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**Need and Demand Analysis For
Reese Village Apartments
311 Bond Court
Emporia, Virginia 23847**

**Prepared For
TM Associates Management Inc
1375 Piccard Drive #150
Rockville, Maryland 20850**

**Effective Date
February 21, 2024**

**Date of Report
March 13, 2024**



March 13, 2024

Mr. Donald Nuzzio
TM Associates Management Inc
1375 Piccard Drive #150
Rockville, Maryland 20850

Dear Mr. Nuzzio:

Following is a market study which was completed for TM Associates Management Inc, under the guidelines set forth by Virginia Housing. Reese Village Apartments consists of an existing Rural Development property that is designated for families and consists of five two-story walk-up buildings containing a total of 40 units. The property also contains an accessory building. The subject will be rehabilitated. Once rehabilitation is complete, the subject will continue to be a Rural Development property with Rental Assistance for all units as well as 100 percent Low Income Housing Tax Credit (LIHTC) at 30, 50 and 60 percent of the area median income. The buildings have vinyl siding exteriors and asphalt shingle roofs.

The purpose of the following market study is to determine if the community has a need for the rehabilitated subject units. To do so, the analyst, Jonathan Richmond, utilized data from the U.S. Census Bureau; Ribbon Demographics, 2024 Data; and various other demographic resources. Community information and opinion was also utilized. This information was collected during a field survey conducted by Jonathan Richmond while visiting the subject on February 21, 2024. An attempt was made to survey 100 percent of all competitive housing in the area.

We certify that there is not now nor will there be an identity of interest between or among the applicant, contractor, architect, engineer, attorney, interim lender, subcontractors, material suppliers, equipment lessors or any of their members, directors, officers, stockholders, partners or beneficiaries without prior written identification to Virginia Housing and written consent to such identity of interest by Virginia Housing. All recommendations and conclusions are based solely on the professional opinion and best efforts of the analysts. This statement is given for the purpose of inducing the United States of America to make a loan as requested in the loan pre-application or application of which this statement is a part.

Jonathan Richmond
Market Analyst

Janice F. Gill, MAI
Market Analyst



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CERTIFICATION

This is to certify that a field visit was made by the market analyst or one of his associates and information was obtained from publications of federal, state and local agencies. Interviews were held with apartment owners or managers, local officials and others as appropriate who may be knowledgeable of the housing market in Emporia.

In accordance with Virginia Housing, I hereby certify that the information provided in this Market Study was written according to Virginia Housing's market study requirements and is truthful and accurate to the best of my knowledge and belief. The estimates of demand for multifamily housing made by this report are based on the assumption of a free market situation, unencumbered by local mores, affirmative fair housing marketing or prejudice toward the site location.

This is to affirm that I will receive no fees which are contingent upon approval of the project by Virginia Housing, before or after the fact, and that I will have no interest in the housing project.

Jonathan Richmond
Market Analyst
Tax ID Number: 43-1352932

Janice F. Gill, MAI
Market Analyst

March 13, 2024



IDENTITY OF INTEREST

I understand and agree that Virginia Housing will consider an identity of interest to exist between the loan applicant as the party of the first part and general contractors, architects, engineers, attorneys, interim lenders, subcontractors, material suppliers or equipment lessors as parties of the second part under any of the following conditions:

1. When there is any financial interest of the party of the first part in the party of the second part;
2. When one or more of the officers, directors, stockholders or partners of the party of the first part is also an officer, director, stockholder or partner of the party of the second part;
3. When any officer, director, stockholder or partner of the party of the first part has any financial interest whatsoever in the party of the second part;
4. When the party of the second part advances any funds to the party of the first part other than an interim lender advancing funds to enable the applicant to pay for construction and other authorized and legally eligible expenses during the construction period;
5. When the party of the second part provides and pays on behalf of the party of the first part the cost of any legal services, architectural services or interim financing other than those of the survey, general superintendent or engineer employed by a general contractor in connection with obligations under the construction contract;
6. When the party of the second part takes stock or any interest in the party of the first part as part of the consideration to be paid them; and
7. When there exists or comes into being any side deals, agreements, contracts or undertakings entered into thereby altering, amending or canceling any of the required closing documents or approval conditions as approved by Virginia Housing.

I certify that there is not now nor will there be an identity of interest between or among the applicant, contractor, architect, interim lender, subcontractors, material suppliers, equipment lessors or any of their members, directors, officers, stockholders, partners or beneficiaries without prior written identification to Virginia Housing and written consent to such identity of interest by Virginia Housing. This statement is given for the purpose of inducing the United States of America to make a loan as requested in the loan pre-application or application of which this statement is a part.

There is no identity of interest between the loan applicant and the Market Analyst or Gill Group.

Jonathan Richmond
Market Analyst

Janice F. Gill, MAI
Market Analyst

March 13, 2024



NCHMA MEMBER CERTIFICATION



Formerly known as
National Council of Affordable
Housing Market Analysts

This market study has been prepared by Gill Group, Inc., 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*, and *Model Content Standards for the Content of Market Studies*. 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.

Gill Group, Inc. is duly qualified and experienced in providing market analysis for Affordable 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. Gill Group, Inc. is an independent market analyst. No principal or employee of Gill Group, Inc. has any financial interest whatsoever in the development for which this analysis has been undertaken.

Jonathan Richmond
Market Analyst
Gill Group

March 13, 2024



Executive Summary

It is the opinion of the analyst that a market exists for the proposed rehabilitation of the existing 40-unit development designed for families and that there is no need for alterations of any kind. This recommendation is made based on the information included in this report and assuming that the project is completed as detailed in this report. Any changes to the proposed rehabilitation of the subject could alter the findings in this report.

Project Description

The subject, Reese Village Apartments, is an existing Rural Development property designated for families that contains 40 units. The subject will undergo renovation. Once rehabilitation is complete, the subject will continue to be a Rural Development property with Rental Assistance for all units as well as 100 percent Low Income Housing Tax Credit (LIHTC) at 30, 50 and 60 percent of the area median income. As the subject will also retain its Rental Assistance, households with one to three persons and incomes below \$40,800 will be eligible for the rehabilitated development. Without considering the Rental Assistance, households with one to three persons and incomes between \$14,537 and \$40,800 would be eligible for the rehabilitated development.

The following chart lists the subject's unit mix.

Unit Type	# of Units	Square Feet	Total Square Footage
1/1	16	520	8,320
2/1	24	760	18,240
	40		26,560

The following chart lists the subject's existing unit distribution by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
1/1	16	520	\$794	\$141
2/1	24	760	\$827	\$168
	40			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	4	520	30%	\$424	\$1,203	\$168	\$1,035
1/1	8	520	50%	\$708	\$1,203	\$168	\$1,035
1/1	4	520	60%	\$849	\$1,203	\$168	\$1,035
2/1	6	760	30%	\$510	\$1,383	\$198	\$1,185
2/1	12	760	50%	\$850	\$1,383	\$198	\$1,185
2/1	6	760	60%	\$1,020	\$1,383	\$198	\$1,185

Since the subject will retain its Rental Assistance once rehabilitation is complete, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. Due to the Rental Assistance, tenants will never be required to pay more than 30 percent of annual income toward rent and utilities. Furthermore, at no point will tenants be required to pay more than the maximum allowable LIHTC rent.



Income Averaging

The developer has not selected to use the Income-Averaging option.

Housing Profile

The rental housing stock in the market area is comprised of single-family homes and market-rate and income-restricted apartment complexes. The market area has an overall rental vacancy rate of 1.9 percent. Of the 992 total units verified, 19 were vacant. The current vacancy rate in surveyed income-restricted apartment complexes is 4.7 percent. The current vacancy rate in market-rate apartment complexes surveyed is 0.8 percent. The current vacancy rate of the competitive properties in the market area is 4.9 percent.

The proposed rehabilitation of the existing Rural Development property will not have an adverse impact on the market area. As complete, the property will remain a Rural Development property with Rental Assistance for all units, as well as be 100 percent LIHTC at 30, 50 and 60 percent of the area median income. There were six income-restricted developments, including the subject properties, confirmed. All but one property, New Nottoway River Commons, was located within the in the market area. Of the confirmed income-restricted developments located in the market area, three developments directly compete with the subject. These properties maintain high occupancy rates, and maintain waiting lists from the subject could draw residents. Therefore, it does not appear the market area is saturated with affordable housing.

Market Feasibility

The following tables show the capture rates for the rehabilitated development both with and without considering Rental Assistance.

CAPTURE RATE - WITH RENTAL ASSISTANCE	
Project Wide Capture Rate - LIHTC Units	0.7%
Project Wide Capture Rate - Market Units	---
Project Wide Capture Rate - All Units	0.7%
Project Wide Absorption Rate (Months)	N/A

CAPTURE RATE - WITHOUT RENTAL ASSISTANCE	
Project Wide Capture Rate - LIHTC Units	1.3%
Project Wide Capture Rate - Market Units	---
Project Wide Capture Rate - All Units	1.3%
Project Wide Absorption Rate	4-8 Months

The market shows a net demand of 5,678 households for all units when considering the Rental Assistance and a net demand of 3,098 households for all units when not considering the Rental Assistance. The subject is an existing Rural Development property that is currently 95 percent occupied, with two two-bedroom units vacant. Once rehabilitation is complete, the subject will retain its Rental Assistance as well as be 100 percent LIHTC with rent and income limits set at 30, 50 and 60 percent of the area median income. As the property will retain its Rental Assistance, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Rental Assistance, none of the existing tenants would remain income-eligible; therefore, all of the subject's 40 units would need to be absorbed into the market. The capture rate for the subject, if entirely vacant, is 0.7 percent. When considering only the subject's vacant units, the capture rate is 0.0 percent. The capture rate, without considering the Rental Assistance, is 1.3 percent, which is also considered excellent due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts that the property will continue to be viable within the market area and would be so even if it were



entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Evaluation of Project

Reese Village Apartments is easily accessed via Bond Court. Bond Court connects to Reese Street. Reese Street provides direct access to U.S. Highway 58, a major thoroughfare in the city. Therefore, the subject has average visibility and easy access. The subject's existing site plan and project design are similar to competing apartment developments. The subject's existing unit mix of one- and two-bedroom units is suitable in the market.

Positive/Negative Attributes

Strengths: The subject's location is comparable to other developments in the market area. Its current and proposed in-unit and common area amenities are competitive with the other developments in the market area. When these factors are taken into consideration, the subject's rehabilitated units will provide a good value to prospective tenants.

Weaknesses: There are no apparent weaknesses.

Conclusions

The subject can retain its required share of the market area for the following reasons:

- The subject's rehabilitated design and amenities will be competitive with other existing projects. Therefore, no modifications to the subjects are necessary.
- Once rehabilitation is complete, the subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to increase through 2028, indicating a need for additional housing the market area. In addition, all restricted properties confirmed maintain high occupancy rates, and the majority maintain waiting lists, it appears the market is not oversaturated with affordable rental housing.
- The subject is an existing 40-unit Rural Development property that will be rehabilitated. Once rehabilitated is complete, the subject will continue to be a Rural Development property with Rental Assistance for all units, as well as 100 percent LIHTC at 30, 50 and 60 percent of the area median income. Therefore, the rehabilitated subject will continue to be a great asset to the area.
- The subject is an existing Rural Development property that is currently 95 percent occupied, with two vacant two-bedroom units. The property will retain its Rental Assistance for all units once rehabilitation is complete. Therefore, it is anticipated all current residents will remain income-qualified. Furthermore, the rehabilitation will not permanently displace any residents. Therefore, the subject will not need to absorb any additional units to maintain its stabilized occupancy rate. If the property was to lose its Rental Assistance, it is unlikely all residents would remain income-qualified. Therefore, for the scenario that does not consider the property's Rental Assistance, the property was considered entirely vacant. After considering all factors, it is estimated that the development could absorb five to 10 units per month, resulting in a 95 percent occupancy level within four to eight months.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the rehabilitated development will be suitable for the market area. Given the current low vacancy rates for income-restricted properties as well as the waiting lists at most properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.



Introduction and Scope of Work

The Scope of Work Rule requires us to gather and analyze information about those assignment elements that are necessary to properly identify the problem to be solved. According to the Standards Rule 1-2, identification of the problem to be solved requires us to identify the following assignment elements.

- Client and any other intended users: The client and developer for this market study assignment is TM Associates Management Inc. The intended users of the report are TM Associates Management Inc and Virginia Housing. No other users are intended.
- Intended use of the analyst's opinions and conclusions: The intended use of this market study is to apply for Low Income Housing Tax Credits through Virginia Housing.
- Effective date of the analyst's opinions and conclusions: The effective date of the rental estimate is February 21, 2024.
- Subject of the assignment and its relevant characteristics: The subject property is an existing 40-unit apartment complex known as Reese Village Apartments. Reese Village Apartments is located along Bond Court, just east side of Reese Street. Its physical address is 311 Bond Court.
- Assignment conditions: Assignment conditions include assumptions, extraordinary assumptions, hypothetical conditions, supplemental standards, jurisdictional exceptions, and other conditions that affect the scope of work. The following assumptions are used in this market study assignment: *The market study was written under the extraordinary assumption that the properties will be rehabilitated as indicated in the Scope of Work. The market rents in the need and demand analysis were determined under the hypothetical condition that the subject will be unrestricted or conventional and not subject to any rent restrictions.*
- An environmental audit was not provided. I am not qualified to complete an environmental audit. The stated opinion of rental rates is predicated on the assumption that no hazardous substances or conditions materially affect the subject property.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. No specific compliance survey or analysis of the identified property has been made to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property will not comply with one or more of the requirements of the Act. If so, this fact could have an adverse impact upon the value of the property. Since there is no direct evidence relating to this issue, it is assumed that no substantial immediate outlays will be mandated by governing authorities to meet ADA requirements.
- Unemployment statistics are based on the information available from the U.S. Department of Labor Bureau of Labor Statistics. The data shown in this report is based on the data available as of the effective date of the analysis. The Department of Labor will periodically revise the data by incorporating additional information that was not available at the time of the initial publication of the estimates. The initial data is revised twice, first within two months of initial publication in order to incorporate additional sample data from respondents in the survey and recalculate seasonal adjustment factors, and second on an annual basis to incorporate a benchmark revision that estimates nearly complete employment counts available from unemployment insurance tax records.
- The U.S. Census Bureau American Community Survey (ACS) uses a series of monthly samples to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. Initially, five years of samples were required to produce these small-area data. Once the U.S. Census Bureau released its first five-year estimates, new small-area statistics were produced annually. The Census Bureau also produces three-year and one-year data products for larger geographic areas.
- The American Housing Survey (AHS) is sponsored by the Department of Housing and Urban Development (HUD) and conducted by the U.S. Census Bureau. The survey provides up-to-date information about the quality and cost of housing in the United States and major metropolitan areas. It also includes questions about the physical condition of homes and neighborhoods, the cost of financing and maintaining homes and the characteristics of people who live in these



homes. The survey is conducted every other year and covers all 50 states and the District of Columbia. The 2015 AHS underwent a major redesign. Prior to this survey, the same households were re-surveyed every two years. A new sample was redrawn in 2015 for the first time since 1985, and new households were asked to participate in the survey. Additionally, the questionnaire was redesigned with some variables added and others dropped or modified. Imputation methods were also streamlined, and the weighting methodology changed. Therefore, some estimates in 2015 are not comparable to previous years.

- The building improvements meet all governing codes, unless otherwise noted in this report.

An **extraordinary assumption**¹ is defined as:

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The analyst has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The analyst complies with the disclosure requirements set forth in USPAP for extraordinary assumptions.²

A **hypothetical condition**³ is defined as:

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market condition or trends; or about the integrity of data used in an analysis.

A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis; and
- The analyst complies with the disclosure requirements set forth in USPAP for hypothetical conditions.⁴

¹ Uniform Standards of Professional Appraisal Practice, *2020-2021 Edition* (Effective January 1, 2020 through December 31, 2023) (The Appraisal Foundation, 2020), pg. 4

² Uniform Standards of Professional Appraisal Practice, *2020-2021 Edition* (Effective January 1, 2020 through December 31, 2023) (The Appraisal Foundation, 2020), pg. 14

³ Uniform Standards of Professional Appraisal Practice, *2020-2021 Edition* (Effective January 1, 2020 through December 31, 2023) (The Appraisal Foundation, 2020), pg. 4

⁴ Uniform Standards of Professional Appraisal Practice, *2020-2021 Edition* (Effective January 1, 2020 through December 31, 2023) (The Appraisal Foundation, 2020), pg. 14



The following extraordinary assumptions are used in this market study consultation assignment: *The market study was written under the extraordinary assumption that the properties will be rehabilitated as indicated in the Scope of Work.*

The following hypothetical condition are used in this market study consultation assignment: *The market rents in the need and demand analysis were determined under the hypothetical condition that the subject will be unrestricted or conventional and not subject to any rent restrictions.*

This market study was completed in accordance with the requirements set forth in Virginia Housing's 2023 Market Study Guidelines.

Janice F. Gill, MAI, State Certified General Real Estate Appraiser and Market Analyst, oversaw and supervised all data collection and analysis and performed the research. The following actions were taken to complete this market study.

- On February 21, 2024, Jonathan Richmond, a Market Analyst, conducted an interior and exterior inspection of the subject property to determine the property's physical and functional characteristics. Jonathan Richmond inspected all common areas and at least one unit of each varying type. He interviewed Adam Stewart to determine the rental rates, services and amenities offered to the tenants of the subject property.
- The purpose of this market study is to determine if the community has a need for the subject units. To do so, the analysts utilize data from the U.S. Census Bureau; Ribbon Demographics, 2024 Data; and various other demographic resources. Community information and opinion was also utilized. The research retrieved data from several of the following: internet sites, local newspapers and rental publications, city records, owners and managers of local apartment properties, local real estate brokers, fellow analysts and the analyst's office files.
- During the week of February 21, 2024, Jonathan Richmond inspected the exterior of each comparable property used in the analysis. During the site inspections or in separate telephone interviews, Jonathan Richmond, Janice F. Gill, MAI, or one of their associates, spoke with the managers of the comparable properties to confirm all data and to collect additional information about each comparable including size, age, amenities, occupancy rates and general market information. The property manager provided floor plans or other information describing the size of comparable units after it was explained that the interior size was needed.
- Jonathan Richmond and Janice F. Gill, MAI, the primary market analysts, completed the data and adjustments columns of the Rent Comparability Grids and determined the final estimate of rents. After completing the Rent Comparability Grids, Jonathan Richmond and Janice F. Gill, MAI, derived an estimated market rent and an estimated achievable rent for each unit type. Jonathan Richmond and Janice F. Gill, MAI, also completed the demand, penetration rate and capture rate conclusions through analysis of all aspects of the subject, market area and demographic data available to the analyst.



Project Description

Project Name: Reese Village Apartments
Location: 311 Bond Court
Emporia, Virginia
Project Type: Family
Construction Type: Rehabilitated
Developer: TM Associates Management Inc
Area Median Family Income: \$66,600

The subject, Reese Village Apartments, is an existing Rural Development property designated for families. The subject consists of five two-story walk-up buildings with 40 units. In addition, the complex contains an accessory building that houses the clubhouse, leasing office and maintenance area. The subject property will undergo renovation. Once renovation is complete, the subject will continue to be a Rural Development property with Rental Assistance for all units. The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 30, 50 and 60 percent of the area median income. Considering Rental Assistance, households with one to three persons and incomes below \$40,800 will be eligible for the rehabilitated development. Without considering Rental Assistance, households with one to three persons and incomes between \$14,537 and \$40,800 would be eligible for the rehabilitated development.

Project Design

Reese Village Apartments is comprised of five two-story walk-up buildings containing a total of 40 one- and two-bedroom units. The complex also contains an accessory building which houses the clubhouse, leasing office and maintenance area. The buildings have concrete slab foundations and wood framing, with vinyl siding exteriors and asphalt shingle roofs. The complex was constructed in 1990 and was renovated in 2006. The property will once again be rehabilitated. Landscaping is minimal and consists of grass, trees and shrubs. The property is not a scattered site development.

Unit Features

Each unit contains the following amenities: refrigerator, range/oven, carpet and vinyl flooring, blinds and ceiling fans. Upon completion of rehabilitation, the units will also contain a dishwasher and in-unit Wi-Fi.

Common Amenities and Services

The property provides the following project amenities: meeting room, playground, laundry facility, on-site management and on-site maintenance.

Parking

The complex contains an open asphalt parking lot with a total of 66 parking spaces. Therefore, the subject has a parking ratio of 1.65 parking spaces per unit.



Utilities

The following tables describe the subject property's utility combination.

UTILITY SCHEDULE		
Utility	Type	Who Pays
Heat	Central Electric	Tenant
Air Conditioning	Central Electric	Tenant
Hot Water	Electric	Tenant
Cooking	Electric	Tenant
Other Electric	Electric	Tenant
Cold Water/Sewer	N/A	Tenant
Trash Collection	N/A	Landlord

Unit Mix, Size and Rent Structure

The following chart lists the subject's unit mix.

Unit Type	# of Units	Square Feet	Total Square Footage
1/1	16	520	8,320
2/1	24	760	18,240
	40		26,560

The following chart lists the subject's existing unit distribution by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
1/1	16	520	\$794	\$141
2/1	24	760	\$827	\$168
	40			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	4	520	30%	\$424	\$1,203	\$168	\$1,035
1/1	8	520	50%	\$708	\$1,203	\$168	\$1,035
1/1	4	520	60%	\$849	\$1,203	\$168	\$1,035
2/1	6	760	30%	\$510	\$1,383	\$198	\$1,185
2/1	12	760	50%	\$850	\$1,383	\$198	\$1,185
2/1	6	760	60%	\$1,020	\$1,383	\$198	\$1,185

Since the subject will retain its Rental Assistance once rehabilitation is complete, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. Due to the Rental Assistance, tenants will never be required to pay more than 30 percent of annual income toward rent and utilities. Furthermore, at no point will tenants be required to pay more than the maximum allowable LIHTC rent.



The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 30, 50 and 60 percent of the area median income. As the subject will also retain its Rental Assistance, households with one to three persons and incomes below \$40,800 will be eligible for the rehabilitated development. Without considering the Rental Assistance, households with one to three persons and incomes between \$14,537 and \$40,800 would be eligible for the rehabilitated development.

LIHTC INCOME LIMITS			
Person in Households	30%	50%	60%
1	\$15,870	\$26,450	\$31,740
2	\$18,120	\$30,200	\$36,240
3	\$20,400	\$34,000	\$40,800
4	\$22,650	\$37,750	\$45,300
5	\$24,480	\$40,800	\$48,960
6	\$26,280	\$43,800	\$52,560

Source: HUD

Tenant Services

The subject does not offer any tenants services.

Scope of Work

The rehabilitation will begin in the summer of 2025 and is anticipated to be complete by the spring of 2026. The proposed scope of work includes replacement of appliances, kitchen cabinets, bath vanities and medicine cabinets, windows, interior and exterior doors, hot water heaters, air conditioning units, toilets and baths, flooring and structural elements such as exterior brick and wall supports, roofing and re-grading and striping of the parking lots. Once rehabilitation is complete, units will contain a dishwasher and in-unit Wi-Fi.



Location/Site Characteristics

The subject consists of one irregular-shaped tract of land that contains a total of 2.36 acres. The subject property is zoned R-3, Residential District. Therefore, the subject is a legal, conforming use. A zoning change is unlikely. The subject is not a scattered site development. The subject is located in Census Tract #8901.00.

The subject neighborhood is comprised primarily of commercial properties and is 80 percent built up. Approximately 40 percent of the land use is made up of single-family residences. About 25 percent is comprised of commercial properties. Another 15 percent of the land use is made up of multifamily dwellings. The remaining 20 percent of the land use is vacant land. Single-family residences and vacant land are located to the north, south, east and west of the subject. The area is mostly rural.

Project Location

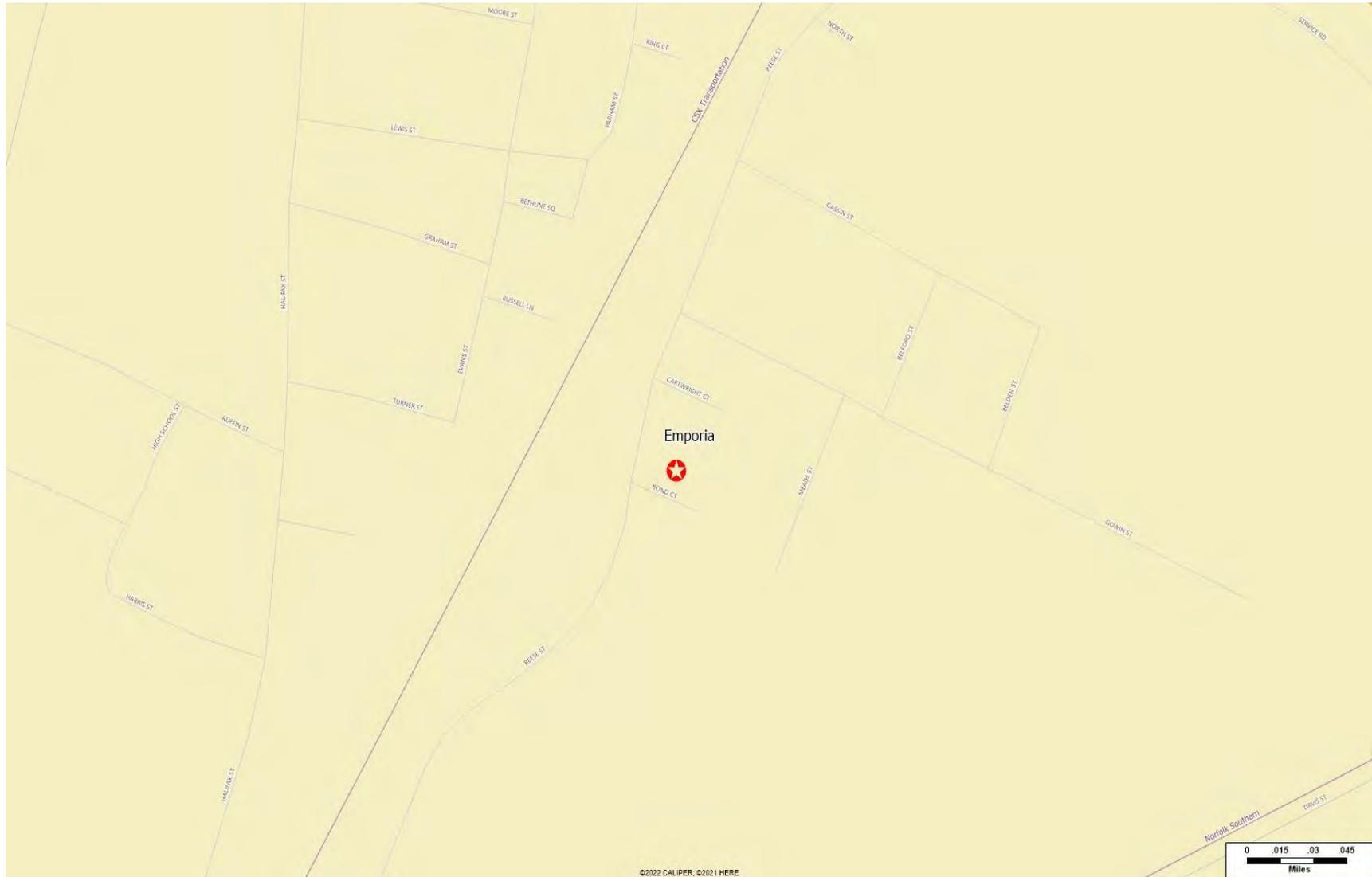
The subject properties, Reese Village Apartments, is a Rural Development property with a total of 40 units and is located in Emporia, Virginia. As complete, the property will continue to be a Rural Development property and will also be 100 percent LIHTC with income levels at 30, 50 and 60 percent of the area median income.

Emporia City is an independent city located in the southeastern portion of Virginia. Nearby cities include Kingsberry, Washington Park, Westover Hills, Moonlight, Jarratt, Capron and Lawrenceville. Emporia City is completely surrounded by Greensville County.

Emporia is served by Interstate Highway 95 and U.S. Highways 58 and 301. The airport in the area is the Emporia-Greenville Regional Airport. Public transportation is provided by Greensville Emporia Transit.



Location Map





Community and Site Information

Site Characteristics

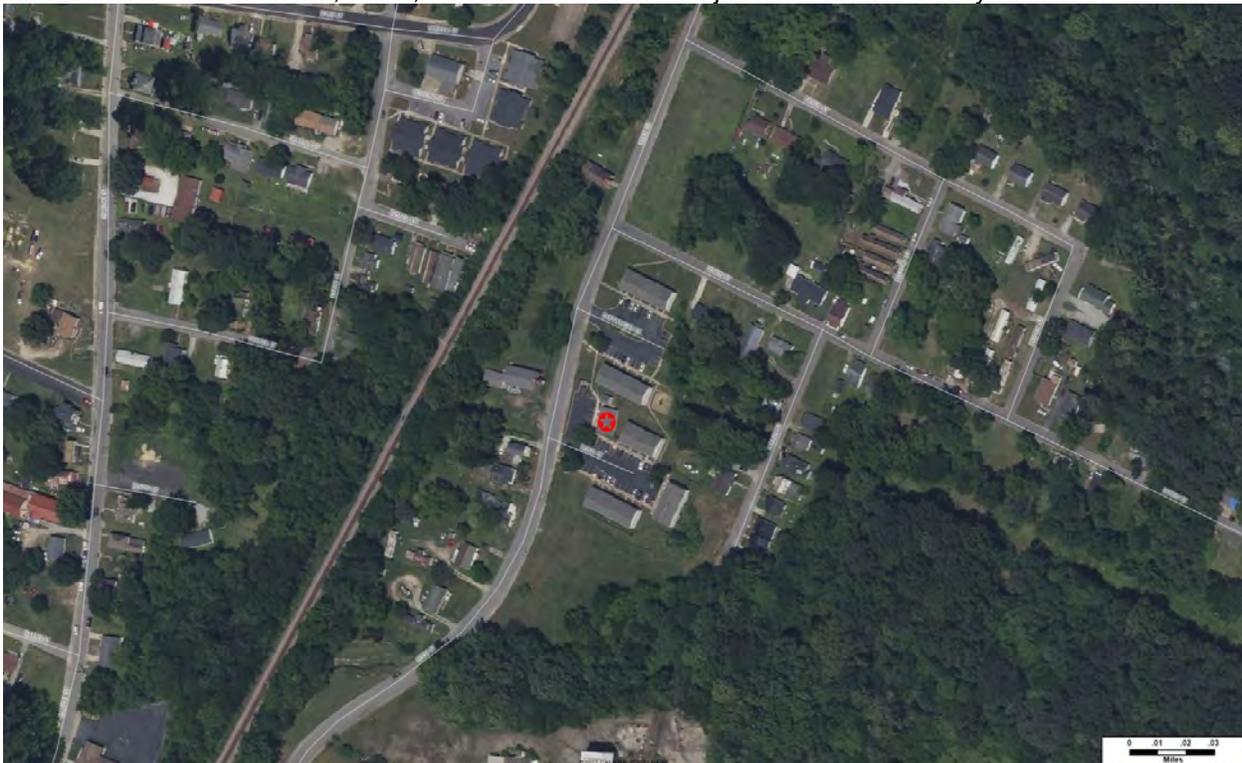
The subject property is located in a predominantly residential neighborhood in the northeastern portion of Emporia. The subject is located along Bond Court, just east of Reese Street.

Reese Village Apartments is easily accessed via Bond Court. Bond Court connects to Reese Street. Reese Street provides direct access to U.S. Highway 58, a major thoroughfare in the city. Therefore, the subject has average visibility and easy access.

The subject consists of one irregular-shaped tract of land that contains a total of 2.36 acres. The subject property is zoned R-3, Residential District. Therefore, the subject is a legal, conforming use. A zoning change is unlikely. The subject is not a scattered site development. The subject is located in Census Tract #8901.00.

Surrounding Land Uses

The subject neighborhood is comprised primarily of commercial properties and is 80 percent built up. Approximately 40 percent of the land use is made up of single-family residences. About 25 percent is comprised of commercial properties. Another 15 percent of the land use is made up of multifamily dwellings. The remaining 20 percent of the land use is vacant land. Single-family residences and vacant land are located to the north, south, east and west of the subject. The area is mostly rural.





Subject Photos



View of Sign



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Exterior



View of Leasing Office



View of Leasing Office



View of Laundry Facility



View of Mail Center



View of Maintenance Area



View of Meeting Room



View of Typical Living Area



View of Typical Kitchen



View of Typical Bedroom



View of Typical Bath



View of Playground



View of Parking Lot



Nearby Employment Opportunities

Most market area tenants have white collar occupations. According to the Claritas and Ribbon Demographics, approximately 47.0 percent of the market area works in white collar industries; 31.3 percent work in blue collar industries; and 21.6 percent work in service and farming industries.

Regional and Area Data

Parks and Recreational Opportunities

The Emporia-Greensville Recreation Association has organized leagues, including but not limited to baseball, softball, football, soccer and basketball. Recreation opportunities in the area include Meherrin River Park, Emporia-Greensville YMCA, Emporia Country Club, Beanie's Clubhouse and Fruits & Roots Wine Tours.

Government/Public Safety

The City of Emporia operates under a Council-Manager form of government. The governing body, comprised of a Mayor, who is elected at-large, and seven members of City Council, each elected from one of the City's seven electoral districts. City Council sets the policies, budgets, and laws that direct City operations and services. City Council hires the City Manager to administer the day-to-day operations. The Emporia Police Department is divided into four components: the Office of the Chief of Police, the Operations Division, the Support Division; and the Administrative Division. The Greensville Volunteer Fire Department serves both Greensville County and the City of Emporia.

Utilities

The City of Emporia provides water and sewer services to the residents of the city. Electricity service is provided by Mecklenburg Electric. Natural gas is provided by Parker Oil Company. Basic phone service is provided by Comcast. Cellular providers in the area are AT&T, Sprint, T-Mobile and Verizon. Internet providers in the area are Xfinity, Frontier, Viasat and Star Touch Broadband. Cable providers in the area are Xfinity, Frontier and DirecTV.

Health Services

Hospitals in the area include Emporia Medical Center and Southern Virginia Regional Medical Center. Additional healthcare facilities include Emporia Veterans Center, Bon Secours – Emporia Family Care, Hospitality Health Quickcare, Southern Dominion Healthcare Systems, Marcelin Medical Center and Southside Physicians Network.

