



**A MARKET STUDY OF  
EDEN PARK - ESPERANZA NEIGHBORHOOD APARTMENTS,  
A HYPOTHETICAL RENT AND INCOME RESTRICTED  
COMPLEX TO BE LOCATED IN THE NORTHEAST AREA OF  
UNINCORPORATED IMMOKALEE, FLORIDA 34142**

**PREPARED FOR  
RURAL NEIGHBORHOODS  
19308 SW 380<sup>TH</sup> STREET  
FLORIDA CITY, FLORIDA 33034**

**ATTN: MR. STEVEN KIRK**

**LOCATION COORDINATES  
FOR THE APPROXIMATE CENTER OF THE STUDY AREA  
LONGITUDE: -81.4501 LATITUDE: 26.4328**

**DATE OF REPORT  
JUNE 17, 2015**

**PREPARED BY  
MERIDIAN APPRAISAL GROUP, INC.**

**ROBERT VON, PRESIDENT  
STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER RZ 1604**

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June 17, 2015

Mr. Steven Kirk  
Rural Neighborhoods  
19308 SW 380<sup>th</sup> Street  
Florida City, Florida 33034

**Re: A market study of affordable apartments in the northeast portion of Immokalee, Collier County, Florida 34142.**

**Meridian File No: 15-SFK**

Dear Mr. Kirk:

As requested, we have prepared a market study for the proposed Eden Park - Esperanza Neighborhood Apartments. The improvements will consist of an assumed 80 unit complex situated on a site that is yet to be determined, located in the northeast portion of Immokalee. The property will be considered a Class B improvement in the local area.

The property is assumed to be vacant land. The subject's defined study area is further described within the text of the following report.

The intended use of this report is for internal decision making. The intended user of this report is Rural Neighborhoods. No other use or users are intended.

The purpose of this market study is to provide:

1. A site analysis;
2. An improvement analysis;
3. A regional analysis;
4. A neighborhood analysis;
5. An Apartment Market Overview for the subject market area;
6. A determination of Primary Market Area (PMA) for the purposes of demographic analysis, and Competitive Market Area (CMA) for like-kind uses for purposes of inventory and occupancy analysis;
7. A demographic analysis, including an Income Band Analysis and Capture Rate Analysis of the likely draw area;
8. Rental estimates for the subject, both as a market rate project and as restricted by the Housing Credit program;
9. Conclusions and recommendations concerning the subject's unit mix, unit sizes, amenities and unit features relative to its competition;
10. Impact of the subject property on existing affordable housing inventory in general, and Guarantee Fund properties in particular;

MR. STEVEN KIRK  
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11. Estimate the average occupancy rate for the Competitive Market Area (CMA);
12. Estimate an average absorption rate for the subject property.

In order to accomplish the previous objectives, we have conducted the following research and analysis:

- 1) Examination of the subject site, surrounding development patterns, demographics and other relevant factors that influence development potential.
- 2) Review of neighborhood, regional, sub-regional and competitive market area apartment market trends.
- 3) Identification and examination of specific competitive projects located within the subject market area.
- 4) Review and evaluation of the development concept for the subject to include: features, amenities, unit mix, unit sizes and proposed rental rates.

This market study is the result of this evaluation, together with supporting data and documentation, as of the date of this report, June 17, 2015.

#### **Summary of Conclusions and Recommendations**

- 1) The subject site has not yet been determined.
- 2) The recommendations for the subject product are based on the newest competitive project located near the subject, in addition to newer projects in similar areas. As described, the subject improvements would be expected to effectively compete with the existing product and achieve the rents concluded.

The following is the subject's proposed unit mix.

Unit Type	# Of Units	Unit Size (S.F.)	Total S.F.
1/1	12	650	7,800
2/2	28	900	25,200
3/2	28	1,075	30,100
4/2	12	1,125	13,500
<b>Total/Avg.</b>	<b>80</b>	<b>958</b>	<b>76,600</b>

The total living area within the units is 76,600 square feet, resulting in an average unit size of 958 square feet. We recommend development to a density of eight to 12 units per acre, with all two-story buildings. We recommend a density of eight to 12 units per acre.

We recommend that the subject's amenities include a clubhouse, pool, fitness center, business center, laundry room, picnic area, playground, car wash, and picnic areas; other amenities could also include an outside sports court. Regarding unit features, Crestview Park includes ceiling fans, countertop microwaves, dishwashers, solid surface flooring, and garbage disposals, with the appliances being white/off-white. The units do not include patios/balconies or washer/dryer hookups. Of the comparables in Immokalee, only Timber Ridge includes washer/dryer hookups, though this feature is provided at the comparables outside the area and is typical of newer construction. In order to compete

with Crestview Park, the subject should provide a similar offering and include washer/dryer hookups and patios/balconies, if possible. With these unit features, we have also assumed that water/sewer would not be included in the rents. Also, Crestview Park's buildings are two-story; third floor units would be difficult to rent to the subject's likely target market of large families or seniors, so a maximum building height of two stories is recommended.

- 3) The subject property is located in Collier County within the Naples-Fort Myers-Punta Gorda Metropolitan Statistical Area. The MSA had a total population of about 1,195,098 in 2015; it is expected to increase by 7.60% between 2015 and 2020. The unemployment rate in the MSA was 5.3% as of February 2015, which is slightly lower than the statewide rate of 5.5% and the national rate of 5.8%. Unemployment rates have been generally decreasing in all of the counties within the MSA since 2010; the current employment rates in all of the counties in the MSA are close to the pre-recession levels. Multi-family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2012, with 2014 levels about the same as 2007 levels. Single family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2009, with 2014 levels slightly better than 2008 levels.
- 4) The subject neighborhood is a predominantly agricultural area located northeast of Naples. The area is moderate income, with about 56% of the occupations being in the service and farm industries. The population is projected to grow over the next five years, as are the median and average household incomes, both of which are well below the county. Most housing consists of moderately priced single family homes and mobile homes. Habitat for Humanity has a significant presence in the area. Apartment housing is limited to small projects operating under a variety of programs such as the Housing Credit, HOME, Rural Development, Tax-Exempt Bond and HUD programs. Several of the Housing Credit properties in the Immokalee area have tenant requirements that stipulate some or all of their units are set-aside for farmworkers, although this requirement has been temporarily waived or reduced in most of these communities.
- 5) The apartment market within Collier County consists of a wide variety of unit types ranging from subsidized housing, older market rate projects, newer affordable projects, and upscale market rate projects. The subject is in the Immokalee area, which has a significantly different character than the coastal portion of the county, due to its agricultural nature. Most properties in Immokalee are older or affordable; there is also a significant amount of mobile homes. Vacancy for apartment properties with 50 units or more in Collier County is 1.7%, the same as the rate for properties within a five-mile radius of the center of the subject's defined area. The overall vacancy rate for the county is 1.7%; it is the same in the subject's five-mile ring; both are much lower than the five-year averages of 4.1% and 5.8%. The five-mile ring contains 8% of the county's inventory, but includes all of the inventory in the Immokalee area. A recap of 787 units within 10 affordable apartment complexes in the five-mile radius of the subject's defined area indicates an overall occupancy rate of 94.8%. The average gross rent is \$808, or \$165 below the maximum allowable average rent. No new apartments are known to be planned in the Immokalee area. Although three-bedroom units are the most common unit type, a significant proportion of households have one (19% of the units) or two (21%) occupants; however, about 61% of the households have three or more occupants. Notably, a significant number of smaller households rent larger units. For example, one would expect two and three-bedroom units to be occupied primarily by households with two or more people; however, the data indicates that about 56% of these units are occupied by one-person households. The average cost-burden is 37%, but the range is 27% to 51%.
- 6) The Primary Market Area (PMA) is defined as a 10-mile ring centered on the subject property. The area determination is based on data gathered in the Small Area Data (SAD) Case Study that can be

found on the FHFC website. The study indicated that most affordable family projects receive about 2/3 to 3/4 of their tenants from within 10 miles. The Competitive Market Area (CMA) is defined as those projects lying in closest proximity to the subject with similar income restrictions and demographic commitments. In large markets, numerous like-kind properties can be found in close proximity (within two to three mile rings) of the subject. In smaller markets, the CMA may expand beyond the PMA to capture sufficient like-kind projects. The subject's Competitive Market Area (CMA) (as a Housing Credit property with a family demographic commitment and all units at the 60% set aside), for the purpose of determining a like-kind inventory of competitive units in the Occupancy Analysis, consists of four like-kind properties with a total of 538 units.

- 7) Demographic analysis indicates that the only market segment with a shortage of units is the one serving households with incomes at 0% to 30% of the Area Median Income. Data from the American Community Survey (ACS) for the Immokalee CDP indicates a shortage of 384 rental units for this group. More in-depth analysis indicates a favorable environment for new development for only rent-assisted product based on supply and demand. Many potential tenants would likely be drawn from mobile homes, which constitute about 30% of the housing in the area. Furthermore, household growth for households under 60% of the AMI is projected at 195 households per year between 2015 and 2020, so demand is expected to grow in the near future.
- 8) Our conclusions of attainable restricted rents are summarized in the following chart.

Potential Base Rental Income-Restricted				
Unit Type	Set Aside	No. Units	\$/Month	Total Annual Rent
1/1	60% AMI	12	\$556	\$80,064
2/2	60% AMI	28	\$634	\$213,024
3/2	60% AMI	28	\$831	\$279,216
4/2	60% AMI	12	\$838	\$120,672
<b>Total/Avg.</b>		<b>80</b>	<b>\$722</b>	<b>\$692,976</b>

Our conclusions of attainable market rents are summarized in the following chart.

Potential Base Rental Income-Market				
Unit Type	No. Units	Unit Size	\$/Month	Total Annual Rent
1/1	12	650	\$700	\$100,800
2/2	28	900	\$800	\$268,800
3/2	28	1,075	\$950	\$319,200
4/2	12	1,125	\$1,100	\$158,400
<b>Total/Avg.</b>	<b>80</b>	<b>958</b>	<b>\$883</b>	<b>\$847,200</b>

The subject benefits from a good spread between market and restricted rents at all set asides, as shown on the following chart.

Restricted Rent vs. Market Rent Comparison						
Unit Type	Set Aside	No. of Units	Net Rent	Market Rent	\$ Difference	% Difference
1/1	60% AMI	12	\$556	\$700	\$144	26%
2/2	60% AMI	28	\$634	\$800	\$166	26%
3/2	60% AMI	28	\$831	\$950	\$119	14%
4/2	60% AMI	12	\$838	\$1,100	\$262	31%
<b>Total/Avg.</b>		<b>80</b>	<b>\$722</b>	<b>\$883</b>	<b>\$161</b>	<b>22%</b>

According to FHFC requirements, the average market rent must be 10% greater than the average restricted rent; in our analysis, the estimated overall weighted average market rent is 22% greater than estimated average restricted rent.

The following chart compares the subject's maximum allowable restricted rents to the achievable rents.

Max vs. Achievable Restricted Rent				
Unit Type	Set Aside	Max Net Rent	Est. Net Rent	Difference
1/1	60% AMI	\$604	\$556	\$48
2/2	60% AMI	\$722	\$634	\$88
3/2	60% AMI	\$831	\$831	\$0
4/2	60% AMI	\$921	\$838	\$83
<b>Total/Avg.</b>		<b>\$772</b>	<b>\$722</b>	<b>\$50</b>

- 9) Based on the data from the comparables, for a project with a family demographic commitment, we recommend that the subject offer predominantly two and three-bedroom units. If one and/or four-bedroom units are offered, neither should exceed 15% of the total units. For a senior property, we suggest mostly one-bedroom units and some two-bedrooms. The concluded unit sizes are near the low end of the ranges indicated by the comparables but would be accepted in this moderate-income market. The recommended common area amenities and unit features would allow the subject to compete effectively with existing product.
- 10) The following table summarizes the aggravating and mitigating factors and the subject's concluded impact on the properties in the subject's CMA and Guarantee Fund properties within the subject's PMA. Note that there are no funded proposed properties in the subject's Competitive Market Area and no Guarantee Fund properties in the subject's Primary Market Area.

Impact Analysis - CMA (Housing Credit, Family, All Units at 60% Set Aside)											
Apartment	Type	Unempl. Current	Unempl. Trend	Proximity	Area Occup.	CMA Occup.	Occup. Trend	Like Kind	Demog.	Overall Short-Term	Overall Long-Term
Crestview Park I & II	F	M	M	A	M	M	M	A	A	Strong	Strong
Oakhaven	F	M	M	A	M	M	M	A	A	Strong	Strong
Sanders Pines Apartments	F	M	M	A	M	M	M	A	A	Strong	Strong
Timber Ridge of Immokalee	F	M	M	A	M	M	M	A	A	Strong	Strong

A=Aggravating M=Mitigating GF=Guarantee Fund E=Elderly F=Family

All of the Housing Credit properties in the subject's CMA would be negatively impacted, in both the short and long-term, by additional Housing Credit development with a family demographic commitment and no rental assistance. The only senior Housing Credit property in the area would be negatively impacted by additional senior Housing Credit developments. Rent-assisted units would likely be impacted minimally in the short-term and expected low-income household growth over the next five years would result in weak impact over the long term.



MR. STEVEN KIRK  
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- 11) The subject's CMA weighted average occupancy rate is 98.4%.
- 12) Due to the subject's isolated location in a market area with little depth, we estimate absorption toward the low end of the range indicated by similar properties, at eight to 10 units per month, with many of the subject's tenants being drawn from the existing, older Housing Credit stock.

The analyses, opinions and conclusions were developed and this report has been prepared in conformance with the Uniform Standards of Professional Appraisal Practice as promulgated by the Appraisal Standards Board of the Appraisal Foundation and the Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute.

This letter of transmittal precedes the consultation report, further describing the property and containing the reasoning and most pertinent data leading to the final conclusions. Your attention is directed to the "Extraordinary Assumptions/Extraordinary Limiting Conditions," "General Assumptions," "General Limiting Conditions" and "Certification," which have been included within the text of this report.

Respectfully submitted,  
**Meridian Appraisal Group, Inc.**

A handwritten signature in blue ink, appearing to read "Robert Von".

Robert Von, President  
State-Certified General Real Estate Appraiser RZ 1604

A handwritten signature in blue ink, appearing to read "Connie L. Jennings".

Connie L. Jennings, MAI, Senior Appraiser  
State-Certified General Real Estate Appraiser RZ 2053

RV:CLJ:dmh

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### **ADDENDA**

APPRAISERS' QUALIFICATIONS

ENGAGEMENT LETTER

2015 RENTAL RATES AND INCOME LIMITS

UTILITY ALLOWANCE



## CERTIFICATION

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As the undersigned consultants, we hereby certify that to the best of our knowledge and belief:

- the statements of fact contained in this report (upon which the analyses, opinion and conclusions expressed herein are based) are true and correct.
- the analysis, opinions and conclusion in the report are limited only by the assumptions and limiting conditions and special assumptions, if any, set forth and are the personal, unbiased professional analyses, opinions and conclusions of the consultant.
- we have no present or prospective interest in the subject property and have no personal bias with respect to the parties involved.
- our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- our compensation is not contingent upon the development or the reporting of a predetermined conclusion or conclusions that favor the cause of the client, the attainment of a stipulated result or the occurrence of a subsequent event directly related to the intended use of this report.
- our analyses and opinions were developed and this report has been prepared in conformity with (and the use of this report is subject to) all regulations issued by the appropriate regulatory entities regarding the enactment of Title XI of the Financial Institution Reform, Recovery and Enforcement Act of 1989 (FIRREA) and any subsequent updates, the Uniform Standards of Professional Appraisal Practice, as promulgated by the Appraisal Standards Board of the Appraisal Foundation, and the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
- we have personally inspected the subject property and every comparable project included within this report.
- no one, other than the undersigned, prepared the personal unbiased professional analyses, conclusions and opinions concerning real estate that are set forth in this report unless and except as acknowledged in this report.
- we have performed within the context of the competency provision of the Uniform Standards of Professional Appraisal Practice.
- the Appraisal Institute conducts a mandatory program of continuing education for its designated members. MAI's who meet the minimum standards of this program are awarded periodic educational certification and the undersigned MAI has completed all continuing education requirements.
- Robert Von, President and Connie L. Jennings, MAI, Senior Appraiser, have not performed other real estate related services involving the subject property of this report within the three year period immediately preceding the acceptance of this assignment

Also, we certify to the following:

- We have made a physical inspection of the site and market area and that information has been used in the study.
- We have followed the requirements of the market study engagement.
- We have no interest in the subject property or relationship with the applicant, developer, ownership entity, or application preparer.

CERTIFICATION (CONT'D)

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**Property Location**

The subject study area consists of a specified area in the Eden Park - Esperanza neighborhood in northeast Immokalee.

**Date of Report**

June 17, 2015

Certified by

**Meridian Appraisal Group, Inc.**



Robert Von, President

State-Certified General Real Estate Appraiser RZ 1604



Connie L. Jennings, MAI, Senior Appraiser

State-Certified General Real Estate Appraiser RZ 2053

## EXECUTIVE SUMMARY

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### Location

The subject study area consists of a specified area in the Eden Park - Esperanza neighborhood in northeast Immokalee.

### Site Description

The subject site has not yet been determined.

**Qualified Census Tract (QCT):** No (12021011301 and 12021011302)

**Difficult to Develop Area (DDA):** No (Naples-Marco Island MSA)

### Improvement Analysis

The subject is assumed to consist of 80 apartment units.

The following is the subject's proposed unit mix.

Unit Type	Set Aside	# Of Units	Unit Size (S.F.)	Total S.F.
1/1	60% AMI	12	650	7,800
2/2	60% AMI	28	900	25,200
3/2	60% AMI	28	1,075	30,100
4/2	60% AMI	12	1,125	13,500
<b>Total/Avg.</b>		<b>80</b>	<b>958</b>	<b>76,600</b>

The total area within the units is 76,600 square feet, resulting in an average unit size of 958 square feet. The indicated density is eight to 12 units per acre.

Regarding unit features, Crestview Park includes ceiling fans, countertop microwaves, dishwashers, solid surface flooring, and garbage disposals, with the appliances being white/off-white. The units do not include patios/balconies or washer/dryer hookups. Of the comparables in Immokalee, only Timber Ridge includes washer/dryer hookups, though this feature is provided at the comparables outside the area and is typical of newer construction. In order to compete with Crestview Park, the subject should provide a similar offering and include washer/dryer hookups and patios/balconies, if possible. With these unit features, we have also assumed that water/sewer would not be included in the rents. Also, Crestview Park's buildings are two-story; third floor units would be difficult to rent to the subject's likely target market of large families or seniors, so a maximum building height of two stories is recommended. We recommend that the subject's amenities include a clubhouse, pool, fitness center, business center, laundry room, picnic area, playground, car wash, and picnic areas; other amenities could also include an outside sports court.

### Regional Analysis

The subject property is located in Collier County within the Naples-Fort Myers-Punta Gorda Metropolitan Statistical Area. The MSA had a total population of about 1,195,098 in 2015; it is expected to increase by 7.60% between 2015 and 2020. The unemployment rate in the MSA was 5.3% as of February 2015, which is slightly lower than the statewide rate of 5.5% and the national rate of 5.8%. Unemployment rates have been generally decreasing in all of the counties within the MSA since 2010; the current employment rates in all of the counties in the MSA are close to the pre-recession levels. Multi-family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2012, with 2014 levels about the same as 2007 levels. Single family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2009, with 2014 levels slightly better than 2008 levels.

### **Neighborhood Analysis**

The subject neighborhood is a predominantly agricultural area located northeast of Naples. The area is moderate income, with about 56% of the occupations being in the service and farm industries. The population is projected to grow over the next five years, as are the median and average household incomes, both of which are well below the county. Most housing consists of moderately priced single family homes and mobile homes. Habitat for Humanity has a significant presence in the area. Apartment housing is limited to small projects operating under a variety of programs such as the Housing Credit, HOME, Rural Development, Tax-Exempt Bond and HUD programs. Several of the Housing Credit properties in the Immokalee area have tenant requirements that stipulate some or all of their units are set-aside for farmworkers, although this requirement has been temporarily waived or reduced in most of these communities.

### **Apartment Market Overview**

The apartment market within Collier County consists of a wide variety of unit types ranging from subsidized housing, older market rate projects, newer affordable projects, and upscale market rate projects. The subject is in the Immokalee area, which has a significantly different character than the coastal portion of the county, due to its agricultural nature. Most properties in Immokalee are older or affordable; there is also a significant amount of mobile homes. Vacancy for apartment properties with 50 units or more in Collier County is 1.7%, the same as the rate for properties within a five-mile radius of the center of the subject's defined area. The overall vacancy rate for the county is 1.7%; it is the same in the subject's five-mile ring; both are much lower than the five-year averages of 4.1% and 5.8%. The five-mile ring contains 8% of the county's inventory, but includes all of the inventory in the Immokalee area. A recap of 787 units within 10 affordable apartment complexes in the five-mile radius of the subject's defined area indicates an overall occupancy rate of 94.8%. The average gross rent is \$808, or \$165 below the maximum allowable average rent. No new apartments are known to be planned in the Immokalee area. Although three-bedroom units are the most common unit type, a significant proportion of households have one (19% of the units) or two (21%) occupants; however, about 61% of the households have three or more occupants. Notably, a significant number of smaller households rent larger units. For example, one would expect two- and three-bedroom units to be occupied primarily by households with two or more people; however, the data indicates that about 56% of these units are occupied by one-person households. The average cost-burden is 37%, but the range is 27% to 51%.

### **Definitions of Primary Market Area and Competitive Market Area**

The Primary Market Area (PMA) is defined as a 10-mile ring centered on the subject property. The area determination is based on data gathered in the Small Area Data (SAD) Case Study that can be found on the FHFC website. The study indicated that most affordable family projects receive about 2/3 to 3/4 of their tenants from within 10 miles. The Competitive Market Area (CMA) is defined as those projects lying in closest proximity to the subject with similar income restrictions and demographic commitments. In large markets, numerous like-kind properties can be found in close proximity (within two to three mile rings) of the subject. In smaller markets, the CMA may expand beyond the PMA to capture sufficient like-kind projects.

The subject's Competitive Market Area (CMA) (as a Housing Credit property with a family demographic commitment and all units at the 60% set aside), for the purpose of determining a like-kind inventory of competitive units in the Occupancy Analysis, consists of four like-kind properties with a total of 538 units.

### **Demographic/Supply and Demand Analysis**

Demographic analysis indicates that the only market segment with a shortage of units is the one serving households with incomes at 0% to 30% of the Area Median Income. Data from the American Community Survey (ACS) for the Immokalee CDP indicates a shortage of 384 rental units for this group. More in-depth analysis indicates a favorable environment for new development for only rent-assisted product based on supply and demand. Many potential tenants would likely be drawn from mobile homes, which constitute about 30% of the housing in the area. Furthermore, household growth for households under 60% of the AMI is projected at 195 households per year between 2015 and 2020, so demand is expected to grow in the near future.

### **Market and Restricted Rents**

Our conclusions of attainable restricted rents are summarized in the following chart.

Potential Base Rental Income-Restricted				
Unit Type	Set Aside	No. Units	\$/Month	Total Annual Rent
1/1	60% AMI	12	\$556	\$80,064
2/2	60% AMI	28	\$634	\$213,024
3/2	60% AMI	28	\$831	\$279,216
4/2	60% AMI	12	\$838	\$120,672
<b>Total/Avg.</b>		<b>80</b>	<b>\$722</b>	<b>\$692,976</b>

Our conclusions of attainable market rents are summarized in the following chart.

Potential Base Rental Income-Market				
Unit Type	No. Units	Unit Size	\$/Month	Total Annual Rent
1/1	12	650	\$700	\$100,800
2/2	28	900	\$800	\$268,800
3/2	28	1,075	\$950	\$319,200
4/2	12	1,125	\$1,100	\$158,400
<b>Total/Avg.</b>	<b>80</b>	<b>958</b>	<b>\$883</b>	<b>\$847,200</b>

The subject benefits from a good spread between market and restricted rents at all set asides, as shown on the following chart.

Restricted Rent vs. Market Rent Comparison						
Unit Type	Set Aside	No. of Units	Net Rent	Market Rent	\$ Difference	% Difference
1/1	60% AMI	12	\$556	\$700	\$144	26%
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3/2	60% AMI	28	\$831	\$950	\$119	14%
4/2	60% AMI	12	\$838	\$1,100	\$262	31%
<b>Total/Avg.</b>		<b>80</b>	<b>\$722</b>	<b>\$883</b>	<b>\$161</b>	<b>22%</b>

According to FHFC requirements, the average market rent must be 10% greater than the average restricted rent; in our analysis, the estimated overall weighted average market rent is 22% greater than estimated average restricted rent.

The following chart compares the subject's maximum allowable restricted rents to the achievable rents.

Max vs. Achievable Restricted Rent				
Unit Type	Set Aside	Max Net Rent	Est. Net Rent	Difference
1/1	60% AMI	\$604	\$556	\$48
2/2	60% AMI	\$722	\$634	\$88
3/2	60% AMI	\$831	\$831	\$0
4/2	60% AMI	\$921	\$838	\$83
<b>Total/Avg.</b>		<b>\$772</b>	<b>\$722</b>	<b>\$50</b>

#### Conclusion and Recommendations Regarding Amenities, Unit Features, Unit Sizes and Unit Mix

Based on the data from the comparables, for a project with a family demographic commitment, we recommend that the subject offer predominantly two- and three-bedroom units. If one- and/or four-bedroom units are offered, neither should exceed 15% of the total units. For a senior property, we suggest mostly one-bedroom units and some two-bedrooms. The concluded unit sizes are near the low end of the ranges indicated by the comparables but would be accepted in this moderate-income market. The recommended common area amenities and unit features would allow the subject to compete effectively with existing product.

**Impact of Subject Property on Existing and Proposed Affordable Projects**

The following table summarizes the aggravating and mitigating factors and the subject's concluded impact on the properties in the subject's CMA and Guarantee Fund properties within the subject's PMA.

Impact Analysis - CMA (Housing Credit, Family, All Units at 60% Set Aside)											
Apartment	Type	Unempl. Current	Unempl. Trend	Proximity	Area Occup.	CMA Occup.	Occup. Trend	Like Kind	Demog.	Overall Short-Term	Overall Long-Term
Crestview Park I & II	F	M	M	A	M	M	M	A	A	Strong	Strong
Oakhaven	F	M	M	A	M	M	M	A	A	Strong	Strong
Sanders Pines Apartments	F	M	M	A	M	M	M	A	A	Strong	Strong
Timber Ridge of Immokalee	F	M	M	A	M	M	M	A	A	Strong	Strong

A=Aggravating M=Mitigating GF=Guarantee Fund E=Elderly F=Family

All of the Housing Credit properties in the subject's CMA would be negatively impacted, in both the short- and long-term, by additional Housing Credit development with a family demographic commitment and no rental assistance. The only senior Housing Credit property in the area would be negatively impacted by additional senior Housing Credit developments. Rent-assisted units would likely be impacted minimally in the short-term and expected low-income household growth over the next five years would result in weak impact over the long term.

**CMA Occupancy Rate**

The subject's CMA weighted average occupancy rate is 98.4%.

**Absorption Rate**

Due to the subject's isolated location in a market area with little depth, we estimate absorption toward the low end of the range indicated by similar properties, at eight to 10 units per month, with many of the subject's tenants being drawn from the existing, older Housing Credit stock.

## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS

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This appraisal report has been made with the following **general assumptions**:

1. The legal description used in this report is assumed to be correct.
2. The appraisers have made no survey of the property and no responsibility is assumed in connection with such matters. Sketches in this report are included only to assist the reader in visualizing the property.
3. No responsibility is assumed for matters of legal nature affecting title to the property nor is an opinion of title rendered. The title is assumed to be good and merchantable.
4. Information and data furnished by others is usually assumed to be true, correct and reliable. When such information and data appears to be dubious and when it is critical to the appraisal, a reasonable effort has been made to verify all such information; however, the appraiser assumes no responsibility for its accuracy.
5. All mortgages, liens, encumbrances, leases and servitude have been disregarded unless so specified within the report. The property is appraised as though under responsible ownership and competent management.
6. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures rendering it more or less valuable. No responsibility is assumed for such conditions or for engineering that may be required to discover them.
7. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless noncompliance is stated, defined and considered in the appraisal report.
8. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in the appraisal report.
9. It is assumed that all required licenses, consents or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
10. It is assumed that the utilization of the land and improvements will be within the boundaries or property lines or the property described and that there will be no encroachments or trespass unless noted within the report.
11. The dates of value to which the opinions in this report apply are reported herein. The appraiser assumes no responsibility for economic or physical factors occurring at some later dates that may affect the opinions stated herein.
12. Unless otherwise stated in the report, the existence of hazardous material, which may or may not be present on the property, was not observed by the appraisers. The appraisers have no knowledge of the existence of such materials on or in the property. The appraisers, however, are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or potentially hazardous materials may affect the value of the property. The value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required to discover them. The reader is urged to retain an expert in this field, if desired.

This appraisal report has been made with the following **general limiting conditions**:

1. The appraisers will not be required to give testimony or appear in court because of having made this appraisal, with reference to the property in question, unless arrangements have been previously made thereof.



## GENERAL ASSUMPTIONS AND LIMITING CONDITIONS (CONT'D)

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2. Possession of the report, or copy thereof, does not carry with it the right of publication. It may not be used for any purposes by any person other than the party to whom it is addressed without written consent of the appraiser, and in any event only with proper written qualification and only in its entirety.
3. The distribution of the total valuation in this report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for the land and improvements must not be used in conjunction with any other appraisal and are invalid if so used.
4. No environmental impact studies were requested or made in conjunction with this appraisal, and the appraiser hereby reserves the right to alter, amend, revise, or rescind any of the value opinions based upon any subsequent environmental impact studies, research or investigation.
5. Neither all nor any part of the contents of this report, or copy thereof, shall be conveyed to the public through advertising, public relations, news, sales or any other media without written consent and approval of the appraisers. Nor shall the appraiser, firm or professional organization of which the appraiser is a member be identified without written consent of the appraisers.
6. Acceptance of and/or use of this appraisal report constitutes acceptance of the foregoing General Assumptions and General Limiting Conditions.

This report has been made with the following **Extraordinary Assumptions and Limiting Conditions**:

None

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## DEFINITION OF IMPORTANT TERMS

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### **Highest and Best Use<sup>1</sup>**

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

### **Fee Simple Estate<sup>2</sup>**

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

### **Leased Fee Estate<sup>3</sup>**

An ownership interest held by a landlord with the rights of use and occupancy conveyed by lease to others. The rights of the lessor (the leased fee owner) and the leased fee are specified by contract terms contained within the lease.

### **Leasehold Estate<sup>4</sup>**

The interest held by the lessee (the tenant or renter) through a lease conveying the rights of use and occupancy for a stated term under certain conditions.

**Cost-Burden (CB)** is the percent of income spent on housing which includes rent plus utilities. A common CB target for affordable housing is 30%.

**Level of Effort (LOE)** is Supply divided by Demand. If the supply of affordable housing within a defined geographic area is equal to 500 and the potential demand within that same defined geographic area equals 2,000, then the Level of Effort is 500/2,000 or 25%. Level of Effort defines how much of the potential demand has already been satisfied.

**Capture Rate (CR)** is just the individual subject units divided by Demand. If the subject contains 100 units and the potential demand is 2,000 then the Capture Rate is 100/2,000 or 5%. Capture Rate helps to define the size of the subject relative to the size of the market.

**Remaining Potential Demand (RPD)** is equal to Demand minus Supply. If the potential demand is 2,000 and the supply is 500 then the RPD is 2,000 minus 500 or 1,500. RPD helps to define how deep the remaining market is.

**Growth of Income-Qualified Renter Households ( $\Delta$  IQRH).** Potential demand currently is 2,000; however, five years from now the potential demand will grow to 2,500, indicating growth of 500 over the five-year period or an annual growth of potential demand of 100.

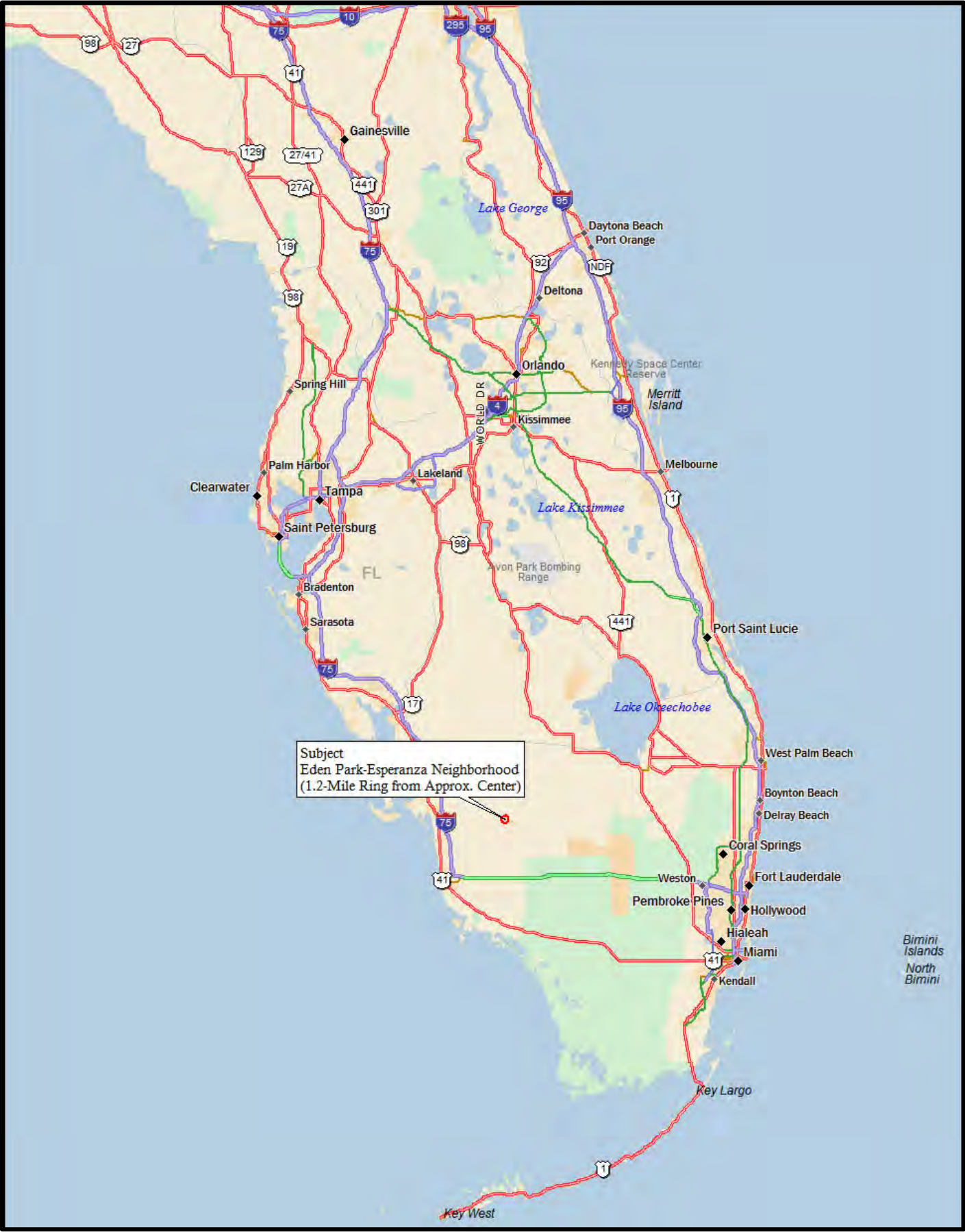
### **Definition Sources**

<sup>1</sup> The Appraisal of Real Estate, Appraisal Institute, 14<sup>th</sup> Edition, 2013, Pages 333

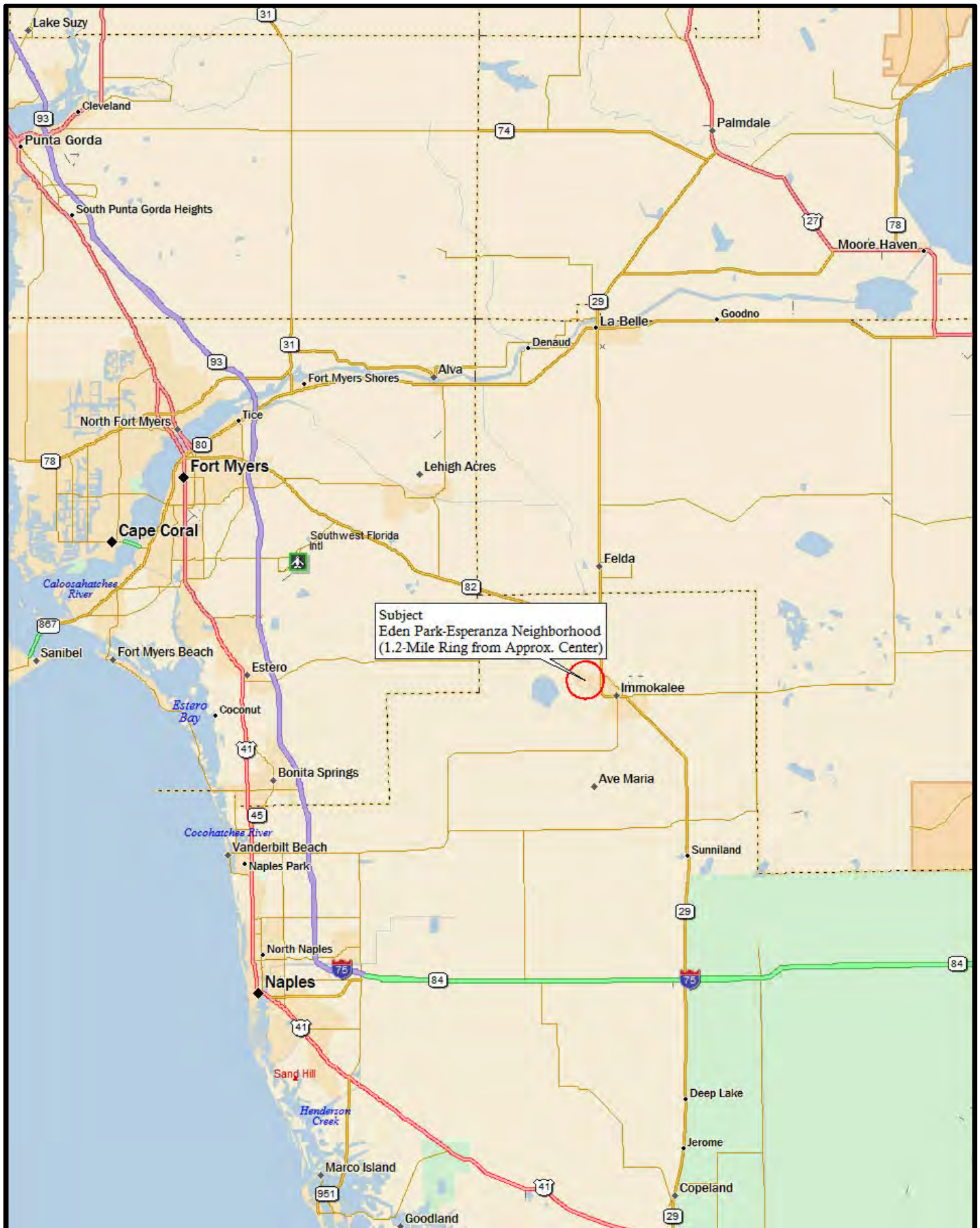
<sup>2</sup> The Dictionary of Real Estate Appraisal, Appraisal Institute, 5<sup>th</sup> Edition, 2010, Page 78

<sup>3</sup> The Dictionary of Real Estate Appraisal, Appraisal Institute, 4<sup>th</sup> Edition, 2002, Page 161. The Dictionary's 5<sup>th</sup> Edition definition of leased fee interest (Page 111) is "A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a landlord-tenant relationship (i.e. a lease)." While both are accurate, we consider the Dictionary's 4<sup>th</sup> Edition definition to be more descriptive and easily understood.

STATE LOCATION MAP



## LOCATION MAP





## AERIAL MAP



The map displays the Lake Traftord area with various streets and landmarks. Key streets include 120210113022, 120210113023, 120210113012, and 120210113013. Landmarks such as Lake Traftord, Lake Traftord Memorial Cemetery, and Lake Traftord are labeled. The map is divided into sections by red and orange lines.



Subject  
Eden Park-Esperanza Neighborhood  
(1.2-Mile Ring from Approx. Center)

Map showing the Subject Eden Park-Esperanza Neighborhood, defined by a 1.2-mile ring from an approximate center. The map includes various streets and landmarks, such as Westclox St, Eden Ave, Bradley Ln, Curry Rd, CR 850, N 29th St, El Paso Trl, Taylor St, Dilsa Ln, Wells St, N 15th St, Indian Camp Rd, White Way, Brown Way, Hancock St, Roberts Ave W, Mimbosa Ave, Santa Rosa Ave, Orchard Dr, Monroe St, and Massau St. The map also shows the location of the subject area relative to the surrounding region, including the area around the center of the map.



## SUBJECT PHOTOGRAPHS

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VIEW NORTH ALONG NORTH 15<sup>TH</sup> STREET IN  
NORTHERN PORTION OF SUBJECT STUDY  
AREA



VIEW SOUTH ALONG NORTH 15<sup>TH</sup> STREET



FSU COLLEGE OF MEDICINE IN N. PORTION  
OF SUBJECT AREA



VIEW ALONG WESTCLOX ROAD



HATCHER'S PRESERVE SUBDIVISION



JUBILATION ENTRANCE

## SUBJECT PHOTOGRAPHS

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TYPICAL MULTI-FAMILY IN JUBILATION



ARROWHEAD RESERVE SUBDIVISION



FAITH LANDING STREET SCENE



IMMOKALEE DRIVE STREET SCENE



OLD DOWNTOWN IMMOKALEE STREET  
SCENE (SOUTH OF SUBJECT AREA)



ONE OF MANY MOBILE HOME AREAS



## SUBJECT PHOTOGRAPHS

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GARDEN LAKE - RENT-ASSISTED  
APARTMENTS



OLDER APARTMENTS



CRESTVIEW - NEWEST HOUSING CREDIT  
APARTMENTS



TIMBER RIDGE SINGLE FAMILY HOUSING  
CREDIT DEVELOPMENT

## SUBJECT PROPERTY DATA

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**Type**

We have assumed that the Eden Park - Esperanza Neighborhood Apartments will consist of 80 rental units.

**Location**

The subject study area consists of a specified area in the Eden Park - Esperanza neighborhood in northeast Immokalee.

**Legal Description**

Not applicable.

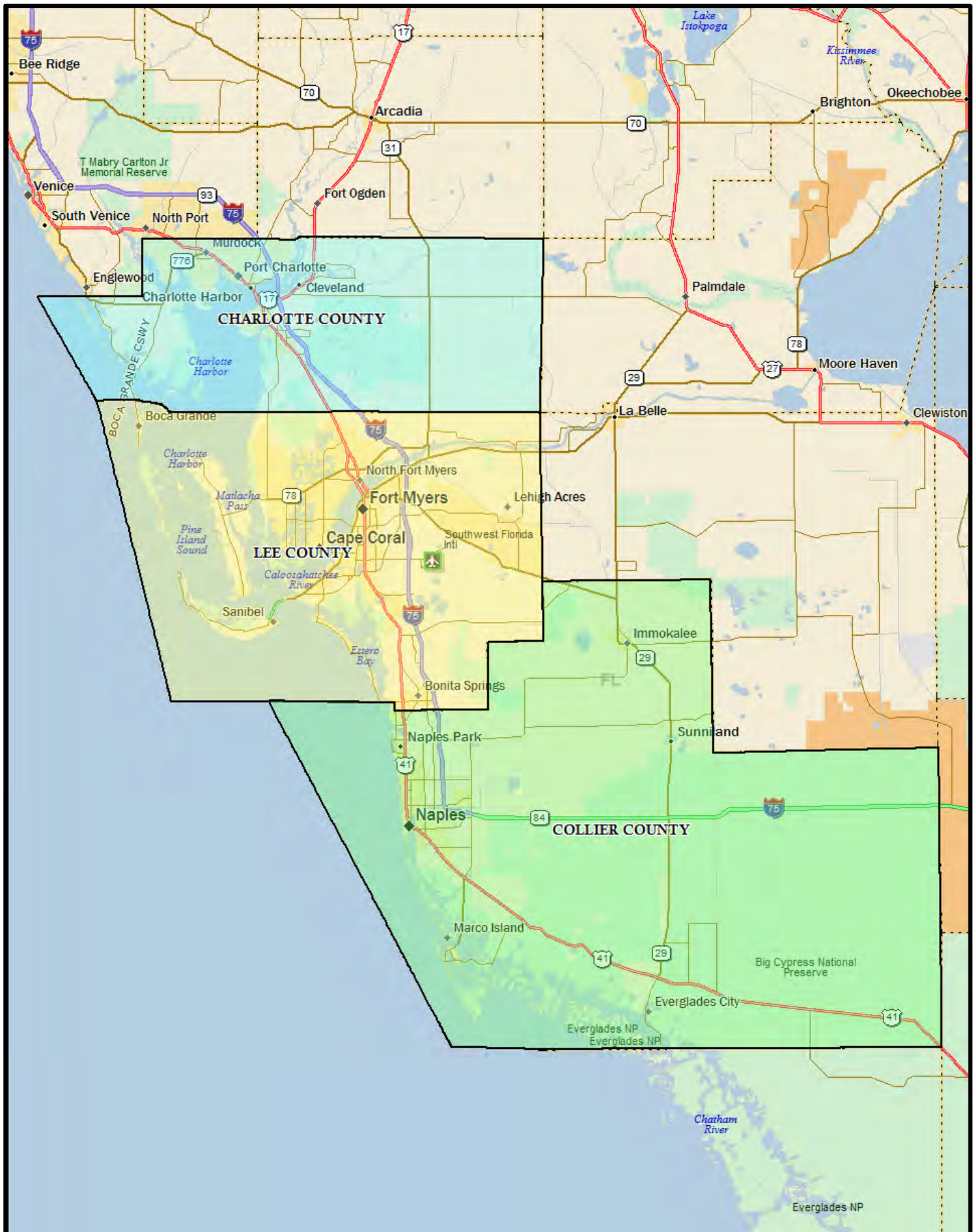
**Ownership and Three-Year History of Subject**

The subject study area covers approximately 4.5 square miles, with properties under many different ownerships.

