



**BOWEN
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RESEARCH**

Market Feasibility Analysis

Creighton Phase A
3100 Nine Mile Road
Richmond, Virginia 23223

Prepared For

Ms. Jennifer Schneider
The Community Builders, Incorporated
1602 L Street, Suite 401
Washington, D.C., 20036

Authorized User

Virginia Housing
601 South Belvidere Street
Richmond, Virginia 23220

Effective Date

February 4, 2021

Job Reference Number

21-126 JP

Market Study Certification

NCHMA Certification

This certifies that Sidney McCrary, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Richmond, Virginia. Further, the information contained in this report is true and accurate as of February 4, 2021.

Bowen National Research is a disinterested third party without any current or future financial interest in the project under consideration. We have received a fee for the preparation of the market study. However, no contingency fees exist between our firm and the client.

Virginia Housing Certification

I affirm the following:

1. I have made a physical inspection of the site and market area
2. The appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units.
3. To the best of my knowledge the market can support the demand shown in this study. I understand that any misrepresentation in this statement may result in the denial of participation in the Low-Income Housing Tax Credit (LIHTC) program in Virginia as administered by Virginia Housing.
4. Neither I nor anyone at my firm has any interest in the proposed development or a relationship with the ownership entity.
5. Neither I nor anyone at my firm nor anyone acting on behalf of my firm in connection with the preparation of this report has communicated to others that my firm is representing Virginia Housing or in any way acting for, at the request, or on behalf of Virginia Housing.
6. Compensation for my services is not contingent upon this development receiving a LIHTC reservation or allocation.

Certified:



Jeff Peters (Primary Contact)

Market Analyst

jeffp@bowennational.com

Date: February 4, 2021



Sidney McCrary

Market Analyst

sidneym@bowennational.com

Date: February 4, 2021



Patrick M. Bowen

President/Market Analyst

Bowen National Research

155 E. Columbus St., Suite 220

Pickerington, OH 43147

(614) 833-9300

patrickb@bowennational.com

Date: February 4, 2021

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I. Introduction

A. PURPOSE

The purpose of this report is to evaluate the market feasibility of a proposed Low-Income Housing Tax Credit (LIHTC) project to be developed in Richmond, Virginia. This study was initiated by Ms. Jennifer Schneider of The Community Builders, Incorporated and complies with the guidelines of Virginia Housing. This study conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable 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 end users.

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

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

PMAs are established using a variety of factors that include, but are 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 to the site.
 - Personal observations of the field analyst.
 - An evaluation of existing housing supply characteristics and trends.
- 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 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 subject property. The information in this survey was collected through a variety of methods, including phone surveys, in-person visits, email and fax. The contact person for each property is listed in *Section XII: Field Survey of Conventional Rentals*.

- 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 the proposed development. An in-depth evaluation of those 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, as well as projections that determine what the characteristics of the market will be when the proposed project opens and after it achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of those 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 subject development.
- We conduct an analysis following Virginia Housing and NCHMA market study guidelines of the subject project's required capture of the number of income-appropriate households within the Site PMA. This analysis is conducted on a renter household level and a market capture rate is determined for the subject development. This capture rate is compared with acceptable capture rates for similar types of projects to determine whether the subject development's capture rate is achievable. In addition, Bowen National Research also compares all existing and planned LIHTC housing within the market to the number of income-appropriate households. The resulting penetration rate is evaluated in conjunction with the project's capture rate.
- 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 with 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.

C. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources include the following:

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

D. 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 data sources to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to assure 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 The Community Builders, Incorporated or Bowen National Research is strictly prohibited.

II. Executive Summary

Based on the findings contained in this report, it is our opinion that a market exists for the development of the proposed Creighton Phase A in Richmond, Virginia utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program.

The following points support this conclusion:

Project Description

The subject project involves the new construction of the 68-unit Creighton Phase A rental community at 3100 Nine Mile Road in Richmond, Virginia. The project will target general-occupancy (family) earning up to 40%, 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Additionally, 21 units will receive project-based rental assistance through the HUD Section 8 program. The proposed project is expected to be complete by May 2023. Additional details of the subject project can be found in Section III - *Project Description* of this report.

Site Evaluation

The subject site is the existing Creighton rental property, located at 3100 Nine Mile Road in the eastern portion of Richmond, Virginia. Surrounding land uses include residential dwellings and wooded land. The subject site is clearly visible from Nine Mile Road (State Route 33), a moderately traveled roadway bordering the site to the south. In addition, a public bus stop is situated at the site's entryway and individuals utilizing this route also have clear views of the site. The subject project derives primary access from Nine Mile Road (State Route 33), a moderately traveled roadway situated south of the site. The generally moderate vehicular traffic in the site area allows for convenient ingress and egress. In addition to being conveniently accessed, the subject site is also within proximity of arterial roadways, as State Route 33 and Interstate 64 are accessible within less than 1.0 mile. Public transportation is provided by Greater Richmond Transit Company (GRTC) and there are numerous bus stops within proximity of the site, the nearest of which is located at the site's entryway. Community services are primarily located within 2.0 miles of the site and some are within walking distance of the site. Overall, the proposed site project is expected to fit well with the surrounding residential and commercial land uses in its immediate neighborhood. Additional information regarding the subject site, surrounding land uses and the proximity of community services is included in Section IV - *Area Analysis*.

Primary Market Area (PMA)

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Richmond Site PMA is comprised of areas immediately east/southeast of downtown Richmond. Neighborhoods included in the Richmond Site PMA include Chimborazo, Church

Hill, Church Hill North, Fairmount, Fulton Hill, Montrose Heights, Oakwood, Shockoe Bottom and Union Hill. The boundaries of Richmond Site PMA include Interstate 64, U.S. Highway 360 and East Laburnum Avenue to the north; North Laburnum Avenue, South Laburnum Avenue, U.S. Highway 60, the Old Dominion Landfill and Darbytown Road to the east; Wilson Road, Messer Road and State Route 5 to the south; and State Route 5, the James River and Interstate 95 to the west. A justification of this market area and a map illustrating the boundaries of the Site PMA can be found in *Section IV*, beginning on page *IV-10*.

Demographic Trends

Overall, population and household growth within the Richmond Site PMA has been positive since 2000. These trends are projected to remain positive through 2026, increasing by 3,742 (6.2%) and 1,592 (6.5%), respectively, from 2021. Additionally, renter households in the market are projected to increase by 1,089 (7.6%) and the subject project will be able to accommodate the majority of households in the market, based on size. The preceding trends will likely have a positive impact on the marketability of the proposed project. Detailed demographic trends are included in *Section IV*, beginning on page *IV-11*.

Economic Trends

Based on data provided by the State of Virginia Department of Labor and the U.S. Department of Labor, the area was negatively impacted by the COVID-19 pandemic, which caused many local businesses to shut down in an attempt to mitigate the spread of the coronavirus. Between 2019 and November 2020, the Richmond employment base declined by 5,500 jobs, or 4.8%, and its unemployment rate increased by over five percentage points. Specifically, between March and April 2020, the unemployment rate within the city spiked by over ten percentage points; however, the city's unemployment rate has generally been trending downward since. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which account for more than 24.0% of the market's labor force and provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable. Detailed economic trends are included in *Section IV*, beginning on page *IV-15*.

Overall Rental Housing Market Conditions

We identified and personally surveyed 23 conventional housing projects containing a total of 3,023 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 98.0%, an excellent rate for rental housing. The surveyed rental developments broken out by project type are summarized in the following table:

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|----------------------------------|-------------------|-------------|--------------|----------------|
| Market-rate | 9 | 1,191 | 58 | 95.1% |
| Market-rate/Tax Credit | 2 | 274 | 2 | 99.3% |
| Tax Credit | 6 | 752 | 0 | 100.0% |
| Tax Credit/Government-Subsidized | 5 | 534 | 0 | 100.0% |
| Government-Subsidized | 1 | 272 | 0 | 100.0% |
| Total | 23 | 3,023 | 60 | 98.0% |

As the preceding table illustrates, all rental housing segments surveyed within the market are performing well, as none have a combined occupancy rate lower than 95.1%. As such, it does not appear that there are any significant deficiencies within the Richmond rental housing market.

Competitive/Comparable Tax Credit Analysis

The proposed subject project will target general-occupancy (family) households earning up to 40%, 50%, and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. In addition, 21 of the subject units will operate with project-based vouchers (PBV). For the purpose of this analysis, however, we only select comparable *non-subsidized* LIHTC properties as these properties provide the most accurate representation of achievable non-subsidized Tax Credit rents within the Richmond market.

Within the Site PMA, we identified and surveyed a total of nine *non-subsidized* general-occupancy LIHTC properties which offer unit types similar to those proposed for the subject project, in terms of bedroom type and/or targeted income level.

The nine comparable 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 | Creighton Phase A | 2023 | 68 | - | - | - | Families; 40%, 50% & 60% AMHI & PBV |
| 3 | Apartments at Kingsridge | 2018 | 72 | 100.0% | 2.4 Miles | 82 HH | Families; 50% & 60% AMHI & PBV/PBRA |
| 6 | Church Hill North 1A | 2020 | 60 | 100.0% | 0.4 Miles | Yes | Families; 40%, 50%, 60%, & 80% AMHI & Public Housing |
| 7 | Church Hill North 2A | 2020 | 70 | 100.0% | 0.3 Miles | Yes | Families; 30%, 40%, 50%, & 60% AMHI & Section 8 |
| 10 | Glenns at Millers Lane | 2000 | 144 | 100.0% | 3.1 Miles | 15 HH | Families; 60% AMHI |
| 11 | Glenwood Ridge | 2020 | 82 | 100.0% | 1.7 Miles | 12 Months | Families; 40%, 50%, & 60% AMHI & PBV/PBRA |
| 12 | Jefferson Mews | 1994 / 2014 | 56 | 100.0% | 1.5 Miles | Yes | Families; 50% & 60% AMHI |
| 13 | Jefferson Townhomes | 1965 / 2008 | 218 | 100.0% | 1.5 Miles | 3 HH | Families; 60% AMHI |
| 17 | Oliver | 1886 / 2020 | 164 | 100.0% | 1.9 Miles | None | Families; 60% AMHI |
| 21 | Tobacco Landing | 1994 | 62 | 100.0% | 2.2 Miles | Yes | Families; 50% & 60% AMHI |

OCC. – Occupancy
HH - Households

The nine comparable LIHTC projects have a combined occupancy rate of 100.0% and eight of the nine properties maintain a waiting list for their next available units, the longest of which contains 82 households. This is clear indication of high and pent-up demand for general-occupancy LIHTC product in this market. The subject project will alleviate only a portion of this pent-up demand.

The gross rents for the competing 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. | Four-Br. | |
| Site | Creighton Phase A | *\$838/50% (4) \$838/50% (3) \$1,006/60% (5) | *\$1,006/50% (10) \$1,006/50% (11) \$1,207/60% (17) | *\$930/40% (7) \$1,162/50% (5) \$1,395/60% (6) | - | - |
| 3 | Apartments at Kingsridge | - | \$871/50% (9/0) \$871/50% (13/0) \$1,021/60% (14/0) | \$1,017/50% (9/0) \$1,017/50% (5/0) \$1,182/60% (22/0) | - | None |
| 6 | Church Hill North 1A | \$860/50% (3/0) \$1,494/80% (5/0) | SUB/40% (3/0) \$1,013/50% (15/0) SUB/50% (3/0) \$1,231/60% (7/0) \$1,812/80% (5/0) | SUB/40% (2/0) \$1,168/50% (3/0) SUB/50% (7/0) \$1,401/60% (7/0) | - | None |
| 7 | Church Hill North 2A | \$1,028/60% (10/0) | \$1,030/50% (4/0) \$1,030/50% (6/0) \$1,013/50% (2/0) \$1,231/60% (1/0) \$1,231/60% (4/0) \$1,214/60% (10/0) | SUB/30% (6/0) SUB/40% (6/0) SUB/40% (1/0) \$1,413/50% (3/0) \$1,413/50% (5/0) \$1,401/60% (8/0) | SUB/40% (1/0) SUB/50% (3/0) | None |
| 10 | Glens at Millers Lane | - | \$1,214/60% (72/0) | \$1,407/60% (72/0) | - | None |
| 11 | Glenwood Ridge | \$831/50% (2/0) \$831/60% (10/0) | \$996/50% (22/0) \$996/50% (5/0) \$996/60% (19/0) | \$1,547/40% (9/0) \$1,547/50% (4/0) \$1,547/60% (11/0) | - | None |
| 12 | Jefferson Mews | \$751/50% (4/0) \$976/60% (4/0) | \$920/50% (9/0) \$1,005/60% (8/0) | \$1,026/50% (22/0) \$1,336/60% (9/0) | - | None |
| 13 | Jefferson Townhomes | \$891-\$901/60% (61/0) | \$1,031-\$1,041/60% (80/0) | \$1,204-\$1,214/60% (45/0) | \$1,363-\$1,373/60% (32/0) | None |
| 17 | Oliver | \$992-\$1,026/60% (146/0) | \$1,194/60% (9/0) \$1,194/60% (9/0) | - | - | None |
| 21 | Tobacco Landing | \$780/50% (16/0) \$900/60% (37/0) | \$1,021/60% (9/0) | - | - | None |

SUB - Subsidized (residents pay 30% of their income, as this is a government-subsidized property, which also operates under the Tax Credit program)

*Subsidized units

The subject's proposed gross Tax Credit rents are competitive with those being achieved at the comparable LIHTC projects. Notably, they are positioned below the rents being achieved at Church Hill North 2A, a comparable LIHTC property built in 2020. As such, the subject's proposed gross rents appear to be appropriate for this market.

Comparable/Competitive Tax Credit Summary

The nine comparable LIHTC projects have a combined occupancy rate of 100.0% and eight of the nine properties maintain a waiting list for their next available units, the longest of which contains 82 households. This is clear indication of high and pent-up demand for general-occupancy LIHTC product in this market. The subject’s proposed gross Tax Credit rents are competitive with those being achieved at the comparable LIHTC projects. Notably, they are positioned below the rents being achieved at Church Hill North 2A, a comparable LIHTC property built in 2020. In terms of design, the subject property will offer competitive unit sizes among the comparable properties in terms of square footage and will include a very competitive overall amenity package. Based on the preceding factors, the subject project is considered marketable as proposed.

Perception of Value

Based on a HUD Rent Comparability Grids in *Section VI*, it was determined that the present-day achievable market rents for non-subsidized units similar to the proposed subject development are summarized as follows:

| Bedroom Type | Proposed Collected Rent | % AMHI | Achievable Market Rent | Market Rent Advantage |
|--------------|-------------------------|--------|------------------------|-----------------------|
| One-Br. | \$624 | 50% | \$1,110 | 43.8% |
| One-Br. | \$792 | 60% | \$1,110 | 28.7% |
| Two-Br. | \$744 | 50% | \$1,300 | 42.8% |
| Two-Br. | \$945 | 60% | \$1,300 | 27.3% |
| Three-Br. | \$854 | 50% | \$1,520 | 43.8% |
| Three-Br. | \$1,087 | 60% | \$1,520 | 28.5% |

Typically, Tax Credit units should represent approximately a 10.0% market rent advantage to be perceived as a value in the market. As such, the proposed subject Tax Credit rents will likely be perceived as good to substantial values within the market, as they represent market rent advantages ranging from 27.3% to 43.8%, depending upon targeted income level.

Capture Rate Estimates

The following is a summary of our demand calculations:

| Demand Component | Percent of Median Household Income | | | |
|-----------------------------|------------------------------------|---------------------------------|---------------------------------|--------------------------------|
| | 40% AMHI (\$23,006-\$32,200) | 50% AMHI (\$26,811-\$48,300) | 60% AMHI (\$34,491-\$57,960) | Overall (\$23,006-\$57,960) |
| Net Demand | 111 | 1,344 | 715 | 1,410 |
| Proposed Units | 7 | 33 | 28 | 68 |
| Proposed Units / Net Demand | 7 / 111 | 33 / 1,344 | 28 / 715 | 68 / 1,410 |
| Capture Rate | = 6.3% | = 2.5% | = 3.9% | = 4.8% |

Overall, the capture rates by income level are considered low, as they range from 2.5% to 6.3%. The overall capture rate of 4.8% is low and certainly achievable in the Richmond Site PMA, especially considering the high occupancy levels maintained at the competitive LIHTC projects in the market. Considering the subject project will operate with a subsidy available to 21 units, the subject’s actual capture is rate is even lower.

Penetration Rate

The 2,044 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$25,749 to \$62,280. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 4,919 renter households with eligible incomes in 2023. The 2,044 existing and planned non-subsidized Tax Credit units, along with the 68 proposed subject units, represent a penetration rate of 42.9% of the 4,919 income-eligible renter households, which is summarized in the following table.

| | Market Penetration |
|--|--------------------|
| Number of LIHTC Units (Planned and Existing) | 2,112 |
| Income-Eligible Renter Households – 2023 | / 4,919 |
| Overall Market Penetration Rate | = 42.9% |

It is our opinion that the 42.9% penetration rate for the LIHTC units, both existing and planned, is achievable. Based on the fact that the overall non-subsidized LIHTC market surveyed is operating at a 100.0% occupancy rate and most of these properties maintain waiting lists, we believe the 42.9% penetration rate is achievable.

Absorption Projections

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 68 LIHTC units at the subject site will reach a stabilized occupancy of 95% in approximately four months of opening. This absorption period is based on a conservative average monthly absorption rate of approximately 16 units per month and assumes a subsidy is secured for 21 units. In the unlikely event the subject project does not operate with a subsidy available to 21 units, it would likely experience a slightly extended absorption period of five months, reflective of an absorption rate of approximately 13 units per month.

These absorption projections assume a May 2023 opening date. An earlier/later opening date may have a slowing impact on the initial absorption of the subject project. Further, these absorption projections assume that the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

III. Project Description

| | |
|--------------------|---|
| Project Name: | Creighton Phase A |
| Location: | 3100 Nine Mile Road, Richmond, Virginia 23223 |
| Census Tract: | 202.00 |
| Target Market: | Family |
| Construction Type: | New Construction |
| Funding Source: | LIHTC |

The subject project involves the new construction of the 68-unit Creighton Phase A rental community at 3100 Nine Mile Road in Richmond, Virginia. The project will target general-occupancy (family) earning up to 40%, 50% and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. Additionally, 21 units will receive project-based rental assistance through the HUD Section 8 program. The proposed project is expected to be complete by May 2023. Additional details of the subject development are summarized as follows:

| Proposed Unit Configuration | | | | | | Program Rents | | | |
|-----------------------------|--------------|-------|----------|-------------|---------|----------------|-------------------|------------|---------------------------------|
| Total Units | Bedroom Type | Baths | Style | Square Feet | % AMHI | Collected Rent | Utility Allowance | Gross Rent | Max. Allowable LIHTC Gross Rent |
| 4 | One-Br. | 1.0 | Flat | 680 | 50%/PBV | \$858 | \$162 | \$1,020 | \$838 |
| 3 | One-Br. | 1.0 | Flat | 680-776 | 50% | \$624 | \$130 | \$838 | \$838 |
| 5 | One-Br. | 1.0 | Flat | 680-776 | 60% | \$792 | \$130 | \$1,006 | \$1,006 |
| 2 | Two-Br. | 1.5 | Flat | 900 | 50%/PBV | \$948 | \$215 | \$1,163 | \$1,006 |
| 8 | Two-Br. | 1.5 | Townhome | 988 | 50%/PBV | \$948 | \$215 | \$1,163 | \$1,006 |
| 11 | Two-Br. | 1.5 | Townhome | 988-1,035 | 50% | \$744 | \$161 | \$1,006 | \$1,006 |
| 17 | Two-Br. | 1.5 | Townhome | 988-1,035 | 60% | \$945 | \$161 | \$1,207 | \$1,207 |
| 4 | Three-Br. | 2.0 | Flat | 1,291 | 40%/PBV | \$1,259 | \$279 | \$1,538 | \$930 |
| 3 | Three-Br. | 2.5 | Townhome | 1,235 | 40%/PBV | \$1,259 | \$279 | \$1,538 | \$930 |
| 2 | Three-Br. | 2.0 | Flat | 1,291 | 50% | \$854 | \$192 | \$1,162 | \$1,162 |
| 3 | Three-Br. | 2.5 | Townhome | 1,235 | 50% | \$854 | \$192 | \$1,162 | \$1,162 |
| 6 | Three-Br. | 2.5 | Townhome | 1,235 | 60% | \$1,087 | \$192 | \$1,395 | \$1,395 |
| 68 | Total | | | | | | | | |

Source: The Community Builders, Inc.

AMHI – Area Median Household Income (Richmond, VA MSA; 2020)

PBV – Project-Based Voucher

Note that tenants residing within the PBV units will effectively pay up to 30% of their adjusted gross household income towards gross rent due to the presence of the subsidy. The maximum allowable LIHTC gross rents ranging from \$838 to \$1,395 are the programmatic limits for units targeting households earning up to 40%, 50% and 60% of AMHI. However, these limits would only apply in the unlikely scenario that these units ceased to operate with a project-based subsidy. Nonetheless, as some of the proposed contract rents under the PBRA program are equal to or above these maximum allowable limits, we have evaluated these unit types assuming maximum allowable LIHTC rent limits throughout this report.

| Building/Site Information | |
|---------------------------|------------------------------|
| Residential Buildings: | 14 three-story buildings |
| Building Style: | Stacked flats over townhomes |
| Community Space: | Stand-alone building |

| Construction Timeline | |
|-----------------------|--------------|
| Construction Start: | March 2022 |
| Begin Preleasing: | Undetermined |
| Construction End: | May 2023 |

| Unit Amenities | | |
|--------------------|--------------------------------|---------------------------------|
| • Electric Range | • Microwave | • Carpet/Ceramic Tile/Composite |
| • Refrigerator | • In-Unit Washer/Dryer Hookups | • Window Blinds |
| • Garbage Disposal | • Central Air Conditioning | • Exterior Storage Closet |
| • Dishwasher | • Patio/Balcony | |

| Community Amenities | | |
|-----------------------------------|------------------------------|---------------------|
| • Computer Center | • On-Site Management | • Clubhouse |
| • Community Room with Kitchen | • Fitness Center | • CCTV/Cameras |
| • Courtesy Officer | • Police Substation | • Health Screenings |
| • Parties/Picnics | • Social Service Coordinator | • Wellness Center |
| • Surface Parking Lot (68 Spaces) | | |

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



FLOOR AND SITE PLAN REVIEW:

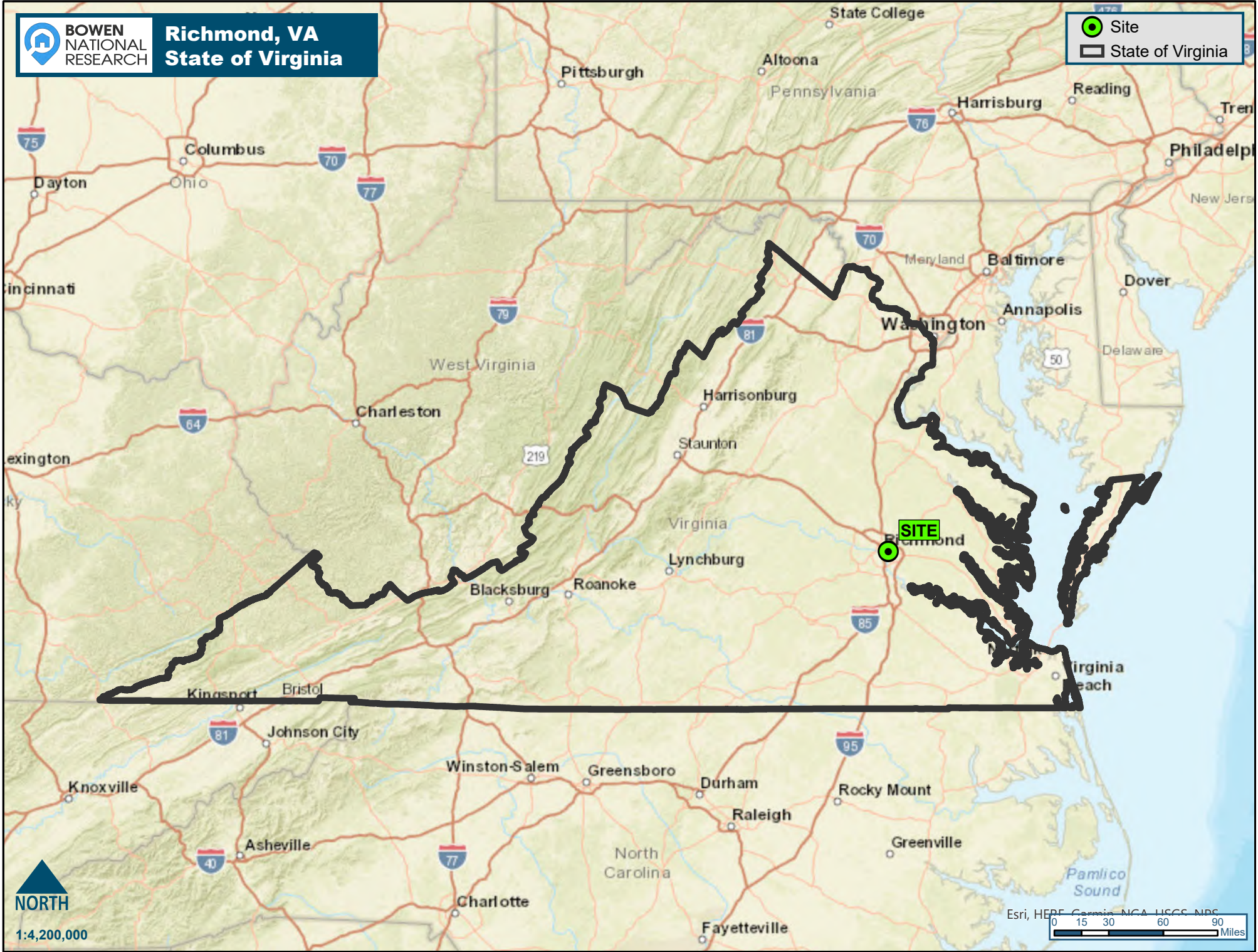
Although floor plans were unavailable at the time of this analysis, site plans for the proposed project were provided for review. Based on our evaluation of this information provided to our firm, the proposed unit sizes are considered appropriate for this market. Each unit will offer an open layout, with ample natural lighting provided in the living areas and bedrooms. The inclusion of in-unit washer/dryer connections, dishwashers and microwaves will appeal to the targeted population. The proposed amenities package will be generally similar to that offered at the comparable LIHTC projects within the market. The proposed development will not lack any amenities that would have an adverse impact on its marketability. Overall, we believe the subject project will be appropriately positioned within the market.