Transportation

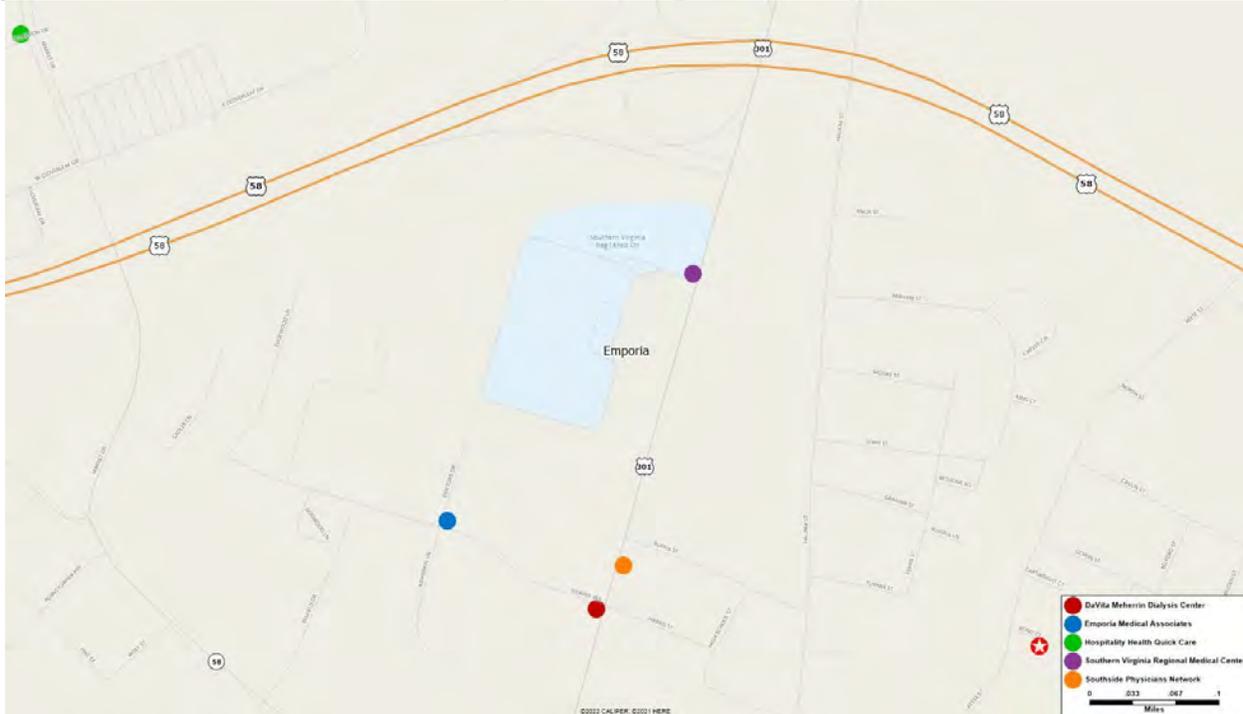
Emporia is served by Interstate Highway 95 and U.S. Highways 58 and 301. The airport in the area is the Emporia-Greenville Regional Airport. Public transportation is provided by Greensville Emporia Transit.

Crime

According to AreaVibes, there are no defined neighborhoods in the City of Emporia. Therefore, data for the city was utilized. In the city, approximately 443 per 100,000 residents are victims of a violent crime annually, and approximately 3,530 per 100,000 residents are victims of a property crime each year. This equates to 224 reported crimes: 25 violent crimes and 199 property crimes. The crime rate for the city is 105.9 percent higher than for the state, and 71.0 percent higher than for the nation. The total number of crimes in the city has increased 24.0 percent within the past year, according to AreaVibes. In the city, there is a 1 in 226 chance of being the victim of a violent crime and a 1 in 29 chance of being the victim of a property crime. The life cycle is generally in the stability stage.

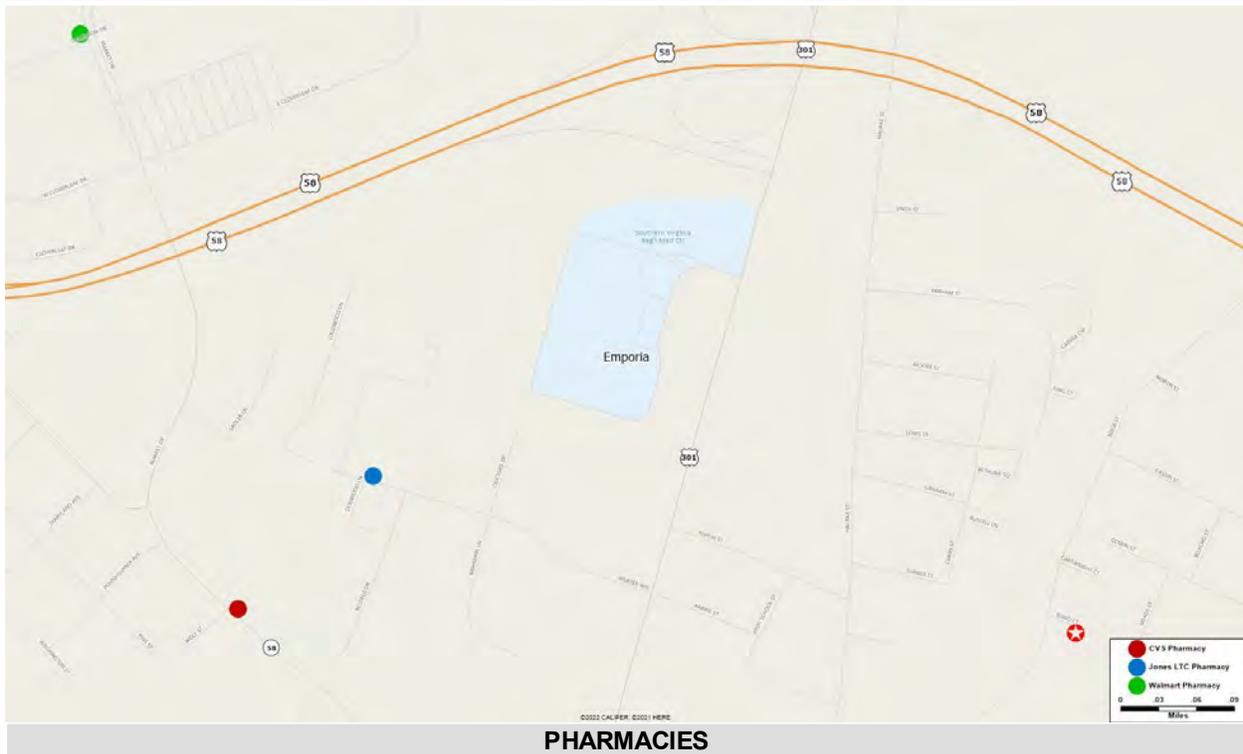


Community Services Legends and Maps



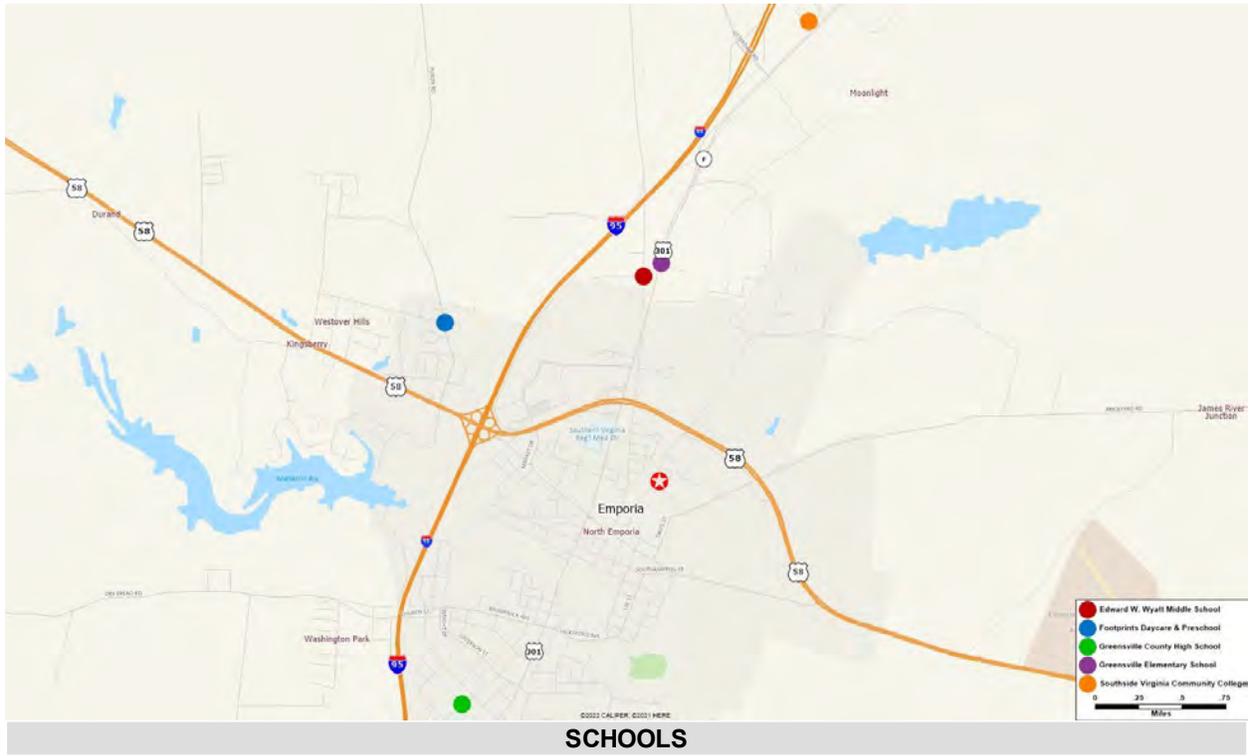
MEDICAL FACILITIES

Service	Distance From Site (in Miles)
Southside Physicians Network	0.9
DaVita Meherrin Dialysis Center	1.0
Emporia Medical Associates	1.1
Southern Virginia Regional Medical Center	1.3
Hospitality Health Quick Care	2.1



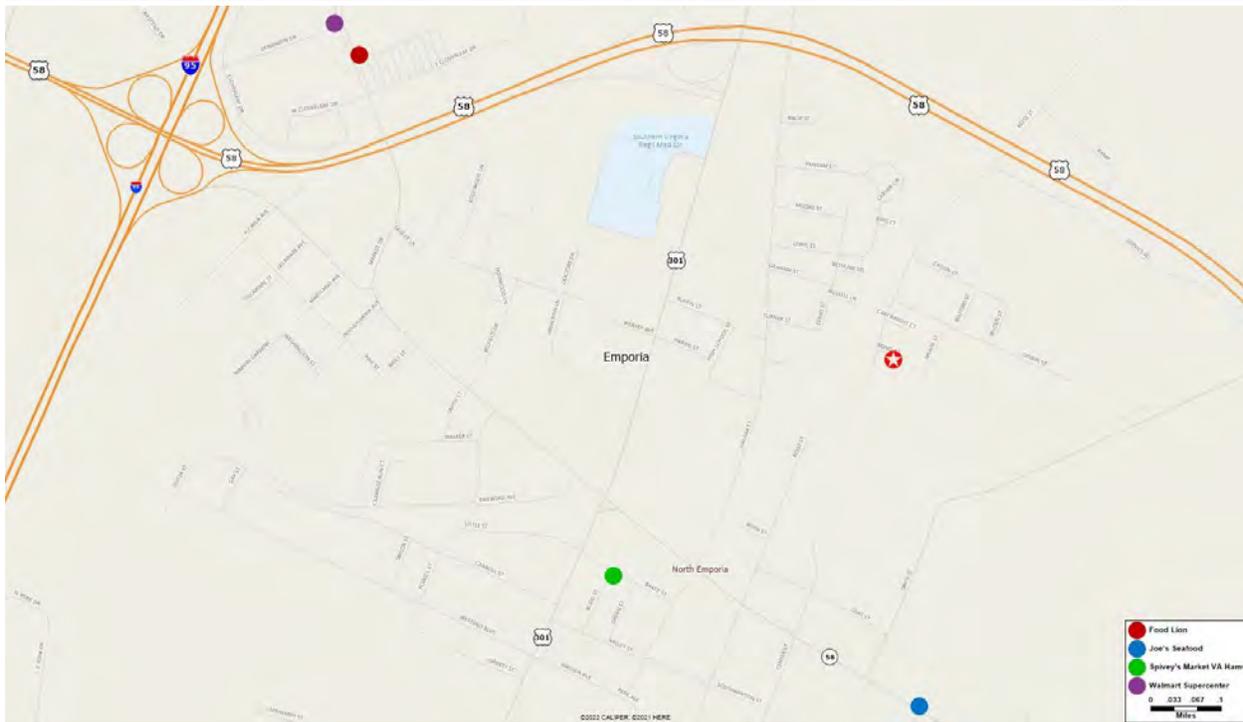
PHARMACIES

Service	Distance From Site (in Miles)
CVS Pharmacy	0.9
Jones LTC Pharmacy	1.1
Walmart Pharmacy	2.0



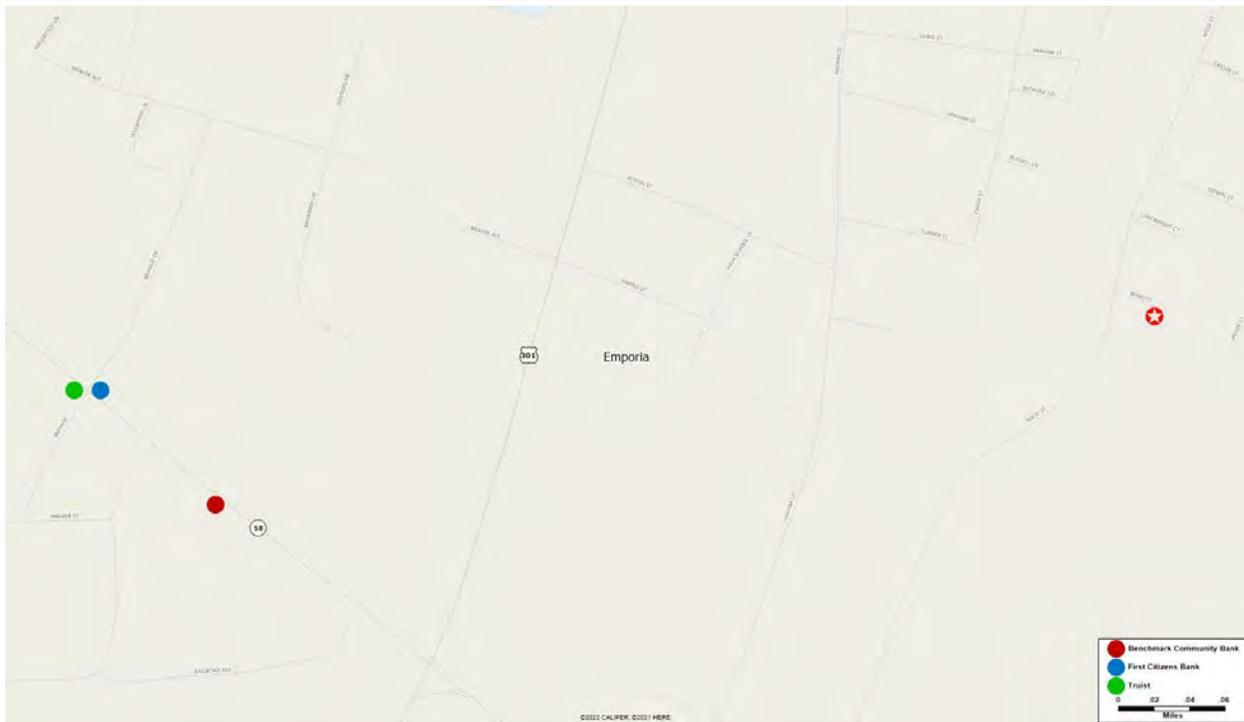
SCHOOLS

Service	Distance From Site (in Miles)
Edward W. Wyatt Middle School	2.1
Greenville Elementary School	2.2
Greenville County High School	2.3
Footprints Daycare & Preschool	2.8
Southside Virginia Community College	3.9



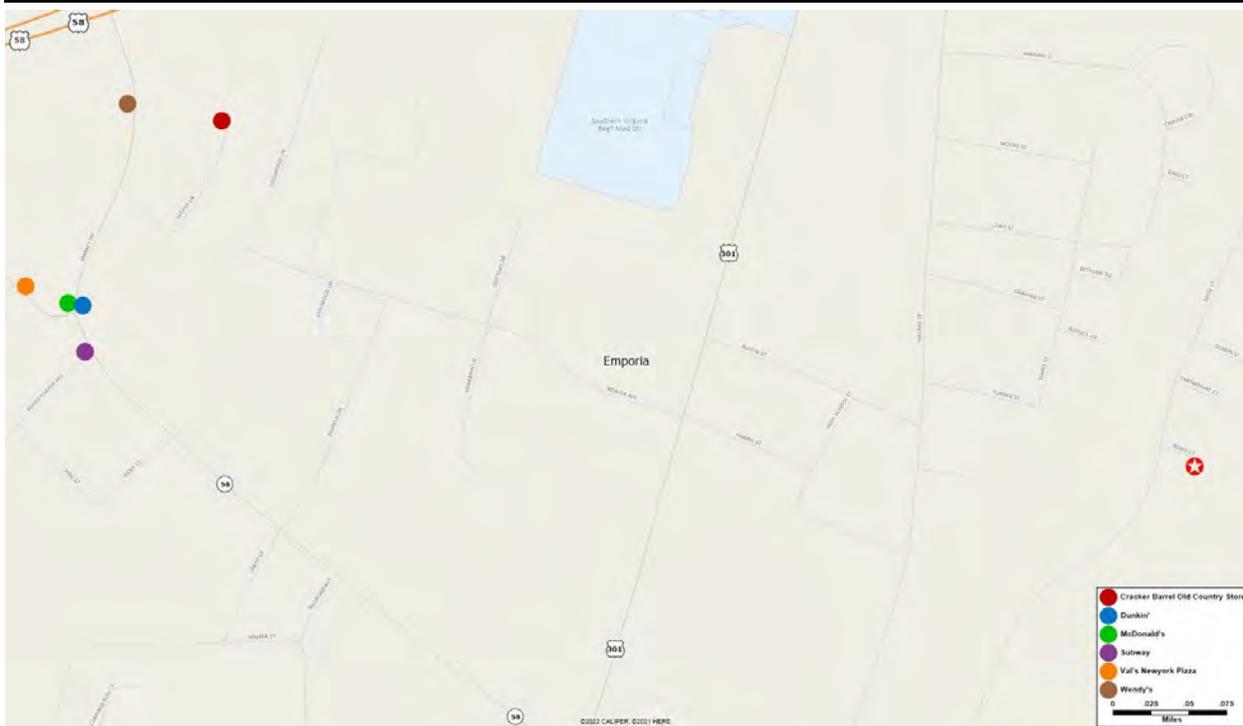
GROCERY STORES/SUPERMARKETS

Service	Distance From Site (in Miles)
Joe's Seafood	0.7
Spivey's Market VA Hams	0.8
Food Lion	1.8
Walmart Supercenter	2.0



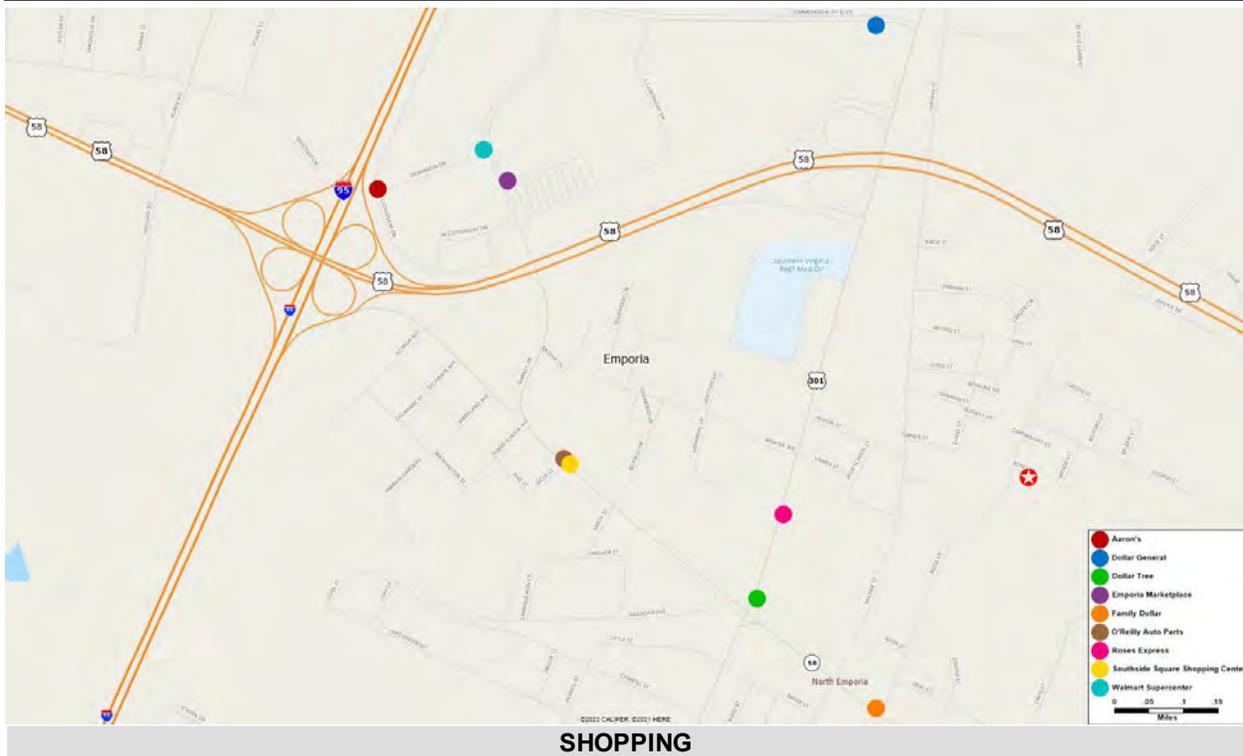
BANKS/LENDING INSTITUTIONS

Service	Distance From Site (in Miles)
Benchmark Community Bank	0.8
First Citizens Bank	0.9
Truist	1.0



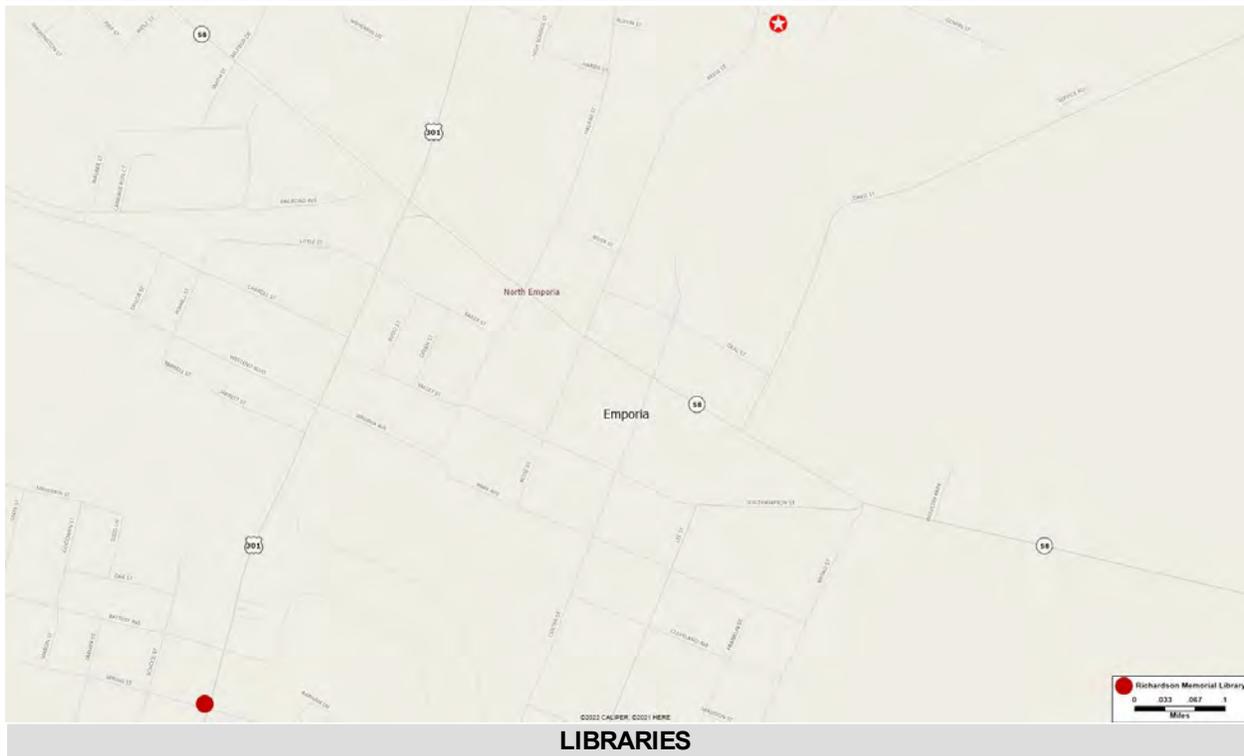
RESTAURANTS

Service	Distance From Site (in Miles)
Subway	1.1
Dunkin'	1.2
Val's Newyork Pizza	1.2
McDonald's	1.2
Cracker Barrel Old Country Store	1.3
Wendy's	1.3



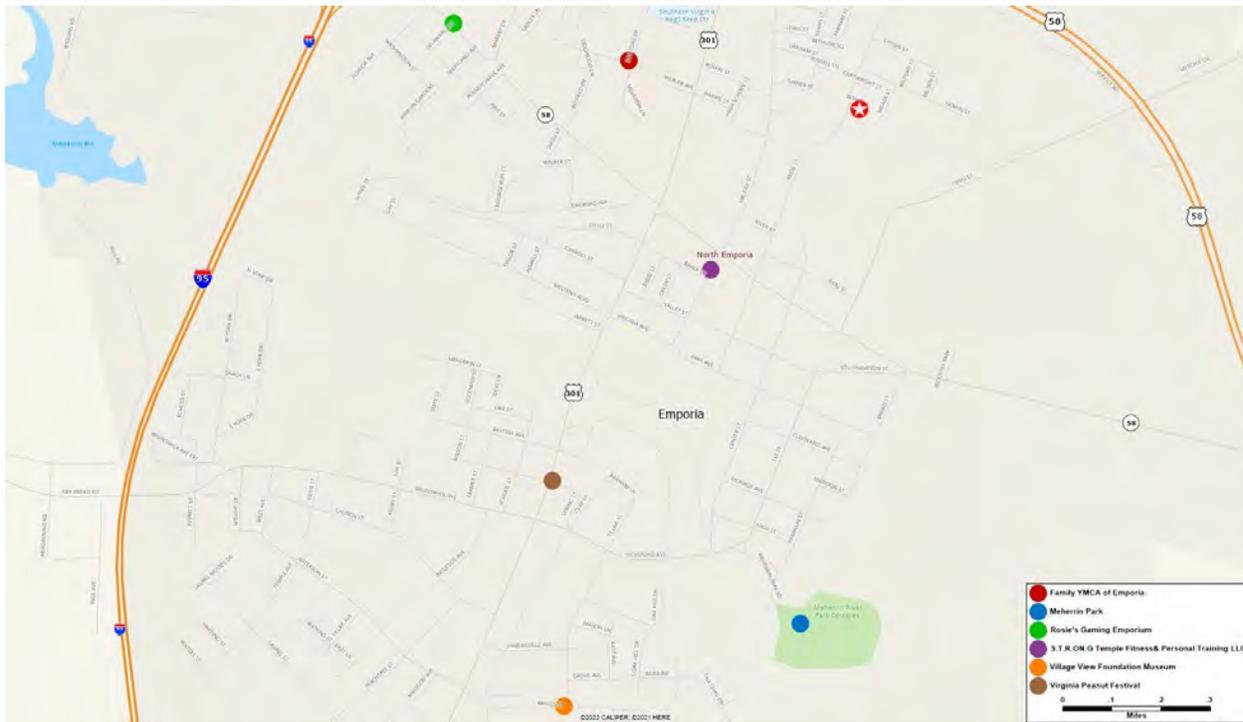
SHOPPING

Service	Distance From Site (in Miles)
Family Dollar	0.5
Dollar Tree	0.8
Roses Express	0.9
O'Reilly Auto Parts	1.1
Southside Square Shopping Center	1.1
Dollar General	1.6
Emporia Marketplace	1.9
Walmart Supercenter	2.0
Aaron's	2.0



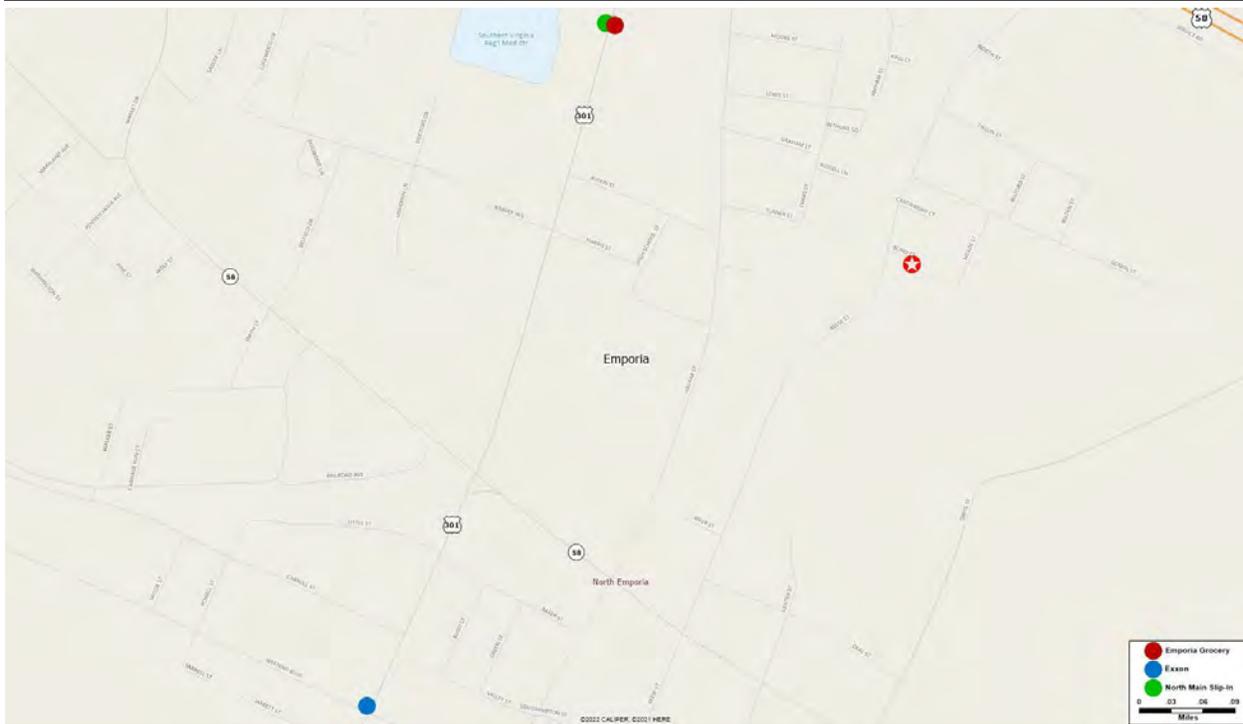
LIBRARIES

	Service	Distance From Site (in Miles)
	Richardson Memorial Library	1.3



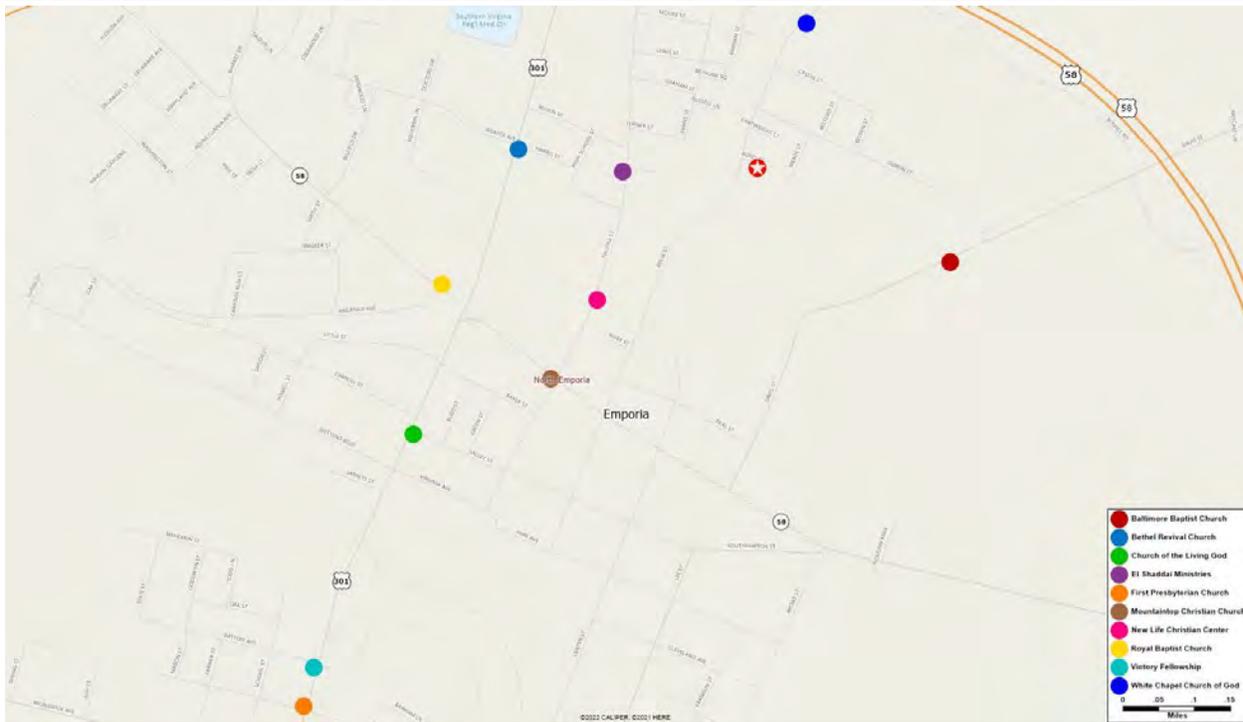
PARKS/RECREATION

Service	Distance From Site (in Miles)
S.T.R.ON.G Temple Fitness & Personal Training LLC	0.5
Family YMCA of Emporia	1.1
Virginia Peanut Festival	1.2
Rosie's Gaming Emporium	1.3
Meherrin Park	1.4
Village View Foundation Museum	1.8



