linear Feet) |
| | | n | Dumpster pad and approach must be 12" thick reinforced concrete |
| 6 | <u>Site Amenities:</u> | a | If new amenities are constructed, provide finished appearance to match existing building construction types. New decorative column wraps should be installed to cover all new structural columns. Columns should match other columns on the property or be approved by owner. |
| | | b | PLAYGROUND - Provide New commercial Multi-piece playground structure to comply with SCQAP (Minimum of 4 play stations required) |
| | | c | PLAYGROUND - GENERAL - When border is replaced, castle-rock style border is preferred. End caps are required where openings are provided in the border. Playgrounds should be graded to allow proper drainage and the installation of mulch to meet ADA guidelines with a slope of under 2%. Grading is also required to ensure the border is not buried except at the entrance to the playground. Playground should be installed in accordance with the manufacturers recommendations and should at a minimum comply with the guidelines set forth in the latest edition of the Public Playground Safety Handbook. Pay special attention to "drop zone" distance requirements when installing new border/mulch. |
| | | d | PLAYGROUND - Install Castle rock-style border. |

| # | Category | A | Description of Modification |
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| | | e | PLAYGROUND - Provide 1 bench with back & warning sign at each playground. |
| | | f | PLAYGROUND - Provide mulch area clearances around play equipment per manufacturers recommendations/requirements. (Typically min. 6' except at swings). Surfacing material must meet QAP design standards and a third party certification letter must be provided. |
| | | g | Provide 1 ADA accessible grill. See site plan for location. |
| | | h | Provide 3 ADA accessible benches. See site plan for location. (Playground, 8A, 21B) |
| | | i | Surfacing material must meet QAP design standards and a third party certification letter must be provided. |
| | | j | Provide accessible picnic shelter incorporated into office design. Must have ceiling fans. Minimum 2 tables required. One accessible and one standard table. |
| 7 | <u>Landscaping:</u> | a | General Contractor responsible for regrading and seeding all construction areas, new sidewalks, pads, etc. GC also responsible for repairing damaged caused by storage containers, equipment, trucks, etc. When possible, trade worker should keep all vehicles off the grass and on paved surfaces. |
| | | b | GC, responsible for providing foundation shrubbery and Sod per budget allowance and QAP design criteria at the newly constructed office building |
| 8 | <u>Signage:</u> | a | Braille signage to be provided in locations required by HFA, ADA, ANSI and UFAS. |
| | | b | Provide handicap parking signage to meet PPM specs. See Details in Plans. |
| | | c | Provide bold signage visible from the entry drive for the office / community building / laundry |
| | | d | Relocate Information Sign with Removable "Manager Name", "Address", & "Phone #" placards. |
| | | e | Provide warning signage at playground |
| | | f | Provide QAP compliant signage at refuse collection area(s) (A listing of acceptable and non-acceptable items required) |
| 9 | <u>Site Lighting:</u> | a | Coordinate with local power company to upgrade site lighting to LED lights and direct bury fiberglass poles. |
| 10 | <u>General Improvements:</u> | a | Construction documents to include unit-by-unit matrix to identify items scheduled for replacement when the SOW does not identify items to be replaced in all units. |
| | | b | Seal all exterior joints and gaps with like materials. |
| | | c | Seal all interior and exterior wall penetrations with like material. Masonry penetrations should be sealed with mortar, not caulk. Spray foam is not an appropriate finish product for any exposed application. Line set sleeves can be foamed, but must be trimmed and silicone must be used to neatly seal the exterior. |
| | | d | Provide upgrades to handicap units, office, community room, laundry room and other public spaces per 504 transition plan (attached), Unit layouts, UFAS, ANSI, ADA, and other applicable building codes. |
| | | e | Attics and crawl spaces must be free of foreign materials, including furniture, lumber and plywood, paint buckets, fallen insulation, building materials, etc. |
| | | f | Provide new office/community building/Laundry per plans. |
| 11 | <u>Masonry:</u> | a | Replace damaged/missing brick and point up all missing/damaged mortar including utility and venting penetrations per budget allowance. |
| 12 | <u>Metals:</u> | a | Provide new UFAS compliant metal hand rails at all staircases. Guard rails are required where the drop off will exceed 30". Handrails at steps are only required where there are two or more steps. GALVANIZED METAL REQUIRED ON ALL HANDRAILS, GUARDRAILS |
| | | c | All metal handrails on site must be or look new and be safe and secure as intended. |
| | | d | Metal plates with drop off protection are required along sidewalks where concrete is designed to allowed drainage under the sidewalk. Pipes are not allowed unless connected to catch basins. |
| | | e | Where applicable provide cane detection at all breezeway stairs and any other location where protruding objects cannot be eliminated. |
| | | f | Replace entire stair structure of stairs including risers, stringers, pans, concrete, handrails and guard rails on [6] sets of stairs in Breezeway. Install Cane Detectible barriers under [6] sets of steps. Rails must be UFAS Compliant with looped extensions at the top and bottom. All metal must be GALVANIZED. |
| | | g | Replace 3 existing bridges with similar structure. Galvanized metal with galvanized metal pans filled with concrete. |
| 13 | <u>Carpentry:</u> | a | Where siding, break metal, windows, or roofs are being replaced, inspect for and replace damaged wood trim, exterior sheathing as necessary. |
| | | b | Frame new walls per plans and around new doors and windows. |
| | | c | Provide new trim at all new walls and doors. |
| | | d | Provide new chair rail (Door knob height) with backer board and baseboard (min 5-1/4) in office and where applicable the community room. |
| | | e | Where accordion doors are removed, provide framing/sheetrock to allow for installation of pre-hung hinged doors. |
| | | f | Provide finished appearance behind and under ALL Refrigerators & Ranges including painted base, painted shoe molding, painted walls. Where floor covering is replaced, floor covering must extend under refrigerators and ranges. Exceptions: Baseboards can be eliminated behind ranges where clearance is required to allow range to fit tight against the wall. Shoe molding only will be required in this location. DUPLICATED IN FLOORING |
| | | g | Closet shelving and rods to be or look new. Replace warped shelving where necessary. (SEE MATRIX) |
| | | h | Provide framing and sheetrock for installation of new wall-hung HVAC air handlers. Return grills on Electric air handlers shall be mounted a min of 24" AFF. |
| | | i | Closet shelving in accessible units should be easily adjustable to a height of no higher than 48" AFF. |
| | | j | Provide new quarter round at all locations where new flooring is installed. All tubs must have caulk against adjoining flooring products. Provide clean caulk joint not to exceed 1/4". |
| | | k | Eliminate drop soffit in office if kitchen is being remodeled. |

