

MARKET STUDY GUIDE

General Requirements for a Market Study:

Arizona Department of Housing (ADOH) requires an independent, comprehensive, current (less than six months old), and professional Market Study for each proposed development. A Market Analyst, unaffiliated with the Applicant or the Developer and experienced in multifamily rental housing, must prepare the study. ADOH's current criterion is that the firm preparing the Market Study is approved subject to a submission of the study prepared in accordance with ADOH's Market Study Guide. If it is not submitted in accordance with the Market Study Guide, the study and the Market Analyst will be rejected until a proper study is submitted.

ADOH may reject an application and remove it from consideration for Tax Credits if it determines, in its sole discretion, that (1) the applicant's Market Study is not satisfactory in form, content, or organization, or (2) based on information submitted in the applicant's Market Study or information obtained by ADOH from other sources, market demand and conditions do not justify the development as proposed. ADOH will consider all facts and circumstances in making this determination, including the possible disruption caused by unneeded units entering the market at low rents. As a protection against the saturation of low-income units and to ensure absorption of new units, ADOH will approve no more than one family, one elderly, and one special needs category project (one project for each special needs category) per Tax Credit round in market areas with a population of 50,000 or less.

The objective of the Market Study is to demonstrate strong market demand for the specific development being proposed. ADOH also wants to ensure that there is no undue economic disruption to other comparable properties in the same marketplace.

In its review of supply and demand, the Market Study must focus on the type of low-income housing development being proposed (i.e., elderly, large family, populations with special housing needs) as well as the income and rent levels proposed for the project. The Market Study must demonstrate strong demand for the type of low-income housing project proposed, as evidenced by low vacancy rates and rapid absorption rates at comparable properties in the market.

The Market Analyst is required to solicit the views of appropriate local government officials (planning, housing, or economic development officials) concerning demand for the proposed development in the sub-market and to record the views of the government officials in the Market Study. The Applicant must provide these officials a copy of the Market Study as soon as it is available. For Arizona communities of 100,000 population or more, the appropriate officials are:

City of Phoenix	Liz DeMichael	(602) 262-4785
City of Tucson	Emily Nottingham	(520) 791-4171
City of Mesa	Bryan Raines	(480) 644-3381
City of Glendale	Gloria Santiago-Espino	(623) 930-2180
City of Scottsdale	Paul Ludwick	(480) 312-7408
City of Tempe	Timothy Klont	(480) 350-8948
City of Chandler	Kurt Knutson	(480) 782-3200
Town of Gilbert	Carl Harris	(480) 503-6893

In addition, the local government entity must submit a letter commenting specifically on the conclusions of the Market Study concerning the demand for this specific development in the market area and detailing any disagreements it may have with the Market Study. The Applicant will be made aware of any such disagreement so that the Market Analyst can issue a response.

All assumptions and sources of data used within the Market Study must be clearly documented. All demographic tables are to include both the numbers and correlating percentages.

Following its review of the Market Study, ADOH, in its sole discretion, may request additional market information from the Applicant, the Applicant's Market Analyst, or another Market Analyst and possibly additional comment from the local government before reserving Tax Credits.

ADOH receives a large number of Market Studies as part of the application process for financing and requests for rental housing Tax Credits. By requiring specific information in all Market Studies, ADOH will be able to assess housing needs in competing communities through a comparison of similar characteristics. By requiring that all Market Studies be prepared in accordance with a specific outline, ADOH will be able to perform a more comprehensive and expeditious review.

The following Market Study Outline establishes the minimum requirements of ADOH. Market Analysts are expected to include any additional information they consider pertinent to the analysis.

Market Study Outline:

The Market Study is to be prepared based on the following outline:

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I. Introduction

A. Objectives of the Market Study

The Market Analyst must clearly note the target market the proposed development intends to serve (i.e., family, elderly, or special needs population), and the general location of the subject property. The name of the person and entity that contracted the Market Study is to be noted in this section as well. The Market Analyst should also use this section to note any limiting conditions to the study.

B. Qualifications of the Analyst

This section of the study will include a brief summary of the analyst's qualifications and experience in conducting Market Studies for income-restricted rental housing properties.

C. Certification Letter

The Market Analyst must include the Certification Letter provided as [EXHIBIT 1](#).

II. Executive Summary

The Executive Summary must outline the most pertinent findings for each section that follows. The Executive Summary should not exceed five pages. It should provide brief summaries of the proposed development, site evaluation, market area, demographic and economic trends, rental housing market, comparable market rents, capture rate analysis, and conclusions.