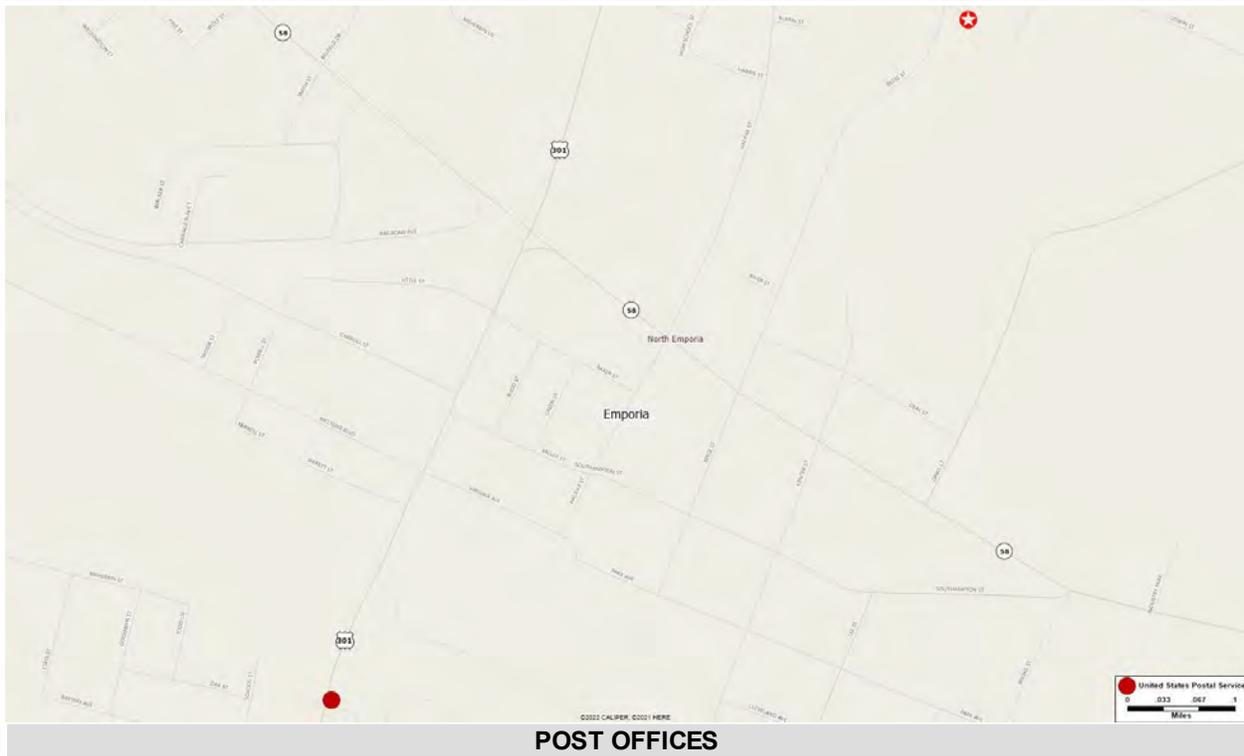
CONVENIENCE STORES

Service	Distance From Site (in Miles)
Exxon	0.8
Emporia Grocery	1.1
North Main Slip-In	1.1

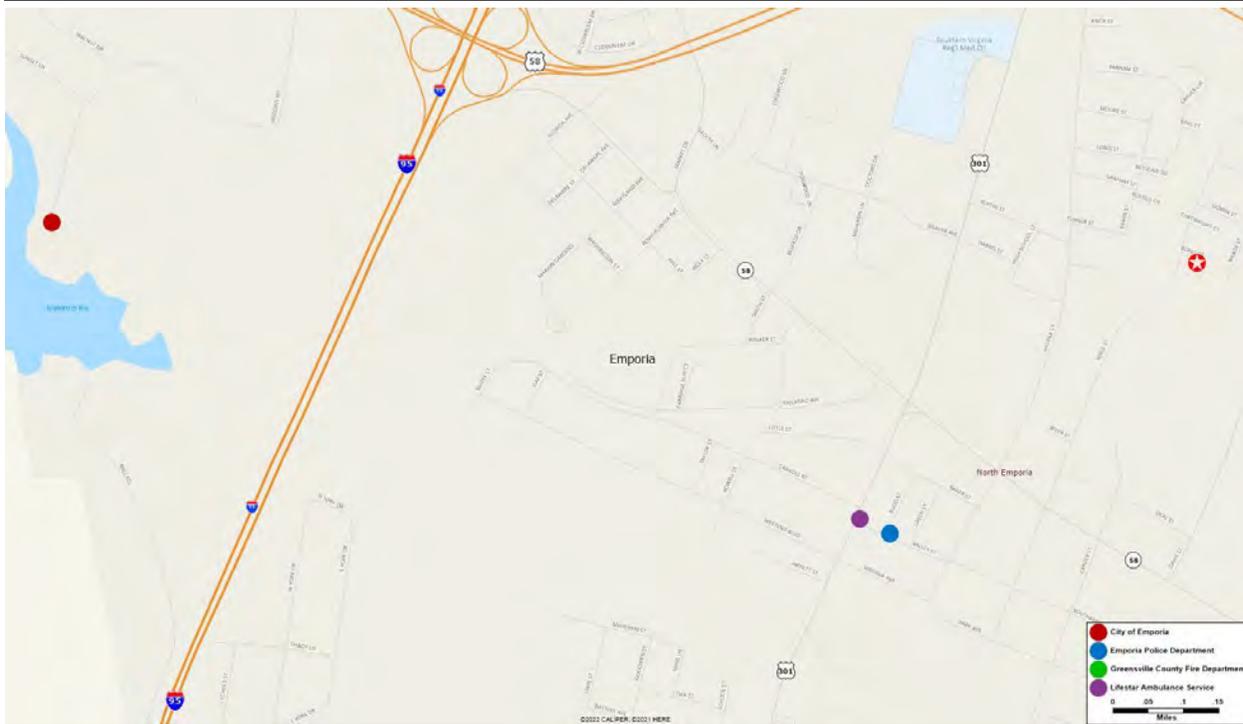


HOUSES OF WORSHIP

Service	Distance From Site (in Miles)
White Chapel Church of God	0.3
Mountaintop Christian Church	0.6
New Life Christian Center	0.7
El Shaddai Ministries	0.8
Royal Baptist Church	0.8
Church of the Living God	0.8
Bethel Revival Church	0.9
Baltimore Baptist Church	1.0
Victory Fellowship	1.2
First Presbyterian Church	1.2

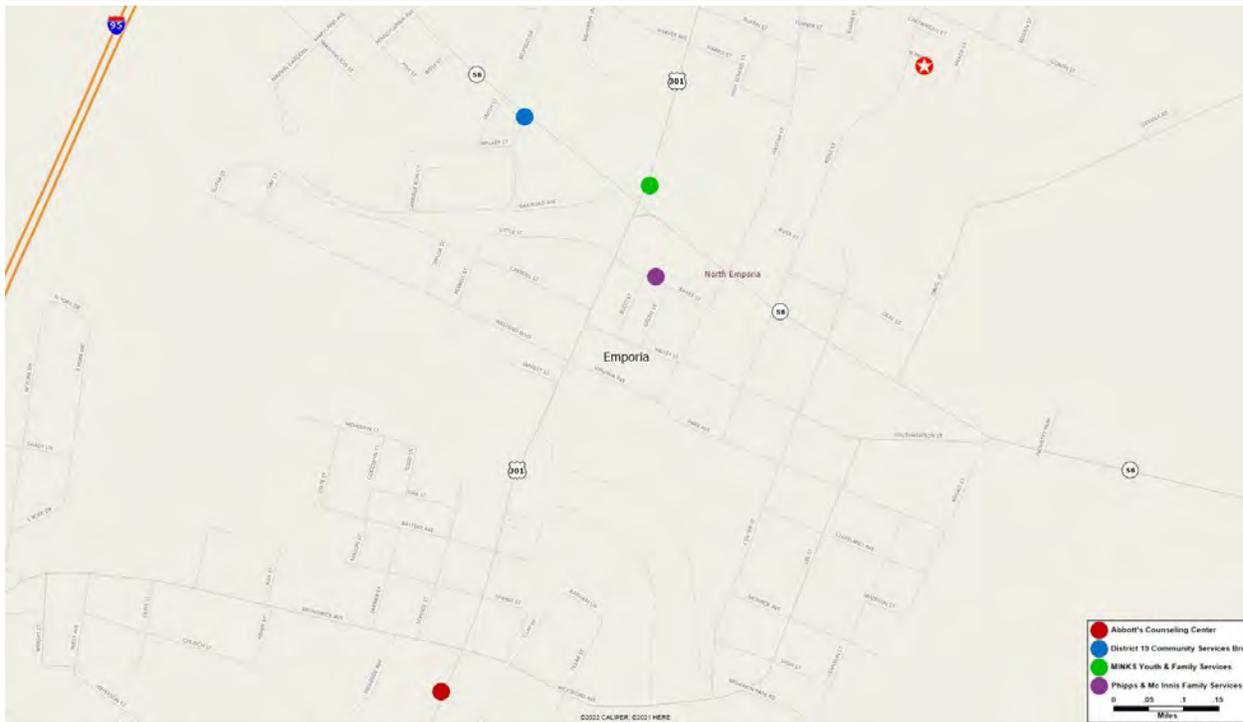


	Service	Distance From Site (in Miles)
	United States Postal Service	1.1



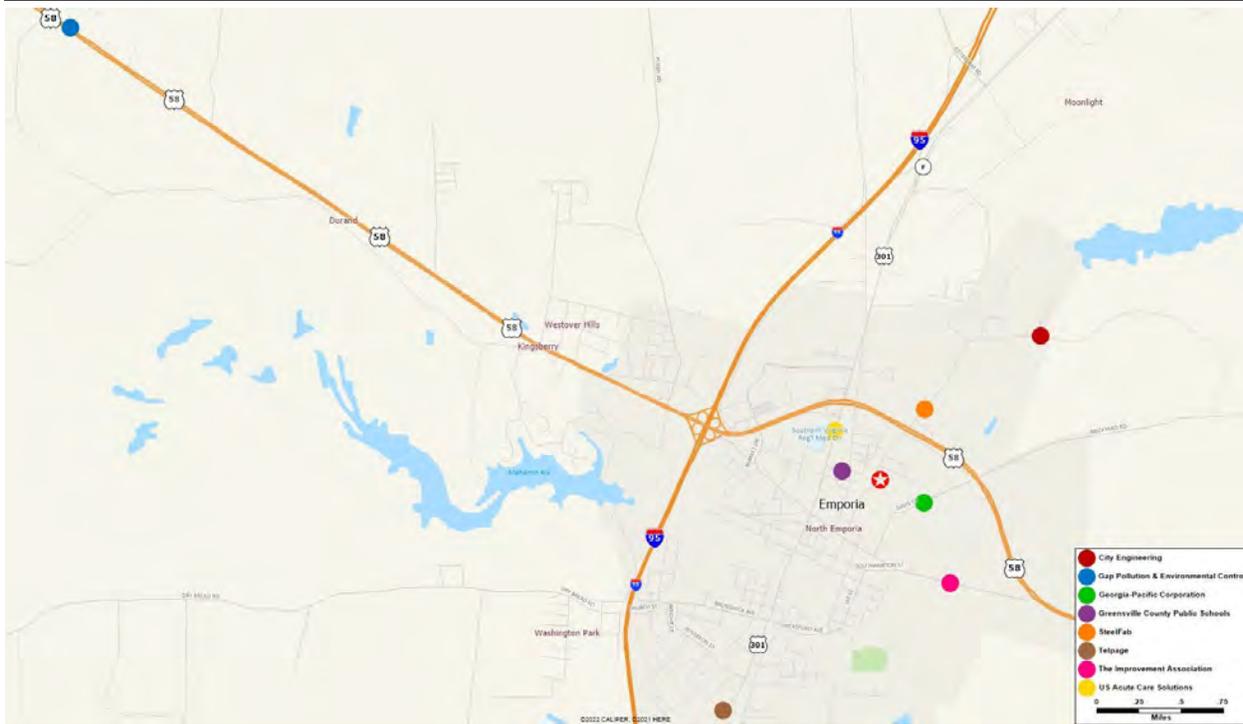
PUBLIC SAFETY/GOVERNMENT

Service	Distance From Site (in Miles)
Greenville County Fire Department	0.8
Emporia Police Department	0.8
Lifestar Ambulance Service	0.8
City of Emporia	2.9



SOCIAL SERVICES

Service	Distance From Site (in Miles)
MINKS Youth & Family Services	0.7
Phipps & Mc Innis Family Services	0.8
District 19 Community Services Brd	0.9
Abbott's Counseling Center	1.4

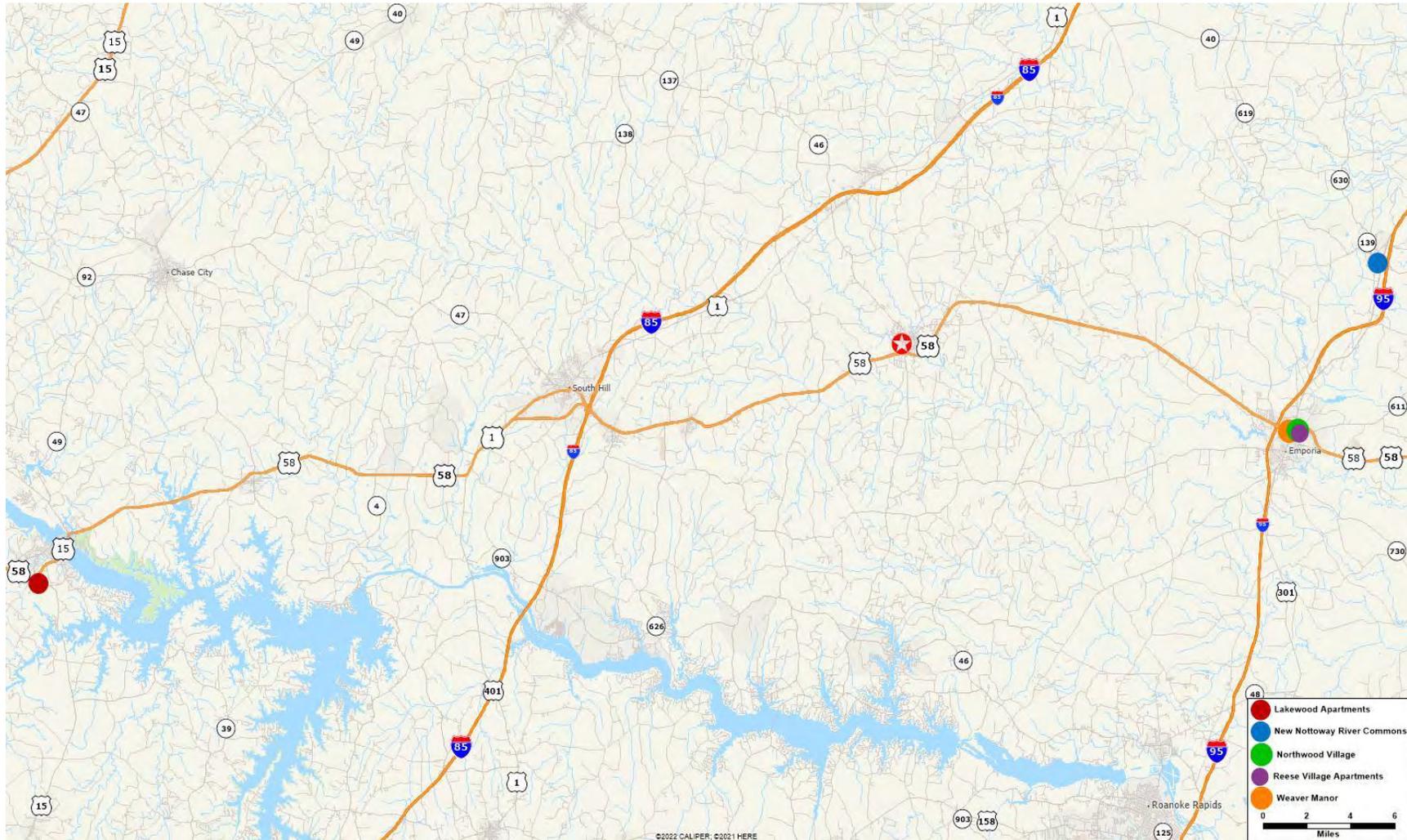


MAJOR EMPLOYERS

Service	Distance From Site (in Miles)
SteelFab	0.6
Greenville County Public Schools	1.0
The Improvement Association	1.0
US Acute Care Solutions	1.3
Georgia-Pacific Corporation	1.3
City Engineering	1.4
Telpage	1.8
Gap Pollution & Environmental Control	6.6



Competing Properties Map



As renovated, the subject will be a Rural Development and LIHTC property with rents and income limits set at 30, 50 and 60 percent AMI. Therefore, the above income-restricted units will directly compete with the subject's units.



Summary of Site Strengths and Weaknesses

Strengths – The site has average visibility and access. The subject is close to employment centers, healthcare services, government and public services. In addition, the subject's location provides easy access to major thoroughfares and many recreation and shopping opportunities.

Weaknesses – None



Delineation of Market Area

Following is a list of considerations used when determining the market area:

- **Population and Households Counts:** The number of households in a market area is directly proportionate to its geographic size within an individual market. Total householders residing in a market area can greatly influence demand calculations.
- **General Demographics:** The socio-economic composition of a market area including income, household size and tenure can be largely influenced by the erroneous inclusion or exclusions of non-comparable areas.
- **Demand:** Too large of a market may result in overstating demand for a proposed development. Conversely, too conservative of a market area may discount the demand for new product, especially if a lack of quality housing currently exists.
- **Supply Analysis:** While a larger market area generally includes higher household totals, it likewise may include a higher number of directly comparable units. If using demand methodologies that net out recently constructed and comparable rental units from the demand estimate, the increase in the number of comparable units can outweigh the increase in demand.
- **Competitive Stock:** The existing rental stock surveyed for a market study is dependent on the number of rental properties in a given market and therefore the boundaries of a primary market area. If existing developments are going to be used as “comparables”, they should be located in the primary market area, if possible.
- **Attainable Rents:** If the market area includes non-comparable areas, the analysis may use comparables projects that suggest that a project can achieve rents that area significantly higher or lower than the rents its micro location will support.
- **Location of Competitive Properties:** A primary consideration in defining a market area is identifying those locations that offer alternative opportunities to a potential renter for a subject site. The managers of existing comparable properties near the site are excellent sources in determining those competitive locations.
- **Accessibility:** Available transportation linkages including both traffic arteries and mass transit options can influence the size of the market. Mass transit can have a significant impact on projects addressing very low income households for which transportation options may be limited.
- **Natural Boundaries:** Natural boundaries including rivers and mountains can restrict the mover-ship within a market due to a lack of accessibility.
- **Housing Project Characteristics:** The availability of a unique structure type such as a high rise may alter the typical draw of a potential project.
- **Market Perceptions:** Whether grounded in reality or not, market perceptions can be a significant determinant of market area boundaries. Social stigmas often exist within sub-markets, with residents from one side of a submarket may not move to a close by neighborhood, regardless of housing opportunities. The construction of a new, attractive rental community may not necessarily relieve this perception.
- **Commuting Patterns:** The time spent commuting and employment destination could often reveal distinct patterns. High percentages of workers with long commutes or working in neighboring counties are often indicators of a lack of affordable housing options near employment centers.
- **Target Market:** Proposed developments targeting a special needs population such as seniors generally draw from a larger geographic region. Given the smaller pool of qualified householders, the location and quantity of comparable stock is of additional importance. An acceptable market area for a family oriented rental community will often be too conservative for a rental community targeting senior rental householders.
- **Jurisdictional Boundaries:** Differences in the quality and services provided by school districts, municipalities, or counties often influence consumer location choices.
- **Local Agency Service Boundaries:** The geographic areas covered by local agencies, such as housing authorities, senior citizen centers, community-based organizations, or churches can be a strong indicator of market area boundaries, especially when the project has a community-based sponsor or co-sponsor.

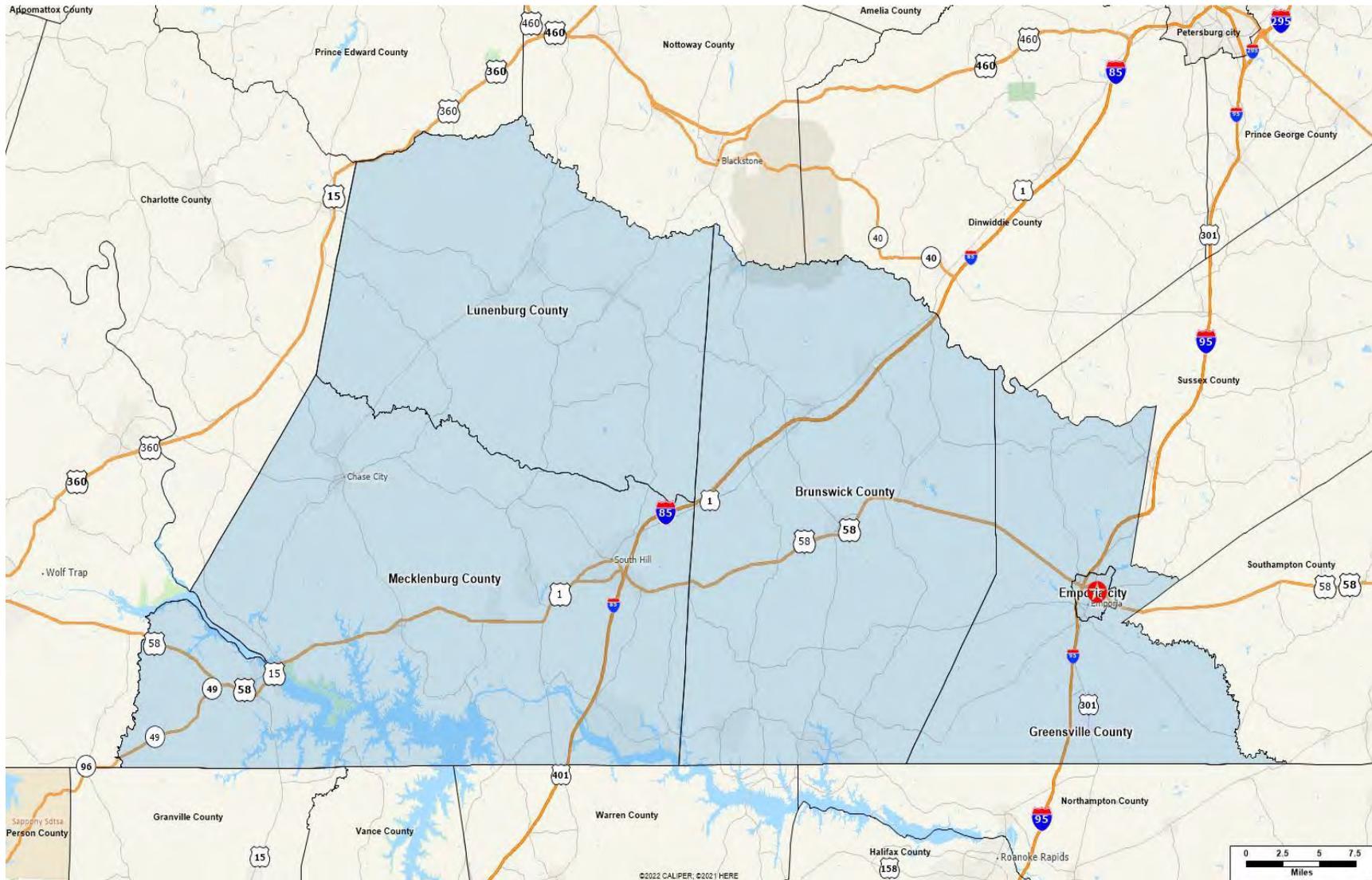


-
- Non-Geographic Factors: Employees who might be expected to reside in a development as a result of planned or existing job opportunities and special needs households who are served by a multi-jurisdictional agency that covers communities that are clearly distinct market areas.

The determination of the market area is based on the boundaries between governmental units. In such a method, county, division or city boundaries become the boundaries of the market area. The primary market area for the subject consists of Mecklenburg County, Lunenburg County, Brunswick County, Greensville County and Emporia City. The market area has the following boundaries: North – Prince Edward, Nottoway and Dinwiddie Counties; South – State of North Carolina; East – Halifax and Charlotte Counties; and West – Sussex and Southampton Counties. The analysis was conducted using only the demographics data from the primary market area. However, according to the market study guidelines for Virginia Housing, a secondary or tertiary market area was also determined. The secondary market area is defined as Mecklenburg County, Lunenburg County, Brunswick County, Greensville County, Emporia City, Prince Edward County, Nottoway County and Dinwiddie County.



Primary Market Area Map





Employment and Economy

The economy of the market area is based on accommodation and food services; construction; educational services; health care and social assistance services; manufacturing; public administration; retail trade; and transportation, warehousing and utilities sectors. Each of these categories has experienced reasonable growth within the past few years.

Unemployment in the City of Emporia reached a high of 12.7 percent in 2010 and was at its lowest in 2022 with 4.7 percent. The rate for the City of Emporia in December 2023 was 4.0 percent. The number employed has decreased 0.1 percent per year since 2010. The following table shows the number of employees per industry in the City of Emporia since 2012:

AT-PLACE EMPLOYMENT TRENDS											
INDUSTRY	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022**
Agriculture, Forestry and Fisheries	N/A*										
Mining	N/A*										
Construction	28	24	16	12	N/A*	N/A*	N/A*	32	46	51	N/A*
Manufacturing	545	554	545	548	N/A*	N/A*	N/A*	574	534	585	N/A*
Transportation and Warehousing	N/A*	N/A*	N/A*	N/A*	18	17	11	7	N/A*	N/A*	N/A*
Utilities	N/A*										
Wholesale Trade	N/A*	105	N/A*	110							
Retail Trade	604	554	545	537	528	548	544	553	541	543	538
Leisure and Hospitality	723	690	706	658	639	662	663	620	527	545	552
Education and Health Services	884	851	843	828	800	820	846	881	796	794	837
Professional and Business Services	238	197	213	146	140	122	222	155	110	282	321
Financial Activities	132	133	132	133	125	115	110	101	96	82	73
Information	17	N/A*									
Other Services	92	N/A*	N/A*	N/A*	100	88	N/A*	N/A*	78	80	75
Public Administration (Local Government)	55	57	66	76	76	79	82	80	83	83	85

Source: U.S. Bureau of Labor Statistics

*Data was not available.

**Preliminary

LABOR FORCE AND EMPLOYMENT TRENDS FOR EMPORIA CITY					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	2,576	2,250	87.3%	326	12.7%
2011	2,553	2,277	89.2%	276	10.8%
2012	2,464	2,209	89.7%	255	10.3%
2013	2,380	2,151	90.4%	229	9.6%
2014	2,319	2,133	92.0%	186	8.0%
2015	2,252	2,098	93.2%	154	6.8%
2016	2,246	2,104	93.7%	142	6.3%
2017	2,384	2,260	94.8%	124	5.2%
2018	2,343	2,231	95.2%	112	4.8%
2019	2,311	2,197	95.1%	114	4.9%
2020	2,339	2,072	88.6%	267	11.4%
2021	2,356	2,175	92.3%	181	7.7%
2022	2,340	2,230	95.3%	110	4.7%
2023**	2,443	2,346	96.0%	97	4.0%

* Data based on place of residence.

**Preliminary - based on monthly data through December 2023

Source: U.S. Bureau of Labor Statistics



The State of Virginia reached a high of 7.3 percent in 2010 and was at its lowest point in 2019 with 2.8 percent. The rate for the State of Virginia in December 2023 was 2.7 percent. The number employed has increased 0.9 percent per year since 2010.

LABOR FORCE AND EMPLOYMENT TRENDS FOR VIRGINIA					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	4,163,293	3,858,466	92.7%	304,827	7.3%
2011	4,205,184	3,929,008	93.4%	276,176	6.6%
2012	4,217,529	3,967,151	94.1%	250,378	5.9%
2013	4,238,377	4,002,057	94.4%	236,320	5.6%
2014	4,258,856	4,040,908	94.9%	217,948	5.1%
2015	4,233,981	4,048,081	95.6%	185,900	4.4%
2016	4,254,348	4,084,822	96.0%	169,526	4.0%
2017	4,352,977	4,193,290	96.3%	159,687	3.7%
2018	4,359,053	4,228,274	97.0%	130,779	3.0%
2019	4,414,972	4,292,501	97.2%	122,471	2.8%
2020	4,342,950	4,062,417	93.5%	280,533	6.5%
2021	4,331,297	4,162,555	96.1%	168,742	3.9%
2022	4,435,858	4,308,805	97.1%	127,053	2.9%
2023**	4,547,751	4,424,565	97.3%	123,186	2.7%

* Data based on place of residence.

**Preliminary - based on monthly data through December 2023

Source: U.S. Bureau of Labor Statistics

According to the U.S. Bureau of Labor Statistics, unemployment trends for Emporia are slightly higher than to the unemployment trends for the State of Virginia.

CHANGE IN TOTAL EMPLOYMENT FOR EMPORIA CITY				
PERIOD	NUMBER		PERCENT	
	TOTAL	ANNUAL	TOTAL	ANNUAL
2010-2015	(152)	(30)	-6.8%	-1.4%
2015-2020	132	26	6.3%	1.3%

Source: U.S. Bureau of Labor Statistics

The changes in employment since 2010 by time period are listed in the above table. The data shows that the number of persons employed in Emporia has remained statistically between 2010 and 2020.

RECENT CHANGES IN EMPLOYMENT FOR EMPORIA CITY			
YEAR	NUMBER EMPLOYED	ANNUAL CHANGE	% OF LABOR FORCE UNEMPLOYED
2015	2,098	(35)	6.8%
2016	2,104	6	6.3%
2017	2,260	156	5.2%
2018	2,231	(29)	4.8%
2019	2,197	(34)	4.9%
2020	2,072	(125)	11.4%
2021	2,175	103	7.7%
2022	2,230	55	4.7%

Source: U.S. Bureau of Labor Statistics

The previous tables show the changes in employment and percent unemployed for the past six years. The unemployment rate for the City of Emporia has fluctuated from 4.7 percent to 11.4 percent since 2015.



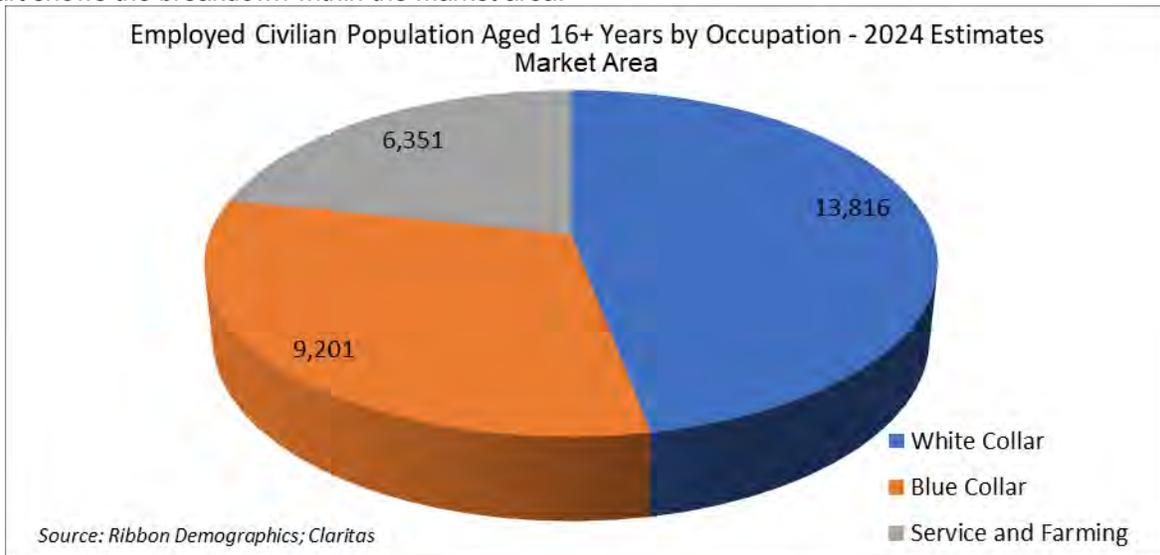
Major Employers

Major employers for the City of Emporia and the industry are shown in the following table:

MAJOR EMPLOYERS		
Name	Product/Service	Total Employees
US Acute Care Solutions	Healthcare	3,000
SteelFab	Metal Products Manufacturing	440
Greensville County Public Schools	Education	201
Gap Pollution & Environmental Control	Building and Dwelling Services	100
Georgia-Pacific Corporation	Paper Manufacturer	N/A
The Improvement Association	Daycare/Education	50
City Engineering	Waiste Management	50
Telpage	Software	35

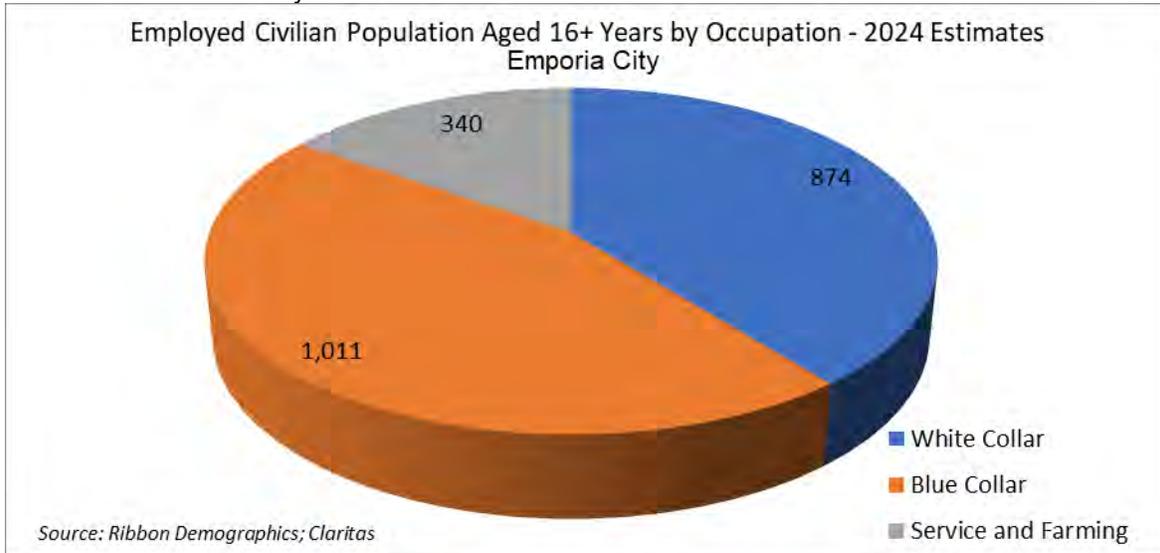
Source: Best Companies in Emporia, VA

The majority of the civilian population within the market area are employed in white collar jobs though a significant portion are also employed in service and farming and blue collar positions. The following pie chart shows the breakdown within the market area.





