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NATIONWIDE VALUATION AND MARKET FEASIBILITY EXPERTS

*Promises Kept. Deadlines Met.*



# GILL GROUP

**Need and Demand Analysis For  
Marbella North Nine  
1300 North Pierce Street  
Arlington, Virginia 22209**

**Prepared For  
Arlington Partnership for Affordable Housing  
4318 North Carlin Springs Road  
Arlington, Virginia 22203**

**Effective Date  
February 1, 2022**

**Date of Report  
March 8, 2022**

Marbella North Nine  
1300 North Pierce Street  
Arlington, Virginia 22209



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March 8, 2022

Ms. Haley Norris  
Arlington Partnership for Affordable Housing  
4318 North Carlin Springs Road  
Arlington, Virginia 22203

Dear Ms. Norris:

Following is a market study which was completed for Arlington Partnership for Affordable Housing, under the guidelines set forth by Virginia Housing. The subject property is located at 1300 North Pierce Street in Arlington, Virginia. The subject will consist of one proposed Low Income Housing Tax Credit development to be known as Marbella North Nine. The existing development at the property will be demolished to make room for the proposed development. The proposed property will be designated for families. The subject will consist of one 12-story elevator building containing a total of 96 units, community room, laundry facility, leasing office and maintenance area. The subject will be Low Income Housing Tax Credit at 30, 50 and 60 percent of the area median income. The building will have brick and fiber cement exterior and a flat roof.

The purpose of the following market study is to determine if the community has a need for the proposed subject units. To do so, the analyst, Samuel T. Gill, utilized data from the U.S. Census Bureau; Claritas and Ribbon Demographics, 2022 Data; and various other demographic resources. Community information and opinion was also utilized. This information was collected during a field survey conducted by Samuel T. Gill while visiting the site and area on February 1, 2022. An attempt was made to survey 100 percent of all competitive housing in the area. The intended users of the report are Arlington Partnership for Affordable Housing and Virginia Housing.

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

The proposal, Marbella North Nine, will include 96 apartment units financed by 9% Low Income Housing Tax Credit (LIHTC) equity and will be adjacent to a separately-financed condo of 138 units, that will be financed with tax-exempt bonds and 4% LIHTC equity. All 234 units will be within the same building and will be built at the same time. The Virginia Housing and federal requirements for LIHTC financing require that each condo be financed separately. The report is in support of the 9% 96-unit proposal.

Samuel T. Gill  
Market Analyst



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**CERTIFICATION**

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

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

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

A handwritten signature in black ink that reads "Samuel T. Gill". The signature is written in a cursive, slightly slanted style.

Samuel T. Gill  
Market Analyst  
Tax ID Number: 43-1352932

March 8, 2022



#### IDENTITY OF INTEREST

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

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

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

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

Samuel T. Gill  
Market Analyst

March 8, 2022



NCHMA MEMBER CERTIFICATION



**Formerly known as  
National Council of Affordable  
Housing Market Analysts**

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

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

Samuel T. Gill  
Market Analyst  
Gill Group

March 8, 2022

## EXECUTIVE SUMMARY



**Executive Summary**

It is the opinion of the analyst that a market exists for the proposed 96-unit development designed for families and that there is no need for alterations of any kind. This recommendation is made based on the information included in this report and assuming that the project is completed as detailed in this report. Any changes to the proposed construction of the subject could alter the findings in this report.

**Project Description**

The subject, Marbella North Nine, is a proposed LIHTC development to be designated for families. The property will contain 96 units. An existing apartment complex is currently located on the site. This property will be demolished, and a new apartment development will be constructed. The developer is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 30, 50 or 60 percent of the area median income. In addition, 10 units will have project-based vouchers through the Arlington County Permanent Supportive Housing Program. These units will be households earning up to 50 percent of the area median income. Households with one to five persons and incomes between \$24,857 and \$83,640 will be eligible for the proposed development. For the units with vouchers, households with one to five persons and incomes below \$69,700 would be eligible for the proposed development.

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

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	2	582	30%	\$725	\$725	\$77	\$648
1/1	8	582	50%	\$1,209	\$1,209	\$77	\$1,132
1/1	8	582	60%	\$1,451	\$1,451	\$77	\$1,374
2/1.5	6	866	30%	\$870	\$870	\$105	\$765
2/1.5	24	866	50%	\$1,451	\$1,451	\$105	\$1,346
2/1.5	28	866	60%	\$1,741	\$1,741	\$105	\$1,636
3/2	2	1,103	30%	\$1,006	\$1,006	\$132	\$874
3/2	7	1,103	50%	\$1,677	\$1,677	\$132	\$1,545
3/2	11	1,103	60%	\$2,013	\$2,013	\$132	\$1,881

The development will be restricted to households with incomes up to 30, 50 and 60 percent of the area median income. The property will have seven one-bedroom units, two two-bedroom units and one three-bedroom unit which will have project-based vouchers. Tenants in these units will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants in these units be required to pay more than the maximum allowable LIHTC rent.

**Income Averaging**

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

**Housing Profile**

The rental housing stock in the market area is comprised of single-family homes and market-rate and income-restricted apartment complexes. The current vacancy rate in surveyed income-restricted apartment complexes is 1.2 percent. The current vacancy rate in surveyed market-rate apartment complexes is 8.0 percent. The current vacancy rate of the competitive properties in the market area is 1.5 percent.

The proposed construction will not have an adverse impact on the market area. As complete, the property will be 100 percent LIHTC at 30, 50 and 60 percent of the area median income. There were 14 income-restricted developments confirmed in the market area. Of the confirmed income-restricted developments, 11 will directly compete with the subject. All competing developments maintain high occupancy rates, and



several maintain waiting lists from which the subject could draw residents. Therefore, it does not appear the market area is saturated with affordable housing.

#### Market Feasibility

The following table shows the capture rate for the proposed development:

CAPTURE RATE	
PROJECT-WIDE CAPTURE RATE - LIHTC UNITS	1.2%
PROJECT-WIDE CAPTURE RATE - MARKET UNITS	N/A
PROJECT-WIDE CAPTURE RATE - ALL UNITS	1.2%
PROJECT-WIDE ABSORPTION PERIOD (MONTHS)	3 Months

The market shows a net demand of 8,030 households for all units. As complete, the property will be 100 percent LIHTC at 30, 50 and 60 percent of the area median income. The capture rate for the subject is 1.2 percent, which is considered good. In addition, based on the occupancy rates of apartment complexes in the market area, the existing waiting lists, the projected family population and household growth and the economic factors, it is believed that property will be viable within the market area and will meet the demand for affordable housing in the market area.

#### Evaluation of Project

The property will be easily accessed via North Pierce Street. North Pierce Street is a secondary road south of Arlington Boulevard, a major thoroughfare in the city. Therefore, the subject has average visibility and easy access. The subject's proposed site plan and project design will be similar to competing apartment developments. The subject's proposed unit mix of one-, two-, and three-bedroom units will be suitable in the market.

#### Positive/Negative Attributes

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

**Weaknesses:** There are no apparent weaknesses.

#### Conclusions

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

- The subject's proposed design and amenities will be competitive with existing projects in the market area. Therefore, no modifications to the subject are necessary.
- The subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to increase through 2027, indicating a need for additional housing the market area. In addition, all restricted properties confirmed maintain high occupancy rates, and many maintain waiting lists. Therefore, it appears the market is not oversaturated with affordable rental housing.
- The subject will have 96 units. Based on the lease-up rates of recently constructed properties in the market area, the property is anticipated to absorb between 35 to 40 units per month, resulting in a 95 percent occupancy level within two to three months.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the proposed development will be suitable for the market area. Given the current low vacancy rates for income-restricted senior properties as well as the waiting lists at several properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.

## INTRODUCTION AND SCOPE OF WORK



## Introduction and Scope of Work

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

- Client and any other intended users: The client and developer for this market study assignment is Arlington Partnership for Affordable Housing. The intended users of the report are Arlington Partnership for Affordable Housing and Virginia Housing. No other users are intended.
- Intended use of the analyst's opinions and conclusions: The intended use of this market study is to apply for Low Income Housing Tax Credits through Virginia Housing.
- Effective date of the analyst's opinions and conclusions: The effective date of the rental estimate is February 1, 2022.
- Subject of the assignment and its relevant characteristics: The subject property is a proposed 96-unit apartment complex known as Marbella North Nine. The subject is located along the east side of North Pierce Street. Its physical address is 1300 North Pierce Street.
- Assignment conditions: Assignment conditions include assumptions, extraordinary assumptions, hypothetical conditions, supplemental standards, jurisdictional exceptions, and other conditions that affect the scope of work. The following assumptions are used in this market study assignment: *The market study was written under the extraordinary assumption that the property will be constructed as indicated in the Scope of Work. This market study was written under the extraordinary assumption that there are no long term impacts from the COVID-19 pandemic. The market rents in the need and demand analysis were determined under the hypothetical condition that the subject will be unrestricted or conventional and not subject to any rent restrictions.*
- An environmental audit was not provided. I am not qualified to complete an environmental audit. The stated opinion of rental rates is predicated on the assumption that no hazardous substances or conditions materially affect the subject property.
- The Americans with Disabilities Act (ADA) became effective January 26, 1992. No specific compliance survey or analysis of the identified property has been made to determine whether it is in conformity with the various detailed requirements of the ADA. It is possible that a compliance survey of the property together with a detailed analysis of the requirements of the ADA could reveal that the property will not comply with one or more of the requirements of the Act. If so, this fact could have an adverse impact upon the value of the property. Since there is no direct evidence relating to this issue, it is assumed that no substantial immediate outlays will be mandated by governing authorities to meet ADA requirements.
- Unemployment statistics are based on the information available from the U.S. Department of Labor Bureau of Labor Statistics. The data shown in this report is based on the data available as of the effective date of the analysis. The Department of Labor will periodically revise the data by incorporating additional information that was not available at the time of the initial publication of the estimates. The initial data is revised twice, first within two months of initial publication in order to incorporate additional sample data from respondents in the survey and recalculate seasonal adjustment factors, and second on an annual basis to incorporate a benchmark revision that estimates nearly complete employment counts available from unemployment insurance tax records.
- The U.S. Census Bureau American Community Survey (ACS) uses a series of monthly samples to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. Initially, five years of samples were required to produce these small-area data. Once the U.S. Census Bureau released its first five-year estimates, new small-area statistics were produced annually. The Census Bureau also produces three-year and one-year data products for larger geographic areas.
- The American Housing Survey (AHS) is sponsored by the Department of Housing and Urban Development (HUD) and conducted by the U.S. Census Bureau. The survey provides up-to-date information about the quality and cost of housing in the United States and major metropolitan areas. It also includes questions about the physical condition of homes and neighborhoods, the cost of financing and maintaining homes and the characteristics of people who live in these



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

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

An **extraordinary assumption**<sup>1</sup> is defined as:

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

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

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

A **hypothetical condition**<sup>3</sup> is defined as:

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

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

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

<sup>1</sup> Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition Effective January 1, 2020, through December 31, 2022 (The Appraisal Foundation, 2020), pg. 4

<sup>2</sup> Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition Effective January 1, 2020, through December 31, 2022 (The Appraisal Foundation, 2020), pg. 14

<sup>3</sup> Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition Effective January 1, 2020, through December 31, 2022 (The Appraisal Foundation, 2020), pg. 4

<sup>4</sup> Uniform Standards of Professional Appraisal Practice, 2020-2021 Edition Effective January 1, 2020, through December 31, 2022 (The Appraisal Foundation, 2020), pg. 14



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The following extraordinary assumptions are used in this market study consultation assignment: *The market study was written under the extraordinary assumption that the property will be constructed as indicated in the Scope of Work. This market study was written under the extraordinary assumption that there are no long term impacts from the COVID-19 pandemic.*

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

This market study was completed in accordance with the requirements set forth in Virginia Housing's 2022 Market Study Guidelines.