**Flood Zone**

The defined study area covers multiple flood panels.

## REGIONAL MAP



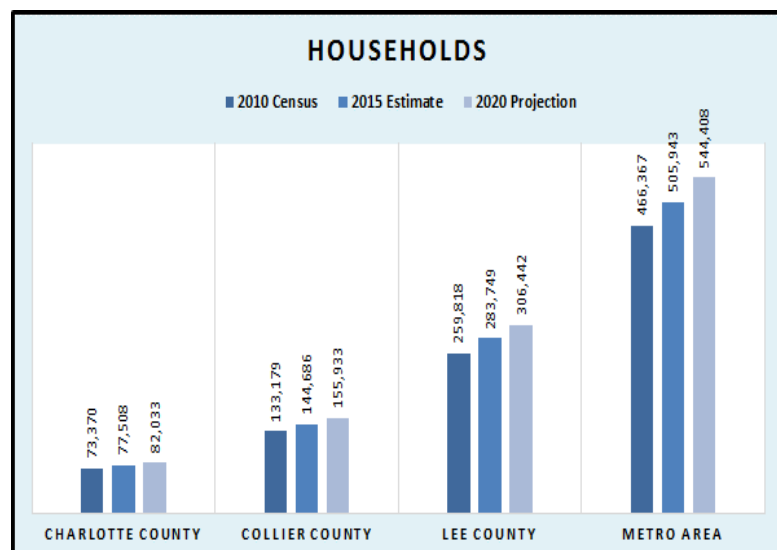
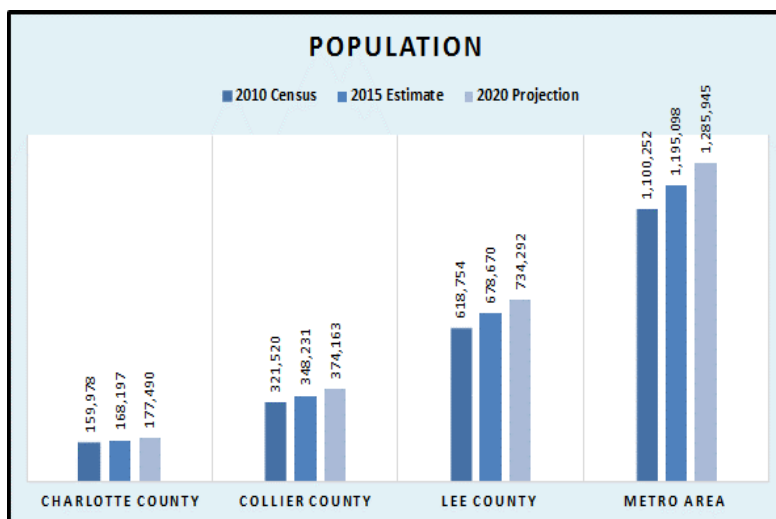
## NAPLES-FORT MYERS-PUNTA GORDA REGIONAL OVERVIEW

The subject property is located in Collier County within the Naples-Fort Myers-Punta Gorda Metropolitan Statistical Area. For purposes of our discussions, the Naples-Fort Myers-Punta Gorda MSA is comprised of the Cape Coral-Fort Myers CBSA, the Naples-Immokalee-Marco Island CBSA and the Punta Gorda CBSA, as defined by the US Census Bureau. Lee County was created in 1887 and was named after famous Confederate General Robert E. Lee. Charlotte County was created in 1921 and was named after the Bay of Charlotte Harbor. Collier County was created from Lee County in 1923 and was named after Barron Collier, a New York City advertising mogul. These three counties encompass about 4,377 square miles, of which 854 square miles are water (19.5%) and 3,523 square miles are land area (80.5%). Lee County encompasses 1,212 total square miles with 408 square miles of water (33.7%); Collier County encompasses 2,305 square miles with 280 square miles of water (12.1%); and Charlotte County encompasses 860 square miles with 166 square miles of water (19.3%).

### DEMOGRAPHICS

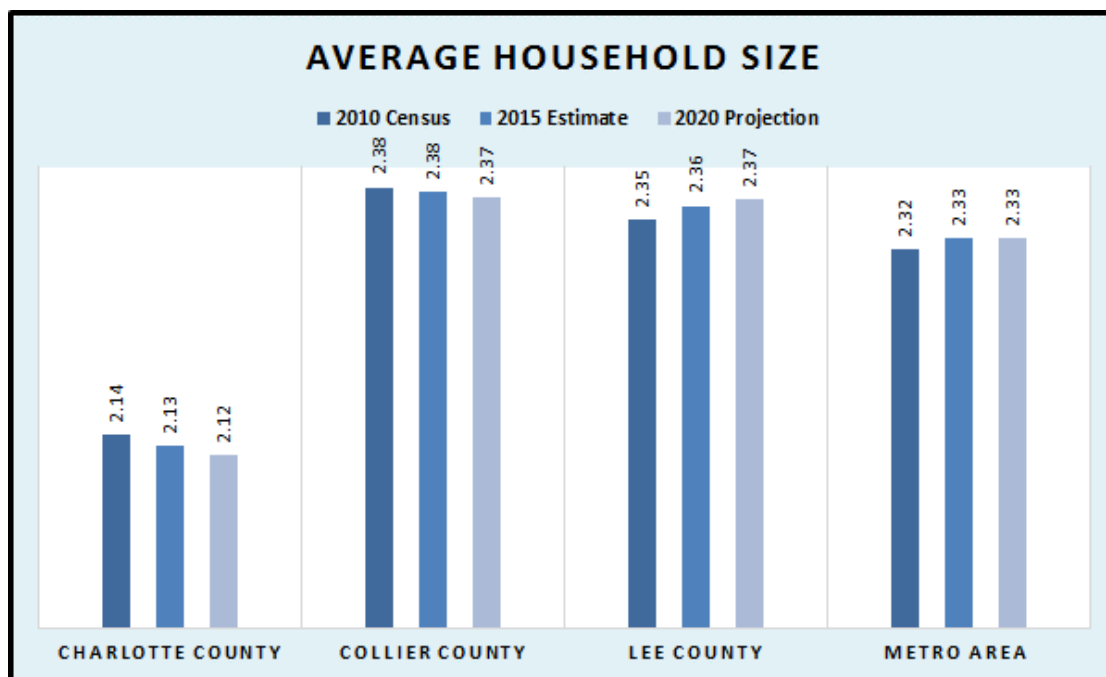
The Naples-Fort Myers-Punta Gorda MSA has a total population of 1,195,098 and grew 8.62% over the last five years. It is expected to reach 1,285,945 people by 2020 which is an anticipated increase of 7.60% over this five year period. Collier County comprises about 29% of the population of the MSA; its population is expected to grow by 7.45% over the next five years.

The Naples-Fort Myers-Punta Gorda MSA has a total of 505,943 households and grew 8.49% over the last five years. It is expected to reach 544,408 households by 2020 which is an anticipated increase of 7.60% over this five year period. Collier County comprises 29% of the total households.



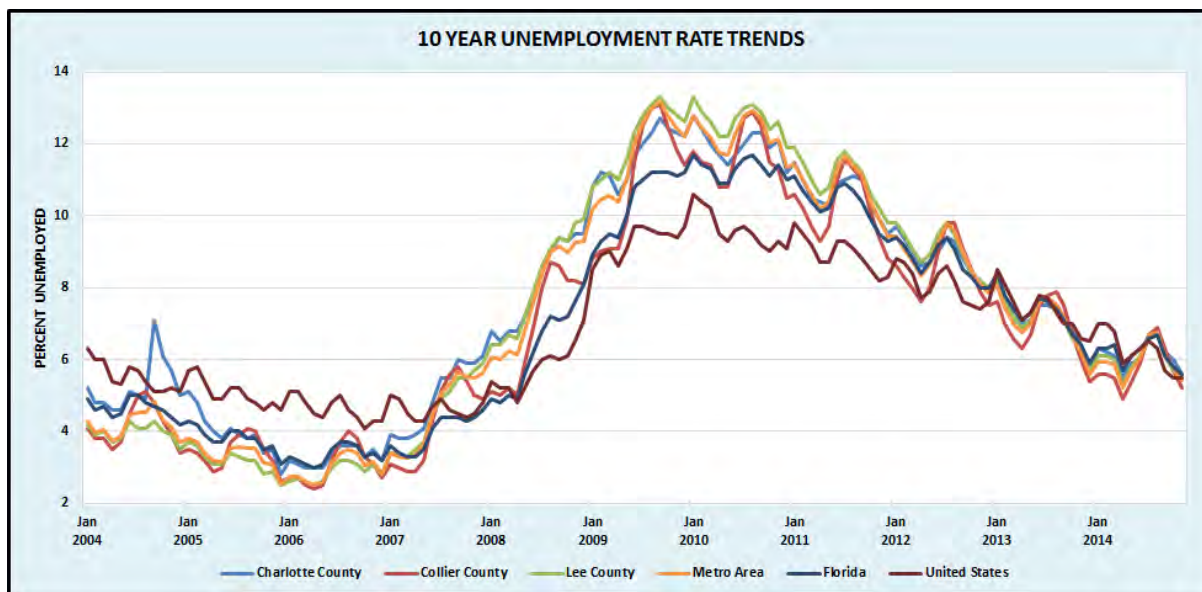
The Naples-Fort Myers-Punta Gorda MSA has an average household size of 2.33 people and grew 0.22% over the last five years from 2.32 people in 2010. The metro area average household size is expected to increase 0.07% to 2.33 persons per household over the next five years in the MSA, compared to the state (0.08%) and the nation (-0.14%).



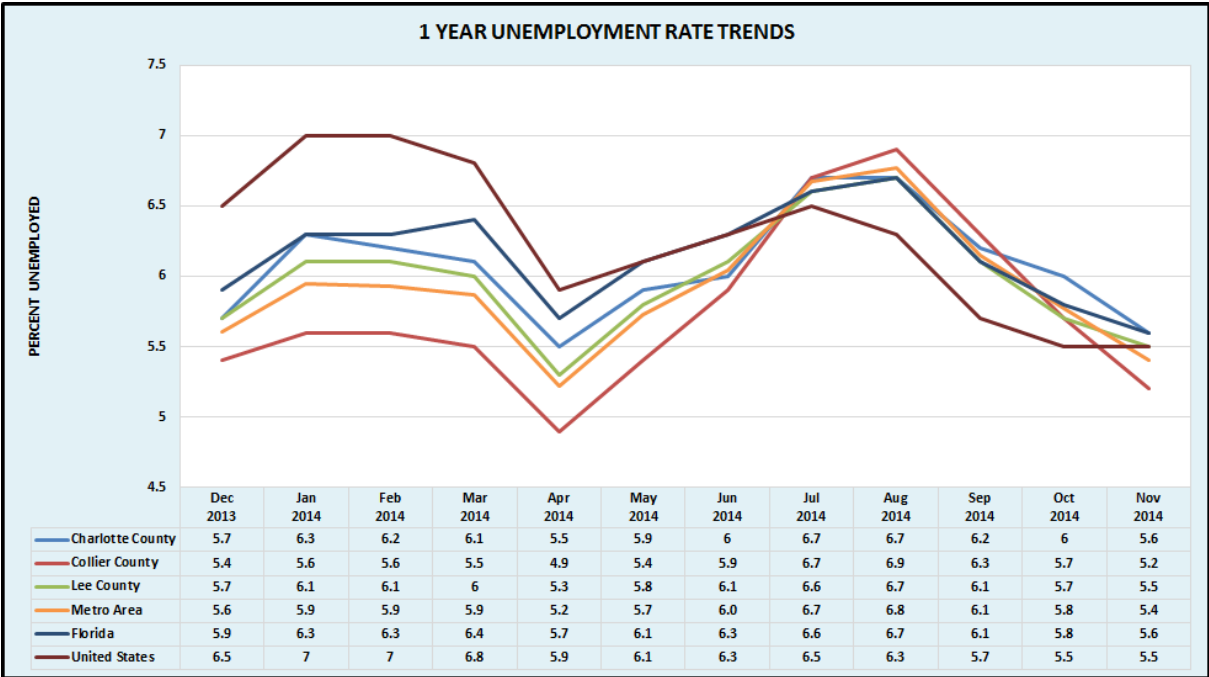


## EMPLOYMENT

The unemployment rate for the Naples-Fort Myers-Punta Gorda metro area as of February 2015 was 5.3%. The statewide unemployment rate is 5.5%, while the national unemployment rate is 5.8%. The tables below summarize unemployment rate trends. The current employment rates in all of the counties in the MSA are close to the pre-recession levels.

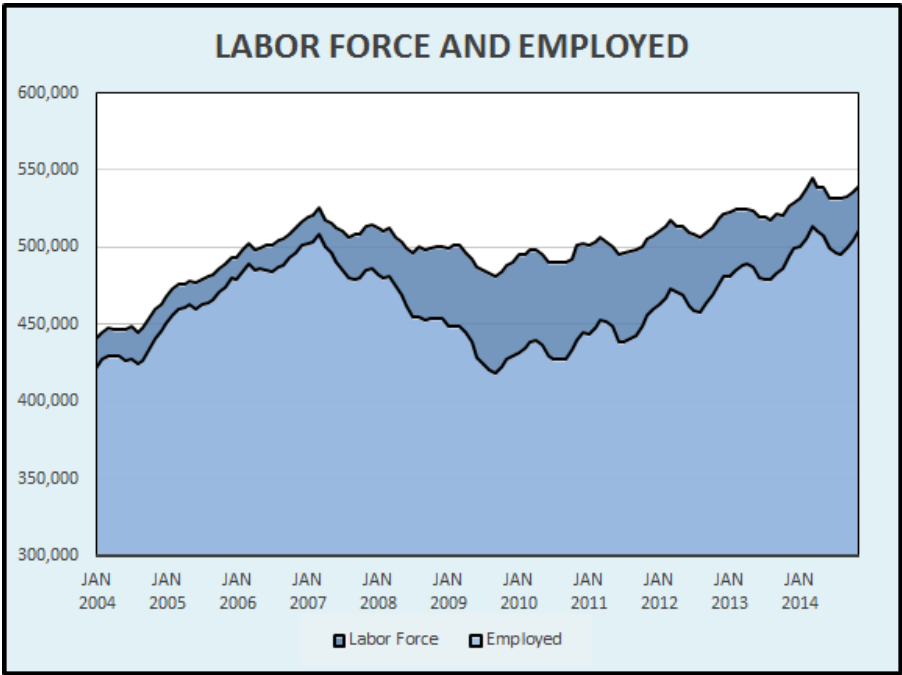






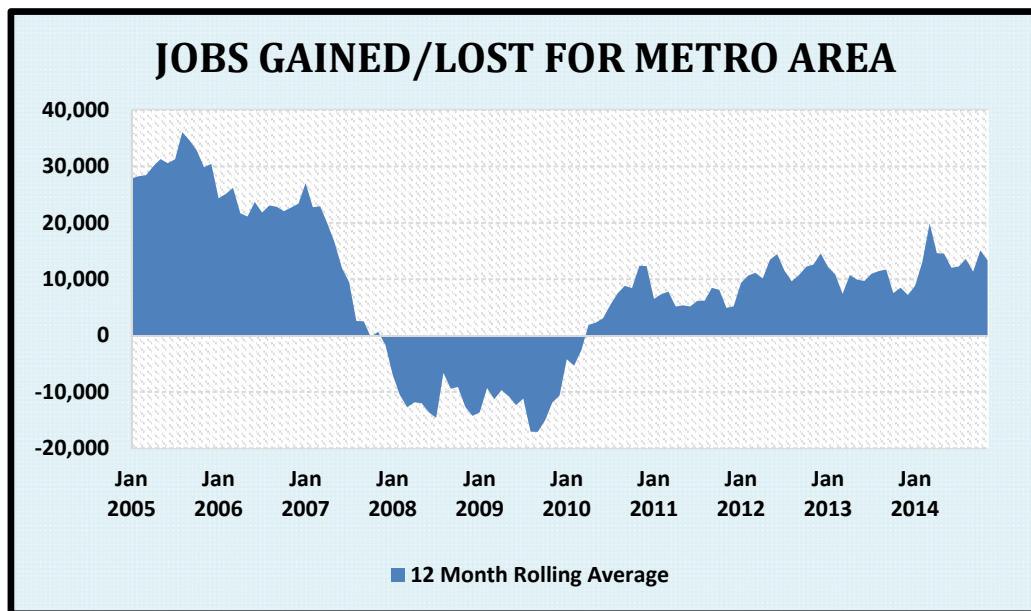
As illustrated by the graphics above and below, employment had generally kept pace with population (labor force) growth from January 2004 to April 2007, gradually bringing the unemployment rate down to around 3%. Concurrent with the nationwide Great Recession commencing 4Q2007, however, the local unemployment rate rapidly increased to 9.3% by the end of 2008; it reached a 10 year high of 13.2% in September 2009 and was 12.2% by year-end 2009. The unemployment rate has since been gradually declining: to 11.4% by the end of 2010; 9.4% by the end of 2011; 7.8% by the end of 2012; 5.6% by the end of 2013 and 5.0% by year-end 2014.

The following table compares the total labor force (the darker blue background) and employment/total number of employed people (light blue area in foreground).



The U.S. Bureau of Labor Statistics shows that the Naples-Fort Myers-Punta Gorda MSA employment had grown from 421,631 jobs (January 2004) to 508,315 jobs (March 2007), for an average of 27,374 new jobs per

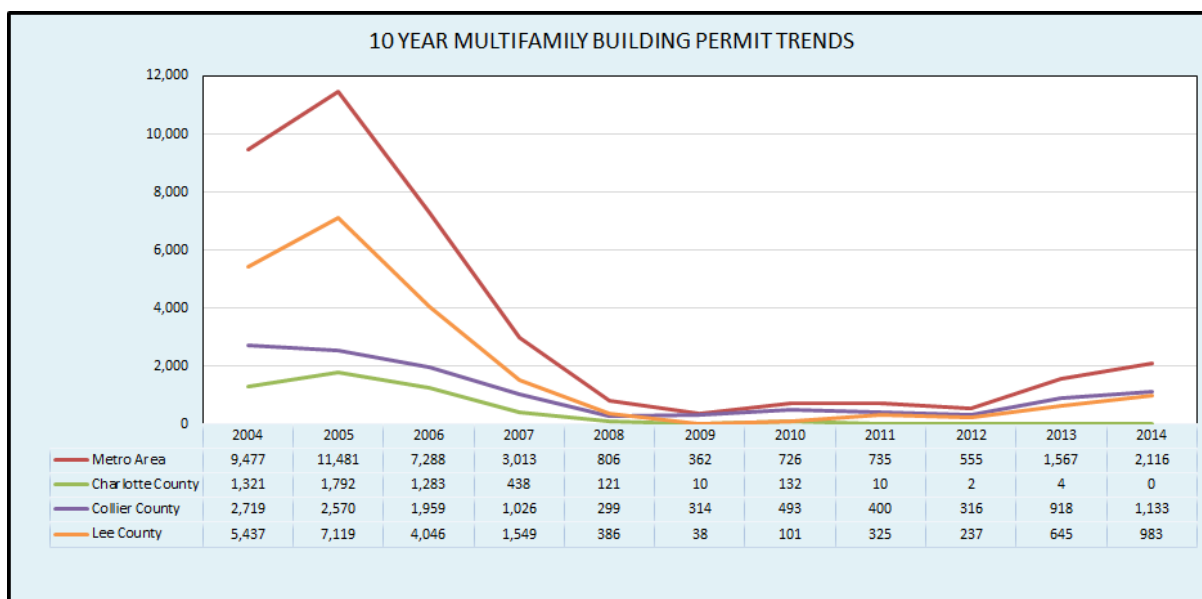
year over the three plus year period. During the following two and one half years, from March 2007 to September 2009, almost 88,000 jobs were lost. It then took about four and one half years (to March 2014) to recover the number of jobs lost during the recession. Year-over-year job growth for the past 10 years has averaged 13,785 jobs annually. Comparing the February 2015 labor force reflects 10,914 more jobs than February 2014.



## BUILDING PERMITS

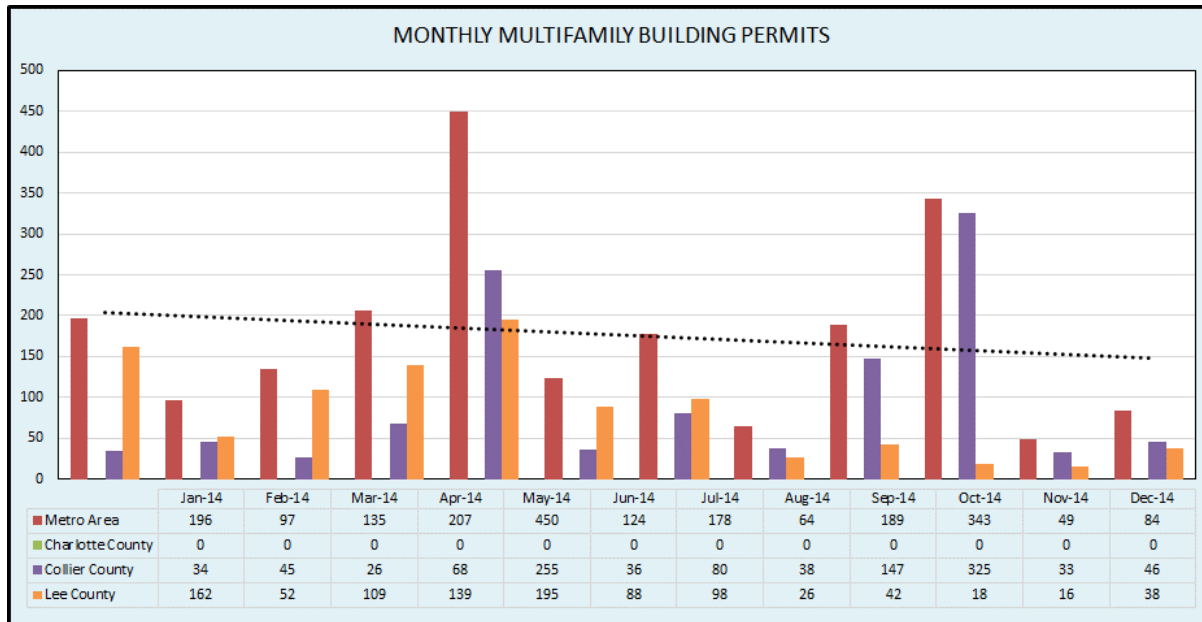
### *Multi-family Permits*

The table below summarizes multi-family building permits issued by county for the Naples-Fort Myers-Punta Gorda MSA for the last 10 years. Multi-family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2009 with 2014 levels somewhere between 2007 and 2008 levels.



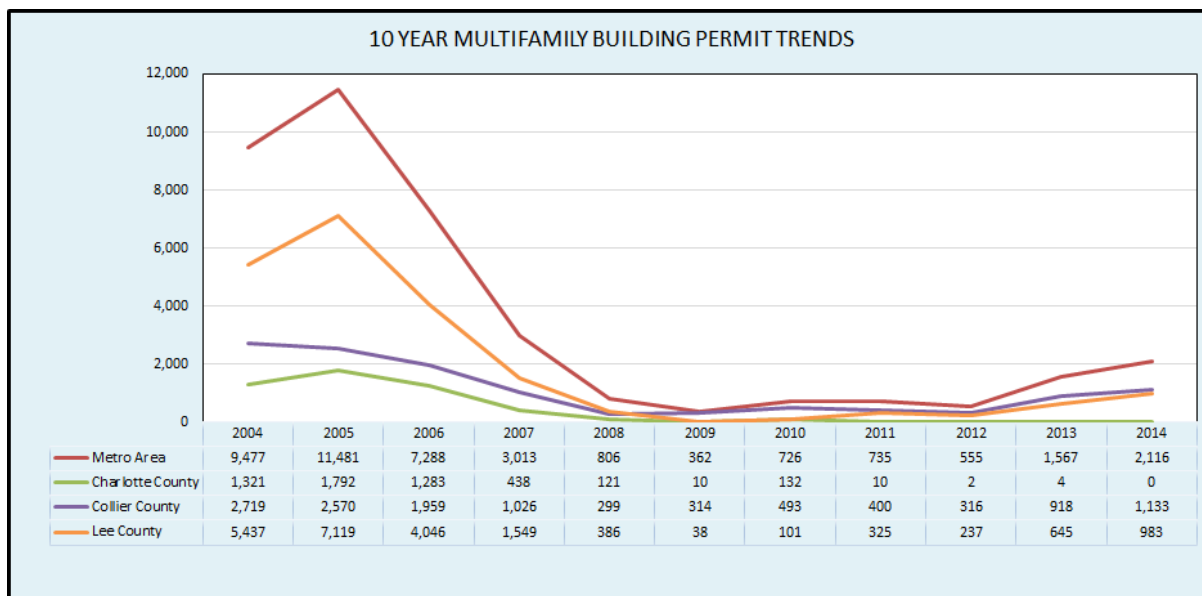
The following table summarizes multi-family building permits pulled for the Naples-Fort Myers-Punta Gorda metro area and for each county over the last 12 months. Note the trend line in black showing a downward trend for the metro area in terms of multi-family building permits over the last 12 months. Lee County multi-family

permits pulled have been on the decline over the last 12 months and Lee County has the second highest total for the metro area.

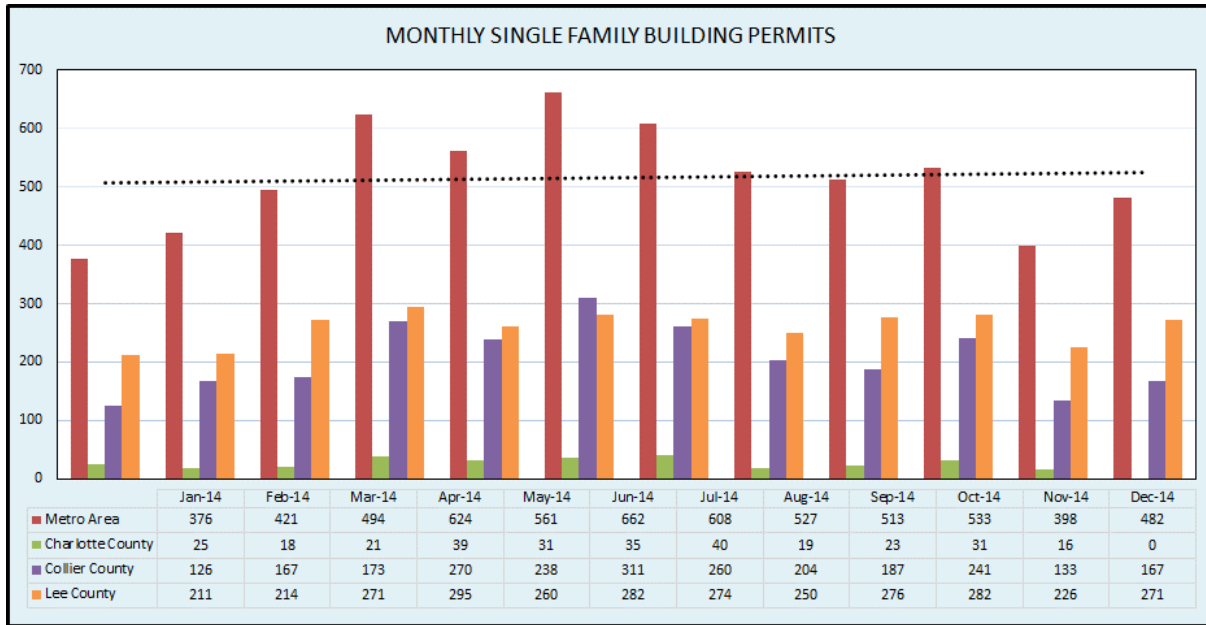


### Single Family Permits

The table below summarizes single family building permits issued by county for the Naples-Fort Myers-Punta Gorda MSA for the last 10 years. Single family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2009 with 2014 levels in between 2007 and 2008 levels.

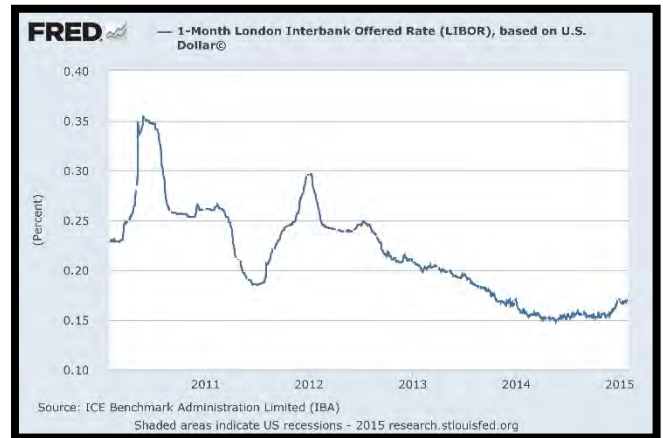


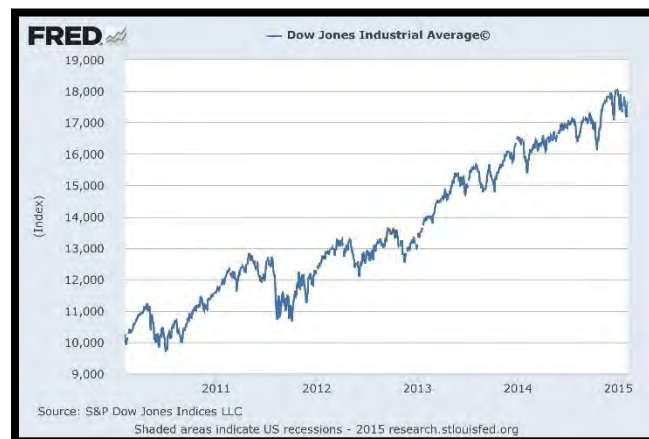
The following table summarizes single family building permits pulled for the Naples-Fort Myers-Punta Gorda metro area and for each county over the last 12 months. Note the trend line in black showing a very slight upward trend for the metro area in terms of single family building permits over the last 12 months. Lee County had the largest number of single family permits pulled in the metro area as of December 2014 and they have been on a slight upward trend.



## FINANCIAL INDICES

The tables on the following page summarize trends in certain national tracked financial indices which tend to impact real estate and real estate investments. Many commercial lending institutions look at LIBOR and 10 Year Treasury Constant Maturity Rate returns in their underwriting. CPI trends can be important for commercial properties and lease structures. The 15 year and 30 year fixed rate mortgage rates have significant impact on residential development. And the health of the stock market also has significant impact on investments of all types. All of these factors can influence real estate investors, owners and lenders.





The current 15 year fixed mortgage rate is 2.93%; the 30 year fixed mortgage rate is 3.77%; LIBOR is 0.17975%; the current 10 Year Treasury Constant is 2.04%; Current CPI is -0.07223% lower than the rate one year ago; and the Dow Jones Industrial Average is currently at 17,903.

## TRANSPORTATION

Major transportation arterials serving the Naples-Fort Myers-Punta Gorda MSA include Interstate 75, U.S. Highway 41, State Road 80 and State Road 29. These four roadways connect the Naples-Fort Myers-Punta Gorda MSA to other portions of Florida. The Naples-Fort Myers-Punta Gorda MSA is also served by one international airport, the Southwest Florida International Airport in Lee County, and one municipal airport, the Naples Municipal Airport in Collier County.

**Interstate 75** is the major interstate highway that runs north/south through the metro area starting northwest of Miami, running into the Naples area and then turning northward and continuing through Georgia, Tennessee, Kentucky, Ohio and into Michigan eventually ending in Sault Sainte Marie at the Canadian border. There are several construction projects within the Metro Area including two projects in Collier County, one in Charlotte County, and seven in Lee County. The first project in Collier County is a rest area expansion on mile marker 63. This will increase the restroom facilities from 30 to 44 and will also build a public safety center, which will decrease the response time of emergency vehicles. It is expected to cost \$8.8 million and is scheduled to be complete August 2014. The interchange at Interstate 75 and State Road 951 was recently improved by widening the ramp shoulders and resurfacing the interchange ramps. Charlotte County finished a project in April 2013 that widened Interstate 75 from the Tuckers Grade interchange to south of the North Jones Loop interchange at a cost of \$12.2 million.

Lee County completed construction on the Interstate 75 and Bonita Beach Road interchange in February 2011. This project added additional turn lanes. A new direct connection to the Southwest Florida International Airport was created at a cost of \$54.1 million and is currently open to traffic. This will directly connect Interstate 75 and the International Airport in an effort to reduce traffic around the area. Interstate 75 was also expanded to six lanes from south of Colonial Boulevard to Luckett Road in the north. This was completed in September 2011 for a total cost of \$9.7 million. Construction was finished in August 2014 on widening Interstate 75 to six lanes from Luckett Road north to State Road 80 at a cost of \$29.2 million. The bridge over the Calooshattee River is also being expanded to six lanes. This will cost \$72 million and is scheduled to be complete in fall 2015. Interstate 75 was recently expanded to six lanes from State Road 78 to the Charlotte/Lee County line and this was completed in October 2014 at a cost of \$17.3 million.

**U.S. Highway 41** is a north/south highway that runs 2,000 miles from Miami to the upper peninsula of Michigan. It runs roughly parallel to Interstate 75 from Naples to Chattanooga, Tennessee and was the originally north/south highway before the Interstate was developed. Construction is currently ongoing in Charlotte County making the highway six lanes from Enterprise Drive to the Sarasota/Charlotte County line. This approximately 3.6 mile stretch is scheduled to be completed in spring 2017 at a cost of \$31 million. Collier



County is also widening the highway from State Road 951 to Greenway Road from two lanes to a minimum of four. This project is projected to be complete in December 2016 at a cost of \$38 million.

**State Route 80** is a 123.5 mile highway linking U.S. Highway 41 in Fort Myers with State Road A1A in Palm Beach County. This is one of three roads to link the southeastern portion of Florida with the southwest portion of Florida. The Florida Department of Transportation considers State Route 80 a priority thoroughfare as it connects Lee, Hendry and Palm Beach Counties and is the only other east/west arterial connecting the two coasts beside Interstate 75 and U.S. Highway 41 which run through the Everglades National Park. The current construction projects are located within Hendry and Palm Beach exclusively and include widening of the road to four lanes in congested areas and repaving sections of the road that have not been improved for more than 20 years.

**State Route 29** is a state highway linking State Route 80 with Interstate 75 and U.S. Highway 41 to the south. This road connects the city of LaBelle in Hendry County with the Immokalee area of Collier County and it continues southward to Everglades City. It is a two lane undivided roadway that it the only other north/south arterial in southwestern Florida, east of Interstate 75.

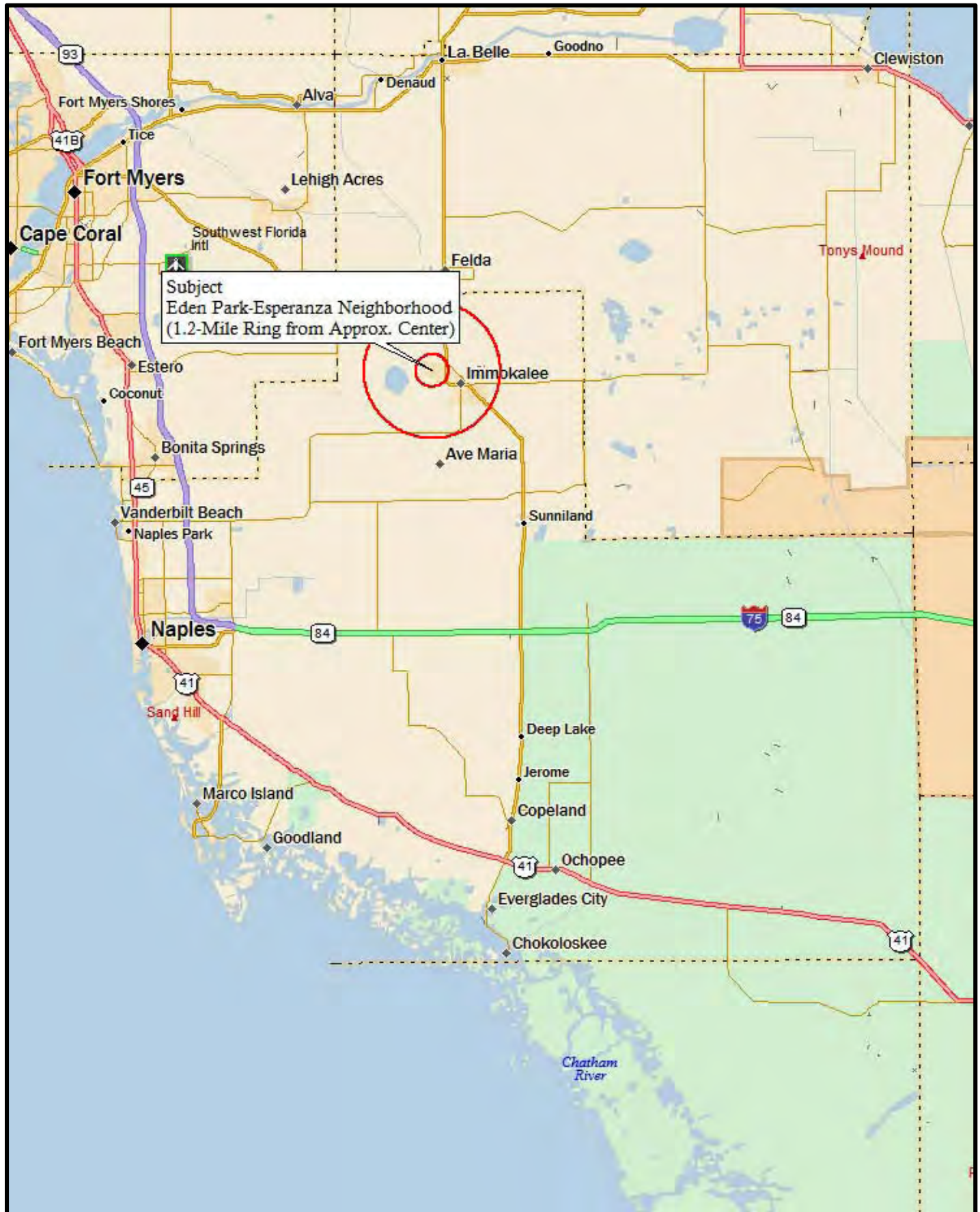
**Southwest Florida International Airport (KRSW)** is a 15,600 acre facility with one 12,000 foot grooved asphalt runway capable of handling any type of aircraft. A new 798,000 square foot, two story terminal building was completed in September of 2005 at a cost of \$438,000,000. This facility has expansion potential for up to 65 aircraft gates and two additional concourses. There is on-site parking for about 2,500 vehicles at the facility and shuttled parking for 9,800 vehicles and employee parking for 1,300 vehicles. KRSW has approximately 130 daily flights with 35 daily non-stop flights to US destinations and two non-stop International destinations. The facility has 28 total gates and serves domestic and international passengers as well as domestic and international cargo and mail services. There are currently four passenger and charter carriers and one cargo carrier operating out of the Southwest Florida International Airport. The airport creates more than 64,800 direct and indirect jobs for the local economy and has an economic impact in excess of \$3.6 billion dollars annually. Total passenger counts for 2014 were 7,970,493 people with 2013 passenger counts of about 7,637,801, an increase of 4.2%. Total freight handled for 2014 was 33,469,950 pounds with 2013 numbers showing 32,156,880 tons, an increase of 4%.

**Naples Municipal Airport** is a 732 acre facility (670 acres leased from the City of Naples on a 99 year ground lease and 92 acres owned outright) serving the Naples-Fort Myers metro area. The facility has one air carrier terminal totaling 21,190 square feet of area with five gates and parking for about 540 vehicles and a general aviation terminal having 11,650 square feet of area under roof. The facility has three main runways, a 5,290 foot grooved asphalt runway, a 5,000 foot grooved asphalt runway and a 1,850 foot grass runway. The airport handles about 54,015 passengers per year and more than 226,000 tons of cargo per year. The airport creates 51 direct jobs and about 800 indirect jobs and creates more than \$20,000,000 in annual revenue.

### Conclusion

The subject property is located in Collier County within the Naples-Fort Myers-Punta Gorda Metropolitan Statistical Area. The MSA had a total population of about 1,195,098 in 2015; it is expected to increase by 7.60% between 2015 and 2020. The unemployment rate in the MSA was 5.3% as of February 2015, which is slightly lower than the statewide rate of 5.5% and the national rate of 5.8%. Unemployment rates have been generally decreasing in all of the counties within the MSA since 2010; the current employment rates in all of the counties in the MSA are close to the pre-recession levels. Multi-family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2012, with 2014 levels about the same as 2007 levels. Single family permits peaked in 2005 and declined significantly through 2009. They have been on a gradual upward trend since 2009, with 2014 levels slightly better than 2008 levels.

# APARTMENT MARKET OVERVIEW MAP WITH COLLIER COUNTY AND 1.2 AND FIVE-MILE RINGS



## APARTMENT MARKET OVERVIEW

This section presents a summary of historical construction, occupancy and rental rates for apartments in Brevard County and the subject's area. Data is presented for all rental apartments, both market-rate and affordable. We have provided performance summaries of the apartment market on a county level and for a five-mile ring centered on the intersection of Carson Road and Lake Trafford Road (the approximate center of the defined study area) using CoStar data.

### County and Five-Mile Rings – All Properties with 50 Units or More Overview

COMPARISON - APARTMENTS WITH 50+ UNITS				
Area	Collier County		5-Mile Radius	
	Current	5-Year Avg.	Current	5-Year Avg.
Existing Units	11,033	10,045	925	708
Projects	60		9	
Under Construction	499	355	0	0
12 Mo. Deliveries	278	111	0	0
Vacancy Rate	1.7%	4.1%	1.7%	5.8%
12 Mo. Absorption	411	162	18	8
Studio Asking Rent	N/A	N/A	N/A	N/A
1 BR Asking Rent	\$942	\$788	\$925	\$697
2 BR Asking Rent	\$1,089	\$893	\$739	\$669
3+ BR Asking Rent	\$1,139	\$965	\$704	\$706
Concessions	0.1%	1.5%	0.0%	2.7%
Source: CoStar May 2015				

Regarding projects with 50 units or more each, Collier County contains a total of 11,033 apartment units in 60 complexes. The overall vacancy rate for the county is 1.7%; it is the same in the subject's five-mile ring; both are much lower than the five-year averages of 4.1% and 5.8%. The five-mile ring contains 8% of the county's inventory, but includes all of the inventory in the Immokalee area. The survey indicates 499 units under construction in the county, with a five year average of 355 units; no projects are under construction or recently built in the five-mile ring. The 12 month absorption is positive in both of the market areas. Asking rents are highest in the county. The fact that the asking rents in the five-mile ring are lower for larger unit types is an anomaly, but may be due to a concentration of affordable units in the larger unit types. The concessions rate is fairly consistent in all of the market areas and much lower than five-year averages.

Details for each of the defined market areas follow.

### County Level

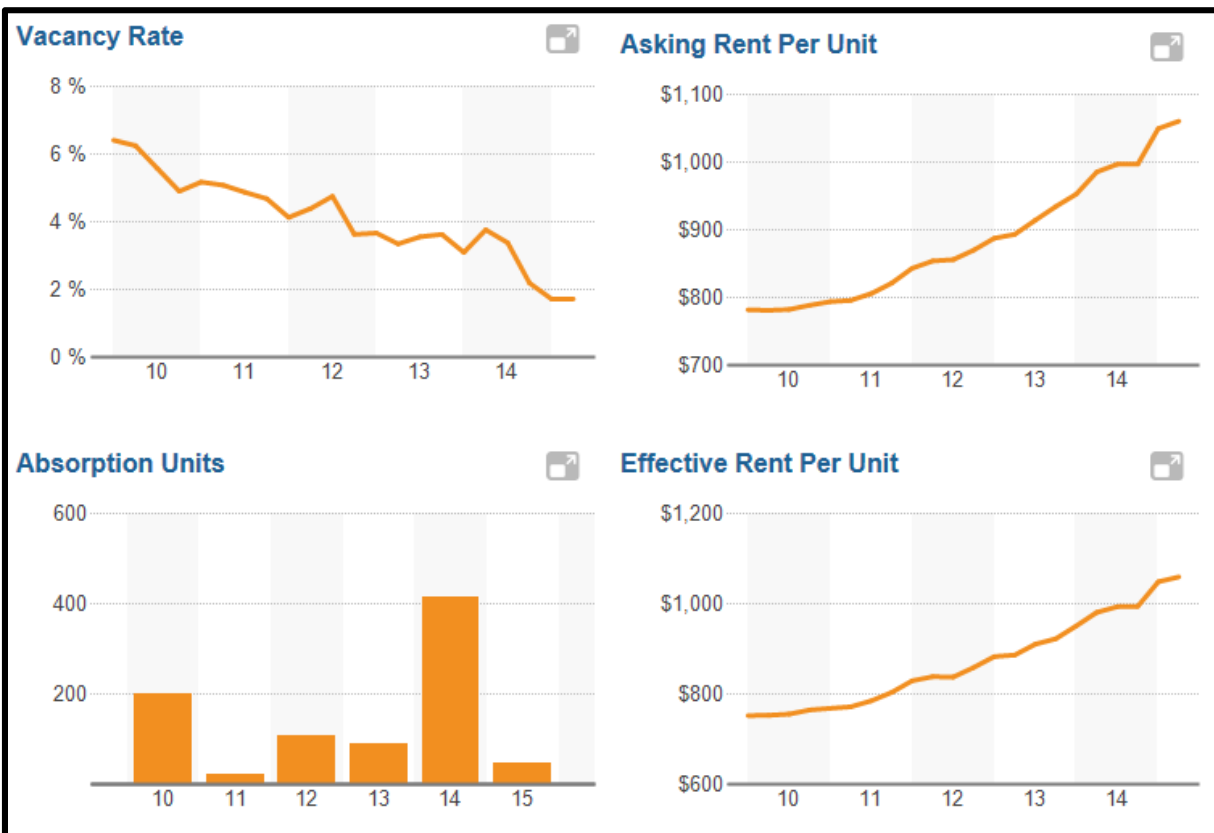
The current vacancy rate of 1.7% is lower than the five-year average of 4.1%. The current asking rental rates are significantly higher for all unit types compared to the five-year averages, and concessions are lower. Absorption of units has been positive.