The majority of the civilian population within the city are employed in white collar jobs though a significant portion are also employed in service and farming and blue collar positions. The following pie chart shows the breakdown within the city.



Place of Work Employment

The following chart shows the number of people employed in different sectors of the market area economy in 2024.

Market Area Employed Civilian Population Aged 16+ Years by Industry Current Year Estimates - 2024		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	1,951	6.6%
Administrative/Support/Waste Management	1,294	4.4%
Agriculture/Forestry/Fishing/Hunting/Mining	818	2.8%
Arts/Entertainment/Recreation	122	0.4%
Construction	2,056	7.0%
Educational Services	2,744	9.3%
Finance/Insurance/Real Estate/Rent/Lease	1,039	3.5%
Health Care/Social Assistance	3,992	13.6%
Information	494	1.7%
Management of Companies and Enterprises	39	0.1%
Manufacturing	3,258	11.1%
Other Services Except Public Administration	869	3.0%
Professional/Scientific/Technical Services	1,057	3.6%
Public Administration	2,626	8.9%
Retail Trade	3,821	13.0%
Transportation/Warehousing/Utilities	2,453	8.4%
Wholesale Trade	735	2.5%
Total:	29,368	100.0%

Source: Ribbon Demographics; Claritas



The following chart shows the number of people employed in different sectors of the city economy in 2024.

Emporia City Employed Civilian Population Aged 16+ Years by Industry Current Year Estimates - 2024		
Industry	Number Employed	Percent Employed
Accommodation/Food Services	135	6.1%
Administrative/Support/Waste Management	127	5.7%
Agriculture/Forestry/Fishing/Hunting/Mining	31	1.4%
Arts/Entertainment/Recreation	5	0.2%
Construction	88	4.0%
Educational Services	89	4.0%
Finance/Insurance/Real Estate/Rent/Lease	61	2.7%
Health Care/Social Assistance	170	7.6%
Information	1	0.0%
Management of Companies and Enterprises	0	0.0%
Manufacturing	380	17.1%
Other Services Except Public Administration	47	2.1%
Professional/Scientific/Technical Services	188	8.4%
Public Administration	223	10.0%
Retail Trade	363	16.3%
Transportation/Warehousing/Utilities	270	12.1%
Wholesale Trade	47	2.1%
Total:	2,225	100.0%

Source: Ribbon Demographics; Claritas

The above charts show the number of people employed in different sectors of the market area and Emporia economy in 2024. According to interviews conducted by the analyst, employers in the area indicate that the area economy should remain stable in the next two to five years.

Future Employment Trends

W.A.R.N. notices require employers with 100 or more employees to provide at least 60 calendar days advance written notice of plant closings and mass layoffs affecting 50 or more employees at a single site of employment. Exceptions to giving notice may be allowed in an economic crisis which is considered to be an unforeseen business circumstance. According to the Virginia Employment Commission, there have not been any Worker Adjustment and Retraining Notifications (W.A.R.N.) notices were issued in the City of Emporia within the past two years.

According to Shanette Back, Community & Economic Development Director with the Virginia's Growth Alliance (formerly, the TransTech Alliance), the organization is a regional organization of six counties and one city that have come together to facilitate investment attraction and economic growth in the region. The localities includes the counties of Brunswick, Charlotte, Greenville, Lunenburg, Mecklenburg, and Nottoway; and the City of Emporia. Although the initial major focus is on business recruitment, the organization is also creating strategies for entrepreneurship development, asset development, and leadership development. According to VGA, the area has seen a few new and expanding business over the last two years, including ,but not limited to the following:

Heyco Werk USA Inc., a subsidiary of Germany-based automotive parts manufacturer Heyco Group, plans to invest \$5.4 million to expand its operations in Greenville County, adding 21 jobs. In addition, Rosie's Gaming Emporium, a new casino, recently celebrated it's grand opening in Emporia City. The



company plans to hire over 125 employees with average salaries of \$47,000 per year within the first two years of operations.

Old Dominion Organic Farms announced plans to construct a new product processing and packing facility at the Business Center Park, located in Brunswick County. Over the next three years, 40 new jobs will be created and the facility is expected to process nearly \$24 million Virginia-grown vegetables, approximately 80 percent of which will be certified organic. The new facility will support more than 22 farmers located in Amelia, Brunswick, Dinwiddie, Lunenburg, Mecklenburg, Prince George, and Surry Counties during its first season.

Coast 2 Coast Trucking, Inc., a sister company to ABC Recycling, will invest \$3.765 million to establish its new company in Lunenburg County, which will create 21 new jobs including full time truck drivers, mechanics and office personnel.

FyberX Holdings, a developer of technology to process raw agricultural biomass into refined natural fibers, will establish its U.S. headquarters and production operation in Mecklenburg County, Virginia. The \$17.5 million project is expected to create 45 jobs. The new facility, located in the former Kinderton Distribution Center building, will process hemp and other agricultural products, producing fibers to supply the textile industry.

Due to the new and expanding businesses, decreasing unemployment and lack of layoffs and closures in the area, it is believed that the economic outlook for the area will remain stable for the next two to five years.

Wages

The average annual wage of employees in Emporia was \$36,381 in 2022. Wages have been increasing 4.1 percent per year.

AVERAGE ANNUAL WAGE BY SECTOR			
INDUSTRY	2021	2022	% INCREASE
Agriculture, Forestry and Fisheries	N/A*	N/A*	N/A*
Mining	N/A*	N/A*	N/A*
Construction	\$58,443	N/A*	N/A*
Manufacturing	\$49,177	N/A*	N/A*
Transportation and Warehousing	N/A*	N/A*	N/A*
Utilities	N/A*	N/A*	N/A*
Wholesale Trade	N/A*	\$47,399	N/A*
Retail Trade	\$27,934	\$28,936	3.6%
Leisure and Hospitality	\$19,657	\$21,464	9.2%
Education and Health Services	\$31,976	\$34,653	8.4%
Professional and Business Services	\$31,969	\$32,456	1.5%
Financial Activities	\$37,894	\$39,761	4.9%
Information	N/A*	N/A*	N/A*
Other Services	\$27,565	\$28,700	4.1%
Public Administration (Local Government)	\$56,802	\$57,675	1.5%

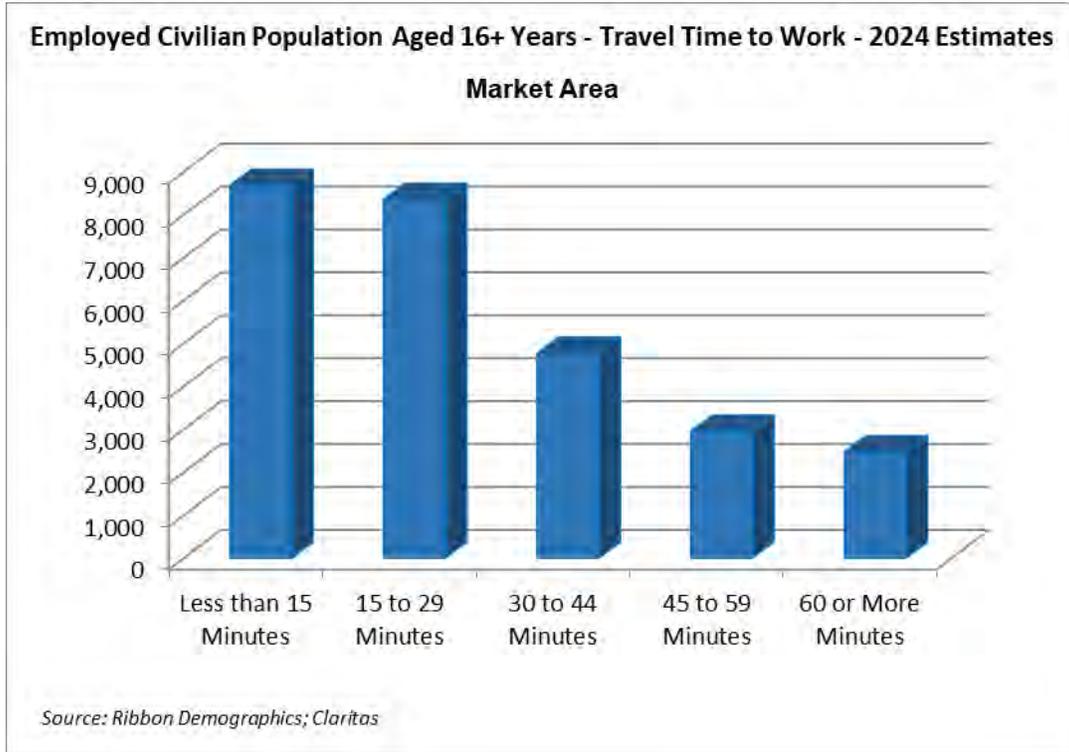
Source: U.S. Bureau of Labor Statistics

*Data was not available.



Employment Outside the County

In 2024, for residents employed in market area, the travel time to work from the site is less than 15 minutes. For the majority of those employed in other parts of the town, the travel time would be within 30 minutes. According to the chart below, 31.9 percent have a travel time of less than 15 minutes; 30.7 percent have a travel time of 15 to 29 minutes; and 37.4 percent have a travel time of over 30 minutes. This relatively low travel time indicates that the subject site is in an area in close proximity to employment centers.



Summary of Employment Trends in Market Area

The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 30, 50 and 60 percent of the area median income. As the subject will also retain its Rental Assistance for all units, households with one to three persons and incomes below \$40,800 will be eligible for the rehabilitated development. The income restriction is suitable for the average annual wages of the area, as indicated in the table on Page 60. The available employment is well-suited to the targeted population of the proposed rehabilitated Rural Development and LIHTC property.



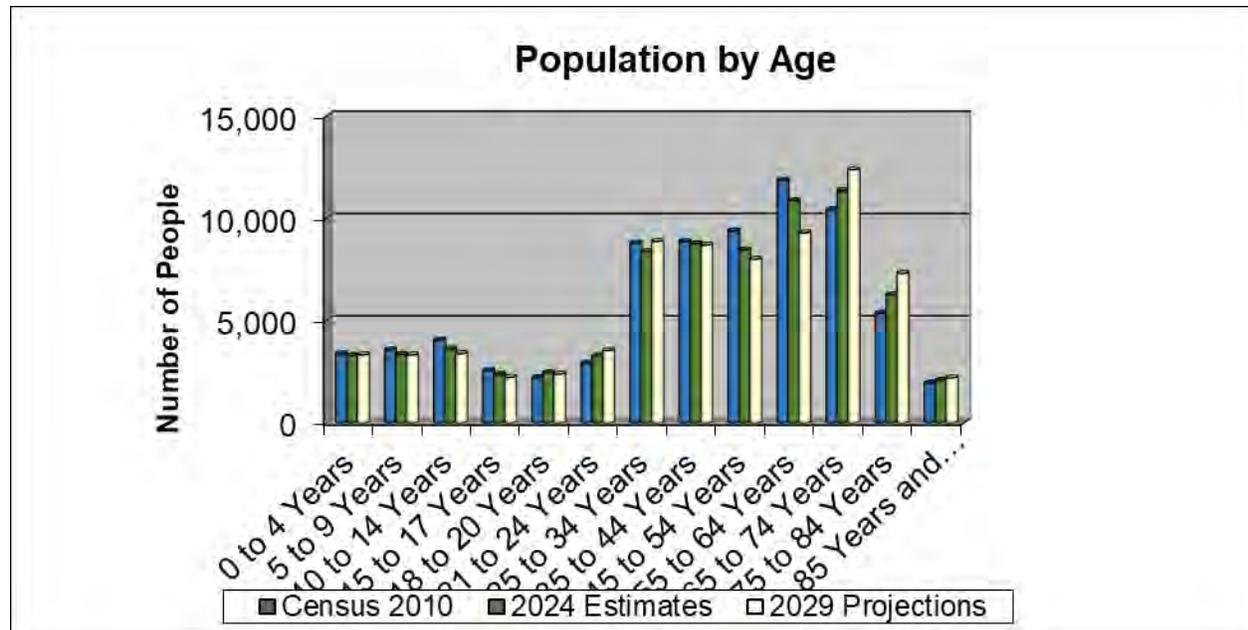
Population and Households Trends and Analysis

The housing Market Area for the rehabilitated units is an area in which people could locate their residences and have fairly equal access to the same job market, community services and amenities and be in the socio-economic community they choose.

The primary market area for the subject consists of Mecklenburg County, Lunenburg County, Brunswick County, Greensville County and Emporia City.

Market Area												
Population by Age & Sex												
Census 2020				Current Year Estimates - 2024				Five-Year Projections - 2029				
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total	
0 to 4 Years	1,728	1,650	3,378	0 to 4 Years	1,678	1,606	3,284	0 to 4 Years	1,702	1,629	3,331	
5 to 9 Years	1,783	1,778	3,561	5 to 9 Years	1,706	1,637	3,343	5 to 9 Years	1,698	1,623	3,321	
10 to 14 Years	2,078	1,957	4,035	10 to 14 Years	1,817	1,784	3,601	10 to 14 Years	1,727	1,655	3,382	
15 to 17 Years	1,292	1,262	2,554	15 to 17 Years	1,234	1,146	2,380	15 to 17 Years	1,129	1,096	2,225	
18 to 20 Years	1,164	1,045	2,209	18 to 20 Years	1,299	1,151	2,450	18 to 20 Years	1,262	1,122	2,384	
21 to 24 Years	1,650	1,266	2,916	21 to 24 Years	1,847	1,442	3,289	21 to 24 Years	2,002	1,541	3,543	
25 to 34 Years	5,209	3,577	8,786	25 to 34 Years	5,056	3,313	8,369	25 to 34 Years	5,393	3,480	8,873	
35 to 44 Years	5,227	3,632	8,859	35 to 44 Years	5,179	3,576	8,755	35 to 44 Years	5,155	3,535	8,690	
45 to 54 Years	5,083	4,302	9,385	45 to 54 Years	4,598	3,858	8,456	45 to 54 Years	4,398	3,599	7,997	
55 to 64 Years	5,950	5,898	11,848	55 to 64 Years	5,464	5,392	10,856	55 to 64 Years	4,667	4,616	9,283	
65 to 74 Years	4,969	5,449	10,418	65 to 74 Years	5,417	5,953	11,370	65 to 74 Years	5,872	6,510	12,382	
75 to 84 Years	2,352	3,009	5,361	75 to 84 Years	2,736	3,521	6,257	75 to 84 Years	3,190	4,114	7,304	
85 Years and Up	<u>648</u>	<u>1,303</u>	<u>1,951</u>	85 Years and Up	<u>683</u>	<u>1,390</u>	<u>2,073</u>	85 Years and Up	<u>730</u>	<u>1,472</u>	<u>2,202</u>	
Total	39,133	36,128	75,261	Total	38,714	35,769	74,483	Total	38,925	35,992	74,917	
62+ Years	n/a	n/a	21,361	62+ Years	n/a	n/a	23,179	62+ Years	n/a	n/a	24,879	
Median Age:			46	Median Age:			47.1	Median Age:			47.1	

Source: Claritas; Ribbon Demographics



Source: Claritas; Ribbon Demographics

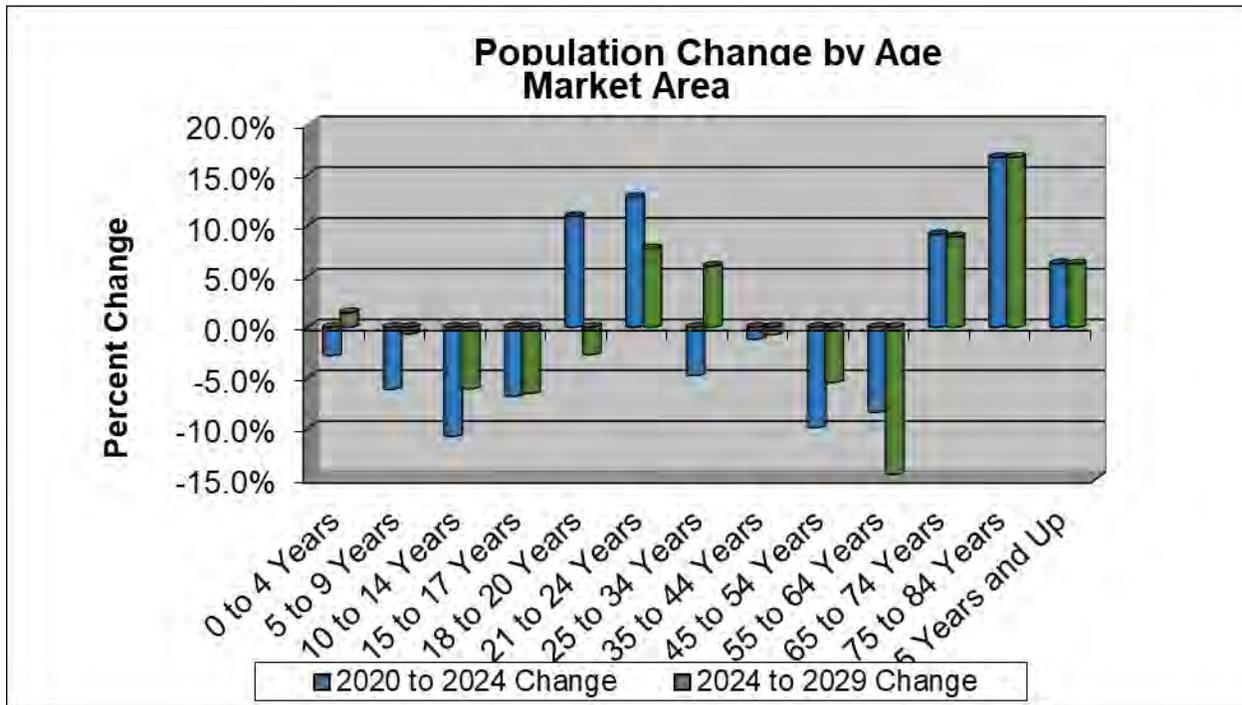
In 2010, this geographic market area contained an estimated population of 81,246. The population in 2020 in the market area decreased 7.4 percent to 75,261. In 2027, the population in this market area decreased 1.0 percent to 74,483. It is projected that between 2024 and 2029, population in the market area will increase 0.6 percent to 74,917. Population estimates and projections are based on the most



recent data from Claritas and Ribbon Demographics. The following tables show the population change by age in the market area.

Market Area									
Changes in Population by Age & Sex									
Estimated Change - 2020 to 2024					Projected Change - 2024 to 2029				
Age	Male	Female	Total Change	Percent Change	Age	Male	Female	Total Change	Percent Change
0 to 4 Years	-50	-44	-94	-2.8%	0 to 4 Years	24	23	47	1.4%
5 to 9 Years	-77	-141	-218	-6.1%	5 to 9 Years	-8	-14	-22	-0.7%
10 to 14 Years	-261	-173	-434	-10.8%	10 to 14 Years	-90	-129	-219	-6.1%
15 to 17 Years	-58	-116	-174	-6.8%	15 to 17 Years	-105	-50	-155	-6.5%
18 to 20 Years	135	106	241	10.9%	18 to 20 Years	-37	-29	-66	-2.7%
21 to 24 Years	197	176	373	12.8%	21 to 24 Years	155	99	254	7.7%
25 to 34 Years	-153	-264	-417	-4.7%	25 to 34 Years	337	167	504	6.0%
35 to 44 Years	-48	-56	-104	-1.2%	35 to 44 Years	-24	-41	-65	-0.7%
45 to 54 Years	-485	-444	-929	-9.9%	45 to 54 Years	-200	-259	-459	-5.4%
55 to 64 Years	-486	-506	-992	-8.4%	55 to 64 Years	-797	-776	-1,573	-14.5%
65 to 74 Years	448	504	952	9.1%	65 to 74 Years	455	557	1,012	8.9%
75 to 84 Years	384	512	896	16.7%	75 to 84 Years	454	593	1,047	16.7%
85 Years and Up	35	87	122	6.3%	85 Years and Up	47	82	129	6.2%
Total	-419	-359	-778	-1.0%	Total	211	223	434	0.6%
62+ Years	n/a	n/a	1,818	8.5%	62+ Years	n/a	n/a	1,700	7.3%

Source: Claritas; Ribbon Demographics



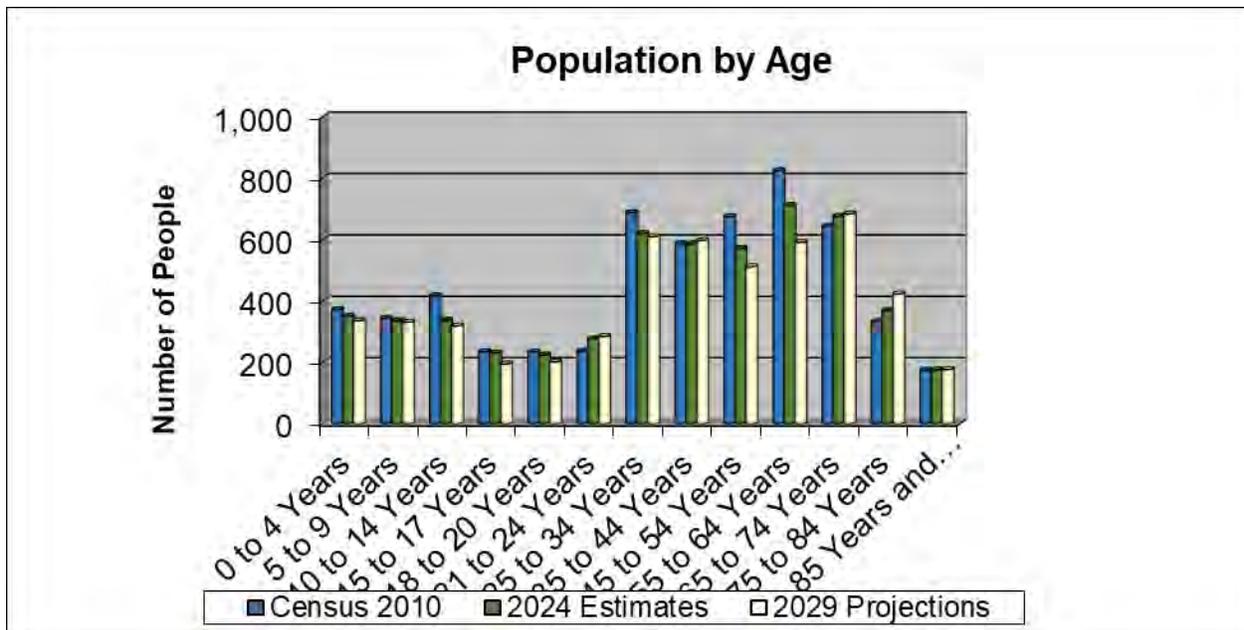
Source: Claritas; Ribbon Demographics



The total population in the market area has been increasing at a higher rate than for the population for the City of Emporia. The following tables show the changes in population for the city.

Emporia City											
Population by Age & Sex											
Census 2020				Current Year Estimates - 2024				Five-Year Projections - 2029			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	180	192	372	0 to 4 Years	177	173	350	0 to 4 Years	172	164	336
5 to 9 Years	161	183	344	5 to 9 Years	164	172	336	5 to 9 Years	167	164	331
10 to 14 Years	225	192	417	10 to 14 Years	165	172	337	10 to 14 Years	156	163	319
15 to 17 Years	128	107	235	15 to 17 Years	125	106	231	15 to 17 Years	96	99	195
18 to 20 Years	124	110	234	18 to 20 Years	122	102	224	18 to 20 Years	103	99	202
21 to 24 Years	117	120	237	21 to 24 Years	147	130	277	21 to 24 Years	153	132	285
25 to 34 Years	308	380	688	25 to 34 Years	282	338	620	25 to 34 Years	309	301	610
35 to 44 Years	255	332	587	35 to 44 Years	260	326	586	35 to 44 Years	267	330	597
45 to 54 Years	313	362	675	45 to 54 Years	251	320	571	45 to 54 Years	222	290	512
55 to 64 Years	375	450	825	55 to 64 Years	332	380	712	55 to 64 Years	274	317	591
65 to 74 Years	264	380	644	65 to 74 Years	287	389	676	65 to 74 Years	288	396	684
75 to 84 Years	132	201	333	75 to 84 Years	144	225	369	75 to 84 Years	167	256	423
85 Years and Up	54	121	175	85 Years and Up	52	124	176	85 Years and Up	52	125	177
Total	2,636	3,130	5,766	Total	2,508	2,957	5,465	Total	2,426	2,836	5,262
62+ Years	n/a	n/a	1,405	62+ Years	n/a	n/a	1,444	62+ Years	n/a	n/a	1,468
Median Age:			41	Median Age:			41.1	Median Age:			40.9

Source: Claritas; Ribbon Demographics



Source: Claritas; Ribbon Demographics



Housing Market

The demand for additional housing in a market area is a function of population growth, household formations and, also, a replacement of units lost through demolition and extreme obsolescence. Also, within the overall demand are segments of the market asking for more or less expense (related to income) and for ownership or rental.

Some of the demand has been, or will be, satisfied by units which have been built, or will be built, by the time the project is renting. The difference between demand and supply, the residual, is the total market of which the project's market will be a share.

The "tenure" of existing housing will be examined first as a guide to the future proportion of ownership and rentals; then characteristics of the housing stock will be noted.

The most important analysis is that of demand, supply and residual demand which follows. Its product is the number of type rental units which will be demanded.

Tenure

The percentage of renters in the market area in 2024 is 31.6 percent, and the percentage of renters in the City of Emporia in 2024 is 61.8 percent. Household estimates and projections are based on the most recent data from Claritas and Ribbon Demographics.

Market Area		
Total Households		
Census 2010	30,700	
Census 2020	29,952	
Current Year Estimates 2024	29,910	
Five-Year Projections 2029	30,335	
Change 2010 - 2020	-748	-2.4%
Estimated Change 2020 - 2024	-42	-0.1%
Projected Change 2024 - 2029	425	1.4%
Average Household Size		
Average Household Size 2010	2.36	
Average Household Size 2020	2.27	
Average Household Size 2024	2.24	
Average Household Size 2029	2.22	

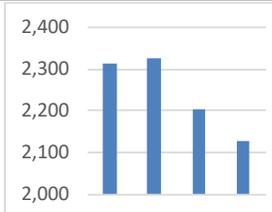
Households by Tenure		
2020 Owner	20,456	68.3%
2020 Renter	9,496	31.7%
2024 Owner	20,449	68.4%
2024 Renter	9,461	31.6%
2029 Owner	20,749	68.4%
2029 Renter	9,586	31.6%

Source: Claritas; Ribbon Demographics

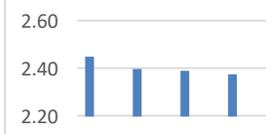


Emporia City
Total Households

Census 2010	2,316	
Census 2020	2,325	
Current Year Estimates 2024	2,205	
Five-Year Projections 2029	2,129	
<i>Change 2010 - 2020</i>	9	0.4%
<i>Estimated Change 2020 - 2024</i>	-120	-5.2%
<i>Projected Change 2024 - 2029</i>	-76	-3.4%



Average Household Size 2010	2.45
Average Household Size 2020	2.40
Average Household Size 2024	2.39
Average Household Size 2029	2.38



Households by Tenure

2020 Owner	890	38.3%
2020 Renter	1,435	61.7%
2024 Owner	843	38.2%
2024 Renter	1,362	61.8%
2029 Owner	812	38.1%
2029 Renter	1,317	61.9%

Source: Claritas; Ribbon Demographics



Rent Overburdened Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2020 (the most recent data available), there were 1,540 renter-occupied households in the market area with incomes greater than 30 percent and less than or equal to 50 percent that are considered rent overburdened. The rent overburdened households represent 85.3 percent of the households in the market area with incomes greater than 30 percent and less than or equal to 50 percent. The percentage of rent-overburdened households was used in the demand analysis to calculate the number of households within the subject's income range that are rent-overburdened.

Income by Cost Burden (Renters only)	Cost burden > 30%	Cost burden > 50%	Total
Household Income <= 30% HAMFI	1,245	915	2,075
Household Income >30% to <=50% HAMFI	1,540	595	1,805
Household Income >50% to <=80% HAMFI	549	44	1,465
Household Income >80% to <=100% HAMFI	104	0	900
Household Income >100% HAMFI	0	0	1,855
Total	3,338	1,554	8,115

Source: CHAS 2016-2020 American Community Survey

Substandard Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2020 (the most recent data available), there were 3,540 renter-occupied households in the market area with at least one of the four following housing problems: incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room and cost burden greater than 30 percent. This data includes rent-overburdened households which have already been addressed. Therefore, it is necessary to remove the rent-overburdened households from the data to determine the remaining substandard households. The previous table indicates there are 1,850 total rent overburdened households with incomes greater than 30 percent and less than or equal to 50 percent. These 1,850 households that were rent-overburdened were subtracted from the 3,540 households that are substandard. The result of 1,735 households represents 21.4 percent of the total renter households in the market area. The percentage of substandard households was used in the demand analysis to calculate the number of households within the subject's income range that are considered substandard.

Housing Problems Overview	Owner	Renter	Total
Household Has At Least 1 of 4 Housing Problems	3,480	3,540	7,020
Household Has None of 4 Housing Problems or Cost Burden Not Available, No Other Problems	12,845	4,570	17,415
Total	16,320	8,115	24,430

Source: CHAS 2016-2020 American Community Survey



Income Eligibility Analysis

Renter Households						
All Age Groups						
Year 2024 Estimates						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	844	104	96	25	48	1,117
\$10,000-20,000	935	394	99	28	108	1,564
\$20,000-30,000	739	309	90	146	94	1,378
\$30,000-40,000	413	285	201	69	190	1,158
\$40,000-50,000	184	198	95	100	72	649
\$50,000-60,000	247	141	56	39	50	533
\$60,000-75,000	128	112	287	62	60	649
\$75,000-100,000	178	259	78	192	130	837
\$100,000-125,000	146	135	96	43	83	503
\$125,000-150,000	112	122	52	44	55	385
\$150,000-200,000	124	78	43	48	48	341
\$200,000+	<u>140</u>	<u>74</u>	<u>83</u>	<u>24</u>	<u>26</u>	<u>347</u>
Total	4,190	2,211	1,276	820	964	9,461

Source: Claritas and Ribbon Demographics
 *Estimates based on household size ratios; not cross tabulated data

Owner Households						
All Age Groups						
Year 2024 Estimates						
	1-Person	2-Person	3-Person	4-Person	5+-Person	
	Household	Household	Household	Household	Household	Total
\$0-10,000	642	111	49	14	12	828
\$10,000-20,000	1,165	333	108	65	78	1,749
\$20,000-30,000	901	510	129	61	43	1,644
\$30,000-40,000	700	963	102	67	168	2,000
\$40,000-50,000	540	664	211	79	131	1,625
\$50,000-60,000	440	727	307	171	73	1,718
\$60,000-75,000	368	1,296	331	111	70	2,176
\$75,000-100,000	370	1,260	536	250	379	2,795
\$100,000-125,000	255	791	491	476	118	2,131
\$125,000-150,000	245	620	275	145	104	1,389
\$150,000-200,000	233	468	157	187	111	1,156
\$200,000+	<u>278</u>	<u>598</u>	<u>128</u>	<u>211</u>	<u>23</u>	<u>1,238</u>
Total	6,137	8,341	2,824	1,837	1,310	20,449

Source: Claritas and Ribbon Demographics
 *Estimates based on household size ratios; not cross tabulated data



Renter Households						
All Age Groups						
Year 2029 Projections						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	802	82	93	18	35	1,030
\$10,000-20,000	872	358	84	17	74	1,405
\$20,000-30,000	768	266	79	139	93	1,345
\$30,000-40,000	413	267	185	76	152	1,093
\$40,000-50,000	205	211	101	123	63	703
\$50,000-60,000	262	122	48	26	45	503
\$60,000-75,000	122	107	285	64	82	660
\$75,000-100,000	191	243	84	214	140	872
\$100,000-125,000	176	135	112	47	91	561
\$125,000-150,000	173	142	63	52	70	500
\$150,000-200,000	185	112	50	50	52	449
\$200,000+	<u>210</u>	<u>83</u>	<u>95</u>	<u>44</u>	<u>33</u>	<u>465</u>
Total	4,379	2,128	1,279	870	930	9,586

Source: Claritas and Ribbon Demographics
 *Estimates based on household size ratios; not cross tabulated data

Owner Households						
All Age Groups						
Year 2029 Projections						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	617	95	51	13	11	787
\$10,000-20,000	1,047	242	99	44	55	1,487
\$20,000-30,000	933	473	105	58	37	1,606
\$30,000-40,000	677	877	86	61	166	1,867
\$40,000-50,000	583	655	183	65	125	1,611
\$50,000-60,000	411	662	266	123	74	1,536
\$60,000-75,000	402	1,273	314	104	71	2,164
\$75,000-100,000	427	1,243	538	206	374	2,788
\$100,000-125,000	301	833	507	481	121	2,243
\$125,000-150,000	284	612	310	174	121	1,501
\$150,000-200,000	283	629	215	227	148	1,502
\$200,000+	<u>386</u>	<u>824</u>	<u>170</u>	<u>241</u>	<u>36</u>	<u>1,657</u>
Total	6,351	8,418	2,844	1,797	1,339	20,749

Source: Claritas and Ribbon Demographics
 *Estimates based on household size ratios; not cross tabulated data



The subject's units are most suitable for households with one to three persons below \$40,800 when considering subsidies and between \$14,537 and \$40,800 without considering subsidies. Income is a key characteristic in analyzing housing markets. The previous pages show household incomes for the Market Area for all renter and owner households in 2024 and 2029. However, this analysis is primarily concerned with target incomes of renters as shown in the following tables:

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITH RENTAL ASSISTANCE					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,203	\$0	\$40,800	55.7%	5,269
All Unit Types (30%)	\$1,203	\$0	\$20,400	28.9%	2,736
All Unit Types (50%)	\$1,203	\$0	\$34,000	47.8%	4,522
All Unit Types (60%)	\$1,203	\$0	\$40,800	55.7%	5,269
1 BR (All)	\$1,203	\$0	\$36,240	58.7%	3,761
1 BR (30%)	\$1,203	\$0	\$18,120	31.7%	2,027
1 BR (50%)	\$1,203	\$0	\$30,200	52.2%	3,339
1 BR (60%)	\$1,203	\$0	\$36,240	58.7%	3,761
2 BR (All)	\$1,383	\$0	\$40,800	45.9%	1,601
2 BR (30%)	\$1,383	\$0	\$20,400	20.3%	709
2 BR (50%)	\$1,383	\$0	\$34,000	36.9%	1,286
2 BR (60%)	\$1,383	\$0	\$40,800	45.9%	1,601

Source: Claritas; Ribbon Demographics and HUD

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITHOUT RENTAL ASSISTANCE					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$424	\$14,537	\$40,800	36.4%	3,442
All Unit Types (30%)	\$424	\$14,537	\$20,400	9.6%	910
All Unit Types (50%)	\$708	\$24,274	\$34,000	13.2%	1,252
All Unit Types (60%)	\$843	\$28,903	\$40,800	14.4%	1,361
1 BR (All)	\$424	\$14,537	\$36,240	34.5%	2,210
1 BR (30%)	\$424	\$14,537	\$18,120	24.3%	1,555
1 BR (50%)	\$708	\$24,274	\$30,200	9.6%	614
1 BR (60%)	\$843	\$28,903	\$36,240	8.6%	551
2 BR (All)	\$510	\$17,486	\$40,800	29.6%	1,032
2 BR (30%)	\$510	\$17,486	\$20,400	4.0%	140
2 BR (50%)	\$850	\$29,143	\$34,000	6.6%	229
2 BR (60%)	\$993	\$34,046	\$40,800	9.0%	313

Source: Claritas; Ribbon Demographics and HUD

Target incomes for the different unit types are derived by the analyst. For the low end of the range, the lowest rent charged in an income limit (i.e., 50% AMI) for a unit is divided by 35 percent. The resulting number is then multiplied by 12 to derive an annual income ($\$424 / 35\% = \$1,211.42 \times 12 = \$14,537$). This process is based on the premise that a tenant should not pay more than 35 percent of his annual income on rent. However, the subject is a Rural Development property with Rental Assistance for all units. The subject will retain its Rental Assistance for all units once rehabilitation is complete. As a result, a tenant will never be required to pay more than 30 percent of their income towards rent, and there is no minimum income limit.