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

- On February 1, 2022, Samuel T. Gill, a Market Analyst, conducted a site inspection and consulted plans to determine the property's proposed physical and functional characteristics. Samuel T. Gill inspected all common areas and at least one unit of each varying type.
- The purpose of this market study is to determine if the community has a need for the subject units. To do so, the analysts utilize data from the U.S. Census Bureau; Claritas and Ribbon Demographics, 2022 Data; and various other demographic resources. Community information and opinion was also utilized. The research retrieved data from several of the following: internet sites, local newspapers and rental publications, city records, owners and managers of local apartment properties, local real estate brokers, fellow analysts and the analyst's office files.
- During the week of February 1, 2022, Samuel T. Gill, inspected the exterior of each comparable property used in the analysis. During the site inspections or in separate telephone interviews, Samuel T. Gill, or one of his associates, spoke with the managers of the comparable properties to confirm all data and to collect additional information about each comparable including size, age, amenities, occupancy rates and general market information. The property manager provided floor plans or other information describing the size of comparable units after it was explained that the interior size was needed.
- Samuel T. Gill, the primary market analyst, completed the data and adjustments columns of the Rent Comparability Grids and determined the final estimate of rents. After completing the Rent Comparability Grids, Samuel T. Gill derived an estimated market rent and an estimated achievable rent for each unit type. Samuel T. Gill also completed the demand, penetration rate and capture rate conclusions through analysis of all aspects of the subject, market area and demographic data available to the analyst.

## PROJECT DESCRIPTION



### Project Description

Project Name:	Marbella North Nine
Location:	1300 North Pierce Street Arlington, Virginia
Project Type:	Families
Construction Type:	New Construction
Developer:	Arlington Partnership for Affordable Housing
Area Median Family Income:	\$129,000

The subject, Marbella North Nine, is a proposed LIHTC development to be designated for families. The subject will consist of one 12-story elevator building containing a total of 96 units, community room, laundry facility, leasing office and maintenance area. An existing apartment complex is currently located on the site. This property will be demolished, and a new apartment development will be constructed. The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 30, 50 or 60 percent of the area median income. The property will have seven one-bedroom units, two two-bedroom units and one three-bedroom unit which will have project-based vouchers. Households in these units will be restricted to 50 percent of the area median income. Tenants in these 10 units will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants in these units be required to pay more than the maximum allowable LIHTC rent. Households with one to five persons and incomes between \$24,857 and \$83,640 will be eligible for the proposed development. For the units with vouchers, households with one to five persons and incomes below \$69,700 would be eligible for the proposed development.

### Project Design

Marbella North Nine will be comprised of one 12-story elevator building. The building will have a concrete slab foundation and masonry framing, with brick and fiber cement exterior and a flat roof. An existing apartment complex is currently located on the site. This property will be demolished, and a new apartment development will be constructed. Landscaping will consist of grass, trees and shrubs. The property will not be a scattered site development.

### Unit Features

Each unit will contain the following amenities: refrigerator, range/oven, garbage disposal, dishwasher, microwave, vinyl and ceramic tile flooring, blinds, ceiling fans and coat closet. Select units will also have carpet flooring. The units will also have free internet.

### Common Amenities and Services

The property will provide the following project amenities: community room, picnic area, tot lot, courtyard, business center, laundry facility, on-site management, on-site maintenance, intercom entry, limited access gate, bicycle storage and common area wi-fi.

### Parking

The complex will contain a parking garage with 48 parking spaces. Therefore, the subject will have a parking ratio 0.50 parking spaces per unit.



**Utilities**

The following table describes the subject property's proposed utility combination.

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

The development will have a central system that provides gas-powered heat and water heating. The property will pay the gas bill for the common areas. The circulation of the heat and hot water to the individual units will be conducted via electric heat pumps and will be sub-metered to the tenants. Tenants will pay for electric heating, cooling, lighting, appliances and hot water. Water and sewer will also be sub-metered.

**Unit Mix, Size and Rent Structure**

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

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	2	582	30%	\$725	\$725	\$77	\$648
1/1	8	582	50%	\$1,209	\$1,209	\$77	\$1,132
1/1	8	582	60%	\$1,451	\$1,451	\$77	\$1,374
2/1.5	6	866	30%	\$870	\$870	\$105	\$765
2/1.5	24	866	50%	\$1,451	\$1,451	\$105	\$1,346
2/1.5	28	866	60%	\$1,741	\$1,741	\$105	\$1,636
3/2	2	1,103	30%	\$1,006	\$1,006	\$132	\$874
3/2	7	1,103	50%	\$1,677	\$1,677	\$132	\$1,545
3/2	11	1,103	60%	\$2,013	\$2,013	\$132	\$1,881

The development will be restricted to households with incomes up to 30, 50 and 60 percent of the area median income. The property will have seven one-bedroom units, two two-bedroom units and one three-bedroom unit which will have project-based vouchers. Tenants in these units will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants in these units be required to pay more than the maximum allowable LIHTC rent.



The developer is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 30, 50 or 60 percent of the area median income. In addition, 10 units will have project-based vouchers through the Arlington County Permanent Supportive Housing Program. These units will be households earning up to 50 percent of the area median income.

LIHTC INCOME LIMITS			
Person in Households	30%	50%	60%
1	\$27,090	\$45,150	\$54,180
2	\$30,960	\$51,600	\$61,920
3	\$34,830	\$58,050	\$69,660
4	\$38,700	\$64,500	\$77,400
5	\$41,820	\$69,700	\$83,640
6	\$44,910	\$74,850	\$89,820

Source: HUD

### Tenant Services

Marbella North Nine will have ample ground floor program space, including a community room, that will be fully accessible to the residents. Residents will complete a survey at move-in, and a resident services coordinator will continue with “listening” interviews during the first few months of the lease up and welcoming process. From the onset, resident services programs will be targeted to address resident needs and interests while encouraging residents to share their talents and engage with the wider community. APAH aligns resident needs and interests with programs that improve workplace skills, health and well-being, increase financial stability and strengthen community engagement.

### Scope of Work

The subject is proposed. Construction will begin in May 2023 and is projected to be complete by May 2025.



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#### Location/Site Characteristics

The subject site consists of one irregular-shaped tract of land that contains a total of 0.9438 acres. The subject property is zoned RA6-15, Apartment Dwelling District. The subject will be a legal, conforming use. The subject will not be a scattered site development. The site is located in Census Tract #1017.03.

The subject neighborhood is a mixture of single-family residences and multifamily developments and 100 percent built up. Approximately 80 percent of the land use is comprised of multifamily developments. Single-family residences make up the remaining 20 percent of the area's land use. Multifamily developments are located in all directions from the site. Single-family properties are located west of the subject. The area is mostly urban.

## SITE EVALUATION



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### Project Location

The subject property will be located in Arlington County, Virginia. Arlington County, often simply referred to as Arlington, is a county located in the northern portion of the Commonwealth of Virginia. Arlington County is coextensive with the census-designated place of Arlington. Arlington County does not have the legal designation of an independent city or incorporated town under state law. However, it is considered to be the second-largest principal city of the Washington, D.C. metropolitan area. Arlington is geographically the smallest self-governing county in the United States, yet it is the sixth-largest county in Virginia based on population.

Arlington is located directly across the Potomac River from Washington, D.C., and has the following boundaries: North – Fairfax County; South – Alexandria City; West – Fairfax County; and East – Potomac River.

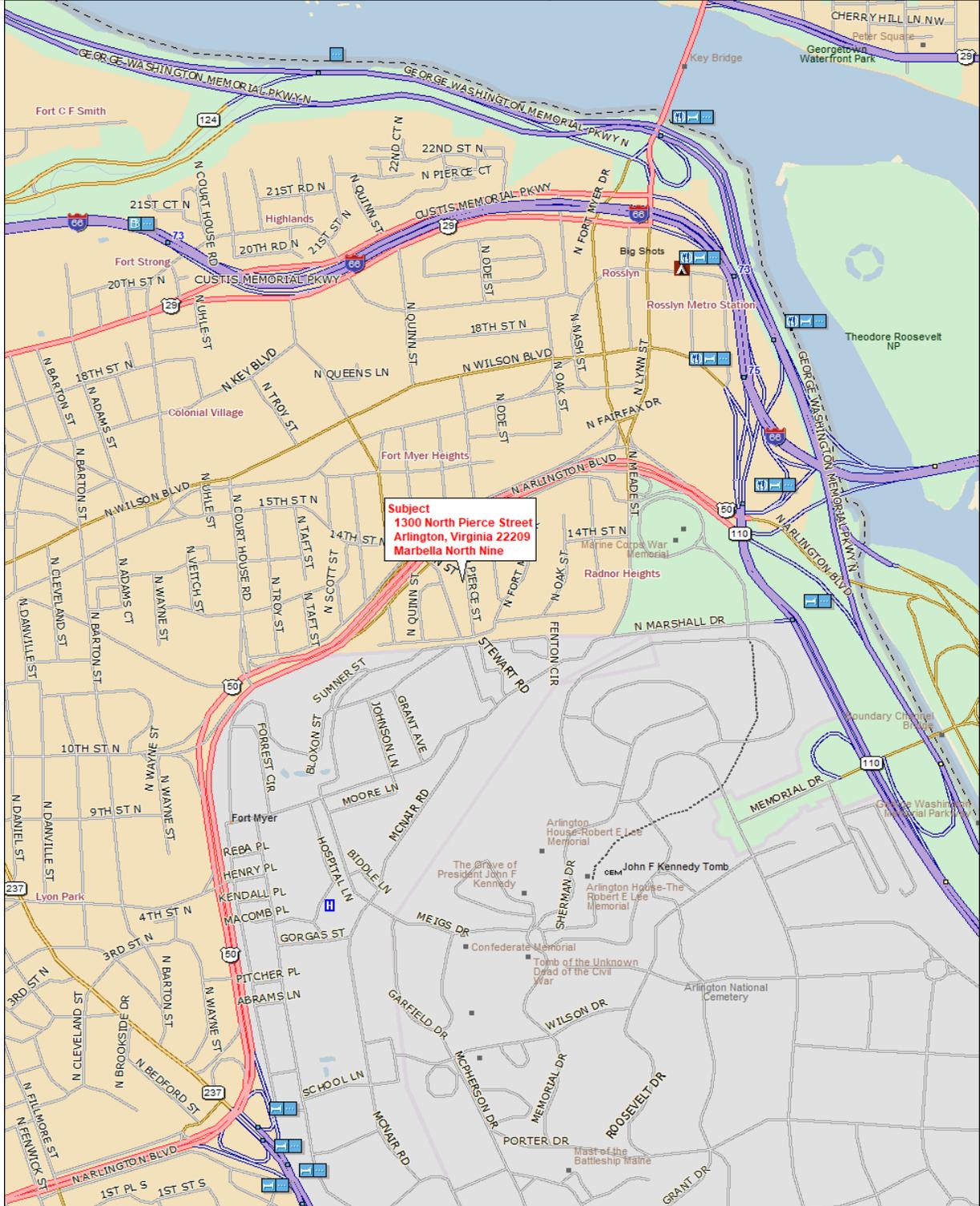
Major highways in Arlington include Interstates 66 and 395; U.S. Highways 29 and 50; and State Highways 27, 120, 237, 244 and 309.

The subject is located in the eastern portion of Arlington on North Pierce Street, just south of U.S. Highway 50 (Arlington Boulevard). It is located north of Arlington National Cemetery.