| # | Category | A Description of Modification |
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| | | l Provide transfer grills in all non-conditioned closets. A clean finished appearance with metal grills and no exposed sheetrock edges is required. |
| 14 | <u>Insulation:</u> | <p>a Inspect attic insulation and upgrade to R-38 to meet SC QAP</p> <p>b Certification and tape measure to be in place at each attic access.</p> <p>c Smoke wall damage should be assessed and repaired as needed within allowance. (Duplicated in Roofing Drywall)</p> |
| 15 | <u>Roofing:</u> | <p>a Provide new 30-year antifungal architectural asphalt fiberglass roof shingle system per matrix. Where roofs are replaced, installation of new Synthetic underlayment required. Synthetic Underlayment REQUIRED and must be of the same brand as the shingles. <u>Leak barriers must be of the same brand as the shingles being installed and be the mineral surface type. Leak barrier must be installed 5" up all side walls and 24" around all penetrations.</u> (ALL BUILDINGS)</p> <p>b Where new roofs are being installed, remove all existing roof shingles, roof edges and accessories. Attic vents are to be eliminated, sheeted, and shingled over. Ridge vents are to be installed in lieu of attic vents. Ridge vent installation may require cutting of the existing sheathing. Contractor is responsible to ensure soffits are venting as intended in conjunction with the ridge vents. All galvanized step flashing must be replaced with aluminum flashing. All exposed flashing must be painted black to match the shingles.</p> <p>c Where roofs are replaced, provide new aluminum roof edge trim on all fascia/rakes. Replace all roof accessories, vents, pipe boots, stacks, aluminum step flashing at gable sidewall roof conditions, etc.</p> <p>d Where roofs are replaced, provide aluminum valley flashing and ice and water shield at all roof valleys.</p> <p>e Provide ice shield where needed along drip lines and up gable connections.</p> <p>f All existing and new roof vent covers or stacks must be painted to match roof color.</p> <p>g Repair existing attic draft stops between every other unit where needed [duplicated in Insulation & Drywall].</p> <p>h Provide roofing/shingles at all new site amenities (IE: Mail shelter(s), Picnic Shelter(s), etc.)</p> <p>i Where Shingles are replaced, old shingles must be removed. Overlayment is not allowable.</p> <p>j Diverters are required on new and existing roofs when gutters are not provided in all locations over sidewalks, doors, HVAC equipment (If the condenser is in the drip line), and bay windows.</p> <p>k Where gutters are provided, insure existing splash blocks, or piping from downspouts is adequate. Install new splash blocks and/or piping to divert water and prevent erosion where necessary. Corrugated piping is not preferred.</p> <p>l Provide new 6" aluminum seamless gutters and 4x6 downspouts - 1 Story Buildings (Include splash blocks)</p> <p>m Provide new 6" aluminum seamless gutters and 4x6 downspouts - 2 Story Buildings (include splash blocks)</p> <p>n Install Foam leaf gutter guards in all gutters</p> |
| 16 | <u>Siding:</u> | <p>a SIDING GENERAL - Where siding is replaced, Install 'J' boxes for all electrical boxes, disconnect boxes or surface mounted devices on siding. If larger than pre-manufactured 'J' box, plywood panel wrapped with coil stock and 'J' mold at perimeter is acceptable. Where standard 'J' boxes are not available, the devices shall be fully flashed, caulked and water-proofed. Meters/electrical boxes may need to be unmounted from the wall to facilitate.</p> <p>b If provided, replace gable wall vents where siding is being replaced.</p> <p>c Where siding is being replaced, color selections including trim metal, corners, etc. should be pre-selected by owner.</p> <p>d Provide new siding with shake accents and vinyl soffit for all buildings and newly constructed site amenities. New metal for all fascia, rakes, etc. are to be replaced. Product selections should be in strict compliance with the QAP design criteria.</p> <p>e Replace dryer vent caps as needed. Louvered caps are discouraged.</p> <p>f SHUTTERS - Install new solid shutters at current locations. (Shutters should match window length)</p> |
| 17 | <u>Doors:</u> | <p>a DOORS GENERAL - When exterior doors are replaced, 1/2" thresholds are always preferred. When all doors are replaced, 2-panel doors are preferred. When doors are being replaced in part, doors should match the existing design.</p> <p>c Replace front exterior entry doors/frame/trim with new insulated (2 Panel) metal door units. Use rot proof brick molding and jambs. 1/2" threshold required for all new doors. (ALL - See QAP requirements and notes in matrix)</p> <p>d Replace rear exterior entry doors/frame/trim with new insulated (2 Panel) metal door units. Use rot proof brick molding and jambs. 1/2" threshold required for all new doors. (SEE MATRIX)</p> <p>e Replace front storm doors per unit matrix. All new storm doors require accessible hardware.</p> <p>f Replace rear storm doors per unit matrix. All new storm doors require accessible hardware.</p> <p>g Replace exterior storage room/mechanical room doors/frame/trim with new insulated (2 Panel) metal door units. Use rot proof brick molding and jambs. 1/2" threshold required for all new doors. (SEE MATRIX)</p> <p>h Replace all bi-fold and accordion doors with hinged doors.</p> <p>i If the existing storm door is not scheduled to be replaced but the entry door is scheduled to be replaced, the contractor will remove and re-installed to accommodate exterior door replacement.</p> <p>i Replace office/community room storm door(s) front and rear with full-view glass storm doors with accessible hardware. Gas shocks at the top and bottom of these storm doors are required. A minimum 32" clearance must be maintained.</p> <p>j Existing exterior storage room door at UFAS units shall be minimum of 2'10" with offset hinges or not exceed 24" depth.</p> <p>k All exterior entry doors shall have weather-stripping that is new or like new. All thresholds to be sealed on the exterior with NP-1 caulking and clear silicone on the interior.</p> |

| # | Category | A | Description of Modification |
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| 18 | <u>Windows:</u> | l | REPLACE ALL INTERIOR DOORS WITH 2 Panel hollow core doors. New doors should be installed with the casing and jamb touching the subflooring. If carpet is currently installed, it may be required to cut carpet out around door jambs and casing before installing new doors so there isn't a gap below the casing once the new vinyl flooring is installed. Carpet should only be cut around the door jamb and casing and not all the way across the door causing a tripping hazard. |
| | | m | Interior doors in all accessible units and the site office should have a solid core |
| | | n | THRESHOLDS - on all accessible units and the site office should not exceed 1/2". |
| | | a | WINDOWS GENERAL - Where new windows are provided, window installation & flashing shall be in strict compliance with manufacturer's instructions. All new windows should have muttons and mullions if all windows are scheduled to be replaced. If only a portion of windows are replaced, mutton and mullion patterns should match the existing windows. GC to verify window rating requirements at each location. Egress requirements should be considered where applicable. Single-hung windows are preferred by the owner. All windows must be Energy Star Rated for zone south central, be of high quality, durable, and must be installed per manufacturers requirements to achieve a 10 YEAR warranty. |
| | | b | Provide new insulated, double pane, single hung vinyl windows with screens to meet current energy code. (Windows should have Muttons and Mullions if all windows are replaced) Verify window rating requirements per location. (SEE MATRIX) ENERGY STAR RATED WINDOWS REQUIRED |
| | | c | Caulk all new and existing windows inside and outside as needed. |
| | | d | Where windows are replaced provide child safety snap lock in frame, where fall hazards exceed 6'. |
| | | e | Where windows are replaced, tempered glass is required on new windows located within 2' of an operable door or in stairwells within 60" of the walking surface. |
| | | f | Install fixed glass window sash in office wall per plans. Window should be cased with casing aligned with door casing in room. Windows should be mounted (Offset) to community room side of the opening to allow for installation of a 2" mini-blind on the office side of the window. |
| | | 19 | <u>Hardware:</u> |
| b | Install deadbolt on all mechanical rooms. All mechanical room locks shall match the site keyway (SCHLAGE or Kwikset), be keyed to the site master key system, and shall have a secondary universal key for a service technician. Tenants will not have access to mechanical rooms. | | |
| c | Where hardware is replaced, provide lever handles in all rooms. Push-button style locks are required for all privacy handles. HC units shall have Push Button Style locks, even when hardware is not scheduled for replacement. | | |
| d | Provide new interior door hardware where accordion/folding doors are upgraded to hinged doors. | | |
| e | Provide new door stops whether the door is being replaced or not. Baseboard mounted stops are preferred. Wall mounted stops may only be used with prior approval from owner. Provide Floor mounted door stops on all patios/balconies where doors will impact brick rowlocks, light fixtures, etc. Chain stops are allowable on exterior storage room doors. | | |
| f | All interior door hardware must be paint and scratch free, function as new and must match all other similar hardware. | | |
| g | All attic access panels shall have operable locksets. Locks must be paint free and professionally installed. | | |
| h | CABINET HARDWARE - Where cabinets are replaced, contractor to provide brushed nickel "D" loop handle hardware in kitchens and bathrooms. If cabinets ARE NOT being replaced, "D" loop hardware must be installed in all "elderly" and accessible units on existing cabinets. (Duplicated in Casework) | | |
| i | Provide second security viewer at accessible height for all accessible units and elderly units. | | |
| j | Provide new door hardware throughout project. All doors should be on a master key system. Pin codes should be provided to Property Manager. A lockable key box should be provided and set up in the site office. | | |
| 20 | <u>Gypsum/Wallboard:</u> | a | All damaged drywall ceilings and walls must be fixed, skimmed and coated and/or finished to cover gaps, nail pops, paper tears and texture differentials. Bulging ceilings must have drywall cut, removed and finished similar to remaining ceiling. Where floor/ceiling joists or wall studs have been bowed over time, drywall repair is not anticipated. Contractor should verify the presence of Asbestos before conducting work that has the potential to disturb an asbestos containing material. |
| | | b | Inspect for and repair/ replace damaged wallboard. When drywall patching is needed, Provide moisture resistant drywall in the following locations: bathrooms, laundry rooms, mechanical closets, exterior storage closets, and behind kitchen & bathroom sink bases. (All wet locations) |
| | | c | Patch walls and corners at new windows and doors. |
| | | d | Patch walls where new wall hung HVAC units are installed. Sheetrock should fit tight around all vents, returns, ductwork, penetrations, etc. A finished and painted surface is required in all interior mechanical rooms. Exterior mechanical rooms require finished and primed sheetrock. |
| | | e | Where cabinets are replaced, clean/treat with a mold/mildew blocking agent any discoloration behind cabinets and vanities once they are removed and replace any damaged/deteriorated drywall. Provide moisture resistant drywall in these wet locations where drywall patching or replacement is necessary. (DUPLICATED in CLEANING & CASEWORK) |
| | | f | Clean mechanical rooms removing all debris & replace damaged or mildewed wallboard. |
| | | g | Inspect and repair smoke walls within budget allowance. (Duplicated in Insulation & Roofing) |
| | | h | See accessible unit and office modification plans. |