For the high end of the range, the analyst consults the income limits set by the state housing authority. If the largest unit in an income limit (i.e., 60% AMI) is a two-bedroom unit, the analyst utilizes the three-person households to find how many people could reside in that unit. The analyst then consults the state income limits to set the high end of the range (2 bedroom x 1.5 = 3 people/unit; therefore, the 60% 3-person maximum income would be used).



The following table shows the maximum income limits at each income level as determined by the U.S. Department of Housing and Urban Development.

LIHTC INCOME LIMITS			
Person in Households	30%	50%	60%
1	\$15,870	\$26,450	\$31,740
2	\$18,120	\$30,200	\$36,240
3	\$20,400	\$34,000	\$40,800
4	\$22,650	\$37,750	\$45,300
5	\$24,480	\$40,800	\$48,960
6	\$26,280	\$43,800	\$52,560

Source: HUD



Sources of Demand

The potential tenants for the rehabilitated development include households who now live within the market area. It will appeal to potential tenants who have adequate incomes to pay the proposed rents and find the development more attractive in terms of price, unit features and project amenities than other available rental units. It also will attract households that the market area gains between now and when the development is ready for occupancy.

Required Unit Mix

The LIHTC program is based on the premise that 1.5 persons per bedroom will occupy family units. We expect that five percent of one-person households will occupy efficiency units. Ninety-five percent (95%) of one-person households and 25 percent of two-person households will occupy one-bedroom units. We expect that 75 percent of two-person household and 50 percent of three-person households will occupy two-bedroom units. We expect that 50 percent of three-person households, 90 percent of four-person households and 90 percent of households with five or more persons will occupy three-bedroom units. We expect that 10 percent of four-person households and 10 percent of households with five or more persons will occupy four-bedroom units.

The following table illustrates the ratio of units required by each household size. These occupancy patterns suggest that efficiency units should account for 2.2 percent of the renter housing demand; one-bedroom units should account for 47.9 percent; two-bedroom units should account for 24.3 percent; three-bedroom units should account for 23.7 percent, and units with four or more bedrooms should account for 1.9 percent of the renter housing demand in the market area.

RENTAL HOUSING DEMAND BY NUMBER OF BEDROOMS						
HOUSEHOLD SIZE	0 BR	1 BR	2 BR	3 BR	4 BR	TOTAL
1 Person	210	3,981	0	0	0	4,190
2 Persons	0	553	1,658	0	0	2,211
3 Persons	0	0	638	638	0	1,276
4 Persons	0	0	0	738	82	820
5 or More Persons	0	0	0	868	96	964
TOTAL	210	4,533	2,296	2,244	178	9,461
PERCENT	2.2%	47.9%	24.3%	23.7%	1.9%	100.0%

Source: Claritas; Ribbon Demographics

Eligible Households

Landlords evaluate a potential tenant's income and credit to decide if applicant can pay the required rents. Commercial underwriters and owners of conventional market rate developments generally require that the monthly contract rent should not exceed one-third of a tenant's income. This is increased to 35 percent for tenants in the LIHTC program.



The subject's units are most suitable for households with one to three persons below \$40,800 when considering Rental Assistance, and between \$14,537 and \$40,800 without considering Rental Assistance. Income is a key characteristic in analyzing housing markets. The previous pages show household incomes for the Market Area for all renter and owner households in 2024 and 2029. However, this analysis is primarily concerned with target incomes of renters as shown in the following tables:

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITH RENTAL ASSISTANCE					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$1,203	\$0	\$40,800	55.7%	5,269
All Unit Types (30%)	\$1,203	\$0	\$20,400	28.9%	2,736
All Unit Types (50%)	\$1,203	\$0	\$34,000	47.8%	4,522
All Unit Types (60%)	\$1,203	\$0	\$40,800	55.7%	5,269
1 BR (All)	\$1,203	\$0	\$36,240	58.7%	3,761
1 BR (30%)	\$1,203	\$0	\$18,120	31.7%	2,027
1 BR (50%)	\$1,203	\$0	\$30,200	52.2%	3,339
1 BR (60%)	\$1,203	\$0	\$36,240	58.7%	3,761
2 BR (All)	\$1,383	\$0	\$40,800	45.9%	1,601
2 BR (30%)	\$1,383	\$0	\$20,400	20.3%	709
2 BR (50%)	\$1,383	\$0	\$34,000	36.9%	1,286
2 BR (60%)	\$1,383	\$0	\$40,800	45.9%	1,601

Source: Claritas; Ribbon Demographics and HUD

INCOME-ELIGIBLE RENTER HOUSEHOLDS - WITHOUT RENTAL ASSISTANCE					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$424	\$14,537	\$40,800	36.4%	3,442
All Unit Types (30%)	\$424	\$14,537	\$20,400	9.6%	910
All Unit Types (50%)	\$708	\$24,274	\$34,000	13.2%	1,252
All Unit Types (60%)	\$849	\$29,109	\$40,800	14.1%	1,333
1 BR (All)	\$424	\$14,537	\$36,240	34.5%	2,210
1 BR (30%)	\$424	\$14,537	\$18,120	24.3%	1,555
1 BR (50%)	\$708	\$24,274	\$30,200	9.6%	614
1 BR (60%)	\$849	\$29,109	\$36,240	8.3%	529
2 BR (All)	\$510	\$17,486	\$40,800	29.6%	1,032
2 BR (30%)	\$510	\$17,486	\$20,400	4.0%	140
2 BR (50%)	\$850	\$29,143	\$34,000	6.6%	229
2 BR (60%)	\$1,020	\$34,971	\$40,800	7.7%	268

Source: Claritas; Ribbon Demographics and HUD



Penetration Rate

There are no planned developments in the market area. There are currently 10 vacant Rural Development and/or LIHTC competing units in the market area. The subject is an existing Rural Development property that is 95 percent occupied, with two vacant units. After rehabilitation, the property will retain its Rental Assistance for all units as well as be LIHTC at 30, 50 and 60 percent of the area median income. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the total affordable inventory would be 12 units. The chart below indicates a penetration rate of 0.2 percent for the market area when considering the subject's Rental Assistance.

REQUIRED PENETRATION RATE - WITH RENTAL ASSISTANCE	
Income-Eligible Renter Households	5,269
Existing Vacant Competitive Units	10
LIHTC Units Planned	0
Vacant Units in Subject	2
Total Inventory	12
Penetration Rate	0.2%

When considering the property without subsidy, it is unlikely all current residents would remain income-qualified. Therefore, the penetration rate analysis was also conducted as though the property did not contain subsidies and all units were vacant. There are no planned developments in the market area. There are currently four vacant LIHTC competing units in the market area. The subject is an existing Rural Development property with 40 units. Therefore, the total affordable inventory would be 44 units. The chart below indicates a penetration rate of 1.3 percent for the market area without considering the subject's subsidies and if all units were vacant.

REQUIRED PENETRATION RATE - WITHOUT RENTAL ASSISTANCE	
Income-Eligible Renter Households	3,442
Existing Vacant Competitive Units	4
LIHTC Units Planned	0
Units in Subject	40
Total Inventory	44
Penetration Rate	1.3%



Demand Analysis - With Rental Assistance

The following table will contain the summary demand estimates for the units when considering Rental Assistance.

REQUIRED NET DEMAND - WITH RENTAL ASSISTANCE				
Income Restrictions:	All Units @ 30% (\$0 - \$20,400)	All Units @ 50% (\$0 - \$34,000)	All Units @ 60% (\$0 - \$40,800)	Project Total (\$0 to \$40,800)
Demand from New Household Growth				
New Rental Households	14	24	28	28
Existing Households - Rent Overburdened				
Existing Households - Rent Overburdened	2,334	3,858	4,495	4,495
PLUS				
Existing Households - Substandard Housing	585	967	1,127	1,127
PLUS				
Existing Qualifying Tenants Likely to Remain After Renovation	10	20	8	38
EQUALS				
Total Demand	2,934	4,869	5,658	5,688
MINUS				
Supply (Includes Directly Comparable Vacant Units Completed or in Pipeline in the PMA)	0	0	10	10
EQUALS				
NET DEMAND	2,934	4,869	5,648	5,678
ABSORPTION PERIOD				
	N/A	N/A	N/A	N/A

*See Page 76 for absorption period explanation.

CAPTURE RATE BY INCOME LIMITS

Income Restrictions:	All Units @ 30% (\$0 - \$20,400)	All Units @ 50% (\$0 - \$34,000)	All Units @ 60% (\$0 - \$40,800)	Project Total (\$0 to \$40,800)
All Units at Subject	0.3%	0.4%	0.2%	0.7%
Vacant Units at Subject	0.0%	0.0%	0.0%	0.0%

Demand Analysis Summary - With Rental Assistance

New Rental Households: The demand from new renter household growth is calculated by taking the new rental households projected between 2024 and 2029 divided by five years and then multiplying by two year (2026) since the rehabilitation will be complete in 2026. This resulted in a new renter household growth total of 50 (25 new renter households per year). The new renter household growth number of 50 was then multiplied by the percent of income qualified tenants in the market area (50 x 55.7% = 28). The subject will attract tenants with incomes below \$40,800. The percent of income qualified households can be seen on Page 73. The demand from new household growth is 28 for all units with Rental Assistance.

Existing Households – Rent Overburdened: The total number of income-eligible households is 5,269. The percent overburdened percentage of 85.3 percent determined on Page 67 was applied to this number to derive the existing households – rent overburdened shown on the demand chart on the previous page.



Existing Households – Substandard Housing: The total number of income-eligible households is 5,269. The percent of substandard households as determined on Page 67 was applied to this number to derive the substandard households as shown on the demand chart on the previous page.

Existing Qualifying Tenants Likely to Remain After Renovation: The subject is an existing Rural Development property that is currently 95 percent occupied, with two vacant units. As complete, the property will retain its Rental Assistance for all units, as well as be 100 percent LIHTC at 30, 50 and 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. Therefore, the subject's occupied 38 units were included.

Supply: There are no planned developments in the market area that will compete with the subject. There are currently 10 vacant units that would compete with the subject. Therefore, a total of 10 units were subtracted from the supply.

Total Net Demand and Conclusion: The market shows a net demand of 5,678 units for all units when considering Rental Assistance. The subject is a Rural Development property that is currently 95 percent occupied, with two vacant units. After rehabilitation, the property will retain its Rental Assistance all units as well as be LIHTC at 30, 50 and 60 percent of the area median income. The rehabilitation of the development will not displace any tenants. It is anticipated that the majority of the current residents will be income-eligible for the units once the renovation is complete. The capture rate for the subject, if entirely vacant, is 0.7 percent. When considering only the subject's vacant units, the capture rate is 0.0 percent. Both capture rates are considered good. In addition, based on the occupancy rates of apartment complexes in the market area, the existing waiting lists, the projected population and household growth and the economic factors, it is believed that property will continue to be viable within the market area even if all units were vacant. Therefore, after researching the vacancy rates of the existing units in the area, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Absorption Period: The subject is an existing Rural Development property that is currently 95 percent occupied, with two vacant two-bedroom units. The property will retain its Rental Assistance for all units once rehabilitation is complete. Therefore, it is anticipated all current residents will remain income-qualified. Furthermore, the rehabilitation will not permanently displace any residents. Therefore, the subject will not need to absorb any additional units to maintain its stabilized occupancy rate.



Demand Analysis - Without Rental Assistance

The following table will contain the summary demand estimates for the units without considering the subject's Rental Assistance.

REQUIRED NET DEMAND - WITHOUT RENTAL ASSISTANCE				
	All Units @ 30% (\$14,537 - \$20,400)	All Units @ 50% (\$24,274 - \$34,000)	All Units @ 60% (\$28,903 - \$40,800)	Project Total (\$14,537 to \$40,800)
Income Restrictions:				
Demand from New Household Growth				
New Rental Households	5	7	7	18
Existing Households - Rent Overburdened				
	776	1,068	1,161	2,937
PLUS				
Existing Households - Substandard Housing	63	83	1,347	147
PLUS				
Existing Qualifying Tenants Likely to Remain After Renovation	0	0	0	0
EQUALS				
Total Demand	843	1,158	2,516	3,102
MINUS				
Supply (Includes Directly Comparable Vacant Units Completed or in Pipeline in the PMA)	0	0	4	4
EQUALS				
NET DEMAND	843	1,158	2,512	3,098
ABSORPTION PERIOD				
	1-2 Month	2-4 Months	1-2 Month	4-8 Months

*See Pages 78-79 for absorption period explanation.

CAPTURE RATE BY INCOME LIMITS

	All Units @ 30% (\$14,537 - \$20,400)	All Units @ 50% (\$24,274 - \$34,000)	All Units @ 60% (\$28,903 - \$40,800)	Project Total (\$14,537 to \$40,800)
Income Restrictions:				
All Units at Subject	1.2%	1.7%	0.4%	1.3%



Demand Analysis Summary - Without Rental Assistance

New Rental Households: The demand from new renter household growth is calculated by taking the new rental households projected between 2024 and 2029 divided by five years and then multiplying by two year (2026) since the rehabilitation will be complete in 2026. This resulted in a new renter household growth total of 50 (25 new renter households per year). The new renter household growth number of 50 was then multiplied by the percent of income qualified tenants in the market area ($50 \times 36.4\% = 18$). Without considering Rental Assistance, the subject will attract tenants with incomes between \$14,537 and \$40,800. The percent of income qualified households can be seen on Page 73. The demand from new household growth is 18 for all units without Rental Assistance.

Existing Households – Rent Overburdened: The total number of income-eligible households is 3,442. The percent overburdened percentage of 85.3 percent determined on Page 67 was applied to this number to derive the existing households – rent overburdened shown on the demand chart on the previous page.

Existing Households – Substandard Housing: The total number of income-eligible households is 3,442. The percent of substandard households as determined on Page 67 was applied to this number to derive the substandard households as shown on the demand chart on the previous page.

Existing Qualifying Tenants Likely to Remain After Renovation: The subject is an existing Rural Development property that is currently 95 percent occupied. However, when considering the property without Rental Assistance, it is unlikely all current residents would remain income-qualified. Therefore, no tenants are likely to remain after renovation when not considering Rental Assistance.

Supply: There are no planned developments in the market area that will compete with the subject. There are currently four vacant units that would compete with the subject. Therefore, a total of four units were subtracted from the supply.

Total Net Demand and Conclusion: The market shows a net demand of 3,098 units for all units without considering Rental Assistance. The subject is an existing Rural Development property that is currently 95 percent occupied. However, when considering the property without Rental Assistance, it is unlikely all current residents would remain income-qualified. Therefore, no tenants are likely to remain after renovation when not considering Rental Assistance. The capture rate, without considering the Rental Assistance, is 1.3 percent, which is also considered excellent due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

Absorption Period: The subject is an existing Rural Development property that is currently 95 percent occupied, with two vacant two-bedroom units. The property will retain its Rental Assistance for all units once rehabilitation is complete. Therefore, it is anticipated all current residents will remain income-qualified. Furthermore, the rehabilitation will not permanently displace any residents. Therefore, the subject will not need to absorb any additional units to maintain its stabilized occupancy rate. However, when considering the property without Rental Assistance, it is unlikely all current residents would remain income-qualified. Therefore, the absorption rate analysis was also conducted as though the property did not contain Rental Assistance and all units were vacant. The absorption level is typically based on the most recent multifamily developments. However, there were no newly constructed properties in the market area that could disclose lease-up data. Therefore, the analyst also considered the opinions of apartment managers and local real estate agents, the current occupancy rates of the surveyed developments and the current waiting lists of the affordable developments, including the subject,



confirmed in the market area. After considering all factors, it is estimated that the development could absorb five to 10 units per month, resulting in a 95 percent occupancy level within four to eight months.

Capture Rate Analysis

The following tables show the capture rates for the rehabilitated development both with and without considering Rental Assistance.

CAPTURE RATE - WITH RENTAL ASSISTANCE	
Project Wide Capture Rate - LIHTC Units	0.7%
Project Wide Capture Rate - Market Units	----
Project Wide Capture Rate - All Units	0.7%
Project Wide Absorption Rate (Months)	N/A

CAPTURE RATE - WITHOUT RENTAL ASSISTANCE	
Project Wide Capture Rate - LIHTC Units	1.3%
Project Wide Capture Rate - Market Units	----
Project Wide Capture Rate - All Units	1.3%
Project Wide Absorption Rate	4-8 Months

The market shows a net demand of 5,678 households for all units when considering the Rental Assistance and a net demand of 3,098 households for all units when not considering the Rental Assistance. The subject is an existing Rural Development property that is currently 95 percent occupied, with two two-bedroom units vacant. Once rehabilitation is complete, the subject will retain its Rental Assistance as well as be 100 percent LIHTC with rent and income limits set at 30, 50 and 60 percent of the area median income. As the property will retain its Rental Assistance, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Rental Assistance, none of the existing tenants would remain income-eligible; therefore, all of the subject's 40 units would need to be absorbed into the market. The capture rate for the subject, if entirely vacant, is 0.7 percent. When considering only the subject's vacant units, the capture rate is 0.0 percent. The capture rate, without considering the Rental Assistance, is 1.3 percent, which is also considered excellent due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.



Housing Profile

Market Area Overview

The rental housing stock in the market area is comprised of single-family homes as well as market-rate and restricted apartment complexes. The majority of the housing stock was built in the 1970s and 1990s.

Housing Inventory

From 2010 through December 2023, permit-issuing jurisdictions in the City of Emporia reported a total of 109 single-family and multifamily dwelling permits. Multifamily units were estimated at 22.9 percent of the planned construction activity.

BUILDING PERMITS ISSUED			
YEAR	SINGLE-FAMILY	MULTIFAMILY	TOTAL
2010	13	0	13
2011	10	9	19
2012	10	3	13
2013	8	6	14
2014	8	5	13
2015	8	0	8
2016	3	0	3
2017	5	0	5
2018	5	0	5
2019	2	2	4
2020	2	0	2
2021	6	0	6
2022	3	0	3
2023*	1	0	1
TOTAL	84	25	109

**Preliminary Numbers through December 2023*
 Source: SOCDs

Projects Planned or Under Construction

There have not been any developments awarded tax credits in the market area since 2019.

Unit Condition

The market area’s rental housing stock is in varying condition. Overall, the developments are well maintained.



Housing Units

The following tables show significant characteristics of the market area's housing stock in 2024. According to Claritas and Ribbon Demographics, there are 39,584 total housing units in the market area, 29,910 of which are occupied. There are 20,449 owner-occupied households and 9,461 renter-occupied households for 2024. In addition, there are 9,674 total vacant housing units in the market area.

Market Area Housing Unit Summary		
<i>Current Year Estimates - 2024</i>		
	Number	Percent
Housing Units	39,584	100.0%
Vacant Housing Units	9,674	24.4%
Renter-Occupied	9,461	31.6%
Owner-Occupied	<u>20,449</u>	<u>68.4%</u>
Total Occupied:	29,910	100.0%

Source: Ribbon Demographics; Claritas

Age of Rental Units

In 2024, there are 3,537 households constructed prior to 1939. According to Claritas and Ribbon Demographics, 2,101 households were built in 2010 or later.

Market Area Housing Units by Year Structure Built		
<i>Current Year Estimates - 2024</i>		
Year	Number	Percent
2020 or Later	350	0.9%
2010 - 2019	1,751	4.4%
2000 - 2009	5,156	13.0%
1990 - 1999	7,082	17.9%
1980 - 1989	4,112	10.4%
1970 - 1979	7,001	17.7%
1960 - 1969	4,562	11.5%
1950 - 1959	3,838	9.7%
1940 - 1949	2,195	5.5%
1939 or Earlier	<u>3,537</u>	<u>8.9%</u>
Total:	39,584	100.0%

Source: Ribbon Demographics; Claritas



Unit Types

In 2024, there were 28,583 single-family housing units, 2,482 multifamily housing units and 8,519 mobile homes or other housing in the market area.

Market Area		
Housing Units by Units in Structure		
Current Year Estimates - 2024		
Unit	Number	Percent
I Unit Detached	28,218	71.3%
I Unit Attached	365	0.9%
2 Units	404	1.0%
3 to 4 Units	607	1.5%
5 to 19 Units	1,186	3.0%
20 to 49 Units	205	0.5%
50 or More Units	80	0.2%
Mobile Home	8,495	21.5%
Other	24	0.1%
Total:	39,584	100.0%

Source: Ribbon Demographics; Claritas

Unit Size

The average size of the one-bedroom units in the surveyed developments is 674 square feet, and the average size of the two-bedroom units is 935 square feet. The subject's units are within the range of the comparables in market area. Consequently, it is believed the subject's existing unit sizes will continue to be competitive in this market.

AVERAGE APARTMENT SIZE OF COMPARABLE APARTMENTS					
Unit Type	COMPARABLES			Subject (SF)	Subject's Advantage
	Minimum (SF)	Maximum (SF)	Average (SF)		
1 BR	425	865	674	520	-22.8%
2 BR	550	1,300	935	760	-18.7%

Source: Gill Group Field Survey

Rental Vacancy Rates

According to RealtyRates.com Market Survey, the vacancy rate for the South Atlantic Region has fluctuated only slightly. For 2022, the vacancy rate ranged from 5.1 percent to 5.3 percent, with an average of 5.2 percent. For 2023, the vacancy rate ranged from 5.0 percent to 5.1 percent, with an average of 5.1 percent.

REALTY RATES MARKET SURVEY - REGIONAL VACANCY RATES			
QUARTER	2021	2022	2023
1st Quarter	5.8%	5.3%	5.1%
2nd Quarter	5.6%	5.2%	5.0%
3rd Quarter	5.5%	5.1%	5.0%
4th Quarter	5.4%	5.1%	5.1%

Source: RealtyRates.com Market Survey, South Atlantic Region



Vacancy Analysis

The vacancy rate for affordable housing units in the market area is 4.7 percent. The following table shows the vacancy rates for all affordable housing verified in the market area, including the subjects.

AFFORDABLE HOUSING VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Reese Village Apartments	40	2	5.0%
Lawrenceville Manor Apartments	24	4	17.0%
Lakewood Apartments	52	0	0.0%
New Nottoway River Commons	44	1	2.0%
Weaver Manor	42	2	5.0%
Northwood Village	72	4	6.0%
Totals	274	13	4.7%

The current vacancy rate in surveyed market-rate apartment complexes is 0.8 percent. The following table shows the vacancy rates for each conventional property verified in the area.

MARKET VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Meadowridge Apartments	96	3	3.0%
Hillpoint Woods Apartments	144	0	0.0%
Autumn Ridge Apartments I & II	128	0	0.0%
Washington Square Apartments	69	1	1.0%
The Lofts on Franklin	27	1	4.0%
Forest Pines Apartments	234	0	0.0%
122 Brookside Lane	16	1	6.0%
685 Northington Street	4	0	0.0%
Totals	718	6	0.8%

The market area has an overall rental vacancy rate of 1.9 percent. Of the 992 total units verified, 19 were vacant.

Lease Terms and Concessions

The typical lease is twelve months. At the time of the writing of this report, there were no properties offering any rental concessions.

Likely Impact of Rehabilitated Development on Rental Occupancy Rates

The proposed rehabilitation of the existing Rural Development property will not have an adverse impact on the market area. Its one- and two-bedroom units are suitable in the market. In addition, the property is currently 95 percent occupied, with two vacant units. Therefore, the rehabilitation of the project is unlikely to materially impact the existing properties in the market area which also exhibit strong occupancy rates.



Comparable Profile Pages

COMPARABLE APARTMENT RENTAL NO. 1



Property Type: RD/Townhome
 Property Name: Lawrenceville Manor Apartments
 Address: 501 Walnut Street,
 Lawrenceville, VA 23868
 Verification: Asis; 434-848-4956
 February 21, 2024,
 By Telephone
 Distance From Closest Subject: 22.3 Miles

**Year Opening/Significant Renovation
 Amenities**

1985/2006
 Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Ceiling Fans, Pull
 Cords (Select), Safety Bars (Select), Playground, Transportation,
 Laundry Facility, On-Site Management, On-Site Maintenance

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Tenant
 Sewer - Tenant
 Trash - Landlord

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Unit Mix</u>		<u>Utility Allowance*</u>	<u>Gross Rent</u>
			<u>Size SF</u>	<u>Collected Rent/Mo.</u>		
1/1	8	1	650	\$609	\$115	\$724
2/1	16	1	750	\$659	\$138	\$797

Occupancy 83%
Total Units 24
No. of Buildings 3
Construction Type Siding
HVAC Central Elec/Central Elec
Stories 2
Waiting List Unknown
Turnover Rate N/A
Absorption Rate N/A

Remarks

The property is designated for families. All units contain Rental Assistance. The units are updated as needed. The annual turnover rate was not disclosed. The utility allowances are \$115 for a one-bedroom and \$138 for a two bedroom. There are currently no rental concessions available at this time.



COMPARABLE APARTMENT RENTAL NO. 2



Property Type: RD/LIHTC/Walk-Up
 Property Name: Lakewood Apartments
 Address: 500 Meadow Court, Clarksville, VA 23927
 Verification: Andrea; 434-374-5000 February 21, 2024, By Telephone
 Distance From Closest Subject: 66.4 Miles

Year Opening/Significant Renovation Amenities

1999/2018
 Refrigerator, Range/Oven, Dishwasher, Carpet, Vinyl, Blinds, Ceiling Fans, Coat Closet, Meeting Room, Picnic Area, Playground, Laundry Facility, On-Site Management, On-Site Maintenance

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Landlord
 Hot Water - Electric - Tenant
 Cold Water - Tenant
 Sewer - Tenant
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
1/1 (50%)	5	0	600	\$511	\$66	\$577
1/1 (60%)	15	0	600	\$719	\$66	\$785
2/1 (50%)	12	0	768	\$614	\$76	\$690
2/1 (60%)	20	0	768	\$822	\$76	\$898

Occupancy 100%
Total Units 52
No. of Buildings 4
Construction Type Siding
HVAC Central Elec/Central Elec
Stories 2
Waiting List 23 Applicants
Turnover Rate N/A
Absorption Rate N/A

Remarks

This property maintains a waiting list of 23 applicants. The units are updated as needed. This property is designated for families at 50 and 60 percent of the area median income. The property also has 41 units with Rental Assistance. The annual turnover rate was not disclosed. There are no rental concessions available at this time. The utility allowance is \$66 for a one-bedroom and \$76 for a two-bedroom.



COMPARABLE APARTMENT RENTAL NO. 3



Property Type: LIHTC/Townhome
 Property Name: New Nottoway River Commons
 Address: 23166 Bellwood Court
 Jarratt, VA 23867
 Verification: Sharon; 434-535-0113
 February 21, 2024,
 By Telephone
 Distance From Closest Subject: 9.7 Mile

**Year Opening/Significant Renovation
 Amenities**

1991
 Refrigerator, Range/Oven, Dishwasher, Carpet, Vinyl, Blinds, Coat
 Closet, Playground, Laundry Facility, On-Site Management, On-Site
 Maintenance

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
1/1	10	0	662	\$682	Unk	\$682
2/1.5	15	0	900	\$743	Unk	\$743
2/2	19	1	900	\$743	Unk	\$743

Occupancy 98%
Total Units 44
No. of Buildings 9
Construction Type Siding
HVAC Central Elec/Central Elec
Stories 2
Waiting List 1-2 Months
Turnover Rate 23%
Absorption Rate N/A

Remarks

This property maintains a one- to two-month waiting list. The units are updated as needed. This property is designated for families at 60 percent of the area median income. The annual turnover rate is 23 percent. There are no rental concessions available at this time. There is a \$25 application fee and pets are not allowed. The contact was unable to disclose the utility allowance for each unit type. The property is not located in the market area; therefore the complex will not compete with the subject. However, due to the lack of comparable affordable housing developments in the market area, the property was included in the analysis for comparison purposes.



COMPARABLE APARTMENT RENTAL NO. 4



Property Type: LIHTC/Garden/Walk-Up
 Property Name: Weaver Manor
 Address: 216 Meherrin Lane,
 Emporia, VA 23847
 Verification: Ashia; 434-634-9665
 February 21, 2024,
 By Telephone
 Distance From Closest Subject: 1.2 Miles

Year Opening/Significant Renovation Amenities

2000
 Refrigerator, Range/Oven, Dishwasher, Carpet, Vinyl, Blinds, Ceiling Fans, Vaulted Ceilings, Walk-In Closet, Balcony, Patio, Playground, Meeting Room, Laundry Facility, On-Site Management, On-Site Maintenance, Courtyard, Lounge

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
1/1 (60%)	24	2	570	\$705	Unk	\$705
2/1 (60%)	18	0	780	\$737	Unk	\$737

Occupancy 95%
Total Units 42
No. of Buildings 6
Construction Type Brick/Siding
HVAC Central Elec/Central Elec
Stories 1,2
Waiting List 14 Applicants
Turnover Rate N/A
Absorption Rate N/A

Remarks

This property maintains a waiting list with 14 applicants. The units are updated as needed. This property is designated for families at 60 percent of the area median income. The annual turnover rate was not disclosed. There are no rental concessions available at this time. There is a \$17 application fee and pets are not allowed. The contact was unable to disclose the utility allowance for each unit type.



COMPARABLE APARTMENT RENTAL NO. 5



Property Type: PHA/Garden
 Property Name: Northwood Village
 Address: 300 Bethune Square,
 Emporia, VA 23847
 Verification: Tamara; 434-634-9996
 February 21, 2024,
 By Telephone
 Distance From Closest Subject: 1.1 Miles

**Year Opening/Significant Renovation
 Amenities**

1979
 Refrigerator, Range/Oven, Vinyl, Blinds, Walk-In Closet, Patio (Select),
 Laundry Facility, On-Site Management, On-Site Maintenance, Security
 Patrol, Video Surveillance

Utilities (Type/Responsibility)

Heat - Electric - Tenant
 Air Conditioning - Electric - Tenant
 Cooking - Electric - Tenant
 Hot Water - Electric - Tenant
 Cold Water - Landlord
 Sewer - Landlord
 Trash - Landlord

Unit Mix

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance*</u>	<u>Gross Rent</u>
1/1	20	1	618	\$726	\$67	\$793
2/1	42	3	995	\$772	\$78	\$850
3/1	10	0	1,638	\$772	\$121	\$893

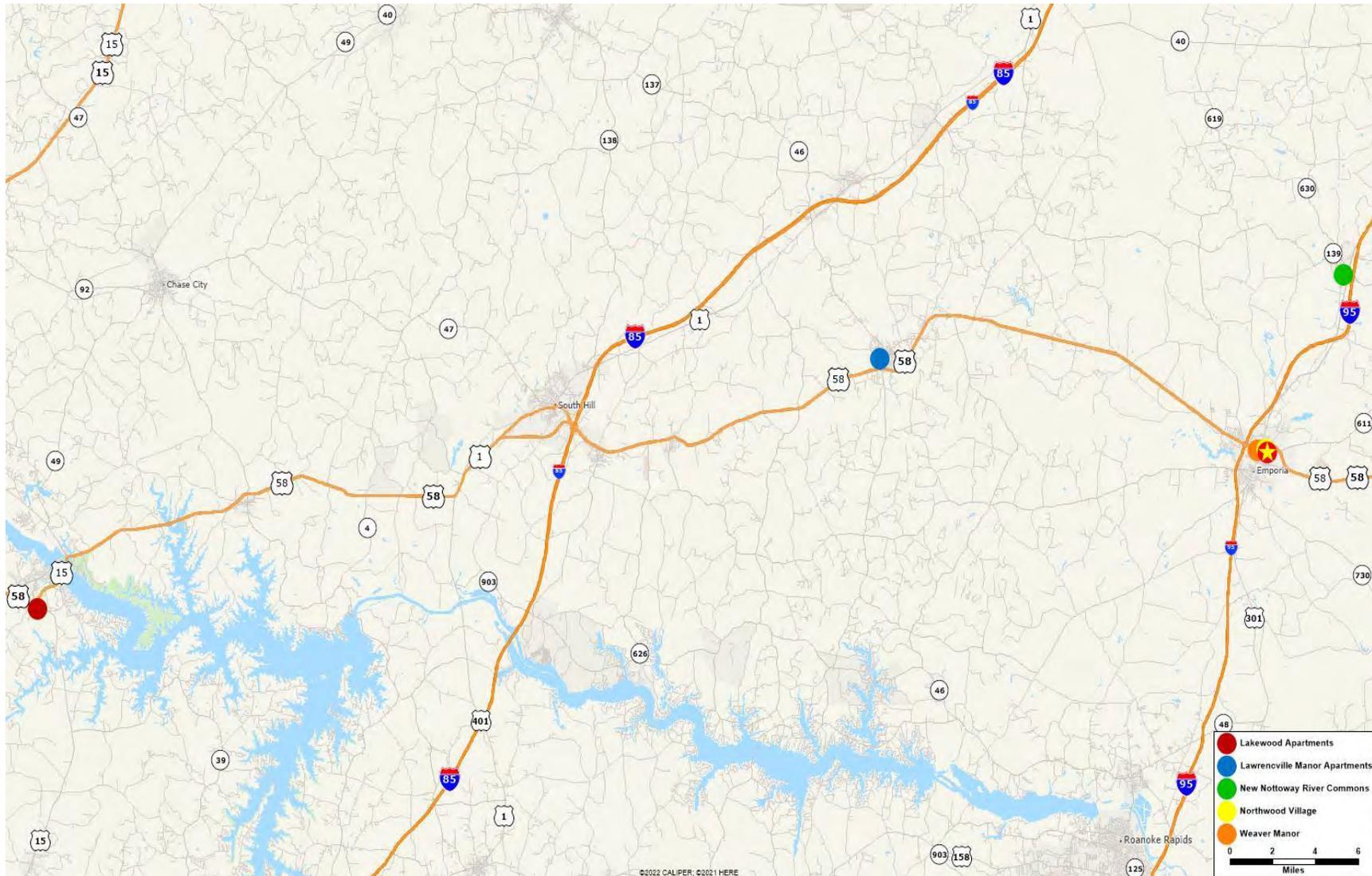
Occupancy 95%
Total Units 72
No. of Buildings 14
Construction Type Brick/Siding
HVAC Central Elec/Central Elec
Stories 1
Waiting List 64 Applicants
Turnover Rate N/A
Absorption Rate N/A

Remarks

This property does maintain a waiting list of 64 applicants. The units are updated as needed. This property is designated for families at 60 percent of the area median income. The annual turnover rate was not disclosed. There are no rental concessions available at this time. There is no application fee and pets are not allowed. The complex has a \$67 per month for one-bedroom units, \$78 per month for two-bedroom units and \$121 per month for three-bedroom units.