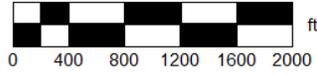
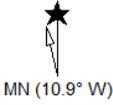
Marbella North Nine  
1300 North Pierce Street  
Arlington, Virginia 22209



### Location Map

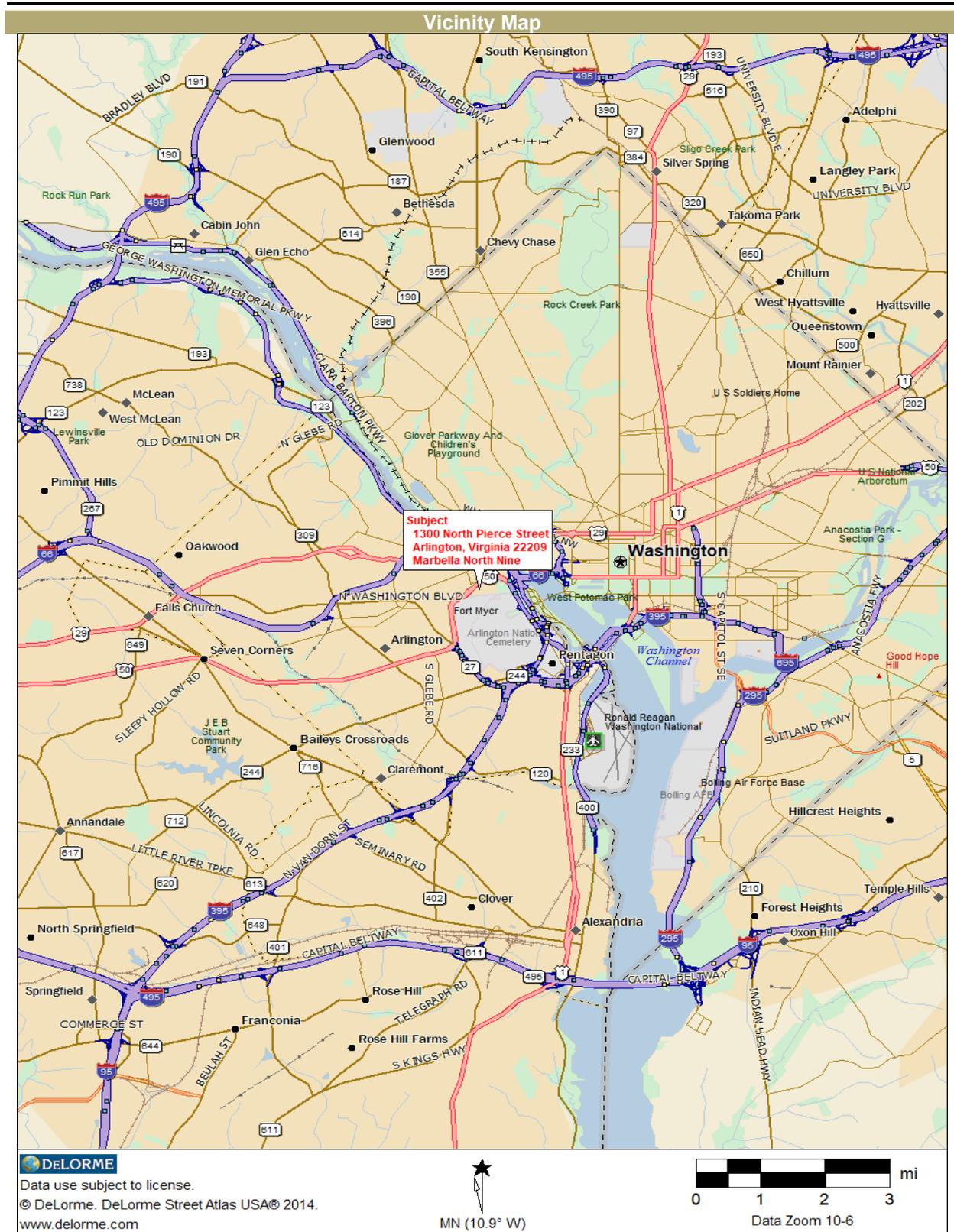


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## Community and Site Information

### Site Characteristics

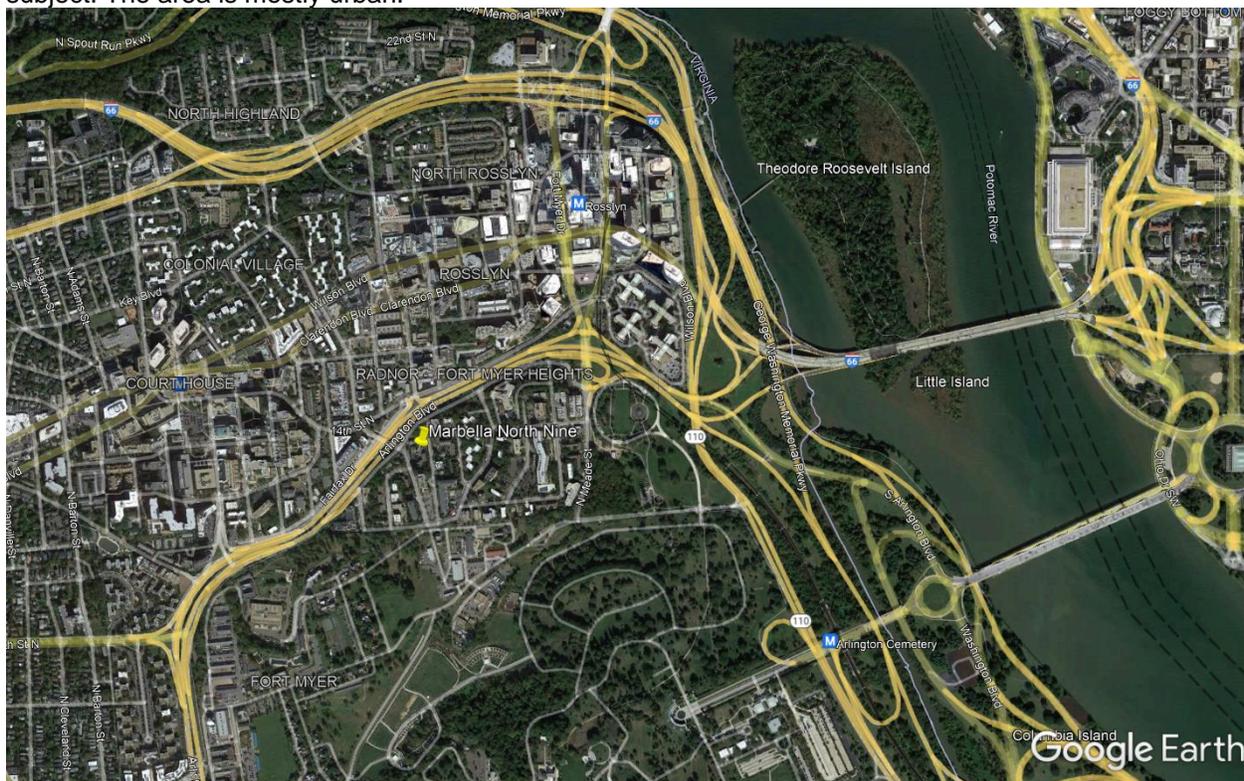
The subject property is located in the Radnor/Fort Myer Heights Neighborhood in the eastern portion of Arlington. The subject is located along North Pierce Street. The Radnor/Fort Myer Heights Neighborhood is considered one of the best places to live in the state. According to AreaVibes, the neighborhood ranks better than 92 percent of all neighborhoods in the United States.

The property is easily accessed via North Pierce Street. North Pierce Street is a secondary road south of Arlington Boulevard, a major thoroughfare in the city. Therefore, the subject has average viability and access.

The subject site consists of one irregular-shaped tract of land with a total of 0.9438 acres. The subject property is zoned RA6-15, Apartment Dwelling District. The subject will be a legal, conforming use. A zoning change is unlikely. The subject will not be a scattered site development. The subject site is located in Census Tract #1017.03.

### Surrounding Land Uses

The subject neighborhood is a mixture of single-family residences and multifamily developments and 100 percent built up. Approximately 80 percent of the land use is comprised of multifamily developments. Single-family residences make up the remaining 20 percent of the area's land use. Multifamily developments are located in all directions from the site. Single-family properties are located west of the subject. The area is mostly urban.





Subject Photos



View of Site



View of Site



View of Site



View of Site



View of Site



View of Site



View of Street



View of Street



View to the North



View to the South



View to the West



View to the South



### Nearby Employment Opportunities

Most market area tenants have white collar occupations. According to the Claritas and Ribbon Demographics, approximately 70.9 percent of the market area works in the service/laborer and retail industries.

### Regional and Area Data

#### **Parks and Recreational Opportunities**

Arlington is home to the Arlington National Cemetery, the Pentagon, the Signature Theatre and the Netherlands Carillon. There are numerous recreational opportunities and facilities in Arlington, including the MedStar Capitals Iceplex, Mt. Vernon Trail, Theodore Roosevelt Island Park, Twilight Tattoo, Gravelly Point Park, George Washington Memorial Parkway and Hemicycle, Arlington Memorial Bridge, the DEA Museum, Arlington Historical Museum, Fort C. F. Smith Park, Ocean Dunes Water Park, Gulf Branch Nature Center and Park, Long Bridge Park, Bon Air Park, Upton Hill Regional Park, Potomac Overlook Regional Park, Lady Bird Johnson Park, Bluemont Park, Lubber Run Park, Glencaryn Park, Shirlington Dog Park, Gulf Branch Nature Center, Gateway Park, Quincy Park and Benjamin Banneker Park.

#### **Government/Public Safety**

Arlington County is coextensive with the census-designated place of Arlington. Arlington County does not have the legal designation of an independent city or incorporated town under state law. However, it is considered to be the second-largest principal city of the Washington, D.C. metropolitan area. Arlington is geographically the smallest self-governing county in the United States, yet it is the sixth-largest county in Virginia based on population. The Arlington County Police Department is divided into four divisions of community engagement, criminal investigations, operations and systems management. The police department is led by one police chief, one captain and three lieutenants. The Arlington County Fire Department operates out of nine fire stations.

#### **Utilities**

Arlington County provides water and sewer services. Electricity is provided by Dominion Virginia Power. Natural gas services are available through Washington Gas. Verizon provides basic telephone service. Comcast/Xfinity is the cable television provider.

#### **Health Services**

There are 56 hospitals in or near Arlington. Some of these hospitals include Virginia Hospital Center, George Mason Hospital, The George Washington University Hospital, Medstar Georgetown University Hospital, Sibley Memorial Hospital, Inova Alexandria Hospital, Medstar Washington Hospital Center, Inova Fairfax Hospital, Howard University Hospital, Children's National Hospital and Suburban Hospital. Medical clinics in the area include Commonwealth Medical Center, VHC Physician Group – Immediate Care, AllCare Family Medicine and Urgent Care, Advanced Health Center, Health First Associates, Arlington Free Clinic and Comprehensive Primary Care.