| # | Category | A | Description of Modification |
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| 21 | <u>Vinyl Flooring:</u> | i | Patch around newly installed hub drains, HVAC units, linesets, penetrations, etc. |
| | | j | Professionally Patch wall where medicine cabinets are removed and relocated. |
| | | a | FLOORING GENERAL - Contractor is responsible for protecting tenant belongings, fixtures, existing flooring, hardware, etc. Plastic, tape, drop clothes, etc. should be utilized in all instances. When furniture has to be moved from a unit, contractor is responsible to ensure emergency egress along breezeways, sidewalks, staircases, etc. are not obstructed. No furniture shall be set outside unless it is protected with plastic under, around, and over all items. LVT to VCT junctions do not require edging, but should provide a smooth/clean transition. 12Mil Wear on all LVT required. 15 year warranty required. Must be water proof. |
| | | b | FLOORING -Provide Ceramic tile flooring in the office bathroom and the UFAS unit bathrooms where roll-in/Transfer showers are being installed. |
| | | c | FLOORING -Provide VCT in bathrooms with min thickness of 0.08. Wax all new VCT tile floors; Min. 2 coats. (SEE MATRIX) |
| | | d | FLOORING - Provide new LVT Vinyl flooring throughout ground level units. (SEE MATRIX) (LVT will not be installed in bathrooms) |
| | | e | All interior mechanical and storage closets must have finished floor coverings. Where equipment is replaced, floor covering should extend under the equipment. Where existing equipment is to remain, floor covering will be butted adjacent to the existing equipment in a tight professional manner. |
| | | f | Provide finished appearance behind and under ALL Refrigerators & Ranges including painted base, painted shoe molding, painted walls. Where floor covering is replaced, floor covering must extend under refrigerators and ranges. Exceptions: Baseboards can be eliminated behind ranges where clearance is required to allow range to fit tight against the wall. Shoe molding only will be required in this location. DUPLICATED IN CARPENTRY |
| | | g | FLOORING - At any location where OSB wood subfloors exists, provide lauan underlayment in all areas where LVT and VCT tile is scheduled to be replaced. Install with glue and screws. (SEE MATRIX) |
| 22 | <u>Carpet:</u> | h | FLOORING - Asbestos is present in existing VCT tile flooring and/or mastic and will be overlaid in standard units. General Contractor to follow site O&M Plan for abatement of Asbestos containing floor tile and/or mastic in each handicap unit and the office prior to handicap modifications being completed. A licensed abatement contractor must be used when ever asbestos will be disturbed or abated. |
| | | a | Provide new compatible metal edging at all vinyl/carpet flooring junctions. (Color to Match Hardware, typically brushed aluminum/stainless) |
| | | b | Provide carpet in bedroom(s) and living rooms of all second level units. (SEE MATRIX) (Bldg. 5.) Carpet shall comply with FHA -HUD Use of Materials Bulletin No. 44d. Carpet pad must be installed under all carpeting and shall comply with FHA - HUD Use of Materials Bulletin No. 72a. |
| | | c | Remove carpet from ground level units. |
| | | d | Provide compatible metal edging at all carpet to vinyl flooring junctions, color to match hardware. |
| | | e | Contractor is responsible for protecting tenant belongings, fixtures, existing flooring, hardware, etc. Plastic, tape, drop clothes, etc. should be utilized in all instances. When furniture has to be moved from a unit, contractor is responsible to ensure emergency egress along breezeways, sidewalks, staircases, etc. are not obstructed. No furniture shall be set outside unless it is protected with plastic under, around, and over all items. |
| 23 | <u>Painting:</u> | a | Clean, prepare and sand all surfaces prior to painting. Spackling normal nail holes, sanding old paint runs, and minor sheetrock patching is expected. Caulk all open gaps. Prime all new and repaired surfaces prior to painting. |
| | | b | Painter is responsible for protecting tenant belongings, fixtures, existing flooring, hardware, etc. Plastic, tape, drop clothes, etc. should be utilized in all instances. When furniture has to be moved from a unit, contractor is responsible to ensure emergency egress along breezeways, sidewalks, staircases, etc. are not obstructed. No furniture shall be set outside unless it is protected with plastic under, around, and over all items. |
| | | c | All on-site concrete steps on sidewalks runs must have contrasting paint applied to the top and bottom of the front leading edge of stair treads. Paint should be 2 inches wide. (EXCLUDES BREEZEWAY STAIRS and Step ups at individual Porches) Yellow warning paint is also expected on curb stops and other changes in elevation along pathways where tripping hazards are present. This includes triangles on the front of curb ramps. |
| | | d | Paint entire interior of each dwelling unit - egg-shell finish; semi-gloss finish in kitchens, bathrooms, doors and trim. Interior doors shall be painted on top, sides, bottom and faces. |
| | | e | Paint quarter round under cabinets to match the cabinets or flooring color. White quarter round under wood cabinets is not acceptable. |
| | | f | Paint interior of the Office/Community Building - eggshell finish; semi-gloss finish in bathrooms, doors and trim. (2 tone walls) |
| | | g | Paint exterior doors and trim with semi gloss oil/enamel paint. Paint top, sides, bottom, and faces of door. Prime all new doors prior to painting. |
| | | h | Paint all metal plates in concrete pathways with black enamel paint. A contrasting color (Yellow) should be used to paint edge protection on metal plates. |
| | | i | All new and existing roof vents and stacks shall be painted to match the roof color. |
| | | j | Remove old wall/base door stops, refinish wall as necessary and paint |
| | | k | Paint wall, baseboard, & shoe molding behind removable front cabinets in all accessible units |
| | | l | Paint interior and exterior Storage/mechanical rooms. Sheet rock repair should be anticipated. Patch and fire caulk all penetrations as required. |

| # | Category | A | Description of Modification |
|----|-----------------------|---|---|
| | | m | Stripe accessible parking spaces, access aisles and/or cross-walks as shown on site plan. (DUPLICATED IN ASPHALT) |
| | | n | Where roofs are replaced, paint all roof accessories, vent pipes, stacks, turtle vents, rain diverters, etc. black to match shingles. |
| | | o | All metal work in breezeways and on balconies/patios including exterior stairs must be properly prepared by removing rust and scale prior to priming and repainting of the existing stairs and stringers. AS-150 Anti-Slip Coating required on all treads and 2" up each riser and toe kick. SW-Industrial Enamel Marine coating required on all exterior metal railings and steps. |
| | | p | Pressure wash and Seal Breezeways with H&C Tinted Concrete sealer. |
| 24 | <u>Bath Fixtures:</u> | a | TUBS - Replace existing tubs and surrounds with tub and 1-piece surround. (SEE MATRIX) |
| | | b | TUBS - Provide (1) 24" Horizontal grab bar in all non-accessible tubs that are replaced. [Mount at a maximum of 12" from the control wall and maximum of 24" off dry wall, 33"-36" to centerline of bar AFF. Bar diameter must be between 1-1/4" and 1-1/2" OD] DUPLICATED in ACCESSORIES |
| | | c | TUBS - All new tub/shower or shower wall installations in accessible & elderly units must include new offset control valves. (Tubs not allowed in accessible units in SC) |
| | | d | Replace water closets/toilets with new comfort height fixture, 17"-19" from floor to top of seat. All toilets shall be 1.28 gallons or less per flush and be WaterSense labeled products. (Office/community room toilets are required to be elongated and have horseshoe seats per ADA) (SEE MATRIX) |
| 25 | <u>Accessories:</u> | a | If applicable - Remove soap and toothbrush holder; do not replace. Patch holes as necessary. |
| | | b | MIRROR - Provide 24"x36" frameless mirror mounted at with top edge mounted at min 74" aff. In all units. (Bottom edge no higher than 40" AFF) Use Spring type mounting hardware. Mirror must be centered over the vanity. |
| | | c | MEDICINE CABINET - Replace and relocate medicine cabinets with new Semi-Recessed units with mirror. Accessible units require the bottom shelf of medicine cabinets to be mounted no higher than 44" AFF. See plan for new location. |
| | | d | Provide UFAS compliant grab bars in accessible bathrooms at tub and water closet. |
| | | e | GRAB BAR - Provide (1) 24" Horizontal grab bar in all non-accessible tubs that are replaced. [Mount at a maximum of 12" from the control wall and maximum of 24" off dry wall, 33"-36" to centerline of bar AFF. Bar diameter must be between 1-1/4" and 1-1/2" OD] DUPLICATED in BATH FIXTURES |
| | | f | FIRE EXTINGUISHER - Install Semi-recessed fire extinguisher cabinet in the (Office, Community, Laundry Rooms). Recessed boxes should have a door, but should not lock. 5 lb. min ABC Dry Chemical extinguishers are required in the office location. |
| | | g | FIRE EXTINGUISHER - Provide 2.5lb ABC dry chemical fire extinguisher in kitchen, mounted left side of sink base at hinge side of cabinet door. Screws shall not protrude to the interior of the cabinet. [All UFAS units to have semi-recessed fire extinguisher cabinet] |
| | | h | Toilet paper dispensers in the office bathroom(s) should meet both ADA and UFAS requirements. A double roll dispenser is necessary. |
| | | i | ACCESSORIES - Replace all bathroom accessories with brushed nickel: attached (not tension) shower rod, towel bar and toilet paper dispenser. Items mounted to cabinets should not utilize screws that protrude to the interior of the cabinet. |
| 26 | <u>Casework:</u> | a | CABINETS - Where cabinets are replaced, clean/treat with a mold/mildew blocking agent any discoloration behind cabinets and vanities once they are removed and replace any damaged/deteriorated drywall. Provide moisture resistant drywall in these wet locations where drywall patching or replacement is necessary. (DUPLICATED in CLEANING & DRYWALL) (SEE MATRIX) |
| | | b | Cabinets in accessible units to have easily removable fronts and bottoms at kitchen sink and work space. Flooring, painting, baseboard, etc. shall be completed behind the removable fronts/bottoms. All casework in accessible units will be compliant with UFAS. At a minimum, at least one 12" minimum utensil drawer will be provided in each Accessible unit. Scribe molding larger than 2" is not allowed at dropped soffit locations. Dropped soffits in Accessible units will be removed during renovations and not reinstalled. (SEE MATRIX) |
| | | c | VANITY - Provide decorative wooden wall-hung vanity in all accessible units and the office with cultured marble top. (Wooden skirting will cover all pipes and comply with the UFAS knee/toe space requirements)(SEE MATRIX) |
| | | d | SINK - Provide shallow depth rear drain kitchen sinks in UFAS units & office per UFAS requirements. See unit matrix. |
| | | e | CABINET HARDWARE - Where cabinets are replaced, contractor to provide brushed nickel "D" loop handle hardware in kitchens and bathrooms. If cabinets are not being replaced, "D" loop hardware must be installed in all "elderly" and accessible units. (Duplicated in Hardware) |
| | | f | Provide vanity cabinet and include cultured marble top. Vanities should sit flush against the side and rear walls where possible. Side splashes must be provided with vanity top replacement. (SEE MATRIX) |
| | | g | Provide new kitchen cabinets with Hardwood raised paneled doors and hardwood fronts. (All Kitchen and bathroom Sink bases will be constructed of plywood) (SEE MATRIX) |
| | | h | Provide new plastic laminate countertops with rolled edge, attached backsplashes and new double bowl stainless steel sinks. (SEE MATRIX) |
| | | i | Provide new vanity cabinets in bathrooms of units to match new kitchen cabinets. All vanities to be constructed with plywood boxes and hardwood raised panel fronts. (SEE MATRIX) |