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



Richmond, VA State of Virginia

 Site
 State of Virginia



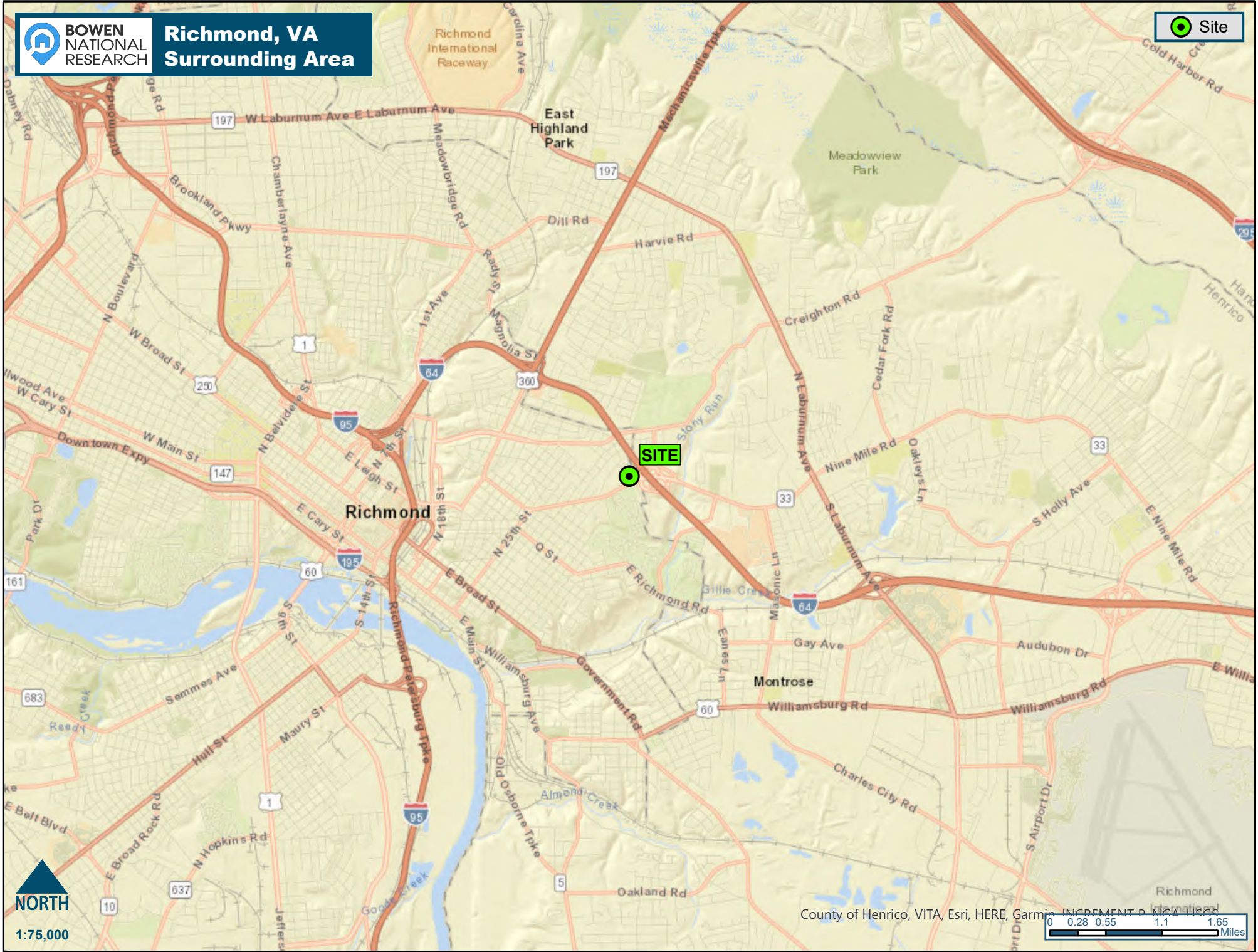
1:4,200,000

Esri, HERE, DeLorme, NGA, USGS, NPS
0 15 30 60 90 Miles



Richmond, VA Surrounding Area

Site



NORTH
1:75,000

County of Henrico, VITA, Esri, HERE, Garmin, INCREMENT P, NOAA, Intergraph
0 0.28 0.55 1.1 1.65 Miles



Richmond, VA Site Neighborhood

Legend
Site Area



NORTH
1:3,594

0 0.02 0.04 0.07 0.11 Miles

IV. Area Analysis

A. SITE DESCRIPTION AND EVALUATION

1. LOCATION

The subject site is an existing rental property, located at 3100 Nine Mile Road in the eastern portion of Richmond, Virginia. The subject site is located approximately 2.5 miles east of the Richmond Central Business District. The subject site visit and corresponding fieldwork were completed during the week of February 1, 2021.

2. SURROUNDING LAND USES

The subject site is situated within an established and primarily residential portion of Richmond. Surrounding land uses generally include single-family homes, multifamily homes and a cemetery. Adjacent land uses are detailed as follows:

| | |
|----------------|--|
| North - | The northern boundary is defined by a light tree line, which buffers the site from multifamily homes that include a portion of the subject site. Single-family homes in fair to good condition, churches and schools extend farther north of the site. |
| East - | The eastern boundary is defined by a thick tree line, which buffers the site from Interstate 64, a major highway. Wooded land, single-family homes and a commercial facility extend farther east of the site. |
| South - | The southern boundary is defined by a tree line and Nine Mile Road (State Route 33) an arterial roadway that travels east and west throughout the Site PMA. Oakwood Cemetery and single-family homes extend farther south of the site. |
| West - | The western boundary is defined by an existing portion of the subject project and the intersection of Creighton Road and Nine Mile Road (State Route 33). Various businesses and restaurants extend west along Nine Mile Road (State Route 33). |

The subject site is within an established and primarily residential portion of Richmond. Surrounding land uses include residential dwellings and wooded land. Overall, the subject property fits well with the surrounding land uses and they should contribute to the marketability of the site. Photographs of the site can be found in *Section X* of this report.

3. VISIBILITY AND ACCESS

The subject site is clearly visible from Nine Mile Road (State Route 33), a moderately traveled roadway bordering the site to the south. In addition, a public bus stop is situated at the site’s entryway and individuals utilizing this route also have clear views of the site. Considering the arterial nature of Nine Mile Road (State Route 33), visibility of the subject development is considered good.

The subject project derives primary access from Nine Mile Road (State Route 33), a moderately traveled roadway situated south of the site. The generally moderate vehicular traffic in the site area allows for convenient ingress and egress. In addition to being conveniently accessed, the subject site is also within proximity of arterial roadways, as State Route 33 and Interstate 64 are accessible within less than 1.0 mile. Public transportation is provided by Greater Richmond Transit Company (GRTC) and there are numerous bus stops within proximity of the site, the nearest of which is located at the site’s entryway. Overall, access to and from the site is considered good.

4. 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 | State Route 33(Nine Mile Road) | 0.1 South |
| | Interstate 64 | 0.7 Southeast |
| Public Bus Stop | Greater Richmond Transit Authority (Route 12) | 0.1 South |
| | Greater Richmond Transit Authority (Route 7) | 0.6 Southwest |
| Major Employers/ Employment Centers | VCU Health Systems | 2.1 West |
| | Federal Reserve Bank-Richmond | 3.1 West |
| | UPS Freight | 3.8 West |
| Convenience Store | OMG Convenience Store | 0.2 Southwest |
| | Marketplace | 0.2 Southwest |
| | Mo Convenience Store | 0.4 West |
| | EZ Mini Mart | 0.5 West |
| Grocery | Night & Day | 0.9 Southwest |
| | Sunrise Market | 1.0 West |
| | Ocean Grocery | 1.0 West |
| | Walmart Supercenter | 2.1 East |
| Discount Department Store | Family Dollar | 0.9 West |
| | Family Dollar | 1.7 East |
| Shopping Center/Mall | Laburnum Green Shopping Center | 3.8 Southeast |
| Schools: | Woodville Elementary School | 0.4 West |
| | Martin Luther King Middle School | 1.4 West |
| | Armstrong High School | 1.2 Northwest |
| Hospital | Richmond Community Hospital | 0.6 West |

(Continued)

| Community Services | Name | Driving Distance From Site (miles) |
|-------------------------|--------------------------------------|------------------------------------|
| Police | Richmond Police | 1.0 West |
| Fire | Richmond Fire Station | 0.8 Southwest |
| Post Office | U.S. Postal Service | 2.9 West |
| Bank | Henrico Federal Credit Union | 1.0 East |
| | Wells Fargo Bank | 2.3 West |
| | Virginia Credit Union | 2.4 West |
| Park | Creighton Court Community Playground | 0.5 Northwest |
| | Ethel Bailey Furman Park | 1.2 Southwest |
| Recreational Facilities | Boys & Girls Club Metro Richmond | 1.0 Northwest |
| | Selah Recreation Center | 1.2 West |
| Gas Station | Exxon | 0.8 East |
| | Sunoco | 1.2 East |
| Pharmacy | Hope Pharmacy | 0.9 West |
| | Walgreens | 1.8 East |
| Restaurant | Wan Jin Lou Chinese | 0.3 Southwest |
| | Jamaican Taste | 0.4 West |
| | Crab Lady | 0.5 East |
| | Davinci's | 1.0 West |
| Day Care | Robert Taylor Child Care | 1.0 West |
| | Malachi's Babyland | 1.7 Northeast |
| Community Center | Creighton Court Community Center | 0.1 Southwest |
| Church | St. Johns Holy Church | 0.6 West |
| | True Revelation Church | 0.7 West |
| | Woodville Presbyterian Church | 0.7 West |
| Library | East End Public Library | 0.9 West |

Many area services are located within 2.0 miles of the subject site. Given the subject's proximity to Nine Mile Road (State Route 33) and Interstate 64, which both serve as arterial roadways in the area, will further enhance accessibility to the services throughout the Richmond area. The availability of affordable public transportation provided by GRTA is considered beneficial to the targeted low-income multifamily tenant population and should enhance the subject's marketability.

Public safety services are provided by the Richmond Police Department and the Richmond Fire Station which are both located within 1.0 mile from the subject site, respectively. The nearest medical center, Richmond Community Hospital, is located 0.6 miles west from the subject site. All applicable attendance schools are within 2.0 miles, with the local elementary school just 0.4 miles west of the site. This is considered beneficial to general-occupancy (family) population to be targeted at the subject project.

5. OVERALL SITE EVALUATION

The subject site is an existing rental property, located at 3100 Nine Mile Road in the eastern portion of Richmond, Virginia. Surrounding land uses include residential dwellings and wooded land. The subject site is clearly visible from Nine Mile Road (State Route 33), a moderately traveled roadway bordering the site to the south. In addition, a public bus stop is situated at the site's entryway and individuals utilizing this route also have clear views of the site. The subject project derives primary access from Nine Mile Road (State Route 33), a moderately traveled roadway situated south of the site. The generally moderate vehicular traffic in the site area allows for convenient ingress and egress. In addition to being conveniently accessed, the subject site is also within proximity of arterial roadways, as State Route 33 and Interstate 64 are accessible within less than 1.0 mile. Public transportation is provided by Greater Richmond Transit Company (GRTC) and there are numerous bus stops within proximity of the site, the nearest of which is located at the site's entryway. Community services are primarily located within 2.0 miles of the site and some are within walking distance of the site. Overall, the proposed site project is expected to fit well with the surrounding residential and commercial land uses in its immediate neighborhood.

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 a murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

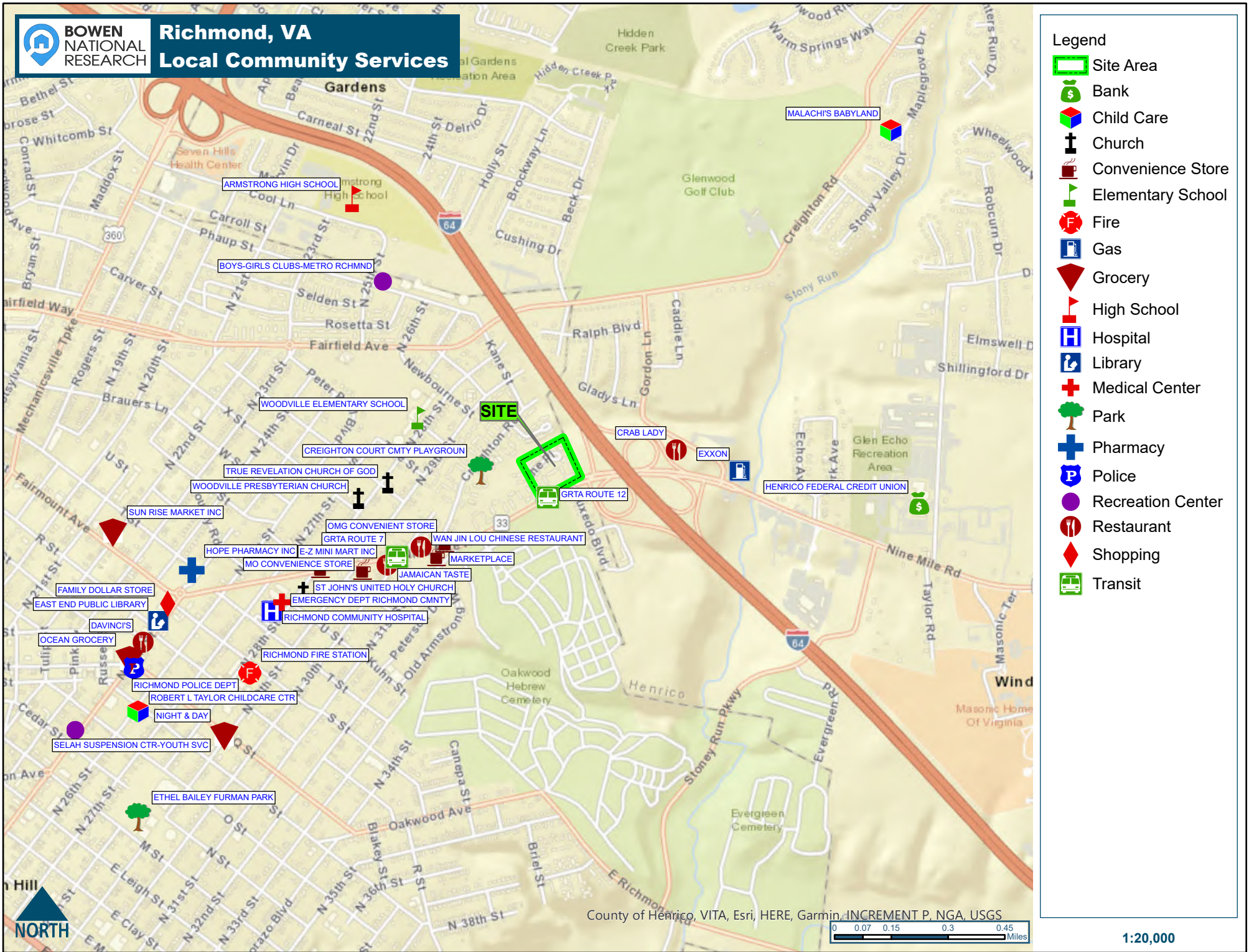
Total crime risk (136) for the Site ZIP Code is above the national average with an overall personal crime index of 162 and a property crime index of 132. Total crime risk (154) for Richmond City is above the national average with indexes for personal and property crime of 141 and 156, respectively.

| | Crime Risk Index | |
|-----------------------|------------------|---------------|
| | Site ZIP Code | Richmond city |
| Total Crime | 136 | 154 |
| Personal Crime | 162 | 141 |
| Murder | 516 | 394 |
| Rape | 83 | 64 |
| Robbery | 227 | 229 |
| Assault | 141 | 111 |
| Property Crime | 132 | 156 |
| Burglary | 139 | 143 |
| Larceny | 127 | 155 |
| Motor Vehicle Theft | 155 | 184 |

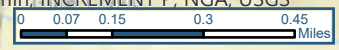
Source: Applied Geographic Solutions

The crime risk index within the site’s ZIP Code (136) is below that of Richmond City (154) and both are above the nation (100). However, the perception of crime within the immediate area has not had an adverse impact on the nearby multifamily properties, as evidenced by their generally strong occupancy levels. Overall, it is not anticipated that the elevated crime rate within the neighborhood will have a significant adverse impact on the site’s marketability.

Maps illustrating the location of community services and crime risk are on the following pages.

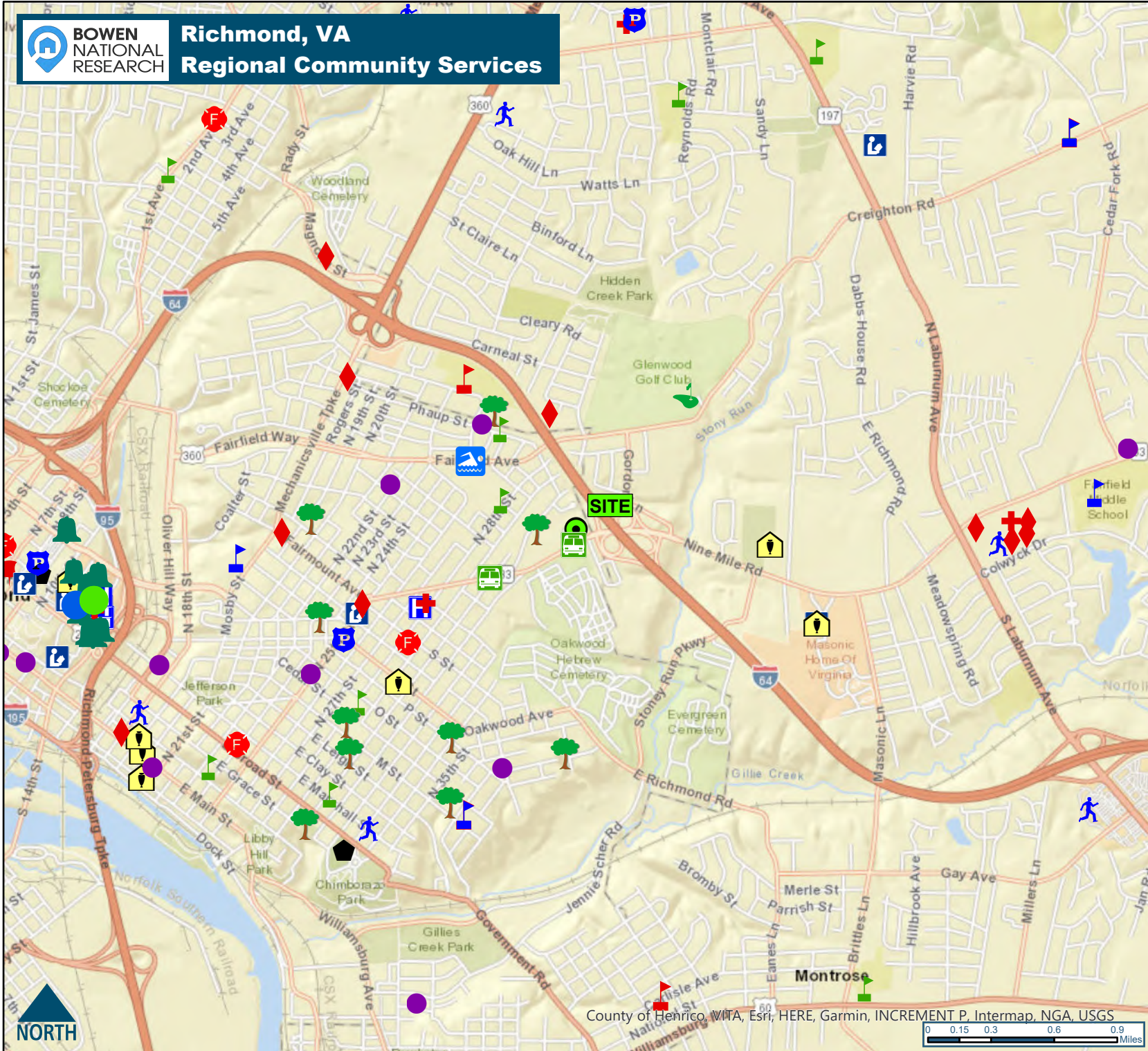


- Legend**
-  Site Area
 -  Bank
 -  Child Care
 -  Church
 -  Convenience Store
 -  Elementary School
 -  Fire
 -  Gas
 -  Grocery
 -  High School
 -  Hospital
 -  Library
 -  Medical Center
 -  Park
 -  Pharmacy
 -  Police
 -  Recreation Center
 -  Restaurant
 -  Shopping
 -  Transit





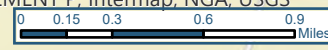
Richmond, VA Regional Community Services



- Legend**
- Site
 - Entertainment
 - Elementary School
 - Fire
 - Fitness Center
 - Golf
 - High School
 - Historic Site
 - Hospital
 - Library
 - Medical Center
 - Middle School
 - Museum
 - Park
 - Police
 - Recreation Center
 - Shopping
 - Swimming
 - Transit
 - University
 - Employer 1000-5000
 - Employer 5000-10000



County of Henrico, WITA, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



1:40,000



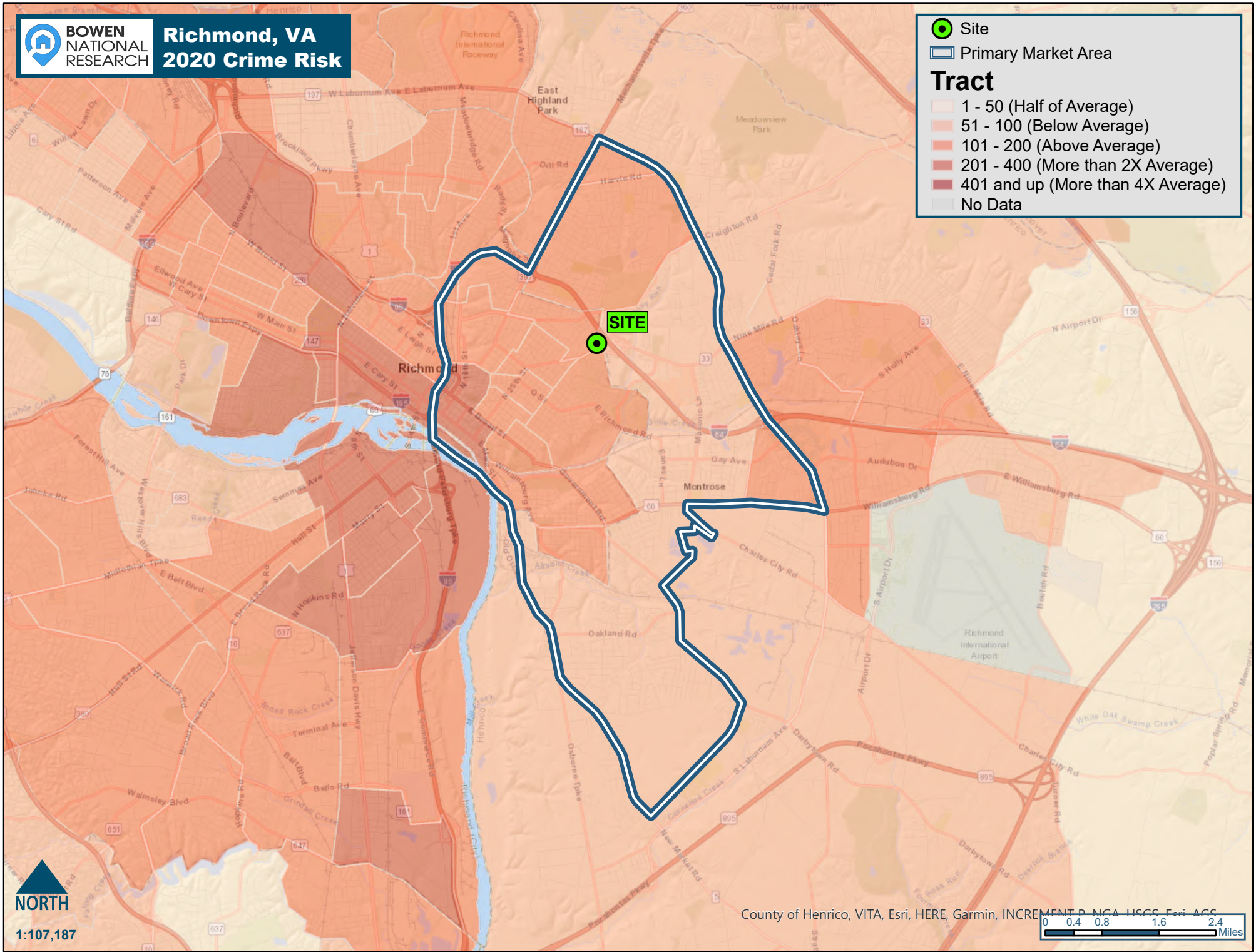
Richmond, VA 2020 Crime Risk

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
1:107,187

County of Henrico, VITA, Esri, HERE, Garmin, INCREMENT P, NCA, USGS, Esri, ACS
 Miles

B. PRIMARY MARKET AREA DELINEATION

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

The Richmond Site PMA is comprised of areas immediately east/southeast of downtown Richmond. Neighborhoods included in the Richmond Site PMA include Chimborazo, Church Hill, Church Hill North, Fairmount, Fulton Hill, Montrose Heights, Oakwood, Shockoe Bottom and Union Hill. The boundaries of Richmond Site PMA include Interstate 64, U.S. Highway 360 and East Laburnum Avenue to the north; North Laburnum Avenue, South Laburnum Avenue, U.S. Highway 60, the Old Dominion Landfill and Darbytown Road to the east; Wilson Road, Messer Road and State Route 5 to the south; and State Route 5, the James River and Interstate 95 to the west.

Ronda Spears, Property Manager at Glens at Milers Lane (Map ID 10), a Tax Credit property, confirmed the boundaries of the Site PMA. Ms. Spears added that the neighborhood comprised within the Site PMA are generally homogenous, and households relocate from between these neighborhoods within the Site PMA.

Alison Richards, Property Manager at Ashley Oaks (Map ID 4), a government-subsidized Tax Credit property, confirmed the boundaries of the Site PMA. Ms. Richards stated that most tenants of her property originated within the boundaries of the Site PMA and expects the subject site to attract low-income renters from within the market area.

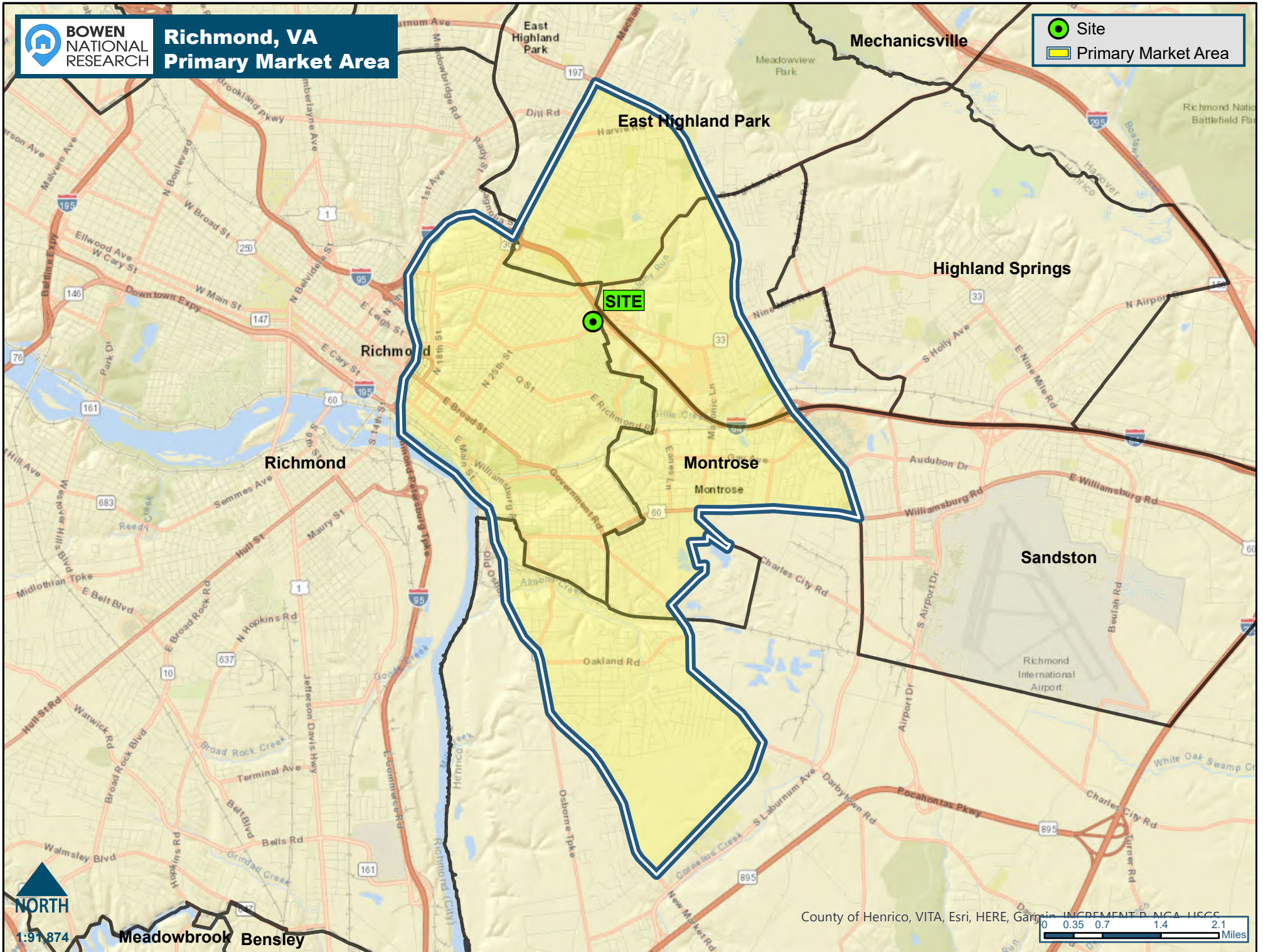
The Richmond Central Business District (CBD) and the central portion of Richmond were not included in the Site PMA, due to the differences in markets and considering that median incomes are typically higher in this area. Therefore, households living in these areas generally would not respond to the Tax Credit units proposed at the site.