III. Proposed Project Summary

A. Project Description

The Market Analyst must incorporate the Project Summary Table provided as [EXHIBIT 2](#) to note the proposed unit mix, unit size, gross rents, utility allowances, and collected rents. In addition, the analyst must specify utility responsibility, and the anticipated date of opening. A description of the number of proposed buildings, their appearance (e.g., 40% brick/60% stucco with tiled roof), number of stories, and construction type (i.e., walk-up, townhouse, high-rise with elevator) is to be provided as well.

For rehabilitation projects, current rents, vacancy rates, and waiting lists by unit type are to be noted. The number of existing units occupied by residents who are expected to be income-eligible for the proposed operating program is to be noted as well.

B. Proposed Unit and Project Amenities

The Market Analyst must incorporate the Amenities Table provided as [EXHIBIT 3](#) to note the unit and project amenities being proposed. The number and type of parking spaces proposed is to be noted, as is the net (heated) square footage of the community building (if proposed). The proposed rent for any optional amenities is to be noted.

For rehabilitation projects, a detailed list of the proposed improvements is to be included as well. (This can be provided by the developer and included as an Addendum to the study.)

IV. Proposed Site Analysis

A. Site Description

The Market Analyst must personally visit the site. The site location is to be described using the nearest roadways. The physical features of the site are to be noted (e.g., flat, undeveloped, and currently being used for agricultural purposes). The size of the site (in acres) must be noted, as well as the proposed unit density. The current land uses for all adjacent property is to be noted, with the analyst commenting on the condition of the property. Additional properties within the site area are to be noted, so as to give the reader a feel for the neighborhood. The current zoning (and applications for revision, if any) of all undeveloped parcels within one half mile of the subject property are to be noted. The positive and negative attributes of the site and site neighborhood, and their impact on project marketability are to be discussed. The census tract that the site is located within is to be noted.

B. Site Access and Visibility

The roadway(s) providing access to the proposed development are to be described, and the (readily available) traffic counts are to be noted. The Market Analyst will note the proposed site's roadway frontage (in feet), and evaluate the proposed site in terms of its visibility. If the site is located along a secondary roadway, its proximity to the nearest major roadway is to be noted. The analyst will discuss any difficulties with respect to visibility and access, and its impact on marketability.

C. Proximity to Community Services

The Market Analyst must incorporate the Proximity to Community Services Table provided as [EXHIBIT 4](#). Distance (in miles) is to be noted as travel distance (i.e., calculated along dedicated roadways), not as direct distance or “as the crow flies.” However, direct distance is to be noted for the nearest site detractors (i.e., excessive noise generators and health hazards, etc.), where appropriate.

D. Site Maps

A map clearly defining the location of the subject property is required. An additional map identifying the proximity of the community services to the site is to be included as well. All maps are to be scaled for distance.

E. Site Photographs

Color photographs of the subject site from various vantage points are to be included. Color photographs of adjacent properties and streetscapes are to be included as well. All photographs are to be described (e.g., view of the site, looking northeast from Main Street / view from the site, looking west toward the adjacent single family home).

V. Market Area Analysis

A. Market Area Description

The Market Area is the geographic area in which the subject development will compete with similar properties for residents. It is the area in which properties of the same use are affected by the same economic, demographic, and supply and demand factors. It is also the smallest geographic area from where the subject development will draw most of its residents.

The Market Area must be justified (i.e., the analyst must provide a narrative describing the methodology and rationale used to determine the Market Area). The narrative is to include the names and telephone numbers of the local officials interviewed (as well as summaries of those interviews) who assisted in the determination of the Market Area. Local officials include (but are not limited to) area apartment managers, city administrators, postmaster, senior center operators, hospital administrators, and school administrators.

For rehabilitation projects, the previous address of existing residents should be evaluated as part of the Market Area determination.

The square mileage of the Market Area is to be noted within the narrative. Market Areas are separated by natural (e.g., rivers and mountains) and man-made (e.g., political and socio-economic) boundaries. Market Areas are not radial, and ADOH prohibits use of the concentric circle approach. Due to demographic applications, ADOH does encourage the use of Census tract boundaries when appropriate. Census tract maps are available at: http://ftp2.census.gov/plmap/pl_trt/st04_Arizona/

B. Market Area Map

A map clearly illustrating the Market Area is required. This map will also note the proposed site location. The map is to be scaled for distance.