| # | Category | A | Description of Modification |
|----|---------------------|---|--|
| 27 | <u>Appliances:</u> | j | In Office/community room provide open (no bottom) base cabinet at kitchen sink. A wooden skirt should provided to protect pipes and be located out of the knee space. Stoves are typically eliminated in Office kitchens, but if a stove and work space is provided, the work space in the office should be left open with a min. 29" knee height clearance and min. 30" clear width. |
| | | k | All cabinet and wall penetrations/holes must be professional sealed and have escutcheon rings. If skins are required, a full skin must cover the entire cabinet back. |
| | | l | Countertop backsplashes and vanity tops must be caulked. |
| | | m | ALL NEW CABINETS and vanities WILL MEET QAP design requirements per ANSI/KCMA A161.1-2000 and bear the KCMA Certification Seal |
| | | a | REFRIGERATORS - Provide new EnergyStar refrigerators. All new refrigerator doors must swing the correct way and be level. (Minimum refrigerator sizes allowed (NC, SC): 1/2BR=14cf, 3BR=16cf, 4BR=18cf min.) (SEE MATRIX) |
| | | b | REFRIGERATORS - Handicap units to receive UFAS & ANSI compliant side-by-side refrigerator with ice maker. (Water hooks up not currently provided but must be added) (SEE MATRIX) |
| | | c | RANGES - Provide new self-cleaning electric range/ ovens. (SEE MATRIX) |
| | | d | RANGES - Provide new self-cleaning electric range/ovens with front controls in UFAS units. (SEE MATRIX) |
| | | e | RANGES - Install anti-tip devices at all existing and new ranges secured to floor. Ensure ranges fit flush against the wall. |
| | | f | RANGES - Provide metal splash guard behind all new and existing ranges. |
| 28 | <u>Mini-blinds:</u> | a | Provide mini-blinds on rear entry doors that are replaced. Blinds must be built into the glass from the manufacturer. (SEE MATRIX) |
| | | b | Install 2" faux min-blinds in the office including any interior window(s) between the office and community space |
| | | c | Replace all mini-blinds in the "accessible units" once remodel work is completed. |
| | | d | Replace existing blinds with vinyl mini-blinds at all windows and doors. (REQUIRED) |
| 29 | <u>Other:</u> | a | None |
| 30 | <u>Plumbing:</u> | a | GENERAL PLUMBING - Where new fixtures, faucets, toilets, etc. are installed, provide new braided water lines, p-traps, wax rings, and other connective devices to ensure there are no leaks. Fixtures to be WaterSense labeled products. Bathroom faucets shall be low flow 1.5/2.0 gpm. All new faucets shall be single lever or meet accessibility guidelines throughout project. Seal all interior and exterior wall penetrations with like material. Masonry penetrations should be sealed with mortar, not caulk |
| | | b | WATER SHUT OFF - Provide or replace individual water shut off valves (quarter turn ball valves) in each unit and if needed, relocate to a tenant accessible location. Provide new access panels labeled "Water Shot Off" at each location. Mount 15" AFF and 30" CFS. |
| | | c | KITCHEN SINKS - Replace kitchen sink (Stainless), provide new faucet (Single Lever), fittings and hook-up. Sinks are replaced with all cabinet/countertop installs. Shall depth rear drain sinks are required in all accessible units and the office. [ALL] (8" MINIMUM DEPTH SINKS REQUIRED PER SC QAP in Non-Accessible Units) |
| | | d | HUB DRAIN - Install Hub drain in each unit for AC condensate line and water heater pan drains. Lines should be installed using CPVC lines. Hub drains should be located adjacent to a wall and strapped securely to the wall. Drains should be routed along the walls where possible. (Where water heaters are not replaced, the existing pop-offs should be plumbed into the new hub drain if there is no existing pan/stand) |
| | | e | REFRIGERATOR - Provide plumbing, valve box, and hook up in each accessible unit and the office for ice maker. Piping must be in the wall and is not permitted to run through cabinetry. |
| | | f | TOILETS - Provide and install new comfort height 17"-19" water closet. Toilets shall be 1.28 gallon or less per flush and be WaterSense labeled products. New braided supply lines , wax rings, bolts & covers shall be provided. If necessary, caulk front and sides only. Toilets in accessible units and the office shall be mounted exactly 18" off adjacent wall to the centerline. The office toilet(s) shall have an elongated bowl and a Horeshoe style seat to meet ADA. (REQUIRED IN ALL UNITS) |
| | | g | TUBS (Accessible) - Where tubs are replaced: Offset controls are required in accessible units. Lever control valves are to be less than 12" from reach side edge and comply with applicable accessibility codes. A hand held shower with a hose min 60" length that can be used as both a fixed or hand held shower head is required. Hand held shower heads shall be mounted on an adjustable slide bar with the bottom edge no higher than 48". Full width transfer benches shall be mounted in a track to prevent movement and allow easy removal. UFAS/ANSI compliant grab bars will be provided. Wall blocking shall be installed prior to tub installation even when tubs are premanufactured and backed with plywood. Single piece fiberglass tub units should be used when possible. (SEE MATRIX) Tubs are not allowed in accessible units in SC |
| | | h | TUBS GENERAL - Where tubs are replaced: provide WaterSense labeled shower heads with a flow rate of 2.0 gpm. Offset controls are required in all UFAS units. Where Tubs are replaced, offset control valves required in "Elderly" units. Controls are to be less than 12" from reach side edge. Tubs in accessible units shall have hand-held shower heads with slide bar mounted with the bottom edge no higher than 48". (SEE MATRIX) |
| | | i | ROLL-IN SHOWERS - Grab bars must be continuous around the entire shower to meet UFAS requirements. Both ANSI and UFAS requirements must be met. The fold down seat should be removable to comply with UFAS. Corner shelves can be utilized to break grab bars. |