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



Richmond, VA Primary Market Area

- Site
- Primary Market Area



NORTH

1:91,874

County of Henrico, VITA, Esri, HERE, Garmin, INCREMENT P, NCA, USGS
 0 0.35 0.7 1.4 2.1 Miles

C. DEMOGRAPHIC CHARACTERISTICS AND TRENDS

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2021 (estimated) and 2026 (projected) are summarized as follows:

| | Year | | | |
|-------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2021 (Estimated) | 2026 (Projected) |
| Population | 48,283 | 53,113 | 60,132 | 63,874 |
| Population Change | - | 4,830 | 7,019 | 3,742 |
| Percent Change | - | 10.0% | 13.2% | 6.2% |

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

The Richmond Site PMA population base increased by 4,830 between 2000 and 2010. This represents a 10.0% increase over the 2000 population, or an annual rate of 1.0%. Between 2010 and 2021, the population increased by 7,019, or 13.2%. It is projected that the population will increase by 3,742, or 6.2%, between 2021 and 2026.

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

| Population by Age | 2010 (Census) | | 2021 (Estimated) | | 2026 (Projected) | | Change 2021-2026 | |
|----------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| 19 & Under | 14,824 | 27.9% | 14,698 | 24.4% | 15,216 | 23.8% | 518 | 3.5% |
| 20 to 24 | 4,425 | 8.3% | 4,703 | 7.8% | 4,876 | 7.6% | 173 | 3.7% |
| 25 to 34 | 8,668 | 16.3% | 10,795 | 18.0% | 11,026 | 17.3% | 231 | 2.1% |
| 35 to 44 | 6,872 | 12.9% | 7,526 | 12.5% | 8,536 | 13.4% | 1,010 | 13.4% |
| 45 to 54 | 7,387 | 13.9% | 6,840 | 11.4% | 6,854 | 10.7% | 14 | 0.2% |
| 55 to 64 | 5,583 | 10.5% | 7,299 | 12.1% | 7,274 | 11.4% | -25 | -0.3% |
| 65 to 74 | 2,910 | 5.5% | 5,050 | 8.4% | 6,090 | 9.5% | 1,040 | 20.6% |
| 75 & Over | 2,444 | 4.6% | 3,222 | 5.4% | 4,003 | 6.3% | 781 | 24.2% |
| Total | 53,113 | 100.0% | 60,132 | 100.0% | 63,874 | 100.0% | 3,742 | 6.2% |

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

As the preceding table illustrates, approximately 54% of the population is expected to be between 25 and 64 years old in 2021. This age group is the primary group of potential support for the subject site and will likely represent a significant number of the tenants.

2. HOUSEHOLD TRENDS

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

| | Year | | | |
|------------------|------------------|------------------|---------------------|---------------------|
| | 2000 (Census) | 2010 (Census) | 2021 (Estimated) | 2026 (Projected) |
| Households | 18,418 | 21,259 | 24,524 | 26,116 |
| Household Change | - | 2,841 | 3,265 | 1,592 |
| Percent Change | - | 15.4% | 15.4% | 6.5% |
| Household Size | 2.62 | 2.50 | 2.38 | 2.38 |

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

Within the Richmond Site PMA, households increased by 2,841 (15.4%) between 2000 and 2010. Between 2010 and 2021, households increased by 3,265 or 15.4%. By 2026, there will be 26,116 households, an increase of 1,592 households, or 6.5% over 2021 levels. This is an increase of approximately 318 households annually over the next five years.

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

| Households by Age | 2010 (Census) | | 2021 (Estimated) | | 2026 (Projected) | | Change 2021-2026 | |
|----------------------|---------------|---------|------------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent | Number | Percent |
| Under 25 | 1,648 | 7.8% | 1,627 | 6.6% | 1,738 | 6.7% | 111 | 6.8% |
| 25 to 34 | 4,648 | 21.9% | 5,614 | 22.9% | 5,685 | 21.8% | 71 | 1.3% |
| 35 to 44 | 3,730 | 17.5% | 3,937 | 16.1% | 4,413 | 16.9% | 476 | 12.1% |
| 45 to 54 | 4,179 | 19.7% | 3,651 | 14.9% | 3,592 | 13.8% | -59 | -1.6% |
| 55 to 64 | 3,457 | 16.3% | 4,304 | 17.5% | 4,213 | 16.1% | -91 | -2.1% |
| 65 to 74 | 1,997 | 9.4% | 3,275 | 13.4% | 3,893 | 14.9% | 618 | 18.9% |
| 75 to 84 | 1,190 | 5.6% | 1,487 | 6.1% | 1,814 | 6.9% | 327 | 22.0% |
| 85 & Over | 410 | 1.9% | 629 | 2.6% | 768 | 2.9% | 139 | 22.1% |
| Total | 21,259 | 100.0% | 24,524 | 100.0% | 26,116 | 100.0% | 1,592 | 6.5% |

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

Between 2021 and 2026, the greatest growth among household age groups is projected to be among those age 65 and older. Notable household growth is also projected to occur among those between the ages of 35 and 54. These trends illustrate that there will likely be an increasing need for housing for both seniors and families within the market.

Households by tenure are distributed as follows:

| Tenure | 2010 (Census) | | 2021 (Estimated) | | 2026 (Projected) | |
|-----------------|---------------|---------|------------------|---------|------------------|---------|
| | Number | Percent | Number | Percent | Number | Percent |
| Owner-Occupied | 9,724 | 45.7% | 10,216 | 41.7% | 10,719 | 41.0% |
| Renter-Occupied | 11,535 | 54.3% | 14,309 | 58.3% | 15,398 | 59.0% |
| Total | 21,259 | 100.0% | 24,524 | 100.0% | 26,116 | 100.0% |

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

As illustrated within the preceding table, renter households within the market are projected to increase by 1,089, or 7.6%, between 2021 and 2026. This projected growth further illustrates that there will be an increasing need for rental housing within the Richmond Site PMA.

The household sizes by tenure within the Site PMA, based on the 2021 estimates and 2026 projections, were distributed as follows:

| Persons Per Renter Household | 2021 (Estimated) | | 2026 (Projected) | | Change 2021-2026 | |
|------------------------------|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 6,966 | 48.7% | 7,640 | 49.6% | 674 | 9.7% |
| 2 Persons | 3,740 | 26.1% | 3,948 | 25.6% | 208 | 5.6% |
| 3 Persons | 1,755 | 12.3% | 1,837 | 11.9% | 81 | 4.6% |
| 4 Persons | 1,017 | 7.1% | 1,072 | 7.0% | 54 | 5.3% |
| 5 Persons+ | 833 | 5.8% | 904 | 5.9% | 71 | 8.5% |
| Total | 14,312 | 100.0% | 15,401 | 100.0% | 1,089 | 7.6% |

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

| Persons Per Owner Household | 2021 (Estimated) | | 2026 (Projected) | | Change 2021-2026 | |
|-----------------------------|------------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| 1 Person | 3,694 | 36.2% | 3,883 | 36.2% | 189 | 5.1% |
| 2 Persons | 3,972 | 38.9% | 4,240 | 39.6% | 268 | 6.7% |
| 3 Persons | 1,297 | 12.7% | 1,311 | 12.2% | 14 | 1.1% |
| 4 Persons | 775 | 7.6% | 775 | 7.2% | 0 | 0.1% |
| 5 Persons+ | 478 | 4.7% | 509 | 4.8% | 32 | 6.6% |
| Total | 10,216 | 100.0% | 10,719 | 100.0% | 503 | 4.9% |

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

The proposed one- through three-bedroom units will generally target up to five-person renter households, which comprise the majority of households in the market, based on size.

3. INCOME TRENDS

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

| Household Income | 2010 (Census) | | 2021 (Estimated) | | 2026 (Projected) | |
|------------------------|---------------|---------|------------------|---------|------------------|---------|
| | Households | Percent | Households | Percent | Households | Percent |
| Less Than \$10,000 | 3,273 | 15.4% | 3,155 | 12.9% | 3,108 | 11.9% |
| \$10,000 to \$19,999 | 3,449 | 16.2% | 3,295 | 13.4% | 3,341 | 12.8% |
| \$20,000 to \$29,999 | 2,770 | 13.0% | 2,601 | 10.6% | 2,643 | 10.1% |
| \$30,000 to \$39,999 | 2,420 | 11.4% | 2,324 | 9.5% | 2,299 | 8.8% |
| \$40,000 to \$49,999 | 2,046 | 9.6% | 2,422 | 9.9% | 2,556 | 9.8% |
| \$50,000 to \$59,999 | 2,039 | 9.6% | 1,674 | 6.8% | 1,654 | 6.3% |
| \$60,000 to \$74,999 | 1,895 | 8.9% | 2,054 | 8.4% | 2,201 | 8.4% |
| \$75,000 to \$99,999 | 1,485 | 7.0% | 2,795 | 11.4% | 3,195 | 12.2% |
| \$100,000 to \$124,999 | 794 | 3.7% | 1,767 | 7.2% | 2,074 | 7.9% |
| \$125,000 to \$149,999 | 465 | 2.2% | 1,035 | 4.2% | 1,297 | 5.0% |
| \$150,000 to \$199,999 | 354 | 1.7% | 749 | 3.1% | 939 | 3.6% |
| \$200,000 & Over | 269 | 1.3% | 655 | 2.7% | 811 | 3.1% |
| Total | 21,259 | 100.0% | 24,527 | 100.0% | 26,119 | 100.0% |
| Median Income | \$34,700 | | \$43,669 | | \$46,528 | |

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

In 2010, the median household income was \$34,700. This increased by 25.8% to \$43,669 in 2021. By 2026, it is projected that the median household income will be \$46,528, an increase of 6.5% over 2021.

The following tables illustrate renter household income by household size for 2010, 2021 and 2026 for the Richmond Site PMA:

| Renter Households | 2010 (Census) | | | | | |
|------------------------|---------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 1,109 | 709 | 332 | 193 | 157 | 2,500 |
| \$10,000 to \$19,999 | 1,175 | 672 | 315 | 183 | 149 | 2,494 |
| \$20,000 to \$29,999 | 837 | 499 | 234 | 136 | 110 | 1,816 |
| \$30,000 to \$39,999 | 633 | 412 | 193 | 112 | 91 | 1,441 |
| \$40,000 to \$49,999 | 487 | 333 | 156 | 91 | 74 | 1,141 |
| \$50,000 to \$59,999 | 340 | 254 | 119 | 69 | 56 | 838 |
| \$60,000 to \$74,999 | 320 | 234 | 110 | 64 | 52 | 778 |
| \$75,000 to \$99,999 | 138 | 109 | 51 | 30 | 24 | 352 |
| \$100,000 to \$124,999 | 36 | 31 | 14 | 8 | 7 | 96 |
| \$125,000 to \$149,999 | 21 | 18 | 8 | 5 | 4 | 56 |
| \$150,000 to \$199,999 | 5 | 4 | 2 | 1 | 1 | 13 |
| \$200,000 & Over | 4 | 3 | 1 | 1 | 1 | 10 |
| Total | 5,105 | 3,278 | 1,536 | 891 | 724 | 11,535 |

Source: ESRI; Urban Decision Group

| Renter Households | 2021 (Estimated) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 1,268 | 677 | 318 | 184 | 151 | 2,598 |
| \$10,000 to \$19,999 | 1,456 | 574 | 270 | 156 | 128 | 2,584 |
| \$20,000 to \$29,999 | 938 | 459 | 216 | 125 | 102 | 1,840 |
| \$30,000 to \$39,999 | 742 | 395 | 186 | 107 | 88 | 1,518 |
| \$40,000 to \$49,999 | 739 | 391 | 184 | 106 | 87 | 1,507 |
| \$50,000 to \$59,999 | 392 | 255 | 120 | 69 | 57 | 893 |
| \$60,000 to \$74,999 | 481 | 313 | 147 | 85 | 70 | 1,097 |
| \$75,000 to \$99,999 | 487 | 340 | 159 | 92 | 76 | 1,155 |
| \$100,000 to \$124,999 | 235 | 169 | 79 | 46 | 38 | 566 |
| \$125,000 to \$149,999 | 138 | 99 | 46 | 27 | 22 | 332 |
| \$150,000 to \$199,999 | 48 | 36 | 17 | 10 | 8 | 118 |
| \$200,000 & Over | 43 | 31 | 15 | 8 | 7 | 103 |
| Total | 6,966 | 3,740 | 1,755 | 1,017 | 833 | 14,312 |

Source: ESRI; Urban Decision Group

| Renter Households | 2026 (Projected) | | | | | |
|------------------------|------------------|----------|----------|----------|-----------|--------|
| | 1-Person | 2-Person | 3-Person | 4-Person | 5-Person+ | Total |
| Less Than \$10,000 | 1,276 | 663 | 308 | 180 | 152 | 2,579 |
| \$10,000 to \$19,999 | 1,557 | 547 | 254 | 148 | 125 | 2,632 |
| \$20,000 to \$29,999 | 966 | 451 | 210 | 122 | 103 | 1,852 |
| \$30,000 to \$39,999 | 748 | 381 | 177 | 103 | 87 | 1,496 |
| \$40,000 to \$49,999 | 825 | 397 | 185 | 108 | 91 | 1,605 |
| \$50,000 to \$59,999 | 415 | 258 | 120 | 70 | 59 | 922 |
| \$60,000 to \$74,999 | 547 | 346 | 161 | 94 | 79 | 1,226 |
| \$75,000 to \$99,999 | 612 | 418 | 195 | 114 | 96 | 1,434 |
| \$100,000 to \$124,999 | 340 | 239 | 111 | 65 | 55 | 810 |
| \$125,000 to \$149,999 | 213 | 149 | 69 | 40 | 34 | 506 |
| \$150,000 to \$199,999 | 75 | 54 | 25 | 15 | 12 | 181 |
| \$200,000 & Over | 66 | 46 | 22 | 13 | 11 | 157 |
| Total | 7,640 | 3,948 | 1,837 | 1,072 | 904 | 15,401 |

Source: ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Summary

Overall, population and household growth within the Richmond Site PMA has been positive since 2000. These trends are projected to remain positive through 2026, increasing by 3,742 (6.2%) and 1,592 (6.5%), respectively, from 2021. Additionally, renter households in the market are projected to increase by 1,089 (7.6%) and the subject project will be able to accommodate the majority of households in the market, based on size. The preceding trends will likely have a positive impact on the marketability of the proposed project.

D. LOCAL ECONOMIC PROFILE AND ANALYSIS

1. LABOR FORCE PROFILE

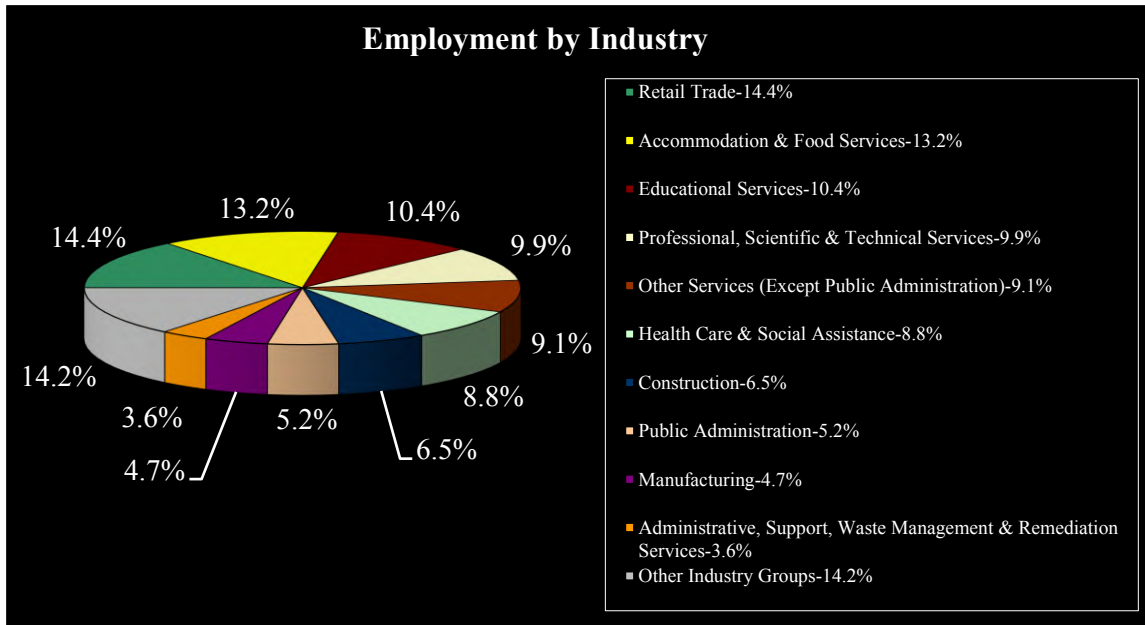
The labor force within the Richmond Site PMA is based primarily in three sectors. Retail Trade (which comprises 14.4%), Accommodation & Food Services and Educational Services comprise approximately 38% of the Site PMA labor force. Employment in the Richmond Site PMA, as of 2021, was distributed as follows.

| NAICS Group | Establishments | Percent | Employees | Percent | E.P.E. |
|--|----------------|---------|-----------|---------|--------|
| Agriculture, Forestry, Fishing & Hunting | 1 | 0.1% | 3 | 0.0% | 3.0 |
| Mining | 0 | 0.0% | 0 | 0.0% | 0.0 |
| Utilities | 0 | 0.0% | 0 | 0.0% | 0.0 |
| Construction | 58 | 4.8% | 862 | 6.5% | 14.9 |
| Manufacturing | 26 | 2.2% | 623 | 4.7% | 24.0 |
| Wholesale Trade | 20 | 1.7% | 189 | 1.4% | 9.5 |
| Retail Trade | 170 | 14.2% | 1,904 | 14.4% | 11.2 |
| Transportation & Warehousing | 24 | 2.0% | 223 | 1.7% | 9.3 |
| Information | 24 | 2.0% | 337 | 2.5% | 14.0 |
| Finance & Insurance | 42 | 3.5% | 293 | 2.2% | 7.0 |
| Real Estate & Rental & Leasing | 86 | 7.2% | 427 | 3.2% | 5.0 |
| Professional, Scientific & Technical Services | 103 | 8.6% | 1,306 | 9.9% | 12.7 |
| Management of Companies & Enterprises | 3 | 0.3% | 21 | 0.2% | 7.0 |
| Administrative, Support, Waste Management & Remediation Services | 33 | 2.8% | 473 | 3.6% | 14.3 |
| Educational Services | 26 | 2.2% | 1,377 | 10.4% | 53.0 |
| Health Care & Social Assistance | 84 | 7.0% | 1,169 | 8.8% | 13.9 |
| Arts, Entertainment & Recreation | 29 | 2.4% | 228 | 1.7% | 7.9 |
| Accommodation & Food Services | 127 | 10.6% | 1,755 | 13.2% | 13.8 |
| Other Services (Except Public Administration) | 218 | 18.2% | 1,210 | 9.1% | 5.6 |
| Public Administration | 33 | 2.8% | 692 | 5.2% | 21.0 |
| Nonclassifiable | 92 | 7.7% | 154 | 1.2% | 1.7 |
| Total | 1,199 | 100.0% | 13,246 | 100.0% | 11.0 |

*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.



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

| Typical Wage by Occupation Type | | |
|--|--------------|-----------|
| Occupation Type | Richmond MSA | Virginia |
| Management Occupations | \$130,290 | \$139,610 |
| Business and Financial Occupations | \$77,980 | \$86,060 |
| Computer and Mathematical Occupations | \$91,870 | \$103,350 |
| Architecture and Engineering Occupations | \$85,350 | \$91,730 |
| Community and Social Service Occupations | \$47,780 | \$51,320 |
| Art, Design, Entertainment and Sports Medicine Occupations | \$54,550 | \$62,380 |
| Healthcare Practitioners and Technical Occupations | \$85,800 | \$82,840 |
| Healthcare Support Occupations | \$28,950 | \$30,170 |
| Protective Service Occupations | \$44,090 | \$48,380 |
| Food Preparation and Serving Related Occupations | \$23,970 | \$24,840 |
| Building and Grounds Cleaning and Maintenance Occupations | \$28,040 | \$29,210 |
| Personal Care and Service Occupations | \$30,940 | \$30,640 |
| Sales and Related Occupations | \$42,310 | \$42,290 |
| Office and Administrative Support Occupations | \$40,640 | \$41,160 |
| Construction and Extraction Occupations | \$45,280 | \$46,800 |
| Installation, Maintenance and Repair Occupations | \$51,410 | \$51,510 |
| Production Occupations | \$40,190 | \$39,640 |
| Transportation and Moving Occupations | \$34,420 | \$37,050 |

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

Most annual blue-collar salaries range from \$23,970 to \$54,550 within the Richmond MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$94,258. It is important to note that most occupational types within the Richmond MSA have generally similar typical wages to Virginia's typical wages.

The ten largest employers within the Richmond area comprise a total of 59,627 employees and are summarized as follows:

| Employer Name | Business Type | Total Employed |
|--|--------------------|----------------|
| Capital One Financial Corporation | Financial Services | 13,000 |
| Virginia Commonwealth University Health System | Healthcare | 9,313 |
| HCA Virginia Health System | Healthcare | 7,628 |
| Bon Secours Richmond | Healthcare | 7,136 |
| Dominion Virginia Power | Energy | 5,433 |
| Amazon | Online Retail | 3,950 |
| SunTrust Banks Incorporated | Financial | 3,810 |
| Altria Group Incorporated | Manufacturer | 3,800 |
| Wells Fargo | Financial | 2,902 |
| Anthem Blue Cross and Blue Shield | Health Insurance | 2,655 |
| | Total | 59,627 |

Source: Greater Richmond Partnership (January 2020)

Despite multiple attempts, we were unable to receive a response from area economic development representatives regarding the current status of the local economy. The following, however, are summaries of some recent and notable economic development activity within the Richmond area based on our research at the time of this analysis.

Due to restrictions placed on businesses due to the COVID-19 pandemic, the city of Richmond’s 2021 budget will be short tens of millions of dollars. This will impact measures the city had put in the budget for 2021 for schools, affordable housing, and local infrastructure. The city will have to make significant changes to the proposed budget.

The current presidential administration announced a \$354 million, four-year contract with Phlow Corporation, in partnership with Virginia Commonwealth University (VCU), to bring essential medicine manufacturing back to the U.S., including medicines needed to treat COVID-19. Several bioscience companies in the area have shifted gears to help combat COVID-19. McKesson Medical-Surgical is the largest distributor of wholesale medical supplies and equipment to alternate care sites and has experienced a significant increase in demand in 2020. Cupron shifted their business model to develop a reusable face mask that protects from cross contamination. INDEVCO North America shifted its manufacturing materials to make fabric for protective isolation gowns for first responders and those in the medical profession.

The following summarizes additional recent and notable economic development activity/announcements within the Richmond area.

| Project Name | Investment | Job Creation | Scope of Work/Details |
|---|-----------------|--------------|--|
| GlaxoSmithKline Consumer Healthcare | \$16.7 million | 183 | Announced in 2019 an expansion of their consumer research and development center. This was prompted by the Pfizer/GlaxoSmithKline merger in December 2018; Hiring began March 2020 |
| DuPont | \$110.5 million | 60 | Announced expansion and modernization of its Kevlar manufacturing plant in Chesterfield County in 2020 |
| Pharmaceutical Product Development LLC | \$63.7 million | 200 | Expanding its bioanalytical laboratory and adding 42,500 square feet; Job creation through 2021 |
| Wipro Technologies | \$2 million | 200 | Completed a 10,000 square-foot technology center in 2019; Job creation over two years |
| Kinsale Insurance Company | \$50 million | 400 | New, five-story 150,000 square-foot corporate headquarters building in Henrico County; ECD early 2021 |
| The Results Companies | \$1.5 million | 600 | Opened their second call center in 2019 in Midlothian |
| Amazon, Inc. | N/A | 150 | Opened Specialty fulfillment and last-mile delivery center May 2020 |
| South Falls I & II | \$150 million | N/A | Luxury apartment towers; Phase I to be complete early 2021; Phase II construction is expected to start in fall 2020 |

ECD – Estimated Completion Date

N/A – Not Available

(Continued)

| Project Name | Investment | Job Creation | Scope of Work/Details |
|---------------------------------------|-----------------|--------------|---|
| Courthouse Landing Development | \$290 | N/A | Zoning change was approved summer 2020 for Courthouse Landing; Development planned for 122 acres SE of the Route 288-Iron Bridge Road interchange in Chesterfield County; Dunphy Properties and Shuler Properties plan for 120-room hotel, 265,000 square feet retail space, 100,000 square feet of office and medical office, 115,000 square feet self-storage space, 600 multifamily units, 300 apartments, and 300 townhomes and condos. |
| Winterfield Crossing | N/A | N/A | In Midlothian, Blackwood Development Company is developing a mixed-use development on 25 acres including 240-unit independent senior living community; 100,000 square feet of retail, office, and restaurant space; Additional multifamily projects are planned |
| Promenade at Winterfield | N/A | N/A | Thalhimer Realty Partners Inc. proposed in 2020 24,000 square feet of retail or restaurant space, 19 luxury apartments above that retail space and 50 upscale for-sale townhouses |
| Starview Village | N/A | N/A | In Chesterfield County, RNVP Associates, Belasco Inc. and Pony Farm Associates in 2020 proposed a mixed-use project; The development will be on 110 acres and includes 1,250 residential units above first floor office/retail spaces; Housing would consist of apartments, townhomes, condos, and other multifamily units; Likely would be 2022 before construction begins |
| VCU Health | \$400 million+ | N/A | VCU Health's Children's Pavilion adding a 500,000 square-foot inpatient facility; ECD 2023 |
| VCU Health | \$349.2 million | N/A | 603,000 square-foot healthcare facility; ECD summer 2021 |
| Virginia Commonwealth University | \$121 million | N/A | The Franklin Street Gym will be demolished in spring 2020 to make room for the new STEM building |
| Lumber Liquidators | N/A | 200 | Moved headquarters to Henrico County in 2019 |
| Facebook | \$1 billion | 300 | 970,000 square-foot data center opened in 2019; 150 jobs created; Announced in 2019 the addition of three buildings bringing the square footage to 2.4 million; Job creation for Phase II is 150 |
| Ascend Richmond | N/A | N/A | Balboa Real Estate Partners and The Opus Group has broken ground in December 2020 on a 428-bed student housing project near Virginia Commonwealth |
| Virginia Center Commons Redevelopment | N/A | N/A | Several developers have purchased portions of the Virginia Center Commons; Various plans include a \$50 million indoor sports facility ECD 2022 |
| Regency Square | N/A | N/A | The Sears building is being demolished to make room for apartments; Surge Trampoline Park will be located in the former Macy's building and ECD February 2020; An \$18 million aquatics center to start construction in 2020 and be complete third quarter 2021; \$30 million for a new Chipotle, MOD Pizza, Panera, Starbucks and infrastructure |

N/A – Not Available

ECD – Estimated Completion Date

(Continued)

| Project Name | Investment | Job Creation | Scope of Work/Details |
|-----------------------------|---------------|---------------------------------|--|
| Chesterfield County Schools | N/A | N/A | Ground was broken on a new elementary school on 360 West near Magnolia Green subdivision with ECD fall 2022. The new Matoaca Elementary school can accommodate over 700 students and opened in fall of 2020. Seven new Chesterfield County elementary schools have been built since 2017 |
| Richmond School District | \$150 million | N/A | Three new schools; George Mason Elementary, E.S.H. Greene Elementary School and a new Elkhardt Thompson Middle School, opened between 2020 and 2021 |
| Dominion Energy | N/A | N/A | The new 960,000 square-foot mixed-use office building, known as 600 Canal Place, opened in 2019; A second phase known as 700 Canal Place is awaiting approval |
| Dominion Energy | \$1 billion | 4,300 During Construction | In 2018, its solar fleet was established in Virginia and North Carolina; One of the projects being six new solar power plants to power the new Facebook data center; During construction, in both states, 4,300 jobs were created |
| Owens & Minor | \$15 million | 300 | Moved into new location in 2017 at the Riverfront Plaza; Job creation over three years |

N/A – Not Available

ECD – Estimated Completion Date

While these announcements likely represent only a portion of the economic expansions expected for the region, they provide clear indications as to the interest in investment and job expansions for the area. Such investment and job expansions will contribute to the strength of the Richmond economy and the local economy’s ability to recover from the impact of the COVID-19 pandemic. However, some of these announcements are likely to be put on hold due to the impact of the pandemic.