VI. Demographic and Economic Analysis

A. Population and Households

Overall population and household trends within the Market Area are to be noted in table format. Data are to be provided for 1990 and 2000, as well as, the current year estimate and 5-year projection. The percentage change between each date is to be noted as well. ADOH prefers that a nationally recognized demographic provider (e.g., Claritas and ESRI Business Information Solutions, etc.) be the source for the current year estimates and 5-year projections.

Distributions of the itemized data that follow are to be presented in table format for 2000, as well as, the current year estimate and 5-year projection (unless otherwise noted):

- Population by Age
- Households by Age of Householder
- Households by Tenure (i.e., renters vs. owners) – for 2000 only
- Renter Households by Age of Householder – for 2000 only
- Renter Households by Household Size – for 2000 only

Market studies addressing a proposed development serving persons with disabilities are to include the 2000 distribution of Noninstitutionalized Population with Disabilities by Type of Disability. This data is available from the Census 2000 Summary File 3 (SF 3), Table P41.

B. Household Income

Distributions of Household Income within the Market Area are to be provided in table format for 2000, the current year, and 5-year projection. The 2000 median household income among all households, owner households, and renter households are to be noted.

Distributions of Income among Renter Households are to be provided in table format for 2000, and the anticipated year of project opening. (The 2000 data is available from the Census 2000 Summary File 3 (SF 3), Table HCT11.) **The Market Analyst will need to project the Distribution of Income among Renter Households at the anticipated year of project opening.**

Market studies addressing a proposed development serving an age-restricted population are to include Distributions of Income among Owner Households by Age, as well as, Distributions of Income among Renter Households by Age. Age cohorts of 10 years are to be used, when applicable and where available. The distributions can be limited to those age cohorts applicable to the proposed development (i.e., age 55+ or age 62+).

For all tables, income cohorts of no more than \$5,000 are to be used, when applicable and where available. Households with income over \$50,000 can be condensed into a single cohort.

All tables are to include both the numbers and correlating percentages

C. Employment

A distribution of (nonfarm) employment by major industry classification (e.g., Mining – 9.5%, Construction – 24.5%, etc.) is to be provided in table format for the subject county (and MSA, if applicable). For comparison purposes, the distributions are to be provided for both 1995 and 2002. (Refer to: <http://www.de.state.az.us/links/economic/webpage/page4.html>.)

The average annual number of persons employed and unemployment rate (for each year since 1995) must be provided in table format for the subject county and the principle community impacting the subject property (where available). The number of persons employed and unemployment rates for the most recent month is to be included as well. Because monthly data is not seasonally adjusted, the analyst will also note the number of persons employed as well as the unemployment rate for the corresponding month in the previous year. (For instance, if February 2003 is the most recent month from which data is available, the Market Analyst should note the February 2002 data as well.) This will allow for the most current, direct comparison.

The analyst will explain any prevailing trends and major changes from year to year. Data are available from Arizona Department of Economic Security at: <http://www.de.state.az.us/links/economic/webpage/page4.html>

The analyst is to note the major employers, the status of the employers in terms of growth and stability, the approximate salary range of the employees, and the approximate number of employees earning income within the appropriate income range for residency at the proposed development.

D. Housing

Distributions of the itemized data (from the 2000 Census) that follow are to be presented for the Market Area in table format for 2000:

- Vacancy Status
- Vacancies by Year Structure Built
- Tenure by Year Structure Built
- Tenure by Year Householder Moved Into the Unit
- Tenure by Number of Bedrooms within the Unit
- Tenure by Plumbing Facilities by Occupants per Room
- Gross Rent
- Gross Rent as a Percentage of Household Income
- Value for Specified Owner-occupied Housing Units

Market studies addressing age-restricted target populations will also include the following distribution in table format:

- Age of Householder by Monthly Renter Costs as a Percentage of Household Income
- Age of Householder by Monthly Owner Costs as a Percentage of Household Income

The Market Analyst will discuss the affordability of home ownership alternatives available to the target population within the Market Area, and its impact on the proposed rental housing development.

The number of building permits issued within the subject county, and local jurisdiction (where available) is to be noted in table format. The total number of permits issued are to be noted in the table for each year since 1990. (See: <http://wpcarey.asu.edu/seid/arec/index.cfm?page=construct>.) In instances where building permit activity far exceeds household growth estimates and projections, the Market Analyst will discuss the impact on demand for the subject property.