| # | Category | A | Description of Modification |
|----|--------------------|---|--|
| 31 | <u>HVAC:</u> | j | VANITIES GENERAL - Penetrations should be drilled as close to the size and location of existing plumbing supply and drain lines as possible. Escutcheon should be installed to cover penetrations in cabinets. New supply lines, faucets, p-traps, etc. are expected when new vanities are installed. Individual fixture shut off valves will be assessed and replaced as necessary with 1/4 turn ball valves. Partial skins are not allowed to cover incorrectly drilled holes. (SEE MATRIX) |
| | | k | WASHER BOX - Provide new / Repair clothes washer valves and boxes. Existing washer connection boxes must have trim ring. Washer Boxes in all accessible units should be replaced during renovation work. (ALL) |
| | | l | WATER HEATER - Replace water heaters to comply with latest adopted edition of IPC for new construction. PER SC 2020 QAP design standards (40 Gallon Min) all electric water heaters must have an Energy Factor of at least 0.93 UEF. Where new electric water heaters are installed, provide a metal pan and stand. Overflow and pop-off piping to be plumbed into pan. Pan to be plumbed into hub drain. Where water heaters are replaced, a junction box with new whip/flex conduit should be provided. Where existing pop-offs are plumbed to the exterior of the building, the new water heater pop-off should be plumbed to the exterior. Expansion Tanks - Where expansion tanks are required, they should be installed in a vertical manner with solid metallic fittings. Where this is not possible ample strapping must be provided to prevent movement. Expansion valves are acceptable in lieu of tanks, but the discharge piping must be plumbed to the exterior and not into the water heater pan. (SEE MATRIX) |
| | | m | FAUCETS - Where new sinks or tubs are installed, new lever handle faucets shall be provided. Provide faucet, fitting, and hookup of bath vanities. Fixtures to be water sense labeled products. Bathroom faucets shall be low flow 1.5-2.0 gpm. (SEE MATRIX) |
| | | n | Inspect and repair or replace damaged existing hose bibs. |
| | | a | HVAC GENERAL - All new systems require 410-A Refrigerant. New units shall have be 15 SEER systems. Replacement of line sets is mandatory for all new equipment. All refrigerant lines must have new or like new pipe insulation. Line sets that are routed through an interior room shall be strapped to the wall and protected by a wooden chase. Line sets shall be located along the floor when possible and not routed across an open space or up a wall on an angle. All new condenser units shall receive a level pad with the top surface 2" min above cut grass. All new HVAC equipment will receive new whips/flex conduit. Pipe condensate through wall, bulkhead or furred wall trim to exterior - do not pump. When equipment is replaced, clean or replace plenum ductwork at unit supply discharge at top of air handler. Louvered door returns are not acceptable when new equipment is installed. Seal all interior and exterior wall penetrations with like material. Masonry penetrations should be sealed with mortar, not caulk. If the existing HVAC pad is not concrete and in good condition, a new level preformed pad shall be provided at all new HVAC compressors. The pad shall be level. |
| | | b | HVAC - Provide new complete heat pump split systems. Wall-hung type units are preferred and will be mounted min. 24" AFF. (SEE MATRIX) |
| | | c | HVAC - Replace all supply diffusers and all return air grills whether unit is replaced or not. Supply new filter. |
| | | d | HVAC - Replace HVAC disconnect at condensing unit (SEE MATRIX) |
| | | e | THERMOSTATS - New Thermostats will be installed where new HVAC equipment is installed. Thermostat wires shall be neatly installed within wall cavity between unit and thermostat. Programmable digital simple to use thermostats should be used. ALL thermostats should be mounted so the top edge is no higher than 48" AFF. Rough-in wiring should be no higher than 46" AFF. (SEE MATRIX) |
| | | f | BATH EXHAUST FAN - Provide new EnergyStar bathroom exhaust fans; minimum 70cfm required. Fan should have light. Backflow dampers are required. Rigid ducting is required in all Accessible units (SEE MATRIX) |
| | | g | BATH EXHAUST FAN - Existing bathroom exhaust duct work to be reconnected at new fan locations. Hard ducting is exempt on this rehab project except for Accessible units. Accessible units will receive hard duct lines if not already present. Bath fans are not permitted to penetrate the roofing and will need to be re-routed to soffit vents. |
| | | h | DRYER VENT - All Dryer vents should be vented with hard duct to the exterior. Install Recessed Dryer vent boxes centered behind the equipment. (See unit Matrix). All Handicap units should receive recessed boxes. Recessed boxes should be located no higher than 2" AFF. Exterior dryer vent dampers should be replaced with Non-louvered style diffusers. Venting through the roof is not allowed. Rigid conduit is required. (SEE MATRIX) |
| | | i | DRYER VENT - Provide hard duct and new exhaust cap on building exterior. All existing dryer vents must be or look new and function as intended. |
| | | j | RANGE HOODS - Hard duct new hoods to the exterior of units. Provide metal collar trim to seal all penetrations of range hood duct inside wall cabinet. Fire caulking should be neatly applied. Cabinets should be cut in a professional manner where gaps do not exceed 3/8" around pipes. (SEE MATRIX) |
| 32 | <u>Electrical:</u> | k | Replace ALL duct work in all accessible units and the office |
| | | a | ELECTRICAL GENERAL - New fixtures and covers shall completely cover electrical boxes or discolored ceilings. Electrician to generally inspect electrical components & wiring and suggest any needed upgrades. Any newly installed outlets shall be tamper resistant. Upgrade/replace breakers as required to support new equipment. All interior and exterior electrical disconnect boxes are required to be zip tied after punch list inspection. Any newly installed exterior lights shall be sealed so bugs cannot get into the globe/lens. |
| | | b | BREAKER PANEL - Replace and relocate breaker panels in each accessible unit and the office. Top breaker/knockout location cannot exceed 48" AFF. |
| | | c | WIRING - Install junction boxes and flex conduit at all mechanical equipment replaced with the SOW |

| # | Category | A | Description of Modification |
|----|----------|----------------------|---|
| d | | WIRING | - Raise/lower outlets, switches, thermostats, controls, etc. in ALL UNITS and the office to ensure they are within the proper reach ranges. 15" to the bottom, 48" to top of box, 46" over counter tops, etc., 46" thermostat rough in wiring. |
| e | | WIRING | - All office receptacles and switches shall be white |
| f | | WIRING | - Ensure GFCI receptacles are provided and functioning as intended in all kitchens and baths to meet code. If not provided, install GFCI outlet |
| g | | WIRING | - Provide (1) switch in bathrooms of all standards units to operate exhaust fan and all lights. |
| h | | WIRING | - Replace all damaged/ missing receptacles, switches, and cover plates. Plates shall completely cover the junction box. All newly installed outlets shall be tamper resistant. Plate and electrical components should be the same color throughout each unit. Relocate plugs to allow for pantry installation in kitchens. |
| i | | EMERGENCY CALL BELL | - ACCESSIBLE UNITS - Provide emergency pull cords in bathroom and bedroom of all accessible units. The top of each box should be mounted 48" AFF. Pull cords required to touch floor. Emergency call systems to have audible alarm and strobe light outside of each accessible apartment front exterior door. Bell/light should not protrude more than 4" from wall if mounted lower than 80" AFF. Mounting boxes and bell/lights should be appropriately sized and sealed to be water tight. Transformers for low voltage equipment should be located in the mechanical closet over the doorway when possible. In bedrooms, pull stations should be mounted under the light switch entering the bedroom. In bathrooms, pull stations should be mounted as conveniently as possible to the toilet and tub/shower. Pull stations in bedrooms shall be located under the light switch for the room. |
| j | | WATER HEATERS | - Wire and Hook up new water heaters. Provide Junction box and whip/flex conduit at new water heater locations. (SEE MATRIX) |
| k | | HVAC | - Wire and hook up new split system. New junction boxes and whips/flex conduit are required for all new installations. Provide and install disconnects at interior and exterior locations. (SEE MATRIX) |
| l | | LIGHTING | - Vanity lights should be centered over the vanity location |
| m | | LIGHTING | - Install 4' light in each kitchen. Light to be centered in room where possible. (Centering will/will not require box relocation) |
| n | | LIGHTING | - Provide new under cabinet light at sink. |
| o | | LIGHTING | - Provide porch lights at UFAS unit(s), wall mounted with less than 4" projection. |
| p | | LIGHTING | - Provide switched overhead light in all closets in accessible units. Keyless fixtures are not allowed. |
| q | | BATH EXHAUST FAN | - Provide, Wire and hook-up bath exhaust fan/light combo. (SEE MATRIX) |
| r | | CABLE JACKS & WIRING | - Provide cable outlets in each bedroom and the living room. All lines shall be home runs to the exterior of the building and terminated in a water tight junction box that is a min 12" cubed. Junction boxes should be located as close to the underground cable utility connections as possible. Broken or damaged plate covers or jacks shall be replaced. New wiring shall be terminated and connected to the jack plates in each location. In accessible & Fair Housing units, cable jacks shall be mounted no lower than 15" AFF. Cable and Cat 5 wires will be located in the site office and community rooms at predetermined location(s). |
| s | | CEILING FANS | - Provide ceiling fan with overhead light in each bedroom and living room , wired to separate switches. Provide fan rated boxes in each location. Stacked switches are acceptable. (There is no existing wiring in the living rooms.) |
| t | | EMERGENCY CALL BELL | - Update all ACCESSIBLE units emergency call systems to have audible alarm and strobe light outside of each accessible apartment front exterior door. The top of each box should be mounted 48" AFF. Pull cords required to touch floor. Emergency call systems to have audible alarm and strobe light outside of each accessible apartment front exterior door. Bell/light should not protrude more than 4" from wall if mounted lower than 80" AFF. Mounting boxes and bell/lights should be appropriately sized and sealed to be water tight. Transformers for low voltage equipment should be located in the mechanical closet over the doorway when possible. |
| u | | LIGHTING | - Provide LED exterior unit lights (Front, Rear) . Lights cannot protrude more than 4" from wall. |
| v | | LIGHTING | - Replace all interior and exterior lighting fixtures. Use energy efficient units. Exterior porch, breezeway, patio, and balcony lights must not protrude more than 4". |
| w | | LIGHTING | - Replace common area exterior breezeway light fixtures and photo cells. |
| X | | RANGE HOODS | - Wire new Microwave /range hoods. Provide secondary switches at accessible height (46") over work station in each accessible unit. A switch is required to operate the fan and the light separately. The built in fan speed switch on the actual range hood should still function as intended. (SEE MATRIX) |
| y | | SMOKE DETECTORS | - Add wiring and provide hardwired smoke detectors, wired in series, in hall, bedrooms and living area to meet code (UL 217). Accessible units all require Audible & Flashing Smoke Detectors. Units with Gas equipment require one combination smoke/CO detector installed in the living room or hallway. Accessible units with gas equipment require a secondary strobe light attached to the combo smoke/CO detector. |
| z | | | Disconnect & Reconnect all meter bases and disconnects from exterior walls to allow for the installation of plywood wrapped with break metal behind all electrical boxes during the vinyl siding phase of this project. |
| aa | | | Provide house meter, trenching, and lighting at main monument sign. |