According to CoStar, no new apartments are planned in the county.



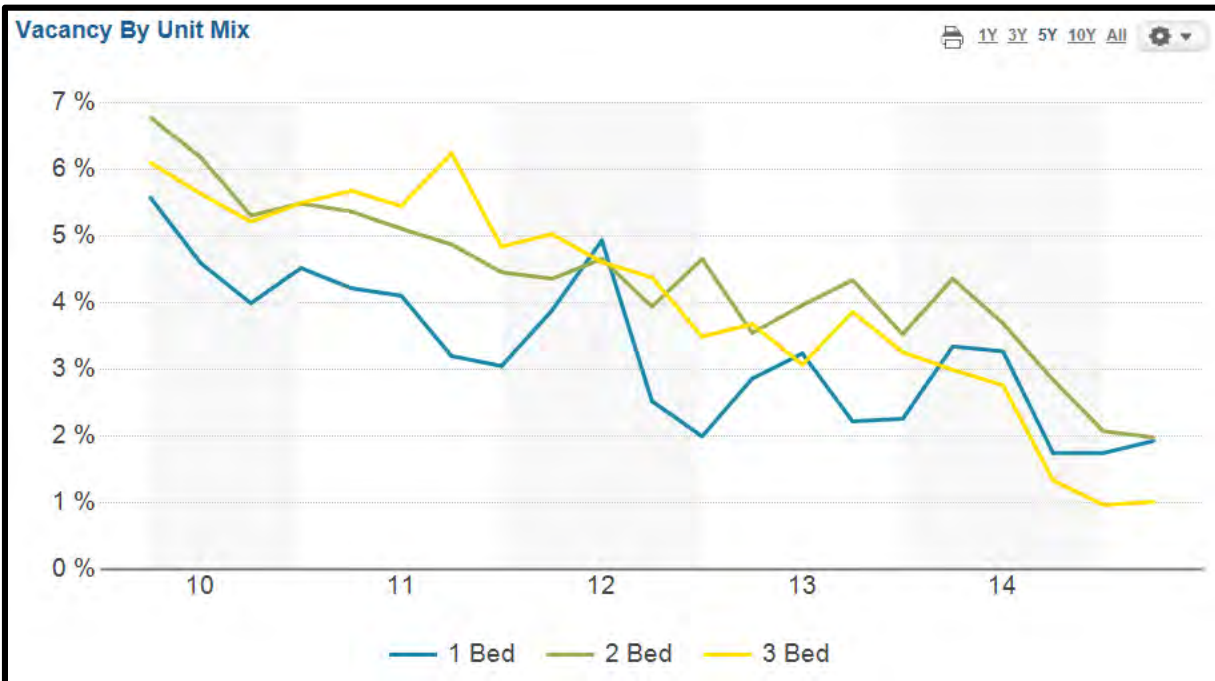
## APARTMENT MARKET OVERVIEW (CONT'D)

Leasing Units	Survey	5-Year Avg	Inventory in Units	Survey	5-Year Avg
Vacant Units	178	410	Existing Units	11,033	10,045
Vacancy Rate	1.7%	4.1%	12 Mo. Const. Starts	313	311
12 Mo. Absorption Units	411	162	Under Construction	499	355
			12 Mo. Deliveries	278	111
Rents	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
Studio Asking Rent	-	-	Sale Price Per Unit	\$63,163	\$67,921
1 Bed Asking Rent	\$942	\$788	Asking Price Per Unit	-	\$52,146
2 Bed Asking Rent	\$1,089	\$893	Sales Volume (Mil.)	\$37	\$362
3+ Bed Asking Rent	\$1,139	\$965	Cap Rate	-	7.4%
Concessions	0.1%	1.5%			

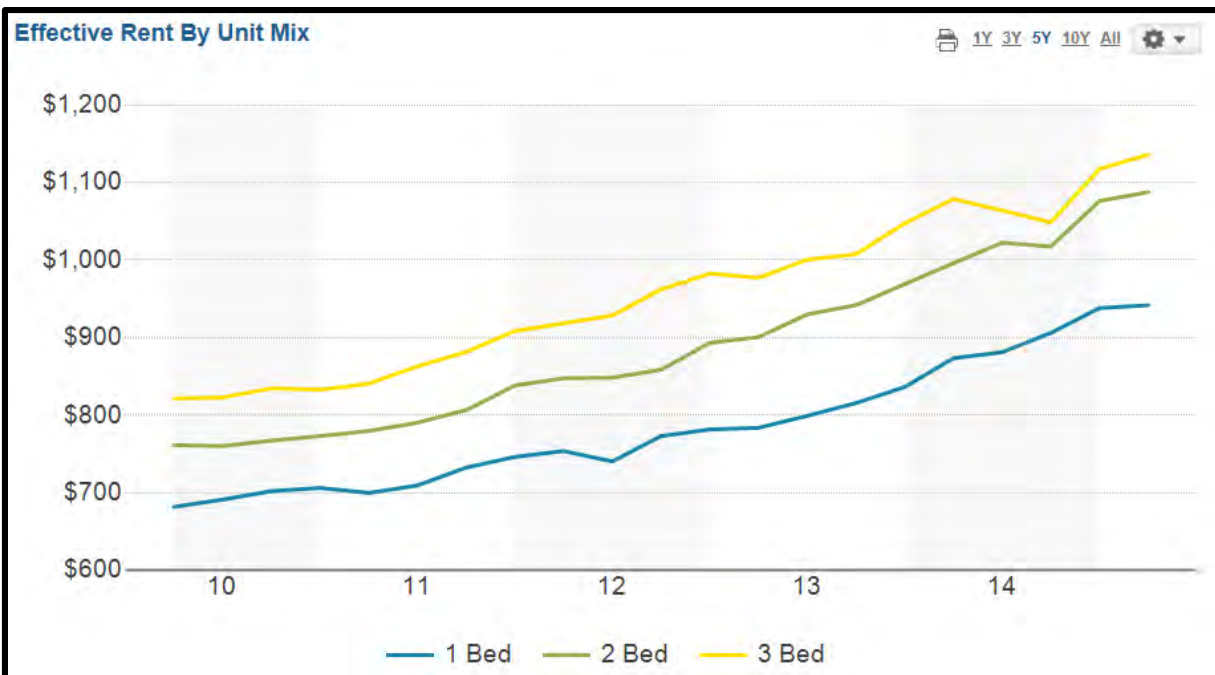


Vacancy rates by unit type are summarized on the following page. Vacancy rates for all types have been generally decreasing.

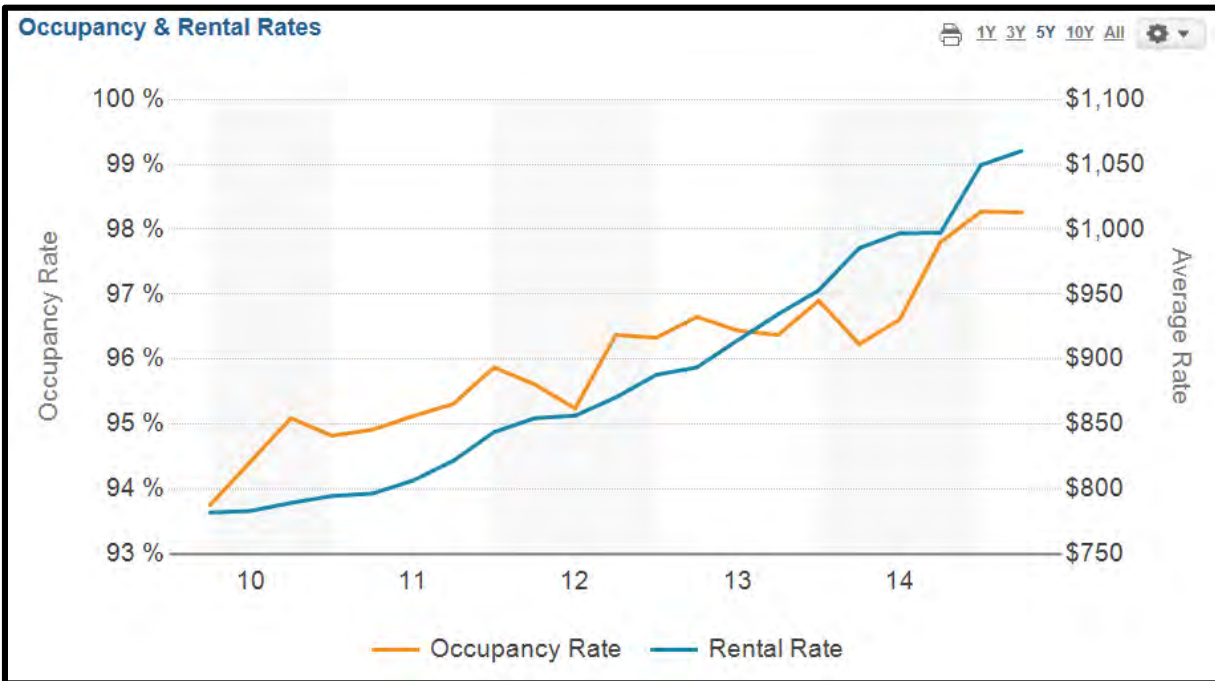
## APARTMENT MARKET OVERVIEW (CONT'D)



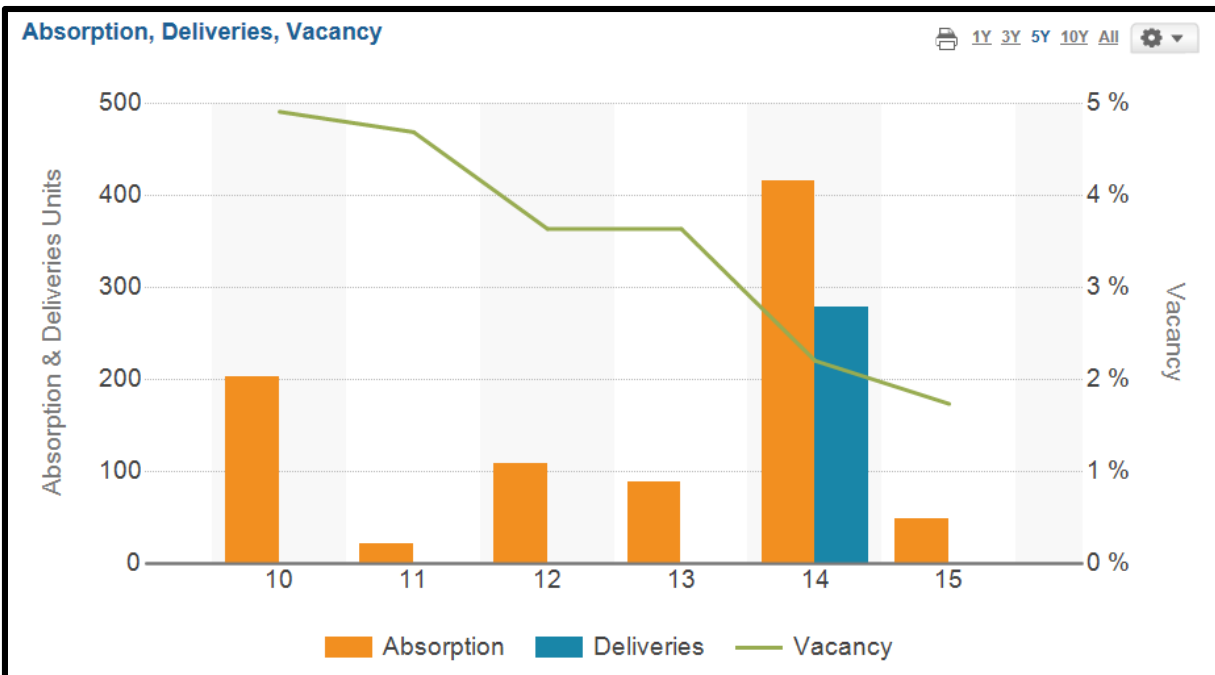
Effective rents (asking rents net of concessions) have increased for all unit types over the past five years on the county-level.



Since 2010, occupancy and rental rates have been increasing; very recently, occupancy has leveled off, likely due to the high rate, above 98%.



There have been no deliveries of new units since 2010, but absorption has been positive each year, leading to higher occupancies in existing properties. The only new deliveries in the last five years were in 2014.



### Five-Mile Ring

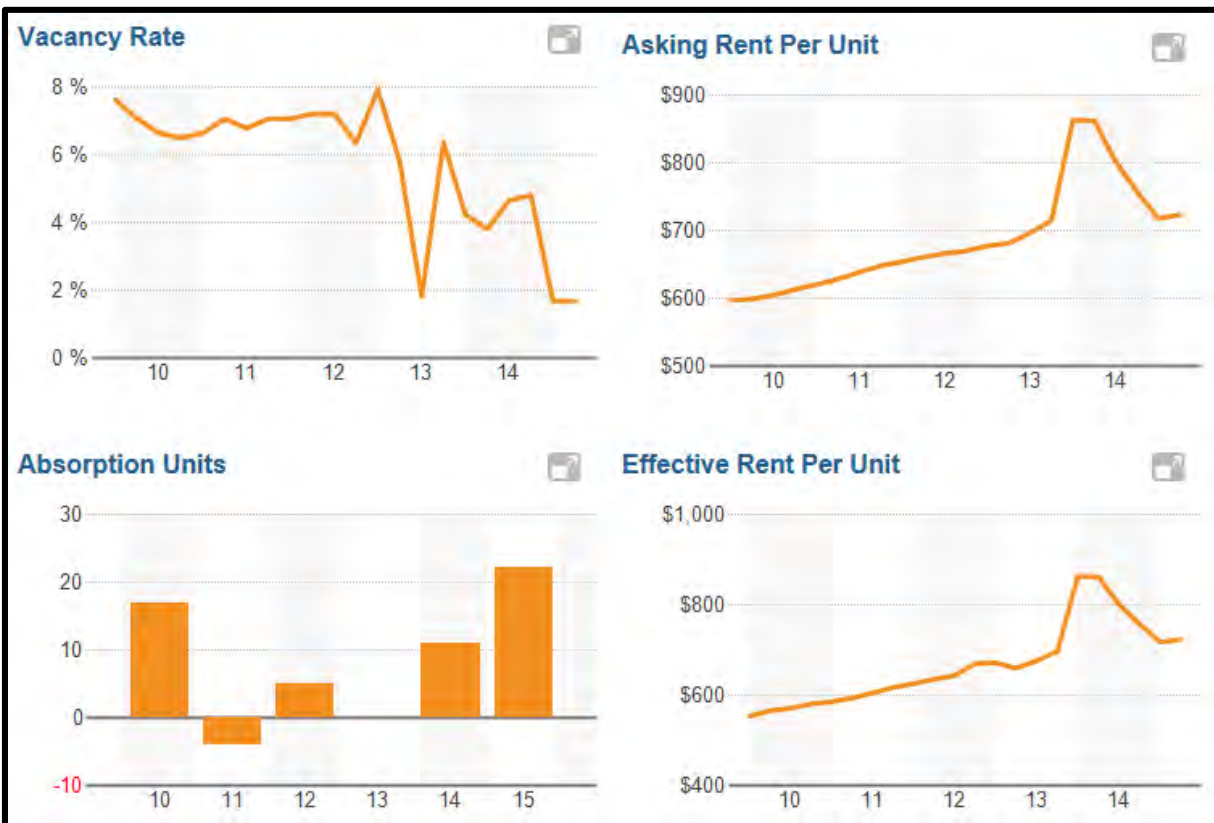
The five-mile ring around the subject area encompasses all of the Immokalee area; all of the other multi-family product in the county is in the Naples area, over 10 miles from the subject.

The current vacancy rate in the five-mile ring of 1.7% is lower than the five-year average of 5.8%. The current asking rental rates are higher for one and two-bedroom units, but about the same for three-bedroom units. The one-bedroom asking rent is well above the five-year average and higher than the two and three-bedroom asking rents. This could be due to the concentration of affordable units in the larger unit types. Concessions are lower

## APARTMENT MARKET OVERVIEW (CONT'D)

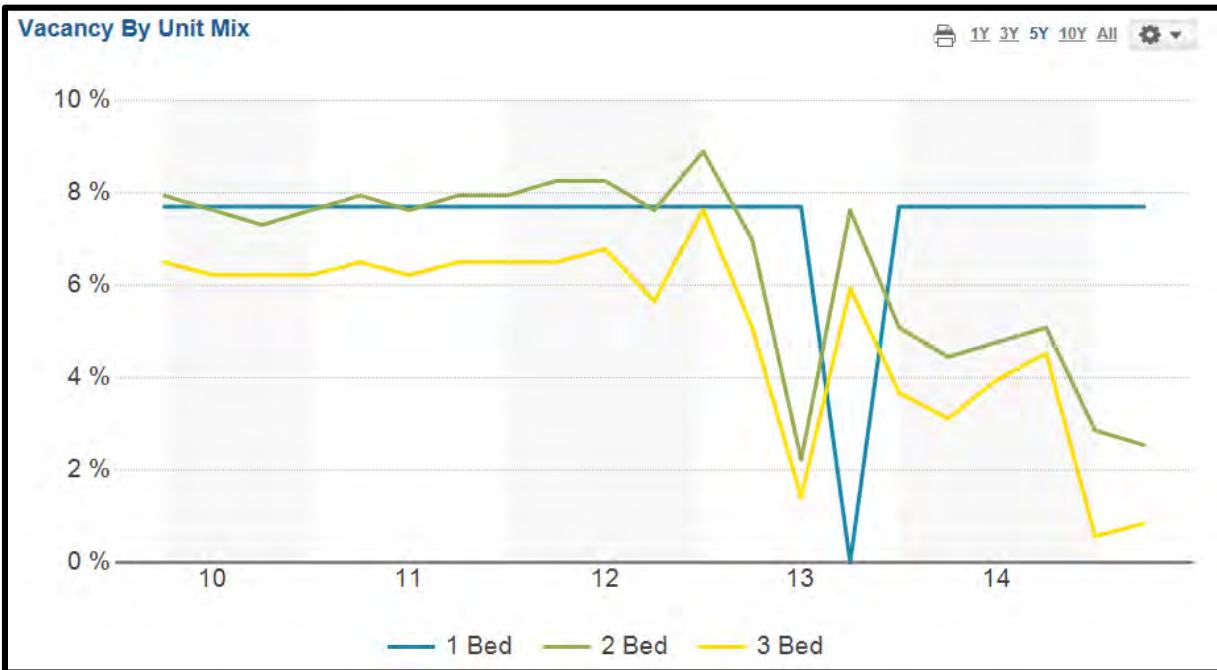
as of the current survey compared to the five-year average. The absorption of units has been low but positive in the most recent survey, as has the five-year average.

Leasing Units	Survey	5-Year Avg	Inventory in Units	Survey	5-Year Avg
Vacant Units	12	41	Existing Units	925	708
Vacancy Rate	1.7%	5.8%	12 Mo. Const. Starts	0	0
12 Mo. Absorption Units	18	8	Under Construction	0	0
			12 Mo. Deliveries	0	0
Rents	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
Studio Asking Rent	-	-	Sale Price Per Unit	\$33,125	\$33,125
1 Bed Asking Rent	\$925	\$697	Asking Price Per Unit	-	-
2 Bed Asking Rent	\$739	\$669	Sales Volume (Mil.)	\$5.3	\$5.3
3+ Bed Asking Rent	\$704	\$706	Cap Rate	-	-
Concessions	0.0%	2.7%			

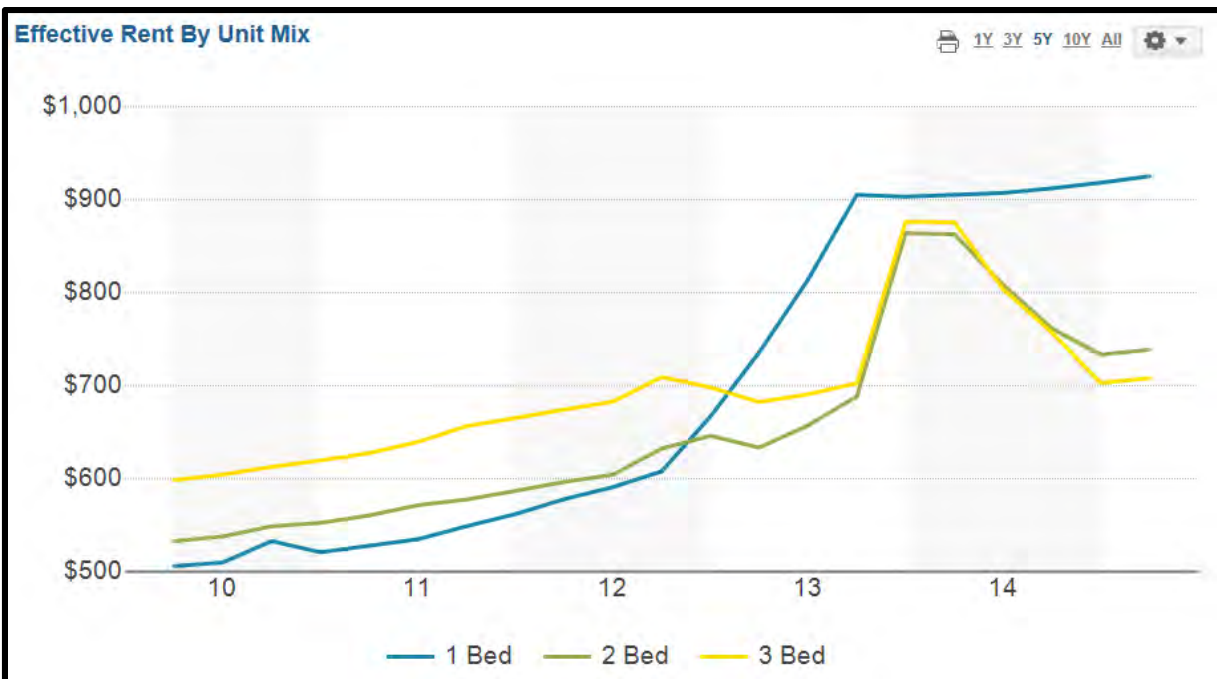


Vacancy rates by unit type are summarized on the following page. Vacancy dropped substantially in 2013. Since then, it has increased to former levels for one-bedroom units, while two and three-bedroom vacancies have fluctuated but remained well below one-bedroom vacancies.

## APARTMENT MARKET OVERVIEW (CONT'D)

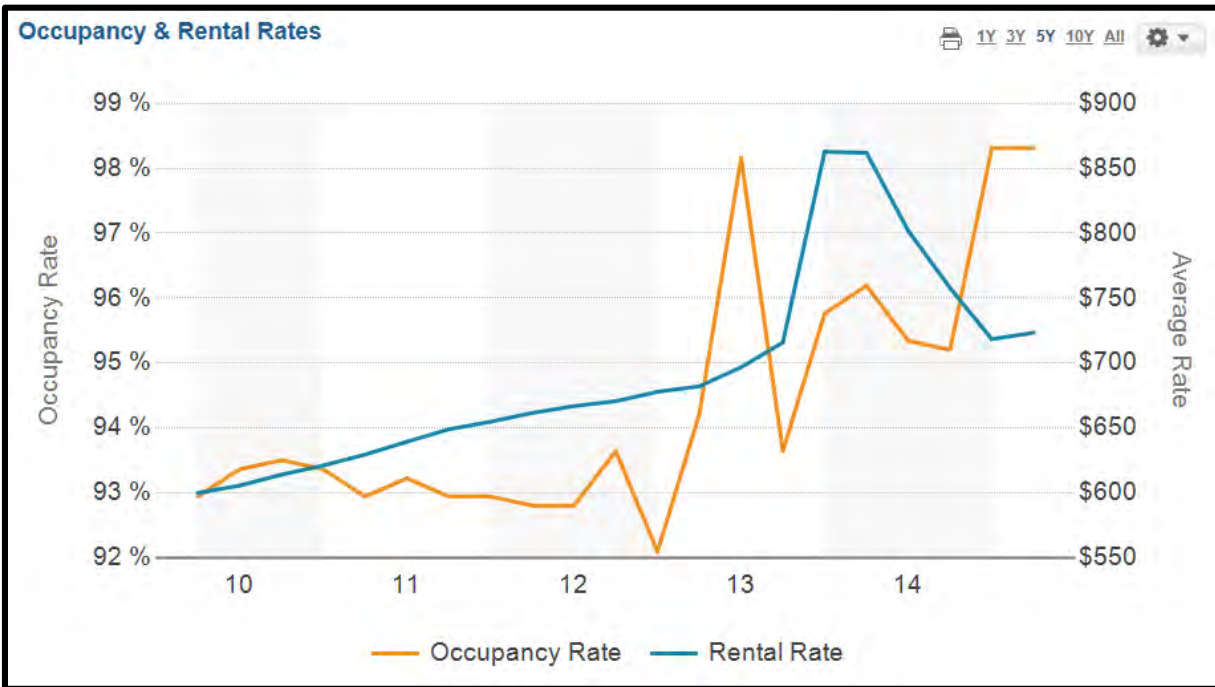


Effective rents (asking rents net of concessions) are higher now than they were in 2010, though two- and three-bedroom effective rents have recently declined.

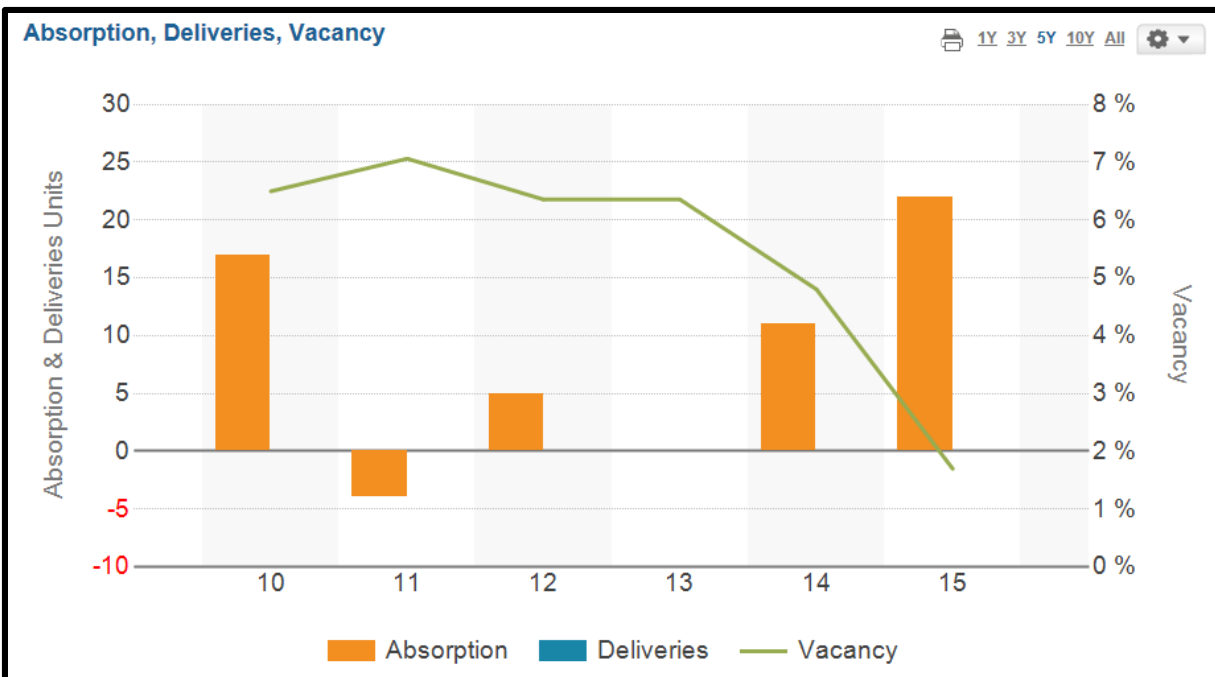


Occupancy and rental rates are both higher than in 2010, though rents have recently declined, while occupancy has increased.





There has been no new construction since 2010, and absorption in most years has been positive; in the year with negative absorption it has been very slight. As a result, occupancies in the existing inventory should be stabilized.



### Affordable Housing

The following chart shows all affordable housing in the Immokalee area, with the exception of public housing.

## APARTMENT MARKET OVERVIEW (CONT'D)

Inventory of Affordable Apartments in Immokalee - Shimberg List					
Development Name	Housing Programs	Total Units	HUD/RD Rent. Assist. Units	Target Population	Year Bld
Bromelia Place	Housing Credits 9%	30	-	Elderly	2007
Crestview Park	Housing Credits 9%	208	-	Family	2006
Crestview Park II	Housing Credits 9%	96	-	Family	2008
Cypress Run	Rental Assistance/HUD;Sec. 202 Capital Advance	40		39 Elderly	1997
Eden Gardens	Housing Credits 9%;Rental Assistance/RD;Sec. 514/516	51		49 Family;Farmworker	2009
Eden Gardens II	Rental Assistance/RD;SAIL;Section 514/516	37		34 Family;Farmworker	2009
Eden Gardens Supportive Housing	Demonstration Project	4	-	Homeless	2009
Esperanza Place Rental	Rental Assistance/RD;SAIL;Section 514/516	48		44 Family;Farmworker	2011
Farm Worker Village	Rental Assistance/RD;Section 514/516	365		271 Family;Farmworker	1974
Garden Lake Apts	Rental Assistance/RD;Section 515	66		8 Family	1990
Heritage Villas Of Immokalee Ltd	Rental Assistance/RD;Section 515	41		2 Family	1985
Immokalee Apts	Rental Assistance/HUD;	100		100 Family	1971
Main Street Village	Rental Assistance/RD;Section 514/516;State HOME	79		68 Family;Farmworker	2003
Oakhaven	Housing Credits 9%;SAIL	160	-	Family;Farmworker	1993
Sanders Pines	Housing Credits 9%;SAIL	40	-	Family;Farmworker	not avail.
So Villas Immokalee	Rental Assistance/RD;Section 515	35		31 Family	1983
Summer Glen	Housing Credits 9%;Rental Assistance/RD;Section 515	45		45 Elderly;Family	1993
Timber Ridge Of Immokalee	Housing Credits 9%;SAIL	34	-	Family;Farmworker	1996
Willowbrook Place	Rental Assistance/RD;Section 515	42		8 Family	not avail.
Totals		1,521	699		

Note that almost half of these units have rental assistance, so tenants pay rent at 30% of their income.

### Occupancy, Household Distribution and Cost-Burden Data by Unit Type

We have provided in-depth information on a sampling of affordable projects operating under FHFC and/or other affordable housing programs (including properties with rent-assisted units) regarding occupancy by unit type, distribution of households by unit type, and cost burden by household size and unit type. This data was compiled by Meridian Appraisal Group, Inc. based on data generated in 2014 (the most recent available). It is based on 787 units in the following 10 complexes within a five-mile radius of the approximate center of the subject's defined area:

<a href="#"><u>Crestview Park</u></a>
<a href="#"><u>Crestview Park II</u></a>
<a href="#"><u>Eden Gardens</u></a>
<a href="#"><u>Esperanza Place Apartments</u></a>
<a href="#"><u>Immokalee Senior DBA Bromelia Place</u></a>
<a href="#"><u>Main Street Village</u></a>
<a href="#"><u>Oak Haven Apartments</u></a>
<a href="#"><u>Sanders Pines Apartments</u></a>
<a href="#"><u>Summer Glen Of Immokalee, Ltd.</u></a>
<a href="#"><u>Timber Ridge</u></a>

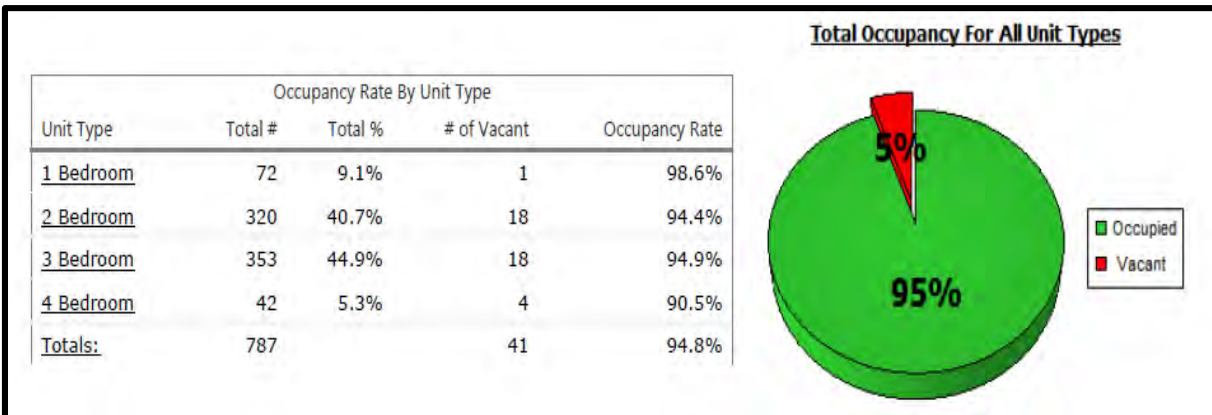
The following discussions and graphics are specific to these projects.

### Occupancy by Unit Type

The overall occupancy for the above-cited sampling of projects was 94.8%. Occupancies by unit type range from 90.5% to 98.6%. Four-bedroom units comprised only about 5.3% of the total units, but still have the lowest occupancy, which is below stabilized. One-bedroom units also comprise a relatively small amount of the affordable apartment stock at 9.1%, but they have the highest occupancy. There are approximately equal

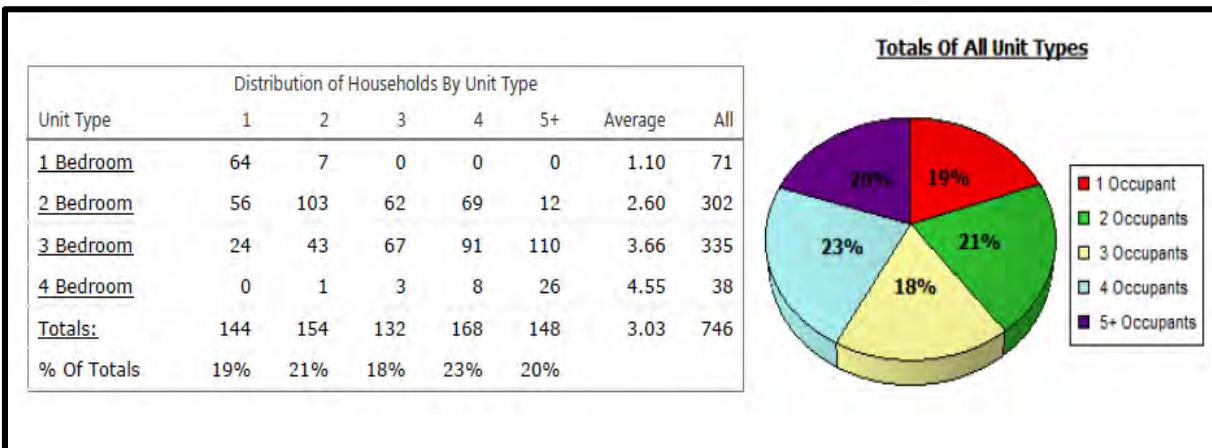
## APARTMENT MARKET OVERVIEW (CONT'D)

proportions of two- and three-bedroom units; both unit types are well-occupied. This is generally consistent with the large average household size (about four persons) in the Immokalee area.



### ***Distribution of Households by Unit Type***

Although three-bedroom units are the most common unit type, a significant proportion of households have one (19% of the units) or two (21%) occupants; however, about 61% of the households have three or more occupants. Notably, a significant number of smaller households rent larger units. For example, one would expect two- and three-bedroom units to be occupied primarily by households with two or more people; however, the data indicates that about 56% of these units are occupied by one-person households.

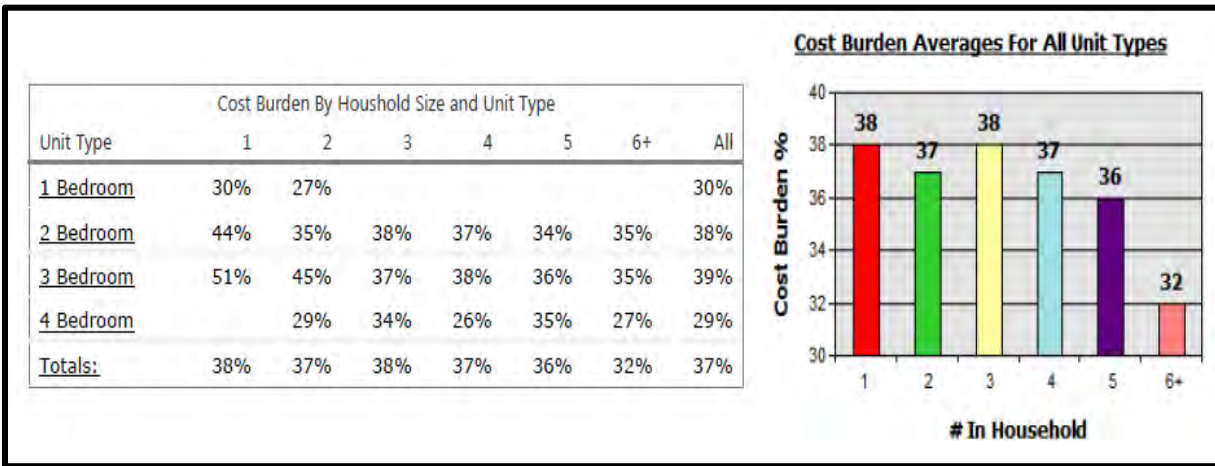


### ***Cost Burden by Household Size and Unit Type***

As a result of the smaller households renting larger units noted above, the cost-burden is generally highest for smaller households renting larger units. The overall cost-burden ratio for all of the projects is 37%, indicating that, on average, 37% of the household income is spent on housing expenses. In general, the cost-burden decreases as the size of the household increases, with the highest cost-burden found in one-person households and the lowest in large households. In the five-mile ring, there is a wide range of cost-burdens, from 27% to 51%.

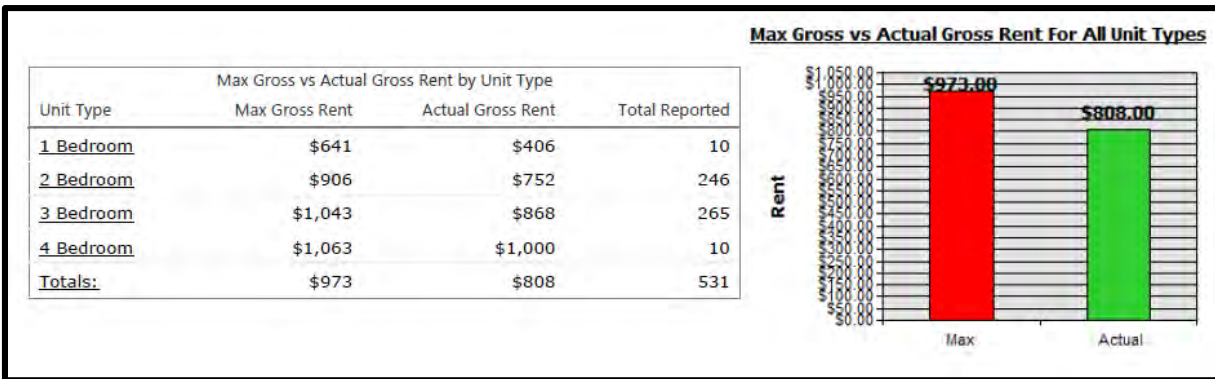


## APARTMENT MARKET OVERVIEW (CONT'D)

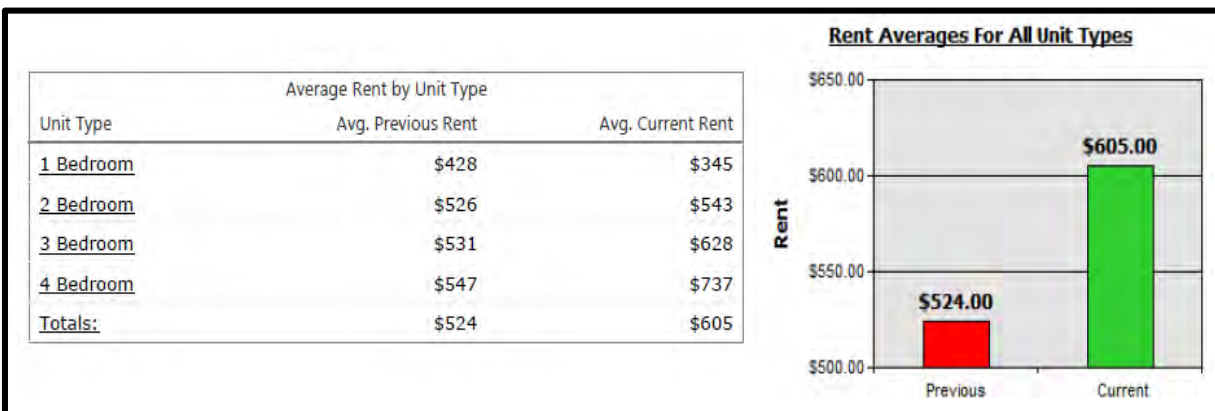


### Rent Analyses

The average actual gross rent for all unit types is \$808, or \$165 lower than the maximum gross rent; the actual rents are lower than the maximum rents for all unit types.

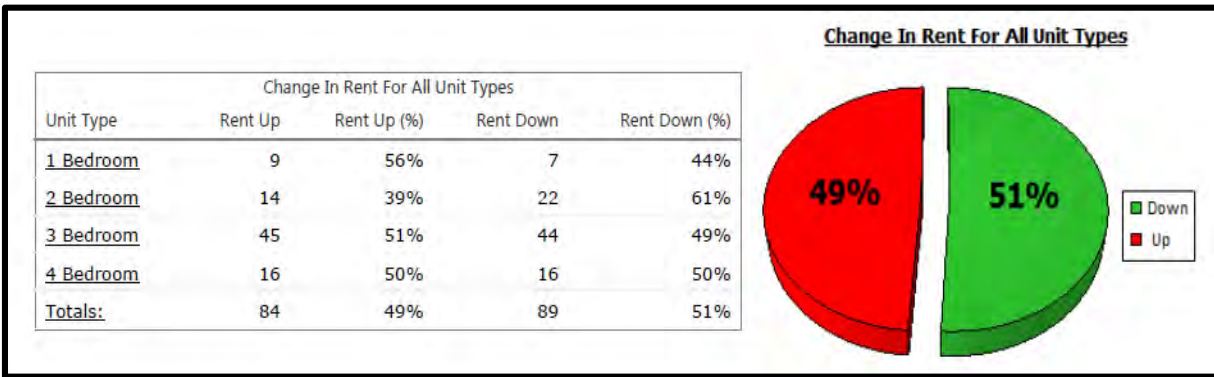


The data indicates that, on average, tenants paid \$81 less for rent in their previous housing, before moving into affordable housing.

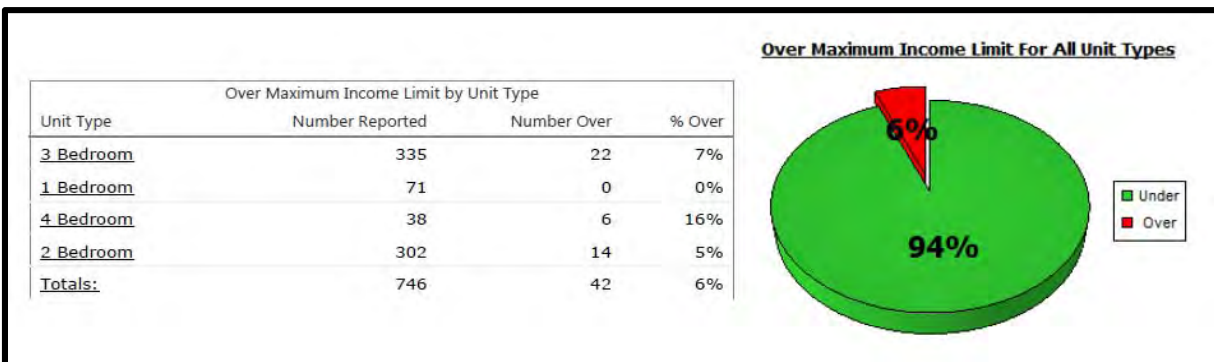


Approximately 49% of had rent increases, while 51% had decreases.

## APARTMENT MARKET OVERVIEW (CONT'D)



Approximately 93% of tenants earn less than the maximum income limits for all unit types.