Infrastructure Projects

- State Route 10, between State Route 1 and Interstate 95 in Chesterfield County, was widened to six lanes in December 2020.
- Interstate 95 and State Route 10 will also have work done to help improve the interchange and will be done in phases. The project began in spring 2020 and will be complete in 2021.
- Lucks Lane underwent a \$12.5 million widening project that began in 2017 and was complete in spring 2020. The project included widening the two-lane road into four lanes from East Evergreen Parkway to State Route 288. Another project on Lucks Lane was also completed in spring 2020. The project widened the roadway from two to four lanes from Spirea Road to East Evergreen Parkway.

- In February 2019, a \$35 million improvement project began at the intersection of Interstate 64 and Airport Drive in Henrico County. The project will include two bridges being replaced and interchange improvements at Airport Drive and Interstate 64. The project is expected to be complete in late 2022.
- Plans for the extension of Nash Road to State Route 10 are still in the preliminary engineering phase and construction is to begin in spring 2021 and be complete in spring 2023. The project is estimated at \$30 million.

WARN (layoff notices):

WARN Notices of large-scale layoffs/closures were reviewed in January and according to the Virginia Employment Commission, there have been 27 WARN notices reported for the city of Richmond and the surrounding area over the past 12 months with job loss of over 20 employees. The table on the following page summarizes these notices.

| WARN Notices | | | | |
|--|--|------|----------------|-------------------|
| Company | Location | Jobs | Effective Date | Type |
| VCU Health System | Richmond | 635 | 12/19/2020 | Layoff |
| SMI Hotel Group | Richmond | 77 | 10/6/2020 | Layoff (COVID-19) |
| Marriot Richmond | Richmond | 50 | 08/31/2020 | Layoff |
| Expressjet Airlines LLC | Richmond | 36 | 7/17/2020 | Layoff (COVID-19) |
| PostalMile, Inc. | Richmond | 31 | 8/28/20 | Layoff |
| Delaware North Companies, Inc. | Richmond | 80 | 6/30/2020 | Layoff (COVID-19) |
| Nordstrom | Richmond | 189 | 5/12/2020 | Closure |
| Cenveo Corporation | Richmond | 184 | 5/4/2020 | Closure |
| Bloomin' Brands – Fleming's | Richmond | 40 | 4/27/2020 | Layoff (COVID-19) |
| Bloomin' Brands – Carrabba's Italian Grill | Richmond & Glen Allen | 115 | 4/27/2020 | Layoff (COVID-19) |
| Bloomin' Brands (Bonefish Grill) | Midlothian & Glen Allen | | 4/27/2020 | Layoff (COVID-19) |
| Hilton Richmond Downtown | Richmond | 109 | 4/24/2020 | Layoff (COVID-19) |
| Enterprise Holdings | Richmond | 78 | 4/24/2020 | Layoff |
| Kaiser Aluminum | Richmond | 78 | 4/8/2020 | Layoff (COVID-19) |
| Bear Down Logistics | Richmond | 75 | 4/6/2020 | Closure |
| Asbury Automotive Group | Richmond | 25 | 4/3/2020 | Layoff (COVID-19) |
| Jim's Formal Wear | Richmond | 44 | 3/31/2020 | Layoff (COVID-19) |
| First Home Care Mental Health Services | Richmond | 18 | 3/30/2020 | Closure |
| IGS | Chesterfield | 73 | 03/26/2020 | Layoff (COVID-19) |
| Collegiate Hotel Group | Richmond | 71 | 3/23/2020 | Layoff (COVID-19) |
| Hooters of America, LLC | Richmond | 56 | 3/23/2020 | Layoff |
| A Head for Profits, LLC | Chesterfield | 45 | 3/20/2020 | Layoff (COVID-19) |
| Hooters of America, LLC | Chester | 46 | 3/16/2020 | Layoff (COVID-19) |
| The Salvation Army | Richmond | 38 | 3/9/2020 | Closure |
| Restaurant Associates | Henrico, Glen Allen, Chester & Chesapeake | 282 | 1/17/2020 | Closure |
| Aramark (at VCU Health Systems) | Richmond | 572 | 1/13/2020 | Layoff |
| Northrop Grumman | Richmond | 42 | 12/5/2019 | Layoff |

As the preceding illustrates, over half of the recent WARN Notices filed within the Richmond area were a result of the COVID-19 pandemic. While not disclosed, it is possible that some of these COVID-19 related layoffs could be temporary.

2. EMPLOYMENT TRENDS

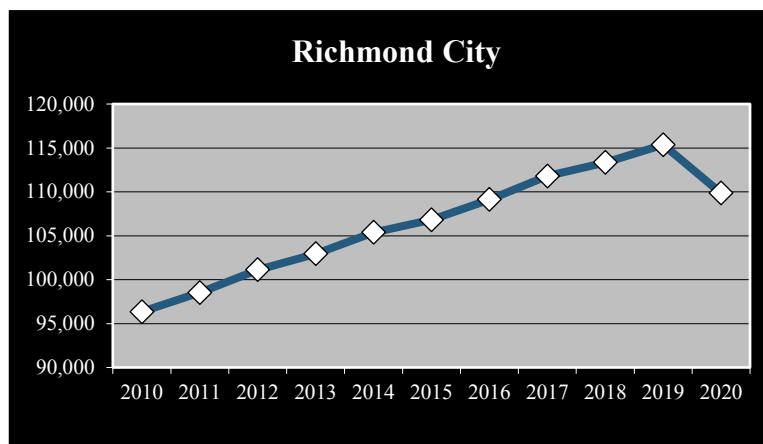
The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the city/county in which the site is located.

Excluding 2020, the employment base has increased by 8.0% over the past five years in Richmond City, more than the Virginia state increase of 6.5%. Total employment reflects the number of employed persons who live within the city/county.

The following illustrates the total employment base for Richmond City, Virginia and the United States.

| Year | Total Employment | | | | | |
|-------|------------------|----------------|--------------|----------------|---------------|----------------|
| | Richmond City | | Virginia | | United States | |
| | Total Number | Percent Change | Total Number | Percent Change | Total Number | Percent Change |
| 2010 | 96,347 | - | 3,860,386 | - | 140,469,139 | - |
| 2011 | 98,520 | 2.3% | 3,934,326 | 1.9% | 141,791,255 | 0.9% |
| 2012 | 101,135 | 2.7% | 3,967,987 | 0.9% | 143,621,634 | 1.3% |
| 2013 | 102,949 | 1.8% | 3,995,182 | 0.7% | 145,017,562 | 1.0% |
| 2014 | 105,385 | 2.4% | 4,019,470 | 0.6% | 147,313,048 | 1.6% |
| 2015 | 106,812 | 1.4% | 4,028,801 | 0.2% | 149,500,941 | 1.5% |
| 2016 | 109,135 | 2.2% | 4,069,395 | 1.0% | 151,887,366 | 1.6% |
| 2017 | 111,802 | 2.4% | 4,151,746 | 2.0% | 154,160,937 | 1.5% |
| 2018 | 113,337 | 1.4% | 4,209,651 | 1.4% | 156,081,212 | 1.2% |
| 2019 | 115,360 | 1.8% | 4,289,132 | 1.9% | 158,102,439 | 1.3% |
| 2020* | 109,860 | -4.8% | 4,086,176 | -4.7% | 147,888,051 | -6.5% |

Source: Department of Labor; Bureau of Labor Statistics
*Through November



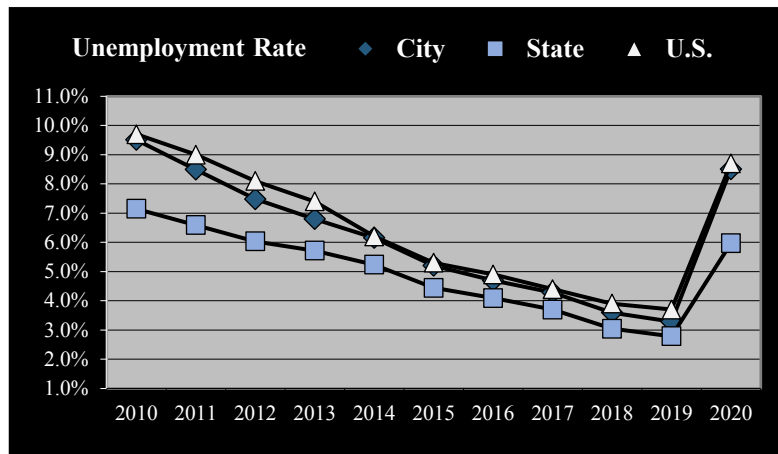
As the preceding illustrates, the Richmond City employment base experienced consistent growth between 2010 and 2019. However, between 2019 and November 2020, the city's employment base declined by 4.8% as the result of the COVID-19 pandemic.

Unemployment rates for Richmond City, Virginia and the United States are illustrated as follows:

| Unemployment Rate | | | |
|-------------------|---------------|----------|---------------|
| Year | Richmond City | Virginia | United States |
| 2010 | 9.5% | 7.2% | 9.7% |
| 2011 | 8.5% | 6.6% | 9.0% |
| 2012 | 7.5% | 6.0% | 8.1% |
| 2013 | 6.8% | 5.7% | 7.4% |
| 2014 | 6.2% | 5.2% | 6.2% |
| 2015 | 5.2% | 4.4% | 5.3% |
| 2016 | 4.7% | 4.1% | 4.9% |
| 2017 | 4.3% | 3.7% | 4.4% |
| 2018 | 3.6% | 3.0% | 3.9% |
| 2019 | 3.3% | 2.8% | 3.7% |
| 2020* | 8.5% | 6.0% | 8.7% |

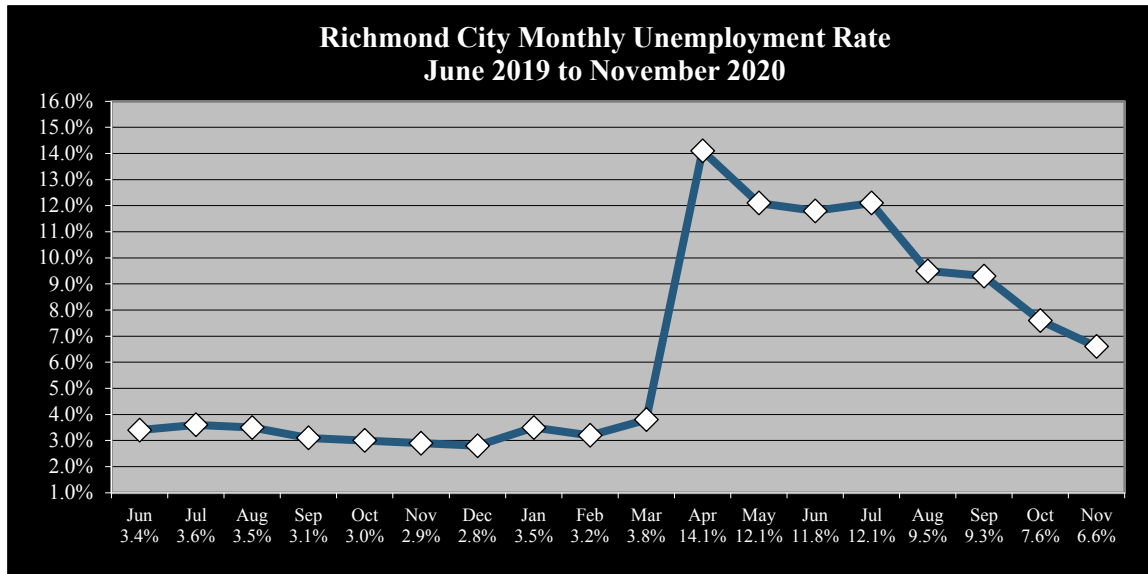
Source: Department of Labor, Bureau of Labor Statistics

*Through November



Between 2010 and 2019, the unemployment rate within Richmond declined by over six percentage points, then increased by over five percentage points between 2019 and November 2020 as the result of the COVID-19 pandemic.

The table on the following page illustrates the monthly unemployment rate in Richmond City for the most recent 18-month period for which data is currently available.



The city’s monthly unemployment rate was generally stable between June 2019 and March 2020, then spiked by over ten percentage points between March and April 2020. On a positive note, the monthly unemployment rate in the city has been generally declining since; however, it is still considered relatively high as of November at 6.6%.

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

| In-Place Employment Richmond City | | | |
|-----------------------------------|------------|--------|----------------|
| Year | Employment | Change | Percent Change |
| 2010 | 148,083 | - | - |
| 2011 | 149,540 | 1,457 | 1.0% |
| 2012 | 148,410 | -1,130 | -0.8% |
| 2013 | 147,607 | -803 | -0.5% |
| 2014 | 148,477 | 870 | 0.6% |
| 2015 | 149,651 | 1,174 | 0.8% |
| 2016 | 153,128 | 3,477 | 2.3% |
| 2017 | 154,502 | 1,374 | 0.9% |
| 2018 | 155,753 | 1,251 | 0.8% |
| 2019 | 158,794 | 3,041 | 2.0% |
| 2020* | 149,341 | -9,453 | -6.0% |

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

Data for 2019, the most recent that year-end figures are available, indicates in-place employment in Richmond City to be 137.7% of the total Richmond City employment. This means that Richmond City has more employed persons coming to the city from other cities/counties for work (daytime employment) than those who both live and work there.

3. ECONOMIC FORECAST

Based on data provided by the State of Virginia Department of Labor and the U.S. Department of Labor, the area was negatively impacted by the COVID-19 pandemic, which caused many local businesses to shut down in an attempt to mitigate the spread of the coronavirus. Between 2019 and November 2020, the Richmond employment base declined by 5,500 jobs, or 4.8%, and its unemployment rate increased by over five percentage points. Specifically, between March and April 2020, the unemployment rate within the city spiked by over ten percentage points; however, the city's unemployment rate has generally been trending downward since. Nonetheless, several of the businesses impacted include those within the Retail Trade and Accommodation & Food Services sectors, which account for more than 24.0% of the market's labor force and provide lower wage paying positions. The subject site will provide a good quality affordable housing option in an economy where lower-wage employees are most vulnerable.

4. COMMUTING PATTERNS

Based on the American Community Survey (2014-2018), 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 | 19,792 | 74.7% |
| Carpooled | 2,554 | 9.6% |
| Public Transit | 1,278 | 4.8% |
| Walked | 1,097 | 4.1% |
| Other Means | 896 | 3.4% |
| Worked at Home | 895 | 3.4% |
| Total | 26,512 | 100.0% |

Source: American Community Survey (2014-2018); ESRI; Urban Decision Group; Bowen National Research

Nearly 75% of all workers drove alone, 9.6% carpooled and only 4.8% used public transportation. Given the subject site serves very low-income households and is within walking distance from the nearest public bus stop, 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 | 5,624 | 21.2% |
| 15 to 29 Minutes | 12,956 | 48.9% |
| 30 to 44 Minutes | 5,141 | 19.4% |
| 45 to 59 Minutes | 1,007 | 3.8% |
| 60 or More Minutes | 888 | 3.3% |
| Worked at Home | 895 | 3.4% |
| Total | 26,511 | 100.0% |

Source: American Community Survey (2014-2018); 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 15-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.

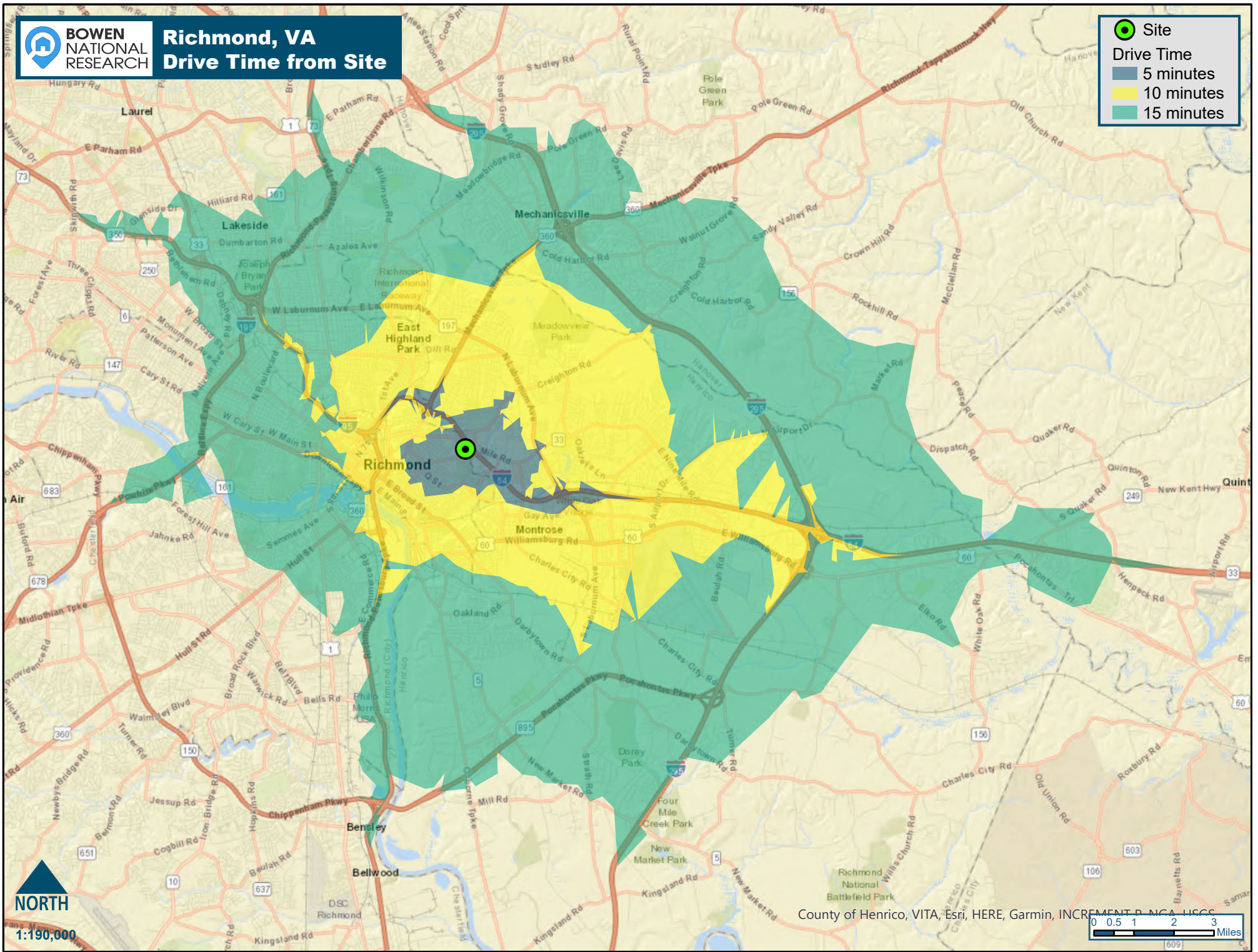


Richmond, VA Drive Time from Site

Site

Drive Time

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:190,000

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

V. Rental Housing Analysis (Supply)

A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Richmond Site PMA in 2010 and 2021 (estimated) are summarized in the following table:

| Housing Status | 2010 (Census) | | 2021 (Estimated) | |
|-----------------|---------------|---------|------------------|---------|
| | Number | Percent | Number | Percent |
| Total-Occupied | 21,259 | 88.0% | 24,524 | 89.4% |
| Owner-Occupied | 9,724 | 45.7% | 10,216 | 41.7% |
| Renter-Occupied | 11,535 | 54.3% | 14,309 | 58.3% |
| Vacant | 2,912 | 12.0% | 2,922 | 10.6% |
| Total | 24,171 | 100.0% | 27,447 | 100.0% |

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

Based on a 2021 update of the 2010 Census, of the 27,447 total housing units in the market, 10.6% were vacant. In 2021, it was estimated that homeowners occupied 41.7% of all occupied housing units, while the remaining 58.3% were occupied by renters.

Conventional Apartments

We identified and personally surveyed 23 conventional housing projects containing a total of 3,023 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 98.0%, an excellent rate for rental housing. The surveyed rental developments broken out by project type are summarized in the following table:

| Project Type | Projects Surveyed | Total Units | Vacant Units | Occupancy Rate |
|----------------------------------|-------------------|-------------|--------------|----------------|
| Market-rate | 9 | 1,191 | 58 | 95.1% |
| Market-rate/Tax Credit | 2 | 274 | 2 | 99.3% |
| Tax Credit | 6 | 752 | 0 | 100.0% |
| Tax Credit/Government-Subsidized | 5 | 534 | 0 | 100.0% |
| Government-Subsidized | 1 | 272 | 0 | 100.0% |
| Total | 23 | 3,023 | 60 | 98.0% |

As the preceding table illustrates, all rental housing segments surveyed within the market are performing well, as none have a combined occupancy rate lower than 95.1%. As such, it does not appear that there are any significant deficiencies within the Richmond rental housing market.

Tax Credit Property Disclosure: In addition to the 13 Tax Credit properties surveyed, we also identified additional properties within the Site PMA that operate under the Low-Income Housing Tax Credit (LIHTC) program that we were unable to survey at the time of this report. The known details of these projects based on previous surveys conducted by Bowen National Research in the Richmond area and from our review of the state Tax Credit allocation list are summarized in the following table:

| Name | Location | Year Built/ Renovated | Total Units | Target Population |
|--|------------------------|--------------------------|-------------|----------------------------------|
| Bacon Retirement Community | 815 N. 35th St. | 1913 | 58 | Seniors; Tax Credit |
| Bowler Retirement Community | 608 N. 26th St. | 1910 | 62 | Seniors; Tax Credit |
| Church Hill House | 2400 Burton St. | 2007 | 137 | Seniors; Tax Credit and Subsidy |
| Fairmont House | 1501 N. 21st St. | 1985 | 160 | Seniors; Tax Credit and Subsidy |
| Henrico Arms | 1664 Henrico Arms Pl. | 1974 | 232 | Families; Tax Credit and Subsidy |
| Mallard Greens Townhomes | 2852 Fairfield Ave. | 1965 | 192 | Families; Tax Credit |
| Market Slip | 2 S. 17th St. | 1860 | 30 | Families; Tax Credit |
| Oakland Village | 1400 Old Bronze Rd. | 1976 | 100 | Families; Tax Credit and Subsidy |
| Oliver Crossing | 1329 Coalter St. | 1956 | 222 | Families; Tax Credit and Subsidy |
| Williamsburg Village | Thalia Crescent | 1972 | 140 | Families; Tax Credit and Subsidy |
| Bradford Manor | 2027 Fairfield Ave. | 1963 | 56 | Families; Tax Credit |
| Carter Woods I & II | 301 Dabbs House Rd. | 2004 | 152 | Seniors; Tax Credit |
| Glenwood Farms Apts. | 3753 Bolling Rd. | 1948 | 256 | Families; Tax Credit |
| Reflections | 461 Lou's Lore Ln. | 2002 | 104 | Seniors; Tax Credit |
| Somanath Senior Apts. at Beckstoffer's | 1208 & 1231 N 28th St. | 2013 | 39 | Seniors; Tax Credit |

As the preceding illustrates, four of the properties unable to be surveyed target families and will offer non-subsidized units and will likely have some competitive overlap with the subject project. The properties unable to be surveyed have been excluded from our survey and thus comparable/competitive analysis. The non-subsidized units have been considered in our market penetration rate calculation included in *Section VII*.

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

| Market-Rate | | | | | | |
|----------------------------|-------|--------------|---------------|-----------|-------------|-------------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| Studio | 1.0 | 19 | 1.3% | 0 | 0.0% | \$1,019 |
| One-Bedroom | 1.0 | 625 | 44.3% | 33 | 5.3% | \$1,174 |
| Two-Bedroom | 1.0 | 89 | 6.3% | 1 | 1.1% | \$1,352 |
| Two-Bedroom | 1.5 | 159 | 11.3% | 2 | 1.3% | \$1,432 |
| Two-Bedroom | 2.0 | 318 | 22.5% | 23 | 7.2% | \$1,536 |
| Two-Bedroom | 2.5 | 78 | 5.5% | 1 | 1.3% | \$1,620 |
| Three-Bedroom | 1.5 | 50 | 3.5% | 0 | 0.0% | \$1,030 |
| Three-Bedroom | 2.0 | 29 | 2.1% | 0 | 0.0% | \$1,795 |
| Three-Bedroom | 2.5 | 11 | 0.8% | 0 | 0.0% | \$1,865 |
| Three-Bedroom | 3.0 | 9 | 0.6% | 0 | 0.0% | \$1,889 |
| Four-Bedroom | 2.0 | 25 | 1.8% | 0 | 0.0% | \$1,159 |
| Total Market-rate | | 1,412 | 100.0% | 60 | 4.2% | - |
| Tax Credit, Non-Subsidized | | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant | Median Gross Rent |
| Studio | 1.0 | 9 | 0.9% | 0 | 0.0% | \$1,055 |
| One-Bedroom | 1.0 | 414 | 40.6% | 0 | 0.0% | \$901 |
| Two-Bedroom | 1.0 | 114 | 11.2% | 0 | 0.0% | \$1,031 |
| Two-Bedroom | 1.5 | 12 | 1.2% | 0 | 0.0% | \$1,231 |
| Two-Bedroom | 2.0 | 218 | 21.4% | 0 | 0.0% | \$1,021 |
| Two-Bedroom | 2.5 | 8 | 0.8% | 0 | 0.0% | \$920 |
| Three-Bedroom | 1.0 | 61 | 6.0% | 0 | 0.0% | \$1,204 |
| Three-Bedroom | 1.5 | 15 | 1.5% | 0 | 0.0% | \$1,026 |
| Three-Bedroom | 2.0 | 129 | 12.7% | 0 | 0.0% | \$1,407 |
| Three-Bedroom | 2.5 | 7 | 0.7% | 0 | 0.0% | \$1,401 |
| Four-Bedroom | 2.0 | 32 | 3.1% | 0 | 0.0% | \$1,368 |
| Total Tax Credit | | 1,019 | 100.0% | 0 | 0.0% | - |

As the preceding table illustrates, the median gross Tax Credit rents are generally well below the corresponding median gross market-rate rents. As such, Tax Credit product likely represents an excellent value to low-income renters within the Site PMA. This is further evidenced by the combined vacancy rate of 0.0% among all non-subsidized Tax Credit units surveyed within the market.

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

| Year Built | Projects | Units | Vacancy Rate |
|--------------|----------|-------|--------------|
| Before 1970 | 5 | 594 | 1.2% |
| 1970 to 1979 | 0 | 0 | 0.0% |
| 1980 to 1989 | 1 | 100 | 0.0% |
| 1990 to 1999 | 3 | 513 | 1.0% |
| 2000 to 2009 | 2 | 252 | 0.0% |
| 2010 to 2014 | 3 | 451 | 8.4% |
| 2015 | 0 | 0 | 0.0% |
| 2016 | 0 | 0 | 0.0% |
| 2017 | 1 | 87 | 9.2% |
| 2018 | 2 | 232 | 0.9% |
| 2019 | 1 | 42 | 0.0% |
| 2020 | 3 | 160 | 0.0% |
| 2021* | 0 | 0 | 0.0% |

*As of January

Vacancies are low among each age segment among the non-subsidized properties surveyed. As such, it does not appear that age has had an adverse impact on the marketability of the Richmond rental housing market.

We rated each non-subsidized property surveyed on a scale of "A" through "F". All non-subsidized 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 |
| A | 4 | 484 | 9.5% |
| B+ | 3 | 374 | 1.9% |
| B | 2 | 59 | 3.4% |
| B- | 2 | 495 | 1.0% |
| Non-Subsidized Tax Credit | | | |
| Quality Rating | Projects | Total Units | Vacancy Rate |
| A | 2 | 98 | 0.0% |
| B+ | 6 | 441 | 0.0% |
| B | 3 | 262 | 0.0% |
| C+ | 1 | 218 | 0.0% |

Vacancies are the highest among the market-rate properties surveyed, however, none exceed 9.5%. In addition, all Tax Credit properties surveyed are maintaining 0.0% vacancy rates, demonstrating that demand is high for affordable rental housing, regardless of quality.