ADDENDUM D:
RENT ROLL

Rent Roll

| Unit ID | Unit Type | Tenant Name | Market Rent | Basic Rent | Previous Balance | Rent | All Others | Late Charges | Total Charges | Paid | Current Balance |
|--|-----------|-------------|-------------|------------|------------------|----------|------------|--------------|---------------|------------|-----------------|
| (SP) SPRINGFIELD/HOI DARLINGTON (#186) (72 Units) (Emily DeMasters-O'Brien) | | | | | | | | | | | |
| SP01A | 2BR | | \$727.00 | \$589.00 | | \$589.00 | | \$10.00 | | (\$592.00) | \$31.00 |
| SP01B | 2BR | | \$727.00 | \$589.00 | | \$92.00 | \$0.00 | | | (\$92.00) | (\$30.00) |
| SP02A | 2BR | | \$727.00 | \$589.00 | | \$0.00 | \$0.00 | | | | \$40.00 |
| SP02B | 2BR | | \$727.00 | \$589.00 | | \$31.00 | \$45.00 | \$10.00 | | | \$107.00 |
| SP03A | 2BR | | \$727.00 | \$589.00 | | \$452.00 | | \$10.00 | | | \$463.38 |
| SP03B | 2BR | | \$727.00 | \$589.00 | | \$256.00 | | | | (\$256.00) | \$0.00 |
| SP04A | 2BR | | \$727.00 | \$589.00 | | | \$236.00 | | | | \$236.00 |
| SP05A | 2BR | | \$727.00 | \$589.00 | | \$51.00 | | | | (\$51.00) | \$0.00 |
| SP05B | 2BR | | \$727.00 | \$589.00 | | \$83.00 | | | | (\$83.00) | \$0.00 |
| SP06A | 2BR | | \$727.00 | \$589.00 | | \$108.00 | \$0.00 | | | (\$108.00) | (\$93.22) |
| SP06B | 2BR | | \$727.00 | \$589.00 | | \$197.00 | \$57.00 | \$10.00 | | (\$207.00) | \$57.00 |
| SP07A | 2BR | | \$727.00 | \$589.00 | | \$389.00 | | \$10.00 | | | \$395.75 |
| SP07B | 2BR | | \$727.00 | \$589.00 | | \$435.00 | \$0.00 | | | (\$434.00) | (\$434.00) |
| SP08A | 2BR | | \$727.00 | \$589.00 | | \$181.00 | \$0.00 | | | (\$200.00) | (\$54.00) |
| SP08B | 2BR | | \$727.00 | \$589.00 | | \$589.00 | \$0.00 | | | (\$589.00) | \$0.00 |
| SP09A | 2BR | | \$727.00 | \$589.00 | | \$105.00 | \$0.00 | | | (\$113.00) | \$0.00 |
| SP09B | 2BR | | \$727.00 | \$589.00 | | \$589.00 | \$0.00 | | | (\$589.00) | \$1.00 |
| SP10A | 2BR | | \$727.00 | \$589.00 | | \$111.00 | \$0.00 | | | (\$111.00) | \$8.00 |
| SP10B | 2BR | | \$727.00 | \$589.00 | | \$589.00 | \$0.00 | | | (\$589.00) | (\$1.00) |
| SP11A | 2BR | | \$727.00 | \$589.00 | | \$589.00 | \$0.00 | | | (\$530.00) | \$0.00 |
| SP11B | 2BR | | \$727.00 | \$589.00 | | \$391.00 | \$0.00 | | | (\$200.00) | (\$13.00) |
| SP12A | 2BR | | \$727.00 | \$589.00 | | \$132.00 | \$0.00 | | | (\$133.00) | (\$3.00) |
| SP12B | 2BR | | \$727.00 | \$589.00 | | \$224.00 | \$0.00 | | | (\$222.00) | \$4.00 |
| SP13A | 2BR | | \$727.00 | \$589.00 | | \$285.00 | \$183.08 | \$10.00 | | (\$298.00) | \$176.43 |
| SP13B | 2BR | | \$727.00 | \$589.00 | | \$622.00 | \$55.94 | \$10.00 | | | \$687.27 |
| SP14A | 2BR | | \$727.00 | \$589.00 | | \$589.00 | (\$589.00) | | | | \$0.00 |
| SP14B | 2BR | | \$727.00 | \$589.00 | | \$179.00 | (\$1.00) | | | (\$180.00) | (\$13.00) |
| SP15A | 1BR | | \$657.00 | \$566.00 | | \$103.00 | \$0.00 | | | (\$106.00) | (\$19.00) |
| SP15B | 1BR | | \$657.00 | \$566.00 | | \$130.00 | \$0.00 | | | (\$150.00) | (\$130.00) |
| SP16A | 1BR | | \$657.00 | \$566.00 | | \$386.00 | \$0.00 | | | (\$385.00) | (\$178.00) |
| SP16B | 1BR | | \$657.00 | \$566.00 | | \$205.00 | \$0.00 | | | | (\$156.00) |
| SP17A | 1BR | | \$657.00 | \$566.00 | | \$457.00 | \$0.00 | | | (\$457.00) | \$10.00 |
| SP17B | 1BR | | \$657.00 | \$566.00 | | \$657.00 | (\$100.00) | | | (\$557.00) | (\$20.00) |
| SP17C | 1BR | | \$657.00 | \$566.00 | | \$243.00 | | | | (\$255.00) | \$0.00 |
| SP17E | 1BR | | \$657.00 | \$566.00 | | \$566.00 | (\$9.00) | \$10.00 | | | \$552.00 |
| SP17F | 1BR | | \$657.00 | \$566.00 | | \$445.00 | \$0.00 | \$10.00 | | (\$460.00) | (\$175.00) |
| SP17G | 1BR | | \$657.00 | \$566.00 | | \$97.00 | \$0.00 | | | (\$97.00) | (\$55.00) |
| SP17H | 1BR | | \$657.00 | \$566.00 | | \$97.00 | \$0.00 | \$10.00 | | (\$95.00) | \$94.00 |
| SP18A | 1BR | | \$657.00 | \$566.00 | | \$7.00 | \$0.00 | | | (\$7.00) | \$1.00 |
| SP18B | 1BR | | \$657.00 | \$566.00 | | \$566.00 | (\$9.00) | | | (\$557.00) | \$4.00 |
| SP18C | 1BR | | \$657.00 | \$566.00 | | | \$54.00 | | | | \$54.00 |
| SP18D | 1BR | | \$657.00 | \$566.00 | | \$566.00 | \$0.00 | | | (\$566.00) | (\$3.00) |
| SP18E | 1BR | | \$657.00 | \$566.00 | | \$566.00 | \$16.00 | \$10.00 | | \$0.00 | \$592.00 |
| SP18F | 1BR | | \$657.00 | \$566.00 | | \$571.00 | \$11.00 | | | (\$557.00) | \$15.00 |
| SP18H | 1BR | | \$657.00 | \$566.00 | | \$389.00 | \$15.00 | | | (\$236.00) | \$10.00 |
| SP19A | 1BR | | \$657.00 | \$566.00 | | \$0.00 | | | | | \$0.00 |
| SP19B | 1BR | | \$657.00 | \$566.00 | | \$107.00 | \$0.00 | | | (\$107.00) | (\$8.00) |
| SP19C | 1BR | | \$657.00 | \$566.00 | | \$97.00 | \$0.00 | | | (\$98.00) | (\$3.44) |
| SP19D | 1BR | | \$657.00 | \$566.00 | | \$101.00 | \$0.00 | \$10.00 | | | \$110.00 |
| SP19E | 1BR | | \$657.00 | \$566.00 | | \$71.00 | \$0.00 | | | (\$72.00) | (\$1.38) |
| SP19F | 1BR | | \$657.00 | \$566.00 | | \$383.00 | \$0.00 | | | (\$383.00) | \$0.00 |
| SP19G | 1BR | | \$657.00 | \$566.00 | | \$168.00 | \$0.00 | \$10.00 | | | \$214.00 |
| SP19H | 1BR | | \$657.00 | \$566.00 | | \$143.00 | \$0.00 | | | (\$150.00) | (\$42.00) |
| SP20A | 2BR | | \$727.00 | \$589.00 | | \$417.00 | \$0.00 | | | (\$417.00) | (\$9.00) |
| SP20B | 2BR | | \$727.00 | \$589.00 | | \$181.00 | (\$17.00) | | | (\$189.00) | \$0.00 |
| SP21A | 2BR | | \$727.00 | \$589.00 | | \$55.00 | \$0.00 | | | (\$55.00) | (\$83.00) |
| SP21B | 2BR | | \$727.00 | \$589.00 | | \$484.00 | \$0.00 | | | (\$482.00) | (\$18.00) |
| SP22A | 2BR | | \$727.00 | \$589.00 | | \$392.00 | \$0.00 | | | (\$420.00) | (\$55.92) |
| SP22B | 2BR | | \$727.00 | \$589.00 | | \$324.00 | \$0.00 | \$10.00 | | | \$249.00 |