### Planned Affordable Apartments

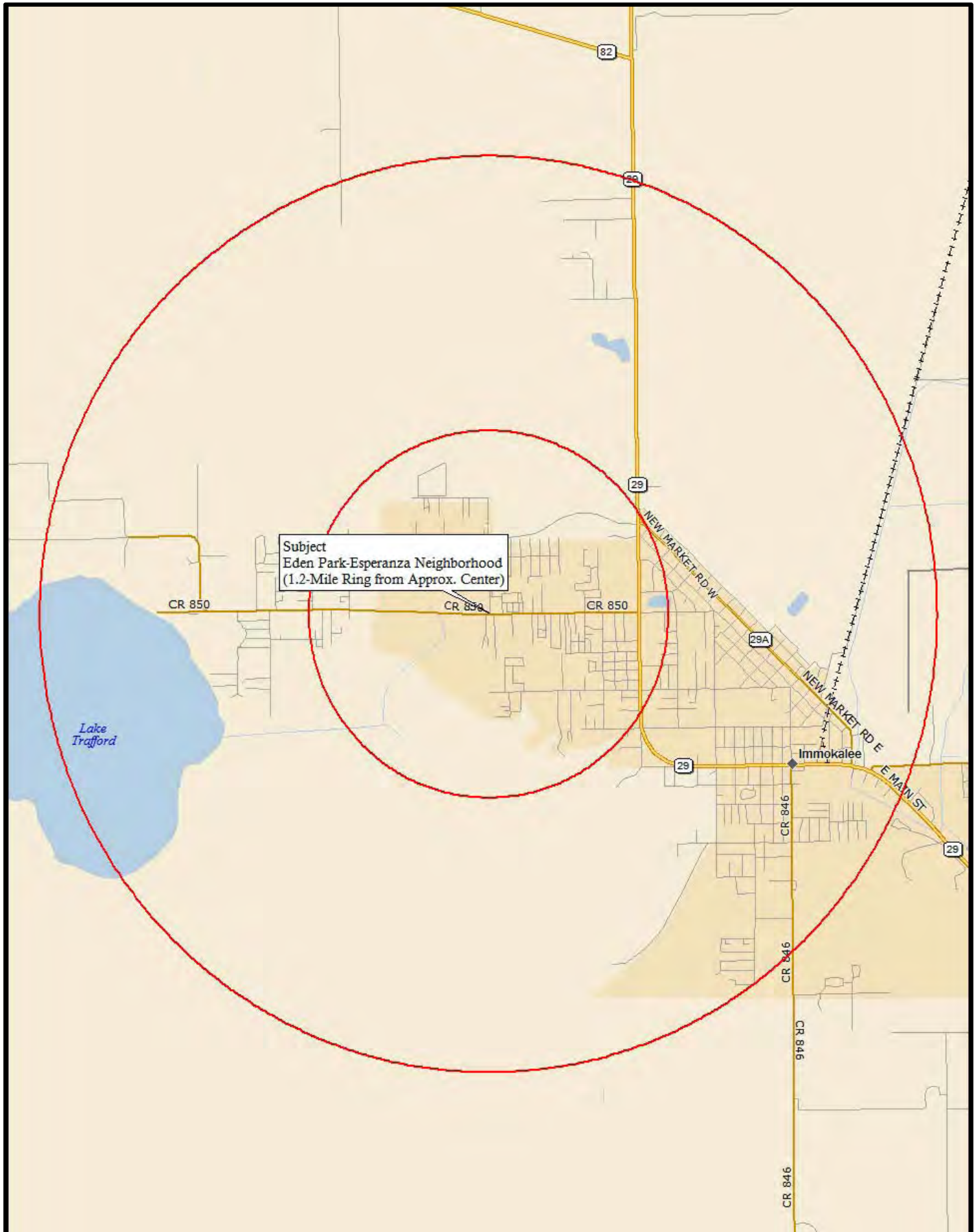
The most recent funding lists from the FHFC indicate no affordable apartments planned in Collier County.

Construction is underway on the 18 unit Hatchers Preserve single family rental community, located on Westclox Road, west of Carson Road. An article in the November 12, 2014 *Naples Daily News* indicates that tents for the three-bedroom/two bath homes are expected to be in the \$600 to \$650 range and will be funded with a \$2.3 million grant from Collier County. It will be the first new community to be developed in four years in the area. The development is part of an initiative by Rural Neighborhoods to revitalize the area, potentially drawing tenants from aging mobile homes; mobile homes constitute about a quarter of the housing.

### Conclusion

The apartment market within Collier County consists of a wide variety of unit types ranging from subsidized housing, older market rate projects, newer affordable projects, and upscale market rate projects. The subject is in the Immokalee area, which has a significantly different character than the coastal portion of the county, due to its agricultural nature. Most properties in Immokalee are older or affordable; there is also a significant amount of mobile homes. Vacancy for apartment properties with 50 units or more in Collier County is 1.7%, the same as the rate for properties within a five-mile radius of the center of the subject's defined area. The overall vacancy rate for the county is 1.7%; it is the same in the subject's five-mile ring; both are much lower than the five-year averages of 4.1% and 5.8%. The five-mile ring contains 8% of the county's inventory, but includes all of the inventory in the Immokalee area. A recap of 787 units within 10 affordable apartment complexes in the five-mile radius of the subject's defined area indicates an overall occupancy rate of 94.8%. The average gross rent is \$808, or \$165 below the maximum allowable average rent. No new apartments are known to be planned in the Immokalee area. Although three-bedroom units are the most common unit type, a significant proportion of households have one (19% of the units) or two (21%) occupants; however, about 61% of the households have three or more occupants. Notably, a significant number of smaller households rent larger units. For example, one would expect two- and three-bedroom units to be occupied primarily by households with two or more people; however, the data indicates that about 56% of these units are occupied by one-person households. The average cost-burden is 37%, but the range is 27% to 51%.

## NEIGHBORHOOD MAP



## NEIGHBORHOOD ANALYSIS

A neighborhood is defined in terms of common characteristics, trends and groupings of similar or complementary land uses. The subject is located in the Immokalee area in the northeast part of Collier County, Florida. For purposes of this report, the boundaries of the subject's immediate neighborhood are described as follows:

Northern Boundary	Heritage Boulevard
Southern Boundary	Stockade Road/Seminole Indian Reservation
Eastern Boundary	Immokalee Airport
Western Boundary	Lake Trafford

In general, the subject neighborhood lies in the northeast portion of the Immokalee area. The unincorporated community of Immokalee was first settled in 1873 and is Collier County's largest non-coastal community. The area is primarily influenced by the agricultural industry. Due to the seasonality of many of the agricultural products, the Immokalee area has a seasonal population predominantly among farmworkers. The harvest season is generally November to April. The community is also influenced by nearby Indian reservations and the Seminole Gaming Palace and Casino. The subject area is in the northeast portion of the neighborhood.

### Demographics

According to Claritas iXPRESS demographics, within a three-mile ring of the intersection of Carson Road and Lake Trafford Road, the population is 22,294 persons; it is expected to increase by 7.34% between 2015 and 2020. The average household size in the three-mile ring is 3.9 persons, compared to 2.38 for the county. About 25% of the population is 55 and older. The average household income is \$33,383, while the median is \$26,438; both are expected to increase over the next five years, by 15% and 3%, respectively. Collier County has an average household income of \$73,151 and a median household income of \$48,636, so the subject area is considered lower-income. About 81% of the households in the three-mile ring earn less than \$50,000 annually.

Demographics for the area indicate a growing population but low income levels.

### Employment

The following summarizes employment within the defined three-mile ring. It indicates an unemployment rate for civilians of 9.09% and a large proportion (39.15%) of persons over 16 that are not in the workforce.

<b>2015 Est. Pop Age 16+ by Employment Status</b>	<b>17,068</b>	
In Armed Forces	0	0.00%
Civilian - Employed	8,833	51.75%
Civilian - Unemployed	1,552	9.09%
Not in Labor Force	6,682	39.15%

The following summarizes the distribution of workers by type in the three-mile ring; most are private employees working at for-profit companies.



2015 Est. Civ. Employed Pop 16+ by Class of Worker	8,823	
For-Profit Private Workers	7,192	81.52%
Non-Profit Private Workers	333	3.77%
Local Government Workers	582	6.60%
State Government Workers	189	2.14%
Federal Government Workers	31	0.35%
Self-Employed Workers	496	5.62%
Unpaid Family Workers	0	0.00%

Most employment is in farming, building grounds maintenance, and transportation, with these employment sectors comprised of about 54% of the civilian employees.

2015 Est. Civ. Employed Pop 16+ by Occupation	8,823	
Architect/Engineer	21	0.23%
Arts/Entertainment/Sports	72	0.82%
Building Grounds Maintenance	1,467	16.63%
Business/Financial Operations	57	0.65%
Community/Social Services	69	0.78%
Computer/Mathematical	38	0.43%
Construction/Extraction	582	6.59%
Education/Training/Library	387	4.39%
Farming/Fishing/Forestry	2,398	27.18%
Food Prep/Serving	439	4.98%
Healthcare Practitioner/Technician	183	2.08%
Healthcare Support	223	2.53%
Maintenance Repair	114	1.29%
Legal	21	0.24%
Life/Physical/Social Science	3	0.03%
Management	367	4.16%
Office/Admin. Support	592	6.70%
Production	125	1.41%
Protective Service	113	1.28%
Sales/Related	401	4.55%
Personal Care/Service	266	3.01%
Transportation/Moving	884	10.02%

The workforce is predominantly service and farm-oriented.

2015 Est. Pop 16+ by Occupation Classification	8,823	
Blue Collar	1,705	19.32%
White Collar	2,211	25.06%
Service & Farm	4,907	55.62%

### Development/Enterprise Incentives and Resources

The Immokalee area benefits from several incentive programs, including the designation as a Historically Underutilized Business (HUB) Zone, the Immokalee Rural Enterprise Zone, and the Free Foreign Trade Zone at the airport.

The Immokalee area has been designated as an Enterprise Zone, a specific geographic area targeted for economic revitalizing; however, this is to sunset at the end of 2015. In Immokalee, this program provided over \$200,000 in tax incentives and other incentives to nearly 20 businesses over the past decade.

### Retail Development

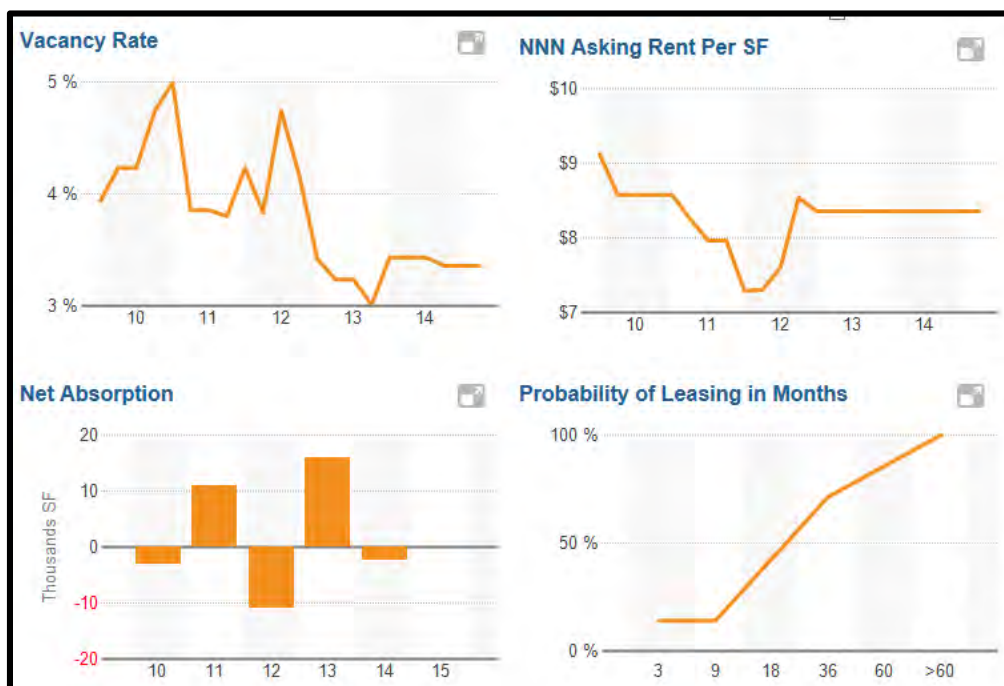
The following summarizes retail development within a three-mile ring of the intersection of Carson Road and Lake Trafford Road.

Availability	Survey	5-Year Avg	Inventory	Survey	5-Year Avg
NNN Rent Per SF	\$8.36	\$8.23	Existing Buildings	121	120
Vacancy Rate	3.4%	3.8%	Existing SF	664,169	656,711
Vacant SF	22,322	24,697	12 Mo. Const. Starts	0	4,424
Availability Rate	3.4%	3.9%	Under Construction	0	2,411
Available SF	22,322	25,652	12 Mo. Deliveries	0	5,056
Sublet SF	0	0			
Months on Market	44.0	27.4			
Demand	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
12 Mo. Absorption SF	500	4,270	Sale Price Per SF	\$170	\$158
12 Mo. Leasing SF	7,360	3,630	Asking Price Per SF	\$276	\$273
			Sales Volume (Mil.)	\$5.0	\$2.9
			Cap Rate	-	7.2%

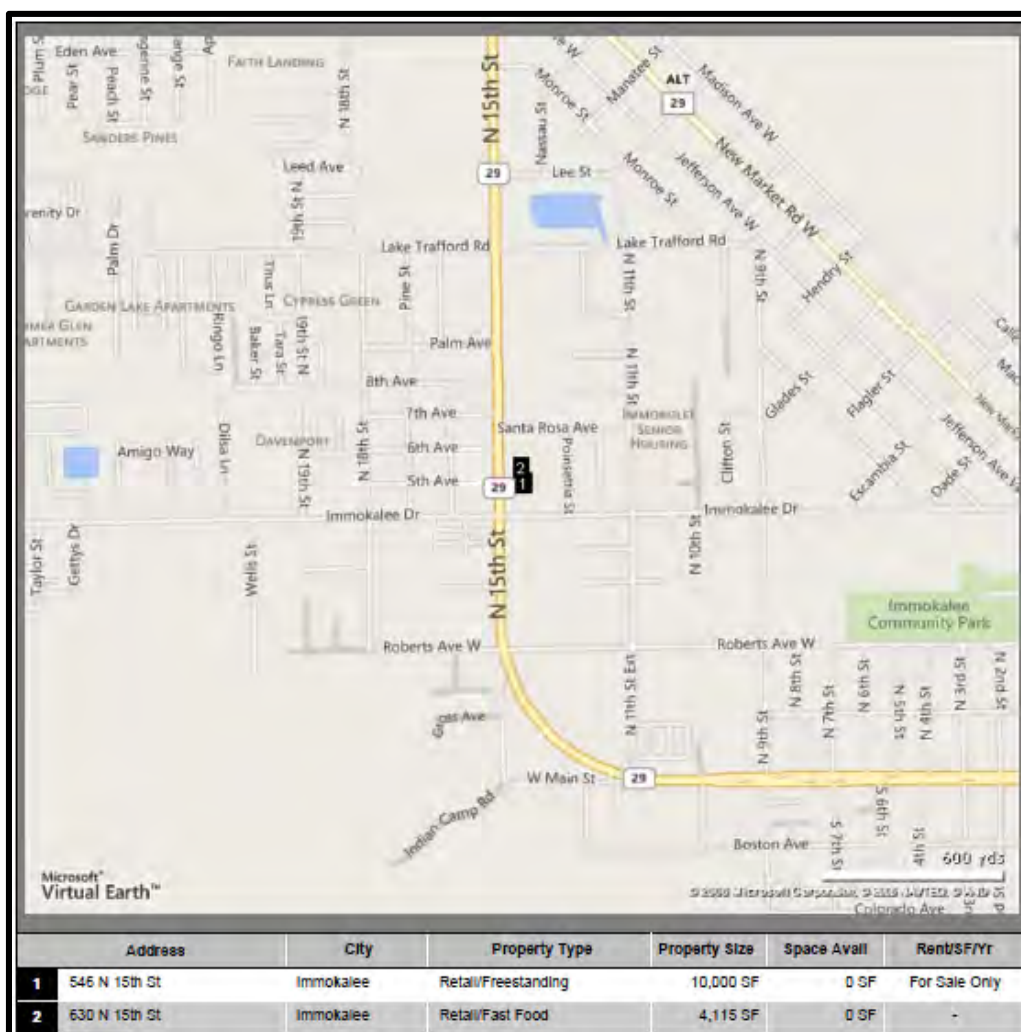
Of the 121 existing buildings, only 14 have 10,000 square feet or more. Immokalee Plaza is by far the largest development with about 95,000 square feet. It was built in 1988 and is anchored by Family Dollar; other tenants include Dunkin Donuts, Metro PCS, H&R Block and China Gourmet V Buffet. An approximate 14,000 square foot anchor space is vacant.

Vacancy is relatively low in the three-mile ring and has been generally decreasing; net rents have been stable recently, but relatively low.

## NEIGHBORHOOD ANALYSIS (CONT'D)



The following summarizes proposed and under construction retail in the three-mile ring.



## NEIGHBORHOOD ANALYSIS (CONT'D)

Bradley Muckel with Collier County indicated several new and planned commercial developments. Recently completed projects include a four-story hotel on the Seminole Casino property, a Subway, and a Suncoast credit union. A Taco Bell is nearing completion. A 150,000 square foot Walmart SuperCenter with full-service grocery and pharmacy is planned at the northwest corner of Westclox Drive and North 15<sup>th</sup> Street. Planned development also includes a First Bank, three Family Dollar stores, and a frozen yogurt shop.

### Office Development

There are 29 office properties within a three-mile radius of the intersection of Carson Road and Lake Trafford Road, consisting of only Class B and C product, summarized below.

Availability	Survey	5-Year Avg	Inventory	Survey	5-Year Avg
Gross Rent Per SF	\$9.42	\$9.63	Existing Buildings	29	29
Vacancy Rate	3.5%	6.3%	Existing SF	123,735	123,735
Vacant SF	4,300	7,777	12 Mo. Const. Starts	0	0
Availability Rate	3.5%	6.6%	Under Construction	0	0
Available SF	4,300	8,200	12 Mo. Deliveries	0	0
Sublet SF	0	0			
Months on Market	60.6	29.4			
			Sales	Past Year	5-Year Avg
			Sale Price Per SF	-	\$84
Demand	Survey	5-Year Avg	Asking Price Per SF	\$66	\$66
12 Mo. Absorption SF	4,168	1,295	Sales Volume (Mil.)	\$1.9	\$2.4
12 Mo. Leasing SF	4,168	1,757	Cap Rate	6.7%	6.7%

Vacancy has decreased substantially since 2010; while gross asking rents have varied and recently declined significantly, the current level is above 2011.



Only two properties are larger than 10,000 square feet. One is the Immokalee Government Center and the other is occupied by state and local government offices, in addition to Avow Hospice.

There are no offices proposed or under construction in the three-mile ring.

### Industrial Development

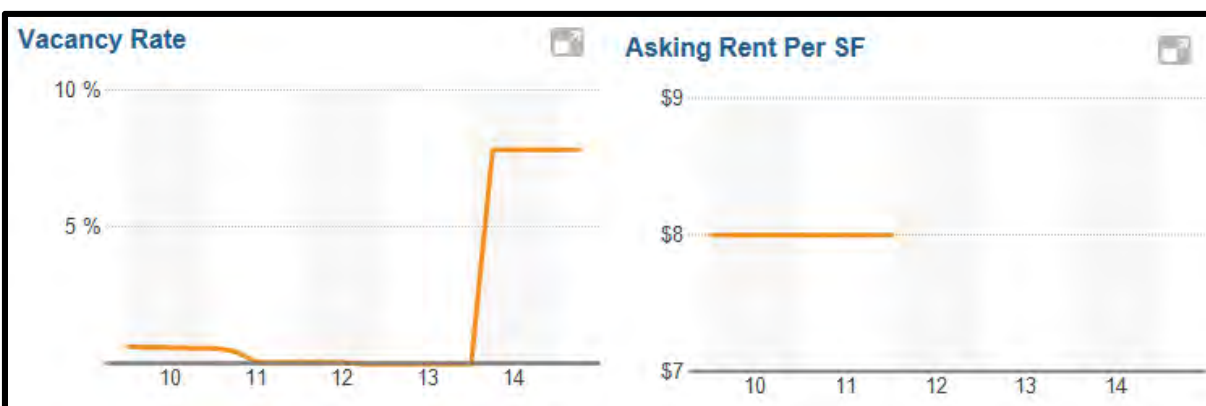
According to CoStar, there are 53 industrial properties within a three-mile radius of the intersection of Carson Road and Lake Trafford Road, summarized below.



## NEIGHBORHOOD ANALYSIS (CONT'D)

Availability	Survey	5-Year Avg	Inventory	Survey	5-Year Avg
Rent Per SF	-	\$8.00	Existing Buildings	53	53
Vacancy Rate	7.8%	1.7%	Existing SF	1,313,367	1,313,367
Vacant SF	102,584	22,527	12 Mo. Const. Starts	0	0
Availability Rate	7.8%	2.0%	Under Construction	0	0
Available SF	102,584	26,127	12 Mo. Deliveries	0	0
Sublet SF	0	0			
Months on Market	-	8.5			
Demand	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
12 Mo. Absorption SF	-102,584	-18,857	Sale Price Per SF	\$69	\$53
12 Mo. Leasing SF	0	-	Asking Price Per SF	\$42	\$44
			Sales Volume (Mil.)	\$2.1	\$1.6
			Cap Rate	-	-

Vacancy recently spiked, but asking rents have remained flat.



There are only four properties with 100,000 square feet or more. One, a packing plant with refrigeration, has 102,584 square feet available for lease, contributing to the recent spike in vacancy. The entire 134,416-square foot facility is for sale for \$34.34 per square foot.

There are no industrial or flex space properties proposed or under construction in the subject's three-mile ring.

### Residential Development

Most of the housing in the single family and multi-family components of the market caters to low to middle income households. There are many rental properties in the neighborhood, particularly manufacturing housing catering to farmworkers, most of which are rented on a seasonal basis. Since almost all of the apartment projects in the Immokalee area have maximum income restrictions, households seeking rental housing at market rates without maximum income restrictions must choose from single family homes, duplexes and mobile homes.

The following discussion is based on data from Claritas iXPRESS. There are 6,623 housing units within the three-mile ring, of which 41.90% are owner-occupied. Most of the housing units are one-unit, detached, followed by mobile homes. Mobile homes constitute a relatively large proportion of the housing in the area.

## NEIGHBORHOOD ANALYSIS (CONT'D)

<b>2015 Est. Housing Units by Units in Structure</b>	<b>6,623</b>	
1 Unit Attached	151	2.28%
1 Unit Detached	2,758	41.65%
2 Units	293	4.42%
3 or 4 Units	400	6.03%
5 to 19 Units	735	11.10%
20 to 49 Units	194	2.93%
50 or More Units	93	1.41%
Mobile Home or Trailer	1,999	30.18%
Boat, RV, Van, etc.	0	0.00%
<b>Dominant structure type</b>	<b>1 Unit Detached</b>	

About 73% of the owner-occupied housing units are valued at \$40,000 to \$199,999. The median housing value in the three-mile ring is \$91,859, compared to \$279,664 for the county.

<b>2015 Est. Owner Occupied Housing Units by Value</b>	<b>2,442</b>	
Value Less than \$20,000	147	6.02%
Value \$20,000 to \$39,999	147	6.02%
Value \$40,000 to \$59,999	345	14.11%
Value \$60,000 to \$79,999	416	17.03%
Value \$80,000 to \$99,999	280	11.49%
Value \$100,000 to \$149,999	432	17.70%
Value \$150,000 to \$199,999	321	13.16%
Value \$200,000 to \$299,999	205	8.40%
Value \$300,000 to \$399,999	80	3.26%
Value \$400,000 to \$499,999	25	1.04%
Value \$500,000 to \$749,999	20	0.82%
Value \$750,000 to \$999,999	20	0.83%
Value \$1,000,000 or more	3	0.12%
<b>2015 Est. Median All Owner-Occupied Housing Unit Value</b>	<b>\$91,859</b>	

About 88% of the housing stock in the three-mile ring has been built since 1970; about 32% has been built since 2000.

<b>2015 Est. Housing Units by Year Structure Built</b>	<b>6,623</b>	
Housing Units Built 2010 or later	544	8.22%
Housing Units Built 2000 to 2009	1,591	24.02%
Housing Units Built 1990 to 1999	1,276	19.27%
Housing Units Built 1980 to 1989	1,034	15.60%
Housing Units Built 1970 to 1979	1,380	20.83%
Housing Units Built 1960 to 1969	527	7.95%
Housing Units Built 1950 to 1959	198	2.99%
Housing Units Built 1940 to 1949	21	0.31%
Housing Units Built 1939 or Earlier	53	0.80%
<b>2015 Est. Median Year Structure Built**</b>	<b>1991</b>	
<b>Dominant Year Structure Built</b>	<b>2000 to 2009</b>	

The development with the largest impact on the neighborhood is the Ave Maria University and community located south of Immokalee Road; the site plan follows. This Catholic development contains about 5,000 acres, 20% of which has been designated as the university campus, which includes a law school. Florida Today named the university one of the top 10 in the state in an April 2015 article. When completed, the town will have approximately 11,000 residential dwellings in a wide range of prices, and including rental apartments and condominiums to estate homes; asking prices start in the mid-\$100s and range to about \$400,000. The first homes were completed in 2008. This mixed-use development also features a town center with a Publix grocery store, Arthrex Commerce Park (anchored by a medical company), Collier Family Farms, and the 80 acre Ave Maria Park of Commerce.





The Arrowhead Reserve at Lake Trafford Planned Unit Development is located on Lake Trafford Road just west of Carson Road. This 307-acre PUD is one of the largest housing communities in Collier County. It is planned for 436 single family units, 809 multi-family units, and 130,680-square feet of commercial space. The three multi-family parcels include Tract 1, designated for condominium development, Tract 2, developed with 304 apartments, and Tract 3, 28.14 acres designated for up to 317 units. There are about 350 vacant developed lots in this PUD.



## NEIGHBORHOOD ANALYSIS (CONT'D)

Jubilation is located on the northeast corner of Lake Trafford Road and Carson Drive and is a gated, middle-income subdivision which will have 105 homes at completion, in addition to condominiums. It is being developed by private, non-profit Jubilation Development Corporation, which is part of Harvest for Humanity's effort to improve housing opportunities for permanent residents and Immokalee's agricultural workers.

Habitat for Humanity is active in the Immokalee area. Construction is underway in Faith Landing, which is planned for 164 duplexes and 3 single family homes. Sales of 25 to 35 units per year are anticipated by Habitat.

The most recent previous development was the 28-acre neighborhood of Liberty Landing, with 150 duplexes built at a cost of \$19,255,000. Through a partnership with Barron Collier Corporation and as a part of the construction of Ave Maria, this property was made available to Habitat for Humanity at no cost. It is the first of Habitat's neighborhoods to bear the cost of Florida panther mitigation, which adds \$5,000 to the cost of each home. Other existing developments include 28-home Hope Circle, 83-home Carson Lakes, and 157-home Independence.

### Apartment Development

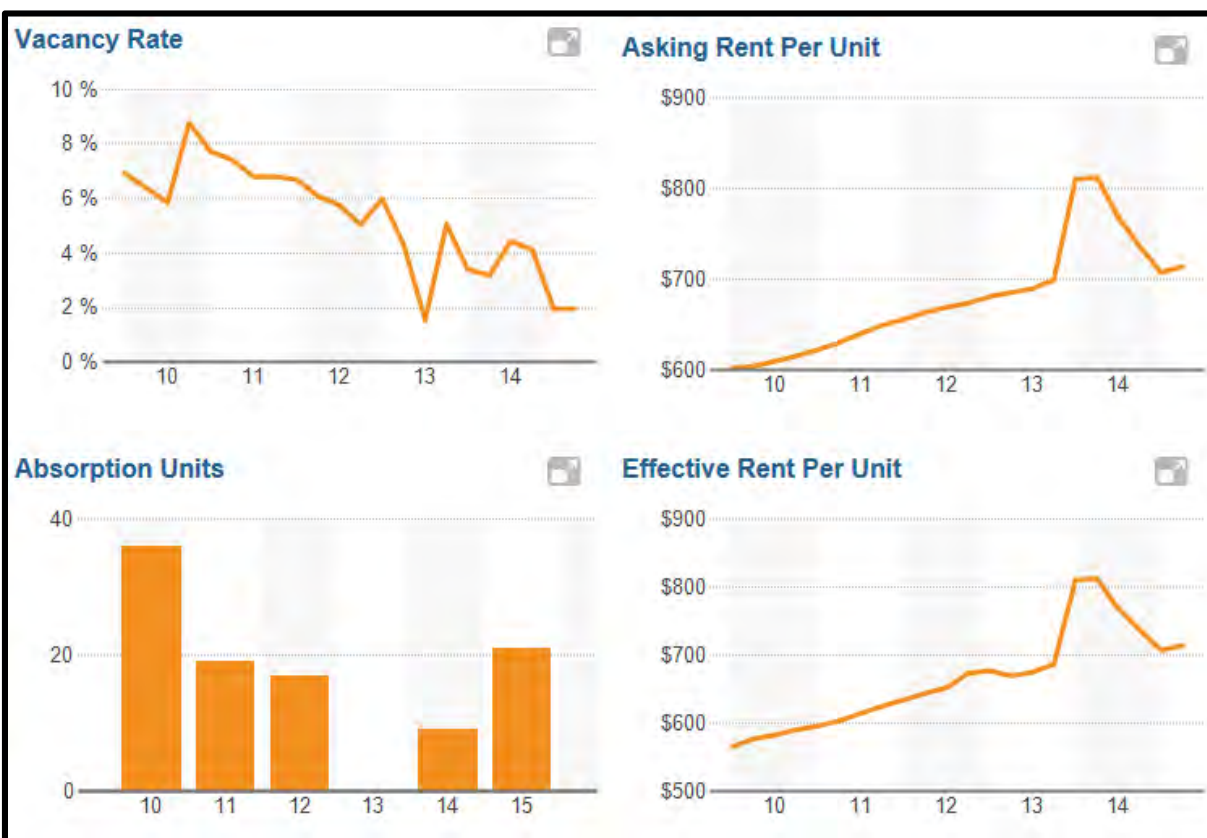
Most of the multi-family developments within the defined neighborhood are small, older properties with income restrictions imposed by the Housing Credit, Tax-Exempt Bond, Rural Development, HOME and HUD programs; many are rent-assisted, with tenants paying rent based on income. The largest is the 40-year old Farm Worker Village, a Housing Authority property with 641 units.

Several of the Housing Credit properties in the Immokalee area have tenant requirements that stipulate some or all of their units are set-aside for farmworkers, although this requirement has been temporarily waived or reduced in most of these communities.

The following summarizes all multi-family development within a three-mile radius of the intersection of Carson Road and Lake Trafford Road according to CoStar; note that CoStar includes apartments, dormitories and mobile homes in this category.

Leasing Units	Survey	5-Year Avg	Inventory in Units	Survey	5-Year Avg
Vacant Units	19	52	Existing Units	1,213	964
Vacancy Rate	2.0%	5.4%	12 Mo. Const. Starts	0	0
12 Mo. Absorption Units	14	18	Under Construction	0	5
			12 Mo. Deliveries	0	10
Rents	Survey	5-Year Avg	Sales	Past Year	5-Year Avg
Studio Asking Rent	-	-	Sale Price Per Unit	\$34,042	\$34,042
1 Bed Asking Rent	\$810	\$782	Asking Price Per Unit	\$54,104	\$44,642
2 Bed Asking Rent	\$711	\$647	Sales Volume (Mil.)	\$6.4	\$6.4
3+ Bed Asking Rent	\$698	\$692	Cap Rate	5.7%	5.7%
Concessions	0.0%	2.1%			

Vacancy spiked in 2010 in the three-mile ring, but has been below 6% since 2012. Asking and effective rents have been increasing since 2010, and absorption has been positive, albeit low, in recent years.



The Bromelia Place apartments are for sale for \$66,667 per unit. This 30 unit Housing Credit property has an elderly demographic commitment and set asides of 5% at 40% and 95% at 50% AMI.

There are no apartments either planned, under construction, or under renovation within a five-mile radius of the subject, according to CoStar. Also the Florida Housing Finance Corporation list of recently funded properties shows none in Collier County.

The infrastructure appears to be complete and building pads begun for the 18-unit Hatchers Preserve single family rental community, located on Westclox Road, west of Carson Road. An article in the November 12, 2014 *Naples Daily News* indicates that tents for the three-bedroom/two bath homes are expected to be in the \$600 to \$650 range and will be funded with a \$2.3 million grant from Collier County. It will be the first new community to be developed in four years in the area. The development is part of an initiative by Rural Neighborhoods to revitalize the area, potentially drawing tenants from aging mobile homes; mobile homes constitute about a quarter of the housing.

### Institutional and Other

Several schools are located in the Immokalee area, including Lake Trafford Elementary, Highlands Elementary, Pinecrest Elementary, Village Oaks Elementary, Immokalee Middle School, Immokalee High School and The Learning Center. A newer elementary school is located off Westclox Road.

### Transportation

The subject neighborhood's primary arteries include State Road 29 (North 15<sup>th</sup> Street and Main Street), Lake Trafford Road (County Road 890) and Naples-Immokalee Road County Road 846.

**State Road 29** runs in a north/south direction through the entire length of Collier County. The roadway runs from Hendry County to the north through Immokalee, past Interstate 75 (Alligator Alley) and through the communities of Rock Island, Deep Lake, Copeland, Carnestown, Everglades City, to its termination point to the south in Chokoloskee. State Road 29 is known as Main Street in the downtown area of Immokalee. Uses

along this roadway in the subject neighborhood include a mix of commercial, residential and industrial uses. Residential uses include manufactured housing and low to mid-priced single family housing. Commercial uses include banks, local and national retailers, offices, gas stations, restaurants and grocery stores. Within the downtown area, streetscaping projects have been undertaken to enhance the appeal of the area.

**Lake Trafford Road (County Road 890)** is the primary east/west roadway in the Immokalee area. It runs from the west side of State Road 29 to its termination point at Lake Trafford. Uses along this roadway include a mix of commercial and residential uses. A Winn-Dixie anchored strip shopping center is located on the northwest corner of Lake Trafford Road and State Road 29. A public park and marina are located at the western terminus of Lake Trafford Road at Lake Trafford. Lake Trafford Elementary school is located on this roadway. Residential uses include affordable multi-family apartments, manufactured homes, single family homes and new homes within the Jubilation planned development, which includes a mix of attached and detached homes and condominiums. Jubilation is a low to mid-priced housing development. The Arrowhead Reserve at Lake Trafford planned development is located on Lake Trafford Road; this development includes a mix of multi-family and single family uses.

**County Road 846 (Naples-Immokalee Road)** is a primarily east/west roadway that runs from its intersection with Vanderbilt Drive near the western boundary of the county past Interstate 75 through Naples then jogs northward and east into Immokalee and beyond into Hendry County. Land uses include a mix of industrial, commercial, single family residential, offices and the Immokalee Airport.

The Immokalee Airport serves a variety of small aircraft and crop-dusting airplanes.

### Conclusion

The subject neighborhood is a predominantly agricultural area located northeast of Naples. The area is moderate income, with about 56% of the occupations being in the service and farm industries. The population is projected to grow over the next five years, as are the median and average household incomes, both of which are well below the county. Most housing consists of moderately priced single family homes and mobile homes. Habitat for Humanity has a significant presence in the area. Apartment housing is limited to small projects operating under a variety of programs such as the Housing Credit, HOME, Rural Development, Tax-Exempt Bond and HUD programs. Several of the Housing Credit properties in the Immokalee area have tenant requirements that stipulate some or all of their units are set-aside for farmworkers, although this requirement has been temporarily waived or reduced in most of these communities.

## SITE ANALYSIS

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The subject site has not yet been determined.



## IMPROVEMENT ANALYSIS

The following data is based on the recommendations in the *Competitive Analysis* section of the report.

### Type and Size

The subject is assumed to consist of 80 apartment units. We recommend two-story buildings, as third floor units would likely be difficult to rent to the subject's likely target market of large families, or possibly seniors.

The following is the subject's suggested unit mix and project size. A smaller development could be built, but the project would not enjoy the same economies of scale.

Unit Type	Set Aside	# Of Units	Unit Size (S.F.)	Total S.F.
1/1	60% AMI	12	650	7,800
2/2	60% AMI	28	900	25,200
3/2	60% AMI	28	1,075	30,100
4/2	60% AMI	12	1,125	13,500
<b>Total/Avg.</b>		<b>80</b>	<b>958</b>	<b>76,600</b>

The total rentable area within the units is 76,600 square feet, resulting in an average unit size of 958 square feet.

Based on the recommended number of units (80) and number of floors (two per building), and competitive developments, we estimate that the density of the development would be eight to 12 units per developable acre.

We recommend that the subject's amenities include a clubhouse, pool, fitness center, business center, laundry room, picnic area, playground, car wash, and picnic areas; other amenities could also include an outside sports court.

Regarding unit features, Crestview Park includes ceiling fans, countertop microwaves, dishwashers, solid surface flooring, and garbage disposals, with the appliances being white/off-white. The units do not include patios/balconies or washer/dryer hookups. Of the comparables in Immokalee, only Timber Ridge includes washer/dryer hookups, though this feature is provided at the comparables outside the area and is typical of newer construction. In order to compete with Crestview Park, the subject should provide a similar offering and include washer/dryer hookups and patios/balconies, if possible. With these unit features, we have also assumed that water/sewer would not be included in the rents. Also, Crestview Park's buildings are two-story; third floor units would be difficult to rent to the subject's likely target market of large families or seniors, so a maximum building height of two stories is recommended.

### Construction Details

Based upon information provided by the subject developer and typical apartment projects, the subject's construction details are suggested follows:

<b>Exterior Walls:</b>	Wood frame or concrete block with stucco
<b>Windows:</b>	Typical aluminum frame, single-hung
<b>Roof:</b>	Wood or metal trusses with shingles
<b>Partitions:</b>	Typical drywall over wood or metal
<b>Party Wall:</b>	Typical fire-rated walls between units
<b>Lighting:</b>	Typical fluorescent and incandescent
<b>Heat &amp; Air Conditioning:</b>	Typical package HVAC
<b>Flooring:</b>	Ceramic tile or other durable flooring
<b>Laundry:</b>	Washer/dryer connections in the units, if feasible

### **General Layout and Efficiency**

The subject's general design should be consistent with other nearby properties.

### **Age and General Condition**

The physical condition of the improvements will be new upon completion. The economic life of the improvements would be 40 to 50 years.

### **Construction Quality**

We suggest that the subject apartment buildings would be average to good quality, Class C (concrete block) or Class D (wood frame) multi-family buildings per the *Marshall Valuation Service* definition. Interior finish would be average to good quality.

### **Site Improvements**

The property would have property signage, concrete curbing, adequate lighting, and typical landscaping with irrigation.

Regarding parking, zoning requires that "all units shall have one per unit plus visitor parking computed at 0.5 per efficiency unit, 0.75 per one-bedroom unit, and one per two-bedroom or larger unit. Office/administrative buildings shall have parking provided at 50% of normal requirements. Where small-scale recreation facilities are accessory to a single family or multi-family project and intended only for the residents of that project, exclusive of golf courses/clubhouses, the recreation facilities may be computed at 50% of normal requirements where the majority of the dwelling units are not within 300' of the recreation facilities and at 25% of normal requirements where the majority of the dwelling units are within 300' of the recreation facilities. However, any recreation facility shall have a minimum of two spaces exclusive of parking spaces for dwelling units."

The subject's parking requirement is estimated to be about 163 parking spaces (about 2.04 spaces per unit), based on the recommended unit mix (157 spaces) and assuming six spaces for the clubhouse.

### **Personal Property**

Personal property typically included in apartment projects consists of the appliances in each unit, mini-blinds and/or vertical blinds in each unit, clubhouse/common area furnishings and equipment, and other similar items.

### **Resident Programs**

The subject property should offer tenant programs oriented to farmworkers.

### **Conclusion**

The recommendations for the subject product are based on the newest competitive Housing Credit project located near the subject, in addition to newer projects in similar areas. As described, the subject improvements would be expected to effectively compete with the existing product and achieve the rents concluded.

## COMPETITIVE MARKET AREA

### Determination of Competitive Market Area

We have estimated the occupancy for the subject's Competitive Market Area (CMA) for the subject's product type. The CMA is defined as those stabilized projects lying in closest proximity to the subject with similar income restrictions and demographic commitments. In urban areas, there is typically a higher concentration of product, so this area is relatively small. In suburban and more rural areas where product concentrations are typically lower, the CMA can be relatively large, but are limited to the subject's MSA. The geographic area of the CMA is flexible and dependent on the concentration of like-kind properties. The most limiting factors of comparison for the subject are demographic commitment, set asides/income restrictions, affordable housing program, and whether or not the property has a significant number of units with rental assistance. The CMA for a property is determined by radiating out from the property until enough like-kind units are surveyed to provide an accurate portrayal of the market conditions for properties that would be directly competitive with the subject.

The Competitive Market Area differs from the Primary Market Area, which is discussed in the following Capture Rate Analysis. The PMA is defined as a 10-mile ring centered on the subject property. The PMA is primarily based on data gathered in the Small Area Data (SAD) Case Study that can be found on the FHFC website. The study indicated that most affordable housing projects receive about 2/3 to 3/4 of their tenants from within 10 miles. In addition, about 40% of tenants living in affordable housing units work within five miles of their homes while about 65% work within 10 miles of their homes. Again, in-depth analysis of the PMA follows this section.

The CMA analysis is based on two assumptions. We have assumed that the subject would be restricted by the Housing Credit program only, with no rental assistance. We have assumed that 100% of the units would be at the 60% set aside.

In order to narrow the pool of potential properties for inclusion in the CMA, we generated an affordable housing inventory list using the Florida Housing Data Clearinghouse (Shimberg) website. We cross-checked the Shimberg list with the FHFC in-service list and eliminated properties with a majority of rent-assisted units and public housing properties, and those not operating under the Housing Credit program.

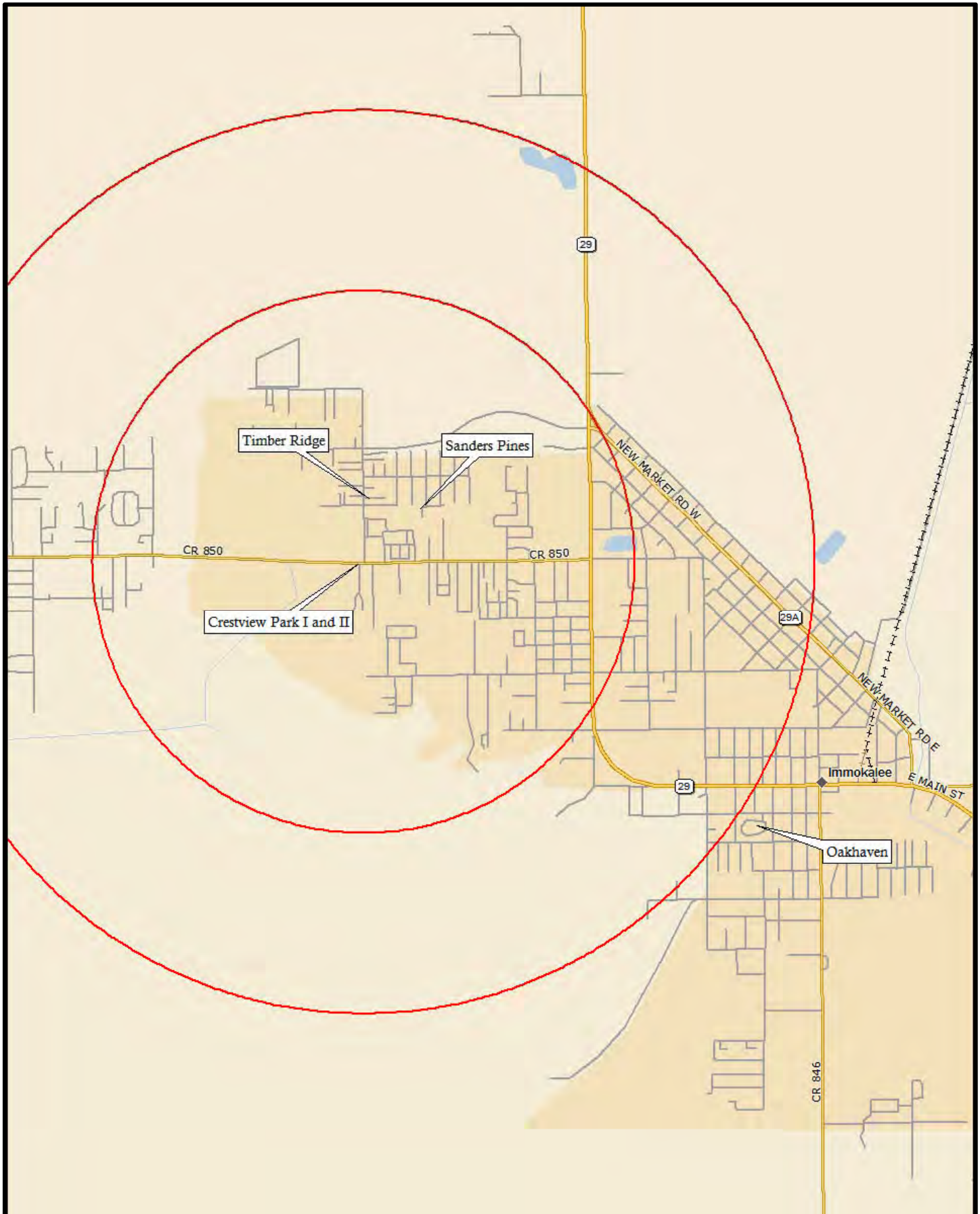
For the remaining properties, we considered the set asides as indicated on the FHFC County In-Service list. Properties with a majority of units at higher or lower set asides would be excluded. All of the properties have reasonably similar set asides. To this list we added any funded properties located within the geographic area of the above properties. From this data set, we radiated out from the subject until a sufficient number of like-kind properties were included.

The subject's CMA is comprised of the following:

Inventory Of Affordable Properties In CMA		
Apartment	Properties in CMA	Reason
	Subject	
Crestview Park I & II	Included	Demographic Commitment Family
Oakhaven	Included	Demographic Commitment Family
Sanders Pines Apartments	Included	Demographic Commitment Family
Timber Ridge of Immokalee	Included	Demographic Commitment Family

The properties in the chart are shown on the following map with the excluded properties in **red**, the included, existing properties and the subject in **black**, and the included, proposed projects in **green**.

## CMA MAP WITH 1.2 AND TWO-MILE RINGS





## DEMOGRAPHICS AND SUPPLY AND DEMAND ANALYSES

### Demographics of Market Areas

We have analyzed demographic information for 1.2, three and 10-mile rings centered on the approximate center of the subject's defined area, in addition to all of Collier County. The 1.2-mile ring most closely approximates the defined area provided by the client; the 10-mile ring is considered to be the subject's Primary Market Area (PMA).