#### **Transportation**

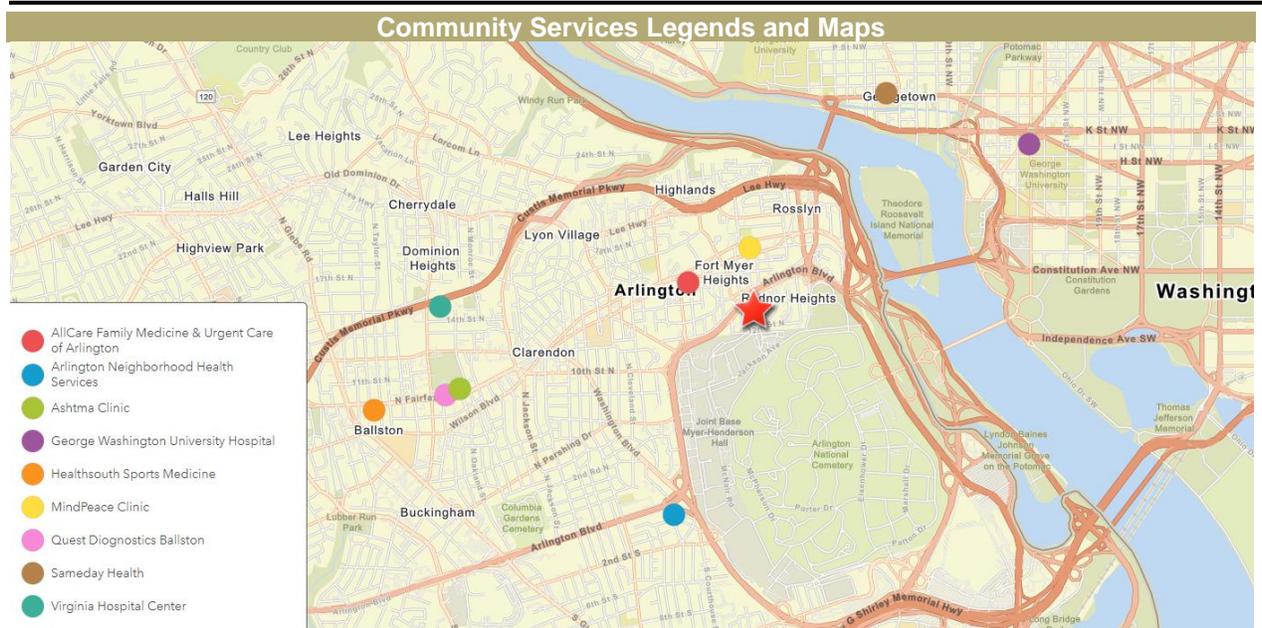
Major highways in Arlington include Interstates 66 and 395; U.S. Highways 29 and 50; and State Highways 27, 120, 237, 244 and 309. Freight rail service is provided by CSX Transportation and Norfolk Southern. Arlington is home to the Reagan National Airport. Other nearby airports include Washington Dulles International Airport in Washington, D.C., and Baltimore/Washington International Thurgood Marshall Airport in Baltimore, Maryland. Public transportation is available through Metrobus, Metrorail and Arlington Regional Transit (ART). Metrobus serves 11 transit centers in Maryland and Virginia. The Seven Corners Transit Center is the closest Metrobus transit center to the subject. Metrorail has 91 stations in Virginia, Maryland and the District of Columbia. The Blue Line serves the subject's area. ART operates within Arlington County and supplements Metrobus with cross-county routes as well as neighborhood connections to Metrorail. ART 61 Rosslyn – Court House Metro Shuttle is the route serving the subject's neighborhood.



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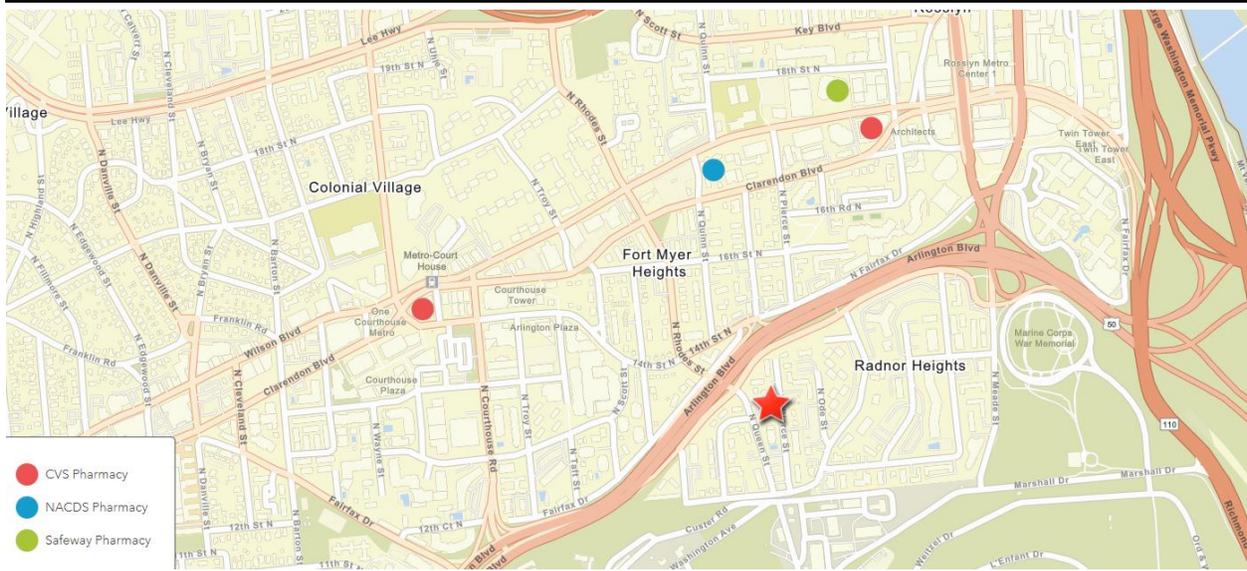
### Crime

According to AreaVibes, approximately 113 per 100,000 residents in Arlington are victims of a violent crime annually, and approximately 786 per 100,000 residents are victims of a property crime each year. The crime rate for the city is 46.0 percent higher than for the state, and 59.0 percent lower than for the nation. The total number of crimes in Arlington has decreased 10 percent within the past year, according to AreaVibes. In the city, there is a 1 in 838 chance of being the victim of a violent crime and a 1 in 121 chance of being the victim of a property crime. The life cycle is generally in the stability stage. The crime rate for the city is low. Therefore, there are no major adverse influences or hazards observed or known by the appraiser in the immediate surrounding area.



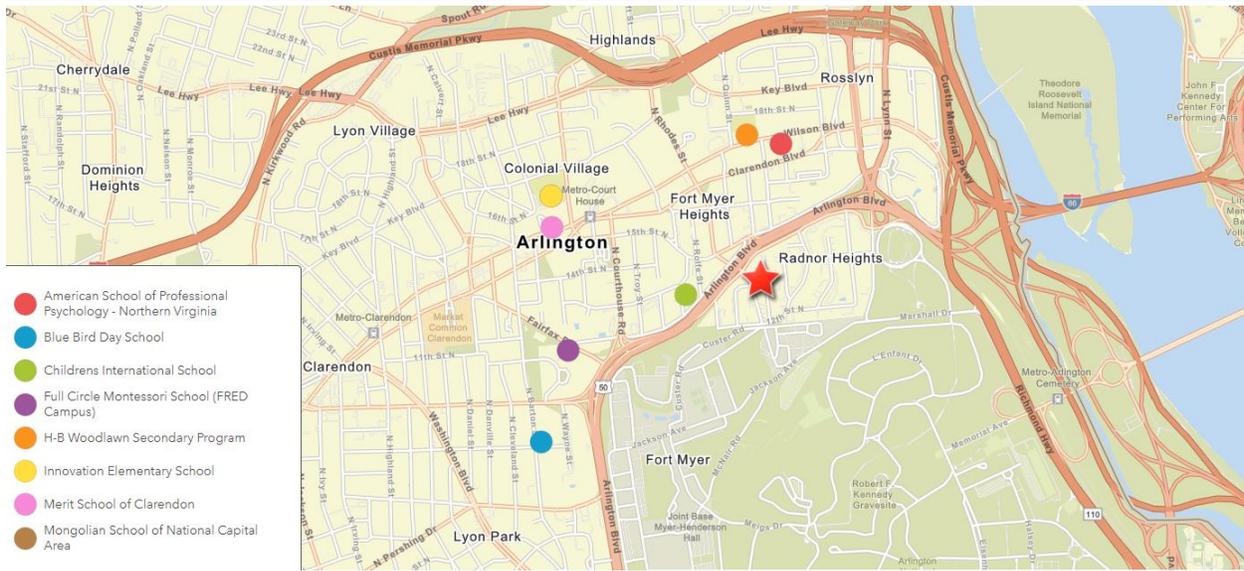
**MEDICAL FACILITIES**

Service	Distance From Site (in Miles)
AllCare Family Medicine & Urgent Care of Arlington	0.8
MindPeace Clinic	0.8
Sameday Health	1.9
Arlington Neighborhood Health Services	2.3
Quest Diagnostics Ballston	2.3
Ashtma Clinic	2.3
Virginia Hospital Center	2.7
Healthsouth Sports Medicine	2.7
George Washington University Hospital	2.7



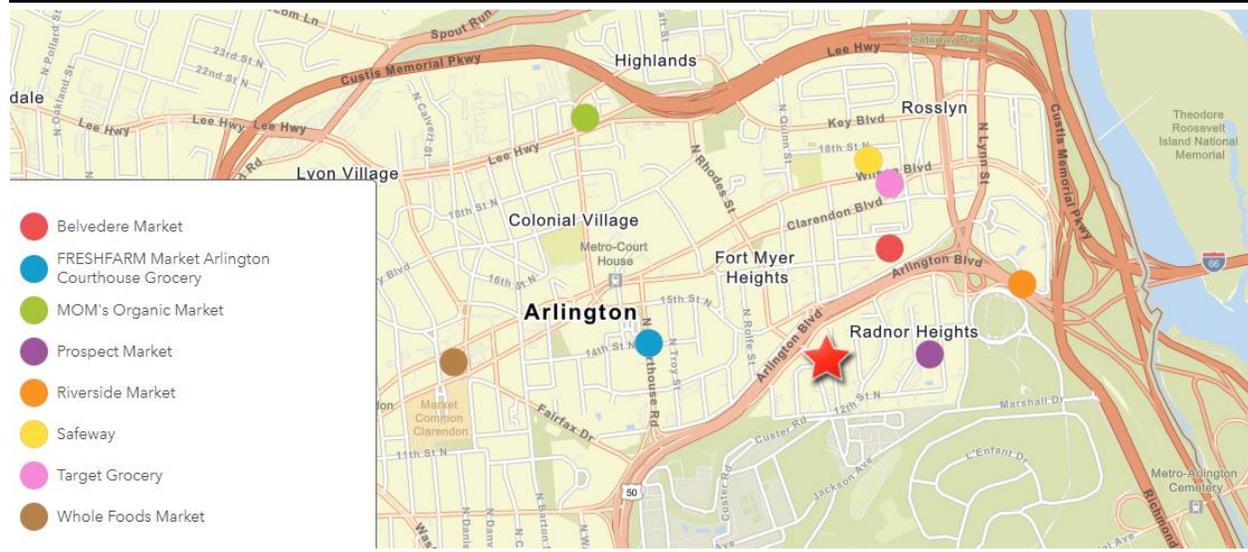
**PHARMACIES**

Service	Distance From Site (in Miles)
CVS Pharmacy	0.7
CVS Pharmacy	0.9
NACDS Pharmacy	0.9
Safeway Pharmacy	1.1



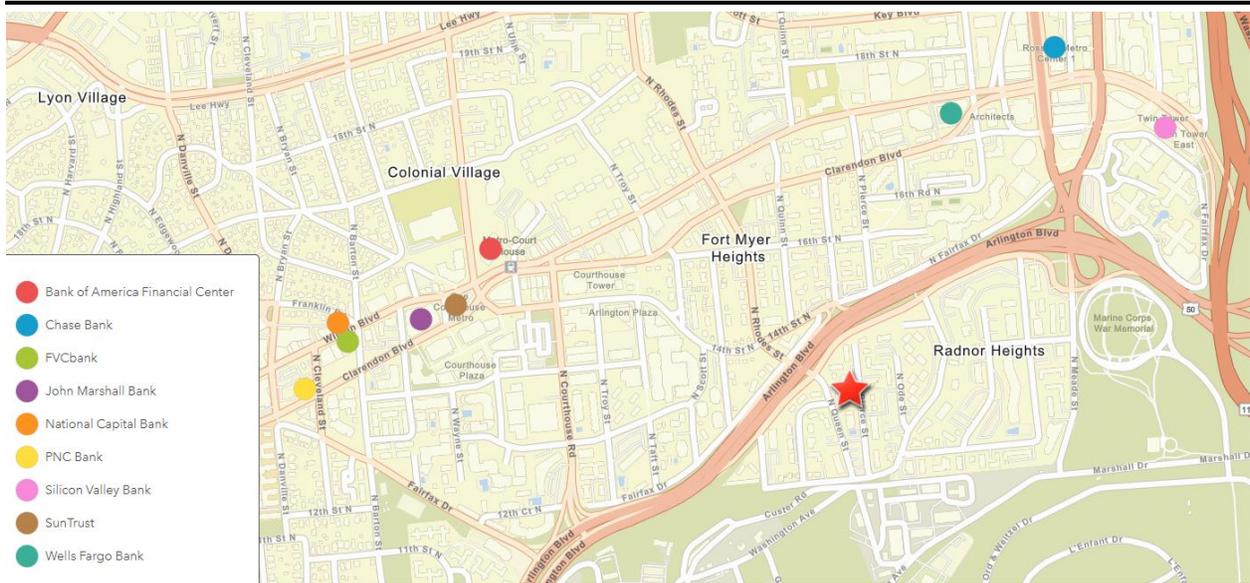
**SCHOOLS**

Service	Distance From Site (in Miles)
Childrens International School	0.5
H-B Woodlawn Secondary Program	0.8
Merit School of Clarendon	0.9
Mongolian School of National Capital Area	0.9
Innovation Elementary School	1.0
American School of Professional Psychology - Northern Virginia	1.0
Full Circle Montessori School (FRED Campus)	1.1
Blue Bird Day School	1.3