Government-Subsidized

The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows.

| Subsidized Tax Credit | | | | | |
|------------------------------------|-------|------------|---------------|----------|-------------|
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant |
| One-Bedroom | 1.0 | 37 | 11.6% | 0 | 0.0% |
| Two-Bedroom | 1.0 | 122 | 38.1% | 0 | 0.0% |
| Two-Bedroom | 1.5 | 6 | 1.9% | 0 | 0.0% |
| Two-Bedroom | 2.0 | 14 | 4.4% | 0 | 0.0% |
| Three-Bedroom | 1.0 | 48 | 15.0% | 0 | 0.0% |
| Three-Bedroom | 1.5 | 25 | 7.8% | 0 | 0.0% |
| Three-Bedroom | 2.0 | 35 | 10.9% | 0 | 0.0% |
| Three-Bedroom | 2.5 | 9 | 2.8% | 0 | 0.0% |
| Four-Bedroom | 1.5 | 20 | 6.3% | 0 | 0.0% |
| Four-Bedroom | 2.0 | 4 | 1.3% | 0 | 0.0% |
| Total Subsidized Tax Credit | | 320 | 100.0% | 0 | 0.0% |
| Government-Subsidized | | | | | |
| Bedroom | Baths | Units | Distribution | Vacancy | % Vacant |
| One-Bedroom | 1.0 | 82 | 30.1% | 0 | 0.0% |
| Two-Bedroom | 1.0 | 109 | 40.1% | 0 | 0.0% |
| Three-Bedroom | 1.0 | 27 | 9.9% | 0 | 0.0% |
| Three-Bedroom | 1.5 | 27 | 9.9% | 0 | 0.0% |
| Four-Bedroom | 1.5 | 27 | 9.9% | 0 | 0.0% |
| Total Subsidized | | 272 | 100.0% | 0 | 0.0% |

All subsidized units surveyed are occupied, the majority of which maintain waiting lists. This illustrates that pent-up demand exists for very low-income rental housing within the market.

Additional information regarding the Richmond Site PMA apartment market is found in *Section XII* of this report.

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

The proposed subject project will target general-occupancy (family) households earning up to 40%, 50%, and 60% of Area Median Household Income (AMHI) under the Low-Income Housing Tax Credit (LIHTC) program. In addition, 21 of the subject units will operate with project-based vouchers (PBV). For the purpose of this analysis, however, we only select comparable *non-subsidized* LIHTC properties as these properties provide the most accurate representation of achievable non-subsidized Tax Credit rents within the Richmond market.

Within the Site PMA, we identified and surveyed a total of nine *non-subsidized* general-occupancy LIHTC properties which offer unit types similar to those proposed for the subject project, in terms of bedroom type and/or targeted income level.

The nine comparable 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 | Creighton Phase A | 2023 | 68 | - | - | - | Families; 40%, 50% & 60% AMHI & PBV |
| 3 | Apartments at Kingsridge | 2018 | 72 | 100.0% | 2.4 Miles | 82 HH | Families; 50% & 60% AMHI & PBV/PBRA |
| 6 | Church Hill North 1A | 2020 | 60 | 100.0% | 0.4 Miles | Yes | Families; 40%, 50%, 60%, & 80% AMHI & Public Housing |
| 7 | Church Hill North 2A | 2020 | 70 | 100.0% | 0.3 Miles | Yes | Families; 30%, 40%, 50%, & 60% AMHI & Section 8 |
| 10 | Glenns at Millers Lane | 2000 | 144 | 100.0% | 3.1 Miles | 15 HH | Families; 60% AMHI |
| 11 | Glenwood Ridge | 2020 | 82 | 100.0% | 1.7 Miles | 12 Months | Families; 40%, 50%, & 60% AMHI & PBV/PBRA |
| 12 | Jefferson Mews | 1994 / 2014 | 56 | 100.0% | 1.5 Miles | Yes | Families; 50% & 60% AMHI |
| 13 | Jefferson Townhomes | 1965 / 2008 | 218 | 100.0% | 1.5 Miles | 3 HH | Families; 60% AMHI |
| 17 | Oliver | 1886 / 2020 | 164 | 100.0% | 1.9 Miles | None | Families; 60% AMHI |
| 21 | Tobacco Landing | 1994 | 62 | 100.0% | 2.2 Miles | Yes | Families; 50% & 60% AMHI |

OCC. – Occupancy
HH - Households

The nine comparable LIHTC projects have a combined occupancy rate of 100.0% and eight of the nine properties maintain a waiting list for their next available units, the longest of which contains 82 households. This is clear indication of high and pent-up demand for general-occupancy LIHTC product in this market. The subject project will alleviate only a portion of this pent-up demand.

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

| Map I.D. | Project Name | Total Units | Number of Vouchers | Share of Vouchers |
|----------|--------------------------|-------------|--------------------|-------------------|
| 3 | Apartments at Kingsridge | 72 | 13 | 18.1% |
| 6 | Church Hill North 1A | 60 | N/A | - |
| 7 | Church Hill North 2A | 70 | N/A | - |
| 10 | Glenns at Millers Lane | 144 | 100 | 69.4% |
| 11 | Glenwood Ridge | 82 | 20 | 24.4% |
| 12 | Jefferson Mews | 56 | 24 | 42.9% |
| 13 | Jefferson Townhomes | 218 | 60 | 27.5% |
| 17 | Oliver | 164 | 25 | 15.2% |
| 21 | Tobacco Landing | 62 | 18 | 29.0% |
| Total | | 798 | 260 | 32.6% |

N/A – Number not available (units not included in total)

There is a total of approximately 260 voucher holders residing at the comparable properties for which this information was available within the market. This comprises 32.6% of the 798 total non-subsidized LIHTC units offered among these properties. This is considered a low share of voucher support and is a good indication that the gross rents at these properties are achievable within the Richmond market and will serve as accurate benchmarks with which to compare the subject project.

The gross rents for the competing 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. | Four-Br. | |
| Site | Creighton Phase A | *\$838/50% (4) \$838/50% (3) \$1,006/60% (5) | *\$1,006/50% (10) \$1,006/50% (11) \$1,207/60% (17) | *\$930/40% (7) \$1,162/50% (5) \$1,395/60% (6) | - | - |
| 3 | Apartments at Kingsridge | - | \$871/50% (9/0) \$871/50% (13/0) \$1,021/60% (14/0) | \$1,017/50% (9/0) \$1,017/50% (5/0) \$1,182/60% (22/0) | - | None |
| 6 | Church Hill North 1A | \$860/50% (3/0) \$1,494/80% (5/0) | SUB/40% (3/0) \$1,013/50% (15/0) SUB/50% (3/0) \$1,231/60% (7/0) \$1,812/80% (5/0) | SUB/40% (2/0) \$1,168/50% (3/0) SUB/50% (7/0) \$1,401/60% (7/0) | - | None |
| 7 | Church Hill North 2A | \$1,028/60% (10/0) | \$1,030/50% (4/0) \$1,030/50% (6/0) \$1,013/50% (2/0) \$1,231/60% (1/0) \$1,231/60% (4/0) | SUB/30% (6/0) SUB/40% (6/0) SUB/40% (1/0) \$1,413/50% (3/0) \$1,413/50% (5/0) | SUB/40% (1/0) SUB/50% (3/0) | None |
| 10 | Glens at Millers Lane | - | \$1,214/60% (72/0) | \$1,407/60% (72/0) | - | None |
| 11 | Glenwood Ridge | \$831/50% (2/0) \$831/60% (10/0) | \$996/50% (22/0) \$996/50% (5/0) \$996/60% (19/0) | \$1,547/40% (9/0) \$1,547/50% (4/0) \$1,547/60% (11/0) | - | None |
| 12 | Jefferson Mews | \$751/50% (4/0) \$976/60% (4/0) | \$920/50% (9/0) \$1,005/60% (8/0) | \$1,026/50% (22/0) \$1,336/60% (9/0) | - | None |
| 13 | Jefferson Townhomes | \$891-\$901/60% (61/0) | \$1,031-\$1,041/60% (80/0) | \$1,204-\$1,214/60% (45/0) | \$1,363-\$1,373/60% (32/0) | None |
| 17 | Oliver | \$992-\$1,026/60% (146/0) | \$1,194/60% (9/0) \$1,194/60% (9/0) | - | - | None |
| 21 | Tobacco Landing | \$780/50% (16/0) \$900/60% (37/0) | \$1,021/60% (9/0) | - | - | None |

SUB - Subsidized (residents pay 30% of their income, as this is a government-subsidized property, which also operates under the Tax Credit program)

*Subsidized units

The subject’s proposed gross Tax Credit rents are competitive with those being achieved at the comparable LIHTC projects. Notably, they are positioned below the rents being achieved at Church Hill North 2A, a comparable LIHTC property built in 2020. As such, the subject’s proposed gross rents appear to be appropriate for this market.

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 table:

| Map I.D. | Project Name | Square Footage | | | |
|-------------|--------------------------|------------------|--------------------|----------------------|----------|
| | | One-Br. | Two-Br. | Three-Br. | Four-Br. |
| Site | Creighton Phase A | 680 - 776 | 900 - 1,035 | 1,235 - 1,291 | |
| 3 | Apartments at Kingsridge | - | 952 | 1,116 | - |
| 6 | Church Hill North 1A | 645 - 670 | 895 - 950 | 1,270 - 1,365 | - |
| 7 | Church Hill North 2A | 642 - 763 | 961 - 1,066 | 1,423 - 1,449 | 1,779 |
| 10 | Glenns at Millers Lane | - | 830 | 1,100 | - |
| 11 | Glenwood Ridge | 675 | 975 | 1,075 | - |
| 12 | Jefferson Mews | 700 | 1,100 | 1,300 | - |
| 13 | Jefferson Townhomes | 620 | 770 | 920 - 1,106 | 1,175 |
| 17 | Oliver | 547 - 766 | 665 - 1,045 | - | - |
| 21 | Tobacco Landing | 662 | 899 | - | - |

| Map I.D. | Project Name | Number of Baths | | | |
|-------------|--------------------------|-----------------|------------|------------------|----------|
| | | One-Br. | Two-Br. | Three-Br. | Four-Br. |
| Site | Creighton Phase A | 1.0 | 1.5 | 2.0 – 2.5 | - |
| 3 | Apartments at Kingsridge | - | 2.0 | 2.0 | - |
| 6 | Church Hill North 1A | 1.0 | 1.0 - 1.5 | 2.0 - 2.5 | - |
| 7 | Church Hill North 2A | 1.0 | 1.0 - 2.0 | 2.0 | 2.0 |
| 10 | Glenns at Millers Lane | - | 2.0 | 2.0 | - |
| 11 | Glenwood Ridge | 1.0 | 2.0 | 2.0 | - |
| 12 | Jefferson Mews | 1.0 | 1.0 - 2.5 | 1.0 - 1.5 | - |
| 13 | Jefferson Townhomes | 1.0 | 1.0 | 1.0 | 2.0 |
| 17 | Oliver | 1.0 | 2.0 | - | - |
| 21 | Tobacco Landing | 1.0 | 2.0 | - | - |

The proposed development will be competitive with the existing LIHTC projects in the market based on unit size (square footage) and the number of baths offered.

The following tables compare the appliances and the unit and project amenities of the subject site with existing Tax Credit properties in the market.

| Tax Credit Unit Amenities by Map ID | | | | | | | | | | | |
|-------------------------------------|-------------------------|---|---|---|----|----|----|----|----|----|---|
| | Site* | 3 | 6 | 7 | 10 | 11 | 12 | 13 | 17 | 21 | |
| Appliances | Dishwasher | X | X | X | X | X | X | X | X | X | X |
| | Disposal | X | | X | X | X | X | | X | X | X |
| | Icemaker | | | | | X | | | X | | |
| | Microwave | X | | X | X | | X | X | X | X | |
| | Range | X | X | X | X | X | X | X | X | X | X |
| | Refrigerator | X | X | X | X | X | X | X | X | X | X |
| | No Appliances | | | | | | | | | | |
| Unit Amenities | AC-Central | X | X | X | X | X | X | X | X | X | |
| | AC-Other | | | | | | | | | | X |
| | Balcony | X | X | X | X | X | S | | | | |
| | Deck / Patio | X | X | X | X | X | S | S | X | | |
| | Basement | | | | | | | | | | |
| | Ceiling Fan | | | X | | X | X | S | | | |
| | Controlled Access | | | | | | | | X | X | |
| | E-Call System | | | | | | S | | | | |
| | Fireplace | | | | | | | | | | |
| | Furnished | | | | | | | | | | |
| | Security System | | | | | | | | X | | |
| | Sunroom | | | | | | | | | | |
| | W/D Hookup | X | X | X | X | X | X | | | | |
| | W/D | | | | | O | | X | X | X | |
| | Walk-In Closet | | | | | | X | X | | X | |
| Window Treatments | X | X | X | X | X | X | X | X | X | X | |
| Flooring | Carpet | X | | X | X | X | X | X | | | X |
| | Ceramic Tile | X | | | | | | | | | |
| | Composite (VCT)(LVT) | X | | | | | | | | | |
| | Hardwood | | | | | | | | X | X | |
| | Finished Concrete | | | | | | | | | X | |
| | Vinyl | | X | | | X | X | | | | X |
| | Wood Laminate / Plank | | | X | X | | | X | | X | |
| Upgraded | Premium Appliances | | | | | | | | | | |
| | Premium Countertops | | | | | | X | | | | |
| | Premium Cabinetry | | | | | | X | | | | |
| | Premium Fixtures | | | | | | X | | | | |
| | High Ceilings | | | | | | | | X | | |
| | Vaulted Ceilings | | | | | | | | | | |
| | Crown Molding | | | | | | | | | | |
| | Oversized Windows | | | | | | | | X | X | |
| Parking | Attached Garage | | | | | | | | | | |
| | Detached Garage | | | | | | | | | | |
| | Street Parking | | | X | X | | | X | S | | X |
| | Surface Lot | X | X | X | X | X | X | X | X | X | |
| | Carport | | | | | | | | | | |
| | Property Parking Garage | | | | | | X | | | | X |
| | Podium Parking | | | | | | | | | | |
| No Provided Parking | | | | | | | | | | | |

◆ - Senior Property

* Proposed Site(s): Creighton Court Phase A

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

** Details in Comparable Property Profile Report

Continued on Next Page

Tax Credit Property Amenities by Map ID

| | Site* | 3 | 6 | 7 | 10 | 11 | 12 | 13 | 17 | 21 | |
|-----------------|----------|---|---|---|----|----|----|----|----|----|--|
| | | | | | | | | | X | X | |
| | X | X | X | X | | X | | | X | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| Community Space | | | | | | | | | | | |
| | | | | | | | | | | | |
| | X | | | X | X | | | | X | | |
| | | X | | | | | | | | | |
| | X | X | | | | | | | | | |
| | X | X | X | X | | X | | | | X | |
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| | X | X | X | X | X | X | X | X | X | X | |
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| Recreation | | | | | | | | | | | |
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| | Security | X | | | | | | | | | |
| | | X | | | | | | | X | | |
| | | | | | | | | X | | | |
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| | | | | | | | | | | | |
| X | | | X | X | | X | | | | | |
| X | | | | | | | | | O | | |
| | | | X | | | | | | | | |
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◆ - Senior Property

* Proposed Site(s): Creighton Court Phase A

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

** Details in Comparable Property Profile Report

As the preceding tables illustrate, the amenities package to be included at the site will be very similar with those offered at the most comparable LIHTC projects within the market. The subject project will not lack any amenity that will prevent it from successfully operating as a LIHTC community.

Comparable/Competitive Tax Credit Summary

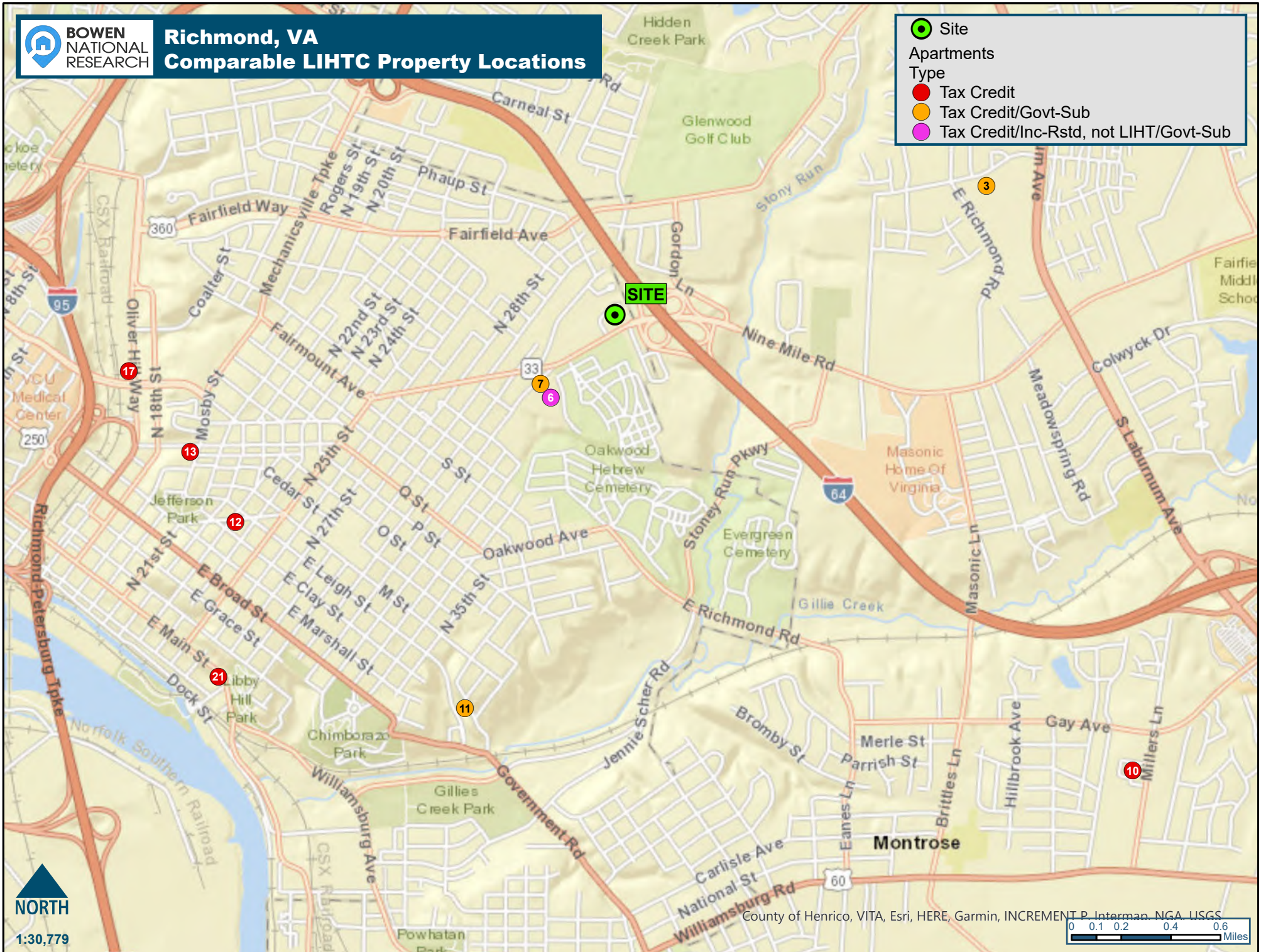
The nine comparable LIHTC projects have a combined occupancy rate of 100.0% and eight of the nine properties maintain a waiting list for their next available units, the longest of which contains 82 households. This is clear indication of high and pent-up demand for general-occupancy LIHTC product in this market. The subject's proposed gross Tax Credit rents are competitive with those being achieved at the comparable LIHTC projects. Notably, they are positioned below the rents being achieved at Church Hill North 2A, a comparable LIHTC property built in 2020. In terms of design, the subject property will offer competitive unit sizes among the comparable properties in terms of square footage and will include a very competitive overall amenity package. Based on the preceding factors, the subject project is considered marketable as proposed.

A map depicting the location of the most comparable LIHTC properties is included on the following page.



Richmond, VA Comparable LIHTC Property Locations

● Site
Apartments
Type
● Tax Credit
● Tax Credit/Govt-Sub
● Tax Credit/Inc-Rstd, not LIHT/Govt-Sub



1:30,779

County of Henrico, VITA, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



C. PLANNED MULTIFAMILY DEVELOPMENT

Despite numerous attempts, we were unable to receive a response from all of the local planning and building representatives within the Richmond area. However, through information obtained from planning representatives that did respond, and from extensive online research, it was determined that there are several rental housing projects within the development pipeline in the Site PMA, which are summarized in the following table.

| Project Name & Address | Type | Units | Developer | Status/Details |
|---|----------------------------|--|------------------------------------|--|
| Armstrong Renaissance Phases 1A, , 1B, 2A & 2B (FKA Church Hill North Phases I, 1B, 2A, and 2B) 1611 N. 31st Street | Tax Credit & Subsidized | 35 UC Family, 45 Senior planned | The Community Builders, Inc. | Under construction/Planned: 1A family and 1B senior have been completed and are 100.0% occupied, 2A family (70 units) is also completed and 100.0% occupied. 2B, (45 senior units) for ages 62+ will close on financing by April 2021 and plan construction start in 2021; Senior units are for those earning up to 40%, 50%, and 60% of Area Median Household Income (AMHI) and all 45 senior units will operate under the HUD Section 8 program |
| Kingsridge II SW Corner of Kingsridge Pkwy & N. Laburnum Avenue | Tax Credit | 71 | Community Housing Partners | Under Construction: 36 two-bedroom, 35 three-bedroom units targeting those earning 40%, 50%, and 60% AMHI; Rents will range from \$651 to \$895 for a two-bedroom and \$737 to \$1,025 for a three-bedroom; eight, two-bedroom units are anticipated to operate with project-based Section 8 Vouchers; First building planned to open spring 2021 |
| Kingsridge III SW Corner of Kingsridge Pkwy & N. Laburnum Avenue | Tax Credit | 24 | Community Housing Partners | Planned: Allocated LIHTC funding 2020; Project will target family households earning up to 50% and 60% AMHI; ECD spring 2022 |
| Bickerstaff Crossing Apartments 1401 Bickerstaff Road | Tax Credit & Subsidized | 60 | Balzer & Associates | Planned: Allocated LIHTC funding in 2018; Eight Section 8 Project-Based Vouchers units; 30 three-bedroom and 30 two-bedroom units at 40% & 50% AMHI; Units will be in a three-story building; amenities include a multipurpose room, exercise room, computer center, playground, picnic pavilion; 120 parking spaces; In Plan of Development (POD) approval |
| Cool Lane Apartments 1900 Cool Lane | Tax Credit & Subsidized | 86 | Virginia Supportive Housing | Planned: Allocated LIHTC funding 2019; Adaptive reuse of a former 1977 nursing home; For lower-income adults and formerly homeless earning up to 50% of AMHI; 43 of the units are anticipated to operate under the Section 8 program; Proposed collected non-subsidized Tax Credit rents will be \$725; Plan to break ground June 2021 |

ECD - Estimated completion date
TBD-To be determined

(Continued)

| Project Name & Address | Type | Units | Developer | Status/Details |
|---|-------------|----------------|-------------------------|--|
| The Line at Fulton Yard 201 Orleans Street | Market-Rate | Phase I 216 | Zimmer Development | Planned: Planned mixed-use project to be built in phases; Totaling 535 apartments and 106,000 sq. ft. commercial space; Phase I calls for two, five-story mixed-use buildings with retail and 108 apartments in each; Next phase is five-story building with 60 apartments and amenities; Next phase on 14 acres includes 259 apartments, and 80,000 sq. ft. of commercial space; Inviting construction bidders August 2020 |
| Shiplock Views 2801 East Main Street | Market-Rate | 180-unit | CMB Development | Under Construction: Units will range from 670 to 950 square feet, with monthly rents ranging from \$1,300 to \$2,300; Plans call for 135 one-bedroom & 45 two-bedroom units; Amenities include rooftop deck, clubhouse two patios with gas grills and seating areas, pool, fitness center; The existing 51-unit Lofts at Shiplock Watch near the site is to be absorbed into the new development; ECD spring 2021 |
| Block 8 4501 E. Main St. | Market-Rate | 199 | PRG Real Estate | Proposed: Six-story building; Most units will be one-bedroom units at 618-sq. ft. proposed rent about \$1,300 per month; 248 parking spaces and 6,800 square feet of office space; Plans announced January 2021 |
| TBD 715 Mosby St. | Market-Rate | 15 | Streetcar Properties | Proposed: Three-story apartment building; 12 one-bedrooms and three two-bedrooms ranging from 680 to 1,000 sq. ft; ECD early 2022 |

ECD - Estimated completion date

TBD-To be determined

The directly competitive units at the properties that have been allocated Tax Credits will likely have some competitive overlap with the subject project and the directly competitive non-subsidized units have been included in our demand estimates in *Section VII*.

D. ANTICIPATED IMPACT ON EXISTING TAX CREDIT PROPERTIES

The anticipated occupancy rates of the existing and surveyed comparable/ competitive Tax Credit developments during the first year of occupancy at the subject property are as follows:

| Map I.D. | Project | Current Occupancy Rate | Anticipated Occupancy Rate Through 2023 |
|----------|--------------------------|------------------------|---|
| 3 | Apartments at Kingsridge | 100.0% | 95.0% + |
| 6 | Church Hill North 1A | 100.0% | 95.0% + |
| 7 | Church Hill North 2A | 100.0% | 95.0% + |
| 10 | Glenns at Millers Lane | 100.0% | 95.0% + |
| 11 | Glenwood Ridge | 100.0% | 95.0% + |
| 12 | Jefferson Mews | 100.0% | 95.0% + |
| 13 | Jefferson Townhomes | 100.0% | 95.0% + |
| 17 | Oliver | 100.0% | 95.0% + |
| 21 | Tobacco Landing | 100.0% | 95.0% + |

The nine comparable LIHTC projects have a combined occupancy rate of 100.0% and eight of the nine properties maintain a waiting list for their next available units, the longest of which contains 82 households. This is clear indication of high and pent-up demand for general-occupancy LIHTC product in this market. The subject project will alleviate only a portion of this pent-up demand. Due to the preceding factors and considering the depth of support (demand estimates) for the subject project and the existing properties, we do not anticipate the subject project having any adverse impact on future occupancy rates among existing comparable LIHTC product in the market. In fact, the subject property is expected to help alleviate a portion of the pent-up demand for additional LIHTC product in this market.

E. BUY VERSUS RENT ANALYSIS

According to ESRI, the median home value within the Site PMA was \$158,188. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$158,188 home is \$952, including estimated taxes and insurance.

| Buy Versus Rent Analysis | |
|--|-----------|
| Median Home Price - ESRI | \$158,188 |
| Mortgaged Value = 95% of Median Home Price | \$150,279 |
| Interest Rate - Bankrate.com | 4.5% |
| Term | 30 |
| Monthly Principal & Interest | \$761 |
| Estimated Taxes and Insurance* | \$190 |
| Estimated Monthly Mortgage Payment | \$952 |

*Estimated at 25% of principal and interest

In comparison, the collected Tax Credit rents for the subject property range from \$624 to \$1,087 per month. While it is possible that some potential tenants of the subject project could afford the monthly payments required to own a home in this market, the number that could also afford the down payment, routine maintenance costs, and/or utility costs associated with such a home is considered minimal. Further, the subsidy to be provided to some units at the subject project must also be considered, as tenants of these units will effectively pay only 30% of their income towards rent, rather than the proposed rents evaluated throughout this report.