The data used in this analysis is from a Household Trend Report performed by Claritas, Inc. We have profiled the population growth, household growth and income characteristics of the market areas. Claritas' data is considered some of the most accurate in the industry; it reflects 2010 Census data.

Population Growth					
Market Area	2000 Census	2015 Estimate	Change (00-15)	2020 Projection	Change (15-20)
1.2-mile ring	11,187	12,239	9.4%	13,252	8.3%
3-mile ring	22,294	23,931	7.3%	25,586	6.9%
10-mile ring	30,117	32,704	8.6%	35,183	7.6%
Collier County	321,520	348,231	8.3%	374,163	7.4%

The rate of population growth was highest between 2000 and 2015 in the 1.2-mile ring, followed by the 10-mile ring, a trend that is expected to continue through 2020.

Household Growth				
	1.2-mile ring	3-mile ring	10-mile ring	Collier County
Households 2000 Census	2,699	5,321	7,439	133,179
Households 2015 (est.)	3,011	5,827	8,190	144,686
% Change '00 - '15	11.6%	9.5%	10.1%	8.6%
Households 2020 (proj.)	3,290	6,289	8,866	155,933
% Change '15 - '20	9.3%	7.9%	8.3%	7.8%
Absolute Change '15 - '20	279	462	676	11,247
Average Change/Year	56	92	135	2,249

The household growth rate was highest in the 1.2-mile ring between 2000 and 2015 followed by the 10-mile ring. Projected household growth trends indicate the 1.2-mile ring will continue to show the strongest rate of growth between 2015 and 2020. The result will be positive household growth in all of the market areas. About 2.5% of the county's growth is projected to occur within three miles of the subject. About 6.0% of the county's growth is projected to occur within 10 miles of the subject.

The average household size for the market areas is as follows:

Average Household Size Trend		
Market Area	2015	2020
1.2-mile ring	3.96	3.93
3-mile ring	3.90	3.88
10-mile ring	3.80	3.79
Collier County	2.38	2.37

The average household size is largest in the 1.2-mile ring, followed by the three-mile ring; the average household sizes in the subject's immediate area are substantially larger (about 1.5 persons) than in the county as a whole. The trend is toward slightly smaller average household sizes between 2015 and 2020 in the three, five and 10-mile market areas and on the county level.

The income characteristics of the market areas are outlined in the following charts.

Average Household Income Trend					
Market Area	2000 Census	2015 Estimate	Change (00-15)	2020 Projection	Change (15-20)
1.2-mile ring	\$31,397	\$38,930	24.0%	\$40,971	5.2%
3-mile ring	\$33,383	\$38,455	15.2%	\$39,857	3.6%
10-mile ring	\$33,383	\$45,734	37.0%	\$48,175	5.3%
Collier County	\$73,151	\$82,310	12.5%	\$84,816	3.0%

Median Household Income Trend					
Market Area	2000 Census	2015 Estimate	Change (00-15)	2020 Projection	Change (15-20)
1.2-mile ring	\$24,707	\$28,909	17.0%	\$30,019	3.8%
3-mile ring	\$26,438	\$27,299	3.3%	\$28,060	2.8%
10-mile ring	\$26,536	\$31,527	18.8%	\$32,734	3.8%
Collier County	\$48,636	\$55,065	13.2%	\$56,681	2.9%

The average and median household incomes have been by far the highest on the county level, a trend that is expected to continue through 2020. Both median and average household incomes are projected to increase between 2015 and 2020 in all of the market areas.

#### Household Income Distribution

All of the ring market areas have a relatively high number of households in the lower income categories, as about 68% to 75% of households earn less than \$50,000 annually. The following chart summarizes the proportion of households in each annual household income level. Note that the income ranges over \$50,000 contains larger income increments than the lower categories.

Household Income Distribution 2015 3, 5 & 10-Mile Rings Centered On Site ( -81.4501° E, 26.4328° N)									
Market Area	1.2-Mile Ring			3-Mile Ring			10-Mile Ring		
Total HH in Market Area	3,011			5,827			8,190		
Household Income	2015	Cum.		2015	Cum.		2015	Cum.	
Less than \$15,000	790	790	26.2%	1,735	1,735	29.8%	2,024	2,024	24.7%
\$15,000 to \$24,999	511	1,301	17.0%	962	2,697	16.5%	1,255	3,279	15.3%
\$25,000 to \$34,999	523	1,824	17.4%	943	3,640	16.2%	1,251	4,530	15.3%
\$35,000 to \$49,999	448	2,272	14.9%	728	4,368	12.5%	1,027	5,557	12.5%
\$50,000 to \$74,999	342	2,614	11.4%	726	5,094	12.5%	1,212	6,769	14.8%
\$75,000 to \$99,999	192	2,806	6.4%	381	5,475	6.5%	700	7,469	8.5%
\$100,000 to \$124,999	102	2,908	3.4%	142	5,617	2.4%	251	7,720	3.1%
\$125,000 to \$149,999	78	2,986	2.6%	120	5,737	2.1%	190	7,910	2.3%
\$150,000 to \$199,999	20	3,006	0.7%	64	5,801	1.1%	183	8,093	2.2%
\$200,000 or more	5	3,011	0.2%	26	5,827	0.4%	97	8,190	1.2%
	100.0%			100.0%			100.0%		

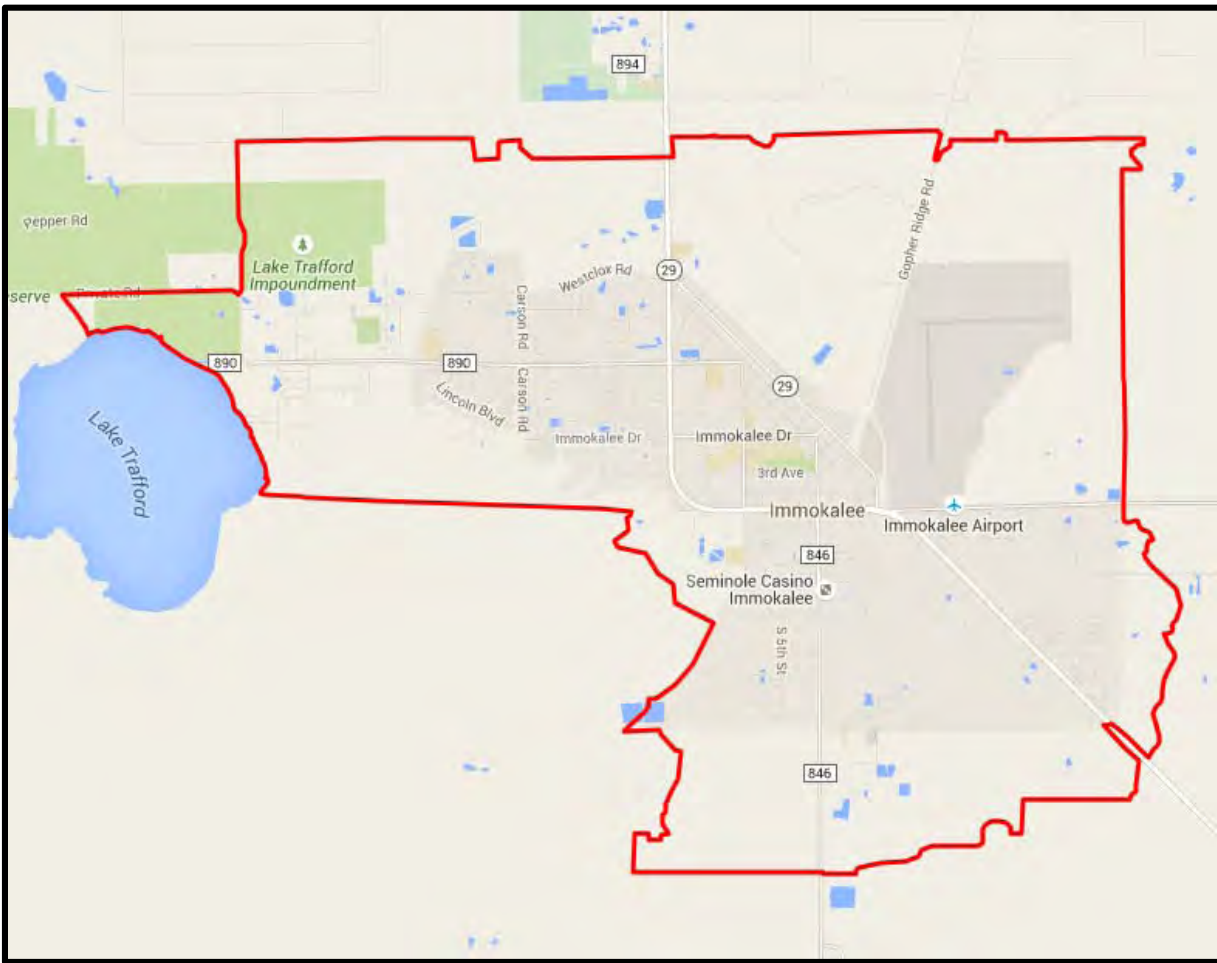
#### SUPPLY AND DEMAND ANALYSES

We have analyzed supply and demand for the affordable multi-family product using two methods. First we took a broad look at the rental market using American Community Survey data. Next we took a more in-depth look at the Housing Credit market using Claritas iXPRESS data. For the latter, we considered rent-assisted units, then both family and elderly demographic commitments for Housing Credit units at the 60% set aside.

***Using American Community Survey Data***

First considered supply versus demand using the 2009-2013 American Community Survey (ACS) 5-Year Estimates. The American Community Survey is from the United States Census Bureau. Specifically, the ACS 5-year estimates which are released each year for communities across the United States were used. The most recent data available is for 2013 and is available only for specified geographic areas, such as CDPs, cities, etc. For the subject area, the Immokalee CDP is used, as it most closely approximates the defined study area. The CDP encompasses a larger area than the defined study area.

**IMMOKALEE CDP BOUNDARY MAP**



This analysis also uses a banded approach, comparing supply and demand within the applicable income band for all rental types (with no consideration for possible age restrictions). It assumes that households can afford to pay no more than 30% of their income for housing, which is the standard convention used for affordable rental housing analysis.

We separated the analysis into two segments, which would apply to two types of affordable apartments: rent assisted and Housing Credit with 60% set asides.

***Rent-Assisted Units***

First, households earning 0% to 60% of the Area Median Income are considered the most likely candidates for rent-assisted housing, where tenants pay 30% of their income in rent, possibly paying no rent. Since the ACS data uses 2013 figures, the income bands use the 2013 AMI for Collier County of \$65,700.

## DEMOGRAPHIC AND SUPPLY AND DEMAND ANALYSIS (CONT'D)

The following chart summarizes the distribution of renter households based on household income. Notice that the income band is further segmented and shows the greatest concentration of renter households is in the 0% to 30% income band, at 47.9% of the total.

Income Distribution of Renter Households							
	Estimate	% in band	0%-30%	% in band	30.1%-50%	% in band	50.1%-60%
Renter-Occupied housing units	2,176						
HOUSEHOLD INCOME IN THE PAST 12 MONTHS (IN 2013)							
Less than \$5,000	5.3%	100.0%	5.3%	0.0%	0.0%	0.0%	0.0%
\$5,000 to \$9,999	13.3%	100.0%	13.3%	0.0%	0.0%	0.0%	0.0%
\$10,000 to \$14,999	16.7%	100.0%	16.7%	0.0%	0.0%	0.0%	0.0%
\$15,000 to \$19,999	13.4%	94.2%	12.6%	4.5%	0.6%	0.0%	0.0%
\$20,000 to \$24,999	10.9%	0.0%	0.0%	100.0%	10.9%	0.0%	0.0%
\$25,000 to \$34,999	12.5%	0.0%	0.0%	78.5%	9.8%	20.8%	2.6%
\$35,000 to \$49,999	15.2%	0.0%	0.0%	0.0%	0.0%	29.5%	4.5%
\$50,000 to \$74,999	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$75,000 to \$99,999	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$100,000 to \$149,999	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
\$150,000 or more	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Median household income (dollars)	20,519		47.9%		21.3%		7.1%
	99.9%		1,043		464		154

The data indicates a total of 1,661 renter households with annual incomes that fall within the defined income band, with 1,043 (63%) in the lowest band.

Next we considered the supply of occupied rental units with rents consistent with the income band; note that it includes not only affordable multi-family product, but mobile homes, etc.

Rent Distribution of Existing Rental Units							
		% in band	0%-30%	% in band	30.1%-50%	% in band	50.1%-60%
GROSS RENT	2,092						
Occupied units paying cash rent							
Less than \$200	3.0%	100.0%	3.0%	-	0.0%	-	0%
\$200 to \$299	6.5%	100.0%	6.5%	-	0.0%	-	0%
\$300 to \$499	22.7%	97.0%	22.0%	2.5%	0.6%	-	0%
\$500 to \$749	35.8%	-	0.0%	100.0%	35.8%	-	0%
\$750 to \$999	22.4%	-	0.0%	28.5%	6.4%	65.5%	15%
\$1,000 to \$1,499	7.2%	-	0.0%	-	0.0%	-	0%
\$1,500 or more	2.4%	-	0.0%	-	0.0%	-	0%
	619		31.5%		42.8%		14.7%
	100.0%		659		894		307

The data indicates that the largest supply of rental units charges rents consistent with the 30.1% to 50% of AMI income band.

The following chart summarizes the data, indicating a shortage of units only in the 0% to 30% AMI band, of 384 units. This indicates that the households at the lowest income levels are the only ones underserved in this market. It also implies that Housing Credit units between the 30% and 50% set asides, which are typically well-accepted, would meet with limited market acceptance unless they cannibalized existing properties.



Rent-Assisted Units			
	Demand(D)	Supply(S)	No Gap/(Gap)
Band	Renter	Renter	S-D
0%-30%	1,043	659	(384)
\$0			
\$493	47.9%	31.5%	
30.1%-50%	464	894	431
\$494			
\$821	21.3%	42.8%	
50.1%-60%	154	307	153
\$823			
\$986	7.1%	14.7%	

***Housing Credit Units with 60% Set Asides***

Households earning 37.0% to 70.5% of the Area Median Income are considered the most likely candidates for Housing Credit units at the 60% set aside. In the following section, we determine that the income band for Housing Credit units at the 60% set aside would be \$24,300 to \$46,320. (Note: This band excludes one-bedroom units; however, we recommend that a limited number, if any, of this unit type should be developed, based on the large average household size for the subject area. Accordingly, our analysis assumes development with two-, three- and four-bedroom units.) Translating these incomes into percentages based on the 2013 AMI for Collier County of \$65,700 results in an income band of 37.0% to 70.5%.

The following chart summarizes the distribution of renter households based on household income. Applying the subject's income band results in an indication of demand.

Income Distribution of Renter Households			
	Estimate	% in band	37%-70.5%
Renter-Occupied Housing Units	2,176		
HOUSEHOLD INCOME IN THE PAST 12 MONTHS (IN 2013 INFLATION-ADJUSTED)			
Less than \$5,000	5.3%	0.0%	0.0%
\$5,000 to \$9,999	13.3%	0.0%	0.0%
\$10,000 to \$14,999	16.7%	0.0%	0.0%
\$15,000 to \$19,999	13.4%	0.0%	0.0%
\$20,000 to \$24,999	10.9%	13.8%	1.5%
\$25,000 to \$34,999	12.5%	100.0%	12.5%
\$35,000 to \$49,999	15.2%	75.5%	11.5%
\$50,000 to \$74,999	7.0%	0.0%	0.0%
\$75,000 to \$99,999	2.3%	0.0%	0.0%
\$100,000 to \$149,999	2.4%	0.0%	0.0%
\$150,000 or more	0.9%	0.0%	0.0%
Median household income (dollars)	20,519		25.5%
	99.9%		554

The data indicates 554 renter households with annual incomes that fall within the subject's income band.

Next we considered the supply of occupied rental units with rents consistent with the income band; note that it includes not only affordable multi-family product, but mobile homes, etc.

GROSS RENT		2,092	paying cash rent	
Occupied units paying rent		3.0%	-	0.0%
Less than \$200		6.5%	-	0.0%
\$200 to \$299		22.7%	-	0.0%
\$300 to \$499		35.8%	56.6%	20.3%
\$500 to \$749		22.4%	100.0%	22.4%
\$750 to \$999		7.2%	31.7%	2.3%
\$1,000 to \$1,499		2.4%	-	0.0%
\$1,500 or more		619		45.0%
		100.0%		940

The data indicates 940 occupied rental units with gross rents within the income band.

The following chart summarizes the data, indicating an excess of 386 units serving the 37% to 70.5% income band; accordingly Housing Credit units at the 60% set aside would meet with limited market acceptance unless they cannibalized existing properties.

Housing Credit 60%			
	Demand(D)	Supply(S)	No Gap/(Gap)
Band	Renter	Renter	S-D
37%-70.5%	554	940	386
\$608			
\$1,158	25.5%	45.0%	

### CLARITAS SUPPLY AND DEMAND ANALYSES

Next we performed more in-depth analyses for three scenarios: rent-assisted units; Housing Credit apartments with a family demographic commitment and all units at the 60% set aside; and Housing Credit apartments with an elderly (age 55+) demographic commitment and all units at the 60% set aside.

#### Using Claritas Data – Rent-Assisted Units

##### *Income-Qualified Households*

We have estimated the number of households within the market areas that will earn enough income to afford the subject units, but not so much as to exceed the maximum allowable income under the programs that will restrict the subject.

With rental assistance, tenants could potentially have no monthly rent; however, they will still incur living expenses, which we estimate at \$300 per month for food, personal items, etc. Therefore, we estimate a lower limit of income at \$3,600 annually.

The upper limit of income is based on the maximum allowable income (assuming an income restriction of 60% AMI) for a household that would occupy the largest unit offered. We estimate a maximum of 1.5 persons per bedroom; for a four-bedroom unit, the maximum number of persons would be six. The maximum income for a six-person household at 50% AMI is \$46,320.

No current data is available for household income by household size. The aggregate of all households within the qualifying income band does over estimate demand to some degree; however, we have set the upper limit based on a six-person household, which underestimates demand from larger households to some extent.

## DEMOGRAPHIC AND SUPPLY AND DEMAND ANALYSIS (CONT'D)

Due to the increments of the available data, we estimated the proportionate number of households in the income bands. About 76.0% of the households in the \$0 to \$14,999 income category fall between \$3,600 and \$14,999. All of the \$15,000 to \$24,999 and \$25,000 to \$34,999 categories are included in the income band. About 75.5% of households in the \$35,000 to \$49,999 category earn \$46,320 or less.

The number of income-qualified households within the estimated income band is then multiplied by a propensity of renter-occupied housing; this figure is 31.8% for Collier County. This estimate is based on the 2008 *American Community Survey*, which estimated tenure characteristics by income. The result is the number of income-qualified renter households in each market area.

### Supply of Affordable Housing

The supply of affordable housing is limited to existing projects with rents based on income (rent-assisted units) in the subject's market areas. These projects are considered to provide primary competition for the subject. The data was compiled from the list of affordable properties prepared by the Shimberg Center for Affordable Housing and the Collier County Housing Authority. Affordable projects operating under the Housing Credit, USDA Rural Development and other programs, without rental assistance, were excluded. The inventory of projects within each ring and a map showing the extent of the 1.2, three and 10-mile rings are presented on the following pages.

The following indicates the supply in each of the market areas:

LOE Supply - Rent-Assisted Units			
Development Name	1.2-Mile Ring	3-Mile Ring	10-Mile Ring
Cypress Run		40	40
Eden Gardens	51	51	51
Eden Gardens II	37	37	37
Eden Gardens Supportive Housing	4	4	4
Esperanza Place Rental	48	48	48
Farm Worker Village			365
Garden Lake Apts	66	66	66
Heritage Villas Of Immokalee Ltd	41	41	41
Immokalee Apts		100	100
Main Street Village		79	79
So Villas Immokalee	35	35	35
Summer Glen	45	45	45
Willowbrook Place	42	42	42
Jackson Apartments		10	10
Totals	369	598	963

Hatchers Preserve with 18 single family homes is under construction and will be offered at \$600 to \$650 per month; this project could also be potential competitive supply.

Additional affordable projects are located in the market areas; however, these developments operate under different income guidelines; therefore, these projects will not directly compete with the rent-assisted projects and have not been included in the supply.

### Competition from Market Rate Projects

The subject's PMA has a supply of newer and older market rate properties. Since these units do not have income or rent restrictions and do not have compliance periods and could leave the supply at any time they have not been included in this analysis.

**Competition from Single Family, Condominium Rentals and Mobile Homes**

The affordable supply does not appear to have been significantly impacted by competition from single family or condominium homes that have entered the rental market. Since these units do not have income or rent restrictions and do not have compliance periods and could leave the supply at any time they have not been included in this analysis.

New multi-family development would likely draw tenants from aging mobile homes; mobile homes constitute about 30% of the housing in the Immokalee area.



## LEVEL OF EFFORT MAP WITH 1.2 AND THREE-MILE RINGS – RENT-ASSISTED



## DEMOGRAPHIC ANALYSIS (CONT'D)

### Demographic Analysis

The following chart summarizes our demographic analysis for the subject property to include Level of Effort, Capture Rate and Remaining Potential Demand. Growth is presented later.

Level of Effort 2015 - Rental Assistance, Incomes at 50% or Less of AMI 3, 5 & 10-Mile Rings Centered On Site ( -81.4501° E, 26.4328° N)										
Income Band										
Min. - With 100% Rental Assistance, Living Expenses Only							\$300	per mo.		\$3,600
Maximum - Income Limit for 4 BR Unit Assuming 1.5 Persons/BR & 60% AMI									\$46,320	
Market Area		1.2-Mile Ring			3-Mile Ring			10-Mile Ring		
Total HH in Market Area 2015		3,011			5,827			8,190		
Household Income	% in Band	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.
Less than \$15,000	76.0%	26.2%	19.9%	19.9%	29.8%	22.6%	22.6%	24.7%	18.8%	18.8%
\$15,000 to \$24,999	100.0%	17.0%	17.0%	36.9%	16.5%	16.5%	39.1%	15.3%	15.3%	34.1%
\$25,000 to \$34,999	100.0%	17.4%	17.4%	54.3%	16.2%	16.2%	55.3%	15.3%	15.3%	49.4%
\$35,000 to \$49,999	75.5%	14.9%	11.2%	65.5%	12.5%	9.4%	64.7%	12.5%	9.5%	58.9%
\$50,000 to \$74,999	0.0%	11.4%	0.0%	65.5%	12.5%	0.0%	64.7%	14.8%	0.0%	58.9%
\$75,000 to \$99,999	0.0%	6.4%	0.0%	65.5%	6.5%	0.0%	64.7%	8.5%	0.0%	58.9%
\$100,000 to \$124,999	0.0%	3.4%	0.0%	65.5%	2.4%	0.0%	64.7%	3.1%	0.0%	58.9%
\$125,000 to \$149,999	0.0%	2.6%	0.0%	65.5%	2.1%	0.0%	64.7%	2.3%	0.0%	58.9%
\$150,000 to \$199,999	0.0%	0.7%	0.0%	65.5%	1.1%	0.0%	64.7%	2.2%	0.0%	58.9%
\$200,000 or more	0.0%	0.2%	0.0%	65.5%	0.4%	0.0%	64.7%	1.2%	0.0%	58.9%
		100.0%			100.0%			100.0%		
% of Households in Income Band				65.5%					64.7%	58.9%
Multiplied by Total Households				<u>3,011</u>					<u>5,827</u>	<u>8,190</u>
Income-Qualified Households				1,972					3,770	4,824
Prop. for Renter-Occ. Housing for HH within the Band				<u>31.8%</u>					<u>31.8%</u>	<u>31.8%</u>
Income-Qualified Renter HH in 2015 (IQRH)				628					1,200	1,536
Existing and Funded, Competitive Affordable Apartments				369					598	963
Add: Subject's Units				<u>80</u>					<u>80</u>	<u>80</u>
Total Projected Supply				449					678	1,043
Indicated Level of Effort (LOE) (Supply/IQRH)				71.5%					56.5%	67.9%
Indicated Capture Rate (CR) (Subject Units/IQRH)				12.7%					6.7%	5.2%
Remaining Potential Demand (RPD) (IQRH - Supply)				179					522	493

The following chart summarizes the current supply of units (including any funded units and the assumed number of units for the subject property) in each of the areas surveyed.

Market Area	1.2-Mile Ring	3-Mile Ring	10-Mile Ring
Supply of Affordable Units	449	678	1,043

Therefore, the subject's Levels of Effort and Capture Rates in each of the market areas are summarized as follows.

Market Area	1.2-Mile Ring	3-Mile Ring	10-Mile Ring
Level of Effort	71.5%	56.5%	67.9%
Capture Rate	12.7%	6.7%	5.2%

For purposes of comparison, the chart on the previous page summarizes the Levels of Effort for various apartment markets throughout Florida.

### Comparison Counties

In order to evaluate the subject's Levels of Effort and Capture Rates, we have compared them to other Large County Markets throughout Florida. The state of Florida is divided into Large, Medium and Small counties based on population. Collier County is Medium in size. Meridian Appraisal Group, Inc. conducted a market study that analyzed three demographic rings (three, five and 10-mile) for 93 Guarantee Fund projects throughout the state of Florida. Seven Large Counties had multiple Guarantee Fund projects that are used for comparison to the subject.

The Florida Housing Finance Corporation ("Corporation") provided latitude and longitude coordinates for each of the Guarantee Fund projects. In addition, we received an "in-service" list from the Corporation with latitude and longitude coordinates for each project. This list includes all existing and funded projects that have received financing from any of the programs administered or monitored by the Corporation. This raw data was incorporated in a MapInfo search program that was specifically designed for this project. In total, over 1,000 projects containing almost 170,000 units were plotted for this analysis. For each of the demographic indicators, the number of Corporation-sponsored units was summed for each of the three rings around each Guarantee Fund project.

Next, demographic data was obtained from iXPRESS for MapInfo by Claritas. Estimates of the number of households by income band for 2009 and projections for 2014 were obtained for households within each of the three rings around each of the Guarantee Fund projects. In addition, occupancy rate data was obtained for each Guarantee Fund project.

For purposes of comparison, the chart on a previous page summarizes the results of this study, indicating the Levels of Effort, Capture Rates, Remaining Potential Demand and Growth of Income-Qualified Renter Households for various Large County markets throughout Florida and compares them to the subject's Levels of Effort, Capture Rates, Remaining Potential Demand and growth of Income-Qualified Renter Households.

Note that the comparison categories are based on Housing Credit properties; the criteria for these properties are somewhat different than for rent-assisted properties, due to the high level of demand for the latter.

Demographic Comparison Chart - Rent-Assisted 3, 5, & 10 Mile Rings Centered On Site ( -81.4501° E, 26.4328° N)				
	Level of Effort			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Large County</b>				
Broward Averages	26.9%	21.9%	21.8%	98.2%
Miami-Dade Averages	47.1%	40.8%	31.0%	98.5%
Palm Beach Averages	37.2%	31.2%	25.4%	92.9%
Duval Averages	45.5%	33.3%	26.2%	84.0%
<b>Subject</b>	<b>71.5%</b>	<b>N/A</b>	<b>67.9%</b>	
Pinellas Averages	19.9%	6.0%	19.5%	99.6%
Hillsborough Averages	37.3%	43.6%	27.5%	93.4%
Orange Averages	54.4%	46.9%	42.1%	86.6%
	Capture Rate			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Large County</b>				
Broward Averages	4.3%	1.5%	0.5%	98.2%
Miami-Dade Averages	4.8%	2.1%	0.8%	98.5%
Palm Beach Averages	8.9%	3.7%	1.5%	92.9%
Duval Averages	14.0%	6.0%	1.7%	84.0%
<b>Subject</b>	<b>12.7%</b>	<b>N/A</b>	<b>5.2%</b>	
Pinellas Averages	19.9%	6.0%	1.5%	99.6%
Hillsborough Averages	13.4%	6.2%	1.6%	93.4%
Orange Averages	7.4%	2.8%	1.0%	86.6%
	Remaining Potential Demand			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Large County</b>				
Broward Averages	4,423	12,233	34,616	98.2%
Miami-Dade Averages	4,307	11,924	42,858	98.5%
Palm Beach Averages	2,295	5,738	13,657	92.9%
Duval Averages	1,640	4,451	15,330	84.0%
<b>Subject</b>	<b>179</b>	<b>N/A</b>	<b>493</b>	
Pinellas Averages	1,084	4,201	14,649	99.6%
Hillsborough Averages	1,247	2,709	14,268	93.4%
Orange Averages	2,001	5,683	17,651	86.6%
	Growth of Income Qualified Renter Households			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Large County</b>				
Broward Averages	39	99	327	98.2%
Miami-Dade Averages	78	147	389	98.5%
Palm Beach Averages	50	115	322	92.9%
Duval Averages	61	144	397	84.0%
<b>Subject</b>	<b>80</b>	<b>N/A</b>	<b>195</b>	
Pinellas Averages	17	51	149	99.6%
Hillsborough Averages	45	113	444	93.4%
Orange Averages	88	260	646	86.6%

#### Level of Effort

The three-mile Levels of Effort (LOE) for the comparison counties range from 19.9% to 54.4% compared to the subject's three-mile LOE of 71.5%. The 10-mile LOEs for the comparison counties range from 19.5% to 42.1% compared to the subject's 10-mile LOE of 67.9%. The subject's Levels of Effort are higher than all of the comparison properties' average Levels of Effort in all of the market areas; however, the demand for rental assistance would allow LOEs much higher than for Housing Credit projects.



Note that if Hatchers Preserve was included in the supply, the figures would be somewhat less favorable.

### **Capture Rate**

The Capture Rate (CR) for the comparison counties range from 4.3% to 19.9% compared to the subject's three-mile CR of 12.7%. The 10-mile CRs for the comparison counties range from 0.5% to 1.7% compared to the subject's 10-mile CR of 11.9%. The subject is generally more similar to the counties with weak occupancy rates. Again, however, the demand for rental assistance would allow CRs much higher than for Housing Credit projects.

### **Remaining Potential Demand**

Remaining Potential Demand (RPD) is the number of income-qualified renter households that are not housed in existing or funded affordable units. Residents of these households may live in housing developments funded under other programs or other forms of housing.

The three-mile RPD for the comparison counties range from 1,084 to 4,423 compared to the subject's three-mile RPD of 179. The 10-mile RPD for the comparison counties range from 13,657 to 42,858 compared to the subject's 10-mile RPD of 493. The subject's RPD is considered relatively high given the depth of the market area.

### **Demand from Household Growth**

We have also considered projected household growth within the subject's income band. The analysis is generally the same as that for the current population. However, we have considered the future income band based on projections of income growth. The demographic data indicates that the median household income in Collier County is expected to increase by about 2.9% between 2015 and 2020. We expect the median household income according to the Florida Housing Finance Corporation to reflect a similar increase, so the subject's future income band is estimated to range from about \$3,706 to \$47,679 by 2020 (current income band increased by 2.9%). From the number of income-qualified renter households projected for 2020, we subtracted the income-qualified renter households in 2015 to indicate the number of potential tenants for the subject based on household growth. The following analysis summarizes our calculations of potential demand from household growth within the income band.

Household Growth Through 2020 - Rental Assistance 3, 5 & 10-Mile Rings Centered On Site ( -81.4501° E, 26.4328° N)										
Market Area		1.2-Mile Ring		3-Mile Ring			10-Mile Ring			
Total HH in Market Area 2020		3,290		6,289			8,866			
Household Income	% in Band	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.
Less than \$15,000	75.3%	24.7%	18.6%	18.6%	28.6%	21.5%	21.5%	23.5%	17.7%	17.7%
\$15,000 to \$24,999	100.0%	17.1%	17.1%	35.7%	16.6%	16.6%	38.1%	15.0%	15.0%	32.7%
\$25,000 to \$34,999	100.0%	16.5%	16.5%	52.2%	15.6%	15.6%	53.7%	14.9%	14.9%	47.6%
\$35,000 to \$49,999	84.5%	15.6%	13.2%	65.4%	12.9%	10.9%	64.6%	12.8%	10.8%	58.4%
\$50,000 to \$74,999	0.0%	12.1%	0.0%	65.4%	12.9%	0.0%	64.6%	14.9%	0.0%	58.4%
\$75,000 to \$99,999	0.0%	6.2%	0.0%	65.4%	6.5%	0.0%	64.6%	8.7%	0.0%	58.4%
\$100,000 to \$124,999	0.0%	3.7%	0.0%	65.4%	2.7%	0.0%	64.6%	3.7%	0.0%	58.4%
\$125,000 to \$149,999	0.0%	2.8%	0.0%	65.4%	2.2%	0.0%	64.6%	2.5%	0.0%	58.4%
\$150,000 to \$199,999	0.0%	1.2%	0.0%	65.4%	1.4%	0.0%	64.6%	2.4%	0.0%	58.4%
\$200,000 or more	0.0%	0.3%	0.0%	65.4%	0.6%	0.0%	64.6%	1.6%	0.0%	58.4%
		100.0%			100.0%			100.0%		
% of Households in Income Band				65.4%				64.6%	58.4%	
Multiplied by Total Households				<u>3,290</u>				<u>6,289</u>	<u>8,866</u>	
Income-Qualified Households				2,152				4,063	5,178	
Propensity for Renter-Occupied Housing										
for HH within the Band				<u>31.8%</u>				<u>31.8%</u>	<u>31.8%</u>	
Income-Qualified Renter Households in 2020				685				1,293	1,648	
Less: Income-Qual. Renter HH in 2015				<u>-286</u>				<u>-497</u>	<u>-675</u>	
Potential Demand from HH Growth next 5 years				399				796	973	
Annual Potential Demand				80				159	195	
Income Band - Increased from Current Levels Based on Proj. Median HH Income Growth										
Projected										
				2015 Inc. Band	Growth Rate		2020 Inc. Band			
Minimum				\$3,600	2.9%		\$3,706			
Maximum				\$46,320	2.9%		\$47,679			

This analysis indicates the following annual increases in the number of income-qualified renter households in the subject's income band in each of the market areas.

Market Area	1.2-Mile Ring	3-Mile Ring	10-Mile Ring
Annual Increase in Income-Qual. Renter HH	80	159	195

The annual increase in the number of income-qualified renter households is positive, but relatively low, in all three areas.

Annual growth greater than the size of the subject property is a positive demographic factor. The higher the annual growth in income-qualified renter households relative to the project size, the less the project has to rely on cannibalizing tenants from existing properties. If the annual growth in income-qualified renter households is less than the project size, then the complex must rely on tenants moving from existing projects, which would lower the overall occupancy rate of the entire market and lower the expected stabilized occupancy rate of the subject property. The annual growth rate of income-qualified renter households in the Primary Market Area of 195 is over twice that of the assumed size of the subject project with 80 units. This is a positive demographic factor.

#### Conclusion of Supply and Demand Analyses – Rent-Assisted

This analysis indicates a favorable environment for new development of rent-assisted product, and household growth over the next five years will further support additional development.

**Using Claritas Data – Family Demographic Commitment, 60% Set Asides**

***Income-Qualified Households***

We have estimated the number of households within the market areas that will earn enough income to afford the subject units, but not so much as to exceed the maximum allowable income under the programs that will restrict the subject. We have assumed that 100% of the units would be at the 60% set aside.

We have assumed that the subject would be restricted by the Housing Credit program only, with no rental assistance. We have attempted to reflect potential demand from households that would qualify for the subject units under similar programs only. Accordingly, the analysis excludes households that would require additional subsidies, such as Rental Assistance or Section 8, in order to afford the subject units. Restricted rent and income limit documentation from the Florida Housing Finance Corporation are included in the *Addenda*.

In order to determine the lower band of income per household that would qualify for the subject's units, we applied a 40% housing expense ratio, which is estimated to be the most a household can afford to spend for housing (rent plus utilities). Applying a 40% housing expense ratio to the annualized housing expenditures for the least costly unit within the subject property results in a lower limit of the income band. Restricted rents for the subject are calculated based on the median income for the Naples-Marco Island MSA, which is updated annually. Based on our estimated attainable rent, the lowest rent is for the one-bedroom units; however, we recommend that a limited number, if any, of this unit type should be developed, based on the large average household size for the subject area. Accordingly, our analysis assumes development with two-, three- and four-bedroom units. Our estimated attainable net rental rate for a two-bedroom unit is \$634. Adding the projected utility allowance of \$176 equates to a gross rental rate of \$810 per month. The housing expense (rent plus utilities) is \$9,720 annually. Dividing this by the housing expense ratio of 40% results in an estimated minimum income of \$24,300, which will be used as the lower limit of income.

The upper limit of income is based on the maximum allowable income (per income restrictions) for a household that would occupy the largest unit offered. We estimate a maximum of 1.5 persons per bedroom; for a four-bedroom unit, the maximum number of persons would be six. The maximum income for a six-person household at 60% set-aside is \$46,320.

No current data is available for household income by household size. The aggregate of all households within the qualifying income band does over estimate demand to some degree. However, we have set the upper limit based on a six-person household, which underestimates demand from larger households to some extent.

Due to the increments of the available data, we estimated the proportionate number of households in the income bands. About 7.0% of the households in the \$15,000 to \$24,999 income category fall between \$24,300 and \$24,999. All of the \$25,000 to \$34,999 category is included in the income band. About 75.5% of households in the \$35,000 to \$49,999 category earn \$46,320, or less.

The number of income-qualified households within the estimated income band is then multiplied by a propensity of renter-occupied housing; this figure is 31.8% for Collier County. This estimate is based on the 2008 *American Community Survey*, which estimated tenure characteristics by income. The result is the number of income-qualified renter households in each market area.

**Supply of Affordable Housing**

The supply of affordable housing in this analysis is limited to existing and funded projects operating under the Housing Credit, HOME, SAIL and Bond programs with units targeted toward tenants with incomes at or below 60% AMI.

The following indicates the supply in each of the market areas:

LOE Supply			
Development Name	1.2-Mile Ring	3-Mile Ring	10-Mile Ring
Bromelia Place		30	30
Crestview Park	208	208	208
Crestview Park II	96	96	96
Oakhaven		160	160
Sanders Pines	40	40	40
Timber Ridge Of Immokalee	34	34	34
Totals	378	568	568

Additional affordable projects are located in the market areas; however, these developments operate under different income guidelines or have different tenant requirements and most have rent supplements with the rental rates based on 30% of the tenant's adjusted income. Therefore, these projects will not directly compete with the projects at the 60% AMI levels and have not been included in the supply.

Hatchers Preserve with 18 single family homes is under construction and will be offered at \$600 to \$650 per month; this project could also be potential competitive supply.

#### **Competition from Market Rate Projects**

The subject's PMA has a supply of newer and older market rate properties. Since these units do not have income or rent restrictions and do not have compliance periods and could leave the supply at any time they have not been included in this analysis.

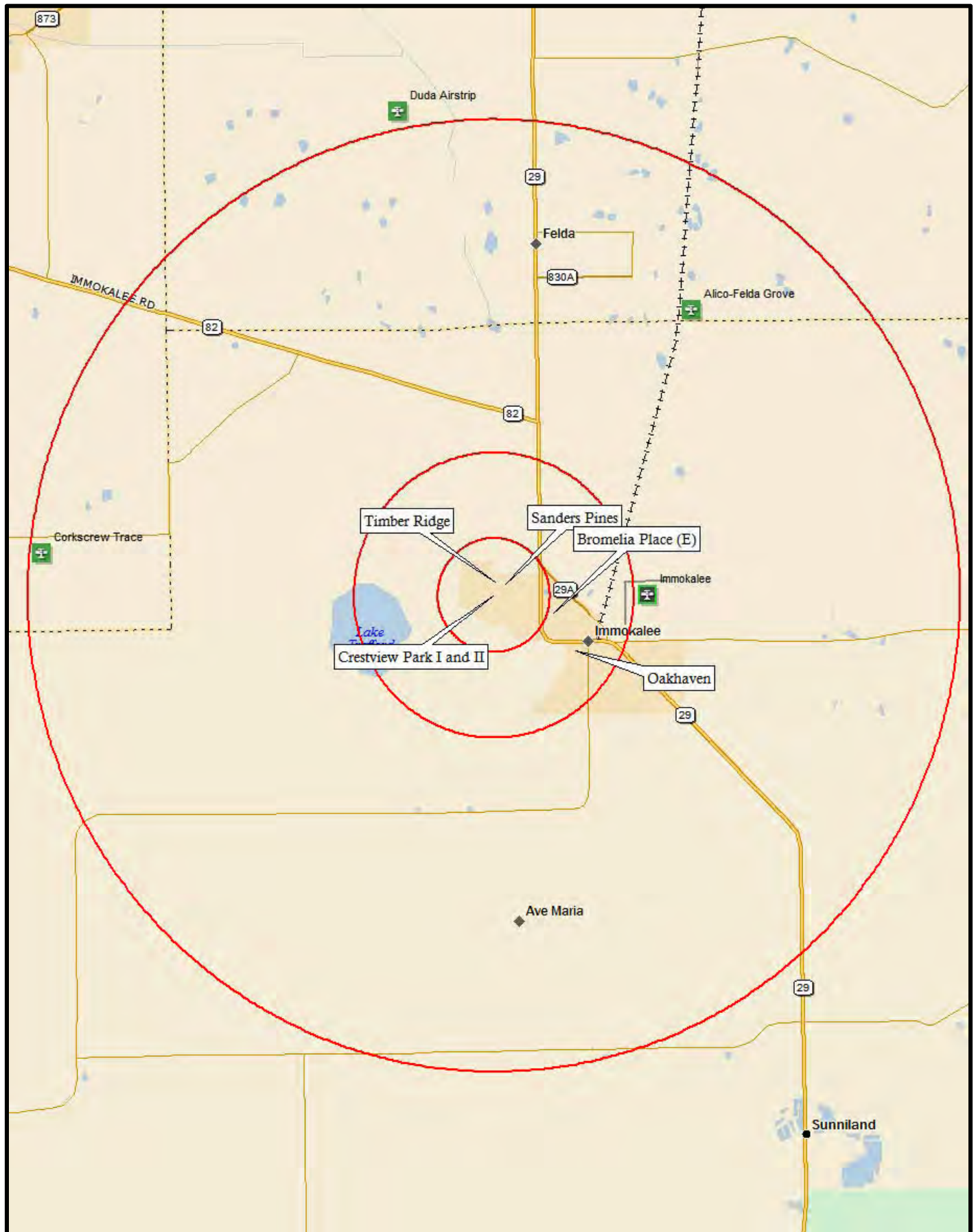
#### **Competition from Single Family, Condominium Rentals, and Mobile Homes**

The affordable supply does not appear to have been significantly impacted by competition from single family or condominium homes that have entered the rental market. Since these units do not have income or rent restrictions and do not have compliance periods and could leave the supply at any time they have not been included in this analysis.

New multi-family development would likely draw tenants from aging mobile homes; mobile homes constitute about 30% of the housing in the Immokalee area.



# LEVEL OF EFFORT MAP WITH 1.2, THREE AND 10-MILE RINGS



# DEMOGRAPHIC ANALYSIS (CONT'D)

## Demographic Analysis

The following chart summarizes our demographic analysis for the subject property to include Level of Effort, Capture Rate and Remaining Potential Demand. Growth is presented later.

Level of Effort 2015 - Family, Housing Credit, All at 60% Set Aside 3, 5 & 10-Mile Rings Centered On Site ( -81.4501° E, 26.4328° N)										
Income Band										
Minimum - Attainable Gross Rent for 2 BR Unit at 60% Set Aside						\$810 <sup>↑</sup> per mo.	\$24,300 <sup>↑</sup>			
Maximum - Income Limit for 4 BR Unit Assuming 1.5 Persons/Bedroom							\$46,320 <sup>↑</sup>			
Market Area		1.2-Mile Ring			3-Mile Ring			10-Mile Ring		
Total HH in Market Area 2015		3,011			5,827			8,190		
Household Income	% in Band	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.
Less than \$15,000	0.0%	26.2%	0.0%	0.0%	29.8%	0.0%	0.0%	24.7%	0.0%	0.0%
\$15,000 to \$24,999	7.0%	17.0%	1.2%	1.2%	16.5%	1.2%	1.2%	15.3%	1.1%	1.1%
\$25,000 to \$34,999	100.0%	17.4%	17.4%	18.6%	16.2%	16.2%	17.4%	15.3%	15.3%	16.4%
\$35,000 to \$49,999	75.5%	14.9%	11.2%	29.8%	12.5%	9.4%	26.8%	12.5%	9.5%	25.9%
\$50,000 to \$74,999	0.0%	11.4%	0.0%	29.8%	12.5%	0.0%	26.8%	14.8%	0.0%	25.9%
\$75,000 to \$99,999	0.0%	6.4%	0.0%	29.8%	6.5%	0.0%	26.8%	8.5%	0.0%	25.9%
\$100,000 to \$124,999	0.0%	3.4%	0.0%	29.8%	2.4%	0.0%	26.8%	3.1%	0.0%	25.9%
\$125,000 to \$149,999	0.0%	2.6%	0.0%	29.8%	2.1%	0.0%	26.8%	2.3%	0.0%	25.9%
\$150,000 to \$199,999	0.0%	0.7%	0.0%	29.8%	1.1%	0.0%	26.8%	2.2%	0.0%	25.9%
\$200,000 or more	0.0%	0.2%	0.0%	29.8%	0.4%	0.0%	26.8%	1.2%	0.0%	25.9%
		100.0%			100.0%			100.0%		
% of Households in Income Band				29.8%					26.8%	25.9%
Multiplied by Total Households				<u>3,011</u>					<u>5,827</u>	<u>8,190</u>
Income-Qualified Households				897					1,562	2,121
Prop. for Renter-Occ. Housing for HH within the Band				<u>31.8%</u> <sup>↑</sup>					<u>31.8%</u>	<u>31.8%</u>
Income-Qualified Renter HH in 2015 (IQRH)				286					497	675
Existing and Funded, Competitive Affordable Apartments				378					568	568
Add: Subject's Units				<u>80</u>					<u>80</u>	<u>80</u>
Total Projected Supply				458 <sup>↑</sup>					648 <sup>↑</sup>	648 <sup>↑</sup>
Indicated Level of Effort (LOE) (Supply/IQRH)				160.1% <sup>↑</sup>					130.4% <sup>↑</sup>	96.0% <sup>↑</sup>
Indicated Capture Rate (CR) (Subject Units/IQRH)				28.0% <sup>↑</sup>					16.1% <sup>↑</sup>	11.9% <sup>↑</sup>
Remaining Potential Demand (RPD) (IQRH - Supply)				-172 <sup>↑</sup>					-151 <sup>↑</sup>	27 <sup>↑</sup>

The following chart summarizes the current supply of units (including any funded units and the assumed number of units for the subject property) in each of the areas surveyed.