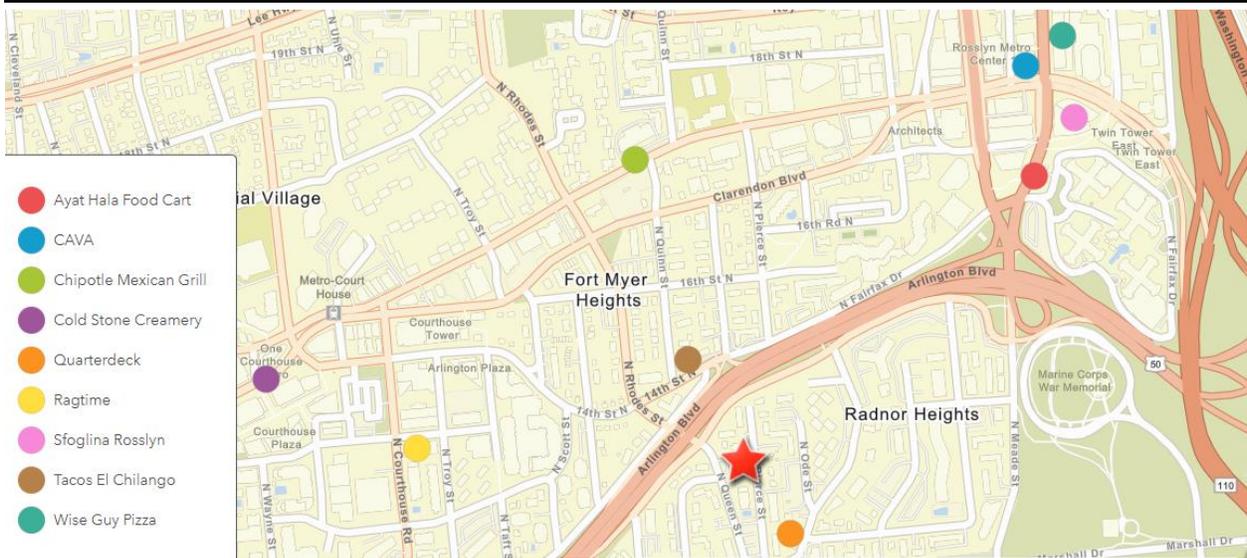
**GROCERY STORES/SUPERMARKETS**

Service	Distance From Site (in Miles)
Prospect Market	0.4
FRESHFARM Market Arlington Courthouse Grocery	0.7
Belvedere Market	0.8
Riverside Market	1.0
Target Grocery	1.0
Safeway	1.1
Whole Foods Market	1.3
MOM's Organic Market	1.6



**BANKS/LENDING INSTITUTIONS**

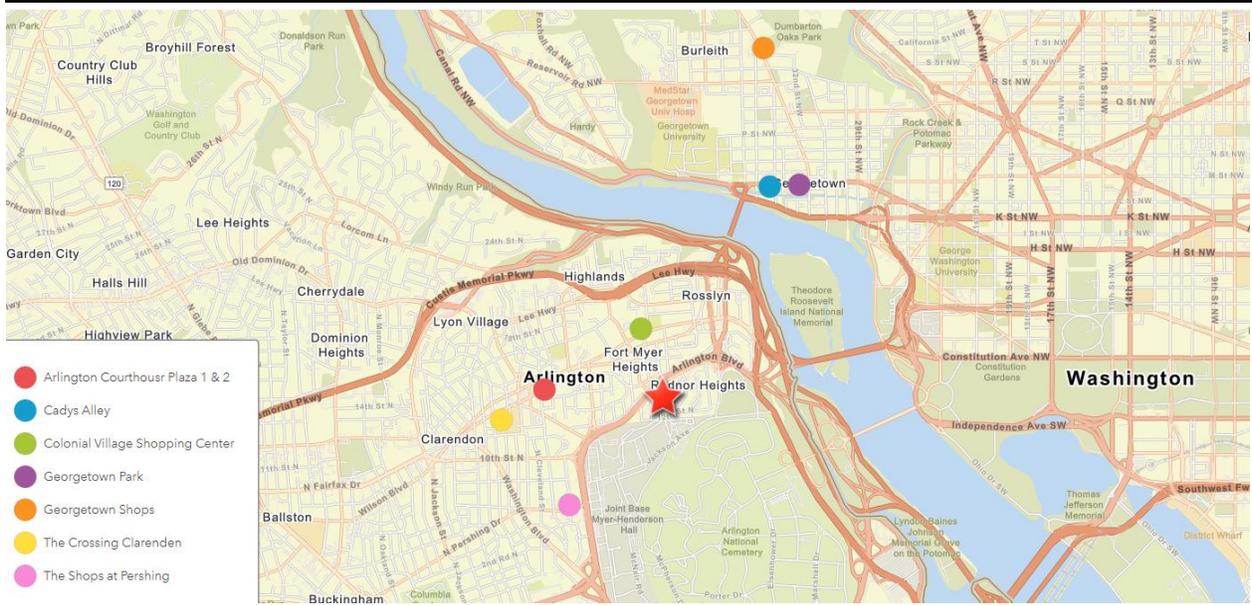
Service	Distance From Site (in Miles)
SunTrust	0.8
Bank of America Financial Center	0.8
Wells Fargo Bank	0.9
FVCbank	1.0
John Marshall Bank	1.0
National Capital Bank	1.0
Silicon Valley Bank	1.2
Chase Bank	1.2
PNC Bank	1.2



**RESTAURANTS**

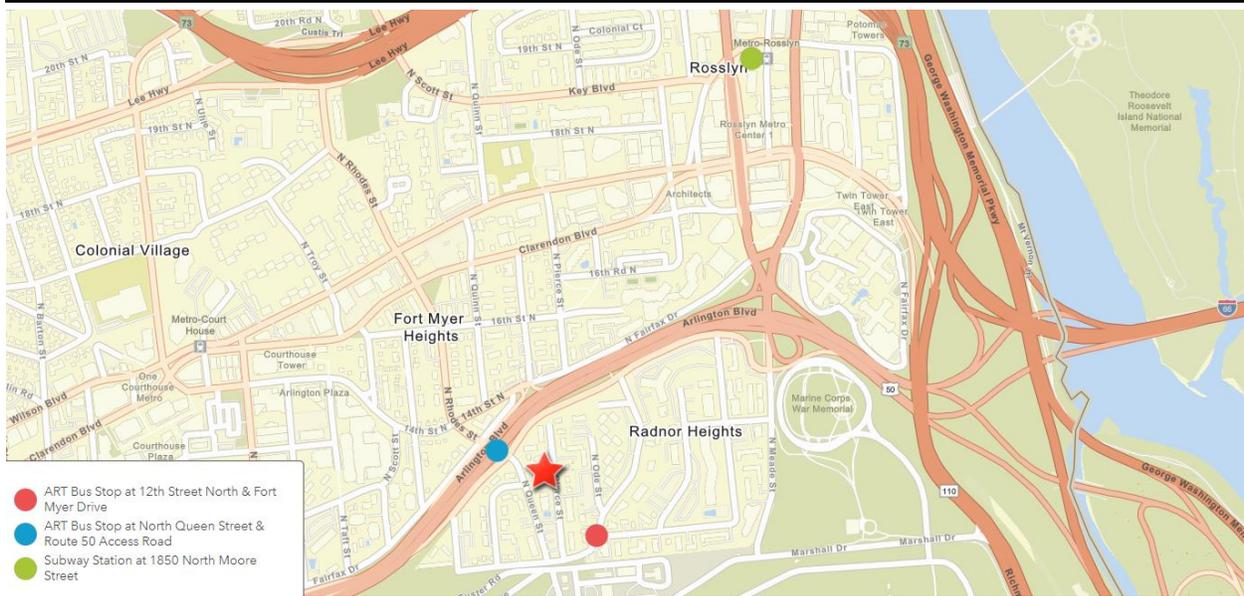
Service	Distance From Site (in Miles)
Quarterdeck	0.2
Tacos El Chilango	0.4
Ragtime	0.8
Cold Stone Creamery	0.9
Sfoglina Rosslyn	0.9
Ayat Hala Food Cart	0.9
Chipotle Mexican Grill	1.0
CAVA	1.0
Wise Guy Pizza	1.0

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**SHOPPING**

Service	Distance From Site (in Miles)
Colonial Village Shopping Center	0.7
Arlington Courthouse Plaza 1 & 2	1.1
The Crossing Clarendon	1.4
The Shops at Pershing	1.4
Cadys Alley	1.8
Georgetown Park	2.0
Georgetown Shops	2.5



**TRANSPORTATION**

Service	Distance From Site (in Miles)
ART Bus Stop at 12th Street North & Fort Myer Drive	0.2
ART Bus Stop at North Queen Street & Route 50 Access Road	0.3
Subway Station at 1850 North Moore Street	0.8

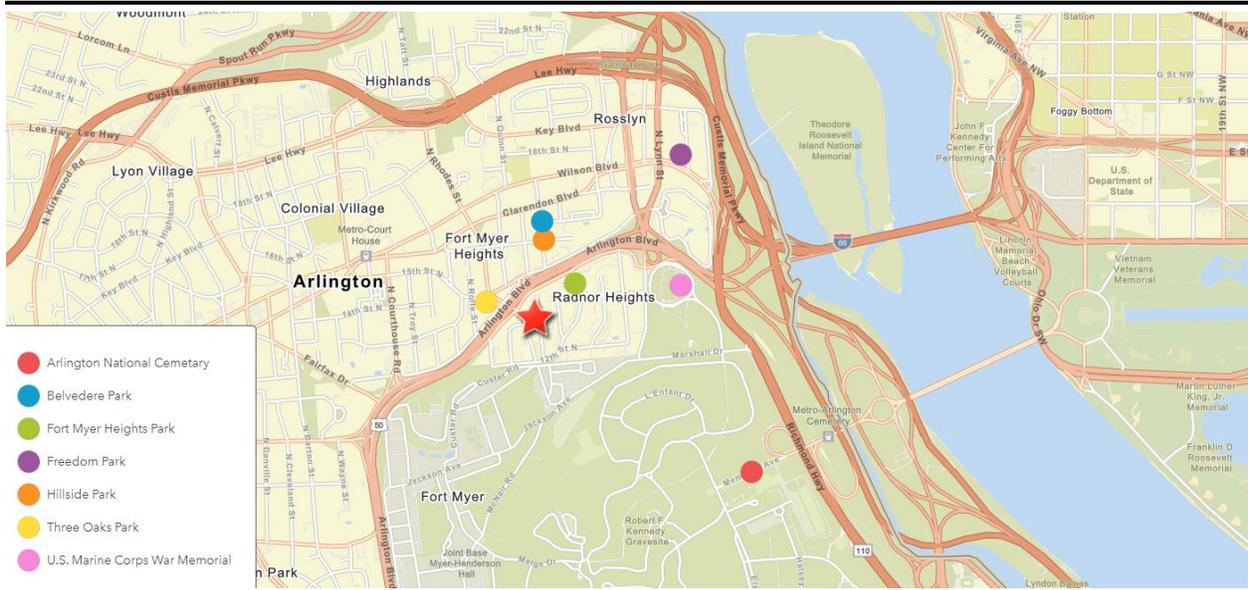
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 Arlington, Virginia 22209