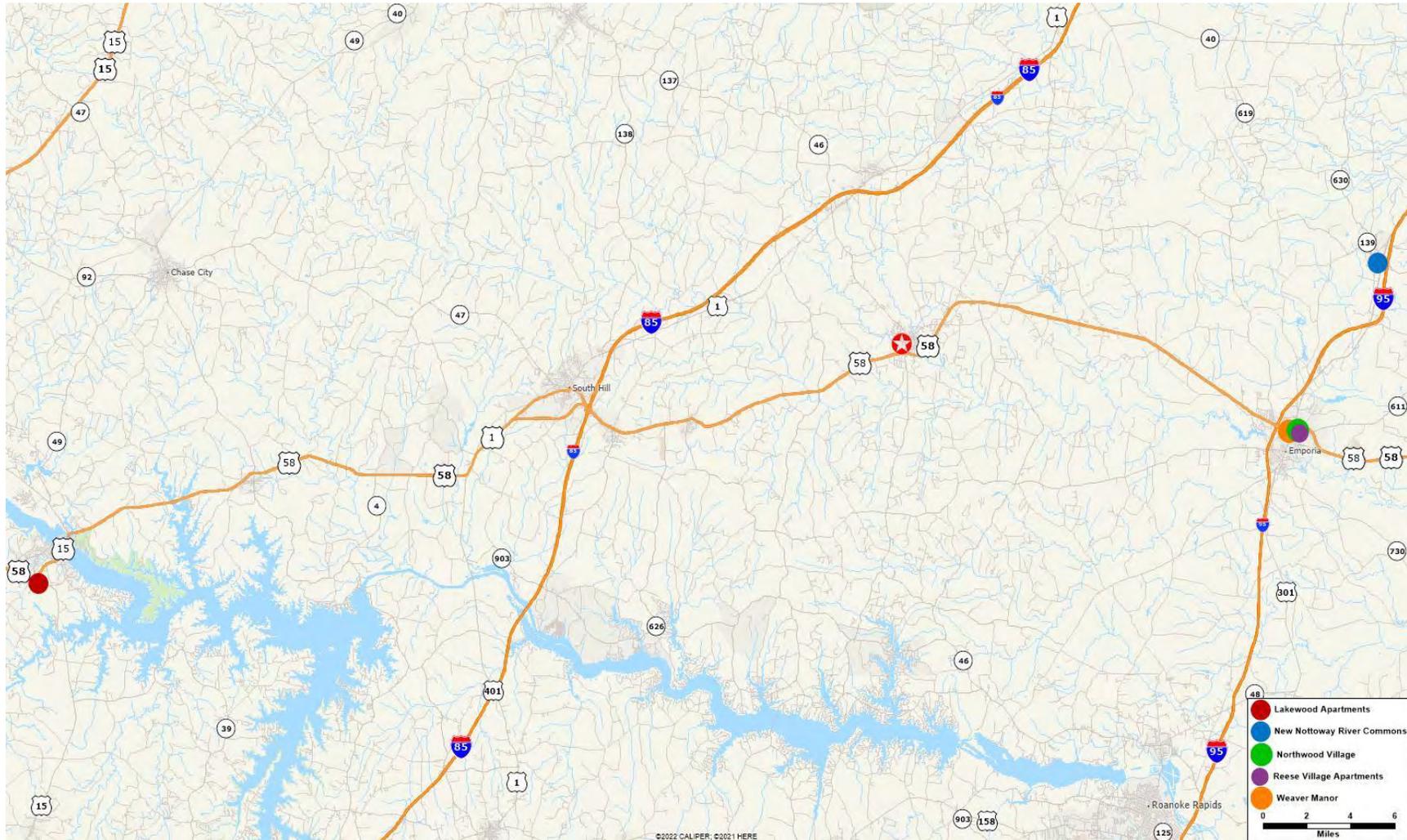


Existing Comparables Map





Competing Properties Map



As renovated, the subject will be a Rural Development and LIHTC property with rents and income limits set at 30, 50 and 60 percent AMI. Therefore, the above income-restricted units will directly compete with the subject's units.



Additional Developments

The market area also includes additional developments that were excluded from the analysis due to non-competitiveness or inability to verify information. The developments located in the market area that were excluded from the survey are noted as follows:

Washington Square - Emporia, VA - Family
Village East Apartments – Victoria, VA - Family
Carriage Run - Emporia, VA - Senior
Brunswick Village – Lawrenceville, VA - Family
Chase Place Apartments - Chase City, VA - Senior
Victoria Place Apartments – Victoria, VA – Senior
Belford Commons Apartments – Emporia, VA – Senior
Marvin Garden Apartments – Emporia, VA – Senior

Market-Rate Properties (Not Comparable in Restrictions or Tenant Base)

Washington Square Apartments – Suffolk, VA
Hillpoint Woods Apartments - Suffolk, VA
The Lofts on Franklin - South Hill, VA
Autumn Ridge Apartments I & II - Suffolk, VA
Meadowridge Apartments - Franklin, VA
Forest Pines Apartments - Franklin, VA
Rohoic Wood Apartments- Petersburg, VA
Meeklenburg Manor Apartments - South Hill, VA
685 Nortington Street - South Hill, VA
122 Brookeside Lane - South Hill, VA
Sadler Pond Apartments – Suffolk, VA
Suffolk Station Apartments – Suffolk, VA
Townhomes at Beamons Mill – Suffolk, VA



Market Rent Analysis

The market analyst researched rental housing in the market area and identified several apartment communities in and around the market area of the subject. The analyst identified the market-rate communities in the area that would directly compete with the subject. These comparables were then compared to the subject and adjusted for differences in amenities. These differences include, but are not limited to, location, structure, condition, unit size, number of bedrooms, number of baths, unit amenities (range/oven, refrigerator, microwave, dishwasher, etc.), project amenities (parking, storage, clubhouse, meeting room, pool, recreation area, etc.) and utilities provided. The adjustments made were based on the experience of the analyst, interviews with local officials, apartment managers and residents and information received from third-party sources (rent-to-own facilities, utility providers and housing authorities.) Additional adjustments were also determined using paired rental analysis. The paired rental analysis ranges are determined by comparing comparables with different numbers of bedrooms and factoring out any other differences (amenities, utilities provided, etc.) The resulting difference is assumed to be attributable to the differing number of bedrooms. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected.



Rent Grids HUD-Forms 92273 – As Complete

One-Bedroom Units (520 SF) – As Complete
Estimates of Market Rent
by Comparison – As Complete

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0029
(exp. 04/30/2020)

Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This information is required by the Housing Appropriation Act of 9/28/1994. The information is needed to analyze the reasonableness of the Annual Adjustment Factor formula, and will be used where rent levels for a specific unit type, in a Substantial Rehabilitation or New Construction Contract, exceed the existing FMR rent. The information is considered non-sensitive and does not require special protection. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)	B. Comparable Property No. 2 (address)	C. Comparable Property No. 3 (address)	D. Comparable Property No. 4 (address)	E. Comparable Property No. 5 (address)					
One-Bedroom	Reese Village Apartments 311 Bond Court Emporia, Virginia	Meadowridge Apartments 340 North College Drive Franklin, Virginia	Hillpoint Woods Apartments 601 Hillpoint Boulevard Suffolk, Virginia	Autumn Ridge Apartments I & II 114 Nancy Drive Suffolk, Virginia	Washington Square Apartments 149 West Washington Suffolk, Virginia	The Lofts on Franklin 303 Franklin Street South Hill, Virginia					
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	02/2024	02/2024		02/2024		02/2024		02/2024		02/2024	
4. Type of Project/Stories	WU/2	WU/2		WU/2		WU/2		WU/3		G/1	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		First	
6. Project Occupancy %	95%	97%		100%		100%		98%		96%	
7. Concessions	N	N		N		N		N		N	
8. Year Built	1990/Proposed	1991/2015	\$ 100	2005	\$ 100	1982	\$ 100	1966/2014		1950/2018	
9. Sq. Ft. Area	520	765	(\$95)	772	(\$ 100)	556	(\$ 15)	578	(\$25)	750	(\$90)
10. Number of Bedrooms	1	1		1		1		1		1	
11. Number of Baths	10	10		10		10		10		10	
12. Number of Rooms	3	3		3		3		3		3	
13. Balc/Terrace/Patio	N	Y	(\$ 10)	Y	(\$ 10)	N		N		N	
14. Garage or Carport	L/0	L/0		L/0, G/100		L/0		L/0		L/0	
15. Equipment a. A/C	C	C		C		C		C		C	
b. Range/Refrigerator	RF	RF		RF		RF		RF		RF	
c. Disposal	N	N		Y		N		N		Y	
d. Microwave/Dishwasher	D	D		MD	(\$5)	N	\$ 10	MD	(\$5)	M	\$5
e. Washer/Dryer	L	L		HU	(\$5)	L		WD	(\$30)	WD	(\$30)
f. Carpet	C	C		C		C		W		W	
g. Drapes	B	B		B		B		B		D	
h. Pool/Rec. Area	R	R	(\$5)	PR	(\$ 15)	R		N	\$5	N	\$5
16. Services a. Heat/Type	N/E	N/E		N/E		N/E		Y/E	(\$36)	N/E	
b. Cooling	N/E	N/E		N/E		N/E		Y/E	(\$ 11)	N/E	
c. Cook/Type	N/E	N/E		N/E		N/E		Y/E	(\$5)	N/E	
d. Electricity	N	N		N		N		Y	(\$20)	N	
e. Hot Water	N/E	N/E		N/E		N/E		Y/E	(\$ 15)	N/E	
f. Cold Water/Sewer	N	N		N		N		Y	(\$54)	N	
g. Trash	Y	Y		Y		Y		Y		Y	
17. Storage	N	N		Y/45-100		N		N		N	
18. Project Location	Average	Similar		Superior	(\$ 140)	Superior	(\$ 140)	Superior	(\$ 140)	Superior	(\$35)
19. Security	N	N		N		N		N		N	
20. Clubhouse/Meeting Room	M/R	N	\$5	C		N	\$5	N	\$5	N	\$5
21. Special Features	I	N	\$50	N	\$50	N	\$50	SS, GC	(\$ 15)	GC	\$ 15
22. Business Center / Nbd Netwk	N	N		N		N		N		N	
23. Unit Rent Per Month		\$ 1,125		\$ 1,200		\$ 1,000		\$ 1,239		\$ 1,150	
24. Total Adjustment			\$45		(\$ 125)		\$ 10		(\$349)		(\$ 125)
25. Indicated Rent		\$ 1,170		\$ 1,075		\$ 1,010		\$ 890		\$ 1,025	
26. Correlated Subject Rent	\$ 1,035	If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$ 1,170	low rent	\$ 890	60% range	\$ 946	to	\$ 1,114			

Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.

Appraiser's Signature: *[Signature]* Date (mm/dd/yy): 02/21/24
Reviewer's Signature: *[Signature]* Date (mm/dd/yyyy): 02/21/24



Reese Village Apartments
311 Bond Court
Emporia, Virginia 23847

Two-Bedroom Units (760 SF) – As Complete
Estimates of Market Rent
by Comparison - As Complete

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0029
(exp. 04/30/2020)

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1. Unit Type	2. Subject Property (Address)		A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)		
	Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	
Two-Bedroom	Reese Village Apartments 311 Bond Court Emporia, Virginia		Meadowridge Apartments 340 North College Drive Franklin, Virginia		Hillpoint Woods Apartments 601 Hillpoint Boulevard Suffolk, Virginia		Autumn Ridge Apartments I & II 14 Nancy Drive Suffolk, Virginia		Washington Square Apartments 49 West Washington Suffolk, Virginia		The Lofts on Franklin 303 Franklin Street South Hill, Virginia		
3. Effective Date of Rental	02/2024	02/2024			02/2024				02/2024				
4. Type of Project/Stories	WU/2	WU/2			WU/2				WU/3				
5. Floor of Unit in Building	Varies	Varies			Varies				Varies				
6. Project Occupancy %	95%	97%			100%				98%				
7. Concessions	N	N			N				N				
8. Year Built	1990/Proposed	1991/2015		\$ 100	2005		\$ 100	1982	\$ 100	1966/2014		1950/2018	
9. Sq. Ft. Area	760	940		(\$65)	905		(\$50)	850	(\$30)	1020		(\$95)	
10. Number of Bedrooms	2	2			2			2		2		2	
11. Number of Baths	10	10			10			10		2.0		10	
12. Number of Rooms	4	4			4			4		4		4	
13. Balc./Terrace/Patio	N	Y		(\$ 10)	Y		(\$ 10)	N		N		N	
14. Garage or Carport	L/O	L/O			L/O, G/100			L/O		L/O		L/O	
15. Equipment a. A/C	C	C			C			C		C		C	
b. Range/Refrigerator	RF	RF			RF			RF		RF		RF	
c. Disposal	N	N			Y			N		N		Y	
d. Microwave/Dishwasher	D	D			MD		(\$5)	N		MD		(\$5)	
e. Washer/Dryer	L	L			HU		(\$5)	L		WD		(\$30)	
f. Carpet	C	C			C			C		W		W	
g. Drapes	B	B			B			B		B		D	
h. Pool/Rec. Area	R	R		(\$5)	PR		(\$15)	R		N		\$5	
16. Services a. Heat/Type	N/E	N/E			N/E			N/E		Y/E		(\$46)	
b. Cooling	N/E	N/E			N/E			N/E		Y/E		(\$14)	
c. Cook/Type	N/E	N/E			N/E			N/E		Y/E		(\$6)	
d. Electricity	N	N			N			N		Y		(\$25)	
e. Hot Water	N/E	N/E			N/E			N/E		Y/E		(\$23)	
f. Cold Water/Sewer	N	N			N			N		Y		(\$70)	
g. Trash	Y	Y			Y			Y		Y		Y	
17. Storage	N	N			Y/45-100			N		N		N	
18. Project Location	Average	Similar			Superior		(\$140)	Superior		Superior		(\$140)	
19. Security	N	N			N			N		N		N	
20. Clubhouse/Meeting Room	MR	N		\$5	C			N		N		\$5	
21. Special Features	I	N		\$50	N		\$50	N		SS, GC		(\$15)	
22. Business Center / Nbdh Netwk	N	N			N			N		N		N	
23. Unit Rent Per Month		\$ 1,135			\$ 1,300			\$ 1,157		\$ 1,599		\$ 1,300	
24. Total Adjustment				\$75			(\$75)					(\$459)	
25. Indicated Rent		\$ 1,270			\$ 1,225			\$ 1,152		\$ 1,140		\$ 1,235	
26. Correlated Subject Rent	\$ 1,135	If there are any Remarks, check here and add the remarks to the back of page.											
	high rent	\$ 1,270		low rent	\$ 1,140		60% range	\$ 1,166	to	\$ 1,244		BELOW 60% RANGE	
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.		Appraiser's Signature		<i>[Signature]</i>		Date (mm/dd/yyyy)		02/21/24		Reviewer's Signature		<i>[Signature]</i>	
												Date (mm/dd/yyyy)	
												02/21/24	

Previous editions are obsolete form HUD-9 223 (07/2003)



Explanation of Adjustments and Market Rent Conclusions – As Complete

Reese Village Apartments

Primary Unit Types – One-Bedroom Units (520 SF) and Two-Bedroom Units (760 SF)

Please note: Minor adjustments in the \$5 to \$10 range are based on the appraiser’s evaluation of the overall market as well as typical responses indicated by existing tenants. In addition, this is standard industry practice when there is insufficient market data present to support adjustments. It is also considered an acceptable practice by HUD as indicated in the Section 8 Renewal Guide Chapter 9-12 (C) (3) which states: “For minor adjustments (generally in the \$5 to \$10 range), the appraiser may state his/her subjective evaluation of why the observed differences would affect rent.”

Rent comparability grids were prepared for the primary unit types with 520 and 760 square feet. Comparable apartments used include the following: Meadowridge Apartments (Comparable 1), Hillpoint Woods Apartments (Comparable 2), Autumn Ridge Apartments I & II (Comparable 3), Washington Square Apartments (Comparable 4) and The Lofts on Franklin (Comparable 5).

Structure/Stories – The subject is located in walk-up two-story buildings. All comparables are located in one-story garden-style or walk-up two- or three-story buildings. No complex in the market area shows a rent difference based on this particular item. No adjustment was needed.

Project Occupancy – The subject is currently 95 percent occupied. The occupancy rates of the comparables range from 96 to 100 percent. No adjustment was needed.

Concessions – The subject is not currently offering concessions. None of the comparables are currently offering concessions. No adjustment was needed.

Year Built/Year Renovated – The subject was constructed in 1990. It will undergo a substantial renovation and will be in good condition. Comparable 1 was built in 1991 with some renovations made in 2015. Comparable 2 was constructed in 2005. Comparable 3 was built in 1982. Comparable 4 was constructed in 1966 and renovated in 2014. Comparable 5 was constructed in 1950 and renovated in 2018. The subject property will undergo rehabilitation and will be in good condition after the rehabilitation is complete. Renovations include but are not limited to install Ultra Aire Dehumidifier in all units; new ductwork as needed; update building exteriors as needed; new lighting, update heating and cooling systems as needed; update kitchens; install dishwashers; update baths; install new receptacles, switches and plates; new flooring; new miniblinds; replace interior doors and locks; provide complete wi-fi package for units and common areas; update laundry facility; replace property signage; stripe parking spaces; update landscaping; and other general updates needed for the property. A complete list of renovations is noted in the addenda/Exhibits of this report. Based on the proposed scope of rehabilitation for the subject, it will be superior to Comparables 1, 2 and 3 and similar to Comparable 4 and 5 once the rehabilitation is complete. There are no recently renovated comparables within close proximity to the subject. As a result, it was necessary to expand the search area to find existing developments that have been recently renovated. The following table shows pre-rehabilitation and post-rehabilitation rents for recently renovated properties.

Property Name	Year Built/ Renovated	Avg. Pre- Renovated Rent	Avg. Renovated Rent	Difference in Rent
Aubrey Apartments	1974/2016	\$717	\$819	\$102
Union Flats	1915/2019	\$598	\$718	\$120
		\$658	\$769	\$111

As shown in the previous table, the comparables indicate a range of \$102 to \$120 per unit in rents based on rehabilitation, with an average of \$111 per unit per month. After considering the average rent increase per month, an adjustment of \$100 was considered a reasonable amount to reflect the market’s reaction to



the proposed renovations. As a result, the unadjusted rent of each comparable was adjusted upward \$200. Based on the comparable data and a comparison of the renovation scopes and the market's reaction to them, this line item adjustment is well-supported and is a typical expected return on this type of rehabilitation.

SF Area – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this data. In addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable's dollar per square foot rental rate was determined for each bedroom type. From these results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the one-bedroom comparison is \$0.39 and for the two-bedroom comparison is \$0.36. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273, which is attached.

of Bedrooms – The subject contains one- and two-bedroom units. All comparables are similar. No adjustments were needed.

of Baths – The subject contains one bath in all unit types. All comparables except Comparable 4 in the two-bedroom comparison are similar. Comparable 4 contains two baths in the two-bedroom units. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance marketability of a unit even if the square footage remains the same. There was insufficient market data available for a paired analysis as the majority of properties in this market contain a similar number of baths. Therefore, a \$20 full bath per month adjustment was selected.

Balcony/Patio – The subject does not contain either feature. Comparables 3, 4 and 5 are similar. The remaining comparables contain balconies and/or patios and were adjusted downward \$10 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Due to insufficient market data by which to extrapolate a market-based adjustment for balcony or patio, the appraiser elected to adjust the comparables \$10.

Parking – The subject and all comparables contain parking lots with no additional fee. In addition, Comparable 2 contains garage parking for an additional monthly fee of \$100. As ample parking similar to the subject, is available at Comparable 2 for no additional monthly fee, no adjustment was needed.

AC: Central/Wall – The subject contains central air conditioning as do all comparables. No adjustments were needed.



Range/Refrigerator – The subject and all comparables contain both amenities. No adjustments were needed.

Garbage Disposal – The subject does not contain a garbage disposal in the units. All of the comparables except Comparables 2 and 5 are similar. Since there is no market data concerning units with this feature, no adjustment was given.

Microwave/Dishwasher – The subject will contain dishwashers once rehabilitation is complete. Comparable 1 is similar. Comparable 3 does not contain either feature. Comparables 2 and 4 contain microwaves and dishwashers. Comparable 5 contains microwaves. Microwaves are a relatively inexpensive item and are unlikely to be a deciding factor when a tenant decides which unit to lease. However, because the included amenity is considered an enhancement to the unit, it was considered appropriate to adjust a nominal \$5 per month for microwaves. Dishwashers are more expensive and are more likely to factor into a tenant's decision on which unit to lease. Therefore, it was considered appropriate to adjust \$10 per month for dishwashers. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Microwave	\$0	\$0	\$5	\$0	\$5	\$5
Dishwasher	\$10	\$10	\$10	\$0	\$10	\$0
Total	\$10	\$10	\$15	\$0	\$15	\$5
Indicated Adjustment		\$0	(\$5)	\$10	(\$5)	\$5

Washer/Dryer – The subject and Comparables 1 and 3 contain a laundry facility. Comparable 2 contains washer/dryer hook-ups in the units. Comparables 4 and 5 contain washers and dryers in the units. Units with washers and dryers provided are preferred over units without these features as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with these features versus those without these features, the amenities are an enhancement to the unit. Finally, the *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay between \$30.69 and \$39.40 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$35 per month. Washer/dryer hook-ups are valued at \$10 per month. The following table shows the amenities available at the subject and each comparable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Laundry Facility	\$5	\$5	---	\$5	---	---
Washer/Dryer Hook-Ups	---	---	\$10	---	---	---
Washer/Dryer	---	---	---	---	\$35	\$35
Total	\$5	\$5	\$10	\$5	\$35	\$35
Indicated Adjustment		\$0	(\$5)	\$0	(\$30)	(\$30)

Carpet – The subject and all comparables contain carpet floor coverings. Therefore, no adjustments were needed.

Drapes – The subject and all comparables contain window coverings. No adjustment was needed.

Pool/Recreation Areas – The following table shows the amenities at the subject and each comparable:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool	---	---	\$10	---	---	---
Exercise Room	---	---	---	---	---	---
Splash Park	---	---	---	---	---	---
Spa/Hot Tub	---	---	---	---	---	---
Picnic Area	---	\$5	\$5	---	---	---
Play Area	\$5	\$5	\$5	\$5	---	---
Total	\$5	\$10	\$20	\$5	\$0	\$0
Indicated Adjustment		(\$5)	(\$15)	\$0	\$5	\$5



Although there is little market data available concerning units with these features, the added amenities are an enhancement. Swimming pools are typically considered a more desirable feature than other recreation features. Therefore, a \$10 adjustment was determined for swimming pool, and a \$5 adjustment per feature was determined for each additional recreation area. The adjustments for the comparables are shown at the bottom of the table.

Heat – The subject does not have this utility provided. None of the comparables except Comparable 4 have this utility provided. Comparable 4 provides this utility and was adjusted downward \$36 for the one-bedroom comparison and \$46 per month for the two-bedroom comparison based on the Allowances for Tenant-Furnished Utilities and Other Services provided for all regions. The amount was substantiated through local utility providers.

Cooling – The subject does not have this utility provided. None of the comparables except Comparable 4 have this utility provided. Comparable 4 provides this utility and was adjusted downward \$11 for the one-bedroom comparison and \$14 per month for the two-bedroom comparison based on the Allowances for Tenant-Furnished Utilities and Other Services provided for all regions. The amount was substantiated through local utility providers.

Cooking – The subject does not have this utility provided. None of the comparables except Comparable 4 have this utility provided. Comparable 4 provides this utility and was adjusted downward \$5 for the one-bedroom comparison and \$6 per month for the two-bedroom comparison based on the Allowances for Tenant-Furnished Utilities and Other Services provided for all regions. The amount was substantiated through local utility providers.

Electricity – The subject does not have this utility provided. None of the comparables except Comparable 4 have this utility provided. Comparable 4 provides this utility and was adjusted downward \$20 for the one-bedroom comparison and \$25 per month for the two-bedroom comparison based on the Allowances for Tenant-Furnished Utilities and Other Services provided for all regions. The amount was substantiated through local utility providers.

Hot Water – The subject does not have this utility provided. None of the comparables except Comparable 4 have this utility provided. Comparable 4 provides this utility and was adjusted downward \$18 for the one-bedroom comparison and \$23 per month for the two-bedroom comparison based on the Allowances for Tenant-Furnished Utilities and Other Services provided for all regions. The amount was substantiated through local utility providers.

Cold Water/Sewer – The subject does not have this utility provided. None of the comparables except Comparable 4 have this utility provided. Comparable 4 provides this utility and was adjusted downward \$54 for the one-bedroom comparison and \$70 per month for the two-bedroom comparison based on the Allowances for Tenant-Furnished Utilities and Other Services provided for all regions. The amount was substantiated through local utility providers.

Trash – The subject provides this utility. All comparables are similar. No adjustment was needed.

Extra Storage – The subject does not contain extra storage. None of the comparables except Comparable 2 contain storage. Comparable 2 has extra storage available for an additional \$45 to \$100 per month. No adjustments were needed.

Location – Location comparisons were made based on the appraiser's judgment as to the relative desirability of the property to a potential renter. These factors also include degree and quality of surrounding development and view. The subject is located in Emporia. Due to the lack of conventional apartments within the primary market area, it was necessary to go outside the market area for comparables. Comparable 1 is located in Franklin. Comparables 2, 3 and 4 are located in Suffolk. Comparable 5 is located in South Hill. It is difficult to determine adjustment amounts for location as it is difficult to determine rent fluctuations based on this item. Therefore, it is necessary to rely in large part on



opinions or area apartment managers and tenants. In addition, median rents of the comparables compared to the subject (\$609) were considered. Comparable 1 was considered relatively similar when compared to the subject and was not adjusted. The remaining comparables were considered superior, which required downward adjustments. The calculations for those adjustments are as follows. Comparables 2, 3 and 4 have a median rent of \$889. The difference in median rent level was \$280 (\$889 - \$609 = \$280). Comparable 5 has a median rent of \$680. The difference in median rent level was \$71 (\$680 - \$609 = \$71). Due to the nature of the adjustment, I elected to lower the indicated adjustments by half. After considering all factors, Comparables 2, 3 and 4 were adjusted downward \$140 per month, while Comparable 5 was adjusted downward \$35 per month.

Security – The subject does not contain security features. None of the comparables contain security features. No adjustments were needed.

Clubhouse/Meeting Room – The subject contains a meeting room. None of the comparables except Comparable 2 contain these features. Comparable 2 contains a clubhouse. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature compared to properties without any of these features.

Special Features – The subject will offer in-unit Wi-Fi, once rehabilitation is complete. Comparables 1, 2 and 3 do not offer any special features. Comparable 1 contains stainless steel appliances and granite countertops. Comparable 5 contains granite countertops. Special features such as stainless steel appliances and granite, quartz or solid-surface countertops will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for these features. Typically, when these features are included in the units, they are considered luxury items, and units are assessed an up-charge from the rent that would be charged if unit did not contain these features. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Richmond, Virginia, the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$30.80 per month for refrigerators with premium finishes and \$34.38 per month for premium countertops. After considering all factors, a \$30 adjustment was applied for stainless steel appliances, and a \$35 adjustment was applied for the solid-surface countertops. In order to establish an appropriate adjustment for in-unit Wi-Fi, local providers were contacted. The following table shows the fees associated for internet services in the market area.

Provider	Internet Fee
Spectrum	\$49.99
AT&T	\$55.00
Xfinity	\$35.00
Viasat	\$64.99
Hughesnet	\$49.99

The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the mid-point of the range is selected. The majority of the businesses indicated a range of \$35 to \$64.99 per month for internet. Therefore, an internet adjustment of \$50 per month was deemed reasonable. The comparables were adjusted based on the indicated adjustment amount at the bottom of the table:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Stainless Steel Appliances	---	---	---	---	\$30	---
Solid-Surface Countertops	---	---	---	---	\$35	\$35
In-Unit Wi-Fi	\$50	---	---	---	---	---
Total	\$50	\$0	\$0	\$0	\$65	\$35
Indicated Adjustment		\$50	\$50	\$50	(\$15)	\$15

Business Center/Neighborhood Network – The subject does not contain this feature. None of the comparables contain this feature. No adjustments were needed.



Conclusion of Market Rents – As Complete

The adjusted rents range from \$890 to \$1,170 for the one-bedroom comparison and from \$1,140 to \$1,270 for the two-bedroom comparison. All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **520 SF One-Bedroom Units** - **\$1,035**
- **760 SF Two-Bedroom Units** - **\$1,135**

The developer is proposing affordable rents of \$1,035 for the one-bedroom units, and \$1,185 for the two-bedroom units. In addition, the maximum net tax credit rents are as follows: \$424 for one-bedroom units at 30 percent of the area median income; \$708 for one-bedroom units at 50 percent of the area median income; \$849 for one-bedroom units at 60 percent of the area median income; \$510 for two-bedroom units at 30 percent of the area median income; \$850 for two-bedroom units at 50 percent of the area median income; and \$1,020 for two-bedroom units at 60 percent of the area median income. The proposed rents for the one- and two-bedroom units do exceed the maximum allowable LIHTC rents. However, the subject contains Rental Assistance for all units. Once rehabilitation is complete, the subject will retain its Rental Assistance. As a result of the Rental Assistance, tenants will never be asked to pay more than 30 percent of their gross annual income for rent and utilities. Therefore, the proposed rents, as shown in the following table, were determined to be achievable within the market area.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	4	520	30%	\$424	\$1,203	\$168	\$1,035
1/1	8	520	50%	\$708	\$1,203	\$168	\$1,035
1/1	4	520	60%	\$849	\$1,203	\$168	\$1,035
2/1	6	760	30%	\$510	\$1,383	\$198	\$1,185
2/1	12	760	50%	\$850	\$1,383	\$198	\$1,185
2/1	6	760	60%	\$1,020	\$1,383	\$198	\$1,185



Evaluation of the Development

Project Design

Reese Village Apartments is comprised of five two-story walk-up buildings containing a total of 40 one- and two-bedroom units. The complex also contains an accessory building which houses the clubhouse, leasing office and maintenance area. The buildings have concrete slab foundations and wood framing, with vinyl siding exteriors and asphalt shingle roofs. The complex was constructed in 1990 and was renovated in 2006. The property will once again be rehabilitated. Landscaping is minimal and consist of grass, trees and shrubs. The property is not a scattered site development. The subject's design is comparable to the majority of the comparables in the market area.

Project Amenities

The property provides the following project amenities: meeting room, playground, laundry facility, on-site management and on-site maintenance.

Parking

The complex contains an open asphalt parking lot with a total of 66 parking spaces. Therefore, the subject has a parking ratio 1.65 parking spaces per unit. The parking is sufficient for the development.

Unit Mix

The subject's unit mix of one- and two-bedroom units is suitable in the market area.

Utilities

The subject contains central electric heating and cooling. Cooking and hot water are also electric. The landlord provides trash collection services. This arrangement is similar to the majority of the comparables in the market area.

Unit Amenities

Each unit contains the following amenities: refrigerator, range/oven, carpet and vinyl flooring, coat closet, blinds and ceiling fans. Upon completion of rehabilitation, the units will contain a dishwasher and in-unit Wi-Fi.

Tenant Services

The subject will not provide tenant services. None of the comparables offer tenant services.

Impact of Existing/Planned Rental Housing

The market area exhibits sufficient demand for the proposed rehabilitation of the existing property. Based on the occupancy level of the apartment complexes in the market area, the waiting lists, the projected population and household growth and the economic factors, it is believed that when the rehabilitation is completed, the property will have no adverse impact on the existing and/or planned market-rate rental housing properties in the market area.



Summary of Developments Strength and Weaknesses

Strengths

- The subject's site plan and design are competitive with the surveyed comparables.
- The development will be superior to most of the comparable developments in condition upon completion of the rehabilitation.
- The subject's current and proposed unit and project amenities will be competitive with the comparables in the market area.
- The subject's proposed rents will provide a good value to prospective tenants.

Weaknesses

- There are no apparent weaknesses.



Local Interviews

Emporia Redevelopment and Housing Authority

Several attempts were made to contact the Emporia Redevelopment and Housing Authority; however none were successful. The phone number for the Emporia Redevelopment & Housing Authority 434-634-3332.

Emporia City/Greensville County Planning Department

According to Matthew Culbreath, Director of Planning and Zoning with Emporia City/Greensville County Planning Department, the site is zoned R-3, Multifamily Residential District. He reported that the current usage of a multifamily development is permitted, and the subject is a legal, conforming use of the zoning district. He noted that there is a limit in this zoning district on the number of units, which is dependent on the amount of land within the site. He noted that there is no limit to the number of permits that can be issued annually. Mr. Culbreath stated that the land surrounding the site is also zoned R-3. He stated that there have not been any recently constructed developments; however, there is one planned development. He stated it will be conventional complex with approximately 10 to 15 townhome units. The phone number for the Emporia City/Greensville County Planning Department is-434-634-3332.