VI. Achievable Market Rent Analysis

A. INTRODUCTION

We identified five market-rate properties within and near the Richmond Site PMA that we consider comparable in terms of unit and project amenities to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development and the subject property's market advantage. 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 proposed 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 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 five selected properties include the following:

| Map I.D. | Project Name | Year Built/ Renovated | Total Units | Occ. Rate | Unit Mix (Occupancy Rate) | | |
|-------------|--------------------------|--------------------------|-------------|-----------|------------------------------|-------------------------|-------------------------|
| | | | | | One-Br. | Two-Br. | Three-Br. |
| Site | Creighton Phase A | 2023 | 68 | - | 12 (-) | 38 (-) | 18 (-) |
| 2 | American Tobacco Center | 1902 / 2005 | 153 | 96.7% | 84 (100.0%) | 64 (92.2%) | 5 (100.0%) |
| 5 | Cedar Broad | 2010 | 204 | 94.1% | 142 (97.2%) | 51 (84.3%) | 11 (100.0%) |
| 9 | Flats at 25th | 2019 | 42 | 100.0% | 32 (100.0%) | 10 (100.0%) | - |
| 14 | Lakefield Mews | 1992 | 395 | 98.7% | 83 (98.8%) | 296 (98.6%) | 16 (100.0%) |
| 19 | Shockoe Valley View II | 2017 | 87 | 90.8% | 26 (84.6%) | 52 (92.3%) | 9 (100.0%) |

Occ. – Occupancy

The five selected market-rate projects have a combined total of 881 units with an overall occupancy rate of 96.6%, a very good rate for rental housing. This indicates that these projects have been very well received within the market and will serve as accurate benchmarks with which to compare the subject project.

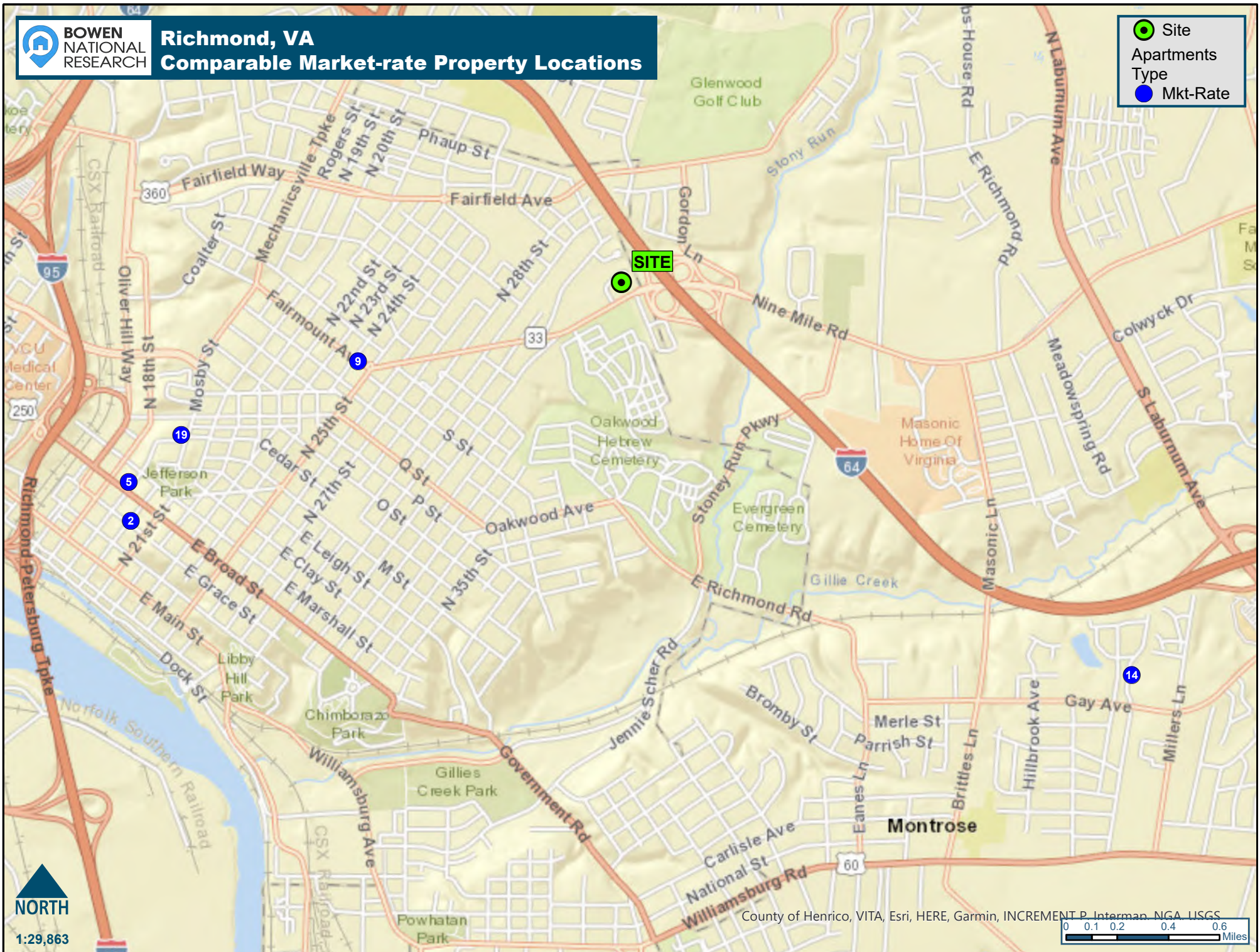
The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and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



Richmond, VA

Comparable Market-rate Property Locations

- Site
- Apartment
- Type
- Mkt-Rate



1:29,863

County of Henrico, VITA, Esri, HERE, Garmin, INCREMENT P, Intermap, NGA, USGS



Rent Comparability Grid

Unit Type → **ONE-BEDROOM**

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------|------------------------------------|-------------------------|---------------|-------------------------------|---------------|-------------------|---------------|------------------------|---------------|------------------------|---------------|
| Creighton Phase A | | American Tobacco Center | | Cedar Broad | | Flats at 25th | | Lakefield Mews | | Shockoe Valley View II | |
| 3100 Nine Mile Road | | 119 N. 20th St. | | 1820 E Broad St | | 2400 Fairmont Ave | | 4431 Lakefield Mews Dr | | 1904 Cedar St | |
| Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | |
| A. | Rents Charged | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$1,216 | | \$1,082 | | \$895 | | \$990 | | \$1,144 | |
| 2 | Date Surveyed | Jan-21 | | Jan-21 | | Feb-21 | | Feb-21 | | Feb-21 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 100% | | 97% | | 100% | | 99% | | 85% | |
| 5 | Effective Rent & Rent/ sq. ft | \$1,216 | 1.44 | \$1,082 | 1.98 | \$895 | 1.41 | \$990 | 1.54 | \$1,144 | 1.90 |
| B. | Design, Location, Condition | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/3 | | EE/4,5 | | EE/4 | | WU/2 | | EE/3,4 | |
| 7 | Yr. Built/Yr. Renovated | 2023 | \$18 | 2010 | \$13 | 2019 | \$4 | 1992 | \$31 | 2017 | \$6 |
| 8 | Condition/Street Appeal | E | \$15 | E | | E | | G | \$15 | E | |
| 9 | Neighborhood | G | | G | | G | | G | | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | Yes | | Yes | |
| C. | Unit Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 1 | | 1 | | 1 | | 1 | | 1 | |
| 12 | # Baths | 1 | | 1 | | 1 | | 1 | | 1 | |
| 13 | Unit Interior Sq. Ft. | 680 | (\$67) | 547 | \$54 | 634 | \$19 | 644 | \$15 | 603 | \$31 |
| 14 | Patio/Balcony | Y | \$5 | N | \$5 | N | \$5 | Y | | Y | |
| 15 | AC: Central/Wall | C | | C | | C | | C | | C | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | Y/Y | | Y/Y | | Y/Y | | Y/Y | | Y/Y | |
| 18 | Washer/Dryer | HU | (\$25) | W/D | (\$25) | W/D | (\$25) | HU/L | (\$5) | W/D | (\$25) |
| 19 | Floor Coverings | C/T/V | | C/W | | L | | C/V/L | | W/C | |
| 20 | Window Treatments | Y | | Y | | N | \$5 | Y | | Y | |
| 21 | Secured Entry | N | (\$3) | Y | | Y | (\$3) | N | | Y | (\$3) |
| 22 | Garbage Disposal | Y | | Y | | Y | | Y | | Y | |
| 23 | Ceiling Fan/Storage | N/Y | \$5 | N/N | | Y/N | | Y/N | | Y/N | |
| D. | Site Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | \$10 | NONE | \$10 | NONE | \$10 | LOT/\$0 | | NONE | \$10 |
| 25 | On-Site Management | Y | | Y | | Y | | Y | | Y | |
| 26 | Security Features | Y | \$5 | N | \$5 | N | \$5 | N | \$5 | N | \$5 |
| 27 | Community Space | Y | \$5 | Y | | N | \$5 | Y | | Y | |
| 28 | Pool/Recreation Areas | F | (\$13) | F | | F | | P/S/L | (\$11) | F | |
| 29 | Computer/Business Center | Y | \$3 | Y | | N | \$3 | N | \$3 | Y | |
| 30 | Picnic Area/Grill | N | | Y | (\$3) | N | | Y | (\$3) | Y | (\$3) |
| 31 | Playground | N | | N | | N | | Y | (\$3) | N | |
| 32 | Social Services | Y | \$10 | N | \$10 | N | \$10 | N | \$10 | N | \$10 |
| E. | Utilities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/Sewer | N/N | | N/N | | N/N | | N/N | | N/N | |
| 39 | Trash/Recycling | N/N | (\$20) | Y/N | (\$20) | Y/N | (\$20) | Y/N | (\$20) | Y/N | (\$20) |
| F. | Adjustments Recap | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 9 | 4 | 6 | 2 | 9 | 2 | 6 | 4 | 5 | 3 |
| 41 | Sum Adjustments B to D | \$76 | (\$108) | \$97 | (\$28) | \$66 | (\$28) | \$79 | (\$22) | \$62 | (\$31) |
| 42 | Sum Utility Adjustments | | (\$20) | | (\$20) | | (\$20) | | (\$20) | | (\$20) |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | (\$52) | \$204 | \$49 | \$145 | \$18 | \$114 | \$37 | \$121 | \$11 | \$113 |
| G. | Adjusted & Market Rents | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$1,164 | | \$1,131 | | \$913 | | \$1,027 | | \$1,155 | |
| 45 | Adj Rent/Last rent | | 96% | | 105% | | 102% | | 104% | | 101% |
| 46 | Estimated Market Rent | \$1,110 | \$1.63 ← | Estimated Market Rent/ Sq. Ft | | | | | | | |

Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------|------------------------------------|-------------------------|---------------|-------------------------------|---------------|-------------------|---------------|------------------------|---------------|------------------------|---------------|
| Creighton Phase A | | American Tobacco Center | | Cedar Broad | | Flats at 25th | | Lakefield Mews | | Shockoe Valley View II | |
| 3100 Nine Mile Road | | 119 N. 20th St. | | 1820 E Broad St | | 2400 Fairmont Ave | | 4431 Lakefield Mews Dr | | 1904 Cedar St | |
| Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | |
| A. | Rents Charged | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$1,319 | | \$1,443 | | \$1,195 | | \$1,170 | | \$1,379 | |
| 2 | Date Surveyed | Jan-21 | | Jan-21 | | Feb-21 | | Feb-21 | | Feb-21 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 92% | | 84% | | 100% | | 99% | | 92% | |
| 5 | Effective Rent & Rent/ sq. ft | \$1,319 | 1.65 | \$1,443 | 1.91 | \$1,195 | 1.27 | \$1,170 | 1.37 | \$1,379 | 1.55 |
| B. | Design, Location, Condition | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/3 | | EE/4,5 | | EE/4 | | WU/2 | | EE/3,4 | |
| 7 | Yr. Built/Yr. Renovated | 2023 | \$18 | 2010 | \$13 | 2019 | \$4 | 1992 | \$31 | 2017 | \$6 |
| 8 | Condition/Street Appeal | E | \$15 | E | | E | | G | \$15 | E | |
| 9 | Neighborhood | G | | G | | G | | G | | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | Yes | | Yes | |
| C. | Unit Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 2 | | 2 | | 2 | | 2 | | 2 | |
| 12 | # Baths | 1.5 | (\$15) | 2 | (\$15) | 2 | (\$15) | 1 | \$15 | 2 | (\$15) |
| 13 | Unit Interior Sq. Ft. | 988 | \$72 | 756 | \$89 | 940 | \$18 | 852 | \$52 | 892 | \$37 |
| 14 | Patio/Balcony | Y | \$5 | N | \$5 | N | \$5 | Y | | Y | |
| 15 | AC: Central/Wall | C | | C | | C | | C | | C | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | Y/Y | | Y/Y | | Y/Y | | Y/Y | | Y/Y | |
| 18 | Washer/Dryer | HU | (\$25) | W/D | (\$25) | W/D | (\$25) | HU/L | (\$5) | W/D | (\$25) |
| 19 | Floor Coverings | C/T/V | | C/W | | L | | C/V/L | | W/C | |
| 20 | Window Treatments | Y | | Y | | N | \$5 | Y | | Y | |
| 21 | Secured Entry | N | (\$3) | Y | | Y | (\$3) | N | | Y | (\$3) |
| 22 | Garbage Disposal | Y | | Y | | Y | | Y | | Y | |
| 23 | Ceiling Fan/Storage | N/Y | \$5 | N/N | | Y/N | | Y/N | | Y/N | |
| D. | Site Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | \$10 | NONE | \$10 | NONE | \$10 | LOT/\$0 | | NONE | \$10 |
| 25 | On-Site Management | Y | | Y | | Y | | Y | | Y | |
| 26 | Security Features | Y | \$5 | N | \$5 | N | \$5 | N | \$5 | N | \$5 |
| 27 | Community Space | Y | \$5 | Y | | N | \$5 | Y | | Y | |
| 28 | Pool/Recreation Areas | F | (\$13) | P/F/GR | | F | | P/S/L | (\$11) | F | |
| 29 | Computer/Business Center | Y | \$3 | N | | Y | | N | \$3 | Y | |
| 30 | Picnic Area/Grill | N | | N | | Y | (\$3) | Y | (\$3) | Y | (\$3) |
| 31 | Playground | N | | N | | N | | Y | (\$3) | N | |
| 32 | Social Services | Y | \$10 | N | \$10 | N | \$10 | N | \$10 | N | \$10 |
| E. | Utilities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/Sewer | N/N | | N/N | | N/N | | N/N | | N/N | |
| 39 | Trash/Recycling | N/N | (\$20) | Y/N | (\$20) | Y/N | (\$20) | Y/N | (\$20) | Y/N | (\$20) |
| F. | Adjustments Recap | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 10 | 4 | 6 | 3 | 9 | 3 | 7 | 4 | 5 | 4 |
| 41 | Sum Adjustments B to D | \$148 | (\$56) | \$132 | (\$43) | \$65 | (\$43) | \$131 | (\$22) | \$68 | (\$46) |
| 42 | Sum Utility Adjustments | | (\$20) | | (\$20) | | (\$20) | | (\$20) | | (\$20) |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$72 | \$224 | \$69 | \$195 | \$2 | \$128 | \$89 | \$173 | \$2 | \$134 |
| G. | Adjusted & Market Rents | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$1,391 | | \$1,512 | | \$1,197 | | \$1,259 | | \$1,381 | |
| 45 | Adj Rent/Last rent | | 105% | | 105% | | 100% | | 108% | | 100% |
| 46 | Estimated Market Rent | \$1,300 | \$1.32 ← | Estimated Market Rent/ Sq. Ft | | | | | | | |

Rent Comparability Grid

Unit Type → **TWO-BEDROOM**

| Subject | | Comp #1 | | Comp #2 | | Comp #3 | | Comp #4 | | Comp #5 | |
|---------------------|------------------------------------|-------------------------|---------------|-------------------------------|---------------|-------------------|---------------|------------------------|---------------|------------------------|---------------|
| Creighton Phase A | | American Tobacco Center | | Cedar Broad | | Flats at 25th | | Lakefield Mews | | Shockoe Valley View II | |
| 3100 Nine Mile Road | | 119 N. 20th St. | | 1820 E Broad St | | 2400 Fairmont Ave | | 4431 Lakefield Mews Dr | | 1904 Cedar St | |
| Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | | Richmond, VA | |
| A. | Rents Charged | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 1 | \$ Last Rent / Restricted? | \$1,580 | | \$1,660 | | \$1,300 | | \$1,550 | | \$1,684 | |
| 2 | Date Surveyed | Jan-21 | | Jan-21 | | Feb-21 | | Feb-21 | | Feb-21 | |
| 3 | Rent Concessions | None | | None | | None | | None | | None | |
| 4 | Occupancy for Unit Type | 100% | | 100% | | 100% | | 100% | | 100% | |
| 5 | Effective Rent & Rent/ sq. ft | \$1,580 | 1.44 | \$1,660 | 1.56 | \$1,300 | 1.17 | \$1,550 | 1.16 | \$1,684 | 1.52 |
| B. | Design, Location, Condition | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 6 | Structure / Stories | WU/3 | | EE/4,5 | | EE/4 | | WU/2 | | EE/3,4 | |
| 7 | Yr. Built/Yr. Renovated | 2023 | \$18 | 2010 | \$13 | 2019 | \$4 | 1992 | \$31 | 2017 | \$6 |
| 8 | Condition/Street Appeal | E | \$15 | E | | E | | G | \$15 | E | |
| 9 | Neighborhood | G | | G | | G | | G | | G | |
| 10 | Same Market? | Yes | | Yes | | Yes | | Yes | | Yes | |
| C. | Unit Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 11 | # Bedrooms | 3 | | 3 | | 2 | \$50 | 3 | | 3 | |
| 12 | # Baths | 2.5 | \$15 | 2.5 | | 2 | \$15 | 2 | \$15 | 3 | (\$15) |
| 13 | Unit Interior Sq. Ft. | 1235 | \$46 | 1065 | \$58 | 1110 | \$42 | 1334 | (\$34) | 1110 | \$42 |
| 14 | Patio/Balcony | Y | \$5 | N | \$5 | N | \$5 | Y | | Y | |
| 15 | AC: Central/Wall | C | | C | | C | | C | | C | |
| 16 | Range/Refrigerator | R/F | | R/F | | R/F | | R/F | | R/F | |
| 17 | Microwave/Dishwasher | Y/Y | | Y/Y | | Y/Y | | Y/Y | | Y/Y | |
| 18 | Washer/Dryer | HU | (\$25) | W/D | (\$25) | W/D | (\$25) | HU/L | (\$5) | W/D | (\$25) |
| 19 | Floor Coverings | C/T/V | | C/W | | L | | C/V/L | | W/C | |
| 20 | Window Treatments | Y | | Y | | N | \$5 | Y | | Y | |
| 21 | Secured Entry | N | (\$3) | Y | | Y | (\$3) | N | | Y | (\$3) |
| 22 | Garbage Disposal | Y | | Y | | Y | | Y | | Y | |
| 23 | Ceiling Fan/Storage | N/Y | \$5 | N/N | | Y/N | | Y/N | | Y/N | |
| D. | Site Equipment/ Amenities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 24 | Parking (\$ Fee) | LOT/\$0 | \$10 | NONE | \$10 | NONE | \$10 | LOT/\$0 | | NONE | \$10 |
| 25 | On-Site Management | Y | | Y | | Y | | Y | | Y | |
| 26 | Security Features | Y | \$5 | N | \$5 | N | \$5 | N | \$5 | N | \$5 |
| 27 | Community Space | Y | \$5 | Y | | N | \$5 | Y | | Y | |
| 28 | Pool/Recreation Areas | F | (\$13) | P/F/GR | | F | | P/S/L | (\$11) | F | |
| 29 | Computer/Business Center | Y | \$3 | N | | Y | | N | \$3 | Y | |
| 30 | Picnic Area/Grill | N | | N | | Y | (\$3) | Y | (\$3) | Y | (\$3) |
| 31 | Playground | N | | N | | N | | Y | (\$3) | N | |
| 32 | Social Services | Y | \$10 | N | \$10 | N | \$10 | N | \$10 | N | \$10 |
| E. | Utilities | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj | Data | \$ Adj |
| 33 | Heat (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 34 | Cooling (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 35 | Cooking (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 36 | Hot Water (in rent?/ type) | N/E | | N/E | | N/E | | N/E | | N/E | |
| 37 | Other Electric | N | | N | | N | | N | | N | |
| 38 | Cold Water/Sewer | N/N | | N/N | | N/N | | N/N | | N/N | |
| 39 | Trash/Recycling | N/N | (\$20) | Y/N | (\$20) | Y/N | (\$20) | Y/N | (\$20) | Y/N | (\$20) |
| F. | Adjustments Recap | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg | Pos | Neg |
| 40 | # Adjustments B to D | 11 | 3 | 6 | 2 | 11 | 2 | 6 | 5 | 5 | 4 |
| 41 | Sum Adjustments B to D | \$137 | (\$41) | \$101 | (\$28) | \$154 | (\$28) | \$79 | (\$56) | \$73 | (\$46) |
| 42 | Sum Utility Adjustments | | (\$20) | | (\$20) | | (\$20) | | (\$20) | | (\$20) |
| | | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross |
| 43 | Net/ Gross Adjmts B to E | \$76 | \$198 | \$53 | \$149 | \$106 | \$202 | \$3 | \$155 | \$7 | \$139 |
| G. | Adjusted & Market Rents | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | | Adj. Rent | |
| 44 | Adjusted Rent (5+ 43) | \$1,656 | | \$1,713 | | \$1,406 | | \$1,553 | | \$1,691 | |
| 45 | Adj Rent/Last rent | | 105% | | 103% | | 108% | | 100% | | 100% |
| 46 | Estimated Market Rent | \$1,520 | \$1.23 ← | 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, the present-day achievable market rents for non-subsidized units similar to the proposed subject development are summarized as follows:

| Bedroom Type | Proposed Collected Rent | % AMHI | Achievable Market Rent | Market Rent Advantage |
|--------------|-------------------------|--------|------------------------|-----------------------|
| One-Br. | \$624 | 50% | \$1,110 | 43.8% |
| One-Br. | \$792 | 60% | \$1,110 | 28.7% |
| Two-Br. | \$744 | 50% | \$1,300 | 42.8% |
| Two-Br. | \$945 | 60% | \$1,300 | 27.3% |
| Three-Br. | \$854 | 50% | \$1,520 | 43.8% |
| Three-Br. | \$1,087 | 60% | \$1,520 | 28.5% |

Typically, Tax Credit units should represent approximately a 10.0% market rent advantage to be perceived as a value in the market. As such, the proposed subject Tax Credit rents will likely be perceived as good to substantial values within the market, as they represent market rent advantages ranging from 27.3% to 43.8%, depending upon targeted income level.

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. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1992 and 2019; however, one property was renovated in 2020. As such, we have adjusted the rents at the selected properties by \$1 per year of (effective) age difference to reflect the age of these properties.

8. It is anticipated that the proposed subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.
11. We have made adjustments for the differences in the number of bedrooms offered at the selected market-rate projects due to the fact that not all of the selected properties offer the same bedroom types as the subject project. A conservative adjustment of \$50 per bedroom was used to reflect this difference.
12. There is a variety of the number of bathrooms offered at each of the selected properties. We have made adjustments of \$15 per half bathroom to reflect the difference in the number of bathrooms offered at the site as compared with the comparable 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 basis, we have used 25% of the average for this adjustment.
- 14.- 23. The proposed subject project will offer a unit amenity package generally similar to those offered at the selected properties. We have made adjustments for features lacking at the subject project.
- 24.-32. The proposed project will offer a limited project amenities package relative to those offered at the selected market-rate developments. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

VII. Capture Rate Analysis

A. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed 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 Richmond, Virginia MSA, which has a median four-person household income of \$89,400 for 2020. The subject property will be restricted to households with incomes of up to 40%, 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size and targeted AMHI levels:

| Household Size | Maximum Allowable Income | | |
|----------------|--------------------------|----------|----------|
| | 40% | 50% | 60% |
| One-Person | \$25,040 | \$31,300 | \$37,560 |
| Two-Person | \$28,640 | \$35,800 | \$42,960 |
| Three-Person | \$32,200 | \$40,250 | \$48,300 |
| Four-Person | \$35,760 | \$44,700 | \$53,640 |
| Five-Person | \$38,640 | \$48,300 | \$57,960 |

1. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is **\$57,960**, which is the five-person maximum income at 60% of AMHI.

2. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to Virginia Housing market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while elderly projects have a 40% rent-to-income ratio.

The lowest proposed LIHTC rent at the subject site is \$838 (maximum allowable rent for a one-bedroom unit at 50% of AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$10,056. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of **\$28,731**.

3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges by targeted income level are illustrated as follows:

| Unit Type | Income Range | |
|-------------------------------------|-----------------|-----------------|
| | Minimum | Maximum |
| Tax Credit (Limited to 40% of AMHI) | \$31,886 | \$38,640 |
| Tax Credit (Limited to 50% of AMHI) | \$28,731 | \$48,300 |
| Tax Credit (Limited to 60% of AMHI) | \$34,391 | \$57,960 |
| Overall Tax Credit | \$28,731 | \$57,960 |

B. CAPTURE RATE CALCULATIONS

Per VHDA market study requirements, analysts are required to use net demand in calculating capture rates and the absorption period. Net demand is determined by subtracting the supply of vacant comparable units in the PMA, completed or pipeline, from Total Demand. Total Demand includes New Renter Household Growth and Demand from Existing Households (defined below).

The following are the demand components as outlined by Virginia Housing:

1. **Demand from New Renter Households.** *Determine demand for new units in the Primary Market Area based on projected rental household growth. This is to be determined using 2021 as the base year and projecting forward to 2023, per Virginia Housing guidelines. The projected population must be limited to the target group, age- and income-appropriate. Demand for each target group must be shown separately, as reflected in the market study requirements. Demand estimates for proposals for elderly developments must be derived from household population age 65 and older. In instances where a significant number of proposed units (more than 20%) are comprised on three- and four-bedroom units, the analyst must refine the analysis by factoring in the number of large households, typically four or more persons. Failure to account for this may result in overstated demand.*
2. **Demand from Existing Households:** *The sum of demand from rental household growth and demand from all components of existing households will constitute **Total Demand**. The demand components from existing households are detailed below:*
 - a) **Rent overburdened households, if any, within the age group, income groups and renters targeted for the subject development.** *“Overburdened” is defined by Virginia Housing as households paying more than 35% of gross income (40% if elderly) for gross rent. Analysts are encouraged to be conservative in this regard.*

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25074), 20.7% to 49.6% of households, depending upon income level, within the Site PMA are considered to be rent overburdened.

- b) **Households in substandard housing** (i.e. overcrowded and/or lack of plumbing: Must be age and income group appropriate. Analysts must use their knowledge of the market area and the subject development to determine if demand from this source is realistic. Analysts are encouraged to be conservative in this regard.

Based on the American Community Survey (ACS) 5-Year Estimates (Table B25016), approximately 3.3% of all households within the Site PMA are living in substandard housing. Considering the targeted low-income tenant base, this estimate is considered appropriate for the area.

- c) **Elderly Homeowners likely to convert to rental housing:** This component may not comprise more than 20% of total demand. The analyst must provide a narrative describing how these numbers were derived. Analysts are encouraged to be conservative in this regard.
- d) **Existing qualifying tenants likely to remain after renovations:** This component of demand applies only to existing developments undergoing rehabilitations.

The sum of demand from rental household growth and demand from all components of existing households will constitute total demand.

C. DEMAND/CAPTURE RATE CALUCLATIONS

As stated and discussed in the *Section V* of this report, there are currently three directly comparable Tax Credit projects that will be offering non-subsidized units directly competitive with the subject site. The unit breakdowns of these non-subsidized Tax Credit units are illustrated in the following table. Note that all established surveyed Tax Credit properties are currently 100.0% occupied, nearly all of which maintain a waiting list.

| Project Name | Year Built/ Renovated | LIHTC Units* | Units At Targeted AMHI (Units) | | |
|----------------------|--------------------------|-----------------|-----------------------------------|------------------------|-----------------------|
| | | | 40% AMHI | 50% AMHI | 60% AMHI |
| Kingsridge II | 2020 | 71 | 2-BR (4) 3-BR (18) | 2-BR (10) 3-BR (17) | 2-BR (18) 3-BR (4) |
| Kingsridge III | 2022 | 24 | - | 2-BR (6) 3-BR (6) | 2-BR (6) 3-BR (6) |
| Bickerstaff Crossing | 2020 | 52* | - | 2-BR (22) | 3-BR (30) |

*Non-subsidized Tax Credit units only – market-rate units and government-subsidized not included in this total

These directly comparable non-subsidized LIHTC units have been subtracted from the total demand in the following analysis to determine the net demand.