**LIBRARIES**

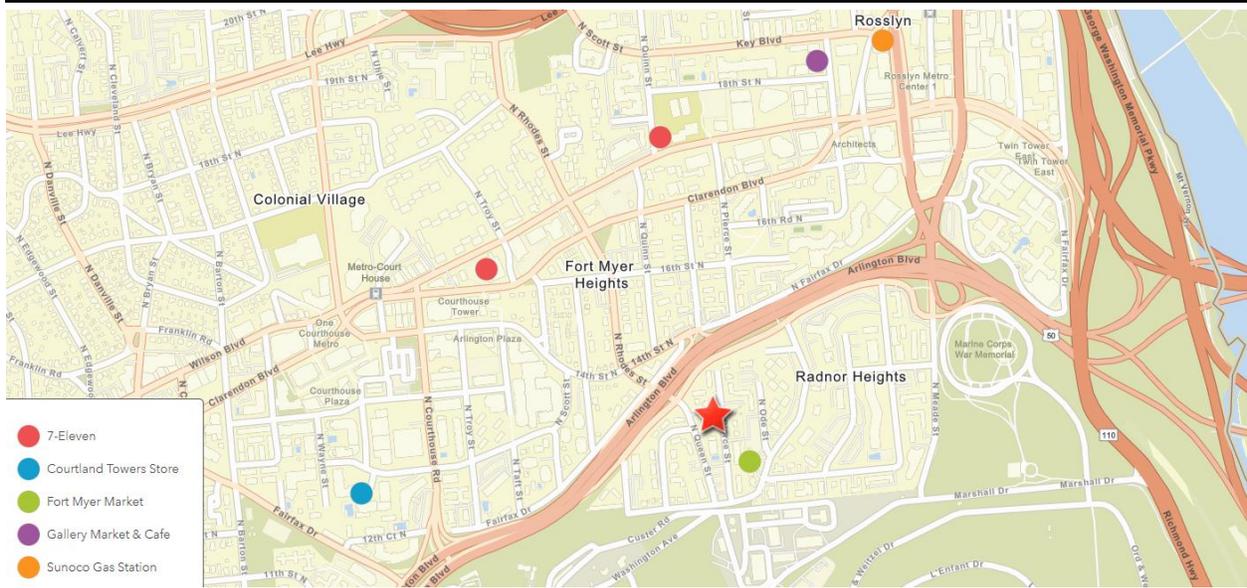
Service	Distance From Site (in Miles)
Walter T. McCarthy Law Library	0.7
Bozman Government Center Library (formerly Plaza)	0.7
Arlington County School Pro Library	1.3
George Mason University Arlington Campus Library	2.0

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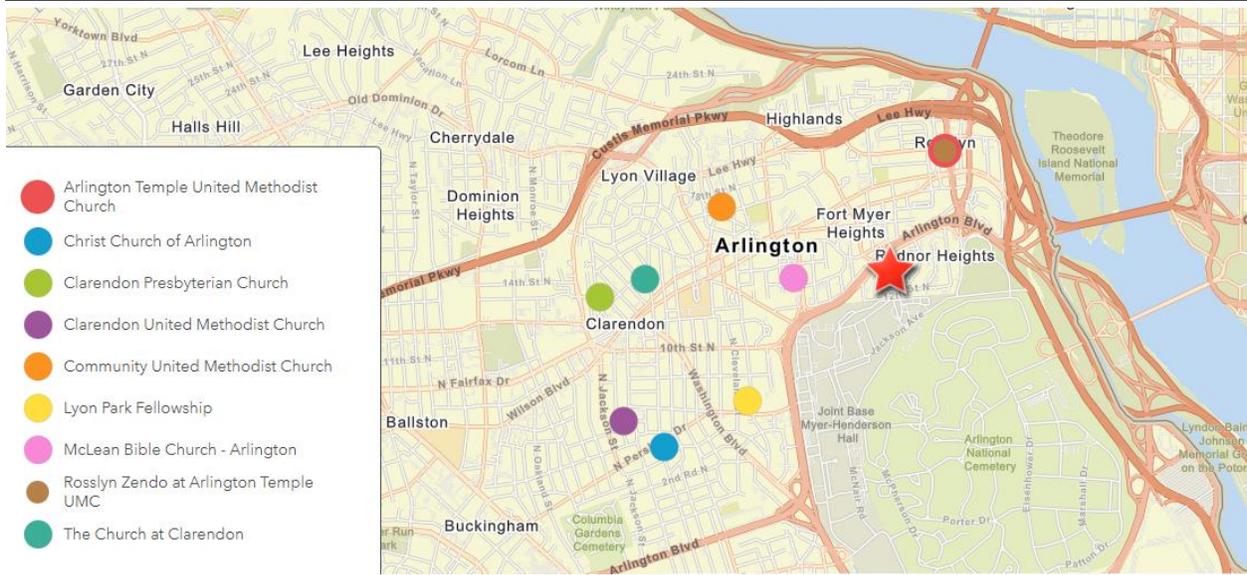
**PARKS/RECREATION**

Service	Distance From Site (in Miles)
Three Oaks Park	0.4
Fort Myer Heights Park	0.4
Hillside Park	0.7
Belvedere Park	0.8
U.S. Marine Corps War Memorial	0.9
Freedom Park	1.1
Arlington National Cemetery	1.9



**CONVENIENCE STORES**

Service	Distance From Site (in Miles)
Fort Myer Market	0.2
7-Eleven	0.7
Courtland Towers Store	0.8
7-Eleven	0.9
Sunoco Gas Station	1.1
Gallery Market & Café	1.1



**HOUSES OF WORSHIP**

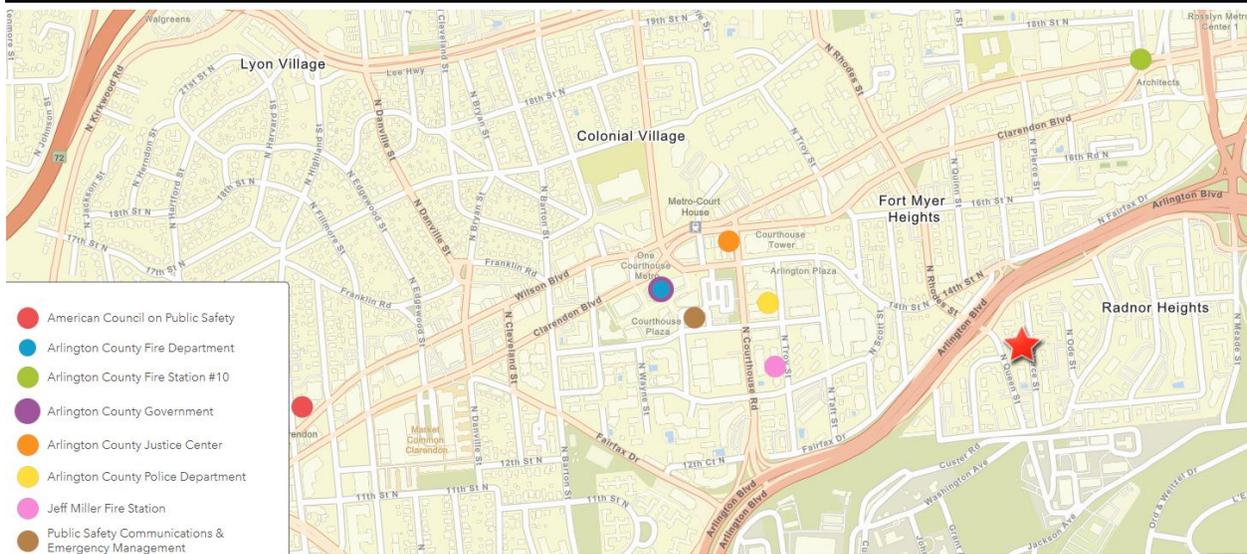
Service	Distance From Site (in Miles)
McLean Bible Church - Arlington	0.8
Arlington Temple United Methodist Church	1.1
Community United Methodist Church	1.2
Rosslyn Zendo at Arlington Temple UMC	1.2
The Church at Clarendon	1.4
Lyon Park Fellowship	1.5
Clarendon Presbyterian Church	1.9
Christ Church of Arlington	1.9
Clarendon United Methodist Church	2.2

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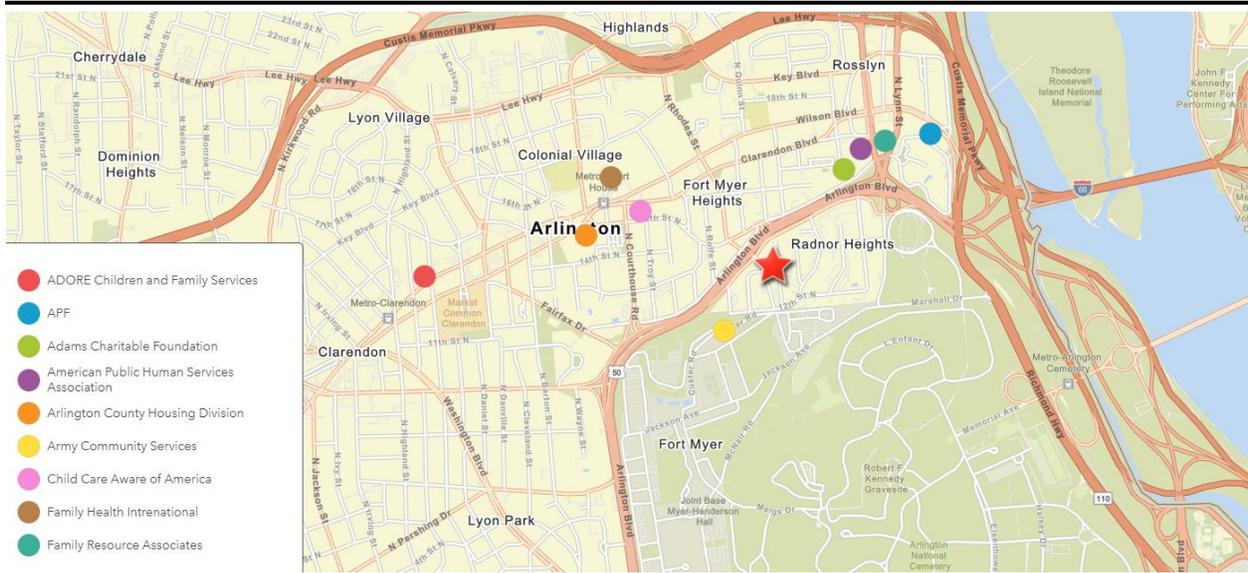
**POST OFFICES**

Service	Distance From Site (in Miles)
United States Postal Service	0.8
The UPS Store	0.9
FedEx	1.0
United States Postal Service	1.4



**PUBLIC SAFETY/GOVERNMENT**

Service	Distance From Site (in Miles)
Arlington County Government	0.7
Arlington County Police Department	0.7
Arlington County Fire Department	0.7
Public Safety Communications & Emergency Management	0.8
Arlington County Justice Center	0.8
Jeff Miller Fire Station	0.8
Arlington County Fire Station #10	1.1
American Council on Public Safety	1.4