Virginia's Growth Alliance

According to Shanette Back, Community & Economic Development Director with the Virginia's Growth Alliance (formerly, the TransTech Alliance), the organization is a regional organization of six counties and one city that have come together to facilitate investment attraction and economic growth in the region. The localities includes the counties of Brunswick, Charlotte, Greensville, Lunenburg, Mecklenburg, and Nottoway; and the City of Emporia. Although the initial major focus is on business recruitment, the organization is also creating strategies for entrepreneurship development, asset development, and leadership development. According to VGA, the area has seen a few new and expanding business over the last two years, including ,but not limited to the following:

Heyco Werk USA Inc., a subsidiary of Germany-based automotive parts manufacturer Heyco Group, plans to invest \$5.4 million to expand its operations in Greensville County, adding 21 jobs. In addition, Rosie's Gaming Emporium, a new casino, recently celebrated it's grand opening in Emporia City. The company plans to hire over 125 employees with average salaries of \$47,000 per year within the first two years of operations. Old Dominion Organic Farms announced plans to construct a new product processing and packing facility at the Business Center Park, located in Brunswick County. Over the next three years, 40 new jobs will be created and the facility is expected to process nearly \$24 million Virginia-grown vegetables, approximately 80 percent of which will be certified organic. The new facility will support more than 22 farmers located in Amelia, Brunswick, Dinwiddie, Lunenburg, Mecklenburg, Prince George, and Surry Counties during its first season. Coast 2 Coast Trucking, Inc., a sister company to ABC Recycling, will invest \$3.765 million to establish its new company in Lunenburg County, which will create 21 new jobs including full time truck drivers, mechanics and office personnel. FyberX Holdings, a developer of technology to process raw agricultural biomass into refined natural fibers, will establish its U.S. headquarters and production operation in Mecklenburg County, Virginia. The \$17.5 million project is expected to create 45 jobs. The new facility, located in the former Kinderton Distribution Center building, will process hemp and other agricultural products, producing fibers to supply the textile industry. Ms. Back noted that the area is in need of additional rental housing in the region as there are very few rental options, especially for family households. She reported that the majority of the existing rental housing stock is older; however, most are well-kept and stay occupied. She stated that there is one planned development in the area, which will be conventional townhome community with 10 to 15 units. Ms. Back said otherwise, there have not been any recently constructed or planned developments in the area. The phone number for the Virginia's Growth Alliance is 434-200-8066.



RECOMMENDATIONS AND CONCLUSIONS

Project Description

The subject, Reese Village Apartments, is an existing Rural Development property designated for families that contains 40 units. The subject will undergo renovation. Once rehabilitation is complete, the subject will continue to be a Rural Development property with Rental Assistance for all units as well as 100 percent Low Income Housing Tax Credit (LIHTC) at 30, 50 and 60 percent of the area median income. As the subject will also retain its Rental Assistance, households with one to three persons and incomes below \$40,800 will be eligible for the rehabilitated development. Without considering the Rental Assistance, households with one to three persons and incomes between \$14,537 and \$40,800 would be eligible for the rehabilitated development.

The following chart lists the subject's unit mix.

Unit Type	# of Units	Square Feet	Total Square Footage
1/1	16	520	8,320
2/1	24	760	18,240
	40		26,560

The following chart lists the subject's existing unit distribution by unit type, size and rent structure.

Unit Type	# of Units	Square Feet	Current Rent	Utility Allowance
1/1	16	520	\$794	\$141
2/1	24	760	\$827	\$168
	40			

The following chart lists the subject's proposed unit distribution by unit type, size and rent structure.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	4	520	30%	\$424	\$1,203	\$168	\$1,035
1/1	8	520	50%	\$708	\$1,203	\$168	\$1,035
1/1	4	520	60%	\$849	\$1,203	\$168	\$1,035
2/1	6	760	30%	\$510	\$1,383	\$198	\$1,185
2/1	12	760	50%	\$850	\$1,383	\$198	\$1,185
2/1	6	760	60%	\$1,020	\$1,383	\$198	\$1,185

Since the subject will retain its Rental Assistance once rehabilitation is complete, the development's proposed gross rents are not tethered to the maximum allowable LIHTC rents. Due to the Rental Assistance, tenants will never be required to pay more than 30 percent of annual income toward rent and utilities. Furthermore, at no point will tenants be required to pay more than the maximum allowable LIHTC rent.

Income Averaging

The developer has not elected the income-averaging option.



Housing Profile

The rental housing stock in the market area is comprised of single-family homes and market-rate and income-restricted apartment complexes. The market area has an overall rental vacancy rate of 1.9 percent. Of the 992 total units verified, 19 were vacant. The current vacancy rate in surveyed income-restricted apartment complexes is 4.7 percent. The current vacancy rate in market-rate apartment complexes surveyed is 0.8 percent. The current vacancy rate of the competitive properties in the market area is 4.9 percent.

The proposed rehabilitation of the existing Rural Development property will not have an adverse impact on the market area. As complete, the property will remain a Rural Development property with Rental Assistance for all units, as well as be 100 percent LIHTC at 30, 50 and 60 percent of the area median income. There were six income-restricted developments, including the subject properties, confirmed. All but one property, New Nottoway River Commons, was located within the in the market area. Of the confirmed income-restricted developments located in the market area, three developments directly compete with the subject. These properties maintain high occupancy rates, and maintain waiting lists from the subject could draw residents. Therefore, it does not appear the market area is saturated with affordable housing.

Market Feasibility

The following tables show the capture rates for the rehabilitated development both with and without considering Rental Assistance.

CAPTURE RATE - WITH RENTAL ASSISTANCE	
Project Wide Capture Rate - LIHTC Units	0.7%
Project Wide Capture Rate - Market Units	---
Project Wide Capture Rate - All Units	0.7%
Project Wide Absorption Rate (Months)	N/A

CAPTURE RATE - WITHOUT RENTAL ASSISTANCE	
Project Wide Capture Rate - LIHTC Units	1.3%
Project Wide Capture Rate - Market Units	---
Project Wide Capture Rate - All Units	1.3%
Project Wide Absorption Rate	4-8 Months

The market shows a net demand of 5,678 households for all units when considering the Rental Assistance and a net demand of 3,098 households for all units when not considering the Rental Assistance. The subject is an existing Rural Development property that is currently 95 percent occupied, with two two-bedroom units vacant. Once rehabilitation is complete, the subject will retain its Rental Assistance as well as be 100 percent LIHTC with rent and income limits set at 30, 50 and 60 percent of the area median income. As the property will retain its Rental Assistance, all existing tenants will be income-eligible for the units once the rehabilitation is complete. If the property were to lose its Rental Assistance, none of the existing tenants would remain income-eligible; therefore, all of the subject's 40 units would need to be absorbed into the market. The capture rate for the subject, if entirely vacant, is 0.7 percent. When considering only the subject's vacant units, the capture rate is 0.0 percent. The capture rate, without considering the Rental Assistance, is 1.3 percent, which is also considered excellent due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors. Therefore, it is the belief of the analysts that the property will continue to be viable within the market area and would be so even if it were entirely vacant. Consequently, it is firmly believed that the rehabilitated development will continue to satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.



Evaluation of Project

Reese Village Apartments is easily accessed via Bond Court. Bond Court connects to Reese Street. Reese Street provides direct access to U.S. Highway 58, a major thoroughfare in the city. Therefore, the subject has average visibility and easy access. The subject's existing site plan and project design are similar to competing apartment developments. The subject's existing unit mix of one- and two-bedroom units is suitable in the market.

Positive/Negative Attributes

Strengths: The subject's location is comparable to other developments in the market area. Its current and proposed in-unit and common area amenities will be competitive with the other developments in the market area. When these factors are taken into consideration, the subject's rehabilitated units will provide a good value to prospective tenants.

Weaknesses: There are no apparent weaknesses.

Conclusions

The subject can retain its required share of the market area for the following reasons:

- The subject's rehabilitated design and amenities will be competitive with other existing projects. Therefore, no modifications to the subjects are necessary.
- Once rehabilitation is complete, the subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to increase through 2028, indicating a need for additional housing the market area. In addition, all restricted properties confirmed maintain high occupancy rates, and the majority maintain waiting lists, it appears the market is not oversaturated with affordable rental housing.
- The subject is an existing 40-unit Rural Development property that will be rehabilitated. Once rehabilitated is complete, the subject will continue to be a Rural Development property with Rental Assistance for all units, as well as 100 percent LIHTC at 30, 50 and 60 percent of the area median income. Therefore, the rehabilitated subject will continue to be a great asset to the area.
- The subject is an existing Rural Development property that is currently 95 percent occupied, with two vacant two-bedroom units. The property will retain its Rental Assistance for all units once rehabilitation is complete. Therefore, it is anticipated all current residents will remain income-qualified. Furthermore, the rehabilitation will not permanently displace any residents. Therefore, the subject will not need to absorb any additional units to maintain its stabilized occupancy rate. If the property was to lose its Rental Assistance, it is unlikely all residents would remain income-qualified. Therefore, for the scenario that does not consider the property's Rental Assistance, the property was considered entirely vacant. After considering all factors, it is estimated that the development could absorb five to 10 units per month, resulting in a 95 percent occupancy level within four to eight months.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the rehabilitated development will be suitable for the market area. Given the current low vacancy rates for income-restricted properties as well as the waiting lists at most properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.



Qualifications of the Analyst

Gill Group is a nationwide marketing and real estate consulting firm specializing in market studies and real estate appraisals for low-income housing developments. For more than 30 years, Gill Group has been performing market research and appraisals on all types of properties. Primary data from field inspectors, analysts and appraisers is used. Our inspectors, analysts and appraisers personally inspect and examine every property included in the reports. Additional data is obtained from the U.S. Census Bureau, local public officials and reliable market data research companies such as ESRI Business Information Solutions. Gill Group's market studies have been used by clients in the Low Income Housing Tax Credit program and in obtaining and renewing state and federal subsidies for low-income housing developments and multifamily rental housing. Jonathan Richmond has been active in the U.S. Department of Housing and Urban Development's Multifamily Accelerated Processing (M.A.P.) and Mark-to-Market programs.



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OVERVIEW

Multifamily and commercial experience specializing in work for private contractors, the Department of Housing and Urban Development (HUD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program. Has completed over 100 market studies in the past five years.

ACCREDITATIONS

State Certified Real Estate Appraiser
Missouri State License Number 2014040824

Housing Credit Certified Professional (HCCP)
National Council of Affordable Housing Market Analysts (NCAHMA)

EMPLOYMENT

Hanley Wood 2001 – 2005
Specialized in Market Research Coordination by providing residential construction information for residential real estate development and new home construction.

Gill Group 2005 – Present
Specializes in multi-family market studies, appraisals, and physical inspections.

EDUCATION

Bachelor of Science in Business Administration/Management
The University of Phoenix
Advanced Microsoft Excel Training
New Horizons Microsoft Excel 2003-Level 2
State Registered Appraiser of Real Estate
Steve W. Vehmeier Appraisal School
General Education Classes
Manatee Community College

**EXPERIENCE
(2008 TO PRESENT)**

Provider of appraisals for HUD, Public Housing Authorities, Property Management Companies, Non-Profit Entities, For-Profit Entities, Commercial Property Chains, Banks and Lenders everywhere.

Inspector for Gill Group

Provides Property Condition Assessments for the following property types:

- Multi-Family
- Office

Provided Inspections for the following property types



- Single-Family
- Multi-Family
 - o Conventional
 - o Section 8
 - o Section 42 w/ File Audits
 - o Section 202
 - o Section 221(d)(3)
 - o Section 221(d)(4)
 - o Section 236
- Hotels
- Motels
- Department Stores
- Retail Centers
- Warehouse
- Large, Multi-Unit Mini-Storage Facilities

RECENT PROJECTS

Proposed 52 Unit Family Complex - Guthrie, OK
43 Unit Multifamily Property - Waggaman, LA
32 Unit Multifamily Property - Waggaman, LA
24 Unit Family Complex - Republic, MO
112 Unit Multifamily Apartment Complex - Santa Clara, CA
28 Senior Unit Property - Ozark, AR
19 New Construction Single Family Homes - Butler, MO
44 Unit Multifamily Property - Nevada, MO
52 Senior Unit Complex - Savannah, MO
36 Unit Multifamily Property - Corbin, KY



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OVERVIEW

Extensive multifamily experience specializing in work for the Department of Housing and Urban Development (HUD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program. Also, many years of experience with nursing homes and typical commercial appraisals.

ACCREDITATIONS

MAI Designated Member of the Appraisal Institute

State Certified General Real Estate Appraiser

Missouri State License Number: 2002024410
Virginia State License Number: 4001016982
Maryland State License Number: 32198

Also regularly receives temporary licenses in the following states: Colorado, Florida, Hawaii, Minnesota, Oklahoma and Texas.

EDUCATION

Bachelor of Science Degree

Southeast Missouri State University

Associate of Arts Degree

Three Rivers Community College

Professional Standards of Practice

National Association of Independent Fee Appraisers

Introductions to Income Properties

National Association of Independent Fee Appraisers

Concepts, Terminology & Techniques

National Association of Independent Fee Appraisers

Financial Analysis of Income Properties

National Association of Independent Fee Appraisers

1.4B Report Writing-Non Residential Real Estate Appraising

National Association of Independent Fee Appraisers

Principles of Residential Real Estate Appraising

National Association of Independent Fee Appraisers

1.4A Report Writing-Residential Real Estate Appraising

National Association of Independent Fee Appraisers

Economics I

Three Rivers Community College

1.4A Report Writing Non-Residential Real Estate Appraising

National Association of Independent Fee Appraisers

Advanced Highest & Best Use and Market Analysis

Appraisal Institute

Advanced Sales Comparison & Cost Approaches

Appraisal Institute

Advanced Income Capitalization

Appraisal Institute



Report Writing & Valuation Analysis

Appraisal Institute

National USPA Update

McKissock

**EXPERIENCE
(1991 TO PRESENT)**

Primary provider of HUD Mark-to-Market Full Appraisals for mortgage restructuring and Mark-to-Market Lites for rent restructuring. Have worked with HUD in this capacity for several years.

Contract appraiser for Kentucky Housing Corporation for the eastern half of the State of Kentucky.

Provider of nursing home appraisals and hotel appraisals as well as typical commercial appraisals nationwide.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide.

Partial list of clients include: Boston Capital, Colorado Housing Finance Agency, CreditVest, Inc., Foley & Judell, LLP, Kentucky Housing Corporation, Kitsap County Consolidated Housing Authority, Louisiana Housing Finance Agency, Missouri Housing Development Agency, New Mexico Mortgage Finance Authority, Ontra, Inc., Quadel Consulting Corporation, Reznick Group, Siegel Group, Signet Partners and Wachovia Securities.



Certificate of Membership

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Designation Maintained By
Samuel Gill

Membership Term
2/1/2024 - 1/31/2025




Kaitlyn Snyder
Managing Director, NH&RA



We affirm that we have made a physical inspection of the site and market area. We also affirm that the appropriate information has been used in the comprehensive evaluation of the need and demand for the proposed rental units. To the best of our knowledge the market can support the demand shown in this study. We understand that any misrepresentations in this statement may result in the denial of participation in the Low Income Housing Tax Credit Program in Virginia as administered by the Virginia Housing. We also affirm that neither we nor anyone at our firm has any interest in the proposed development or relationship with the ownership entity. In addition, we affirm that neither we nor anyone at our firm nor anyone acting on behalf of our firm in connection with the preparation of this report has communication to others that my firm is representing Virginia Housing or in any way acting for, at the request of, or on behalf of Virginia Housing. Finally, we affirm that compensation for our services is not contingent upon this development receiving a reservation or allocation of tax credits.

Jonathan Richmond
Market Analyst

Janice F. Gill, MAI
Market Analyst

Date: March 13, 2024



ADDENDUM A – DATA SOURCES

2010 U.S. Census
American Community Survey
Claritas; Ribbon Demographics (A nationally recognized demographics forecaster)
U.S. Bureau of Labor Statistics

Information used in the market study was obtained from various sources including: the U.S. Census Bureau, Ribbon Demographics, U.S. Bureau of Labor Statistics, interviews with local area and government officials and interview with local property owners or managers.



ADDENDUM B – MARKET STUDY TERMINOLOGY

Absorption Period

The period of time necessary for a newly constructed or renovated property to achieve the Stabilized Level of Occupancy. The Absorption Period begins when the first temporary or permanent certificate of occupancy is issued and ends when the last unit to reach the Stabilized Level of Occupancy has a signed lease. Assumes a typical pre-marketing period, prior to the issuance of the certificate of occupancy, of about three to six months. The month that leasing is expected to begin should accompany all absorption estimates.

Absorption Rate

The average number of units rented each month during the Absorption Period.

Acceptable Rent Burden

The rent-to-income ratio used to qualify tenants for both income restricted and non-income restricted units. The Acceptable Rent Burden varies depending on the requirements of funding sources, government funding sources, target markets, and local conditions.

Affordable Housing

Housing where the tenant household pays no more than 30 percent of its annual income on Gross Rent.

Amenity

Tangible or intangible benefits offered to a tenant at no fee (with the exception of day care), typically on-site recreational facilities or planned programs, services and activities.

Annual Demand

The total estimated demand present in the market in any one year for the type of units proposed. Annual demand estimates factor in tenure, tenant age, income restrictions, family size and turnover.

Area Median Income (AMI)

One-hundred percent of the gross median household income for a specific metropolitan statistical area, county or non-metropolitan area established annually by HUD.

Assisted Housing

Housing where the monthly costs to the tenants are subsidized by federal, state or other programs.

Attached Housing

Two or more dwelling units connected with party walls (e.g., townhouses or flats).

Basic Rent

The minimum monthly rent that tenants who do not have rental assistance pay to lease units developed through the USDA-RD Section 515 Program, the HUD Section 236 Program and HUD Section 223 (d)(3) Below Market Interest Rate Program. The Basic Rent is calculated on the rent required to operate the property, maintain debt service on a subsidized mortgage with a below-market interest rate, and provide a return on equity to the developer in accordance with the regulatory documents governing the property.

Below Market Interest Rate Program (BMIR)

Program targeted to renters with income not exceeding 80 percent of area median income by limiting rents based on HUD's BMIR Program requirements and through the provision of an interest reduction contract to subsidize the market interest rate to a below-market rate. Interest rates are typically subsidized to effective rates of one percent or three percent.

Capture Rate

The percentage of age, size, and income qualified renter households in the Primary Market Area that the property must capture to achieve the Stabilized Level of Occupancy. Funding agencies may require



restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. The Capture Rate is calculated by dividing the total number of units at the property by the total number of age, size and income qualified renter households in the Primary Market Area. See Penetration Rate for rate for entire market area.

Census Tract

A small, relatively permanent statistical subdivision delineated by a local committee of census data users for the purpose of presenting data. Census tract boundaries normally follow visible features but may follow governmental unit boundaries and other non-visible features; they always nest within counties. They are designed to be relatively homogeneous units with respect to population characteristics, economic status, and living conditions at the time of establishment. Census tracts average about 4,000 inhabitants.

Central Business District (CBD)

The center of commercial activity within a town or city; usually the largest and oldest concentration of such activity.

Community Development Corporation (CDC)

Entrepreneurial institution combining public and private resources to aid in the development of socio-economically disadvantaged areas.

Comparable Property

A market-rate or Affordable Housing property that is representative of the rental housing choices of the subject's Primary Market Area and that is similar in construction, size, amenities, or age. These Comparables and Competitives are generally used to derive market rent.

Competitive Property

A property that is comparable to the subject and that competes at nearly the same rent levels and tenant profile, such as age, family or income.

Concession

Discount given to a prospective tenant to induce the tenant to sign a lease. Concessions typically are in the form of reduced rent or free rent for a specified lease term or for free amenities which are normally charged separately (i.e., washer/dryer, parking).

Condominium

A form of joint ownership and control of property in which specified volumes of space (for example, apartments) are owned individually while the common elements of the property (for example, outside walls) are owned jointly.

Contract Rent

1. The actual monthly rent payable by the tenant, including any rent subsidy paid on behalf of the tenants, to the owner, inclusive of all terms of the lease (HUD & RD).
2. The monthly rent agreed to between a tenant and a landlord (Census).

Demand

An estimate of the total number of market households that have both the desire and the ability to obtain the product and/or services offered. These households must be of the appropriate age, income, tenure and size for a specific proposed development. Components of demand vary and can include household growth; turnover, those living in substandard conditions, rent over-burdened households, and demolished housing units. Demand is project specific.



Difficult Development Area (DDA)

An area designated by HUD as an area that has high construction, land, and utility costs relative to the Area Median Gross Income. A project located in a DDA and utilizing the Low Income Housing Tax Credit may qualify for up to 130 percent of eligible basis for the purpose of calculating the Tax Credit allocation.

Detached Housing

A freestanding dwelling unit, typically single-family, situated on its own lot.

Effective Rents

Market Rents less concessions.

Elderly or Senior Housing

Housing where (1) all the units in the property are restricted for occupancy by persons 62 years of age or older or (2) at least 80 percent of the units in each building are restricted for occupancy by households where at least one household member is 55 years of age or older and the housing is designed with amenities and facilities designed to meet the needs of senior citizens.

Extremely Low Income

Person or household with income below 30 percent of Area Median Income adjusted for household size.

Fair Market Rent (FMR)

The estimates established by HUD of the Gross Rents (Contract Rent plus Tenant Paid Utilities) needed to obtain modest rental units in acceptable condition in a specific county or metropolitan statistical area. HUD generally sets FMR so that 40 percent of the rental units have rents below the FMR. In rental markets with a shortage of lower-priced rental units, HUD may approve the use of Fair Market Rents that are as high as the 50th percentile of rents.

Family

A family consists of a householder (i.e., one who occupies or owns a house/head of a household) and one or more other persons living in the same household who are related to the householder by birth, marriage or adoption. Not all households contain families since a household may comprise a group of unrelated persons or one person living alone. (Source: U.S. Census)

Garden Apartments

Apartments in low-rise buildings (typically two to four stories) that feature low density, ample open-space around the buildings, and on-site parking.

Gross Rent

The monthly housing cost to a tenant which equals the Contract Rent provided for in the lease plus the estimated cost of all Tenant Paid Utilities.

High-rise

A residential building having more than ten stories.

Household

All the persons who occupy a housing unit as their usual place of residence. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. (Source: U.S. Census)

Household Trends

Changes in the number of households for a particular area over a specific period of time, which is a function of new household formations (e.g., at marriage or separation) and decreasing average household size.



Housing Unit

House, apartment, mobile home, or group of rooms used as a separate living quarters by a single household.

Housing Choice Voucher (Section 8 Program)

Federal rent subsidy program under Section 8 of the U.S. Housing Act which issues rent vouchers to eligible households to use in the housing of their choice. The voucher payment subsidizes the difference between the Gross Rent and the tenant's contribution of 30 percent of adjusted income (or 10 percent of gross income, whichever is greater). In cases where 30 percent of the tenants' income is less than the utility allowance, the tenant will receive an assistance payment. In other cases, the tenant is responsible for paying his share of the rent each month.

Housing Finance Agency (HFA)

State or local agencies responsible for financing housing and administering Assisted Housing programs.

HUD Section 8 Program

Federal program that provides project based rental assistance. Under the program HUD contracts directly with the owner for the payment of the difference between the Contract Rent and a specified percentage of tenant's adjusted income.

HUD Section 202 Program

Federal program which provides direct capital assistance (i.e., grant) and operating or rental assistance to finance housing designed for occupancy by elderly households who have income not exceeding 50 percent of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization. Units receive HUD project based rental assistance that enables tenants to occupy units at rents based on 30 percent of tenant income.

HUD Section 811 Program

Federal program which provides direct capital assistance and operating or rental assistance to finance housing designed for occupancy by persons with disabilities who have income not exceeding 50 percent of Area Median Income. The program is limited to housing owned by 501(c)(3) nonprofit organizations or by limited partnerships where the sole general partner is a 501(c)(3) nonprofit organization.

HUD Section 236 Program

Federal program which provides interest reduction payments for loans which finance housing targeted to households with income not exceeding 80 percent of area median income who pay rent equal to the greater of Basic Rent of 30 percent of their adjusted income. All rents are capped at a HUD approved market rent.

Income Band

The range of incomes of households that can pay a specific rent but do not have more income than is allowed by the Income Limits of a particular housing program. The minimum household income typically is based on a defined Acceptable Rent Burden percentage and the maximum typically is pre-defined by specific programmatic requirements or by general market parameters.

Income Limits

Maximum household income by county or Metropolitan Statistical Area, adjusted for household size and expressed as a percentage of the Area Median Income for the purpose of establishing an upper limit for eligibility for a specific housing program. Income Limits for federal, state and local rental housing programs typically are established at 30, 50, 60 or 80 percent of AMI. HUD publishes Income Limits each year for 30 percent median, Very Low Income (50%), and Low-Income (80%), for households with one through eight people.



Infrastructure

Services and facilities including roads, highways, water, sewerage, emergency services, parks and recreation, etc. Infrastructure includes both public and private facilities.

Low Income

Person or household with gross household income below 80 percent of Area Median Income adjusted for household size.

Low Income Housing Tax Credit

A program to generate equity for investment in affordable rental housing authorized pursuant to Section 42 of the Internal Revenue Code, as amended. The program requires that a certain percentage of units built be restricted for occupancy to households earning 60 percent or less of Area Median Income, and that the rents on these units be restricted accordingly.

Low Rise Building

A building with one to three stories.

Market Advantage

The difference, expressed as a percentage, between the estimated market rent for an apartment property without income restrictions and the lesser of (a) the owner's proposed rents or (b) the maximum rents permitted by the financing program for the same apartment property.

Market Analysis

A study of real estate market conditions for a specific type of property.

Market Area

A geographic area from which a property is expected to draw the majority of its residents.

Market Area, Primary (PMA)

The most likely geographic area from which a property would draw its support.

Market Area, Secondary (SMA)

The portion of a market area that supplies additional support to an apartment property beyond that provided by the primary market area.

Market Demand

The number of units required in a defined market area to accommodate demand (i.e., households that desire to improve the quality of their housing without significantly increasing their economic burden). Market demand is not project specific and refers to the universe of tenure appropriate households, independent of income. The components of market demand are similar to those used in determining demand.

Market Feasibility Analysis

An analysis that determines whether a proposed development can attain its target rents, taking into account the development's characteristics (location, size, unit mix, design and amenities), the depth of its target market, and the strength of its appeal in comparison to other existing and planned options available to potential consumers.

Market Rent

The rent that an apartment, without rent or income restrictions or rent subsidies, would command in the open market considering its location, features, amenities. Market rent should be adjusted for concessions and owner paid utilities included in the rent.



Market Study

A comprehensive review of the housing market in a defined market area. A market study can be used to determine the demand for specific proposed development or to examine the overall condition of an area's housing market. Project specific market studies are often used by developers, syndicators, and government entities to determine the appropriateness of a proposed development, whereas market specific market studies are used to determine what housing needs, if any, exist within a specific geography. At a minimum, market studies include a review of location, economic conditions, demographics, and existing and proposed housing stock.

Marketability

The manner in which the subject fits into the market; the relative desirability of a property (for sale or lease) in comparison with similar or competing properties in the area.

Market Vacancy Rate – Physical

Average number of apartment units in any market which are unoccupied divided by the total number of apartment units in the same Market Area, excluding units in properties which are in the lease-up stage.

Market Vacancy Rate – Economic

Percentage of rent loss due to concessions and vacancies.

Metropolitan Statistical Area (MSA)

A geographic entity defined by the federal Office of Management and Budget, for use by federal statistical agencies, based on the concept of a core area with a large population nucleus, plus adjacent communities having a high degree of economic and social integration with that core. Qualification of an MSA requires the presence of a city with 50,000 or more inhabitants, or the presence of an Urbanized Area (UA) and a total population of at least 100,000 (75,000 in New England). The county or counties containing the largest city and surrounding densely settled territory are central counties of the MSA. Additional outlying counties qualify to be included in the MSA by meeting certain other criteria of metropolitan character, such as a specified minimum population density or percentage of the population that is urban.

Mid-rise

A building with four to ten stories.

Mixed Income Property

An apartment property containing (1) both income restricted and unrestricted units or (2) units restricted at two or more Income Limits (i.e., Low Income Tax Credit property with income limits of 30, 50 and 60 percent).

Mobility

The ease with which people move from one location to another.

Moderate Income

Person or household with gross household income between 80 and 120 percent of Area Median Income adjusted for household size.

Move-Up Demand

An estimate of how many consumers are able and willing to relocate to more expensive or desirable units, such as tenants who move up from Class C properties to Class B; and Class B tenants that move up to Class A properties; and tenants that move from Class C and B properties to a new superior Low Income Tax Credit property. For purposes of demonstrating move-up demand both changes in Class Construction Type and changes in Quality Classification of five or more may be considered (Reference the Virginia State Board of Equalization Assessor's Handbook Section 531, January 2003, pages 4-5 for definitions of Class and Quality Classifications.)



Multifamily

Structures that contain two or more housing units.

Neighborhood

An area of a city or town with common demographic and economic features that distinguish it from adjoining areas.

Net Rent (also referred to as Contract or Lease Rent)

Gross Rent less Tenant Paid Utilities.

Penetration Rate

The percentage of age and income qualified renter households in the Primary Market Area that live in all existing and proposed properties, to be completed within six months of the subject, and which are competitively priced to the subject that must be captured to achieve the Stabilized Level of Occupancy. Funding agencies may require restrictions to the qualified households used in the calculation including age, income, living in substandard housing, mover-ship and other comparable factors. See Capture Rate for property specific rate.

Pent-up Demand

A market in which there is a scarcity of supply and vacancy rates are very low.

Population Trends

Changes in population levels for a particular area over a specific period of time – which is a function of the levels of births, deaths, and net migration.

Primary Market Area

See Market Area

Programmatic Rents

The proposed rents for a Tax Credit or other income restricted property relative to comparable market rate properties and rents being achieved at another Low Income Housing Tax Credit or other income restricted properties in the market. Can be no greater than maximum rents permitted by the Low Income Housing Tax Credit or other program regulations.

Project Based Rent Assistance

Rental assistance from a federal, state or local program that is allocated to the property or a specific number of units in the property and is available to each income eligible tenant of the property or an assisted unit.

Public Housing or Low Income Conventional Public Housing

HUD program administered by local (or regional) Housing Authorities which serves Low- and Very-Low Income Households with rent based on the same formula used for HUD Section 8 assistance.

Qualified Census Tract (QCT)

Any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income less than 60 percent of Area Median Income or where the poverty rate is at least 25 percent. A project located in a QCT and receiving Low Income Housing Tax Credits may qualify for up to 130 percent of eligible basis for the purpose of calculating the Tax Credit allocation.

Redevelopment

The redesign or rehabilitation of existing properties.

Rent Burden

Contract Rent plus Tenant Paid Utilities divided by the gross monthly household income.



Rent Burdened Households

Households with rent burden above the level determined by the lender, investor or public program to be an acceptable rent-to-income ratio.

Restricted Rent

The maximum allowable rent under the restrictions of a specific housing program or subsidy.

Rural Development (RD) Market Rent

A monthly rent that can be charged for an apartment under a specific USDA-RD housing program, that reflects the agency's estimate of the rent required to operate the property, maintain debt service on an un-subsidized mortgage and provide an adequate return to the property owner. This rent is the maximum rent that a tenant can pay at an RD property.

Rural Development (RD) Program

Federal program which provides low interest loans to finance housing which serves low- and moderate-income persons in rural areas who pay 30 percent of their adjusted income on rent or the basic rent, whichever is the higher (but not exceeding the market rent). The Program may include property based rental assistance and interest reduction contracts to write down the interest on the loan to as low as one percent.

Saturation

The point at which there is no longer demand to support additional units.

Secondary Market Area

The portion of a market area that supplies additional support to an apartment property beyond that provided by the Primary Market Area.

Single-Family Housing

A dwelling unit, either attached or detached, designed for use by one household and with direct access to a street. It does not share heating facilities or other essential building facilities with any other dwelling.

Special Needs Population

Specific market niche that is typically not catered to in a conventional apartment property. This population should exhibit certain criteria, which can be well defined, in order, for example, to assess the need and demand from this source. Examples of special needs populations include substance abusers, visually impaired person or persons with mobility limitations.

Stabilized Level of Occupancy

The underwritten or actual number of occupied units that a property is expected to maintain after the initial rent-up period, expressed as a percentage of the total units. For TCAC projects these percentages are equal to a physical occupancy rate that will generate 90 percent of aggregate restricted rents for SRO and Special Needs units and generate 95 percent of aggregate restricted rents for all other types of units.

State Data Center (SDC)

A state agency or university facility identified by the governor of each state to participate in the U.S. Census Bureau's cooperative network for the dissemination of the census data.

Subsidy

Monthly income received by a tenant or by an owner on behalf of a tenant to pay the difference between the apartment's Contract Rent and the amount paid by the tenant toward rent.



Substandard Conditions

Housing conditions that are conventionally considered unacceptable which may be defined in terms of lacking plumbing facilities, one or more major systems not functioning properly, or overcrowded conditions.

Target Income Band

The estimated Income Band from which the subject will likely draw tenants.

Target Population

Market niche a development will appeal or cater to. State agencies often use Target Population to refer to various income set asides, elderly v. family, etc.

Tenant

One who rents real property from another.

Tenant Paid Utilities

The cost of utilities necessary for the habitation of a dwelling unit, which are paid by the tenant. Tenant Paid Utilities do not include costs for telephone or cable service.

Tenure

The distinction between owner-occupied and renter-occupied housing units.

Townhouse (or Row House)

Single-family attached residence separated from another by party walls, usually on a narrow lot offering small front and back-yards; also called a row house.

Turnover

An estimate of the number of housing units in a Market Area as a percentage of total housing units in the Market Area that will likely change occupants in any one year. Only turnover in the primary market area rental market (i.e., number of rental housing units as a percentage of total rental housing units that will likely change occupants) shall be considered for purposes of constructing demand estimates. See Vacancy Period.

Unmet Housing Need

New units required in the Market Area to accommodate household growth, homeless households, and housing in substandard conditions.

Unrestricted Rents

The recommended rents for the market rate units at a Mixed-Income Property.

Vacancy Period

The amount of time that an apartment remains vacant and available for rent.

Vacancy Rate – Economic

Maximum potential revenue less actual rent revenue divided by maximum potential rent revenue. The economic vacancy rate should be used exclusively for project rent proformas, and not for reporting the vacancy rate of rent comparables.

Vacancy Rate – Physical

The number of total habitable units that are vacant divided by the total number of units in the property. The physical vacancy rate shall be used when reporting comparable vacancy rates.



Very Low Income

Person or household whose gross household income does not exceed 50 percent of Area Median Income adjusted for household size.

Zoning

Classification and regulation of land by local governments according to use categories (zones); often also includes density designations.



ADDENDUM C – NCHMA INDEX

NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

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NCHMA Market Study Index

Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section.