The following is a summary of our demand calculations:

| Demand Component | *40% AMHI (\$31,886-\$38,640) | 50% AMHI (\$28,731-\$48,300) | 60% AMHI (\$34,391-\$57,960) | Overall LIHTC (\$28,731-\$57,960) |
|--|----------------------------------|---------------------------------|---------------------------------|--------------------------------------|
| Demand from New Rental Households (Income-Appropriate) | 254 - 257 = -3 | 3,027 - 3,003 = 24 | 3,113 - 3,070 = 43 | 4,010 - 3,970 = 40 |
| + | | | | |
| Demand from Existing Households (Rent Overburdened) | 257 X 49.6% = 128 | 3,003 X 42.7% = 1,282 | 3,070 X 20.7% = 635 | 3,970 X 34.9% = 1,386 |
| + | | | | |
| Demand from Existing Households (Renters in Substandard Housing) | 257 X 3.3% = 8 | 3,003 X 3.3% = 99 | 3,070 X 3.3% = 101 | 3,970 X 3.3% = 131 |
| + | | | | |
| Demand from Existing Households (Elderly Homeowner Conversion) | N/A | N/A | N/A | N/A |
| = | | | | |
| Total Demand | 133 | 1,405 | 779 | 1,557 |
| - | | | | |
| Supply (Directly Comparable Vacant Units Completed or in the Pipeline) | 22 | 61 | 64 | 147 |
| = | | | | |
| Net Demand | 111 | 1,344 | 715 | 1,410 |
| Proposed Units | 7 | 33 | 28 | 68 |
| Proposed Units / Net Demand | 7 / 111 | 33 / 1,344 | 28 / 715 | 68 / 1,410 |
| Capture Rate | = 6.3% | = 2.5% | = 3.9% | = 4.8% |
| Total Absorption Period | 1 Month | 4 Months | 5 Months | 5 Months |

N/A-Not Applicable

*Excludes one- and two-person households

Overall, the capture rates by income level are considered low, as they range from 2.5% to 6.3%. The overall capture rate of 4.8% is low and certainly achievable in the Richmond Site PMA, especially considering the high occupancy levels maintained at the competitive LIHTC projects in the market. Considering the subject project will operate with a subsidy available to 21 units, the subject's actual capture is rate is even lower.

D. PENETRATION RATE CALCULATIONS

The 2,044 existing and planned non-subsidized Tax Credit units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned Tax Credit units is \$25,749 to \$62,280. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be a projected 4,919 renter households with eligible incomes in 2023. The 2,044 existing and planned non-subsidized Tax Credit units, along with the 68 proposed subject units, represent a penetration rate of 42.9% of the 4,919 income-eligible renter households, which is summarized in the following table.

| | Market Penetration |
|--|--------------------|
| Number of LIHTC Units (Planned and Existing) | 2,112 |
| Income-Eligible Renter Households – 2023 | / 4,919 |
| Overall Market Penetration Rate | = 42.9% |

It is our opinion that the 42.9% penetration rate for the LIHTC units, both existing and planned, is achievable. Based on the fact that the overall non-subsidized LIHTC market surveyed is operating at a 100.0% occupancy rate and most of these properties maintain waiting lists, we believe the 42.9% penetration rate is achievable.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Richmond Redevelopment and Housing Authority there are approximately 3,750 Housing Choice Voucher holders within the housing authority’s jurisdiction, and 5,140 people currently on the waiting list for additional Vouchers. The waiting list is closed, and it is unknown when the waiting list will reopen. Annual turnover is estimated at 176 households. This reflects the continuing need for Housing Choice Voucher assistance.

If the rents do not exceed the payment standards established by the local housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by the Richmond Redevelopment and Housing Authority the local payment standards, as well as the proposed subject gross rents, are summarized in the following table:

| Bedroom Type | Payment Standards | Proposed Tax Credit Gross Rents (AMHI)* |
|---------------|-------------------|---|
| One-Bedroom | \$1,020 | \$838 (50%) \$1,006 (60%) |
| Two-Bedroom | \$1,163 | \$1,006 (50%) \$1,207 (60%) |
| Three-Bedroom | \$1,538 | \$1,162 (50%) \$1,395 (60%) |

*Non-subsidized units only

As the preceding table illustrates, most of the proposed non-subsidized LIHTC gross rents are below the local payment standards. As such, the subject project will be able to rely on support from Housing Choice Voucher holders in the non-subsidized units. This will increase the demographic base of potential support for the proposed development and has been considered in our absorption projections.

F. ABSORPTION PROJECTIONS

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the proposed 68 LIHTC units at the subject site will reach a stabilized occupancy of 95% in approximately four months of opening. This absorption period is based on a conservative average monthly absorption rate of approximately 16 units per month and assumes a subsidy is secured for 21 units. In the unlikely event the subject project does not operate with a subsidy available to 21 units, it would likely experience a slightly extended absorption period of five months, reflective of an absorption rate of approximately 13 units per month

These absorption projections assume a May 2023 opening date. An earlier/later opening date may have a slowing impact on the initial absorption of the subject project. Further, these absorption projections assume that the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development receives.

VIII. Local Perspective (Interviews)

We conducted numerous interviews with local sources familiar with the Richmond area and the housing, economic and/or demographic characteristics that impact the need for affordable housing. These include, but are not limited to, interviews with local planning and building department representatives, local chamber of commerce and/or economic development officials, housing authority representatives, local real estate professionals and/or apartment managers.

Summaries of key interviews regarding the need for affordable rental housing within the area follow:

- Alison Richards, Property Manager at Ashley Oaks Apartments (Map ID 4), a government-subsidized and Tax Credit property, stated that many residents of Richmond are struggling due to the impact of the pandemic on the economy and the low wages in the area. Ms. Richards also stated that rents are increasing every year, but wages stay the same. Ms. Richards further stated that more affordable properties are needed throughout the Richmond area.
- Ronda Spears, Property Manager at Glens at Miller Lane (Map ID 10), a Tax Credit property, stated that affordable housing is in great demand in this area of Richmond. Many renters in the area have low incomes and her property is always 100.0% occupied with a waiting list.
- Kenyatta Green, Director of the Housing Choice Voucher Program and Tenant Selection Office for the Richmond Redevelopment and Housing Authority, stated that there is a huge need for more affordable housing for families and seniors in Richmond. Voucher holders have difficulty finding affordable housing that will accept the vouchers, and those without vouchers have a very difficult time finding housing that they can afford. With the Public Housing waiting list containing over 13,000 households, there are many more applicants than the number of Public Housing units in the housing authority's inventory.

IX. Analysis & Conclusions

Based on the findings reported in our market study, it is our opinion that a market exists for the 68 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be very competitive within the market area in terms of unit amenities and unit sizes, and the proposed rents will be perceived as significant values in the market. Notably, the proposed subject rents represent market rent advantages of between 27.3% and 43.8%, illustrating that they will likely represent substantial values to low-income renters within the market. In addition, the subject's proposed gross LIHTC rents are very competitive with the existing Tax Credit properties in the market. This is demonstrated in *Section V*.

Given that all comparable LIHTC developments surveyed within the Site PMA are 100.0% occupied, most of which maintain waiting lists, the subject project will offer a housing alternative to low-income households that has limited availability in the area.

As shown in the Project Specific Demand Analysis section of this report, with an overall capture rate of 4.8% of income-appropriate renter households in the market, there is significant support for the subject development. Therefore, it is our opinion that the subject project will have no impact on the existing Tax Credit developments in the Site PMA.

X.

SITE PHOTOGRAPHS



View of site from the north



View of site from the northeast



View of site from the east



View of site from the southeast



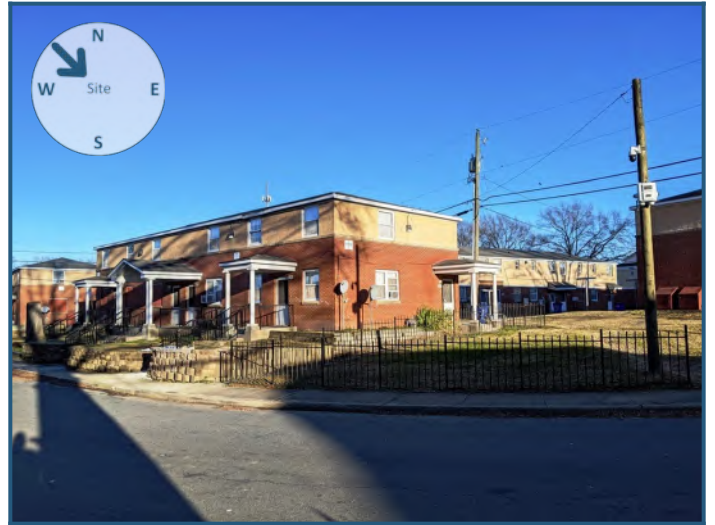
View of site from the south



View of site from the southwest



View of site from the west



View of site from the northwest



North view from site



Northeast view from site



East view from site



Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape: South view of Creighton Road



Streetscape: North view of Creighton Road



Streetscape: North view of Bunchie Place



Streetscape: South view of Bunchie Place



Streetscape: Northeast view of 9 Mile Road



Streetscape: Southwest view of 9 Mile Road



Streetscape: Northeast view of Bunchie Place



Streetscape: Southwest view of Bunchie Place

XI.

COMPARABLE
PROPERTY PROFILES

2 American Tobacco Center 1.9 miles to site



Address: 119 N. 20th St., Richmond, VA 23223
 Phone: (804) 377-9900 Contact: Jainard
 Property Type: Market Rate
 Target Population: Family
 Total Units: 153 Year Built: 1902 Ratings
 Vacant Units: 5 *AR Year: 2005 Quality: B+
 Occupancy: 96.7% Yr Renovated: Neighborhood: B
 Turnover: Stories: 4,5 (w/Elev) Access/Visibility: B/B+
 Waitlist: None
 Rent Special: One month rent free if apply within 48 hours



Notes:

Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Controlled Access; Fireplace; W/D; Walk-In Closet;
 Window Treatments; Flooring (Carpet, Hardwood); Premium Appliances; Premium Countertops; High Ceilings; Oversized Windows

Property Amenities: Rooftop Lounge; Concierge Services (Package Receiving); Cafe / Coffee Bar; Elevator; On-Site Management; Recreation Areas (Fitness Center, Game Room-Billiards, Outdoor Swimming Pool); Extra Storage

Parking Type: Street Parking; Surface Lot; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|---------------|-----------------|-------------------|--------|
| 1 | 1 | G | 84 | 0 | 400 - 844 | \$2.76 - \$1.44 | \$1,105 - \$1,216 | Market |
| 2 | 2 | G | 64 | 5 | 800 - 1,238 | \$1.65 - \$1.34 | \$1,319 - \$1,657 | Market |
| 3 | 2 | G | 5 | 0 | 1,100 - 1,317 | \$1.44 - \$1.59 | \$1,580 - \$2,091 | Market |

*Adaptive Reuse

*DTS is based on drive time

3 Apartments at Kingsridge 2.4 miles to site



Address: 390 Kingsridge Rd, Richmond, VA 23223
 Phone: (804) 362-0425 Contact: Ann
 Property Type: Tax Credit, Government Subsidized
 Target Population: Family
 Total Units: 72 Year Built: 2018
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3
 Waitlist: 82 HH
 Rent Special: None

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



Notes: Tax Credit (54 units); PBV & Tax Credit (18 units); Preleasing 6/2018, opened 10/2018, 100% occupied 12/2018

Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority

Utility Type & Responsibility: Landlord pays Sewer, Trash

Unit Amenities: Dishwasher; Range; Refrigerator; Central AC; Balcony; Deck / Patio; W/D Hookup; Window Treatments; Flooring (Vinyl)

Property Amenities: Business Center (Computer); Conference Room, Community Kitchen, Community Room; On-Site Management; Recreation Areas (Fitness Center, Playground); Water Feature

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------------|
| 2 | 2 | G | 9 | 0 | 952 | Subsidized | Subsidized | Subsidized |
| 2 | 2 | G | 13 | 0 | 952 | \$0.78 | \$740 | 50% |
| 2 | 2 | G | 14 | 0 | 952 | \$0.93 | \$890 | 60% |
| 3 | 2 | G | 9 | 0 | 1,116 | Subsidized | Subsidized | Subsidized |
| 3 | 2 | G | 5 | 0 | 1,116 | \$0.76 | \$845 | 50% |
| 3 | 2 | G | 22 | 0 | 1,116 | \$0.91 | \$1,010 | 60% |

*Adaptive Reuse

*DTS is based on drive time

5 Cedar Broad 1.9 miles to site



Address: 1820 E Broad St, Richmond, VA 23223
 Phone: (804) 977-4870 Contact: Carmen
 Property Type: Market Rate
 Target Population: Family
 Total Units: 204 Year Built: 2010
 Vacant Units: 12 *AR Year:
 Occupancy: 94.1% Yr Renovated:
 Turnover: Stories: 4,5 (w/Elev)
 Waitlist: Yes
 Rent Special: None

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

Notes: Rents change daily



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; W/D; Window Treatments; Flooring (Carpet, Ceramic Tile, Wood Laminate / Plank); Premium Appliances; Premium Countertops; Premium Cabinetry; Premium Fixtures; High Ceilings

Property Amenities: Business Center (Computer, Copy); Clubhouse, Conference Room, Rooftop Lounge; Concierge Services (Package Receiving); Cafe / Coffee Bar; Elevator; On-Site Management; Pet Stations; Recreation Areas (Fitness Center, Grill, Picnic Table / Area); WiFi

Parking Type: Street Parking; Surface Lot; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|--------|
| 1 | 1 | G | 142 | 4 | 547 | \$1.98 | \$1,082 | Market |
| 2 | 2 | G | 51 | 8 | 756 | \$1.91 | \$1,443 | Market |
| 3 | 2.5 | G | 11 | 0 | 1,065 | \$1.56 | \$1,660 | Market |

*Adaptive Reuse

*DTS is based on drive time

6 Church Hill North 1A 0.4 miles to site



Address: 1665 N 31st St, Richmond, VA 23223
 Phone: (757) 955-8142 Contact: Tara
 Property Type: Tax Credit, Income Restricted, Government Subsidized
 Target Population: Family
 Total Units: 60 Year Built: 2020 Ratings
 Vacant Units: 0 *AR Year: Quality: A
 Occupancy: 100.0% Yr Renovated: Neighborhood: C
 Turnover: Stories: 1,2,3 Access/Visibility: B/B
 Waitlist: Yes
 Rent Special: None



Notes: Tax Credit (35 units); Income-restricted, not LIHTC (10 units); Public Housing & Tax Credit (15 units); Preleasing 8/2019, opened 1st units 1/2020, remaining units opened 3/2020

Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority

Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; W/D Hookup; Window Treatments; Flooring (Carpet, Wood Laminate / Plank)

Property Amenities: Business Center (Computer, Copy); Community Room; Gazebo; On-Site Management; Recreation Areas (Fitness Center, Playground); Social Services (Social Services Coordinator)

Parking Type: Street Parking; Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-----------|-----------------|----------------|------------|
| 1 | 1 | G | 3 | 0 | 645 - 670 | \$1.10 - \$1.06 | \$708 | 50% |
| 1 | 1 | G | 5 | 0 | 645 - 670 | \$2.08 - \$2.00 | \$1,342 | 80% |
| 2 | 1.5 | T | 3 | 0 | 915 - 950 | Subsidized | Subsidized | Subsidized |
| 2 | 1 | T | 15 | 0 | 895 | \$0.91 | \$811 | 50% |
| 2 | 1.5 | T | 3 | 0 | 915 | Subsidized | Subsidized | Subsidized |
| 2 | 1.5 | T | 7 | 0 | 950 | \$1.08 | \$1,029 | 60% |
| 2 | 1.5 | T | 5 | 0 | 915 | \$1.76 | \$1,610 | 80% |
| 3 | 2.5 | T | 2 | 0 | 1,270 | Subsidized | Subsidized | Subsidized |
| 3 | 2 | T | 3 | 0 | 1,365 | \$0.66 | \$903 | 50% |
| 3 | 2.5 | T | 7 | 0 | 1,270 | Subsidized | Subsidized | Subsidized |
| 3 | 2.5 | T | 7 | 0 | 1,270 | \$0.89 | \$1,136 | 60% |

*Adaptive Reuse

*DTS is based on drive time

7 Church Hill North 2A 0.3 miles to site

| | |
|--------------------------------------|---|
| <p>Picture Not Available</p> | <p>Address: 1611 N 31st St, Richmond, VA 23223 Phone: (757) 955-8142 Contact: Tara Property Type: Tax Credit, Government Subsidized Target Population: Family Total Units: 70 Year Built: 2020 <u>Ratings</u> Vacant Units: 0 *AR Year: Quality: A Occupancy: 100.0% Yr Renovated: Neighborhood: C Turnover: Stories: 1,2,3 Access/Visibility: B/B Waitlist: Yes Rent Special: None</p> |
| <p>Picture Not Available</p> | <p>Notes: Tax Credit (53 units); HUD Section 8 & Tax Credit (17 units); Preleasing 6/2020, opened 8/2020, stabilized occupancy 2/2021</p> |

Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: No landlord paid utilities;

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; W/D Hookup; Window Treatments; Flooring (Carpet, Wood Laminate / Plank)

Property Amenities: Business Center (Computer, Copy); Clubhouse, Community Room; On-Site Management; Recreation Areas (Fitness Center, Playground); Social Services (Social Services Coordinator)

Parking Type: Street Parking; Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-----------|-----------------|----------------|------------|
| 1 | 1 | G | 10 | 0 | 642 - 763 | \$1.36 - \$1.15 | \$876 | 60% |
| 2 | 1 | G | 4 | 0 | 961 | \$0.86 | \$828 | 50% |
| 2 | 1 | G | 6 | 0 | 1,066 | \$0.78 | \$828 | 50% |
| 2 | 2 | G | 1 | 0 | 961 | \$1.07 | \$1,029 | 60% |
| 2 | 2 | G | 4 | 0 | 1,066 | \$0.97 | \$1,029 | 60% |
| 2 | 2 | T | 2 | 0 | 1,050 | \$0.77 | \$811 | 50% |
| 2 | 2 | T | 10 | 0 | 1,050 | \$0.96 | \$1,012 | 60% |
| 3 | 2 | T | 6 | 0 | 1,423 | Subsidized | Subsidized | Subsidized |
| 3 | 2 | T | 6 | 0 | 1,423 | Subsidized | Subsidized | Subsidized |
| 3 | 2 | T | 1 | 0 | 1,423 | Subsidized | Subsidized | Subsidized |
| 3 | 2 | T | 3 | 0 | 1,449 | \$0.79 | \$1,148 | 50% |

*Adaptive Reuse *DTS is based on drive time Continued on Next Page

| 7 Unit Configuration- cont. | | | | | | | | |
|-----------------------------|-------|------|-------|--------|-------|------------|----------------|------------|
| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
| 3 | 2 | T | 5 | 0 | 1,449 | \$0.79 | \$1,148 | 50% |
| 3 | 2 | T | 8 | 0 | 1,423 | \$0.80 | \$1,136 | 60% |
| 4 | 2 | T | 1 | 0 | 1,779 | Subsidized | Subsidized | Subsidized |
| 4 | 2 | T | 3 | 0 | 1,779 | Subsidized | Subsidized | Subsidized |

9 Flats at 25th 0.9 miles to site



Address: 2400 Fairmont Ave, Richmond, VA 23223
 Phone: (804) 533-8885 Contact: Larissa
 Property Type: Market Rate
 Target Population: Family
 Total Units: 42 Year Built: 2019
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 4 (w/Elev)
 Waitlist: None
 Rent Special: None

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

Notes: Preleasing 3/2019, opened 5/2019, stabilized occupancy 7/2019



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Ceiling Fan; Controlled Access; W/D; Walk-In Closet; Flooring (Wood Laminate / Plank); Premium Appliances; Premium Countertops; Premium Cabinetry; Premium Fixtures

Property Amenities: Rooftop Lounge, TV Lounge; Cafe / Coffee Bar; Elevator; On-Site Management; Recreation Areas (Fitness Center)

Parking Type: No Provided Options

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------------|-----------------|-------------------|--------|
| 1 | 1 | G | 32 | 0 | 634 - 779 | \$1.41 - \$1.28 | \$895 - \$995 | Market |
| 2 | 2 | G | 10 | 0 | 940 - 1,110 | \$1.27 - \$1.17 | \$1,195 - \$1,300 | Market |

*Adaptive Reuse

*DTS is based on drive time

10 Glens at Millers Lane 3.1 miles to site



Address: 4700 Millers Ln, Richmond, VA 23231
 Phone: (804) 652-4602 Contact: Rhonda
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 144 Year Built: 2000
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: 15 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Clubhouse; Concierge Services (Package Receiving); Laundry Room; On-Site Management; Recreation Areas (Playground, Outdoor Swimming Pool)

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 2 | 2 | G | 72 | 0 | 830 | \$1.24 | \$1,032 | 60% |
| 3 | 2 | G | 72 | 0 | 1,100 | \$1.06 | \$1,162 | 60% |

*Adaptive Reuse

*DTS is based on drive time

11 **Glenwood Ridge** 1.7 miles to site



Address: 3801 & 3805 Glenwood Ave., Richmond, VA 23223
 Phone: (804) 562-1803 Contact: Nadya
 Property Type: Tax Credit, Government Subsidized
 Target Population: Family
 Total Units: 82 Year Built: 2020
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3 (w/Elev)
 Waitlist: 12 mos
 Rent Special: None

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

Notes: Tax Credit (62 units); PBV/PBRA & Tax Credit (20 units); Preleasing 4/2020, opened 7/2020, stabilized occupancy 10/2020



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Sewer, Trash

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

Property Amenities: Business Center (Computer, Copy); Community Room; Elevator; Laundry Room; On-Site Management; Recreation Areas (Fitness Center, Picnic Table / Area); Social Services (Wellness Center)

Parking Type: Surface Lot; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------------|
| 1 | 1 | G | 2 | 0 | 675 | Subsidized | Subsidized | Subsidized |
| 1 | 1 | G | 10 | 0 | 675 | \$1.09 | \$735 | 60% |
| 2 | 2 | G | 22 | 0 | 975 | \$0.89 | \$865 | 50% |
| 2 | 2 | G | 5 | 0 | 975 | Subsidized | Subsidized | Subsidized |
| 2 | 2 | G | 19 | 0 | 975 | \$0.89 | \$865 | 60% |
| 3 | 2 | G | 9 | 0 | 1,075 | Subsidized | Subsidized | Subsidized |
| 3 | 2 | G | 4 | 0 | 1,075 | Subsidized | Subsidized | Subsidized |
| 3 | 2 | G | 11 | 0 | 1,075 | \$1.28 | \$1,375 | 60% |

*Adaptive Reuse

*DTS is based on drive time

12 Jefferson Mews 1.5 miles to site



Address: 2301 Jefferson Ave, Richmond, VA 23223
 Phone: (804) 643-1956 Contact: Evelyn
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 56 Year Built: 1994
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2014
 Turnover: Stories: 2
 Waitlist: Yes
 Rent Special: None

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

Notes: Tax Credit

Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

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

Property Amenities: On-Site Management

Parking Type: Street Parking; Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|---------|------|-------|--------|-------|------------|----------------|------|
| 1 | 1 | G | 4 | 0 | 700 | \$0.95 | \$665 | 50% |
| 1 | 1 | G | 4 | 0 | 700 | \$1.27 | \$890 | 60% |
| 2 | 1 - 2.5 | T | 9 | 0 | 1,100 | \$0.74 | \$815 | 50% |
| 2 | 1 - 2.5 | T | 8 | 0 | 1,100 | \$0.82 | \$900 | 60% |
| 3 | 1 - 1.5 | T | 22 | 0 | 1,300 | \$0.69 | \$900 | 50% |
| 3 | 1 - 1.5 | T | 9 | 0 | 1,300 | \$0.93 | \$1,210 | 60% |

*Adaptive Reuse

*DTS is based on drive time

13 Jefferson Townhomes 1.5 miles to site



Address: 1951 Venable St, Richmond, VA 23223
 Phone: (804) 643-1131 Contact: Crystal
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 218 Year Built: 1965
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated: 2008
 Turnover: Stories: 2
 Waitlist: 3 HH
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Microwave; Range; Refrigerator; Central AC; Deck / Patio; Security System; W/D; Window Treatments; Flooring (Hardwood)

Property Amenities: On-Site Management; Courtesy Officer, Gated Community

Parking Type: Street Parking; Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------------|-----------------|-------------------|------|
| 1 | 1 | T | 61 | 0 | 620 | \$1.29 - \$1.30 | \$799 - \$809 | 60% |
| 2 | 1 | T | 80 | 0 | 770 | \$1.15 - \$1.17 | \$889 - \$899 | 60% |
| 3 | 1 | T | 45 | 0 | 920 - 1,106 | \$1.09 - \$0.91 | \$999 - \$1,009 | 60% |
| 4 | 2 | T | 32 | 0 | 1,175 | \$0.94 | \$1,099 - \$1,109 | 60% |

*Adaptive Reuse

*DTS is based on drive time

14 Lakefield Mews 2.8 miles to site



Address: 4431 Lakefield Mews Dr, Richmond, VA 23231
 Phone: (804) 222-7777 Contact: Debbie
 Property Type: Market Rate
 Target Population: Family
 Total Units: 395 Year Built: 1992
 Vacant Units: 5 *AR Year:
 Occupancy: 98.7% Yr Renovated:
 Turnover: Stories: 2
 Waitlist: None
 Rent Special: None

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

Notes:



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash

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

Property Amenities: Car Care (Car Wash); Clubhouse; Laundry Room; On-Site Management; Dog Park, Pet Stations; Recreation Areas (Grill, Picnic Table / Area, Playground, Outdoor Swimming Pool, Volleyball); Water Feature

Parking Type: Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|--------|
| 1 | 1 | G | 75 | 1 | 644 | \$1.54 | \$990 | Market |
| 1 | 1 | G | 8 | 0 | 790 | \$1.26 | \$995 | Market |
| 2 | 1 | G | 84 | 1 | 852 | \$1.37 | \$1,170 | Market |
| 2 | 1.5 | T | 134 | 2 | 1,154 | \$1.08 | \$1,250 | Market |
| 2 | 2.5 | T | 39 | 1 | 1,154 | \$1.24 | \$1,435 | Market |
| 2 | 2.5 | T | 39 | 0 | 1,181 | \$1.22 | \$1,440 | Market |
| 3 | 2 | G | 16 | 0 | 1,334 | \$1.16 | \$1,550 | Market |

*Adaptive Reuse

*DTS is based on drive time

17 Oliver 1.9 miles to site



Address: 908 Oliver Hill Way, Richmond, VA 23219
 Phone: (804) 265-4007 Contact: Anthony
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 164 Year Built: 1886
 Vacant Units: 0 *AR Year: 2020
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 3,4 (w/Elev)
 Waitlist: None
 Rent Special: None

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

Notes: Tax Credit; Preleasing 11/2019, 1st units opened 1/2020



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Water, Sewer, Trash

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Controlled Access; W/D; Walk-In Closet; Window Treatments;
 Flooring (Hardwood, Finished Concrete, Wood Laminate / Plank); High Ceilings; Oversized Windows

Property Amenities: Bike Racks / Storage; Business Center (Computer, Copy); Clubhouse, TV Lounge; Concierge Services (Package Receiving); Cafe / Coffee Bar;
 Elevator; On-Site Management; Dog Park, Pet Stations; Recreation Areas (Fitness Center, Grill, Game Room-Billiards, Picnic Table / Area); Extra Storage

Parking Type: Surface Lot

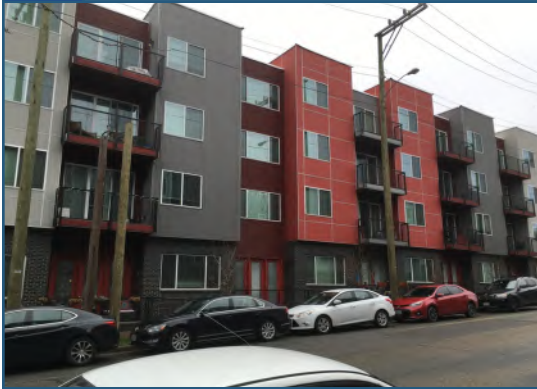
Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------------|-----------------|----------------|------|
| 1 | 1 | G | 146 | 0 | 547 - 766 | \$1.69 - \$1.25 | \$922 - \$956 | 60% |
| 2 | 2 | G | 9 | 0 | 776 - 1,045 | \$1.42 - \$1.05 | \$1,101 | 60% |
| 2 | 2 | L | 9 | 0 | 665 - 800 | \$1.66 - \$1.38 | \$1,101 | 60% |

*Adaptive Reuse

*DTS is based on drive time

19 Shockoe Valley View II 1.8 miles to site



Address: 1904 Cedar St, Richmond, VA 23223
 Phone: (804) 977-0787 Contact: Camerom
 Property Type: Market Rate
 Target Population: Family
 Total Units: 87 Year Built: 2017
 Vacant Units: 8 *AR Year:
 Occupancy: 90.8% Yr Renovated:
 Turnover: Stories: 3,4 (w/Elev)
 Waitlist: Yes
 Rent Special: None

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

Notes: Rent range based on floor level & view

Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Trash, Cable, Internet

Unit Amenities: Dishwasher; Disposal; Icemaker; Microwave; Range; Refrigerator; Central AC; Balcony; Deck / Patio; Ceiling Fan; Controlled Access; W/D; Walk-In Closet; Window Treatments; Flooring (Hardwood, Finished Concrete); Premium Appliances; Premium Countertops; Premium Cabinetry; High Ceilings; Oversized Windows

Property Amenities: Business Center (Computer); Clubhouse, Study Lounge; Cafe / Coffee Bar; Elevator; On-Site Management; Dog Park, Pet Stations; Recreation Areas (Fitness Center, Grill, Picnic Table / Area)

Parking Type: Street Parking; Surface Lot

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-----------|-----------------|-------------------|--------|
| 1 | 1 | G | 26 | 4 | 544 - 603 | \$1.92 - \$2.06 | \$1,044 - \$1,244 | Market |
| 2 | 2 | G | 52 | 4 | 849 - 892 | \$1.61 - \$1.56 | \$1,364 - \$1,394 | Market |
| 3 | 3 | G | 9 | 0 | 1,110 | \$1.52 | \$1,684 | Market |

*Adaptive Reuse

*DTS is based on drive time

21 Tobacco Landing 2.2 miles to site



Address: 2701 E Main St, Richmond, VA 23223
 Phone: (804) 649-9900 Contact: Terri
 Property Type: Tax Credit
 Target Population: Family
 Total Units: 62 Year Built: 1994
 Vacant Units: 0 *AR Year:
 Occupancy: 100.0% Yr Renovated:
 Turnover: Stories: 5 (w/Elev)
 Waitlist: Yes
 Rent Special: None

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

Notes: Tax Credit



Features And Utilities

Utility Schedule Provided by: Richmond Redevelopment and Housing Authority
 Utility Type & Responsibility: Landlord pays Electric, Heat (Electric), Hot Water (Electric), Cooking (Electric), Water, Sewer, Trash
 Unit Amenities: Dishwasher; Disposal; Range; Refrigerator; AC Other; Controlled Access; Window Treatments; Flooring (Carpet, Vinyl); Oversized Windows
 Property Amenities: Bike Racks / Storage; Community Room; Elevator; Laundry Room; On-Site Management
 Parking Type: Street Parking; Parking Garage

Unit Configuration

| Beds | Baths | Type | Units | Vacant | Sq Ft | \$ / Sq Ft | Collected Rent | AMHI |
|------|-------|------|-------|--------|-------|------------|----------------|------|
| 1 | 1 | G | 16 | 0 | 662 | \$1.18 | \$780 | 50% |
| 1 | 1 | G | 37 | 0 | 662 | \$1.36 | \$900 | 60% |
| 2 | 2 | G | 9 | 0 | 899 | \$1.14 | \$1,021 | 60% |

*Adaptive Reuse

*DTS is based on drive time

XII.