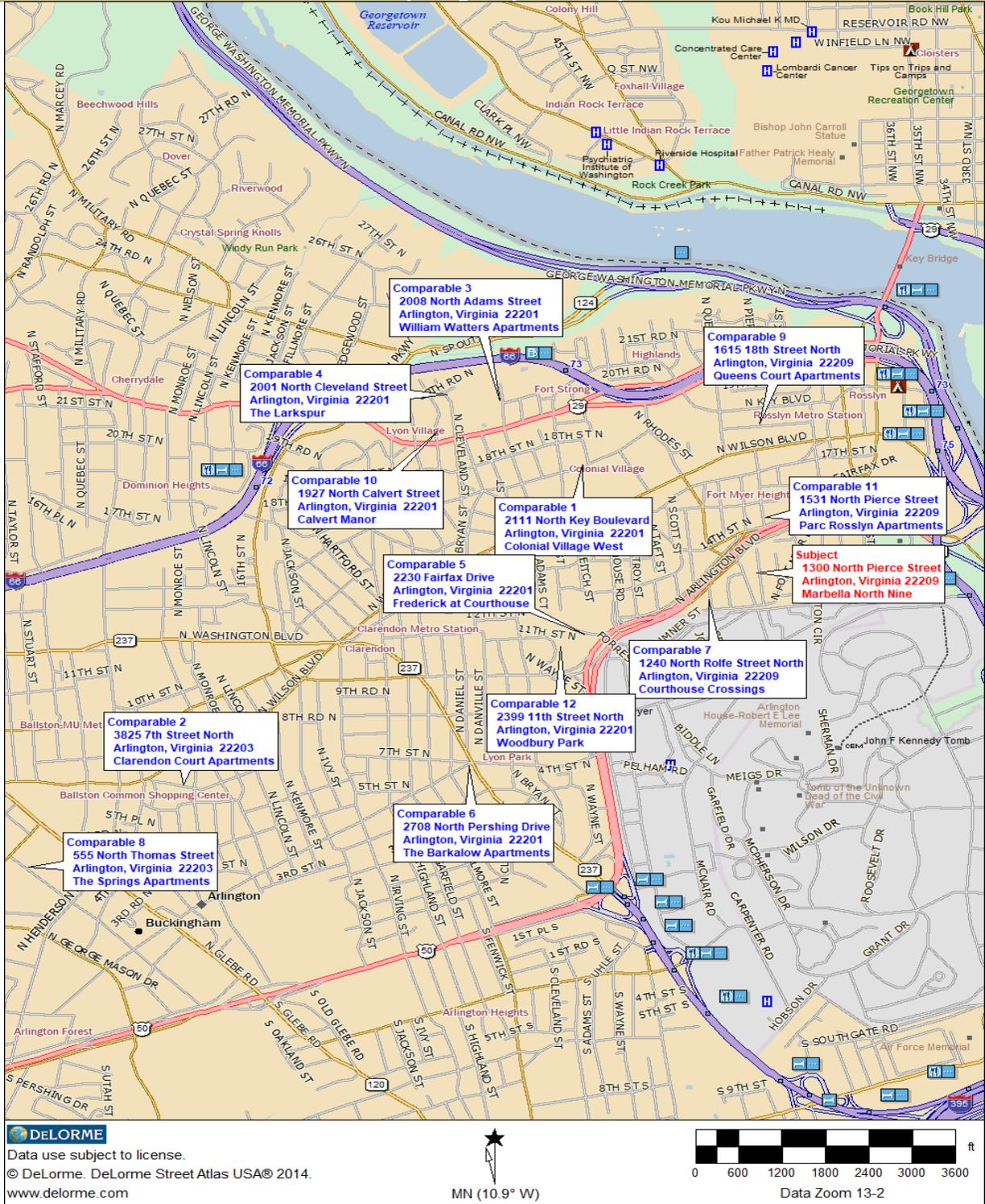


**SOCIAL SERVICES**

Service	Distance From Site (in Miles)
Child Care Aware of America	0.6
Arlington County Housing Division	0.7
Family Health International	0.8
Adams Charitable Foundation	0.8
Family Resource Associates	1.0
American Public Human Services Association	1.0
APF	1.2
ADORE Children and Family Services	1.3
Army Community Services	1.5



**Competing Properties Map**



The proposed subject will have units at 30, 50 and 60 percent AMI. Therefore, the above restricted units will directly compete with the subject's units as the properties are family facilities with similar income levels.



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### Summary of Site Strengths and Weaknesses

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

Weaknesses – The site has no apparent weaknesses.

MARKET AREA



### Delimitation of Market Area

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

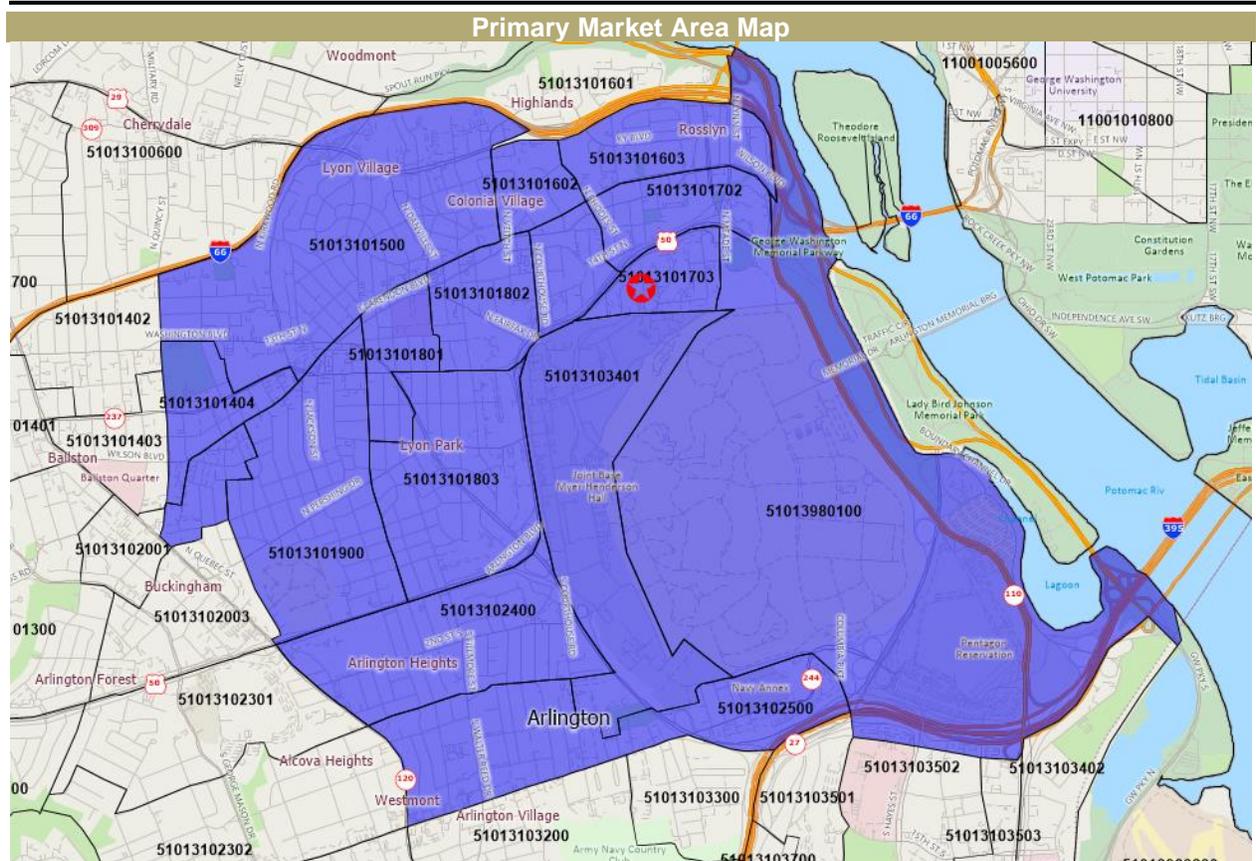
- **Population and Households Counts:** The number of households in a market area is directly proportionate to its geographic size within an individual market. Total householders residing in a market area can greatly influence demand calculations.
- **General Demographics:** The socio-economic composition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



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

The determination of the market area is based on the boundaries between governmental units. In such a method, county, division or city boundaries become the boundaries of the market area. The primary market area for the subject consists of the following census tracts: 1014.04, 1015.00, 1016.02, 1016.03, 1017.01, 1017.02, 1017.03, 1018.01, 1018.02, 1018.03, 1019.00, 1020.02, 1024.00, 1025.00, 1034.01 and 9801.00. The market area has the following boundaries: North – Interstate 66; South – Henry G. Shirley Memorial Highway, Interstate 395, South Army Navy Drive, South Washington Boulevard and South Columbia Pike; West – North Quincy Street, North Glebe Road, 5<sup>th</sup> Street North, North Oakland Street and South Glebe Road; and East – Potomac River and Columbia Island.

The analysis was conducted using only the demographics data from the primary market area. However, according to the market study guidelines for Virginia Housing, a secondary or tertiary market area was also determined. The secondary market area is defined as Arlington County. Arlington County has the following boundaries: North – Fairfax County; South – Alexandria City; West – Fairfax County; and East – Potomac River.



EMPLOYMENT AND ECONOMY



### Employment and Economy

The economy of Arlington is based on educational services; finance, insurance, real estate, rent and lease services; healthcare and social assistance services; other services except public administration; professional, scientific and technical services; retail trade; and public administration sectors. Each of these categories has experienced reasonable growth within the past few years.

Unemployment in Arlington County reached a high of 5.1 percent in 2020 and was at its lowest in 2019 with 2.3 percent. The rate for Arlington County for December 2021 was 1.8 percent. The number employed has increased an average of 0.8 percent since 2010.

LABOR FORCE AND EMPLOYMENT TRENDS FOR ARLINGTON COUNTY					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	137,453	131,635	95.8%	5,818	4.2%
2011	141,644	136,334	96.3%	5,310	3.7%
2012	143,875	138,982	96.6%	4,893	3.4%
2013	145,169	140,275	96.6%	4,894	3.4%
2014	145,098	140,437	96.8%	4,661	3.2%
2015	144,902	140,880	97.2%	4,022	2.8%
2016	146,628	142,857	97.4%	3,771	2.6%
2017	150,686	146,973	97.5%	3,713	2.5%
2018	152,972	149,941	98.0%	3,031	2.0%
2019	155,298	152,444	98.2%	2,854	1.8%
2020	151,080	143,307	94.9%	7,773	5.1%
2021**	149,853	147,164	98.2%	2,689	1.8%

\* Data based on place of residence.

\*\*Preliminary - based on monthly data through December 2021

Source: U.S. Bureau of Labor Statistics

The State of Virginia reached a high of 7.3 percent in 2010 and was at its lowest point in 2019 with 2.7 percent. The rate for the State of Virginia for December 2021 was 2.7 percent. The number employed has increased 0.5 percent per year since 2010.

LABOR FORCE AND EMPLOYMENT TRENDS FOR VIRGINIA					
ANNUALS	CIVILIAN LABOR FORCE*	EMPLOYMENT		UNEMPLOYMENT	
		TOTAL	%	TOTAL	%
2010	4,163,293	3,858,466	92.7%	304,827	7.3%
2011	4,205,184	3,929,008	93.4%	276,176	6.6%
2012	4,217,529	3,967,151	94.1%	250,378	5.9%
2013	4,238,377	4,002,057	94.4%	236,320	5.6%
2014	4,258,856	4,040,908	94.9%	217,948	5.1%
2015	4,233,981	4,048,081	95.6%	185,900	4.4%
2016	4,254,348	4,084,822	96.0%	169,526	4.0%
2017	4,333,556	4,174,453	96.3%	159,103	3.7%
2018	4,361,378	4,232,972	97.1%	128,406	2.9%
2019	4,427,338	4,308,622	97.3%	118,716	2.7%
2020	4,346,644	4,075,237	93.8%	271,407	6.2%
2021**	4,252,784	4,139,573	97.3%	113,211	2.7%

\* Data based on place of residence.

\*\*Preliminary - based on monthly data through December 2021

Source: U.S. Bureau of Labor Statistics



According to the U.S. Bureau of Labor Statistics, unemployment trends for Arlington similar are to the unemployment trends for the State of Virginia.

CHANGE IN TOTAL EMPLOYMENT FOR ARLINGTON COUNTY				
PERIOD	NUMBER		PERCENT	
	TOTAL	ANNUAL	TOTAL	ANNUAL
2010-2015	9,245	1,849	7.0%	1.4%
2015-2020	2,427	485	1.7%	0.3%

Source: U.S. Bureau of Labor Statistics

The changes in employment since 2010 by time period are listed in the above table. The data shows that the number of persons employed in Arlington increased an average of 0.9 percent per year between 2010 and 2020.