VII. Supply Analysis

A. Rental Housing Overview

The Market Analyst must conduct a large enough survey of the existing rental housing product within the Market Area to provide an accurate overview of the entire rental housing market. In addition to market-rate properties, this survey will include all subsidized developments and Tax Credit developments (both those operating with 9% and 4% applicable rates). A survey of available single-family rental homes within the Market Area is to be included if the proposed development includes single-family rental homes.

The actual survey is to be included as an Addendum to the Market Study. The effective date of the survey must be clearly noted. A map (scaled for distance) illustrating the location of each property surveyed, as well as, the subject property is to be included with the survey. Data from the survey is to be aggregated separately for: 1) market-rate and non-subsidized Tax Credit developments, and 2) government subsidized developments. The Market Analyst is to provide, in table format, the distribution of units, and vacancy rates by unit type (i.e., number of bedrooms). A distribution of market-rate and non-subsidized Tax Credit developments and units by year opened/substantially renovated. (Whether a property better represents its original year of opening or its year of renovation is at the Market Analyst's discretion.) The Market Analyst will also note the median rents by unit type for the market-rate and non-subsidized Tax Credit units. In determining the median rents, the collected rents at each property are to be adjusted to a gross rent basis, using the local housing authority's Utility Allowance Worksheet. The Utility Allowance Worksheet is to be included as an Addendum to the Market Study.

In addition to the tables, the Market Analyst will include a narrative summarizing the overall condition of the rental housing market within the Market Area. The narrative is to include discussions of the following:

- Absorption rates experienced at all properties opened within the past 3 years
- Waiting lists
- Rent concessions
- Vacancy rate and rental rate trends
- Seasonality of the market
- Under construction or planned rental housing development

If there are no developments in the planning stages or under construction, a statement to that effect must be provided.

B. Comparable Properties

From the survey of existing rental housing product, the Market Analyst is to identify those properties considered most comparable. Comparable Properties are those developments with similar financing, developments serving the same target population, developments offering similar amenity packages, and/or developments offering similar rents. (At least 3 market-rate properties are to be included as Comparable Properties for the purpose of establishing Comparable Market Rent in the section that follows.)

The following information is to be provided in a one-page summary sheet format for each Comparable Property:

- Color photograph of a residential building representative of the entire development
- Name, address, telephone number of the development
- Contact person, date of contact, and mode of contact (i.e., in-person or by telephone)
- Year of opening and year of significant renovation (if applicable)
- Amenities (both unit- and project-related), including parking provisions
- Source of heat, water heating, and cooking (i.e., electric, natural gas, propane, etc.)
- Utility responsibility (i.e., tenant-paid or owner-paid)
- Number of units distributed by structure type (e.g., townhouse, garden-style, etc.) and unit type (i.e., number of bedrooms and baths within the unit)
- Net (heated) square footage of units
- Collected rents and estimated gross rents (Gross rent is derived by adding the estimated cost of tenant-paid utilities to the collected rent. The applicable Utility Allowance Worksheet is to be the source of the utility cost estimates.)
- Vacancy rates by unit type
- Program participation (e.g., HUD Section 8, RD Section 515, Tax Credit, etc.), if applicable
- Tenant profile (e.g., family, elderly, persons with special needs, etc.)
- Waiting lists
- Turnover rate
- Absorption rate (if the property is less than 3 years of age)
- Distance from the subject property

Distance from the subject property (in miles) is to be noted as travel distance (i.e., calculated along dedicated roadways), not as direct distance or “as the crow flies.”

For comparable developments in the planning or construction stages, provide as much of the required information (noted on the preceding page) as is available, and include the development's estimated date of market entry.

C. Comparable Market Rent

The Market Analyst is to determine the Comparable Market Rent(s) for the proposed units, and establish the proposed development's competitive rent advantage over comparable properties. The Market Analyst is to include the comparison tables used in the determination (i.e., HUD form 92273 or functional equivalent) and an explanation of the methodology used. No less than three (3) market-rate properties are to be used in the Comparable Market Rent analysis.

VIII. Capture Rate Analysis

The Market Analyst is to note the appropriate income range for each percent of Area Median Income (AMI) election at the proposed development.