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ADDENDUM D – SUBJECT INFO

SCHEDULE A CONTINUED

PARCEL ONE:

ALL that certain tract or parcel of land situated, lying and being in the City of Emporia, Virginia, containing 0.61 Acres (26,739 Sq. Ft.), designed "Bradley, Percy C., Et Ux", on plat of survey entitled, "PLAT SHOWING SURVEY OF PROPERTY TO BE CONVEYED TO EMPORIA ASSOCIATES, A VIRGINIA LIMITED PARTNERSHIP, EMPORIA, VIRGINIA", dated November 21, 1984, revised August 14, 1985, revised August 15, 1985, revised January 10, 1986, revised January 12, 1986, made by Hassell & Folkes, P.C., Surveyors & Engineers, Chesapeake, Virginia, which plat of survey is of record in the Clerk's Office of the Circuit Court of Greensville County, Virginia, in Plat Book 11, page 161, to which plat reference is here made, and which property is more particularly described according to said plat as follows:

COMMENCING at the southeast corner of Reese Street and Going Street, the true point of beginning; and from the point of beginning thus established, running thence S 60° 00' 00" E a distance of 166.51 feet to a point; running thence S 28° 40' 00" W a distance of 151.94 feet to a point; running thence N 68° 45' 41" W a distance of 156.22 feet to a point in the easterly line of Reese Street; running thence along the easterly line of Reese Street along a curve to the right having a radius of 1273.24 feet and an arc length of 153.42 feet to a point; running thence N 27° 54' 40" E a distance of 23.10 feet to a point, the point or place of beginning.

PARCEL TWO:

ALL that certain tract or parcel of land situated, lying and being in the City of Emporia, Virginia, containing 0.81 Acres (35,227 Sq. Ft.), designed "Bradley P.", on plat of survey entitled "PLAT SHOWING SURVEY OF PROPERTY TO BE CONVEYED TO EMPORIA ASSOCIATES, A VIRGINIA LIMITED PARTNERSHIP, EMPORIA, VIRGINIA", dated November 21, 1984, revised August 14, 1985, revised August 15, 1984, revised January 10, 1986, revised January 12, 1986, made by Hassell & Folkes, P.C., Surveyors & Engineers, Chesapeake, Virginia, which plat of survey is of record in the Clerk's Office of the Circuit Court of Greensville County, Virginia, in Plat Book 11, page 161, to which plat reference is here made, and which property is more particularly described according to said plat as follows:

COMMENCING at the southeast corner of Reese Street and Going Street, the true point of beginning; and from the point of beginning thus established, running thence S 68° 45' 41" E a distance of 231.22 feet to a point; running thence S 29° 36' 09" W a distance of 179.23 feet to a point; running thence N 60° 26' 30" W a distance of 200.95 feet to a point in the easterly line of Reese Street; running thence along the easterly line of Reese Street N 18° 13' 10" E a distance of 86.45 feet to a point; running thence along a curve to the right having a radius of 1273.24 feet and an arc length of 61.95 feet to a point, the point or place of beginning.

(Continued)

SCHEDULE A
COMMITMENT NO. rp00001322





CASE NUMBER
rp00001322

PARCEL THREE:

ALL that certain lot or parcel of land with buildings thereon, lying, being and situate on the east side of Reese Street (formerly Old Halifax Road) in the City of Emporia (formerly Town of Emporia, Belfield Magisterial District, Greensville County), Virginia, fronting on said Reese Street one hundred and two (102) feet more or less, running back between lines a distance of three hundred (300) feet more or less, and the rear line being one hundred (100) feet, more or less; and being all that same and identical real estate as conveyed by Otis P. Dobie, unmarried, to George W. Jordan and Lucy Jordan, his wife, by deed dated December 7, 1945, and of record in the Clerk's Office of the Circuit Court of Greensville County, Virginia, in Deed Book 53, at page 80;

LESS AND EXCEPT a strip of land along Reese Street varying in width from twelve (12) feet to sixteen (16) feet, conveyed unto the Town of Emporia, a Municipal Corporation, for the purpose of constructing a sidewalk, by deed dated January 2, 1962, and of record in the aforesaid Clerk's Office, in Deed Book 81, at page 340. Also being that certain tract or parcel of land containing 0.63 Acres (27,486 Sq. Ft.), designated "Jordan, G.W. & Lucy Estate" on plat of survey entitled "PLAT SHOWING SURVEY OF PROPERTY TO BE CONVEYED TO EMPORIA ASSOCIATES, A VIRGINIA LIMITED PARTNERSHIP, EMPORIA, VIRGINIA", dated November 2, 1984, revised August 14, 1985, revised August 15, 1985, revised January 10, 1986, revised January 12, 1986, made by Hassell & Folkes, P.C., Surveyors & Engineers, Chesapeake, Virginia, which plat of survey is of record in the Clerk's Office of the Circuit Court of Greensville County, Virginia, in Plat Book 11, page 161, to which plat reference is here made, and which property is more particularly described according to said plat as follows:

COMMENCING at the southeast corner of Reese Street and Going Street, thence S 27° 54' 40" W a distance of 23.10 feet to a point; thence along a curve to the left having a radius of 1273.24 feet and an arc length of 153.42 feet to a point; thence along a curve to the left having a radius of 1273.24 feet and an arc length of 61.95 feet to a point; thence S 18° 13' 10" W a distance of 86.45 feet to a point, the true point of beginning; and from the point of beginning thus established, running thence S 60° 26' 30" E a distance of 288.24 feet to a point; running thence S 29° 30' 19" W a distance of 99.77 feet to a point; thence running N 60° 00' 00" W a distance of 268.75 feet to a point in the easterly line of Reese Street; running thence along the easterly line of Reese Street N 18° 13' 10" E a distance of 99.64 feet to a point, the point or place of beginning.

(Continued)



CASE NUMBER
rp00001322

PARCEL FOUR:

ALL that certain tract or parcel of land situated, lying and being in the City of Emporia, Virginia, containing 0.31 Acres (13,335 Sq. Ft.), designed "Johnson, Joseph Estate" on plat of survey entitled "PLAT SHOWING SURVEY OF PROPERTY TO BE CONVEYED TO EMPORIA ASSOCIATES, A VIRGINIA LIMITED PARTNERSHIP, EMPORIA, VIRGINIA", dated November 21, 1984, revised August 14, 1985, revised August 15, 1985, revised January 10, 1986, revised January 12, 1986, made by Hassell & Folks, P.C., Surveyors & Engineers, Chesapeake, Virginia, which plat of survey is of record in the Clerk's Office of the Circuit Court of Greensville County, Virginia, in Plat Book 11, page 161, to which plat reference is here made, and which property is more particularly described according to said plat as follows:

COMMENCING at the southeast corner of Reese Street and Going Street, thence S 27° 54' 40' W a distance of 23.10 feet to a point; thence along a curve to the left having a radius of 1273.24 feet and an arc length of 153.42 feet to a point; thence along a curve to the left having a radius of 1273.24 feet and an arc length of 61.95 feet to a point; thence S 18° 13' 10" W a distance of 86.45 feet to a point; thence S 18° 13' 10" W a distance of 99.64 feet to a point, the true point of beginning; and from the point of beginning thus established, running thence S 60° 00' 00" E a distance of 268.75 feet to a point; running thence S 29° 30' 19" W a distance of 49.89 feet to a point; running thence N 60° 00' 00" W a distance of 259.06 feet to a point in the easterly line of Reese Street; running thence along the easterly line of Reese Street along a curve to the left having a radius of 505.55 feet and an arc length of 16.60 feet to a point; running thence N 18° 13' 10" E a distance of 34.30 feet to a point, the point or place of beginning.

TOGETHER WITH that certain 10' Drainage Easement conveyed to Emporia Associates, by deed from J. Evans Magee and Lucille T. Magee, his wife, dated November 19, 1985, recorded January 14, 1986, in Deed Book 150, page 694.

BEING the same real estate conveyed to Reese I Limited Partnership, a Virginia limited partnership, by deed from Emporia Associates, a Virginia limited partnership, dated June 10, 2003, recorded June 11, 2003, in the Clerk's Office, Circuit Court, City of Emporia, Virginia, as Deed No. 030001084; and by Deed of Correction from Emporia Associates, a Virginia limited partnership, to Reese I Limited Partnership, a Virginia limited partnership, dated March 4, 2004, recorded March 11, 2004 in the aforesaid Clerk's Office as Deed No. 040000410, which adds Parcel Four to the conveyance, previously omitted from the prior deed.

Said property is also described by a Plat of survey prepared by Townes Site Engineers, dated July 26, 2002, last revised on January 20, 2005, entitled "ALTA/ASCM LAND TITLE

(Continued)



CASE NUMBER
rp00001322

SURVEY OF 2.36 ACRES OF LANDSITUATED ON REESE STREET, CITY OF EMPORIA GREENSVILLE COUNTY, VIRGINIA, AS FOLLOWS:

Beginning at a point situated at the southeast intersection of the southern line of Gowin Street, a 25' right of way and the eastern line of Reese Street a 25' right of way, go along the southern line of Gowin Street $S06^{\circ}00'00''$ E., 166.51' to a point; thence leave said southern line $S28^{\circ}40'00''$ W. 152.00' to a point; thence $S68^{\circ}46'41''$ E, 75.00 feet to a point, thence $S29^{\circ}36'09''$ W, 179.23' to a point; thence $S06^{\circ}26'30''$ E, 87.29' to a point; thence $29^{\circ}30'19''$ W, 149.66' to a point; thence $N06^{\circ}00'00''$ W 259.06', to a point situated on the eastern line of Reese Street; thence continue along said east line on a curve to the left with a chord $N19^{\circ}09'38''$ E, 16.60' and a length 16.61' and a delta angle $01^{\circ}52'55''$ and a radius of 505.55 to a point; thence $N18^{\circ}13'10''$ E 220.40' to a point; thence along a curve to the right with a chord $N23^{\circ}04'01''$ 215.11 and a length 215.37' and delta angle $09^{\circ}41'30''$ and a radius 1273.24' to the point of beginning . Said parcel containing 2.36 acres of land.





**Reese Village
 Schedule of Sources and Uses of Funds and
 Calculation of Eligible Low-Income Housing Tax Credit Basis**

Family Emporia, VA			70% PV Eligible Basis (Rehab.)	30% PV Eligible Basis (Acq.)	Other
Uses	Total				
Inherited Cash	\$ 470,835				\$ 470,835
Land	\$ 61,500	Purchase Price			\$ 61,500
Building Acquisition	\$ 916,878	\$ 2,000,000		\$ 916,878	
Purchase Price	\$ 550,787			\$ 550,787	
On Site Land Improvements	\$ 200,000	Construction Contract	\$ 200,000		
Rehabilitation of Existing Structures	\$ 2,400,000		\$ 2,400,000		
Builder's General Requirements	\$ 156,000	\$ 2,964,000	\$ 156,000		
Builder's General Overhead	\$ 52,000	Reahb/unit	\$ 52,000		
Builder's Profit	\$ 156,000	\$ 74,100	\$ 156,000		
Termite	\$ 10,000		\$ 10,000		
Payment/Performance Bond	\$ 23,712		\$ 23,712		
Building Permit	\$ 29,640		\$ 29,640		
Builder's Risk Insurance	\$ 23,712		\$ 23,712		
Construction Inspector	\$ 15,000		\$ 15,000		
Architect Design & Supervision Fee	\$ 155,000		\$ 155,000		
Taxes and Property Insurance	\$ -	W/Contingency			\$ -
Construction Contingency	\$ 296,400	\$ 81,510	\$ 296,400		
Needs Assessment	\$ 6,500		\$ 6,500		
Market Study	\$ 4,500			\$ 4,319	\$ 181
Environmental	\$ 6,000			\$ 5,759	\$ 241
Property Survey Fee	\$ 15,000			\$ 14,397	\$ 603
Property Appraisal Fee	\$ 6,000		\$ 6,000		
Legal Fees	\$ 105,000		\$ 95,000	\$ 9,598	\$ 402
Furniture & Fixtures	\$ 20,000		\$ 20,000		
EarthCraft	\$ 25,000		\$ 25,000		
FHLB Consultant	\$ -				\$ -
Perm Legal	\$ 25,000				\$ 25,000
Perm Loan Fee	\$ 240,000				\$ 240,000
Title Insurance & Recording Fees	\$ 35,000		\$ 18,000	\$ 16,316	\$ 684
Cost Certification Audit	\$ 15,000		\$ 12,500	\$ 2,399	\$ 101
Tax Credit Fee	\$ 26,900		\$ -	\$ -	\$ 26,900
Geotech	\$ -				\$ -
Construction & Bridge Loan Fees	\$ 32,750		\$ 32,750		
Construction & Bridge Loan Interest	\$ 155,950	7.50%			\$ 155,950
Developers Fee	\$ 830,219		\$ 830,219		
Operating Reserve	\$ 234,429				\$ 234,429
Soft Cost Contingency	\$ 48,000				\$ 48,000
Relocation	\$ 100,000				\$ 100,000
Lease-Up Reserve	\$ 50,000				\$ 50,000
Total	\$ 7,498,712		\$ 4,563,433	\$ 1,520,453	\$ 1,414,826
Credit Calculation			\$ -		
High Cost Multiplier X 130%		30%	\$ 1,369,030		
Total Eligible Basis			\$ 5,932,462	\$ 1,520,453	
Credit Percent			9.00%	4.00%	
Calculated Low-Income Tax Credits	\$ 594,739		\$ 533,921	\$ 60,818	
Requested Low-Income Tax Credits	\$ 370,000	\$ 9,250			
Sources					
RR	\$ 430,000	\$ 448,337	2022 Audit		
Current RD Mortgage	\$ 1,252,397	\$ 3,652,397	Total Debt		
SPARC/REACH	\$ 2,400,000	\$ 91,310	Debt/unit		
VHTF	\$ -	0.00%			
FHLB	\$ -				
Investor Capital Contribution	\$ 3,218,678	87.00%	Syndication Price		
Developer Equity (VHDA App)	\$ 322				
Deferred Dev. Fee	\$ 197,315	23.77%			
Total	\$ 7,498,712			\$ 187,468	



Rent Schedule Reese Village

MSA	Emporia City, Balance of State MSA, VA
Area Income	\$66,600

FMR	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
		\$638.00	\$840.00		

Tax Credit Max	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
30% Rents		\$424.00	\$510.00		
40% Rents		\$566.00	\$680.00		
50% Rents		\$708.00	\$850.00		
60% Rents		\$849.00	\$1,020.00		

Family		40 RA			Utility	30% w/o	40% w/o	50% w/o	60% w/o	FMR w/o
	Unit Count	Unit Type	Proposed Rents	Current Rents	Rent Increase	Allowance	UA	UA	UA	UA
30%	4	1 BR	\$1,035	\$613	\$422	\$168	\$256	\$398	\$540	\$681
30%	6	2 BR	\$1,185	\$681	\$504	\$198	\$312	\$482	\$652	\$822
40%		1 BR			\$0	\$168	\$256	\$398	\$540	\$681
40%		2 BR			\$0	\$198	\$312	\$482	\$652	\$822
50%	8	1 BR	\$1,035	\$613	\$422	\$168	\$256	\$398	\$540	\$681
50%	12	2 BR	\$1,185	\$681	\$504	\$198	\$312	\$482	\$652	\$822
60%	4	1 BR	\$1,035	\$613	\$422	\$168	\$256	\$398	\$540	\$681
60%	6	2 BR	\$1,185	\$681	\$504	\$198	\$312	\$482	\$652	\$822
	40				\$0					
Monthly Income			\$45,000	\$26,152						
Annual Income			\$540,000	\$313,824						



Reese Village	2024		2023		2022	
	Underwriting	Budget	Budget	Actual		
Gross Rent Potential	\$ 549,000	\$ 384,384	\$ 337,824	\$ 313,824		
Loss to Old Lease	\$ -	\$ -	\$ -	\$ -		
(Loss to Lease %)	0.00%	0.00%	0.00%	0.00%		
Vacancies						
Apartments	\$ 37,600	\$ 18,219	\$ 9,572	\$ 17,866		
Concessions	\$ -	\$ -	\$ -	\$ -		
Total Vacancies	\$ 37,600	\$ 18,219	\$ 9,572	\$ 17,866		
(Vacancy %)	7.00%	5.00%	2.83%	5.69%		
Other Income						
Laundry and Vending	\$ 1,136	\$ 1,250	\$ 825	\$ 1,239		
NSF and Late Charges	\$ 3,006	\$ 3,204	\$ 2,850	\$ 2,700		
Damages and Cleaning Fees	\$ -	\$ -	\$ -	\$ -		
Forfeited Tenant Security Deposits	\$ -	\$ -	\$ -	\$ -		
Other Income	\$ 500	\$ 427	\$ 427	\$ -		
Total Other Income	\$ 4,643	\$ 4,881	\$ 4,102	\$ 3,939		
Total Income	\$ 506,643	\$ 370,046	\$ 332,355	\$ 299,897		
Administrative Expenses						
Advertising	\$ 1,000	\$ 538	\$ 200	\$ 924		
Other Administrative Expenses	\$ -	\$ -	\$ -	\$ -		
Office Salaries	\$ -	\$ -	\$ -	\$ -		
Office Supplies	\$ 6,795	\$ 6,656	\$ 5,746	\$ 4,475		
Office or Model Apartment Rent	\$ -	\$ -	\$ -	\$ -		
Management Fee	\$ 41,760	\$ 41,760	\$ 36,960	\$ 33,864		
Manager's or Superintendent's Salaries	\$ 36,070	\$ 35,020	\$ 36,190	\$ 37,993		
Manager's or Superintendent's Rent Free Unit	\$ -	\$ -	\$ -	\$ -		
Legal Expenses (Development)	\$ 137	\$ -	\$ 400	\$ -		
Auditing Expenses (Development)	\$ 6,400	\$ 5,670	\$ 4,624	\$ 5,395		
Bookkeeping Fees/Accounting Services	\$ -	\$ -	\$ -	\$ -		
Telephone and Answering Service	\$ 4,605	\$ 4,500	\$ 4,100	\$ 4,816		
Bad Debts	\$ -	\$ -	\$ -	\$ -		
Miscellaneous Administrative Expenses	\$ 6,000	\$ 14,589	\$ 5,565	\$ 2,221		
Total Administrative Expenses	\$ 101,769	\$ 105,733	\$ 93,785	\$ 89,688		
(Bad Debt %)	0.00%	0.00%	0.00%	0.00%		
Utilities Expense						
Fuel Oil/Coal	\$ -	\$ -	\$ -	\$ -		
Electricity (Light and Miscellaneous Power)	\$ 9,225	\$ 7,986	\$ 7,220	\$ 4,932		
Water	\$ 2,313	\$ 2,246	\$ 1,997	\$ 1,538		
Gas	\$ -	\$ -	\$ -	\$ -		
Sewer	\$ 1,120	\$ 1,087	\$ 1,087	\$ 998		
Total Utilities Expense	\$ 11,658	\$ 11,319	\$ 10,304	\$ 7,468		
Operating and Maintenance Expenses						
Janitor and Cleaning Payroll	\$ -	\$ -	\$ -	\$ -		
Janitor and Cleaning Supplies	\$ -	\$ 134	\$ 625	\$ -		
Janitor and Cleaning Contract	\$ -	\$ -	\$ 2,300	\$ -		
Exterminating Payroll/Contract	\$ 3,750	\$ 4,560	\$ 4,563	\$ 4,387		
Exterminating Supplies	\$ -	\$ -	\$ -	\$ -		
Garbage and Trash Removal	\$ 4,500	\$ 4,500	\$ 4,500	\$ -		
Security Payroll/Contract	\$ -	\$ 440	\$ 475	\$ -		
Grounds Payroll	\$ -	\$ 13,273	\$ -	\$ -		
Grounds Supplies	\$ -	\$ 526	\$ -	\$ -		
Grounds Contract	\$ 10,500	\$ -	\$ 9,930	\$ 2,645		
Repairs Payroll	\$ 37,268	\$ 24,792	\$ 36,182	\$ 28,626		
Repairs Materials	\$ 8,000	\$ 8,000	\$ 7,415	\$ 8,457		
Repairs Contract	\$ 8,000	\$ 29,156	\$ 5,325	\$ 28,259		
Elevator Maintenance/Contract	\$ -	\$ -	\$ -	\$ -		
Heating/Cooling Repairs and Maintenance	\$ 1,500	\$ 5,000	\$ 4,300	\$ -		
Swimming Pool Maintenance/Contract	\$ -	\$ -	\$ -	\$ -		
Snow Removal	\$ 1,250	\$ 1,800	\$ 1,200	\$ -		
Decorating Payroll/Contract	\$ 1,000	\$ 1,143	\$ 4,000	\$ -		
Decorating Supplies	\$ 3,000	\$ 6,316	\$ 3,100	\$ 5,524		
Capital Expenditures	\$ -	\$ 3,800	\$ -	\$ 2,617		
Miscellaneous Operating and Maintenance Expenses	\$ 1,250	\$ 1,580	\$ -	\$ -		
Total Operating and Maintenance Expenses	\$ 72,918	\$ 105,619	\$ 83,915	\$ 80,415		
Taxes and Insurance						
Real Estate Taxes	\$ 32,064	\$ 11,732	\$ 13,096	\$ 10,826		
Payroll Taxes (Development's Share)	\$ 8,675	\$ 6,770	\$ 6,484	\$ 8,596		
Miscellaneous Taxes, Licenses and Permits	\$ 6,644	\$ 5,040	\$ 9,508	\$ 4,803		
Property and Liability Insurance (Hazard)	\$ 16,705	\$ 16,219	\$ 11,977	\$ 12,794		
Fidelity Bond Insurance	\$ 250	\$ 250	\$ 90	\$ 80		
Workers' Compensation	\$ 1,312	\$ 1,644	\$ 1,021	\$ 1,155		
Health Insurance and Other Employee Benefits	\$ 8,280	\$ 6,039	\$ 7,078	\$ 7,270		
Other Insurance	\$ -	\$ -	\$ -	\$ -		
Total Taxes and Insurance	\$ 74,150	\$ 51,695	\$ 51,854	\$ 45,524		
Total O&M Expenses	\$ 259,595	\$ 277,366	\$ 239,859	\$ 223,095		
Expenses Per Unit	\$ 6,480	\$ 6,934	\$ 5,996	\$ 5,577		
Replacement Reserves	\$ 26,200	\$ 31,900	\$ 31,900	\$ 18,649		
Total Expenses	\$ 285,795	\$ 309,266	\$ 271,759	\$ 241,744		
Replacement Reserve's Replacement/Included/Response/Item:	\$ -	\$ -	\$ -	\$ -		
	40	40	40	40		
	Family	Family	Family	Family		



15-Year Proforma Reese Village

Assumptions

Revenue Growth		2.00%			
Expense Growth		3.00%	Reserve/Unit		\$655
Vacancy % Rate		7.00%	# Units		40

			Proforma						
			2023	2024	2025	2026	2027	2028	2029
Income									
Gross Rent			\$540,000	\$550,800	\$561,816	\$573,052	\$584,513	\$596,204	\$608,128
Less Vacancy			(\$37,800)	(\$38,556)	(\$39,327)	(\$40,114)	(\$40,916)	(\$41,734)	(\$42,569)
Net Rent Income			\$502,200	\$512,244	\$522,489	\$532,939	\$543,597	\$554,469	\$565,559
Other Income (Laundry/Vending/Tenant Charges)	\$		4,643	\$4,736	\$4,831	\$4,927	\$5,026	\$5,126	\$5,229
Total Income			\$506,843	\$516,980	\$527,320	\$537,866	\$548,623	\$559,596	\$570,788
Operating Expenses			\$259,595	\$267,383	\$275,405	\$283,667	\$292,177	\$300,942	\$309,970
Replacement Reserve			\$26,200	\$26,986	\$27,796	\$28,629	\$29,488	\$30,373	\$31,284
Total Operating Expenses			\$285,795	\$294,369	\$303,200	\$312,296	\$321,665	\$331,315	\$341,254
NOI			\$221,048	\$222,611	\$224,120	\$225,570	\$226,958	\$228,281	\$229,533
			\$3,400,739						
Permanent Financing									
Current RD Mortgage	\$ 1,252,397	1.00%	\$31,840	\$24,199					
SPARC/REACH	\$ 2,400,000	3.95%	\$151,223						
VHTF	\$ -	0.00%	\$0						
Total Debt Service	\$ 3,652,397		\$183,063	\$183,063	\$183,063	\$183,063	\$183,063	\$183,063	\$183,063
Cash Flow			\$37,985	\$39,548	\$41,057	\$42,507	\$43,896	\$45,218	\$46,471
DSC Ratio			1.207	1.216	1.224	1.232	1.240	1.247	1.254



2030	2031	2032	2033	2034	2035	2036	2037
\$620,290	\$632,696	\$645,350	\$658,257	\$671,422	\$684,851	\$698,548	\$712,519
(\$43,420)	(\$44,289)	(\$45,174)	(\$46,078)	(\$47,000)	(\$47,940)	(\$48,898)	(\$49,876)
\$576,870	\$588,407	\$600,175	\$612,179	\$624,423	\$636,911	\$649,649	\$662,642
\$5,334	\$5,440	\$5,549	\$5,660	\$5,773	\$5,889	\$6,006	\$6,127
\$582,204	\$593,848	\$605,725	\$617,839	\$630,196	\$642,800	\$655,656	\$668,769
\$319,269	\$328,847	\$338,713	\$348,874	\$359,340	\$370,121	\$381,224	\$392,661
\$32,223	\$33,189	\$34,185	\$35,211	\$36,267	\$37,355	\$38,476	\$39,630
\$351,492	\$362,037	\$372,898	\$384,085	\$395,607	\$407,476	\$419,700	\$432,291
\$230,711	\$231,811	\$232,827	\$233,754	\$234,588	\$235,324	\$235,956	\$236,478
\$183,063	\$183,063	\$183,063	\$183,063	\$183,063	\$183,063	\$183,063	\$183,063
\$47,649	\$48,748	\$49,764	\$50,691	\$51,526	\$52,261	\$52,893	\$53,415
1.260	1.266	1.272	1.277	1.281	1.285	1.289	1.292



Rent Roll

Reese Village (219)
 As Of = 10/31/2023

Month Year = 10/2023

Unit	Unit Type	Unit Resident Sq Ft	Name	Market Rent	Actual Rent	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move Out	Balance
Current/Notice/Vacant Residents											
301A	219B760	760.00 10035687	Ashley Jarrell	827.00	0.00	667.00	0.00	11/2/2022	11/30/2023	2/29/2024	-7.60
301B	219B760	760.00 10035681	Shakeesta Mitchell	827.00	285.00	642.00	0.00	3/1/2022	3/31/2023		-11.00
301C	219B760	760.00 10036910	Shamie Nicholson	827.00	0.00	717.00	0.00	1/25/2023	1/31/2024		0.00
301D	219B760	760.00 10027197	April Palmer	827.00	0.00	622.00	0.00	10/15/2020	10/31/2021		-708.00
301E	219B760	760.00 10024542	Tina Chappell	827.00	317.00	622.00	0.00	3/18/2020	3/31/2021		301.39
301F	219B760	760.00 VACANT	VACANT	827.00	0.00	0.00	0.00				0.00
301G	219B760	760.00 VACANT	VACANT	827.00	0.00	0.00	0.00				0.00
301H	219B760	760.00 10034407	Kendra Walton	827.00	0.00	642.00	0.00	5/10/2022	5/31/2023		0.00
303A	219B760	760.00 10034831	Kyria Lewis	827.00	335.00	642.00	0.00	6/17/2022	6/30/2023		-8.00
303B	219B760	760.00 10028555	Kenyata Atkins	827.00	0.00	642.00	0.00	2/5/2021	2/28/2022		-0.69
303C	219B760	760.00 10018856	La'Shay Lee	827.00	479.00	612.00	0.00	9/24/2018	9/30/2020		-25.00
303D	219B760	760.00 10058939	Diamond Powell	827.00	0.00	509.00	0.00	7/10/2023	7/31/2024		316.75
303E	219B760	760.00 10051351	Katena Scott	827.00	0.00	717.00	0.00	5/24/2023	5/31/2024		0.00
303F	219B760	760.00 10015166	Sherrell Bailey	827.00	120.00	612.00	0.00	2/5/2018	2/28/2020		-10.00
303G	219B760	760.00 10024571	India Gillis	827.00	0.00	622.00	0.00	3/23/2020	3/31/2021		45.54
303H	219B760	760.00 10023277	Krystal Jones	827.00	0.00	622.00	0.00	12/23/2019	12/31/2020		-14.46
305A	219A520	520.00 10003817	Carol Allen	794.00	107.00	309.77	0.00	2/1/2005	11/30/2019		-44.00
305B	219A520	520.00 10045089	Tina Pitt	794.00	129.00	684.00	0.00	3/22/2023	3/31/2024		0.01
305C	219A520	520.00 10031415	Charles Anderson Jr.	794.00	32.00	609.00	0.00	10/1/2021	9/30/2022		-33.00
305D	219A520	520.00 10003820	Edith Evans	794.00	231.00	289.00	0.00	2/1/2005	3/31/2020		-81.36
305E	219A520	520.00 10003821	Sonia Chappell	794.00	108.00	506.00	0.00	1/24/2013	11/30/2019		0.00
305F	219A520	520.00 10058921	Keith Hall	794.00	198.00	684.00	0.00	7/7/2023	7/31/2024		-0.32
305G	219A520	520.00 10016275	James Michael	794.00	123.00	579.00	0.00	2/23/2018	2/28/2020	1/31/2024	0.00
305H	219A520	520.00 10003824	Lucy Baskerville	794.00	145.00	496.00	0.00	6/28/2009	5/31/2019		-12.00
307A	219A520	520.00 10003825	Diane White	794.00	506.00	516.00	0.00	6/1/2014	2/28/2020		-1.00
307B	219A520	520.00 10003826	Norris Wilson	794.00	218.00	516.00	0.00	11/1/2014	10/31/2018		0.00
307C	219A520	520.00 10022519	Dianne Manning	794.00	267.00	579.00	0.00	10/1/2019	9/30/2020		-30.00
307D	219A520	520.00 10003828	Vernette Banks	794.00	130.00	506.00	0.00	2/19/2013	1/31/2020		-15.00
307E	219A520	520.00 10035547	Floyd Lewis	794.00	324.00	609.00	0.00	10/3/2022	9/30/2024		-2.77
307F	219A520	520.00 10028532	Patricia Sloan	794.00	130.00	609.00	0.00	2/1/2021	2/28/2022		0.00
307G	219A520	520.00 10021977	Lewis Brodnax	794.00	129.00	579.00	0.00	8/5/2019	8/31/2020		-6.00
307H	219A520	760.00 10003827	Rodney Mason	794.00	123.00	545.00	0.00	9/6/2019	9/30/2020		-5.00
309A	219B760	760.00 10003833	Denise Greene	827.00	102.00	505.00	0.00	4/24/2008	3/31/2020		-53.00
309B	219B760	760.00 10003834	Katrina Burleigh	827.00	2.00	534.00	0.00	3/1/2012	2/28/2020		-39.25
309C	219B760	760.00 10025398	Lagueria Banks	827.00	0.00	622.00	0.00	6/13/2020	6/30/2021		-10.34
309D	219B760	760.00 10018193	Narvaell Nelson	827.00	48.00	612.00	0.00	7/13/2018	7/31/2020		0.00
309E	219B760	760.00 10006861	MARTISA WALTON	827.00	184.00	578.00	0.00	10/19/2016	10/31/2024		-1.00
309F	219B760	760.00 10003837	Betsy Michael	827.00	0.00	539.00	0.00	5/14/2013	3/31/2020		-11.00

Rent Roll

Reese Village (219)
 As Of = 10/31/2023

Month Year = 10/2023

Unit	Unit Type	Unit Resident Sq Ft	Name	Market Rent	Actual Rent	Resident Deposit	Other Deposit	Move In	Lease Expiration	Move Out	Balance
309G	219B760	760.00 10020010	Kimberly Whyte	827.00	0.00	612.00	0.00	2/7/2019	2/28/2020		0.00
309H	219B760	760.00 10003839	Rebecca Taylor	827.00	202.00	505.00	0.00	8/19/2008	8/31/2019		0.00
		Total	Reese Village(219)	32,552.00	4,955.00	22,012.77	0.00				-466.10

Summary Groups	Square Footage	Market Rent	Actual Rent	Security Deposit	Other Deposits	# Of Units	% Unit Occupancy	% Sqft Occupied	Balance
Current/Notice/Vacant Residents	26,800.00	32,552.00	4,955.00	22,012.77	0.00	40	95.00	94.37	-466.10
Future Residents/Applicants	0.00	0.00	0.00	0.00	0.00	0			0.00
Occupied Units	25,280.00	30,696.00				38	95.00	94.32	
Total Non Rev Units	0.00	0.00				0	0.00	0.00	
Total Vacant Units	1,520.00	1,856.00				2	5.00	5.67	
Totals:	28,800.00	32,552.00	4,955.00	22,012.77	0.00	40	100.00	100.00	-466.10



ADDENDUM E – FLOOD DATA

National Flood Hazard Layer FIRMette



Legend

SEE THE REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANELAYOUT

SPECIAL FLOOD HAZARD AREAS

- White: Minimum Base Flood Elevation (BFE) Zone A1-A3
- Light Blue: 1% Annual Chance Flood Hazard
- Dark Blue: 0.2% Annual Chance Flood Hazard
- Orange: Areas of 1% Annual Chance Flood Hazard with average depth less than one foot or with drainage areas of less than one square mile. Zone C
- Light Green: Areas with Reduced Flood Risk due to levees. See Notes, Zone E
- Yellow: Areas with Flood Risk due to levees. Zone D

OTHER AREAS OF FLOOD HAZARD

- Blue: Areas of Minimal Flood Hazard. Zone F
- Light Blue: Effective 10 MWs
- Orange: Areas of Unincorporated Road Hazard. Zone G

GENERAL STRUCTURES

- Red: Channel, Culvert, or Storm Sewer
- Blue: Levee, Dike, or Retention Wall

OTHER FEATURES

- Black: Cross Sections with 1% Annual Chance
- Green: Water Surface Elevation
- Blue: Coastal Traverses
- Red: Base Flood Elevation Line (BFE)
- Green: Limits of Study
- Blue: Jurisdiction Boundary
- Red: Coastal Traverses, Baseline
- Blue: Profile Baseline
- Green: Hydrographic Features

MAP PANELS

- Green: Digital Data Available
- Yellow: No Digital Data Available
- White: Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property feature.

This map complies with FEMA's standards for the use of digital flood maps if it is the only one available below. The baseline shown complies with FEMA's baseline accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was updated on 2/12/2024 at 10:02 AM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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