Rent Roll

| Unit ID | Unit Type | Tenant Name | Market Rent | Basic Rent | Previous Balance | Rent | All Others | Late Charges | Total Charges | Paid | Current Balance |
|--|-----------|-------------|--------------------|--------------------|------------------|------------------|------------------|---------------|---------------|------------------|-------------------|
| (SP) SPRINGFIELD/HOI DARLINGTON (#186) (72 Units) (Emily DeMasters-O'Brien) | | | | | | | | | | | |
| SP23A | 2BR | | \$727.00 | \$589.00 | | \$343.00 | \$0.00 | | | (\$343.00) | (\$9.00) |
| SP23B | 2BR | | \$727.00 | \$589.00 | | \$367.00 | \$0.00 | \$10.00 | | (\$184.00) | \$193.00 |
| SP24A | 2BR | | \$727.00 | \$589.00 | | \$130.00 | (\$17.00) | | | (\$130.00) | (\$34.46) |
| SP24B | 2BR | | \$727.00 | \$589.00 | | \$195.00 | | \$10.00 | | | \$204.00 |
| SP25A | 2BR | | \$727.00 | \$589.00 | | \$311.00 | | \$10.00 | | (\$321.00) | \$0.00 |
| SP25B | 2BR | | \$727.00 | \$589.00 | | | | | | | \$0.00 |
| SP26A | 2BR | | \$727.00 | \$589.00 | | \$63.00 | | | | (\$63.00) | \$5.00 |
| SP26B | 2BR | | \$727.00 | \$589.00 | | \$329.00 | | \$10.00 | | | \$339.00 |
| SP27A | 2BR | | \$727.00 | \$589.00 | | \$589.00 | | \$10.00 | | (\$700.00) | \$64.00 |
| SP27B | 2BR | | \$727.00 | \$589.00 | | \$348.00 | \$0.00 | \$10.00 | | (\$359.00) | (\$12.00) |
| | | | <u>\$48,343.00</u> | <u>\$40,043.00</u> | | <u>19,507.00</u> | <u>(\$68.98)</u> | <u>200.00</u> | | <u>14,535.00</u> | <u>\$3,263.41</u> |

Site Summary:

Total Units: 72
 Occ Units: 69
 Occ %: 96%

Addendum E – Achievable Market Rent Analysis

A. INTRODUCTION

As illustrated by our survey, a very limited supply of conventional market-rate rental product is offered within the Darlington Site PMA. As such, we identified and surveyed three market-rate properties outside the Site PMA but within the nearby Florence, South Carolina area that we consider most comparable to the subject project in terms of design and unit types offered. Due to out-of-market differences, however, we have applied negative adjustments to each of the selected market-rate properties located outside the Site PMA. These selected properties are used to derive market rent for a project with characteristics similar to the subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units without maximum income and rent restrictions.

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

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

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

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

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

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

| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Unit Mix (Occupancy Rate) | | |
|-------------|-------------------------------|-------------------------------|-------------|---------------|------------------------------|------------------------|----------------|
| | | | | | One-Br. | Two-Br. | Three-Br. |
| Site | Springfield Apartments | 1980 / 1995 & 2022 | 72 | 100.0% | 28 (100.0%) | 44 (100.0%) | - |
| 901 | Bentree Apartment Homes | 1982 | 132 | 97.7% | 36 (100.0%) | 72 (95.8%) | 24 (100.0%) |
| 902 | Charles Pointe Apts. | 2001 | 168 | 95.8% | 42 (100.0%) | 114 (93.9%) | 12 (100.0%) |
| 903 | Sedgefield | 1980 | 272 | 100.0% | 67 (100.0%) | 160 (100.0%) | 45 (100.0%) |

900 Series Map IDs are located outside the Site PMA

Occ. – Occupancy

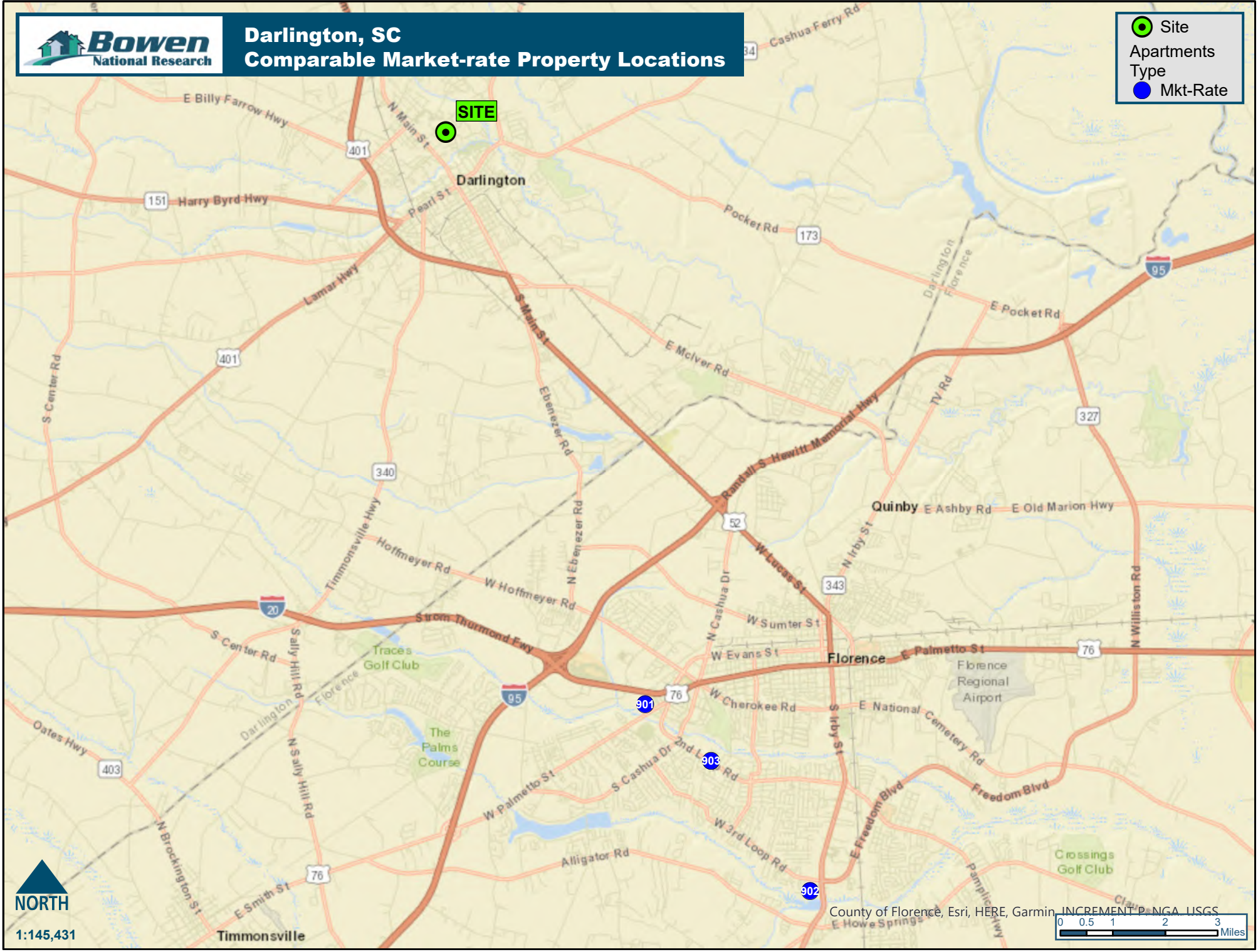
The four selected market-rate projects have a combined total of 572 units with an overall occupancy rate of 98.3%. These strong occupancy rates are good indications these properties are well-received within the region and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the subject development. Preceding the Rent Comparability Grids is a map of the comparable market-rate properties in relation to the location of the subject project.