For income-restricted Family Units, the minimum income is to be based on the assumption that the household will apply up to 40% of their gross income towards their total housing expense. The maximum income is to be based on the assumption that population per household will equal the number of bedrooms plus one (1). For example, the population of an efficiency unit is assumed to be 1 (i.e., zero bedrooms plus 1 equals 1), and the population of a three-bedroom unit is assumed to be 4 (i.e., 3 bedrooms plus 1 equals 4).

For income-restricted Senior Units, the minimum income is to be based on the assumption that the household will apply up to 45% of their gross income towards their total housing expense. The maximum income is to be based on the assumption that just one person will occupy all senior units, regardless of the number of bedrooms within the unit. The Senior Capture Rate Analysis must focus on the targeted age group (i.e., age 55+, or in the case of federally subsidized units - age 62+). Up to 10% of the age- and income-appropriate homeowners within the Market Area may be included in the Senior Capture Rate analysis. (Homeowners are not to be included in the Family Capture Rate Analysis.)

For market-rate units, the Market Analyst must make some reasonable determination of a maximum income level beyond which a household will not likely be a participant in the rental market. The Market Analyst must clearly note the assumptions used in determining the appropriate income range for the proposed market rate units.

For units with project-based rental assistance, the appropriate income range can extend down to \$0.

In summarizing the Capture Rate Analysis, the Market Analyst is to use the applicable table provided as [EXHIBIT 5](#).

IX. Conclusions

The Market Analyst will summarize the proposed development's strengths and weaknesses in terms of the Market Area's rental housing market and target population.

The Market Analyst must project an absorption rate, and stabilized occupancy rate (e.g., 95%, 93%, etc.) for the subject development, **as proposed**. The analyst's anticipated absorption period and turnover rate for the subject development are to be noted as well. If the anticipated absorption rate causes the proposed development's initial absorption period to extend beyond one year, "replacement absorption" (i.e., the need to re-rent vacated units due to tenant turnover) needs to be factored into the Market Analyst's projection. (The subject property's absorption period is considered to start as soon as its first unit is certified for occupancy.)

For renovation projects, the Market Analyst is to note the anticipated number of existing (program-eligible) residents who will elect to remain at the property through its renovation. With respect to the anticipated absorption period of renovation projects, the Market Analyst is to note the projection in two ways: 1) using the anticipated retention level and, 2) using the assumption that no residents will elect to remain at the property.

If an unusually slow absorption rate and/or unusually low stabilized occupancy rate is anticipated, the Market Analyst is to indicate if it is due more so to market-related issues or product-related issues. The Market Analyst is encouraged to make recommendations as to how the proposed development could be better structured to succeed within the market.

The Market Analyst is to evaluate the impact the proposed development will have on the occupancy rates of all income-restricted properties within the Market Area. This evaluation is to result in a table noting each income-restricted rental housing property, its current vacancy rate, and anticipated vacancy rate at the subject property's projected date of stabilized occupancy.

A list of all ADOH-Tax Credit funded rental housing properties (existing and under development), are available for review at the following sites:
[http://www.housingaz.com/UPLOAD/LIHTC completed prop.pdf](http://www.housingaz.com/UPLOAD/LIHTC_completed_prop.pdf)
[http://www.housingaz.com/UPLOAD/LIHTC Carryover prop.pdf](http://www.housingaz.com/UPLOAD/LIHTC_Carryover_prop.pdf)

EXHIBIT 1 – Certification Letter

**Arizona Department of Housing
Market Study Certification**

The undersigned, a recognized firm of independent market analysts knowledgeable and experienced in the development of affordable rental properties, completed this Market Study of _____ (Development Name) in _____ (Community Name), Arizona for _____ (Developer/Applicant name).

To the best of our knowledge, all data contained in this report is correct to the extent that the local, State of Arizona, and federal recording agencies, and demographic suppliers accurately record and publish this data. All projections were based on current professionally accepted methodology.

The market analyst has no financial interest in the proposed project or in any other matters involving the Developer or Applicant, or their principals. The relationship of the market analyst is limited to that of an independent market analyst. The fee assessed for the study was not contingent on the proposed development or application being approved by the Arizona Department of Housing.

The market analyst made a physical inspection of the market area, reviewed all relevant data, conducted personal interviews with local apartment managers, government officials, local real estate professionals, and service providers, and independently established the conclusions for this report.