Market Area	1.2-Mile Ring	3-Mile Ring	10-Mile Ring
Supply of Affordable Units	458	648	648

Therefore, the subject's Levels of Effort and Capture Rates in each of the market areas are summarized as follows.

Market Area	1.2-Mile Ring	3-Mile Ring	10-Mile Ring
Level of Effort	160.1%	130.4%	96.0%
Capture Rate	28.0%	16.1%	11.9%

For purposes of comparison, the chart on the previous page summarizes the Levels of Effort for various apartment markets throughout Florida.

### Comparison Counties

In order to evaluate the subject's Levels of Effort and Capture Rates, we have compared them to other Large County Markets throughout Florida. The state of Florida is divided into Large, Medium and Small counties based on population. Collier County is Medium in size. Meridian Appraisal Group, Inc. conducted a market study that analyzed three demographic rings (three, five and 10-mile) for 93 Guarantee Fund projects throughout the state of Florida. Seven Large Counties had multiple Guarantee Fund projects that are used for comparison to the subject.

The Florida Housing Finance Corporation ("Corporation") provided latitude and longitude coordinates for each of the Guarantee Fund projects. In addition, we received an "in-service" list from the Corporation with latitude and longitude coordinates for each project. This list includes all existing and funded projects that have received financing from any of the programs administered or monitored by the Corporation. This raw data was incorporated in a MapInfo search program that was specifically designed for this project. In total, over 1,000 projects containing almost 170,000 units were plotted for this analysis. For each of the demographic indicators, the number of Corporation-sponsored units was summed for each of the three rings around each Guarantee Fund project.

Next, demographic data was obtained from iXPRESS for MapInfo by Claritas. Estimates of the number of households by income band for 2009 and projections for 2014 were obtained for households within each of the three rings around each of the Guarantee Fund projects. In addition, occupancy rate data was obtained for each Guarantee Fund project.

For purposes of comparison, the chart on a previous page summarizes the results of this study, indicating the Levels of Effort, Capture Rates, Remaining Potential Demand and Growth of Income-Qualified Renter Households for various Large County markets throughout Florida and compares them to the subject's Levels of Effort, Capture Rates, Remaining Potential Demand and growth of Income-Qualified Renter Households.

Demographic Comparison Chart 3, 5, & 10 Mile Rings Centered On Site ( -81.4501° E, 26.4328° N)				
	Level of Effort			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Large County</b>				
Broward Averages	26.9%	21.9%	21.8%	98.2%
Miami-Dade Averages	47.1%	40.8%	31.0%	98.5%
Palm Beach Averages	37.2%	31.2%	25.4%	92.9%
Duval Averages	45.5%	33.3%	26.2%	84.0%
<b>Subject</b>	<b>103.8%</b>	<b>N/A</b>	<b>96.0%</b>	
Pinellas Averages	19.9%	6.0%	19.5%	99.6%
Hillsborough Averages	37.3%	43.6%	27.5%	93.4%
Orange Averages	54.4%	46.9%	42.1%	86.6%
	Capture Rate			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Large County</b>				
Broward Averages	4.3%	1.5%	0.5%	98.2%
Miami-Dade Averages	4.8%	2.1%	0.8%	98.5%
Palm Beach Averages	8.9%	3.7%	1.5%	92.9%
Duval Averages	14.0%	6.0%	1.7%	84.0%
<b>Subject</b>	<b>12.8%</b>	<b>N/A</b>	<b>11.9%</b>	
Pinellas Averages	19.9%	6.0%	1.5%	99.6%
Hillsborough Averages	13.4%	6.2%	1.6%	93.4%
Orange Averages	7.4%	2.8%	1.0%	86.6%
	Remaining Potential Demand			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Large County</b>				
Broward Averages	4,423	12,233	34,616	98.2%
Miami-Dade Averages	4,307	11,924	42,858	98.5%
Palm Beach Averages	2,295	5,738	13,657	92.9%
Duval Averages	1,640	4,451	15,330	84.0%
<b>Subject</b>	<b>-24</b>	<b>N/A</b>	<b>27</b>	
Pinellas Averages	1,084	4,201	14,649	99.6%
Hillsborough Averages	1,247	2,709	14,268	93.4%
Orange Averages	2,001	5,683	17,651	86.6%
	Growth of Income Qualified Renter Households			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Large County</b>				
Broward Averages	39	99	327	98.2%
Miami-Dade Averages	78	147	389	98.5%
Palm Beach Averages	50	115	322	92.9%
Duval Averages	61	144	397	84.0%
<b>Subject</b>	<b>41</b>	<b>N/A</b>	<b>63</b>	
Pinellas Averages	17	51	149	99.6%
Hillsborough Averages	45	113	444	93.4%
Orange Averages	88	260	646	86.6%

#### Level of Effort

The three-mile Levels of Effort (LOE) for the comparison counties range from 19.9% to 54.4% compared to the subject's three-mile LOE of 130.4%. The 10-mile LOEs for the comparison counties range from 19.5% to 42.1% compared to the subject's 10-mile LOE of 96.0%. The subject's Levels of Effort are higher than the poorly-occupied properties' average Levels of Effort in all of the market areas. The very high Levels of Effort suggest inadequate market depth considering the size of the existing and funded supply relative to the number of income-qualified renter households in the market areas.



Note that if Hatchers Preserve was included in the supply, the figures would be even less favorable.

### **Capture Rate**

The Capture Rate (CR) for the comparison counties range from 4.3% to 19.9% compared to the subject's three-mile CR of 16.1%. The 10-mile CRs for the comparison counties range from 0.5% to 1.7% compared to the subject's 10-mile CR of 11.9%. The subject is generally more similar to the counties with weak occupancy rates. The three-mile Capture Rate of 16.1% suggests the size of the subject property may be too large relative to the number of income-qualified renter households in the market. Even if the subject were half this size, which would result in significant losses in economies of scale, the Capture Rate would be 6.4%, which is still high.

### **Remaining Potential Demand**

Remaining Potential Demand (RPD) is the number of income-qualified renter households that are not housed in existing or funded affordable units. Residents of these households may live in housing developments funded under other programs or other forms of housing.

The three-mile RPD for the comparison counties range from 1,084 to 4,423 compared to the subject's three-mile RPD of -151. The 10-mile RPD for the comparison counties range from 13,657 to 42,858 compared to the subject's 10-mile RPD of 27.

### **Demand from Household Growth**

We have also considered projected household growth within the subject's income band. The analysis is generally the same as that for the current population. However, we have considered the future income band based on projections of income growth. The demographic data indicates that the median household income in Collier County is expected to increase by about 2.9% between 2015 and 2020. We expect the median household income according to the Florida Housing Finance Corporation to reflect a similar increase, so the subject's future income band is estimated to range from about \$25,013 to \$47,679 by 2020 (current income band increased by 2.9%). From the number of income-qualified renter households projected for 2020, we subtracted the income-qualified renter households in 2015 to indicate the number of potential tenants for the subject based on household growth. The following analysis summarizes our calculations of potential demand from household growth within the income band.

Household Growth Through 2020 3, 5 & 10-Mile Rings Centered On Site (-81.4501° E, 26.4328° N)										
Market Area Total HH in Market Area 2020		1.2-Mile Ring 3,290		3-Mile Ring 6,289			10-Mile Ring 8,866			
Household Income	% in Band	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.
Less than \$15,000	0.0%	24.7%	0.0%	0.0%	28.6%	0.0%	0.0%	23.5%	0.0%	0.0%
\$15,000 to \$24,999	0.0%	17.1%	0.0%	0.0%	16.6%	0.0%	0.0%	15.0%	0.0%	0.0%
\$25,000 to \$34,999	99.9%	16.5%	16.4%	16.4%	15.6%	15.6%	15.6%	14.9%	14.9%	14.9%
\$35,000 to \$49,999	84.5%	15.6%	13.2%	29.6%	12.9%	10.9%	26.5%	12.8%	10.8%	25.7%
\$50,000 to \$74,999	0.0%	12.1%	0.0%	29.6%	12.9%	0.0%	26.5%	14.9%	0.0%	25.7%
\$75,000 to \$99,999	0.0%	6.2%	0.0%	29.6%	6.5%	0.0%	26.5%	8.7%	0.0%	25.7%
\$100,000 to \$124,999	0.0%	3.7%	0.0%	29.6%	2.7%	0.0%	26.5%	3.7%	0.0%	25.7%
\$125,000 to \$149,999	0.0%	2.8%	0.0%	29.6%	2.2%	0.0%	26.5%	2.5%	0.0%	25.7%
\$150,000 to \$199,999	0.0%	1.2%	0.0%	29.6%	1.4%	0.0%	26.5%	2.4%	0.0%	25.7%
\$200,000 or more	0.0%	0.3%	0.0%	29.6%	0.6%	0.0%	26.5%	1.6%	0.0%	25.7%
		100.0%			100.0%			100.0%		
% of Households in Income Band				29.6%					26.5%	25.7%
Multiplied by Total Households				<u>3,290</u>					<u>6,289</u>	<u>8,866</u>
Income-Qualified Households				974					1,667	2,279
Propensity for Renter-Occupied Housing for HH within the Band				<u>31.8%</u>					<u>31.8%</u>	<u>31.8%</u>
Income-Qualified Renter Households in 2020				310					531	725
Less: Income-Qual. Renter HH in 2015				<u>-286</u>					<u>-497</u>	<u>-675</u>
Potential Demand from HH Growth next 5 years				24					34	50
Annual Potential Demand				5 <sup>+</sup>					7 <sup>+</sup>	10 <sup>+</sup>
Income Band - Increased from Current Levels Based on Proj. Median HH Income Growth										
Projected										
				2015 Inc. Band	Growth Rate		2020 Inc. Band			
Minimum				\$24,300	2.9% <sup>+</sup>		\$25,013 <sup>+</sup>			
Maximum				\$46,320	2.9%		\$47,679 <sup>+</sup>			

This analysis indicates the following annual increases in the number of income-qualified renter households in the subject's income band in each of the market areas.

Market Area	1.2-Mile Ring	3-Mile Ring	10-Mile Ring
Annual Increase in Income-Qual. Renter HH	5	7	10

The annual increase in the number of income-qualified renter households is positive, but very low, in all three areas.

Annual growth greater than the size of the subject property is a positive demographic factor. The higher the annual growth in income-qualified renter households relative to the project size, the less the project has to rely on cannibalizing tenants from existing properties. If the annual growth in income-qualified renter households is less than the project size, then the complex must rely on tenants moving from existing projects, which would lower the overall occupancy rate of the entire market and lower the expected stabilized occupancy rate of the subject property. The annual growth rate of income-qualified renter households in the Primary Market Area of 10 is much lower than the suggested size of the subject project with 80 units. This is a negative demographic factor.

#### Conclusion of Supply and Demand Analyses – Housing Credit, Family, 60% Set Aside

This analysis indicates an unfavorable environment for new development of Housing Credit product with a family demographic commitment and a 60% set aside for all units

**USING CLARITAS DATA – ELDERLY DEMOGRAPHIC COMMITMENT, 60% SET ASIDES****Elderly (Age 55+) Demographics of Market Areas**

We have analyzed demographic information for 1.2, three and 10 mile rings centered on the approximate center of the subject area and Collier County. The 10-mile ring is considered to be the subject's Primary Market Area (PMA).

The data used in this analysis is from a Household Trend Report performed by Claritas, Inc. We have profiled the population growth, household growth and income characteristics of the market areas. Claritas' data is considered some of the most accurate in the industry; it reflects 2010 Census data.

Household Growth-Age 55+				
	1.2-mile ring	3-mile ring	10-mile ring	Collier
Households 2000 Census	700	1,618	2,085	76,728
Households 2015 (est.)	734	1,908	2,539	87,855
% Change '00 - '15	4.9%	17.9%	21.8%	14.5%
Households 2020 (proj.)	891	2,159	2,941	98,111
% Change '15 - '20	21.4%	13.2%	15.8%	11.7%
Absolute Change '15 - '20	157	251	402	10,256
Average Change/Year	31	50	80	2,051

The household growth rate (age 55+) was highest in the 10-mile ring between 2000 and 2015, followed by the three-mile ring. Projected household growth trends indicate the 1.2-mile ring will show the strongest rate of growth, though there will be positive household growth in all of the market areas. However, due to the small population base of the subject area, only about 1.5% of the county's senior household growth is projected to occur within 1.2 miles of the center of the subject area. About 3.9% of the county's growth is projected to occur within 10 miles of the center of the subject area.

The income characteristics of senior households in the market areas are outlined in the following charts.

Average Household Income Trend-Age 55+			
Market Area	2015 Estimate	2020 Projection	Change (14-19)
1.2-mile ring	\$38,685	\$42,405	9.6%
3-mile ring	\$36,743	\$38,601	5.1%
10-mile ring	\$44,257	\$48,045	8.6%
Collier	\$84,800	\$87,684	3.4%

Median Household Income Trend-Age 55+				
	1.2-mile ring	3-mile ring	10-mile ring	Collier
2015 Median Income	\$26,095	\$22,553	\$27,874	\$55,164
2020 Median Income	\$27,958	\$24,193	\$29,829	\$57,018
Growth	\$1,863	\$1,640	\$1,955	\$1,854
% change	7.1%	7.3%	7.0%	3.4%

The average and median household incomes are highest on the county level, a trend that is expected to continue through 2020. Both median and average household incomes are projected to increase between 2015 and 2020 in all of the market areas.

**Household Income Distribution**

All of the ring market areas have a relatively high number of senior households in the lower income categories, as about 70% to 76% of households earn less than \$50,000 annually. The following chart summarizes the

proportion of households in each annual household income level. Note that the income ranges over \$50,000 contains larger income increments than the lower categories.

Household Income Distribution 2015 3, 5 & 10-Mile Rings Centered On Site ( -81.4501° E, 26.4328° N)									
Market Area	1.2-Mi. Ring			3-Mi. Ring			10-Mi. Ring		
Total HH in Market Area	734			1,908			2,539		
Households 55 and Over									
Household Income	2015	Cum.		2015	Cum.		2015	Cum.	
Less than \$15,000	282	282	38.4%	793	793	41.6%	866	866	34.1%
\$15,000 to \$24,999	66	348	9.0%	225	1,018	11.8%	311	1,177	12.2%
\$25,000 to \$34,999	128	476	17.4%	269	1,287	14.1%	351	1,528	13.8%
\$35,000 to \$49,999	74	550	10.1%	155	1,442	8.1%	237	1,765	9.3%
\$50,000 to \$74,999	94	644	12.8%	261	1,703	13.7%	407	2,172	16.0%
\$75,000 to \$99,999	18	662	2.5%	58	1,761	3.0%	129	2,301	5.1%
\$100,000 to \$124,999	18	680	2.5%	36	1,797	1.9%	64	2,365	2.5%
\$125,000 to \$149,999	44	724	6.0%	71	1,868	3.7%	90	2,455	3.5%
\$150,000 to \$199,999	8	732	1.1%	20	1,888	1.0%	40	2,495	1.6%
\$200,000 or more	3	735	0.4%	18	1,906	0.9%	45	2,540	1.8%
	100.1%			99.9%			100.0%		

#### Demand for Senior Housing Credit Units at the 60% Set Aside, Using Claritas Data

##### *Age and Income-Qualified Households*

We have estimated the number of households within the market areas that will earn enough income to afford the subject units, but not so much as to exceed the maximum allowable income under the programs that will restrict the subject. We have assumed that 100% of the units would be at the 60% set aside.

We have assumed that the subject would be restricted by the Housing Credit program only, with no rental assistance. We have attempted to reflect potential demand from households that would qualify for the subject units under similar programs only. Accordingly, the analysis excludes households that would require additional subsidies, such as Rental Assistance or Section 8, in order to afford the subject units. Restricted rent and income limit documentation from the Florida Housing Finance Corporation are included in the *Addenda*.

In order to determine the lower band of income per household that would qualify for the subject's units, we applied a 45% housing expense ratio, which is estimated to be the most a household can afford to spend for housing (rent plus utilities). Applying a 45% housing expense ratio to the annualized housing expenditures for the least costly unit within the subject property results in a lower limit of the income band. Restricted rents for the subject are calculated based on the median income for the Naples-Marco Island MSA, which is updated annually. Based on our estimated attainable rent, the lowest rent is for the one-bedroom units. Our estimated attainable net rental rate is \$556. Adding the projected utility allowance of \$144 equates to a gross rental rate of \$700 per month. The housing expense (rent plus utilities) is \$8,400 annually. Dividing this by the housing expense ratio of 45% results in an estimated minimum income of \$18,667, which will be used as the lower limit of income.

The upper limit of income is based on the maximum allowable income (per income restrictions) for a household that would occupy the largest unit offered. For elderly projects we estimate a maximum of two persons per unit. For the subject property, the maximum income for a two person household at 60% set-aside is \$31,920.

No current data is available for household income by household size. The aggregate of all households within the qualifying income band does over estimate demand to some degree. However, we have set the upper limit based on a two person household, which underestimates demand from larger households to some extent.



Due to the increments of the available data, we estimated the proportionate number of households in the income bands. About 63.3% of the households in the \$15,000 to \$24,999 income category fall between \$18,667 and \$24,999. About 69.2% of households in the \$25,000 to \$34,999 category earn \$31,920, or less.

The number of age and income-qualified households within the estimated income band is then multiplied by a propensity of renter-occupied housing; this figure is 31.8% for Collier County. This estimate is based on the 2008 *American Community Survey*, which estimated tenure characteristics by income. The result is the number of age- and income-qualified renter households in each market area.

### **Supply of Affordable Housing**

The supply of affordable housing in this analysis is limited to existing and funded projects operating under the Housing Credit, HOME, SAIL and Bond programs with units targeted toward tenants with incomes at or below 60% AMI. As shown on the map in the preceding analysis for families, Bromelia Place is the only Housing Credit elderly project within 10 miles of the subject; it falls in the three-mile ring. This 30-unit property was built in 2007 and is consistently well-occupied (96.67% to 100% since January 2014, according to FHFC occupancy reports) but the rents are well below the maximums at \$585 (one-bedroom) and \$719 (two-bedroom). We have again assumed that the subject would have 80 units.

Additional affordable projects are located in the market areas; however, these developments operate under different income guidelines, have different tenant requirements or have rent supplements with the rental rates based on 30% of the tenant's adjusted income. Therefore, these projects will not directly compete with the projects at the 60% AMI levels and have not been included in the supply.

### **Competition from Market Rate Projects**

The subject's PMA has a supply of newer and older market rate properties. Since these units do not have income or rent restrictions and do not have compliance periods and could leave the supply at any time they have not been included in this analysis.

### **Competition from Single Family, Condominium Rentals, and Mobile Homes**

The affordable supply does not appear to have been significantly impacted by competition from single family or condominium homes that have entered the rental market. Since these units do not have income or rent restrictions and do not have compliance periods and could leave the supply at any time they have not been included in this analysis.

New multi-family development would likely draw tenants from aging mobile homes; mobile homes constitute about 30% of the housing in the Immokalee area.

### **Demographic Analysis**

The following chart summarizes our demographic analysis for the subject property to include Level of Effort, Capture Rate and Remaining Potential Demand. Growth is presented later.

DEMOGRAPHIC ANALYSIS (CONT'D)

Level of Effort 2015 - Elderly, Housing Credit, All at 60% Set Aside 3, 5 & 10-Mile Rings Centered On Site ( -81.4501° E, 26.4328° N)										
Income Band										
Minimum - Attainable Gross Rent for Smallest Unit at 60% Set Aside						\$700 <sup>↑</sup> per mo.	\$18,667 <sup>↑</sup>	45% <sup>↑</sup> cost-burden		
Maximum - Income Limit for Largest Unit Assuming 2 Person Maximum							\$31,920 <sup>↑</sup>			
Market Area		1.2-Mi. Ring			3-Mi. Ring			10-Mi. Ring		
Households 55 and Over										
Total HH in Market Area 2015		734			1,908			2,539		
Household Income	% in Band	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.
Less than \$15,000	0.0%	38.4%	0.0%	0.0%	41.6%	0.0%	0.0%	34.1%	0.0%	0.0%
\$15,000 to \$24,999	63.3% <sup>↑</sup>	9.0%	5.7%	5.7%	11.8%	7.5%	7.5%	12.2%	7.8%	7.8%
\$25,000 to \$34,999	69.2% <sup>↑</sup>	17.4%	12.1%	17.8%	14.1%	9.8%	17.3%	13.8%	9.6%	17.4%
\$35,000 to \$49,999	0.0%	10.1%	0.0%	17.8%	8.1%	0.0%	17.3%	9.3%	0.0%	17.4%
\$50,000 to \$74,999	0.0%	12.8%	0.0%	17.8%	13.7%	0.0%	17.3%	16.0%	0.0%	17.4%
\$75,000 to \$99,999	0.0%	2.5%	0.0%	17.8%	3.0%	0.0%	17.3%	5.1%	0.0%	17.4%
\$100,000 to \$124,999	0.0%	2.5%	0.0%	17.8%	1.9%	0.0%	17.3%	2.5%	0.0%	17.4%
\$125,000 to \$149,999	0.0%	6.0%	0.0%	17.8%	3.7%	0.0%	17.3%	3.5%	0.0%	17.4%
\$150,000 to \$199,999	0.0%	1.1%	0.0%	17.8%	1.0%	0.0%	17.3%	1.6%	0.0%	17.4%
\$200,000 or more	0.0%	0.4%	0.0%	17.8%	0.9%	0.0%	17.3%	1.8%	0.0%	17.4%
		100.1%			99.9%			100.0%		
% of Households in Income Band				17.8%				17.3%	17.4%	
Multiplied by Total Households 55 and Over				<u>734</u>				<u>1,908</u>	<u>2,539</u>	
Age and Income-Qualified Households				131				330	442	
Propensity for Renter-Occupied Housing for HH within the Band				31.8% <sup>↑</sup>				31.8%	31.8%	
Age and Income-Qualified Renter HH in 2015 (IQRH = Potential Demand)				42				105	141	
Existing and Funded, Competitive Affordable Apartments				0				30	30	
Add: Subject's Units				<u>80</u>				<u>80</u>	<u>80</u>	
Total Projected Supply				80 <sup>↑</sup>				110 <sup>↑</sup>	110 <sup>↑</sup>	
Indicated Level of Effort (LOE) (Supply/Age and Income-Qualified Renter HH)				191.8% <sup>↑</sup>				104.7% <sup>↑</sup>	78.2% <sup>↑</sup>	
Capture Rate (CR) (Subject Units/Age and Income Qualified Renter HH)				191.8% <sup>↑</sup>				76.2% <sup>↑</sup>	56.9% <sup>↑</sup>	
Remaining Potential Demand (RPD) (Supply - Age and Income-Qualified Renter HH)				-38 <sup>↑</sup>				-5 <sup>↑</sup>	31 <sup>↑</sup>	

The following chart summarizes the current supply of units (including any funded units and the subject property) in each of the areas surveyed.

Market Area	3-Mile Ring	5-Mile Ring	10-Mile Ring
Supply of Affordable Units	80	110	110

Therefore, the subject's Levels of Effort and Capture Rates in each of the market areas are summarized as follows.

Market Area	3-Mile Ring	5-Mile Ring	10-Mile Ring
Level of Effort	191.8%	104.7%	78.2%
Capture Rate	191.8%	76.2%	56.9%

For purposes of comparison, the chart on the following page summarizes the Levels of Effort, Capture Rates and for various apartment markets throughout Florida.

**Comparison Counties**

In order to evaluate the subject's Levels of Effort and Capture Rates, we have compared them to other markets throughout Florida. Meridian Appraisal Group, Inc. conducted an analysis that analyzed demographic rings (three, five and 10-mile) for elderly projects throughout the state of Florida.

Demographic Comparison Chart - Elderly Projects 3, 5, & 10 Mile Rings Centered On Site ( -81.4501° E, 26.4328° N)				
County	Capture Rate			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Subject</b>	<b>191.8%</b>	<b>N/A</b>	<b>56.9%</b>	
Bay Averages	26.2%	15.0%	9.1%	96.7%
Charlotte Averages	64.3%	35.5%	18.1%	96.3%
Polk Averages	43.7%	29.1%	6.4%	95.7%
Escambia Averages	16.7%	8.0%	4.1%	94.9%
Pasco Averages	20.1%	10.7%	6.2%	94.9%
Lake Averages	42.3%	18.8%	7.4%	92.3%
Brevard Averages	24.5%	12.7%	7.2%	92.0%
Sarasota Averages	18.7%	11.7%	3.5%	91.8%
Indian River Averages	29.7%	15.6%	7.1%	91.3%
Lee Averages	28.3%	16.8%	10.4%	84.7%
Subject	Level of Effort			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Subject</b>	<b>191.8%</b>	<b>N/A</b>	<b>78.2%</b>	<b>0.0%</b>
Bay Averages	13.0%	6.3%	3.3%	96.7%
Charlotte Averages	64.3%	35.5%	18.1%	96.3%
Polk Averages	78.4%	52.8%	11.0%	95.7%
Escambia Averages	35.5%	25.4%	16.8%	
Pasco Averages	39.1%	26.4%	19.7%	94.9%
Lake Averages	56.4%	24.8%	10.0%	92.3%
Brevard Averages	41.8%	20.7%	11.4%	92.0%
Sarasota Averages	33.6%	22.1%	8.0%	91.8%
Indian River Averages	29.7%	15.6%	13.1%	91.3%
Lee Averages	51.1%	34.0%	21.6%	84.7%
Subject	Remaining Potential Demand			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Subject</b>	<b>38</b>	<b>N/A</b>	<b>31</b>	
Bay Averages	423	849	1,503	96.7%
Charlotte Averages	90	297	816	96.3%
Polk Averages	216	456	1,877	95.7%
Escambia Averages	491	1,209	2,464	
Pasco Averages	452	1,049	2,208	94.9%
Lake Averages	163	595	1,860	92.3%
Brevard Averages	371	1,055	2,182	92.0%
Sarasota Averages	367	881	3,132	91.8%
Indian River Averages	380	830	1,768	91.3%
Lee Averages	270	781	2,302	84.7%
Subject	Growth of Age & IQRH			
	3-Mile Ring	5-Mile Ring	10-Mile Ring	Avg. Occ.
<b>Subject</b>	<b>2</b>	<b>N/A</b>	<b>5</b>	
Bay Averages	11	19	37	96.7%
Charlotte Averages	6	8	21	96.3%
Polk Averages	<b>5</b>	<b>5</b>	<b>5</b>	95.7%
Escambia Averages	14	28	61	
Pasco Averages	4	12	31	94.9%
Lake Averages	3	8	28	92.3%
Brevard Averages	11	18	41	92.0%
Sarasota Averages	5	16	45	91.8%
Indian River Averages	5	12	33	91.3%
Lee Averages	8	16	42	84.7%

### **Level of Effort**

The three-mile Levels of Effort (LOE) for the comparison counties range from 13.0% to 78.4% compared to the subject's three-mile LOE of 191.8%. The 10-mile LOEs for the comparison counties range from 3.3% to 21.6% compared to the subject's 10-mile LOE of 78.2%. Again, the subject's Levels of Effort are much higher than all of the comparison properties' average Levels of Effort in all of the market areas. The very high Levels of Effort suggest inadequate market depth considering the size of the existing and funded supply relative to the number of age- and income-qualified renter households in the market areas. Even with only 40 units, the subject's indications would be above the ranges of the comparison categories, at 95.9% and 49.8% for the three- and 10-mile rings, respectively.

### **Capture Rate**

The Capture Rates (CR) for the comparison counties range from 16.7% to 64.3% compared to the subject's three-mile CR of 191.8%. The 10-mile CRs for the comparison counties range from 3.5% to 18.1% compared to the subject's 10-mile CR of 56.9%. The three-mile Capture Rate of 191.8% suggests the size of the subject property would be too large relative to the number of age and income-qualified renter households in the market. Even if the subject were half this size, which would result in significant losses in economies of scale, the Capture Rate would be 95.9%, which is still high.

### **Remaining Potential Demand**

Remaining Potential Demand (RPD) is the number of income-qualified renter households that are not housed in existing or funded affordable units. Residents of these households may live in housing developments funded under other programs or other forms of housing.

The three-mile RPD for the comparison counties range from 90 to 491 compared to the subject's three-mile RPD of -38. The 10-mile RPD for the comparison counties range from 816 to 3,132 compared to the subject's 10-mile RPD of 31.

### **Demand from Household Growth**

We have also considered projected senior household growth within the subject's income band. The analysis is generally the same as that for the current population. However, we have considered the future income band based on projections of income growth. The demographic data indicates that the median household income in Collier County is expected to change by about 2.9% between 2015 and 2020. We expect the median household income according to the Florida Housing Finance Corporation to reflect a similar increase, so the subject's future income band is estimated to range from about \$19,214 to \$32,857 by 2020 (current income band increased by 2.9%). From the number of age- and income-qualified renter households projected for 2020, we subtracted the age- and income-qualified renter households in 2015 to indicate the number of senior potential tenants for the subject based on household growth. The following analysis summarizes our calculations of potential demand from household growth within the income band.



DEMOGRAPHIC ANALYSIS (CONT'D)

Household Growth Through 2020 3, 5 & 10-Mile Rings Centered On Site ( -81.4501° E, 26.4328° N)										
Market Area Total HH in Market Area 2020 Households 55 and Over		1.2-Mi. Ring 891			3-Mi. Ring 2,159			10-Mi. Ring 2,941		
Household Income	% in Band	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.	% of HH	Inc. Qual.	Cum.
Less than \$15,000	0.0%	35.2%	0.0%	0.0%	39.4%	0.0%	0.0%	31.9%	0.0%	0.0%
\$15,000 to \$24,999	57.9%	9.3%	5.4%	5.4%	11.7%	6.8%	6.8%	11.8%	6.8%	6.8%
\$25,000 to \$34,999	78.6%	16.9%	13.3%	18.7%	14.2%	11.2%	18.0%	13.8%	10.8%	17.6%
\$35,000 to \$49,999	0.0%	10.7%	0.0%	18.7%	8.6%	0.0%	18.0%	9.7%	0.0%	17.6%
\$50,000 to \$74,999	0.0%	14.0%	0.0%	18.7%	14.3%	0.0%	18.0%	16.5%	0.0%	17.6%
\$75,000 to \$99,999	0.0%	2.2%	0.0%	18.7%	3.3%	0.0%	18.0%	5.5%	0.0%	17.6%
\$100,000 to \$124,999	0.0%	2.5%	0.0%	18.7%	2.1%	0.0%	18.0%	3.1%	0.0%	17.6%
\$125,000 to \$149,999	0.0%	6.2%	0.0%	18.7%	3.8%	0.0%	18.0%	3.7%	0.0%	17.6%
\$150,000 to \$199,999	0.0%	2.0%	0.0%	18.7%	1.3%	0.0%	18.0%	1.9%	0.0%	17.6%
\$200,000 or more	0.0%	0.8%	0.0%	18.7%	1.0%	0.0%	18.0%	2.3%	0.0%	17.6%
		99.9%			99.8%			100.1%		
% of Households in Income Band				18.7%				18.0%	17.6%	
Multiplied by Total Households 55 and Over				891				2,159	2,941	
Age and Income-Qualified Households in 2020				167				389	518	
Propensity for Renter-Occupied Housing for HH within the Band				31.8%				31.8%	31.8%	
Age and Income-Qualified Renter HH in 2020				53				124	165	
Less: Age and Income-Qual. Renter HH in 2015				42				105	141	
Potential Demand from HH Growth next 5 years				11				19	24	
Annual Potential Demand				2 <sup>↑</sup>				4 <sup>↑</sup>	5 <sup>↑</sup>	
Income Band - Increased from Current Levels Based on Proj. Median HH Income Growth										
Projected										
				2015 Inc. Band	Growth Rate		2020 Inc. Band			
Minimum				\$18,667	2.9%		\$19,214 <sup>↑</sup>			
Maximum				\$31,920	2.9% <sup>↑</sup>		\$32,857 <sup>↑</sup>			

This analysis indicates the following annual increases in the number of age- and income-qualified renter households in the subject's income band in each of the market areas.

Market Area	3-Mile Ring	5-Mile Ring	10-Mile Ring
Annual Increase in Age & Income-Qual. Renter HH	2	4	5

The annual increase in the number of age and income-qualified renter households is positive but very low in all three areas.

Annual growth greater than the size of the subject property is a positive demographic factor. The higher the annual growth in age and income-qualified renter households relative to the project size, the less the project has to rely on cannibalizing tenants from existing properties. If the annual growth in income-qualified renter households is less than the project size, then the complex must rely on tenants moving from existing projects, which would lower the overall occupancy rate of the entire market and lower the expected stabilized occupancy rate of the subject property. The annual growth rate of age and income-qualified renter households in the Primary Market Area of 5 is much smaller than the subject project with 80 units. This is a negative demographic factor.

#### Conclusion of Supply and Demand Analysis – Housing Credit, Elderly, 60% Set Aside

This analysis indicates an unfavorable environment for new development of Housing Credit product with an elderly demographic commitment and a 60% set aside for all units.

**Overall Conclusion of Supply and Demand Analysis**

Demographic analysis indicates that the only market segment with a shortage of units is the one serving households with incomes at 0% to 30% of the Area Median Income. Data from the American Community Survey (ACS) for the Immokalee CDP indicates a shortage of 384 rental units for this group. More in-depth analysis indicates a favorable environment for new development for only rent-assisted product based on supply and demand. Many potential tenants would likely be drawn from mobile homes, which constitute about 30% of the housing in the area. Furthermore, household growth for households under 60% of the AMI is projected at 195 households per year between 2015 and 2020, so demand is expected to grow in the near future.

## MARKET RENTAL RATE ANALYSIS

### Market Rental Rate Estimate

The subject's location in unincorporated Immokalee has no new large scale market rate apartments. We considered comparables that have similarly desirable locations in small cities (Lakes at North Port and Summerhill), in the small agricultural city of Ft. Pierce (Portofino Landings and Treasure Cay), a mixed income property in Ft. Myers (Lago Del Sol), and a newer property in east Naples (TGM Malibu Lakes). All are considered superior to the subject, as all have superior locations. Large-scale market rate development is typically not feasible in areas like the subject.

The following summarizes the comparables analyzed.

Occupancy - Market Comps						
City	Apartment Project	Type	# Units	Year Built	Occupancy	# Occupied
Stabilized Projects						
Fort Myers	Lago Del Sol Apartments	Mixed	226	1996	93%	210
North Port	Lakes at North Port	Market	312	2000	92%	287
Ft. Pierce	Portofino Landings	Market	130	2007	99%	129
Titusville	Summerhill	Market	278	2005	92%	256
Naples	TGM Malibu Lakes	Market	356	2002	99%	352
Ft. Pierce	Treasure Cay	Market	264	2004	98%	259
Projects in Lease-up, Under Construction, Confidential, or Unwilling to Participate in Survey						
N/A						
Total Units			1,566			1,493
Less: Confidential Occupancy or Unstabilized Occupancies			0			0
Total Stabilized Units Responding to Survey			1,566			1,493
Overall Occupancy Rate (Stabilized Projects)			1,566		95%	1,493
Average Project Size			261			
Average Age			2002			
Source: Meridian Appraisal Group, Inc. field survey			May-15			
Note: The year built for projects with multiple phases is the date of the first phase. The date of rehabilitated projects is the original year built.						

Note that Lago Del Sol offers 60% of its units at market rates; the remainder are Housing Credit units at the 40% and 60% set asides.

All of comparables are operating at stabilized occupancy ranging from 92% to 99%, with a weighted average of 95%. The comparables listed above are analyzed in the following estimation of the subject's market rents.



## MARKET RENT COMPARABLES MAP





## SUBJECT – MARKET

### LOCATION DATA

**Record Number:** 957  
**Market Type:** Affordable  
**Property Name:** Eden Park - Esperanza  
Neighborhood  
**Address:** N/A  
Immokalee, Collier County  
FL 34142  
**Long/Lat:** W-81.450100/N26.432800  
(approximate center of defined  
area)  
**MSA:** Charlotte-Fort Myers-Naples  
**Tax Parcel No.:** N/A

### PROPERTY DATA

**Apartment Type:** Garden  
**Construction Type:** Frame or Concrete Block  
**Year Built:** 2016  
**Number of Units:** 80  
**Condition:** Proposed  
**Date Surveyed:** May 19, 2015  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 2  
**Number of Buildings:** N/A  
**Parking:** 163 spaces, 2.04/unit  
**Garages:** None  
**Occupancy:** N/A  
**Concessions:** N/A  
**Rental Premiums:** N/A  
**Utilities Included:** Trash Collection, Pest  
**Project Amenities:** Outdoor Pools (1), Exercise  
Fitness, Club House, Laundry,  
Sports Court, Playground,  
Business Center, Picnic

**Unit Features:** Patios Balconies, Ceiling Fans,  
Microwaves, Washer/Dryer  
Hookups, Dishwasher, Disposal

UNIT MIX					
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF	Utilities Allowance
'1/1	12	650	\$700	\$1.08	n/a
'2/2	28	900	\$800	\$0.89	n/a
'3/2	28	1,075	\$950	\$0.88	n/a
'4/2	12	1,125	\$1,100	\$0.98	n/a
Averages	80	958	\$883	\$0.92	

### COMMENTS

We have assumed that all units would be restricted only by the Housing Credit program, with all at the 60% set aside, a family demographic commitment, and no rental assistance.

Other recommended amenities include a car wash.

## MARKET RENT COMPARABLE NO. 1

### LOCATION DATA

**Record Number:** 577  
**Market Type:** Mixed  
**Property Name:** Lago Del Sol Apartments  
**Address:** 10770 Clear Lake Loop  
Fort Myers, Lee County  
FL 33908  
**Long/Lat:** W81.933080/N26.520100  
**MSA:** Charlotte-Fort Myers-Naples  
**Tax Parcel No.:** 32-45-24-00-00001.0000



### PROPERTY DATA

**Apartment Type:** Garden  
**Construction Type:** Wood Frame  
**Year Built:** 1996  
**Number of Units:** 226  
**Condition:** Average to good  
**Date Surveyed:** May 11, 2015 (239.437.3880)  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 3  
**Number of Buildings:** 24  
**Parking:** 560, 2.5/unit  
**Garages:** None  
**Occupancy:** 93% overall; occupancy for market rate units only was not available

**Concessions:** \$200 off first month's rent

**Rental Premiums:** None

**Utilities Included:** Water, Trash Collection, Sewer, Pest Control

**Project Amenities:** Outdoor Pools (2), Exercise  
Fitness, Club House, Laundry,  
Spa, Gated Entry, Car Wash,  
Playground

#### **Unit Features:**

Patios Balconies, Ceiling Fans,  
Microwaves, Lakefront Views,  
Dishwasher, Disposal

UNIT MIX				
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF
'2/1	44	877	\$995	\$1.13
'2/2	28	897	\$1,035	\$1.15
'3/2	134	1,144	\$1,260	\$1.10
'4/2	20	1,339	\$1,470	\$1.10
Averages	226	1,079	\$1,199	\$1.11

### COMMENTS

This is a mixed affordable and market rate project with set asides of 20% at 40%, 20% at 60% and 60% market rate; only the market rate units are shown. The project was renovated, including some unit interiors, in 2013; the rents shown are for renovated units.

## MARKET RENT COMPARABLE NO. 2

### LOCATION DATA

**Record Number:** 557  
**Market Type:** Market  
**Property Name:** Lakes at North Port  
**Address:** 1015 Ohana Way  
North Port, Sarasota County  
FL 34289  
**Long/Lat:** W82.152790/N27.085630  
**MSA:** North Port-Bradenton-Sarasota  
**Tax Parcel No.:** 1115-01-0010



### PROPERTY DATA

**Apartment Type:** Garden  
**Construction Type:** CCB  
**Year Built:** 2000  
**Number of Units:** 312  
**Condition:** Average  
**Date Surveyed:** May 8, 2015 (941-429-9799)  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 3  
**Number of Buildings:** 13  
**Parking:** 504 surface spaces  
**Garages:** None  
**Occupancy:** 92%  
**Concessions:** None  
**Rental Premiums:** 1st floor \$50  
**Utilities Included:** Water, Trash Collection, Sewer, Pest  
**Project Amenities:** Outdoor Pools (1), Laundry, Picnic, Playground, Car Wash, Dog Park

**Unit Features:** Ceiling Fans, Stackable Washer/Dryer Hookups, Dishwasher

UNIT MIX				
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF
'1/1	72	687	\$845	\$1.23
'2/2	156	904	\$950	\$1.05
'3/2	84	1,160	\$1,080	\$0.93
<b>Averages</b>	<b>312</b>	<b>923</b>	<b>\$961</b>	<b>\$1.04</b>

### COMMENTS

Property was formerly income restricted and known as Riley Chase. In 2010, the project started to transition to market rents. Other amenities include a soccer field, internet cafe and lounge. The units have recently been renovated with resurfaced countertops, new faux wood flooring and either new or repainted appliances. The property exterior was also repainted.

## MARKET RENT COMPARABLE NO. 3

### LOCATION DATA

**Record Number:** 715  
**Market Type:** Market  
**Property Name:** Portofino Landings  
**Address:** 5121 E. Portofino Landings  
Boulevard  
Ft. Pierce, St. Lucie County  
FL 34947  
**Long/Lat:** W80.375510/N27.423930  
**MSA:** Port St. Lucie  
**Tax Parcel No.:** 2419-122-001-000-4



### PROPERTY DATA

**Apartment Type:** Garden  
**Construction Type:** Block, Stucco, Tile Roof  
**Year Built:** 2007  
**Number of Units:** 130  
**Condition:** Average  
**Date Surveyed:** May 8, 2015 (772.214.3600)  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 2  
**Number of Buildings:** 13  
**Parking:** N/A  
**Garages:** None  
**Occupancy:** 99%  
**Concessions:** None  
**Rental Premiums:** None  
**Utilities Included:** Trash Collection, Pest  
**Project Amenities:** Outdoor Pools (1), Exercise  
Fitness, Club House, Gated

**Unit Features:** Washer Dryers, Microwaves,  
Dishwasher, Disposal, Wood  
Flooring

UNIT MIX				
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF
'2/2	80	965	\$900	\$0.93
'3/2	50	1,265	\$1,045	\$0.83
Averages	130	1,080	\$956	\$0.89

### COMMENTS

Occupancy is from CoStar, as the property would not provide it.

Unit features also include 9' ceilings, pantries, Roman tubs, double sinks in master baths, stainless appliances and granite countertops. Washer/dryers are stackable.



## MARKET RENT COMPARABLE NO. 4

### LOCATION DATA

**Record Number:** 383  
**Market Type:** Market  
**Property Name:** Summerhill  
**Address:** 5274 Summerhill Club Lane  
Titusville, Brevard County  
FL 32780  
**Long/Lat:** W80.834790/N28.546300  
**MSA:** Palm Bay - Melbourne - Titusville  
**Tax Parcel No.:** 2216519



### PROPERTY DATA

**Apartment Type:** Garden  
**Construction Type:** Wood Frame  
**Year Built:** 2005  
**Number of Units:** 278  
**Condition:** Average  
**Date Surveyed:** May 8, 2015 (321.269.5003)  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 2 & 3  
**Number of Buildings:** 14  
**Parking:** 407 Spaces, 1.46/Unit  
**Garages:** Yes, 54 attached and detached,  
\$100  
**Occupancy:** 92%  
**Concessions:** None  
**Rental Premiums:** 2nd Floor \$10, 1st Floor \$20  
**Utilities Included:** Trash Collection, Pest  
**Project Amenities:** Outdoor Pools (1), Exercise  
Fitness, Club House, Gated,  
Playground, Picnic Area

**Unit Features:** Screen Porches, Security System,  
Ceiling Fans, Washer Dryers,  
Microwaves, Dishwasher,  
Disposal, 9' Ceilings

UNIT MIX				
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF
'1/1	36	677	\$750	\$1.11
'1/1	48	787	\$800	\$1.02
'2/2	72	997	\$925	\$0.93
'2/2	42	1,085	\$975	\$0.90
'2/2	48	1,119	\$1,025	\$0.92
'3/2	24	1,219	\$1,175	\$0.96
'3/2.5/G TH	8	1,401	\$1,400	\$1.00
<b>Averages</b>	<b>278</b>	<b>984</b>	<b>\$941</b>	<b>\$0.96</b>

### COMMENTS

Amenities also include a car wash, pet stations, free boat and RV parking, business center and a media room. Unit features also include self-cleaning ovens, carpet and tile, pantry (some), built-in computer station (some), and patio storage (some). Townhouse units have attached two-car garages, which are included in the rents. Property has 70 storage units available for rent at \$25 per month.

Project received its first C/O 9/15/05 and absorbed an average of 30 units per month until reaching stabilized occupancy.