Darlington, SC Comparable Market-rate Property Locations

- Site
- Apartments
- Type
- Mkt-Rate



NORTH
1:145,431

County of Florence, Esri, HERE, Garmin, INCREMENT P, NGA, USGS
0 0.5 1 2 3 Miles

Rent Comparability Grid

Unit Type →

ONE-BEDROOM

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | |
|------------------------|------------------------------------|-------------------------|---------------|-------------------------------|---------------|--------------------|---------------|------------------|---------------|
| Springfield Apartments | | Bentree Apartment Homes | | Charles Pointe Apts. | | Sedgefield | | | |
| 100 Springfield Circle | | 200 Bentree Ln | | 201 Millstone Rd | | 1300 Valparaiso Dr | | | |
| Darlington, SC | | Florence, SC | | Florence, SC | | Florence, SC | | | |
| A. | Rents Charged | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$790 | | \$830 | | \$640 | | | |
| 2 | Date Surveyed | Mar-20 | | Mar-20 | | Mar-20 | | | |
| 3 | Rent Concessions | None | | None | | None | | | |
| 4 | Occupancy for Unit Type | 100% | | 100% | | 100% | | | |
| 5 | Effective Rent & Rent/ sq. ft | \$790 | 1.22 | \$830 | 1.19 | \$640 | 0.98 | | |
| B. | Design, Location, Condition | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/1,2 | | WU/3 | | WU/2 | | | |
| 7 | Yr. Built/Yr. Renovated | 1980/2022 | \$19 | 2001 | | 1980 | \$21 | | |
| 8 | Condition/Street Appeal | G | | G | | F | \$15 | | |
| 9 | Neighborhood | G | | G | | G | | | |
| 10 | Same Market? | No | (\$119) | No | (\$125) | No | (\$96) | | |
| C. | Unit Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 1 | | 1 | | 1 | | | |
| 12 | # Baths | 1 | | 1 | | 1 | | | |
| 13 | Unit Interior Sq. Ft. | 624 | (\$7) | 700 | (\$21) | 650 | (\$7) | | |
| 14 | Patio/Balcony | Y | | Y | | Y | | | |
| 15 | AC: Central/Wall | C | | C | | C | | | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | | |
| 17 | Microwave/Dishwasher | N/N | (\$10) | Y/Y | (\$15) | N/Y | (\$10) | | |
| 18 | Washer/Dryer | HU/L | \$10 | HU | \$5 | L | \$10 | | |
| 19 | Floor Coverings | C/T/V | | C/V | | C/W/V | | | |
| 20 | Window Treatments | Y | | Y | | Y | | | |
| 21 | Secured Entry | N | | N | | N | | | |
| 22 | Garbage Disposal | N | (\$5) | Y | (\$5) | Y | (\$5) | | |
| 23 | Ceiling Fan/Storage | Y/Y | \$5 | Y/N | \$5 | Y/Y | | | |
| D. | Site Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | | |
| 25 | On-Site Management | Y | | Y | | Y | | | |
| 26 | Security Features | Y | \$5 | N | \$5 | N | \$5 | | |
| 27 | Community Space | Y | | N | \$5 | N | \$5 | | |
| 28 | Pool/Recreation Areas | N | (\$10) | P/F | (\$15) | P/T | (\$13) | | |
| 29 | Computer/Business Center | Y | \$3 | N | \$3 | N | \$3 | | |
| 30 | Picnic Area/Grills | Y | \$3 | Y | | Y | | | |
| 31 | Playground | Y | | Y | | Y | | | |
| 32 | Social Services | N | | N | | N | | | |
| E. | Utilities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 37 | Other Electric | N | | N | | N | | | |
| 38 | Cold Water/Sewer | Y/Y | \$38 | N/N | \$38 | N/N | \$38 | | |
| 39 | Trash/Recycling | Y/N | | Y/N | | N/N | \$23 | | |
| F. | Adjustments Recap | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 6 | 5 | 5 | 5 | 6 | 5 | | |
| 41 | Sum Adjustments B to D | \$45 | (\$151) | \$23 | (\$181) | \$59 | (\$131) | | |
| 42 | Sum Utility Adjustments | \$38 | | \$38 | | \$61 | | | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | (\$68) | \$234 | (\$120) | \$242 | (\$11) | \$251 | | |
| G. | Adjusted & Market Rents | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$722 | | \$710 | | \$629 | | | |
| 45 | Adj Rent/Last rent | | 91% | | 85% | | 98% | | |
| 46 | Estimated Market Rent | \$700 | \$1.12 ← | Estimated Market Rent/ Sq. Ft | | | | | |

Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | |
|------------------------|------------------------------------|-------------------------|---------------|-------------------------------|---------------|--------------------|---------------|------------------|---------------|
| Springfield Apartments | | Bentree Apartment Homes | | Charles Pointe Apts. | | Sedgefield | | | |
| 100 Springfield Circle | | 200 Bentree Ln | | 201 Millstone Rd | | 1300 Valparaiso Dr | | | |
| Darlington, SC | | Florence, SC | | Florence, SC | | Florence, SC | | | |
| A. | Rents Charged | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$825 | | \$925 | | \$690 | | | |
| 2 | Date Surveyed | Mar-20 | | Mar-20 | | Mar-20 | | | |
| 3 | Rent Concessions | None | | None | | None | | | |
| 4 | Occupancy for Unit Type | 96% | | 94% | | 100% | | | |
| 5 | Effective Rent & Rent/ sq. ft | \$825 | 0.97 | \$925 | 0.93 | \$690 | 0.77 | | |
| B. | Design, Location, Condition | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/1,2 | | WU/3 | | WU/2 | | | |
| 7 | Yr. Built/Yr. Renovated | 1980/2022 | \$19 | 2001 | | 1980 | \$21 | | |
| 8 | Condition/Street Appeal | G | | G | | F | \$15 | | |
| 9 | Neighborhood | G | | G | | G | | | |
| 10 | Same Market? | No | (\$124) | No | (\$139) | No | (\$104) | | |
| C. | Unit Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 2 | | 2 | | 2 | | | |
| 12 | # Baths | 1 | (\$15) | 2 | (\$30) | 1 | | | |
| 13 | Unit Interior Sq. Ft. | 990 | \$31 | 1000 | (\$2) | 900 | \$20 | | |
| 14 | Patio/Balcony | Y | | Y | | Y | | | |
| 15 | AC: Central/Wall | C | | C | | C | | | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | | |
| 17 | Microwave/Dishwasher | N/N | (\$10) | Y/Y | (\$15) | N/Y | (\$10) | | |
| 18 | Washer/Dryer | HU/L | \$10 | HU | \$5 | HU/L | | | |
| 19 | Floor Coverings | C/T/V | | C/V | | C/W/V | | | |
| 20 | Window Treatments | Y | | Y | | Y | | | |
| 21 | Secured Entry | N | | N | | N | | | |
| 22 | Garbage Disposal | N | (\$5) | Y | (\$5) | Y | (\$5) | | |
| 23 | Ceiling Fan/Storage | Y/Y | \$5 | Y/N | \$5 | Y/Y | | | |
| D. | Site Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | | LOT/\$0 | | LOT/\$0 | | | |
| 25 | On-Site Management | Y | | Y | | Y | | | |
| 26 | Security Features | Y | \$5 | N | \$5 | N | \$5 | | |
| 27 | Community Space | Y | | N | \$5 | N | \$5 | | |
| 28 | Pool/Recreation Areas | N | (\$10) | P/F | (\$15) | P/T | (\$13) | | |
| 29 | Computer/Business Center | Y | \$3 | N | \$3 | N | \$3 | | |
| 30 | Picnic Area/Grills | Y | \$3 | Y | | Y | | | |
| 31 | Playground | Y | | Y | | Y | | | |
| 32 | Social Services | N | | N | | N | | | |
| E. | Utilities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | | |
| 37 | Other Electric | N | | N | | N | | | |
| 38 | Cold Water/Sewer | Y/Y | \$47 | N/N | \$47 | N/N | \$47 | | |
| 39 | Trash/Recycling | Y/N | | Y/N | | N/N | \$23 | | |
| F. | Adjustments Recap | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 7 | 5 | 5 | 6 | 6 | 4 | | |
| 41 | Sum Adjustments B to D | \$76 | (\$164) | \$23 | (\$206) | \$69 | (\$132) | | |
| 42 | Sum Utility Adjustments | \$47 | | \$47 | | \$70 | | | |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | (\$41) | \$287 | (\$136) | \$276 | \$7 | \$271 | | |
| G. | Adjusted & Market Rents | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$784 | | \$789 | | \$697 | | | |
| 45 | Adj Rent/Last rent | | 95% | | 85% | | 101% | | |
| 46 | Estimated Market Rent | \$770 | \$0.78 ← | Estimated Market Rent/ Sq. Ft | | | | | |

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

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the subject development are illustrated as follows:

| Bedroom Type | % AMHI | Proposed Collected Rent | Achievable Market Rent | Market Rent Advantage |
|--------------|--------|-------------------------|------------------------|-----------------------|
| One-Br. | 60% | \$557 | \$700 | 20.4% |
| Two-Br. | 60% | \$596 | \$770 | 22.6% |

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will represent a value and have a sufficient flow of tenants. Therefore, the subject rents are expected to be perceived as significant values as they represent market rent advantages ranging from 20.4% to 22.6%.

In reality, the property will represent an even greater value than that reflected by the market rent advantages in the preceding table. This is due to the fact that the property will continue to operate with Rental Assistance (RA) available to the majority (51 of 72) of the units post renovation. Thus, most tenants will effectively pay only 30% of their income towards rent rather than the proposed non-subsidized rents reflected in the preceding table.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

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

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

7. Renovations are expected to be complete in 2022. As such, the subject project will have an effective age of a property built in 2001, which is a simple average of the subject’s original year built and anticipated renovation completion date. The selected properties were built between 1980 and 2001. We have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.

8. It is anticipated that the subject project will have a good quality finish and condition following renovations. We have made adjustments for those properties that we consider having an inferior quality to the subject development.
10. As detailed earlier, the Darlington market offers a very limited supply of conventional market-rate rental product. Thus, all of the comparable market-rate properties are located outside the Site PMA in the nearby Florence, South Carolina area.

Although nearby, the Florence area is considered superior to the Darlington market in terms of total population, median household income, median gross rent, and services/housing options available. Thus, we have applied a negative adjustment of 15% to each of the comparable market-rate properties to account for out-of-market differences between the Darlington and Florence markets. This adjustment is based on American Community Survey (ACS) data.

12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments to reflect the difference in the number of bathrooms offered at the site and the number offered by the competitive properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar bases, we have used 25% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package which is relatively similar to the selected properties. We have, however, made adjustments for features lacking at the subject project, and in some cases, we have made adjustments for features the selected properties do not offer.
- 24.-32. The subject project offers a slightly inferior project amenities package as compared to those offered among the comparable market-rate properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility, as needed. The utility adjustments were based on the local housing authority's utility cost estimates.