By: _____
(Market Analyst Company)

By: _____
(Authorized Representative)

Title: _____

Date: _____

EXHIBIT 2 – Project Summary Table

UNIT TYPE	PERCENT OF AREA MEDIAN INCOME	NUMBER OF UNITS	NET SQUARE FEET	MAXIMUM ALLOWABLE GROSS RENT	RENTS AT OPENING*		
					GROSS	UTILITY ALLOWANCE	COLLECTED
EFFICIENCY/ 1 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
ONE-BEDROOM/ 1 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
TWO-BEDROOM/ 1 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
TWO-BEDROOM/ 2 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
THREE-BEDROOM/ 2 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
FOUR-BEDROOM/ 2 BATH	20%			\$	\$	\$	\$
	30%			\$	\$	\$	\$
	40%			\$	\$	\$	\$
	50%			\$	\$	\$	\$
	60%			\$	\$	\$	\$
	MKT			N/A	\$	\$	\$
TOTAL							

* 200_

MKT: Market Rate

N/A: Not Applicable

EXHIBIT 3 – Proposed Amenities

UNIT AMENITIES		PROJECT AMENITIES	
	RANGE		ON-SITE MANAGEMENT
	REFRIGERATOR		COMMUNITY BUILDING/ROOM
	DISHWASHER		(____ NET SQUARE FEET)
	DISPOSAL		LAUNDRY
	WASHER & DRYER		RESIDENT BUSINESS CENTER
	WASHER/DRYER HOOKUPS		DAY CARE CENTER
	CARPETING		EXERCISE ROOM
	WINDOW COVERINGS		SWIMMING POOL
	PATIO/BALCONY		PLAYGROUND
	BASEMENT		TENNIS COURT
	CARPORT		BASKETBALL COURT
	GARAGE		RAQUETBALL COURT
	INTERCOM SYSTEM		WALKING TRAIL
	SECURITY SYSTEM		LAKE
	OTHER:		OTHER:

EXHIBIT 4 – Community Services and Site Area Detractions

COMMUNITY SERVICES	NAME	TRAVEL DISTANCE* FROM SITE (IN MILES)
MAJOR HIGHWAY(S)		
PUBLIC BUS STOP		
MAJOR EMPLOYERS / EMPLOYMENT CENTERS		
CONVENIENCE STORE		
GROCERY		
DISCOUNT DEPARTMENT STORE		
SHOPPING CENTER / MALL		
SCHOOLS: ELEMENTARY MIDDLE / JUNIOR HIGH HIGH		
HOSPITAL		
POLICE		
FIRE		
POST OFFICE		
BANK		
SENIOR CENTER		
RECREATIONAL FACILITIES		
OTHER		

*CALCULATED ALONG DEDICATED ROADWAYS

SITE AREA DETRACTIONS	DIRECT DISTANCE* FROM SITE (IN MILES)
ACTIVE RAILROADS	
FREEWAYS	
NATURAL WASH AREAS	
HIGH TENSION POWER LINES	
LANDFILL / GARBAGE DUMP	
OIL / CHEMICAL REFINERY	
POWER PLANT	
OTHER	

*DIRECT DISTANCE IS "AS THE CROW FLIES"

EXHIBIT 5 – Capture Rate Analysis

FAMILY CAPTURE RATE ANALYSIS

	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Appropriate Income Range	\$_____ to \$_____				
Number of Renter Households in Current Year (Year 200_)					
Add: Number of Renter Households Expected to be Added to the Market by Project Opening (Year 200_)					
Equals: Number of Renter Households at Project Opening					
Multiply: Percentage of Renter Households who are Income-Eligible	%	%	%	%	%
Equals: Number of Income-Eligible Renter Households at Project Opening					
Divide: Number of Income-Restricted Units being Proposed					
Equals: Capture Rate	%	%	%	%	%

SENIOR CAPTURE RATE ANALYSIS

	30% of AMI	40% of AMI	50% of AMI	60% of AMI	Market Rate
Appropriate Income Range	\$_____ to \$_____				
Number of Renter Households Age __+ in Current Year (Year 200_)					
Add: Number of Renter Households Age __+ Expected to be Added to the Market by Project Opening (Year 200_)					
Equals: Number of Renter Households Age __+ at Project Opening					
Multiply: Percentage of Renter Households Age __+ who are Income-Eligible	%	%	%	%	%
Equals: Number of Income-Eligible Renter Households Age __+ at Project Opening					
Add: 10% of the ___ Age- and Income-Appropriate Owner Households					
Equals: Number of Eligible Age- and Income-Appropriate Households					
Divide: Number of Age- and Income-Restricted Units being Proposed					
Equals: Capture Rate	%	%	%	%	%