FIELD SURVEY OF CONVENTIONAL RENTALS

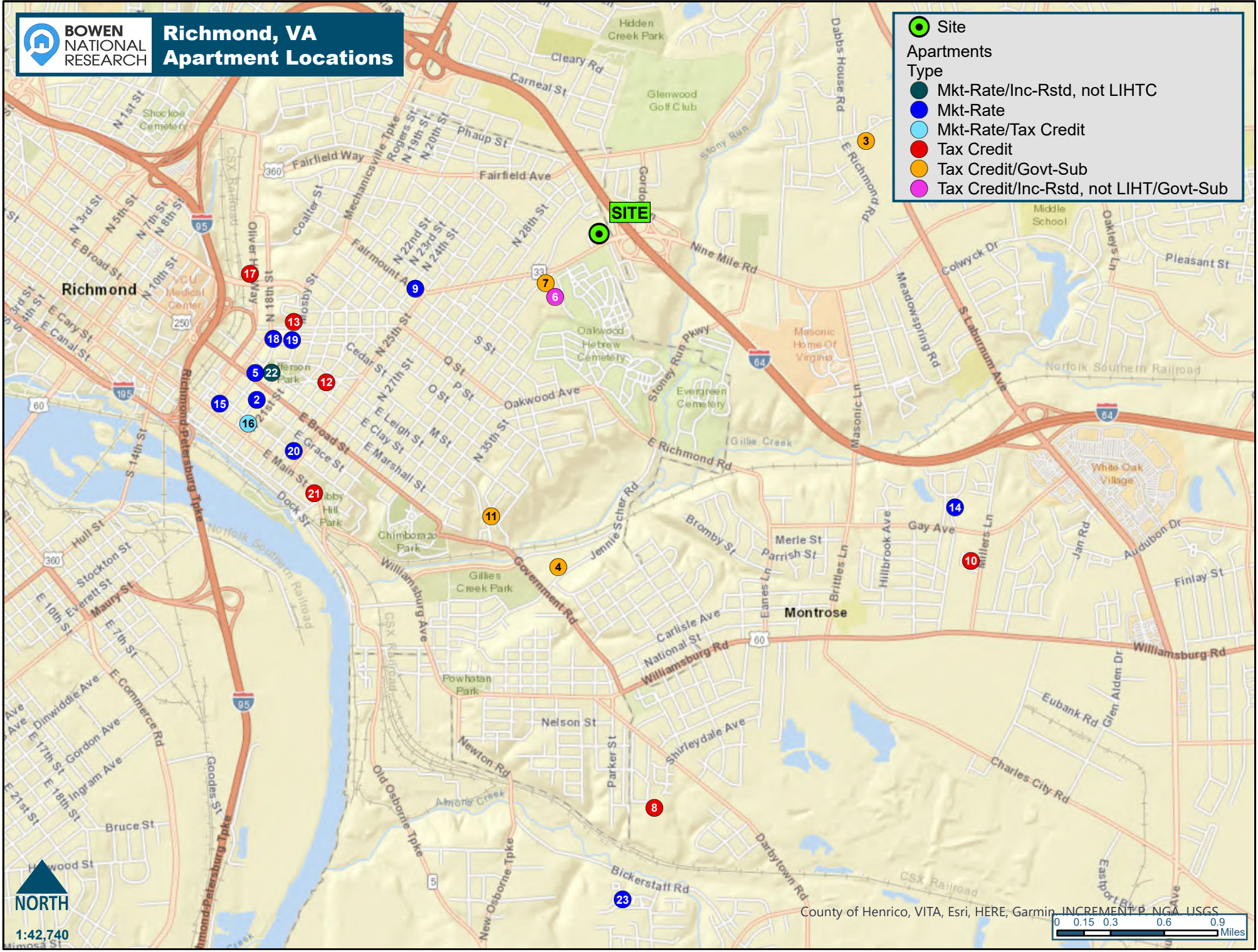


Richmond, VA Apartment Locations

Site
● Site

Apartments Type

- Mkt-Rate/Inc-Rstd, not LIHTC
- Mkt-Rate
- Mkt-Rate/Tax Credit
- Tax Credit
- Tax Credit/Govt-Sub
- Tax Credit/Inc-Rstd, not LIHT/Govt-Sub





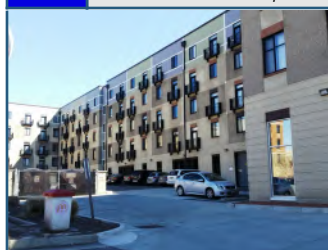



















1:42,740

| Map ID | Property | Prop Type | Quality Rating | Year Built | Total Units | Vacant | Occ. Rate | Distance To Site* |
|--------|---|-----------|----------------|------------|-------------|--------|-----------|-------------------|
| ✓ 1 | Creighton Court | GSS | C- | 1952 | 272 | 0 | 100.0% | - |
| ✓ 2 | American Tobacco Center | MRR | B+ | 1902 | 153 | 5 | 96.7% | 1.9 |
| ✓ 3 | Apartments at Kingsridge | TGS | B+ | 2018 | 72 | 0 | 100.0% | 2.4 |
| 4 | Ashley Oaks | TGS | B | 1976 | 250 | 0 | 100.0% | 2.6 |
| ✓ 5 | Cedar Broad | MRR | A | 2010 | 204 | 12 | 94.1% | 1.9 |
| ✓ 6 | Church Hill North 1A | TIG | A | 2020 | 60 | 0 | 100.0% | 0.4 |
| ✓ 7 | Church Hill North 2A | TGS | A | 2020 | 70 | 0 | 100.0% | 0.3 |
| ◆ 8 | Darby House | TAX | B+ | 2006 | 108 | 0 | 100.0% | 4.2 |
| ✓ 9 | Flats at 25th | MRR | A | 2019 | 42 | 0 | 100.0% | 0.9 |
| ✓ 10 | Glenns at Millers Lane | TAX | B | 2000 | 144 | 0 | 100.0% | 3.1 |
| ✓ 11 | Glenwood Ridge | TGS | B+ | 2020 | 82 | 0 | 100.0% | 1.7 |
| ✓ 12 | Jefferson Mews | TAX | B | 1994 | 56 | 0 | 100.0% | 1.5 |
| ✓ 13 | Jefferson Townhomes | TAX | C+ | 1965 | 218 | 0 | 100.0% | 1.5 |
| ✓ 14 | Lakefield Mews | MRR | B- | 1992 | 395 | 5 | 98.7% | 2.8 |
| 15 | Market Villas | MRR | B | 1920 | 31 | 2 | 93.5% | 2.1 |
| 16 | Old Stone Row at Shockoe Valley Heights | MRT | B+ | 2010 | 96 | 0 | 100.0% | 1.9 |
| ✓ 17 | Oliver | TAX | B+ | 1886 | 164 | 0 | 100.0% | 1.9 |
| 18 | Shockoe Valley View I | MRR | A | 2014 | 151 | 26 | 82.8% | 1.8 |
| ✓ 19 | Shockoe Valley View II | MRR | A | 2017 | 87 | 8 | 90.8% | 1.8 |
| 20 | Superior | MRR | B | 1900 | 28 | 0 | 100.0% | 1.8 |
| ✓ 21 | Tobacco Landing | TAX | B | 1994 | 62 | 0 | 100.0% | 2.2 |
| 22 | Vida East | MIN | B+ | 2018 | 178 | 2 | 98.9% | 1.8 |
| 23 | Woodlands | MRR | B- | 1989 | 100 | 0 | 100.0% | 4.7 |

*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 & Government-Subsidized | (ING) Income-Restricted (not LIHTC) & Government-Subsidized |
| (MRT) Market-Rate & Tax Credit | (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) | (GSS) Government-Subsidized |
| (MRG) Market-Rate & Government-Subsidized | (TIN) Tax Credit & Income-Restricted (not LIHTC) | (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted |
| (MIN) Market-Rate & Income-Restricted (not LIHTC) | (TMG) Tax Credit, Market-Rate & Government-Subsidized | |

| | | |
|--|--|---|
| 1 | Creighton Court 2101 Creighton Rd., Richmond, VA 23223 | Contact: Barbara Phone: (804) 780-4873 |
|  | Total Units: 272 UC: 230 Occupancy: 100.0% Stories: 1,2 Year Built: 1952 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: Waitlist closed since 2020 AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Public Housing | |
| 2 | American Tobacco Center 119 N. 20th St., Richmond, VA 23223 | Contact: Jainard Phone: (804) 377-9900 |
|  | Total Units: 153 UC: 0 Occupancy: 96.7% Stories: 4,5 w/Elevator Year Built: 1902 BR: 1, 2, 3 Vacant Units: 5 Waitlist: None AR Year: 2005 Target Population: Family Yr Renovated: Rent Special: One month rent free if apply within 48 hours Notes: | |
| 3 | Apartments at Kingsridge 390 Kingsridge Rd, Richmond, VA 23223 | Contact: Ann Phone: (804) 362-0425 |
|  | Total Units: 72 UC: 0 Occupancy: 100.0% Stories: 3 Year Built: 2018 BR: 2, 3 Vacant Units: 0 Waitlist: 82 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit (54 units); PBV & Tax Credit (18 units); Preleasing 6/2018, opened 10/2018, 100% occupied 12/2018 | |
| 4 | Ashley Oaks 1402 Jennie Scher Rd, Richmond, VA 23231 | Contact: Allison Phone: (804) 222-8776 |
|  | Total Units: 250 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1976 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 24 mos AR Year: Target Population: Family Yr Renovated: 2009 Rent Special: None Notes: Tax Credit & HUD Section 8 | |
| 5 | Cedar Broad 1820 E Broad St, Richmond, VA 23223 | Contact: Carmen Phone: (804) 977-4870 |
|  | Total Units: 204 UC: 0 Occupancy: 94.1% Stories: 4,5 w/Elevator Year Built: 2010 BR: 1, 2, 3 Vacant Units: 12 Waitlist: Yes AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rents change daily | |

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|---|--|--|
|  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 & Government-Subsidized |  (ING) Income-Restricted (not LIHTC) & Government-Subsidized |
|  (MRT) Market-Rate & Tax Credit |  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) |  (GSS) Government-Subsidized |
|  (MRG) Market-Rate & Government-Subsidized |  (TIN) Tax Credit & Income-Restricted (not LIHTC) |  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted |
|  (MIN) Market-Rate & Income-Restricted (not LIHTC) |  (TMG) Tax Credit, Market-Rate & Government-Subsidized | |



| | | |
|---|--|--|
| 6 | Church Hill North 1A 1665 N 31st St, Richmond, VA 23223 | Contact: Tara Phone: (757) 955-8142 |
| | Total Units: 60 UC: 0 Occupancy: 100.0% Stories: 1,2,3 Year Built: 2020 BR: 1, 2, 3 Vacant Units: 0 Waitlist: Yes AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit (35 units); Income-restricted, not LIHTC (10 units); Public Housing & Tax Credit (15 units); Preleasing 8/2019, opened 1st units 1/2020, remaining units opened 3/2020 | |



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|-----------------------------|---|--|
| 7 | Church Hill North 2A 1611 N 31st St, Richmond, VA 23223 | Contact: Tara Phone: (757) 955-8142 |
| Picture Not Available | Total Units: 70 UC: 0 Occupancy: 100.0% Stories: 1,2,3 Year Built: 2020 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: Yes AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit (53 units); HUD Section 8 & Tax Credit (17 units); Preleasing 6/2020, opened 8/2020, stabilized occupancy 2/2021 | |



| | | |
|---|---|---|
| 8 | Darby House 1400 Shirleydale Ave, Richmond, VA 23231 | Contact: Kelly Phone: (804) 236-8382 |
| | Total Units: 108 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2006 BR: 1, 2 Vacant Units: 0 Waitlist: 100 HH AR Year: Target Population: Senior 62+ Yr Renovated: Rent Special: None Notes: Tax Credit | |




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|---|---|---|
| 9 | Flats at 25th 2400 Fairmont Ave, Richmond, VA 23223 | Contact: Larissa Phone: (804) 533-8885 |
| | Total Units: 42 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 2019 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Preleasing 3/2019, opened 5/2019, stabilized occupancy 7/2019 | |




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|----|---|--|
| 10 | Glenns at Millers Lane 4700 Millers Ln, Richmond, VA 23231 | Contact: Rhonda Phone: (804) 652-4602 |
| | Total Units: 144 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 2000 BR: 2, 3 Vacant Units: 0 Waitlist: 15 HH AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit | |

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| 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 & Government-Subsidized | (ING) Income-Restricted (not LIHTC) & Government-Subsidized |
| (MRT) Market-Rate & Tax Credit | (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) | (GSS) Government-Subsidized |
| (MRG) Market-Rate & Government-Subsidized | (TIN) Tax Credit & Income-Restricted (not LIHTC) | (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted |
| (MIN) Market-Rate & Income-Restricted (not LIHTC) | (TMG) Tax Credit, Market-Rate & Government-Subsidized | |




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|--|---|---|
| 11 | Glenwood Ridge 3801 & 3805 Glenwood Ave., Richmond, VA 23223 | Contact: Nadya Phone: (804) 562-1803 |
|  | Total Units: 82 UC: 0 Occupancy: 100.0% Stories: 3 w/Elevator Year Built: 2020 BR: 1, 2, 3 Vacant Units: 0 Waitlist: 12 mos AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit (62 units); PBV/PBRA & Tax Credit (20 units); Preleasing 4/2020, opened 7/2020, stabilized occupancy 10/2020 | |





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| 12 | Jefferson Mews 2301 Jefferson Ave, Richmond, VA 23223 | Contact: Evelyn Phone: (804) 643-1956 |
|  | Total Units: 56 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1994 BR: 1, 2, 3 Vacant Units: 0 Waitlist: Yes AR Year: Target Population: Family Yr Renovated: 2014 Rent Special: None Notes: Tax Credit | |




| | | |
|---|---|---|
| 13 | Jefferson Townhomes 1951 Venable St, Richmond, VA 23223 | Contact: Crystal Phone: (804) 643-1131 |
|  | Total Units: 218 UC: 0 Occupancy: 100.0% Stories: 2 Year Built: 1965 BR: 1, 2, 3, 4 Vacant Units: 0 Waitlist: 3 HH AR Year: Target Population: Family Yr Renovated: 2008 Rent Special: None Notes: Tax Credit | |





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| 14 | Lakefield Mews 4431 Lakefield Mews Dr, Richmond, VA 23231 | Contact: Debbie Phone: (804) 222-7777 |
|  | Total Units: 395 UC: 0 Occupancy: 98.7% Stories: 2 Year Built: 1992 BR: 1, 2, 3 Vacant Units: 5 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: | |


| | | |
|--|---|---|
| 15 | Market Villas 15 N. 18th St., Richmond, VA 23223 | Contact: Heather Phone: (757) 506-8121 |
|  | Total Units: 31 UC: 0 Occupancy: 93.5% Stories: 3 w/Elevator Year Built: 1920 BR: 0, 1, 2, 3 Vacant Units: 2 Waitlist: None AR Year: Target Population: Family Yr Renovated: 2003 Rent Special: None Notes: Rents change daily | |


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| 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 & Government-Subsidized | (ING) Income-Restricted (not LIHTC) & Government-Subsidized |
| (MRT) Market-Rate & Tax Credit | (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) | (GSS) Government-Subsidized |
| (MRG) Market-Rate & Government-Subsidized | (TIN) Tax Credit & Income-Restricted (not LIHTC) | (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted |
| (MIN) Market-Rate & Income-Restricted (not LIHTC) | (TMG) Tax Credit, Market-Rate & Government-Subsidized | |


















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|----|---|--|---------------------------------------|--|
| 16 | Old Stone Row at Shockoe Valley Heights 2005 E Franklin St, Richmond, VA 23223 | | Contact: Bob Phone: (804) 343-7368 | |
| |  | Total Units: 96 UC: 0 Occupancy: 100.0% Stories: 5 w/Elevator Year Built: 2010 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Market-rate (74 units); Income restricted not LIHTC (22 units) | | |

| | | | | |
|----|--|---|---|--|
| 17 | Oliver 908 Oliver Hill Way, Richmond, VA 23219 | | Contact: Anthony Phone: (804) 265-4007 | |
| |  | Total Units: 164 UC: 0 Occupancy: 100.0% Stories: 3,4 w/Elevator Year Built: 1886 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: 2020 Target Population: Family Yr Renovated: Rent Special: None Notes: Tax Credit; Preleasing 11/2019, 1st units opened 1/2020 | | |


| | | | | |
|----|---|---|---|--|
| 18 | Shockoe Valley View I 1904 Cedar St, Richmond, VA 23223 | | Contact: Cameron Phone: (804) 977-0787 | |
| |  | Total Units: 151 UC: 0 Occupancy: 82.8% Stories: 4 w/Elevator Year Built: 2014 BR: 1, 2 Vacant Units: 26 Waitlist: None AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range based on floor level & view | | |


| | | | | |
|----|--|---|---|--|
| 19 | Shockoe Valley View II 1904 Cedar St, Richmond, VA 23223 | | Contact: Camerom Phone: (804) 977-0787 | |
| |  | Total Units: 87 UC: 0 Occupancy: 90.8% Stories: 3,4 w/Elevator Year Built: 2017 BR: 1, 2, 3 Vacant Units: 8 Waitlist: Yes AR Year: Target Population: Family Yr Renovated: Rent Special: None Notes: Rent range based on floor level & view | | |


| | | | | |
|----|--|--|--|--|
| 20 | Superior 2401 E. Franklin St., Richmond, VA 23223 | | Contact: Matt Phone: (804) 377-9194 | |
| |  | Total Units: 28 UC: 0 Occupancy: 100.0% Stories: 4 w/Elevator Year Built: 1900 BR: 1, 2 Vacant Units: 0 Waitlist: None AR Year: 2005 Target Population: Family Yr Renovated: Rent Special: None Notes: | | |

| | | |
|---|---|--|
| <ul style="list-style-type: none">  Comparable Property  Senior Restricted  (MRR) Market-Rate  (MRT) Market-Rate & Tax Credit  (MRG) Market-Rate & Government-Subsidized  (MIN) Market-Rate & Income-Restricted (not LIHTC) | <ul style="list-style-type: none">  (MIG) Market-Rate, Income-Restricted (not LIHTC) & Govt-Subsidized  (TAX) Tax Credit  (TGS) Tax Credit & Government-Subsidized  (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC)  (TIN) Tax Credit & Income-Restricted (not LIHTC)  (TMG) Tax Credit, Market-Rate & Government-Subsidized | <ul style="list-style-type: none">  (TIG) Tax Credit, Income-Restricted (not LIHTC) & Govt-Subsidized  (INR) Income-Restricted (not LIHTC)  (ING) Income-Restricted (not LIHTC) & Government-Subsidized  (GSS) Government-Subsidized  (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted |
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|-----------|--|---|---|-----------------------------|------------|---|
| 21 | Tobacco Landing 2701 E Main St, Richmond, VA 23223 | | Contact: Terri Phone: (804) 649-9900 | | | |
| |  | Total Units: 62 UC: 0 BR: 1, 2 Target Population: Family Rent Special: None Notes: Tax Credit | Occupancy: 100.0% Vacant Units: 0 | Stories: 5 Waitlist: Yes | w/Elevator | Year Built: 1994 AR Year: Yr Renovated: |

| | | | | | | |
|-----------|--|---|---|--------------------------------|------------|---|
| 22 | Vida East 1903 E Marshall St, Richmond, VA 23223 | | Contact: Riley/Genta Phone: (804) 669-3278 | | | |
| |  | Total Units: 178 UC: 0 BR: 0, 1, 2 Target Population: Family Rent Special: None Notes: Market-rate (147 units); Income-restricted, not LIHTC (31 units); Opened 10/2018; Rents change daily | Occupancy: 98.9% Vacant Units: 2 | Stories: 4,5 Waitlist: None | w/Elevator | Year Built: 2018 AR Year: Yr Renovated: |

| | | | | | | |
|-----------|---|--|---|-------------------------------|--|--|
| 23 | Woodlands 1327 Pinefrost Ct, Richmond, VA 23231 | | Contact: Geraldine Phone: (804) 222-4925 | | | |
| |  | Total Units: 100 UC: 0 BR: 2, 3, 4 Target Population: Family Rent Special: None Notes: | Occupancy: 100.0% Vacant Units: 0 | Stories: 2 Waitlist: 80 HH | | Year Built: 1989 AR Year: Yr Renovated: 2012 |

| | | |
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| 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 & Government-Subsidized | (ING) Income-Restricted (not LIHTC) & Government-Subsidized |
| (MRT) Market-Rate & Tax Credit | (TMI) Tax Credit, Market-Rate, Income-Restricted (not LIHTC) | (GSS) Government-Subsidized |
| (MRG) Market-Rate & Government-Subsidized | (TIN) Tax Credit & Income-Restricted (not LIHTC) | (ALL) Tax Credit, Market-Rate, Govt-Subsidized & Income-Restricted |
| (MIN) Market-Rate & Income-Restricted (not LIHTC) | (TMG) Tax Credit, Market-Rate & Government-Subsidized | |

Source: Richmond Redevelopment and Housing Authority
Effective: 08/2020

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 | 21 | 23 | 26 | 29 | 32 | 18 | 21 | 23 | 26 | 29 | 32 |
| | +Base Charge | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 | 16 |
| | Bottled Gas | 52 | 61 | 70 | 79 | 87 | 96 | 52 | 61 | 70 | 79 | 87 | 96 |
| | Electric | 14 | 16 | 21 | 25 | 28 | 31 | 14 | 16 | 21 | 25 | 28 | 31 |
| | Heat Pump | 12 | 14 | 17 | 18 | 19 | 20 | 12 | 14 | 17 | 18 | 19 | 20 |
| | Oil | 43 | 51 | 58 | 65 | 73 | 80 | 43 | 51 | 58 | 65 | 73 | 80 |
| Cooking | Natural Gas | 3 | 3 | 5 | 6 | 8 | 10 | 3 | 3 | 5 | 6 | 8 | 10 |
| | Bottled Gas | 8 | 9 | 14 | 18 | 22 | 26 | 8 | 9 | 14 | 18 | 22 | 26 |
| | Electric | 5 | 5 | 8 | 10 | 13 | 15 | 5 | 5 | 8 | 10 | 13 | 15 |
| Other Electric | 17 | 21 | 29 | 37 | 45 | 53 | 17 | 21 | 29 | 37 | 45 | 53 | |
| +Base Charge | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | |
| Air Conditioning | 7 | 8 | 11 | 15 | 18 | 22 | 7 | 8 | 11 | 15 | 18 | 22 | |
| Water Heating | Natural Gas | 7 | 8 | 11 | 15 | 18 | 21 | 7 | 8 | 11 | 15 | 18 | 21 |
| | Bottled Gas | 18 | 21 | 31 | 41 | 50 | 60 | 18 | 21 | 31 | 41 | 50 | 60 |
| | Electric | 11 | 13 | 17 | 21 | 24 | 27 | 11 | 13 | 17 | 21 | 24 | 27 |
| | Oil | 15 | 18 | 26 | 34 | 42 | 50 | 15 | 18 | 26 | 34 | 42 | 50 |
| Water | 25 | 26 | 38 | 57 | 75 | 94 | 25 | 26 | 38 | 57 | 75 | 94 | |
| Sewer | 34 | 36 | 51 | 73 | 94 | 116 | 34 | 36 | 51 | 73 | 94 | 116 | |
| Trash Collection | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | |
| 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

XIII. 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

Craig Rupert, Market Analyst, has conducted more than 1,000 market feasibility studies throughout the United States since 2010, within both urban and rural markets as well as on various tribal reservations. Mr. Rupert has prepared market studies for numerous types of housing including market-rate, Tax Credit, and various government-subsidized rental product, for-sale product, senior living (assisted living, nursing care, etc.), as well as market studies for retail/commercial space. Market studies prepared by Mr. Rupert have been used for submittal as part of state finance agency Tax Credit and HUD 221 (d)(4) applications, as well as various other financing applications submitted to local, regional, and national-level lenders/financial institutions. Mr. Rupert has a bachelor's degree in Hospitality Management from Youngstown 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.

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.

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.

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.

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.

Jonathan Kabat, 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. Kabat graduated from The Ohio State University with a Bachelor of Art in History and a minor in Geography.

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.

Addendum A – 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.



Patrick M. Bowen

President

patrickb@bowennational.com

Date: February 4, 2021



Jeff Peters

Market Analyst

jeffp@bowennational.com

Date: February 4, 2021

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

CHECKLIST (Continued)

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

CHECKLIST (Continued)

| Other Requirements | | Section (s) |
|---------------------------|--|--------------------|
| 54. | Preparation date of report | Title Page |
| 55. | Date of Field Work | Certification |
| 56. | Certifications | Certification |
| 57. | Statement of qualifications | XIII |
| 58. | Sources of data not otherwise identified | I |
| 59. | Utility allowance schedule | XII |