## MARKET RENT COMPARABLE NO. 5

### LOCATION DATA

**Record Number:** 583  
**Market Type:** Market  
**Property Name:** TGM Malibu Lakes  
**Address:** 2115 Malibu Lake Circle  
 Naples, Lee County  
 FL 34119  
**Long/Lat:** W81.738770/N26.267500  
**MSA:** Charlotte-Fort Myers-Naples  
**Tax Parcel No.:** 00198560009



### PROPERTY DATA

**Apartment Type:** Garden  
**Construction Type:** Wood Frame  
**Year Built:** 2002  
**Number of Units:** 356  
**Condition:** Good  
**Date Surveyed:** May 8, 2015 (239.596.0035)  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 2 & 3  
**Number of Buildings:** 21  
**Parking:** 744, 2.1/unit  
**Garages:** Detached \$135  
**Occupancy:** 99%  
**Concessions:** None  
**Rental Premiums:** First Floor \$35  
**Utilities Included:** Pest Control. Trash is \$10.  
**Project Amenities:** Outdoor Pools (2), Exercise  
 Fitness, Club House, Outdoor  
 Tennis, Playground, Car Wash,  
 Dog Park

#### **Unit Features:**

Patios Balconies, Vaulted Ceilings,  
 Ceiling Fans, Washer Dryers,  
 Microwaves, Dishwasher,  
 Disposal, Pantry

UNIT MIX				
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF
'1/1	118	759	\$1,030	\$1.36
'2/2	118	1,098	\$1,290	\$1.17
'2/2/G	34	1,120	\$1,400	\$1.25
'3/2	6	1,335	\$1,620	\$1.21
'3/2	34	1,385	\$1,600	\$1.16
'3/2/G	34	1,235	\$1,625	\$1.32
'4/2/G	6	1,617	\$2,044	\$1.26
'4/2	6	1,551	\$1,944	\$1.25
<b>Averages</b>	<b>356</b>	<b>1,049</b>	<b>\$1,305</b>	<b>\$1.24</b>

### COMMENTS

None

## MARKET RENT COMPARABLE NO. 6

### LOCATION DATA

**Record Number:** 713  
**Market Type:** Market  
**Property Name:** Treasure Cay  
**Address:** 1200 Treasure Cay Drive  
Ft. Pierce, St. Lucie County  
FL 34947  
**Long/Lat:** W80.380930/N27.422820  
**MSA:** Port St. Lucie  
**Tax Parcel No.:** 2419-223-0001-000-4



### PROPERTY DATA

**Apartment Type:** Garden  
**Construction Type:** Block, Stucco, Shingle Roofs  
**Year Built:** 2004  
**Number of Units:** 264  
**Condition:** Average  
**Date Surveyed:** May 8, 2015 (772.462.7368)  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 3  
**Number of Buildings:** 11  
**Parking:** 300 surface, 1.1/unit  
**Garages:** Detached - \$79  
**Occupancy:** 98%  
**Concessions:** None.  
**Rental Premiums:** Washer/Dryer \$50  
**Utilities Included:** Pest\*  
**Project Amenities:** Outdoor Pools (1), Exercise  
Fitness, Club House, Laundry,  
Gated, Picnic, Playground,  
Basketball

#### **Unit Features:**

Patios Balconies, Vaulted Ceilings,  
Ceiling Fans, Washer/Dryer  
Hookups, Dishwasher, Disposal

UNIT MIX				
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF
'1/1	54	800	\$780	\$0.98
'1/1	54	897	\$790	\$0.88
'2/1	24	1,055	\$855	\$0.81
'2/2	66	1,100	\$885	\$0.80
'2/2	66	1,190	\$895	\$0.75
<b>Averages</b>	<b>264</b>	<b>1,016</b>	<b>\$844</b>	<b>\$0.83</b>

### COMMENTS

Amenities also include a car wash and media room. Pool is heated. The larger unit sizes have a solarium instead of patio/balcony.

\*Water/sewer/trash are billed back to the tenants as follows: 1/1 - \$40, 2/1 - \$45, and 2/2 - \$50.

## MARKET RENTAL RATE ANALYSIS (CONT'D)

### Rental Rate Analysis

The following market rate analysis assumes that all of the units in the complex are leased at market rates without maximum income restrictions (exclusively market rate project). The comparables were adjusted for the utilities and services provided in the rental rates and we have also considered adjustments for location/quality/amenities in our rental rate conclusions. We have also taken into consideration the market trend of smaller units leasing for a higher per square foot rate than their larger counterparts.

### Adjustments

We have compared each of the comparables to the subject and have made quantitative adjustments for utilities/services included in the rental rates, unit sizes and the number of bathrooms. Adjustments for water, sewer, electric and trash expenses were obtained from the local housing authority's utility allowance chart, or the charges indicated by the property. Washer/dryer, square foot, alarm, cable and bathroom adjustments were derived from appraiser's experience and judgment.

UTILITIES/SERVICES ADJUSTMENTS			
water/sewer 1 BR	\$72	washer/dryer	\$35
water/sewer 2 BR	\$82	square foot (sf)	\$0.35
water/sewer 3 BR	\$93	alarm (a)	\$20
water/sewer 4 BR	\$103	cable (basic) (c )	\$60
full bath	\$25	trash (t)	\$18
half bath	\$15		

Adjustments were also applied for concessions based on the actual dollar amount, if offered; they are reflected in the "Other" adjustment. Qualitative adjustments for location, quality, condition and amenities were considered in our rental rate conclusions. These are considered quantitatively above.

### One-Bedroom Analysis

One-Bedroom Market Rent Comparables Summary								
#	Complex Name	Unit Type	Street Rent	Util./Services	Net Adj.	Adj. Rent	Size/SF	Adj. Rent/SF
1	Lago Del Sol Apartments			w,s,t,p				
2	Lakes at North Port	'1/1	\$845	w,s,t,p	-\$135	\$710	687	\$1.03
3	Portofino Landings			t,p,w/d				
4	Summerhill	'1/1	\$750	t,p,w/d	-\$69	\$681	677	\$1.01
5	TGM Malibu Lakes	'1/1	\$1,030	p,w/d	-\$213	\$817	759	\$1.08
6	Treasure Cay	1/1	\$780	p	-\$103	\$678	800	\$0.85
	Average		\$851		-\$130	\$721	731	\$0.99
	Eden Park - Esperanza Neight	1/1		t,p		\$700	650	\$1.08
Adjustment Summary (1 BR)								
#	Complex Name	Util./Services	W/S	Trash	Pest	W/D/Cable / Alarm	Location/ Quality/ Other	SF
1	Lago Del Sol Apartments	w,s,t,p	-\$72	\$0	\$0	\$0	-\$100	\$228
2	Lakes at North Port	w,s,t,p	-\$72	\$0	\$0	\$0	-\$50	-\$135
3	Portofino Landings	t,p,w/d	\$0	\$0	\$0	-\$35	-\$50	\$143
4	Summerhill	t,p,w/d	\$0	\$0	\$0	-\$35	-\$25	-\$9
5	TGM Malibu Lakes	p,w/d	\$0	\$10	\$0	-\$35	-\$150	-\$213
6	Treasure Cay	p	\$0	\$0	\$0	\$0	-\$50	-\$103
	Average	---	-\$24	\$2	\$0	-\$18	-\$71	\$57
								-\$54

The comparables indicate adjusted rents (after deducting for concessions) of \$678 to \$817, with an average of \$721. Three of the four indications are between \$678 and \$710. The comparables range in size from 677 square feet to 800 square feet with an average unit size of 731 square feet. The subject's unit size of 650 square feet is slightly below the range of the comparables.

Based upon this analysis, we estimate a current market rent for the subject's one-bedroom units as follows:

## MARKET RENTAL RATE ANALYSIS (CONT'D)

One-Bedroom Rent Conclusion			
Floor Plan	Unit Size	Rental Rate	Rental Rate/SF
1/1	650	\$700	\$1.08

## Two-Bedroom Analysis

Two-Bedroom Market Rent Comparables Summary									
#	Complex Name	Unit Type	Street Rent	Util./Services	Net Adj.	Adj. Rent	Size/SF	Adj. Rent/SF	St. Rent/SF
1	Lago Del Sol Apartments	'2/2	\$978	w,s,t,p	-\$181	\$797	897	\$0.89	\$1.09
2	Lakes at North Port	'2/2	\$950	w,s,t,p	-\$133	\$817	904	\$0.90	\$1.05
3	Portofino Landings	'2/2	\$900	t,p,w/d	-\$108	\$792	965	\$0.82	\$0.93
4	Summerhill	'2/2	\$925	t,p,w/d	-\$94	\$831	997	\$0.83	\$0.93
5	TGM Malibu Lakes	'2/2	\$1,290	p,w/d	-\$244	\$1,046	1,098	\$0.95	\$1.17
6	Treasure Cay	2/2	\$885	p	-\$120	\$765	1,100	\$0.70	\$0.80
Average			\$988		-\$147	\$841	994	\$0.85	\$1.00
Eden Park - Esperanza Neight		2/2		t,p		\$800	900	\$0.89	
Adjustment Summary (2 BR)									
#	Complex Name	Util./Services	W/S	Trash	Pest	W/D/Cable / Alarm	Location/ Quality/ Other	SF	Total
1	Lago Del Sol Apartments	w,s,t,p	-\$82	\$0	\$0	\$0	-\$100	\$1	-\$181
2	Lakes at North Port	w,s,t,p	-\$82	\$0	\$0	\$0	-\$50	-\$1	-\$133
3	Portofino Landings	t,p,w/d	\$0	\$0	\$0	-\$35	-\$50	-\$23	-\$108
4	Summerhill	t,p,w/d	\$0	\$0	\$0	-\$35	-\$25	-\$34	-\$94
5	TGM Malibu Lakes	p,w/d	\$0	\$10	\$0	-\$35	-\$150	-\$69	-\$244
6	Treasure Cay	p	\$0	\$0	\$0	\$0	-\$50	-\$70	-\$120
Average		---	-\$27	\$2	\$0	-\$18	-\$71	-\$33	-\$147

The comparables indicate adjusted rents (after deducting for concessions) of \$765 to \$1,046, with an average of \$841, with five out of six between \$765 and \$831. The comparables range in size from 897 square feet to 1,100 square feet with an average unit size of 994 square feet. The subject's unit size of 900 square feet is at the low end of the range.

Based upon this analysis, we estimate a market rent for the subject's two-bedroom units as follows:

Two-Bedroom Rent Conclusion			
Floor Plan	Unit Size	Rental Rate	Rental Rate/SF
2/2	900	\$800	\$0.89



## MARKET RENTAL RATE ANALYSIS (CONT'D)

### Three-Bedroom Analysis

Three-Bedroom Market Rent Comparables Summary									
#	Complex Name	Unit Type	Street Rent	Util./Services	Net Adj.	Adj. Rent	Size/SF	Adj. Rent/SF	St. Rent/SF
1	Lago Del Sol Apartments	'3/2	\$1,243	w,s,t,p	-\$217	\$1,026	1,144	\$0.90	\$1.09
2	Lakes at North Port	'3/2	\$1,080	w,s,t,p	-\$173	\$907	1,160	\$0.78	\$0.93
3	Portofino Landings	'3/2	\$1,045	t,p,w/d	-\$152	\$894	1,265	\$0.71	\$0.83
4	Summerhill	'3/2	\$1,175	t,p,w/d	-\$110	\$1,065	1,219	\$0.87	\$0.96
5	TGM Malibu Lakes	'3/2	\$1,620	p,w/d	-\$266	\$1,354	1,335	\$1.01	\$1.21
6	Treasure Cay			p					
Average			\$1,233		-\$184	\$1,049	1,225	\$0.85	\$1.00
Eden Park - Esperanza Neight		3/2		t,p		\$950	1,075	\$0.88	
Adjustment Summary (3 BR)									
#	Complex Name	Util./Services	W/S	Trash	Pest	W/D/Cable / Alarm	Location/Quality/Other	SF	Total
1	Lago Del Sol Apartments	w,s,t,p	-\$93	\$0	\$0	\$0	-\$100	-\$24	-\$217
2	Lakes at North Port	w,s,t,p	-\$93	\$0	\$0	\$0	-\$50	-\$30	-\$173
3	Portofino Landings	t,p,w/d	\$0	\$0	\$0	-\$35	-\$50	-\$67	-\$152
4	Summerhill	t,p,w/d	\$0	\$0	\$0	-\$35	-\$25	-\$50	-\$110
5	TGM Malibu Lakes	p,w/d	\$0	\$10	\$0	-\$35	-\$150	-\$91	-\$266
6	Treasure Cay	p	\$0	\$0	\$0	\$0	-\$50	\$376	\$326
Average		---	-\$31	\$2	\$0	-\$18	-\$71	\$19	-\$99

The comparables indicate adjusted rents (after deducting for concessions) of \$894 to \$1,354, with an average of \$1,049; four of the five indications are between \$894 and \$1,065. The comparables range in size from 1,144 square feet to 1,335 square feet with an average unit size of 1,225 square feet. The subject's unit size of 1,075 square feet is below the range of the comparables.

Based upon this analysis, we estimate a market rent for the subject's three-bedroom units as follows:

Three-Bedroom Rent Conclusion			
Floor Plan	Unit Size	Rental Rate	Rental Rate/SF
3/2	1,075	\$950	\$0.88

### Four-Bedroom Analysis

Only one of the comparables offers four-bedroom units; Lago Del Sol indicates an adjusted rent (after deducting for concessions, location/quality, water/sewer and size) of \$1,175 for a 1,339-square foot unit, or \$0.88 per square foot. We estimated a smaller unit size of 1,125 square feet for the subject.

We also considered a reasonable "premium" for a four-bedroom/two bath unit over a three-bedroom/two bath unit at the subject. At Lago Del Sol, the market rate four-bedroom/two bath units are \$210 more than the three-bedroom/two bath units.

We also considered the rent per square foot. Lago Del Sol indicates an adjusted rent of \$0.88 per square foot. The subject's three-bedroom conclusion equates to \$0.88 per square foot; since larger units tend to rent for less on a per unit basis, this is considered an upper limit for the subject's four-bedroom units. Based on the estimated unit size of 1,125 square foot, the indicated maximum rent is \$990.

Based on the comparable, and considering that the subject would have a relatively small number of units of this unit type, we estimate that the rent for the subject's four-bedroom units will be about \$150 higher than the three-bedroom conclusion of \$950.

Based upon this analysis, we estimate a market rent for the subject's four-bedroom units as follows:

Four-Bedroom Rent Conclusion			
Floor Plan	Unit Size	Rental Rate	Rental Rate/SF
4/2	1,125	\$1,100	\$0.98

#### Market Rental Rate Conclusions

The market rent estimates are summarized in the following table:

Potential Base Rental Income-Market				
Unit Type	No. Units	Unit Size	\$/Month	Total Annual Rent
1/1	12	650	\$700	\$100,800
2/2	28	900	\$800	\$268,800
3/2	28	1,075	\$950	\$319,200
4/2	12	1,125	\$1,100	\$158,400
<b>Total/Avg.</b>	<b>80</b>	<b>958</b>	<b>\$883</b>	<b>\$847,200</b>

The subject's potential gross income as an exclusively market rate project, excluding rent premiums, is estimated at \$847,200.

## RENTAL AND COMPETITIVE ANALYSIS AS RESTRICTED

### Restricted Rental Rate Analysis

We have assumed that the subject would be restricted by the Housing Credit program only, with no rental assistance. We have assumed that 100% of the units would be at the 60% set aside.

We have chosen the following comparable properties for the competitive analysis and estimation of attainable restricted rents. The first four properties comprise the entire inventory of Housing Credit properties in the Immokalee area with no rental assistance. The two remaining properties have similar rural locations, but are located in Lee and St. Lucie Counties, respectively. The AMI for the subject area is \$66,500, which is somewhat higher than the last two comparables, which have AMIs of \$53,300 and \$57,600, respectively. There are other Housing Credit properties in Collier County, but all are in the Naples area, which has significantly superior locational characteristics.

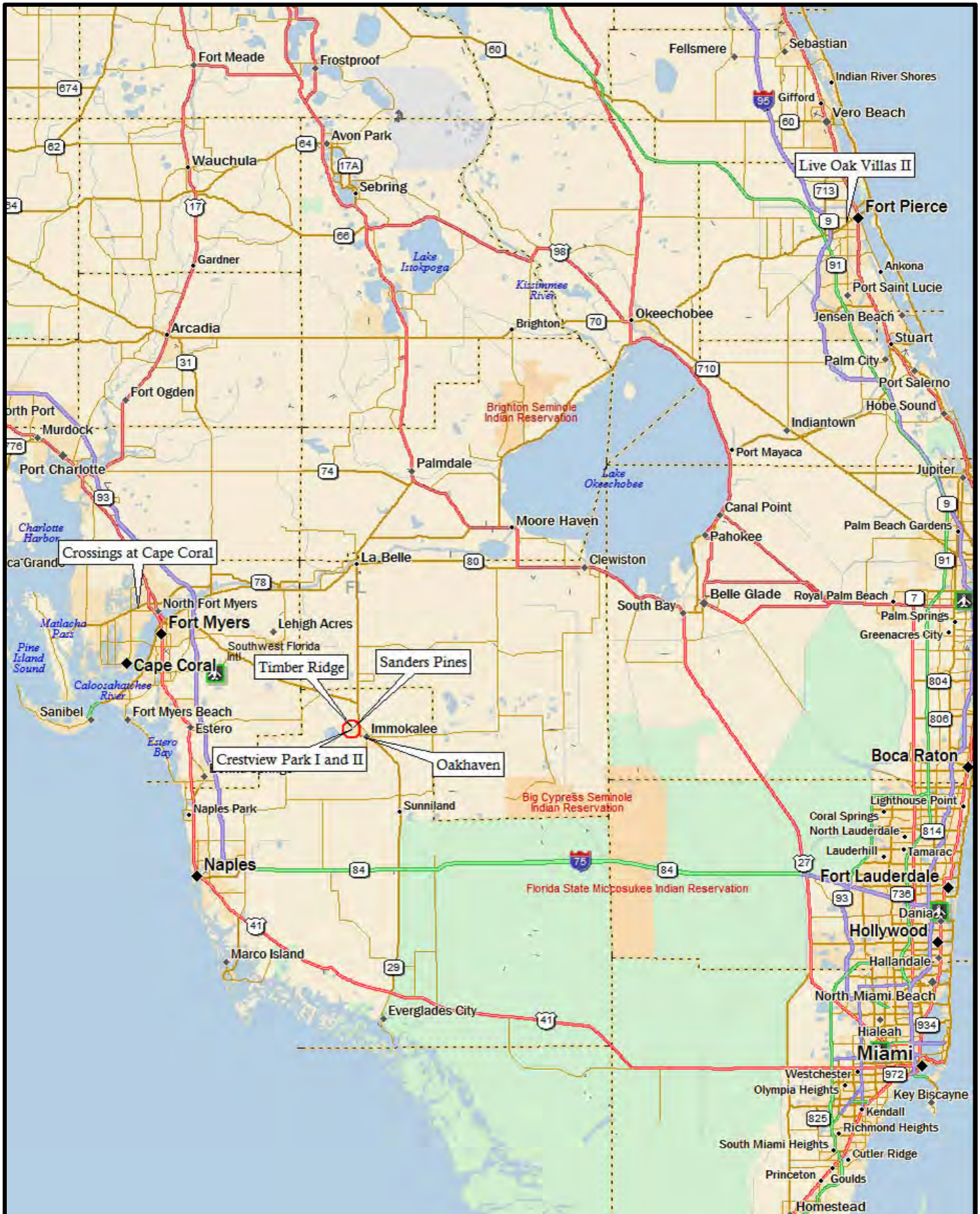
Occupancy - Restricted Comps						
City	Apartment Project	Type	# Units	Year Built	Occupancy	# Occupied
Stabilized Projects						
Immokalee	Crestview Park I & II	Restricted	304	2006	98%	298
Immokalee	Oakhaven	Restricted	160	1993	99%	158
Immokalee	Sanders Pines Apartments	Restricted	40	1989	98%	39
Immokalee	Timber Ridge of Immokalee	Restricted	34	1996	100%	34
Cape Coral	Crossings at Cape Coral	Restricted	168	2000	98%	165
Ft. Pierce	Live Oak Villas II	Restricted	80	2007	96%	77
Projects in Lease-up, Under Construction, Confidential, or Unwilling to Participate in Survey						
N/A						
Total Units			786	771		
Less: Confidential Occupancy or Unstabilized Occupancies			0	0		
Total Stabilized Units Responding to Survey			786	771		
Overall Occupancy Rate (Stabilized Projects)			786	98%		771
Average Project Size			131			
Average Age			1999			
Source: Meridian Appraisal Group, Inc. field survey				May-15		
Note: The year built for projects with multiple phases is the date of the first phase. The date of rehabilitated projects is the original year built.						

The restricted rate projects are 96% to 100% occupied, with a weighted average of 98%; all are stabilized.

Detailed write-ups of the comparable restricted rate rental projects used in the analyses follow.



# RESTRICTED RENT COMPARABLES MAP



## SUBJECT – RESTRICTED

### LOCATION DATA

**Record Number:** 957  
**Market Type:** Affordable  
**Property Name:** Eden Park - Esperanza  
Neighborhood  
**Address:** N/A  
Immokalee, Collier County  
FL 34142  
**Long/Lat:** W-81.450100/N26.432800  
(approximate center of defined  
area)  
**MSA:** Charlotte-Fort Myers-Naples  
**Tax Parcel No.:** N/A

### PROPERTY DATA

**Apartment Type:** Garden  
**Construction Type:** Frame or Concrete Block  
**Year Built:** 2016  
**Number of Units:** 80  
**Condition:** Proposed  
**Date Surveyed:** May 19, 2015  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 2  
**Number of Buildings:** N/A  
**Parking:** 163 spaces, 2.04/unit  
**Garages:** None  
**Occupancy:** N/A  
**Concessions:** N/A  
**Rental Premiums:** N/A  
**Utilities Included:** Trash Collection, Pest  
**Project Amenities:** Outdoor Pools (1), Exercise  
Fitness, Club House, Laundry,  
Sports Court, Playground,  
Business Center, Picnic

**Unit Features:** Patios Balconies, Ceiling Fans,  
Microwaves, Washer/Dryer  
Hookups, Dishwasher, Disposal

UNIT MIX					
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF	Utilities Allowance
'1/1 - 60%	12	650	\$556	\$0.86	\$144
'2/2 - 60%	28	900	\$634	\$0.70	\$176
'3/2 - 60%	28	1,075	\$831	\$0.77	\$207
'4/2 - 60%	12	1,125	\$838	\$0.74	\$237
<b>Averages</b>	<b>80</b>	<b>958</b>	<b>\$722</b>	<b>\$0.75</b>	

### COMMENTS

We have assumed that all units would be restricted only by the Housing Credit program, with all at the 60% set aside, a family demographic commitment, and no rental assistance.

Other recommended amenities include a car wash.



## AFFORDABLE RENT COMPARABLE NO. 1

### LOCATION DATA

**Record Number:** 573  
**Market Type:** Affordable  
**Property Name:** Crestview Park I & II  
**Address:** 2903 Lake Trafford Road  
Immokalee, Collier County  
FL 34142  
**Long/Lat:** W81.450800/N26.427960  
**MSA:** Charlotte-Fort Myers-Naples  
**Tax Parcel No.:** 22430000522



### PROPERTY DATA

**Apartment Type:** Garden  
**Construction Type:** Wood Frame  
**Year Built:** 2006  
**Number of Units:** 304  
**Condition:** Average to Good  
**Date Surveyed:** May 6, 2015 (239.658.8267)  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 2  
**Number of Buildings:** 23  
**Parking:** 540 surface, 1.8/unit  
**Garages:** None  
**Occupancy:** 98%  
**Concessions:** None  
**Rental Premiums:** N/A  
**Utilities Included:** Trash Collection, Pest  
**Project Amenities:** Outdoor Pools (2), Exercise  
Fitness, Club House, Laundry,  
Playground, Car Wash, Bus.  
Center

**Unit Features:** Ceiling Fans, Microwaves,  
Dishwashers, Disposals, W/D  
Hookups

UNIT MIX					
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF	Utilities Allowance
'2/2 - 50%	87	896	\$643	\$0.72	\$137
'2/2 - 60%	116	896	\$672	\$0.75	\$137
'3/2 - 50%	30	1,069	\$807	\$0.75	\$208
'3/2 - 60%	71	1,069	\$852	\$0.80	\$208
<b>Averages</b>	<b>304</b>	<b>953</b>	<b>\$568</b>	<b>\$0.60</b>	

### COMMENTS

Phase I was built in 2006 and has 208 units, with set asides of 56% at 50% AMI and 44% at 60%. Phase II was built in 2008 and has 96 units, all of which are at the 60% set aside.

Amenities also include a picnic area and volleyball.

## AFFORDABLE RENT COMPARABLE NO. 2

### LOCATION DATA

**Record Number:** 574  
**Market Type:** Affordable-Farmworker  
**Property Name:** Oakhaven  
**Address:** 580 Oakhaven Circle  
 Immokalee, Collier County  
 FL 34142  
**Long/Lat:** W81.421350/N26.415310  
**MSA:** Charlotte-Fort Myers-Naples  
**Tax Parcel No.:** 00124360008



### PROPERTY DATA

**Apartment Type:** Garden  
**Construction Type:** Wood Frame  
**Year Built:** 1993  
**Number of Units:** 160  
**Condition:** Average  
**Date Surveyed:** May 12, 2015 (239.657.2272)  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 2  
**Number of Buildings:** 20  
**Parking:** 225 surface, 1.4/unit  
**Garages:** None  
**Occupancy:** 99%  
**Concessions:** None  
**Rental Premiums:** None  
**Utilities Included:** Water, Trash Collection, Sewer, Pest Control  
**Project Amenities:** Laundry, Playground, Car Wash      **Unit Features:** Disposal, Refrigerator

UNIT MIX					
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF	Utilities Allowance
'2/1 - 45%	6	735	\$639	\$0.87	\$94
'2/1 - 60%	34	735	\$669	\$0.91	\$94
'3/1 - 45%	18	885	\$730	\$0.82	\$114
'3/1 - 60%	102	885	\$760	\$0.86	\$114
<b>Averages</b>	<b>160</b>	<b>848</b>	<b>\$733</b>	<b>\$0.86</b>	

### COMMENTS

Set asides are 10% at 45% and 90% at 60% AMI. The project is subject to Housing Credit 9% and SAIL programs. It has a farmworker demographic commitment on 80% of the units.

## AFFORDABLE RENT COMPARABLE NO. 3

### LOCATION DATA

**Record Number:** 572  
**Market Type:** Affordable-Farmworker  
**Property Name:** Sanders Pines Apartments  
**Address:** 2449 Sanders Pines Circle  
Immokalee, Collier County  
FL 34142  
**Long/Lat:** W-81.445010/N26.436010  
**MSA:** Charlotte-Fort Myers-Naples  
**Tax Parcel No.:** 00082961109



### PROPERTY DATA

**Apartment Type:** Garden/TH  
**Construction Type:** Wood Frame  
**Year Built:** 1989  
**Number of Units:** 40  
**Condition:** Average  
**Date Surveyed:** May 6, 2015 (239.657.8333)  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 2  
**Number of Buildings:** 9  
**Parking:** 75 surface, 1.9/unit  
**Garages:** None  
**Occupancy:** 98%  
**Concessions:** None  
**Rental Premiums:** None  
**Utilities Included:** Trash Collection, Pest Control  
**Project Amenities:** Laundry, Playground, Car Wash  
**Unit Features:** Patios Balconies, Disposals, Refrigerator, Outside Storage

UNIT MIX					
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF	Utilities Allowance
'2/1 - 60%	16	778	\$525	\$0.67	\$176
'3/1 - 60%	24	900	\$585	\$0.65	\$207
Averages	40	851	\$561	\$0.66	

### COMMENTS

This project has 100% of the units at the 60% set-aside under the Housing Credit 9% and SAIL programs. The requirement to set aside 80% of the units for farmworkers was waived in 2012, and the waiver extended until March 2016, after which only 40% of the units must be farmworker.

## AFFORDABLE RENT COMPARABLE NO. 4

### LOCATION DATA

**Record Number:** 575  
**Market Type:** Affordable-Farmworker  
**Property Name:** Timber Ridge of Immokalee  
**Address:** 2711 Wilton Court  
Immokalee, Collier County  
FL 34142  
**Long/Lat:** W-81.448230/N26.436880  
**MSA:** Charlotte-Fort Myers-Naples  
**Tax Parcel No.:** 76850001801



### PROPERTY DATA

**Apartment Type:** Villa  
**Construction Type:** CBS  
**Year Built:** 1996  
**Number of Units:** 34  
**Condition:** Average  
**Date Surveyed:** May 6, 2015 (239.658.6531)  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 1  
**Number of Buildings:** 23  
**Parking:** 68, 2.0/unit  
**Garages:** One Car Garage per Unit  
**Occupancy:** 100%  
**Concessions:** None  
**Rental Premiums:** None  
**Utilities Included:** Trash Collection, Pest Control  
**Project Amenities:** Laundry, Car Wash

**Unit Features:** Patios Balconies, Ceiling Fans,  
Microwaves, Dishwasher,  
Disposal, W/D Hookups

UNIT MIX					
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF	Utilities Allowance
'3/1 - 60%	26	1,287	\$705	\$0.55	\$237
'4/2 - 60%	8	1,523	\$779	\$0.51	\$275
Averages	34	1,343	\$722	\$0.54	

### COMMENTS

This project has 100% of the units at the 60% set-aside under the Housing Credit 9% and SAIL programs. The requirement to set aside 80% of the units for farmworkers was waived in 2012, and the waiver extended until March 2016, after which only 40% of the units must be farmworker.



## AFFORDABLE RENT COMPARABLE NO. 5

### LOCATION DATA

**Record Number:** 581  
**Market Type:** Affordable  
**Property Name:** Crossings at Cape Coral  
**Address:** 1150 Hancock Creek South  
 Boulevard  
 Cape Coral, Lee County  
 FL 33909  
**Long/Lat:** W81.924380/N26.671880  
**MSA:** Charlotte-Fort Myers-Naples  
**Tax Parcel No.:** 05-44-24-C3-01131.A000



### PROPERTY DATA

**Apartment Type:** Garden  
**Construction Type:** Wood Frame  
**Year Built:** 2000  
**Number of Units:** 168  
**Condition:** Good  
**Date Surveyed:** May 19, 2015 (239.772.2116)  
**Surveyed by:** Connie Jennings  
**Number of Stories:** 3  
**Number of Buildings:** 10  
**Parking:** 260, 1.5/unit  
**Garages:** None  
**Occupancy:** 95%  
**Concessions:** None  
**Rental Premiums:** \$50 Washer/Dryer, \$50 Cable  
**Utilities Included:** Water, Trash Collection, Sewer, Pest Control  
**Project Amenities:** Outdoor Pools (1), Exercise  
 Fitness, Club House, Laundry,  
 Playground, Gated Entry,  
 Volleyball

**Unit Features:** Ceiling Fans, Microwaves,  
 Disposal, Dishwasher, W/D  
 Hookups

UNIT MIX					
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF	Utilities Allowance
'1/1 - 60%	36	834	\$615	\$0.74	\$78
'2/2 - 60%	68	1,100	\$731	\$0.66	\$101
'3/2 - 60%	40	1,244	\$836	\$0.67	\$125
'4/3 - 60%	24	1,479	\$924	\$0.62	\$148
<b>Averages</b>	<b>168</b>	<b>1,131</b>	<b>\$756</b>	<b>\$0.67</b>	

### COMMENTS

This project has a Family Demographic Commitment with 100% of the units at 60% AMI. The project is subject to Housing Credits 4%, Local Bonds and SAIL requirements. When originally funded the project had farmworker/fishworker tenant requirements but occupancy suffered and these restrictions were removed in 2002.

Amenities also include business center and recreation room.



## AFFORDABLE RENT COMPARABLE NO. 6

### LOCATION DATA

**Record Number:** 705  
**Market Type:** Affordable-Farmworker  
**Property Name:** Live Oak Villas II  
**Address:** 907 S. 27th Street  
 Ft. Pierce, St. Lucie County  
 FL 34947  
**Long/Lat:** W80.353420/N27.439120  
**MSA:** Port St. Lucie  
**Tax Parcel No.:** 2417-112-0004-000-8 and 2417-112-0005-000-5



### PROPERTY DATA

<b>Apartment Type:</b>	Garden	
<b>Construction Type:</b>	Block, Cement Siding, Shingle Roof	
<b>Year Built:</b>	2007	
<b>Number of Units:</b>	80	
<b>Condition:</b>	Average	
<b>Date Surveyed:</b>	May 13, 2015 (772.595.0104)	
<b>Surveyed by:</b>	Connie Jennings	
<b>Number of Stories:</b>	2 & 3	
<b>Number of Buildings:</b>	4	
<b>Parking:</b>	120 surface (1.5/unit)	
<b>Garages:</b>	None	
<b>Occupancy:</b>	96%	
<b>Concessions:</b>	None	
<b>Rental Premiums:</b>	Washer/Dryer \$40	
<b>Utilities Included:</b>	Trash Collection, Pest	
<b>Project Amenities:</b>	Car Wash, Playground, Volleyball	<b>Unit Features:</b> Ceiling Fans, W/D Hookups, Dishwasher, Tile Floors Throughout

UNIT MIX					
Unit Type	Number of Units	Size (SF)	Rent per Month	Monthly Rent Per SF	Utilities Allowance
'1/1 - 35%	2	637	\$276	\$0.43	\$116
'1/1 - 60%	15	637	\$557	\$0.87	\$116
'2/2 - 35%	4	978	\$337	\$0.34	\$134
'2/2 - 60%	20	978	\$674	\$0.69	\$134
'3/2 - 35%	6	1,161	\$352	\$0.30	\$192
'3/2 - 60%	33	1,161	\$741	\$0.64	\$192
<b>Averages</b>	<b>80</b>	<b>995</b>	<b>\$629</b>	<b>\$0.63</b>	

### COMMENTS

15% at 35% AMI and 85% at 60%. At least 40% of the units (32 units) must be leased to farmworkers; in the past, these units have been discounted to fulfill this tenant requirement and maintain occupancy.

There is also an office and adjacent small fitness center. Property has a reciprocal use agreement with Live Oak Villas I for amenities, including clubhouse, fitness center, computer lab and library, pool, volleyball, picnic area and playground.

## Rental Rate Analysis

### Area Median Income (AMI)

The Housing Credit maximum rental rates are based on the area's median income and are gross rental rates, thus including an allowance for utilities.

The maximum allowable rental rates under the Housing Credit program are tied to the HUD Area Median Income (AMI), the historical levels for which are presented below. The rent limits are not allowed to fall below the previous year levels; also, for properties placed in service before December 31, 2008, HERA special rent and income limits apply. Since the subject would be new, the non-HERA limits apply.

Year	HUD Area Median Income
2007	\$63,900
2008	\$69,200
% Change	8.3%
2009	\$70,800
% Change	2.3%
2010	\$72,300
% Change	2.1%
2011	\$71,800
% Change	-0.7%
2012	\$72,800
% Change	1.4%
2013	\$65,700
% Change	-9.8%
2014	\$62,900
% Change	-4.3%
2015	\$66,500
% Change	+5.7%

### Maximum Gross Restricted Rental Rates

The 2015 Housing Credit Maximum Restricted Rental Rates are based on the 2015 AMI of \$66,500 and are summarized as follows:

2015 – Naples-Marco Island MSA-Non-HERA Maximum Gross Restricted Rental Rates					
# Bedrooms	0	1	2	3	4
60% of AMI	\$699	\$748	\$898	\$1,038	\$1,158

The maximum rental rates are gross rental rates, thus include an allowance for utilities.

### Utilities Allowances

We have assumed that the subject will include only trash and pest control expenses in the rental rates and that all appliances, water heat and HVAC will be electric.

We have calculated the utilities allowances for the subject property using a chart from the local Housing Authority, included in the *Addenda*.

The utilities allowances are deducted from the maximum gross rental rates in order to determine the maximum net rental rates as restricted by the Housing Credit program.

### Maximum Allowable Net Rent Calculations

The following chart illustrates the 2015 maximum net rent calculations for the subject property.

## RENTAL AND COMPETITIVE ANALYSIS AS RESTRICTED (CONT'D)

Unit Type	Set Aside	# Of Units	Gross Rent	U/A	Net Rent
1/1	60% AMI	12	\$748	\$144	\$604
2/2	60% AMI	28	\$898	\$176	\$722
3/2	60% AMI	28	\$1,038	\$207	\$831
4/2	60% AMI	12	\$1,158	\$237	\$921
<b>Total/Avg.</b>		<b>80</b>	<b>\$964</b>	<b>\$191</b>	<b>\$772</b>

### Adjustments

The impact of utilities included in the rents is inherent in the utilities allowances, which are added to the net rents of the comparables.

Within restricted rate projects, we have found that rental rates are less sensitive to the size of the units than they are to the overall appeal of the complex. Thus, no adjustment is made for size and less consideration has been given to the rental rate per square foot. However, we have found that projects with larger units in similar areas typically are more capable of commanding the maximum rental rates and have higher occupancy rates. Similarly, the number of bathrooms in the units is not typically an adjustment, but can impact marketability and occupancy.

In the analysis, we considered the occupancy rates in the comparable complexes in order to assess the market's acceptance of the project's rental rates.

All but the last two comparables are located in the subject's area. Crossings at Cape Coral and Live Oak Villas II, however, have similar rural locations, but are located in Lee and St. Lucie Counties, respectively. The AMI for the subject area is \$66,500, which is somewhat higher than the last two comparables, which have AMIs of \$53,300 and \$57,600, respectively. As a result, the rent limits are lower for these comparables. On the other hand, these comparables have some superior locational characteristics, as indicated by the median income and median housing value (per CoStar) within a 5-mile ring of each property, as shown below.

Project	5-Mile Median Income	5- Mile Med. Home Value
<b>Subject Area</b>	<b>\$23,860</b>	<b>\$79,814</b>
Crossings at Cape Coral	\$39,398	\$91,437
Live Oak Villas II	\$31,847	\$88,236

### One-Bedroom Analysis– 60% AMI

One-Bedroom Restricted Comparables Summary									
#	Complex Name	Unit Type	Set Aside	Net Rent	U/A	Gross Rent	U/Services	Size/SF	Net Rent/SF
1	Crestview Park I & II						t,p		
2	Oakhaven						t,p		
3	Sanders Pines Apartments						t,p		
4	Timber Ridge of Immokalee						t,p		
5	Crossings at Cape Coral	1/1 - 60%	60% AMI	\$615	\$78	\$693	w,s,t,p	834	\$0.74
6	Live Oak Villas II	1/1 - 60%	60% AMI	\$557	\$116	\$673	t,p	637	\$0.87
	Average			\$586	\$97	\$683		736	\$0.81
	2015 Max 60% AMI Gross Rent-HERA					\$826			
	2015 Max 60% AMI Gross Rent					\$748			
	Eden Park - Esperanza Neighl	1/1	60% AMI	\$556	\$144	\$700	t,p	650	\$0.86

The only comparables that offer this unit type are the ones outside the subject area. They are achieving the maximum allowable rents for each area. We also considered the asking rent for the 28, 750-square foot, one-bedroom units at the Bromelia Place senior property, at \$525; adding the \$60 utilities allowance indicates a gross rent of \$585. The property is 100% occupied.

## RENTAL AND COMPETITIVE ANALYSIS AS RESTRICTED (CONT'D)

Based upon this analysis and given the characteristics of the subject area, we estimate that if the subject offered the recommended number of units, they would attain a gross rent similar to the comparables, of \$700; deducting \$144 for the utilities allowance results in a restricted rent for the subject's one-bedroom units as follows:

One-Bedroom Rent Conclusion-Restricted				
Unit Type	Set Aside	Unit Size	Rental Rate	Rental Rate/SF
1 / 1	60% AMI	650	\$556	\$0.86

Our estimate is \$48 below the 2015 maximum allowable rent.

### Two-Bedroom Analysis – 60% AMI

Two-Bedroom Restricted Comparables Summary									
#	Complex Name	Unit Type	Set Aside	Net Rent	U/A	Gross Rent	U/Services	Size/SF	Net Rent/SF
1	Crestview Park I & II	2/2 - 60%	60% AMI	\$672	\$137	\$809	t,p	896	\$0.75
2	Oakhaven	2/1 - 60%	60% AMI	\$669	\$94	\$763	t,p	735	\$0.91
3	Sanders Pines Apartments	2/1 - 60%	60% AMI	\$525	\$176	\$701	t,p	778	\$0.67
4	Timber Ridge of Immokalee						t,p		
5	Crossings at Cape Coral	2/2 - 60%	60% AMI	\$731	\$101	\$832	w,s,t,p	1,100	\$0.66
6	Live Oak Villas II	2/2 - 60%	60% AMI	\$674	\$134	\$808	t,p	978	\$0.69
Average				\$654	\$128	\$783		897	\$0.74
2015 Max 60% AMI Gross Rent-HERA						\$991			
2015 Max 60% AMI Gross Rent						\$898			
Eden Park - Esperanza Neighl		2/2	60% AMI	\$634	\$176	\$810	t,p	900	\$0.70

We place most weight on the comparables in the subject's area (the first four), which provide gross rent indications of \$701 to \$809. Crestview Park is considered most similar, as it is the newest, is most similar in amenities and unit features, and the units include two baths; it is achieving \$809, which is well below the maximum allowable rent. The comparables outside the area are achieving rents similar to Crestview, at \$832 and \$808 and are at their maximums. We also considered the asking rent for the two, 990-square foot, two-bedroom units at the Bromelia Place senior property, at \$625; adding the \$94 utilities allowance indicates a gross rent of \$719. The property is 100% occupied.

Based upon this analysis, we estimate that the subject will attain a gross rent of \$810; deducting \$176 for the utilities allowance results in a restricted rent for the subject's two-bedroom units as follows:

Two-Bedroom Rent Conclusion-Restricted				
Unit Type	Set Aside	Unit Size	Rental Rate	Rental Rate/SF
2 / 2	60% AMI	900	\$634	\$0.70

Our estimate is \$88 below the 2015 maximum allowable rent.

## RENTAL AND COMPETITIVE ANALYSIS AS RESTRICTED (CONT'D)

### Three-Bedroom Analysis – 60% AMI

Three-Bedroom Restricted Comparables Summary									
#	Complex Name	Unit Type	Set Aside	Net Rent	U/A	Gross Rent	U/Services	Size/SF	Net Rent/SF
1	Crestview Park I & II	3/2 - 60%	60% AMI	\$852	\$208	\$1,060	t,p	1,069	\$0.80
2	Oakhaven	3/1 - 60%	60% AMI	\$760	\$114	\$874	t,p	885	\$0.86
3	Sanders Pines Apartments	3/1 - 60%	60% AMI	\$585	\$207	\$792	t,p	900	\$0.65
4	Timber Ridge of Immokalee	3/1 - 60%	60% AMI	\$705	\$237	\$942	t,p	1,287	\$0.55
5	Crossings at Cape Coral	3/2 - 60%	60% AMI	\$836	\$125	\$961	w,s,t,p	1,244	\$0.67
6	Live Oak Villas II	3/2 - 60%	60% AMI	\$741	\$192	\$933	t,p	1,161	\$0.64
Average				\$747	\$181	\$927		1,091	\$0.69
2015 Max 60% AMI Gross Rent-HERA						\$1,145 <sup>+</sup>			
2015 Max 60% AMI Gross Rent						\$1,038 <sup>+</sup>			
Eden Park - Esperanza Neighl		3/2	60% AMI	\$831	\$207 <sup>+</sup>	\$1,038 <sup>+</sup>	t,p	1,075	\$0.77

We place most weight on the comparables in the subject's area (the first four), which provide gross rent indications of \$792 to \$1,060. Crestview Park is considered most similar, as it is the newest, is most similar in amenities and unit features, and the units include two baths; it is achieving \$1,060, which is well below the HERA maximum allowable rent but above the non-HERA rent. The comparables outside the area are achieving rents below Crestview, at \$961 and \$933; however, these rents are at the maximum allowable rents.

Based upon this analysis, we estimate that the subject will attain a gross rent of \$1,038; deducting \$207 for the utilities allowance results in a restricted rent for the subject's three-bedroom units as follows:

Three-Bedroom Rent Conclusion-Restricted				
Unit Type	Set Aside	Unit Size	Rental Rate	Rental Rate/SF
3/2	60% AMI	1,075	\$831	\$0.77

Our estimate is equal to the 2015 maximum allowable rent.

### Four-Bedroom Analysis – 60% AMI

Four-Bedroom Restricted Comparables Summary									
#	Complex Name	Unit Type	Set Aside	Net Rent	U/A	Gross Rent	U/Services	Size/SF	Net Rent/SF
1	Crestview Park I & II		60% AMI			\$0	t,p		
2	Oakhaven		60% AMI			\$0	t,p		
3	Sanders Pines Apartments		60% AMI			\$0	t,p		
4	Timber Ridge of Immokalee	4/2 - 60%	60% AMI	\$779	\$275	\$1,054	t,p	1,523	\$0.51
5	Crossings at Cape Coral	4/3 - 60%	60% AMI	\$924	\$148	\$1,072	w,s,t,p	1,479	\$0.62
6	Live Oak Villas II		60% AMI			\$0	t,p		
Average				\$852	\$212	\$354		1,501	\$0.57
2015 Max 60% AMI Gross Rent-HERA						\$1,278 <sup>+</sup>			
2015 Max 60% AMI Gross Rent						\$1,158 <sup>+</sup>			
Eden Park - Esperanza Neighl		4/2	60% AMI	\$838	\$237 <sup>+</sup>	\$1,075 <sup>+</sup>	t,p	1,125	\$0.74

Only one of the properties in Immokalee offers four-bedroom units. Timber Ridge has single family units with garages, but it was built in 1991 and has minimal amenities. It is achieving a gross rent of \$1,054, which is well below the maximum allowable. Of the comparables outside the area, only Crossings at Cape Coral offers a four-bedroom unit; the unit also has three baths. It is achieving a rent slightly above Timber Ridge, at \$1,072, which is the maximum allowable for its area.

Based upon this analysis, we estimate that the subject will attain a gross rent of \$1,075; deducting \$237 for the utilities allowance results in a restricted rent for the subject's four-bedroom units as follows:



Four-Bedroom Rent Conclusion-Restricted				
Unit Type	Set Aside	Unit Size	Rental Rate	Rental Rate/SF
4/2	60% AMI	1,125	\$838	\$0.74

Our estimate is \$103 below the 2015 maximum allowable rent.

#### Subject Units Set Aside for Tenants with Incomes at or Below 50% of the AMI

We have analyzed only 60% rents for the subject. Some of the comparables offer units at set asides below the 50% AMI level; all are reported to have rents at the maximum set aside rates. We estimate that the subject's units would achieve the maximum allowable rents, also.

#### Potential Gross Rental Income As Restricted

The subject's estimated potential gross income as restricted is estimated as follows.

Potential Base Rental Income-Restricted				
Unit Type	Set Aside	No. Units	\$/Month	Total Annual Rent
1/1	60% AMI	12	\$556	\$80,064
2/2	60% AMI	28	\$634	\$213,024
3/2	60% AMI	28	\$831	\$279,216
4/2	60% AMI	12	\$838	\$120,672
<b>Total/Avg.</b>		<b>80</b>	<b>\$722</b>	<b>\$692,976</b>

#### Competitive Analysis

The following analysis provides suggestions for Housing Credit product, although it would also be appropriate for new product with rental assistance.

#### Location

The subject is located in the unincorporated Immokalee area of Collier County. This is a predominantly rural, moderate-income area. Most projects in close proximity to the subject are older market rate projects, mobile homes, or affordable developments operating under affordable housing programs, many with rental assistance. Surrounding uses and the character of the area suggest that the subject area is most suitable for affordable housing.

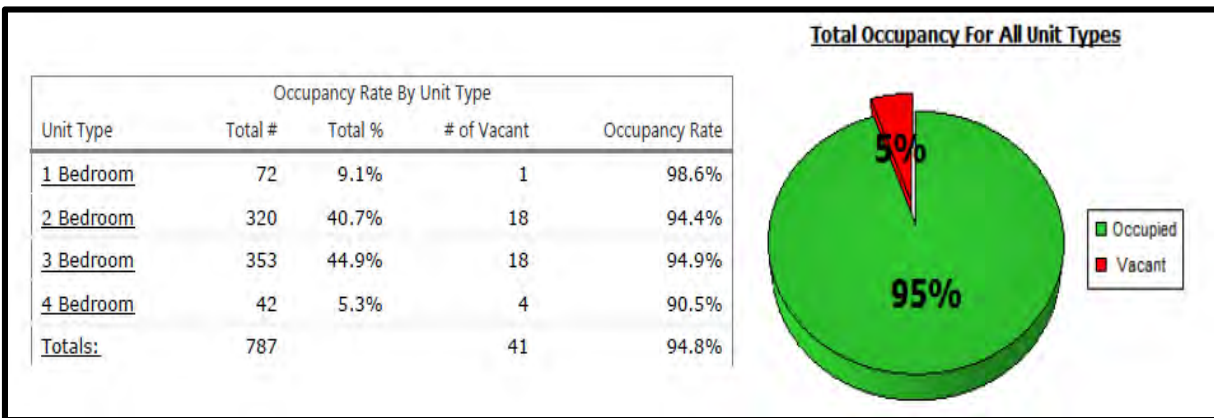
#### Size, Unit Mix and Unit Sizes

The comparable projects range in size from 34 to 304 units; Bromelia Place, the only senior property in the Immokalee area, contains 30 units. Crestview Park consists of two phases with 208 and 96 units each, so the properties in Immokalee indicate a range of 34 to 208 units. We have assumed that the subject's size would be toward the low end of the range based on the depth of the market. We estimate a size of 80 units; for a senior property, a smaller number of units would be likely.

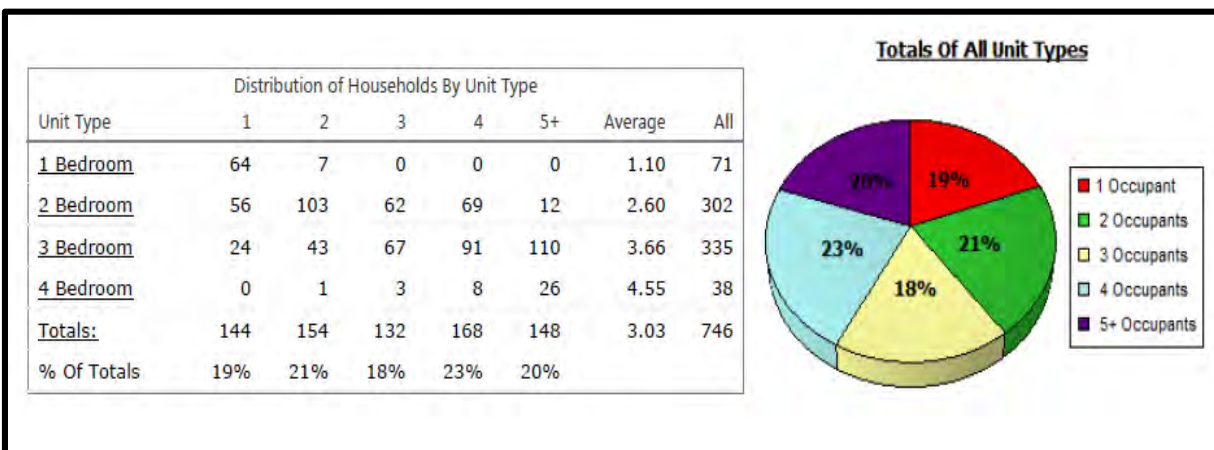
Next we considered the subject's unit mix. Larger units are typically prevalent and well-accepted in rural areas such as the subject, as the tenants are usually comprised of larger families. The subject's area has a large average household size of 3.9 persons in the three-mile ring.

Recap data for the 10 select affordable apartment projects within a five-mile radius of the approximate center of the subject's study area (which includes properties with rent-assisted units) indicates occupancies by unit type of 90.5% to 98.6%, as shown below. Four-bedroom units comprised only about 5.3% of the total units, but still have the lowest occupancy, which is below stabilized. One-bedroom units also comprise a relatively small amount of the affordable apartment stock at 9.1%, but they have the highest occupancy. There are approximately equal proportions of two- and three-bedroom units; both unit types are well-occupied; this is generally consistent with the large average household size (about 4 persons) in the Immokalee area.

## RENTAL AND COMPETITIVE ANALYSIS AS RESTRICTED (CONT'D)



Although the average household size in the area is relatively large, there is a tendency for small households to rent large unit types. Although three-bedroom units are the most common unit type, a significant proportion of households have one (19% of the units) or two (21%) occupants; however, about 61% of the households have three or more occupants. Notably, a significant number of smaller households rent larger units. For example, one would expect two and three-bedroom units to be occupied primarily by households with two or more people; however, the data indicates that about 56% of these units are occupied by one-person households. This suggests that a larger-than-expected proportion of two- and three-bedroom units would be accepted in the market area.



The existing affordable projects that comprise the CMA offer unit mixes of primarily one, two and three-bedroom units or two and three-bedroom units. The last two properties are outside the CMA but have or have had a farmworker demographic commitment on at least a portion of the units.

Unit Mix Analysis-Restricted							
Development	Occupancy	Efficiency	1-Bed	2-Bed	3-Bed	4-Bed	Total
Crestview Park I & II	98%	0	0	204	100	0	304
Oakhaven	99%	0	0	40	120	0	160
Sanders Pines Apartments	98%	0	0	16	24	0	40
Timber Ridge of Immokalee	100%	0	0	0	26	8	34
Crossings at Cape Coral	98%	0	36	68	40	24	168
Live Oak Villas II	96%	0	17	24	39	0	80
<b>Weighted Average/Total</b>	<b>98%</b>	<b>0.0%</b>	<b>6.7%</b>	<b>44.8%</b>	<b>44.4%</b>	<b>4.1%</b>	<b>786</b>
Subject		0	12	28	28	12	80
<b>Average</b>		<b>0.0%</b>	<b>19.2%</b>	<b>38.5%</b>	<b>19.2%</b>	<b>23.1%</b>	

## RENTAL AND COMPETITIVE ANALYSIS AS RESTRICTED (CONT'D)

Although none of the properties in the CMA have one-bedroom units, the comparables outside the area do. We recommend that if any one-bedrooms are provided, they should comprise 15% or less of the total unit mix.

The comparables indicate the highest concentration of units to be two and three-bedroom units, with average distributions of about 45% of each. We estimate that most of the subject's unit mix should be similarly structured. Of the properties in the subject's immediate area, only Crestview Park's two-bedroom units have two baths. This is a common offering in newer properties, so we have assumed two baths for the subject's two-bedroom units.

There are a small number of four-bedroom units in the subject's immediate area, with only the single family property, Timer Ridge, providing this unit type as a Housing Credit property. The demand for this unit type may be met by properties with rental assistance and older mobile homes. Of the other comparables, only Crossings at Cape Coral offers a four-bedroom unit type; it comprises about 14% of this property's unit mix. We estimate that this is the maximum proportion that should be offered by the subject.

Based on the data from the comparables, for a project with a family demographic commitment, we recommend that the subject offer predominantly two and three-bedroom units. If one and/or four-bedroom units are offered, neither should exceed 15% of the total units. For a senior property, we suggest mostly one-bedroom units and some two-bedrooms.

The following chart summarizes the unit sizes for each unit type within the competitive projects; the unit sizes shown are the weighted averages for each type, if there is more than one size for the unit type.

Unit Size Analysis-Restricted				
Unit Type	Comp Min	Comp Max	Comp Avg.	S/P
Eff.	0	0	0	N/A
1-Bed	637	834	736	650
2-Bed	735	1,100	897	900
3-Bed	885	1,287	1,091	1,075
4-Bed	1,479	1,523	1,501	1,125

We recommend the unit sizes shown in the preceding chart for the subject. For the one-bedroom units, the concluded size is toward the low end of the range indicated by the comparables.

For the two and three-bedroom units, we place most weight on Crestview Park, which would be the subject's primary competition; it indicates unit sizes of 896 and 1,069 square feet. Also, the other comparables in the area indicate sizes for two-bedroom/one bath units. Crossings at Cape Coral provides large units compared to most Housing Credit product; it indicates 1,100 and 1,244 square feet for two and three-bedroom units, which is considered to set an upper limit for the subject. Live Oak Villas II provides good indications at 978 and 1,161 square feet.

For the four-bedroom units, in Immokalee only Timber Ridge offers this type; they are single family units with 1,523 square feet. Crossings at Cape Coral indicates 1,479 square feet. Both are relatively large indications for this unit type. We also considered the unit sizes for Mira Verde, a Housing Credit property in Hendry County built in 1998, which indicates 1,150 square feet for a four-bedroom/two bath unit. Also, Highland Palms in Highlands County built in 2009-2010 indicates 1,120 square feet for its four-bedroom/two bath unit. Live Oak Villas I (built in 2004) offers four-bedroom/two bath units with 1,108 square feet. We estimate that the subject's units should contain about 1,125 square feet.

The concluded unit sizes are near the low end of the ranges indicated by the comparables but would be accepted in this moderate-income market.

### Age/Quality/Condition

We recommend development with a Class B property. The comparables are similar projects that range in year built from 1989 to 2007; the properties in Immokalee were built between 1989 and 2008, with all but Crestview Park built before 1994. The subject's age and condition will be new and superior to the comparables. The quality of the finishes for the subject should be consistent with Class B product, with laminate counters and laminate or fair quality wood cabinetry. Tile flooring throughout the units is recommended, though sheet vinyl and carpet could be used and the property transitioned as the units age.

### Amenities and Unit Features

The comparables provide the following project amenities:

Project Amenities Comparison									
Development	Clubhouse	Pool	Exercise Room	Laundry Facility	Business Center	Playground	Car Care Area	Picnic Area	Sport Court
Crestview Park I & II	yes	yes	yes	yes	yes	yes	yes	yes	yes
Oakhaven	no	no	no	yes	no	yes	no	no	no
Sanders Pines Apartments	no	no	no	yes	no	yes	yes	no	no
Timber Ridge of Immokalee	no	no	no	yes	no	no	no	no	no
Crossings at Cape Coral	yes	yes	yes	yes	yes	yes	no	no	yes
Live Oak Villas II	yes	yes	yes	yes	yes	yes	yes	yes	yes
Subject	yes	yes	yes	yes	yes	yes	yes	yes	yes

Note: Laundry facility refers to either washer/dryers hookups in the units or coin-operated common area laundry room

The subject's primary competition is Crestview Park, which includes a clubhouse, two pools (one per phase), fitness center, business center, laundry room, picnic area, volleyball, playground, and car wash. The subject should provide a similar offering. The newer comparables outside the area (Crossings at Cape Coral and Live Oak Villas II) provide or have access to similar amenities.

We recommend that the subject's amenities include a clubhouse, pool, fitness center, business center, laundry room, picnic area, playground, car wash, and picnic areas; other amenities could also include an outside sports court.

Regarding unit features, Crestview Park includes ceiling fans, countertop microwaves, dishwashers, solid surface flooring, and garbage disposals, with the appliances being white/off-white. The units do not include patios/balconies or washer/dryer hookups. Of the comparables in Immokalee, only Timber Ridge includes washer/dryer hookups, though this feature is provided at the comparables outside the area and is typical of newer construction. In order to compete with Crestview Park, the subject should provide a similar offering and include washer/dryer hookups and patios/balconies, if possible. With these unit features, we have also assumed that water/sewer would not be included in the rents. Also, Crestview Park's buildings are two-story; third floor units would be difficult to rent to the subject's likely target market of large families or seniors, so a maximum building height of two stories is recommended.

The recommended common area amenities and unit features would allow the subject to compete effectively with existing product.

### Utilities Included In Rent

The comparable projects typically include the following utilities in the base rent:

- Trash
- Pest
- Water
- Sewer

Or

- Trash
- Pest

## RENTAL AND COMPETITIVE ANALYSIS AS RESTRICTED (CONT'D)

Crestview Park includes only trash and pest control in the rents. We have assumed that the subject will include only trash and pest control in the base rent, particularly if washer/dryer hookups are included in the units.

### Rental Premiums

Some of the comparable projects offer the following amenities for an additional charge:

- Cable
- Washer and Dryer

The subject units will be cable ready and (we have assumed) will have washer/dryer hookups. The subject could charge premiums for washer/dryer appliance rentals and bulk cable.

### Product Conclusion

The recommendations for the subject product are based on the newest competitive Housing Credit project located near the subject, in addition to newer projects in similar areas. As described, the subject improvements would be expected to effectively compete with the existing product and achieve the rents concluded.

The following chart compares the concluded attainable rents to the maximum allowable rents.

Max vs. Achievable Restricted Rent				
Unit Type	Set Aside	Max Net Rent	Est. Net Rent	Difference
1/1	60% AMI	\$604	\$556	\$48
2/2	60% AMI	\$722	\$634	\$88
3/2	60% AMI	\$831	\$831	\$0
4/2	60% AMI	\$921	\$838	\$83
Total/Avg.		\$772	\$722	\$50

The subject benefits from a good spread between market and restricted rents.

Restricted Rent vs. Market Rent Comparison						
Unit Type	Set Aside	No. of Units	Net Rent	Market Rent	\$ Difference	% Difference
1/1	60% AMI	12	\$556	\$700	\$144	26%
2/2	60% AMI	28	\$634	\$800	\$166	26%
3/2	60% AMI	28	\$831	\$950	\$119	14%
4/2	60% AMI	12	\$838	\$1,100	\$262	31%
Total/Avg.		80	\$722	\$883	\$161	22%

According to FHFC requirements, Market Rents are to exceed Restricted Rents by a minimum of 10%. In our analysis, the estimated Market Rents exceed the estimated Restricted Rents by 22%.



## IMPACT OF SUBJECT PROPERTY ON EXISTING AFFORDABLE APARTMENTS

We have analyzed the subject's impact on competitive properties, focusing on the properties within the Competitive Market Area and Guarantee Fund properties in the Primary Market Area. The properties in the CMA consist of four existing affordable projects. There are no Guarantee Fund projects in the subject's Primary Market Area.

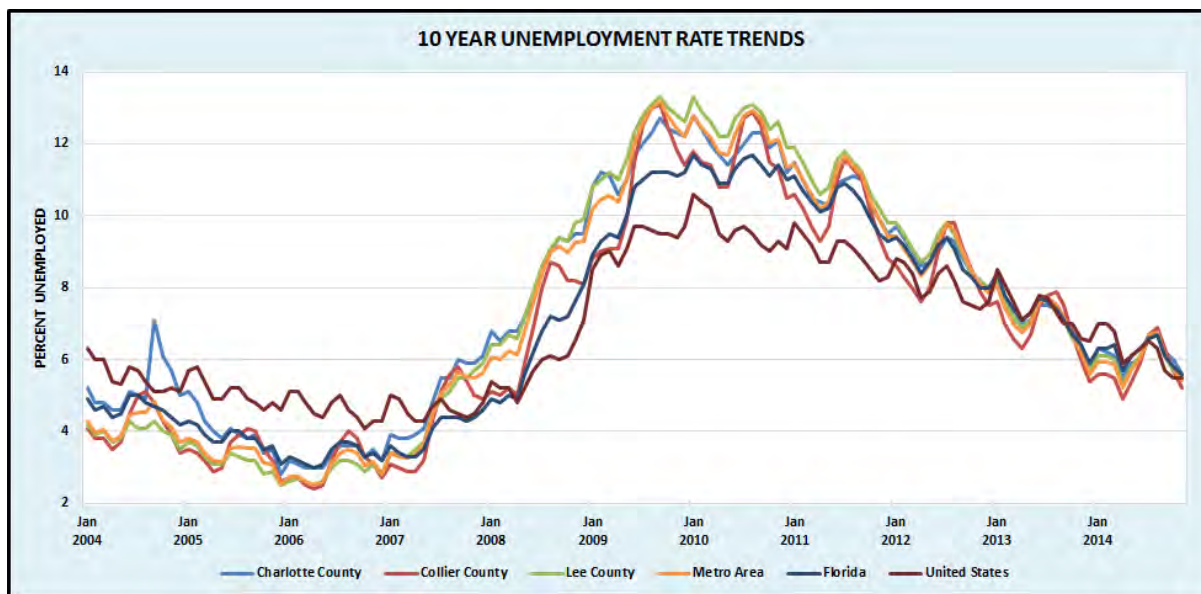
We have considered the short- and long-term impact of the subject, with the short-term being defined as the duration of time for the subject to lease to stabilized occupancy.

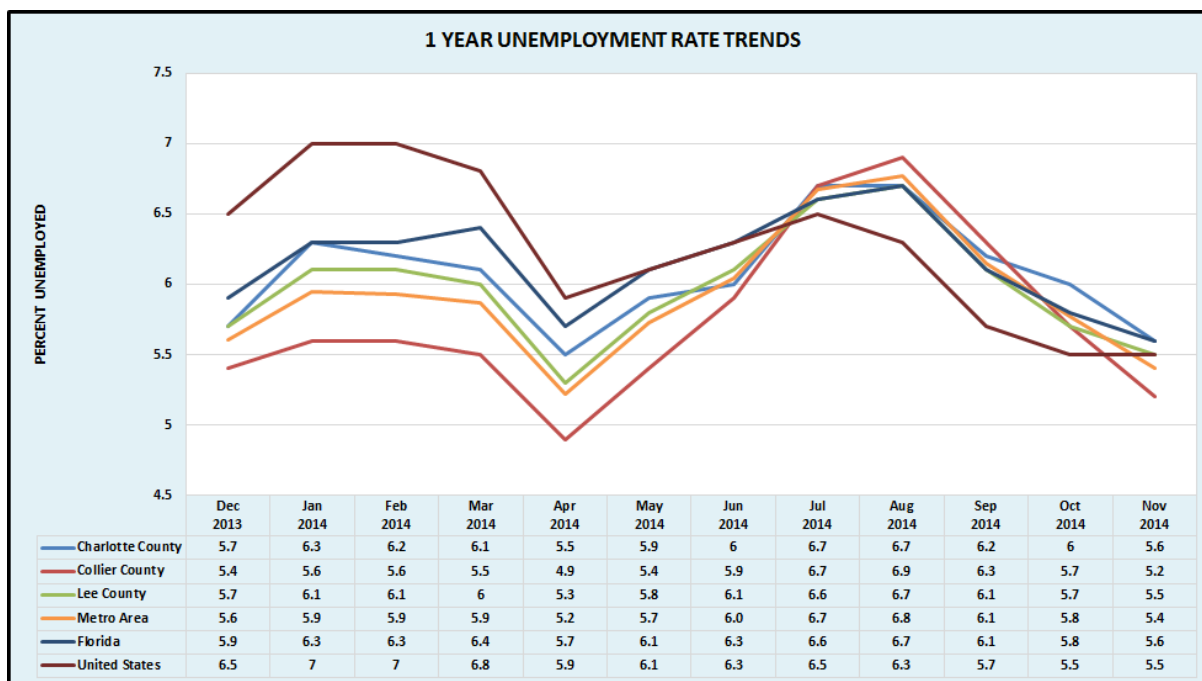
We considered several factors to determine the subject's impact, including current unemployment rates, trends in unemployment rates, proximity, area occupancy, CMA occupancy, occupancy trends, like-kind and demographics.

### ***Unemployment – Current and Trend***

First we considered unemployment rates. We have reviewed historical unemployment rates in the region and subject county.

The unemployment rate for the Naples-Fort Myers-Punta Gorda metro area as of February 2015 was 5.3%. The statewide unemployment rate is 5.5%, while the national unemployment rate is 5.8%. The tables below summarize unemployment rate trends. The current employment rates in all of the counties in the MSA are close to the pre-recession levels.





All of the counties in the region were impacted by the economic recession with increased unemployment rates starting in 2007 and peaking in 2009 and 2010. In 2011 and 2012 YTD the region, state and nation have seen declining unemployment rates. The current rates are still higher than pre-recession levels, but the trends are positive. The current unemployment rate is a mitigating factor, as is the downward unemployment rate trend.

### Proximity

In terms of proximity, the closer the subject will be to a competitive project, the more detrimental it will be to the existing property. Since the subject is in a rural, proximity of 10 miles or less would be considered an aggravating factor; all of the competitive product is within three miles of the subject, so this is an aggravating factor.

### Occupancy

As discussed in the *Apartment Market Overview*, the occupancy rates in the subject sub-market and Collier County (market rate and affordable) are improving and vacancy rates are decreasing. The area occupancy rate is a mitigating factor. Vacancy rates on the county level have decreased from those of one year ago and have also decreased from the last survey. Vacancy rates in the subject sub-market have decreased from those of one year ago and have increased slightly from the last survey.

Next we considered occupancy data for the projects in the CMA. The weighted average occupancy rate for existing stabilized properties in the CMA is 98.4%.

### Like-Kind

We considered each property's demographic commitment and income restrictions to determine if they are like-kind. The subject will have a demographic commitment for the general population (family). There are four existing projects with similar income restrictions and demographic commitments located within an area considered to be significantly competitive and comprise the CMA; this is an aggravating factor.

### Location

The subject location is in the unincorporated Immokalee area of Collier County. This is a predominantly rural, moderate-income area. Most projects in close proximity to the subject are older market rate projects, mobile homes, or affordable developments operating under affordable housing programs, many with rental assistance. Surrounding uses and the character of the area suggest that the subject area is most suitable for affordable housing.

## IMPACT OF SUBJECT ON EXISTING AFFORDABLE APARTMENTS (CONT'D)

### *No. Units at 60% Set Aside*

We have assumed that 100% of the units would be at the 60% set aside. The projects in the CMA have the vast majority of their units at the 60% AMI level.

### *Unit Mix and Unit Sizes*

The subject will have a unit mix of 15.0% one-bedroom units, 35.0% two-bedroom units, 35.0% three-bedroom and 15.0% four-bedroom units. Based on the data from the comparables, for a project with a family demographic commitment, we recommend that the subject offer predominantly two and three-bedroom units. If one and/or four-bedroom units are offered, neither should exceed 15% of the total units. For a senior property, we suggest mostly one-bedroom units and some two-bedrooms. The concluded unit sizes are near the low end of the ranges indicated by the comparables but would be accepted in this moderate-income market.

### *Age/Quality/Condition*

The subject will be more desirable than the CMA projects in this respect, as it will be new and will reflect current market tastes. The older properties will be more inferior to the subject and will likely be impacted to a greater degree than the newer properties.

### *Amenities and Unit Features*

The recommended common area amenities and unit features would allow the subject to compete effectively with existing product.

### *Demographics*

Demographic analysis indicates that the only market segment with a shortage of units is the one serving households with incomes at 0% to 30% of the Area Median Income. Data from the American Community Survey (ACS) for the Immokalee CDP indicates a shortage of 384 rental units for this group. More in-depth analysis indicates a favorable environment for new development for only rent-assisted product based on supply and demand. Many potential tenants would likely be drawn from mobile homes, which constitute about 30% of the housing in the area. Furthermore, household growth for households under 60% of the AMI is projected at 195 households per year between 2015 and 2020, so demand is expected to grow in the near future.

### **Conclusion – Impact to Existing Properties**

The following chart summarizes the aggravating and mitigating factors for each property. The existing projects in the CMA are in **black**. The proposed projects in the CMA are in **green**. The Guarantee Fund projects that are not part of the CMA are in **red**.

Impact Analysis - CMA (Housing Credit, Family, All Units at 60% Set Aside)											
Apartment	Type	Unempl. Current	Unempl. Trend	Proximity	Area Occup.	CMA Occup.	Occup. Trend	Like Kind	Demog.	Overall Short-Term	Overall Long-Term
Crestview Park I & II	F	M	M	A	M	M	M	A	A	Strong	Strong
Oakhaven	F	M	M	A	M	M	M	A	A	Strong	Strong
Sanders Pines Apartments	F	M	M	A	M	M	M	A	A	Strong	Strong
Timber Ridge of Immokalee	F	M	M	A	M	M	M	A	A	Strong	Strong

A=Aggravating M=Mitigating GF=Guarantee Fund E=Elderly F=Family

All of the Housing Credit properties in the subject's CMA would be negatively impacted, in both the short and long-term, by additional Housing Credit development with a family demographic commitment and no rental assistance. The only senior Housing Credit property in the area would be negatively impacted by additional senior Housing Credit developments. Rent-assisted units would likely be impacted minimally in the short-term and expected low-income household growth over the next five years would result in weak impact over the long term.

## CMA OCCUPANCY RATE

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The subject's CMA consists of the properties shown below; the occupancy rate for existing stabilized Housing Credit properties in the CMA, as reported by the properties, is 98.4%.

CMA Occupancy Rate			
Stabilized Projects	Units	Occupancy	# Occupied
Crestview Park I & II	304	98.0%	298
Oakhaven	160	99.0%	158
Sanders Pines Apartments	40	98.0%	39
Timber Ridge of Immokalee	34	100.0%	34
<b>Total</b>	<b>538</b>	<b>98.4%</b>	<b>530</b>

## ABSORPTION ESTIMATE

We spoke with leasing agents and reviewed FHFC occupancy reports to obtain absorption rate comparables summarized as follows. None of the comparables are in Immokalee, as the newest product in the subject's area was built in 2008 and we were unable to track its absorption. The comparables include properties with farmworker tenant requirements (at the time of inception) and properties with rural locations. All are Housing Credit properties without rental assistance.

Average Monthly Absorption in Profiled Properties			
Complex Name(County)	Complex Type	Year (s) of lease-up	Avg. # of Units Absorbed Per Month
Live Oak Villas I (Ft. Pierce, St. Lucie County) 60% Farmworker	Affordable	2004	25
Live Oak Villas II (Ft. Pierce, St. Lucie County) 40% Farmworker	Affordable	2007	6.7
Sabal Chase (Ft. Pierce, St. Lucie County)	Affordable	2001-2002	32
Madison Cay (Ft. Pierce, St. Lucie County)	Affordable	2008-2009	8.5
Carillon Place (Lake Wales, Polk County) 40% Farmworker	Affordable	2000-2001	10
Country Manor (Bowling Green, Hardee County) 40% Farmworker	Affordable	2003-2004	13
Jacaranda Trail I (DeSoto County)	Affordable	2002	24
Jacaranda Trail II (DeSoto County)	Affordable	2006-2007	8
DeSoto Landing (DeSoto County) 40% Farmworker	Affordable	2007-2008	13
Cypress Cove (Polk County) 40% Farmworker	Affordable	2010-2011	16
Sonrise Villas I & II (Fellsmere, Indian River County) 40% Farmworker	Affordable	2004 & 2007	29 11
Orchard Park (Ruskin, Hillsborough County) 40% Farmworker	Affordable	2002	10
Groves at Wimauma (Wimauma, Hillsborough County) 40% Farmworker	Affordable	2002-2003	14.7
Highland Palms (Avon Park, Highlands County) 40% Farmworker	Affordable	2010	25
Highlands Cove I (Lake Placid, Highlands County) Farmworker	Affordable	2011-2012	7.9
Source: Field Survey by Meridian Appraisal Group, Inc. and FHFC Occupancy Reports			

The absorption comparables indicate a range of 6.7 to 29 units per month. We have assumed that the subject would be a Housing Credit property with all units at the 60% set aside, with no rental assistance and no farmworker tenant requirement.

Due to the subject's isolated location in a market area with little depth, we estimate absorption toward the low end of the range indicated by similar properties, at eight to 10 units per month, with many of the subject's tenants being drawn from the existing, older Housing Credit stock.



ADDENDA

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## APPRAISERS' QUALIFICATIONS

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## QUALIFICATIONS OF ROBERT VON, PRESIDENT

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<b>BUSINESS ADDRESS</b>	<b>Meridian Appraisal Group, Inc.</b> 1331 Sundial Point Winter Springs, Florida 32708 Phone: 407.637.8705 Fax: 407.875.1061 E-mail: <a href="mailto:rvon@meridianag.com">rvon@meridianag.com</a>
<b>FORMAL EDUCATION</b>	<b>California State University, Northridge</b> May 1986, Bachelor of Science in Business Administration, Real Estate Finance
<b>REAL ESTATE EDUCATION</b>	Has completed course work for admission to the Appraisal Institute and all necessary for State-Certification and continuing education. A partial list of course work is as follows:  <i>Course/Seminars/Continuing Education</i> <ul style="list-style-type: none"><li>• Real Estate Appraisal Principles</li><li>• Basic Valuation Procedures</li><li>• Standards of Professional Practice – Part A</li><li>• Standards of Professional Practice – Part B</li><li>• Capitalization Theory and Techniques – Part A</li><li>• Capitalization Theory and Techniques – Part B</li><li>• Highest and Best Use and Market Analysis</li><li>• Appraising Troubled Properties</li><li>• Advanced Applications</li><li>• USPAP Update</li><li>• MAP Valuation Training for Third Party Appraisers</li></ul>
<b>EXPERIENCE</b>	
<b>2007 – Present</b>	<b>Meridian Appraisal Group, Inc.</b> <b>President and Principal</b> Responsible for the acquisition, co-ordination and review of appraisal assignments on real property. Also responsible for the preparation of appraisal assignments on various real property with specialization in multi-family apartments and A&D projects throughout Florida.
<b>January 2004 – 2007</b>	<b>Realvest Appraisal Services, Inc.</b> <b>President and Principal</b>
<b>June 1998 – 2003</b>	<b>Realvest Appraisal Services, Inc.</b> <b>Vice President and Principal</b> Responsible for the acquisition, co-ordination and review of appraisal assignments on real property. Also responsible for the preparation of appraisal assignments on various real property with specialization in multi-family apartments and A&D projects throughout Florida.
<b>1994 – 1998</b>	<b>Pardue, Heid, Church, Smith &amp; Waller, Inc.</b> <b>Commercial Manager and Commercial Real Estate Analyst</b> Responsible for the preparation and review of appraisal assignments on various real property including vacant land, subdivisions, retail centers, office buildings, apartments, industrial properties and special use properties.

## QUALIFICATIONS OF ROBERT VON, PRESIDENT (CONT'D)

1993 – 1994

**Barnett Banks, Inc.**

**Review Appraiser**

Responsible for reviewing reports for Special Assets and Corporate and Commercial Real Estate Department. Performed all appraisal reviews for the CFCRC, a consortium of 12 lending institutions.

1986 – 1993

**HomeFed Bank, FSB**

**Senior Review Appraiser**

Responsible for the ordering and review of full narrative appraisal reports for the entire east coast portfolio. Assignments completed in 14 states and the District of Columbia

### CERTIFICATIONS & LICENSES

State-Certified General Real Estate Appraiser RZ 1604



Orlando Chamber of Commerce – Member

Downtown Orlando Partnership – Member

### PROFESSIONAL AFFILIATIONS

Board of Directors – Florida Housing Coalition

RICK SCOTT, GOVERNOR		KEN LAWSON, SECRETARY	
<b>STATE OF FLORIDA</b> <b>DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION</b> <b>FLORIDA REAL ESTATE APPRAISAL BD</b>			
<b>LICENSE NUMBER</b>			
RZ1604			
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2016			
VON WERDER, ROBERT 1331 SUNDIAL POINT WINTER SPRINGS FL 32708			
ISSUED: 11/18/2014		SEQ # L1411180002357	
DISPLAY AS REQUIRED BY LAW			





## QUALIFICATIONS OF CONNIE L. JENNINGS, MAI, SENIOR APPRAISER

---

<b>BUSINESS ADDRESS</b>	<b>Meridian Appraisal Group, Inc.</b> 1331 Sundial Point Winter Springs, Florida 32708 Phone: 407.875.6933 Fax: 407.875.1061 Home Office: 321.459.0988 Home Office Fax: 501.640.4944 Email: <a href="mailto:c_l_jennings@yahoo.com">c_l_jennings@yahoo.com</a>
<b>FORMAL EDUCATION</b>	<b>University of Central Florida</b> Bachelor of Science in Business Administration – Finance Major Graduated First in Class Some graduate classes at University of Central Florida
<b>REAL ESTATE EDUCATION</b>	Has completed all necessary course work for State-Certification and continuing education. A partial list of course work is as follows:  <i>Courses/Seminars/Continuing Education</i> <ul style="list-style-type: none"><li>• Fundamentals of Real Estate</li><li>• Real Estate Appraisal</li><li>• Real Estate Investment Analysis</li><li>• Standards of Professional Practice, Parts A &amp; B</li><li>• Capitalization Theory and Techniques, Part A</li><li>• Advanced Income Capitalization</li><li>• Case Studies in Real Estate Valuation</li><li>• Highest and Best Use and Market Analysis</li><li>• Advanced Sales Comparison and Cost Approaches</li><li>• Non-Residential Demonstration Report Writing Seminar</li><li>• MAP Valuation Training for Third Party Appraisers</li></ul>
<b>EXPERIENCE</b>	
<b>2007 – Present</b>	<b>Meridian Appraisal Group, Inc.</b> <b>Senior Appraiser</b> Responsible for the preparation of appraisal assignments on various real property including vacant land, subdivisions, retail centers, office buildings, apartments, industrial properties and special use properties.
<b>2001 – 2007</b>	<b>Realvest Appraisal Services, Inc.</b> <b>Senior Appraiser</b> Responsible for the preparation of appraisal assignments on various real property including vacant land, subdivisions, retail centers, office buildings, apartments, industrial properties and special use properties.
<b>September 1998 – 2001</b>	<b>State-Certified General Appraiser</b> Working as an independent subcontractor
<b>September 1994 – September 1998</b>	<b>Pardue, Heid, Church, Smith &amp; Waller, Inc.</b> Senior Appraiser



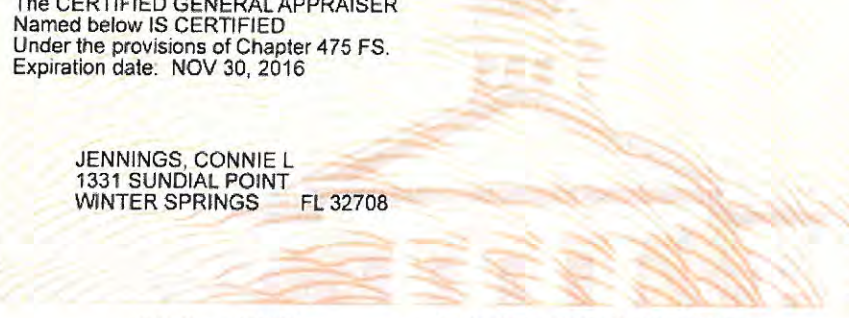


# QUALIFICATIONS OF CONNIE L. JENNINGS, MAI, SENIOR APPRAISER (CONT'D)

February 1990 –  
September 1994

**Pardue, Heid, Church, Smith & Waller, Inc.**  
Associate Appraiser

## CERTIFICATIONS AND LICENSES

Real Estate Salesman – 1990 through 1992  
State-Certified General Real Estate Appraiser RZ 2053  
Member of the Appraisal Institute (MAI), Certificate 11595

RICK SCOTT, GOVERNOR		KEN LAWSON, SECRETARY	
<b>STATE OF FLORIDA</b> <b>DEPARTMENT OF BUSINESS AND PROFESSIONAL REGULATION</b> <b>FLORIDA REAL ESTATE APPRAISAL BD</b>			
<b>LICENSE NUMBER</b>			
RZ2053			
The CERTIFIED GENERAL APPRAISER Named below IS CERTIFIED Under the provisions of Chapter 475 FS. Expiration date: NOV 30, 2016			
			
JENNINGS, CONNIE L 1331 SUNDIAL POINT WINTER SPRINGS FL 32708		 	
ISSUED: 11/18/2014	DISPLAY AS REQUIRED BY LAW	SEQ # L1411180002335	

## ENGAGEMENT LETTER

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1331 SUNDIAL POINT  
WINTER SPRINGS, FLORIDA 32708  
TEL 407.875.6933  
FAX 407.875.1061

April 16, 2015

Mr. Steven, Kirk, President  
Rural Neighborhoods  
19308 SW 380<sup>th</sup> Street  
Florida City, Florida 33034-3529

**RE: Multifamily Market Study for the Immokalee area of Collier County, Florida**

Gentlemen:

Thank you for the opportunity to provide a market study on the above-referenced property. The following outlines the scope of services to be provided by Meridian Appraisal Group, Inc.

- The report will be prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP), as adopted by the Appraisal Standards Board of the Appraisal Foundation.
- The market study will include a neighborhood and regional analysis, an apartment market overview for the county. An inventory of affordable supply within the area depicted on the attached mapped area; a supply and demand analysis for the likely draw area, restricted rent estimates and an absorption analysis.

The total fee for the market study is \$5,500, with delivery of the report within 8 weeks of your authorization to proceed. Our fee estimate includes the cost of one original copy and one digital copy, with each additional original at \$125. Authorization to proceed with this assignment is considered confirmed upon receipt of a signed copy of this letter and receipt of a retainer in the amount of \$2,750.

Should you request that we abandon this assignment during the progress of our work, billings will be rendered up to the date of our receipt of a written request for such abandonment and shall immediately become due and payable. In the event of any dispute relative to this proposal, the prevailing party shall be entitled to the reimbursement of attorney's fees and costs. If the scope of services and the terms of this proposal are acceptable to you, please indicate acceptance of the terms by signature at the space provided and return one executed copy for our files along with the requested supporting documentation.

We appreciate the opportunity to work with you on this assignment. Please feel free to contact me if you have any questions.

Best regards,

**Meridian Appraisal Group, Inc.**

AGREED AND ACCEPTED

Robert Von, President  
State-Certified General Appraiser RZ0001604

By:

Date:



## 2015 RENTAL RATES & INCOME LIMITS

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Note: The hold harmless provisions of IRC Section 142(d)(2)(E) mean that projects with at least one building placed in service on or before the end of the 45-day transition period for newly-released limits use whichever limits are greater, the current-year limits or the limits in use the preceding year.

HUD released 3/6/2015  
FHFC Posted : 3/8/2015

**2015 Income Limits and Rent Limits**  
**Florida Housing Finance Corporation**  
**Multifamily Rental Programs -- Except HOME and SHIP**  
**CWHIP Homeownership Program**

County (Metro)	Percentage Category	Income Limit by Number of Persons in Household										Rent Limit by Number of Bedrooms in Unit					
		1	2	3	4	5	6	7	8	9	10	0	1	2	3	4	5
Collier County (Naples-Marco Island MSA)	25%	11,650	13,300	14,975	16,625	17,975	19,300	20,625	21,950	23,275	24,605	291	311	374	432	482	532
	28%	13,048	14,896	16,772	18,620	20,132	21,616	23,100	24,584	26,068	27,558	326	349	419	484	540	596
	30%	13,980	15,960	17,970	19,950	21,570	23,160	24,750	26,340	27,930	29,526	349	374	449	519	579	638
	33%	15,378	17,556	19,767	21,945	23,727	25,476	27,225	28,974	30,723	32,479	384	411	494	570	636	702
	35%	16,310	18,620	20,965	23,275	25,165	27,020	28,875	30,730	32,585	34,447	407	436	524	605	675	745
	40%	18,640	21,280	23,960	26,600	28,760	30,880	33,000	35,120	37,240	39,368	466	499	599	692	772	851
Median: 66,500	45%	20,970	23,940	26,955	29,925	32,355	34,740	37,125	39,510	41,895	44,289	524	561	673	778	868	957
	50%	23,300	26,600	29,950	33,250	35,950	38,600	41,250	43,900	46,550	49,210	582	623	748	865	965	1,064
	60%	27,960	31,920	35,940	39,900	43,140	46,320	49,500	52,680	55,860	59,052	699	748	898	1,038	1,158	1,277
	80%	37,280	42,560	47,920	53,200	57,520	61,760	66,000	70,240	74,480	78,736	932	998	1,198	1,384	1,544	1,703
	120%	55,920	63,840	71,880	79,800	86,280	92,640	99,000	105,360	111,720	118,104	1,398	1,497	1,797	2,076	2,316	2,554
	140%	65,240	74,480	83,860	93,100	100,660	108,080	115,500	122,920	130,340	137,788	1,631	1,746	2,096	2,422	2,702	2,980
HERA Special Limits per Section 142(d)(2)(E) (est. 2009) For use by projects that placed in service at least one building on or before 12/31/2008	25% - HS	12,850	14,700	16,525	18,350	19,825	21,300	22,775	24,225	25,690	27,158	321	344	413	477	532	587
	28% - HS	14,392	16,464	18,508	20,552	22,204	23,856	25,508	27,132	28,773	30,417	359	385	462	534	596	658
	30% - HS	15,420	17,640	19,830	22,020	23,790	25,560	27,330	29,070	30,828	32,590	385	413	495	572	639	705
	33% - HS	16,962	19,404	21,813	24,222	26,169	28,116	30,063	31,977	33,911	35,849	424	454	545	629	702	775
	35% - HS	17,990	20,580	23,135	25,690	27,755	29,820	31,885	33,915	35,966	38,021	449	482	578	668	745	822
	40% - HS	20,560	23,520	26,440	29,360	31,720	34,080	36,440	38,760	41,104	43,453	514	551	661	763	852	940
	45% - HS	23,130	26,460	29,745	33,030	35,685	38,340	40,995	43,605	46,242	48,884	578	619	743	858	958	1,057
	50% - HS	25,700	29,400	33,050	36,700	39,650	42,600	45,550	48,450	51,380	54,316	642	688	826	954	1,065	1,175
60% - HS	30,840	35,280	39,660	44,040	47,580	51,120	54,660	58,140	61,656	65,179	771	826	991	1,145	1,278	1,410	

Florida Housing Finance Corporation (FHFC) income and rent limits are based upon figures provided by the United States Department of Housing and Urban Development (HUD) and are subject to change. Updated schedules will be provided when changes occur.

## UTILITY ALLOWANCE

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# **Allowances for Tenant-Furnished Utilities and Other Services**

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0169  
(exp. 4/30/2014)

See Public Reporting Statement and Instructions on back

Locality <b>Collier County Housing Authority, FL</b>	Unit Type <b>Apartment/Condo/Row House</b>	Date (mm/dd/yyyy) <b>10/1/2014</b>
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Utility or Service		Monthly Dollar Allowances					
Immokalee & East of Everglades Blvd.		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	2.00	2.00	2.00	2.00	4.00	4.00
	b. Bottle Gas	8.00	8.00	8.00	8.00	12.00	12.00
	c. Oil / Electric LCEC	4.00	5.00	6.00	6.00	6.00	7.00
	d. Coal / Other LCEC	2.00	2.00	2.00	2.00	2.00	2.00
Cooking	a. Natural Gas	5.00	5.00	6.00	9.00	10.00	11.00
	b. Bottle Gas	16.00	16.00	21.00	33.00	37.00	41.00
	c. Oil / Electric LCEC	5.00	6.00	8.00	9.00	11.00	12.00
	d. Coal / Other						
Other Electric LCEC		18.00	21.00	27.00	34.00	40.00	47.00
Air Conditioning LCEC		11.00	13.00	21.00	29.00	37.00	44.00
Water Heating	a. Natural Gas	11.00	12.00	17.00	22.00	26.00	29.00
	b. Bottle Gas	41.00	45.00	62.00	82.00	95.00	103.00
	c. Oil / Electric LCEC	10.00	12.00	17.00	21.00	25.00	27.00
	d. Coal / Other						
Water Immokalee		29.00	30.00	33.00	37.00	40.00	44.00
Sewer Immokalee		41.00	42.00	49.00	56.00	63.00	70.00
Trash Collection		N/A	N/A	N/A	N/A	N/A	N/A
Range/Microwave		12.00	12.00	12.00	12.00	12.00	12.00
Refrigerator		13.00	13.00	13.00	13.00	13.00	13.00
Other -- specify	Monthly Electric Fee \$15.38	15.00	15.00	15.00	15.00	15.00	15.00
	Monthly Gas Fee \$12.30	12.00	12.00	12.00	12.00	12.00	12.00

**Actual Family Allowances** To be used by the family to compute allowance.

Complete below for the actual unit rented.

Name of Family

Address of Unit

Number of Bedrooms

Utility or Service	per month cost
Heating	\$
Cooking	
Other Electric	
Air Conditioning	
Water Heating	
Water	
Sewer	
Trash Collection	
Range/Microwave	
Refrigerator	
Other	
<b>Total</b>	\$