RECENT CHANGES IN EMPLOYMENT FOR ARLINGTON COUNTY			
YEAR	NUMBER EMPLOYED	ANNUAL CHANGE	% OF LABOR FORCE UNEMPLOYED
2015	140,880	443	2.8%
2016	142,857	1,977	2.6%
2017	146,973	4,116	2.5%
2018	149,941	2,968	2.0%
2019	152,444	2,503	1.8%
2020	143,307	(9,137)	5.1%

Source: U.S. Bureau of Labor Statistics

The previous tables show the changes in employment and percent unemployed for the past six years. The unemployment rate for Arlington County has fluctuated from 1.8 percent to 5.1 percent since 2015.

### Major Employers

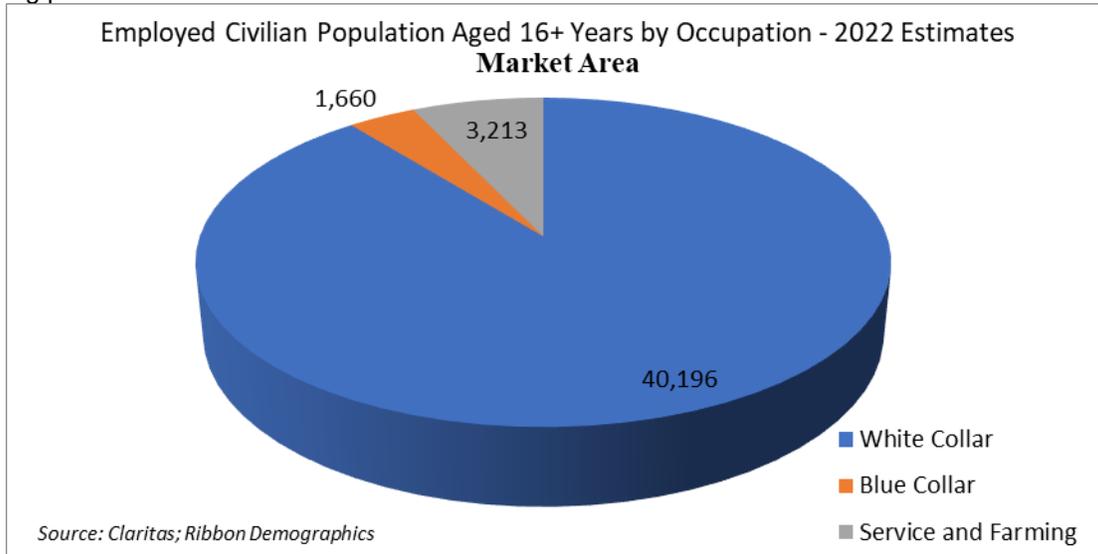
Major employers for the City of Arlington and the industry are shown in the following table:

MAJOR EMPLOYERS	
Name	Industry
Wells Fargo	Financial Services
Amazon	Retail
AT&T	Telecommunications
Microsoft Corporation	Technology
IBM	Technology
Bank of America	Financial Services
Apple	Technology
Deloitte	Professional Tax Services
Verizon	Telecommunications
Boeing	Manufacturing
Lockheed Martin Corporation	Manufacturing
State Farm	Insurance
Accenture	Consulting
Comcast	Technology
Oracle	Technology
Starbucks	Retail
Walgreens	Retail
CVS Health	Retail
Capital One	Financial Services
Cognizant	Technology
Hewlett Packard Enterprise	Technology
FedEx	Transportation Services
Allstate	Insurance
Macy's	Retail
Best Buy	Retail

Source: Lensa



The majority of the civilian population within the market area are employed in white collar jobs. The following pie chart shows the breakdown within the market area.



**Place of Work Employment**

The following chart shows the number of people employed in different sectors of the market area economy in 2022.

**Employed Civilian Population Aged 16+ Years by Industry  
Current Year Estimates - 2022  
Market Area**

Industry	Number Employed	Percent Employed
Accommodation/Food Services	1,530	3.4%
Administrative/Support/Waste Management	1,334	3.0%
Agriculture/Forestry/Fishing/Hunting/Mining	79	0.2%
Arts/Entertainment/Recreation	675	1.5%
Construction	1,169	2.6%
Educational Services	3,200	7.1%
Finance/Insurance/Real Estate/Rent/Lease	3,331	7.4%
Health Care/Social Assistance	2,690	6.0%
Information	1,856	4.1%
Management of Companies and Enterprises	86	0.2%
Manufacturing	961	2.1%
Other Services Except Public Administration	3,132	6.9%
Professional/Scientific/Technical Services	14,411	32.0%
Public Administration	8,009	17.8%
Retail Trade	1,469	3.3%
Transportation/Warehousing/Utilities	738	1.6%
Wholesale Trade	399	0.9%
<b>Total:</b>	<b>45,069</b>	<b>100.0%</b>

Source: Claritas; Ribbon Demographics



The previous chart shows the number of people employed in different sectors of the market area economy in 2022. According to interviews conducted by the analyst, employers in the area indicate that the area economy should remain stable in the next two to five years.

**Future Employment Trends**

According to the Arlington County Economic Development Department, there have been numerous new and expanding businesses in the county, including those in the following table:

NEW AND EXPANDING BUSINESSES	
Company	New/Expansion
Best Western	New
Ballston Station - Ballston Central United Methodist Church	New
Crystal Gateway	New
Harris Teeter	New
Arlington National Cemetery	Expansion
Crystal City Metro Station	Expansion
Ballston-MU Metro Station	Expansion
Columbia Pike Transit Stations	Expansion
Bowlero	New
Smokecraft Modern BBQ	New
Mimi's Handmade Ice Cream	New
Kusshi	New
Amazon HQ2	New
Banditos Bar & Kitchen	New
Target	New
Road Runner Sports	New
Nighthawk Pizza	New
Privai	New
District Dogs	Expansion
RAKO Coffee	New
Two Six Labs	Expansion
Fresh Impact Farms	Expansion
ZEBOX	New
Microsoft	New
<b>Total:</b>	

Source: Arlington County Economic Development Department

The largest of these economic development activities is the addition of Amazon's second headquarters, Amazon HQ2. This development is currently under construction. Amazon is investing \$2.6 billion into this new development. The first portion of the development, Met Park, will consist of three 22-story office towers with ground floor retail space, three retail pavilions ranging from one to three stories, underground parking, a daycare and 2.5 acres of public space. The first phase should be open by 2023. The second phase, PenPlace, will contain of three additional 22-story buildings along with the 370,000-square-foot-spiral-shaped building called Helix. Amazon also intends to fill at least 140,000 square feet of open-to-the-public retail space between Metropolitan Park and PenPlace and will be adding 25,000 jobs over the next ten years.

An ongoing worldwide pandemic called COVID-19 has substantially affected the economy of much of the United States. The first case of COVID-19 was diagnosed in the United States on January 21, 2020, in the State of Washington. Since that date, COVID-19 spread rapidly throughout the U.S. The CDC warned that widespread transmission of the disease could force a large number of people to seek hospitalization, overloading the healthcare system. As time has passed, the majority of restrictions have either been removed or relaxed.



The long-term impact of the pandemic is not yet fully known. However, the temporary impact is already visible for many areas, with mass layoffs of non-essential workers. The Virginia Employment Commission was researched for any Worker Adjustment and Retraining Notifications (W.A.R.N.) in the county. The following table shows the W.A.R.N. notices issued for Arlington County within the past two years.

W.A.R.N. NOTICES		
Company	Employees Lost	Layoff Date
Five Star U Street Parking (DCA)	109	9/30/2021
Marriott - Key Bridge	89	7/27/2021
Rosetta Stone	97	7/11/2021
General Dynamics Information Technology	180	5/28/2021
First Transit	68	4/1/2021
Southwest Airlines Co.	60	3/15/2021
TitleMax of Virginia, Inc./TMX Finance of Virginia, Inc.	46	1/16/2021
Washington Metropolitan Area Transit Authority	1,141	1/23/2020
P.F. Chang's China Bistro	306	3/17/2020
Avis Budget Car Rental	27	9/2/2020
PSA Airlines (DCA)	270	10/1/2020
Yoga Works, Inc.	73	10/1/2020
United Airlines (Ronald Reagan Washington National Airport)	116	10/1/2020
Swissport (Ronald Reagan Washington National Airport)	10	6/22/2020
Marriott-Crystal City at Reagan National Airport	176	3/16/2020
Mariott-Crystal Gateway	308	3/16/2020
Residence Inn Arlington Pentagon City	75	3/17/2020
The Ritz Carlton Pentagon City	240	3/14/2020
Residence Inn Arlington Capital View	60	3/14/2020
Courtyard (by Marriott) - Arlington Crystal City/Reagan National Airport	68	3/8/2020
Marriott Key Bridge	202	3/17/2020
Hyatt Regency-Crystal City	151	3/13/2020
Le Meridien Arlington	44	5/27/2020
Sheraton Pentagon City	100	5/26/2020
B.F. Saul Company Hospitality Group	102	3/24/2020
Hilton Arlington & Towers Hotel	98	5/31/2020
Medical Faculty Associates	117	7/5/2020
Bloomin' Brands	746	3/15/2020
Hertz	50	4/14/2020
Visionworks, Inc.	99	3/21/2020
Enterprise Holdings	77	3/28/2020
Hyatt Centrice	79	3/18/2020
Allied Aviation Fueling Co.	7	4/10/2020
Jim Koons Automotive Companies	148	3/23/2020
G2 Secure Staff	66	3/27/2020
Washington Golf and Country Club	188	4/6/2020
DTI Management, LLC	70	4/1/2020
OTG DCA Venture II, LLC	121	3/16/2020
Fantastic Frizbe's Flying Food Factory	128	3/20/2020
Oakwood Worldwide	35	3/30/2020
DTSV, Inc.	175	2/29/2020
<b>Total:</b>	<b>6,322</b>	

Source: Virginia Employment Commission

Several of the employees lost are located in areas other than Arlington County. However, the companies reported the total job losses for the state in one W.A.R.N. notice and did not separate them into the individual locations. Therefore, there are fewer job losses in Arlington County than the table indicates, though the exact number could not be determined. Companies that reported total job losses for the state included TitleMax of Virginia, Inc./TMX Finance of Virginia, Inc.; Washington Metropolitan Area Transit Authority; P.F. Chang's China Bistro; Avis Budget Car Rental; Medical Faculty Associates; Bloomin' Brands; Visionworks, Inc.; Enterprise Holdings; Jim Koons Automotive Companies; and Oakwood Worldwide. A large majority of the job losses were temporary and directly the result of the COVID-19 pandemic. Of the 6,322 jobs lost, 4,039 were due to the pandemic. Therefore, almost 65 percent of the



job losses in the past two years are directly related to the COVID-19 pandemic and are considered temporary.

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

**Wages**

The average annual wage of employees in Arlington was \$121,999 in 2020. Wages have been increasing 1.0 percent per year.

<b>AVERAGE ANNUAL WAGE BY SECTOR</b>			
<b>INDUSTRY</b>	<b>2019</b>	<b>2020</b>	<b>% INCREASE</b>
Agriculture, Forestry and Fisheries	\$27,995	\$27,865	-0.5%
Mining	\$29,934	\$30,242	1.0%
Construction	\$54,463	\$56,463	3.7%
Manufacturing	\$62,869	\$63,331	0.7%
Transportation and Warehousing	\$45,201	\$47,113	4.2%
Utilities	\$55,655	\$67,261	20.9%
Wholesale Trade	\$68,028	\$71,669	5.4%
Retail Trade	\$32,994	\$37,002	12.1%
Leisure and Hospitality	\$23,003	\$24,932	8.4%
Education and Health Services	\$50,055	\$51,216	2.3%
Professional and Business Services	\$68,624	\$73,767	7.5%
Financial Activities	\$79,751	\$83,877	5.2%
Information	\$73,749	\$67,732	-8.2%
Other Services	\$49,345	\$53,404	8.2%
Public Administration (Local Government)	\$58,124	\$59,616	2.6%

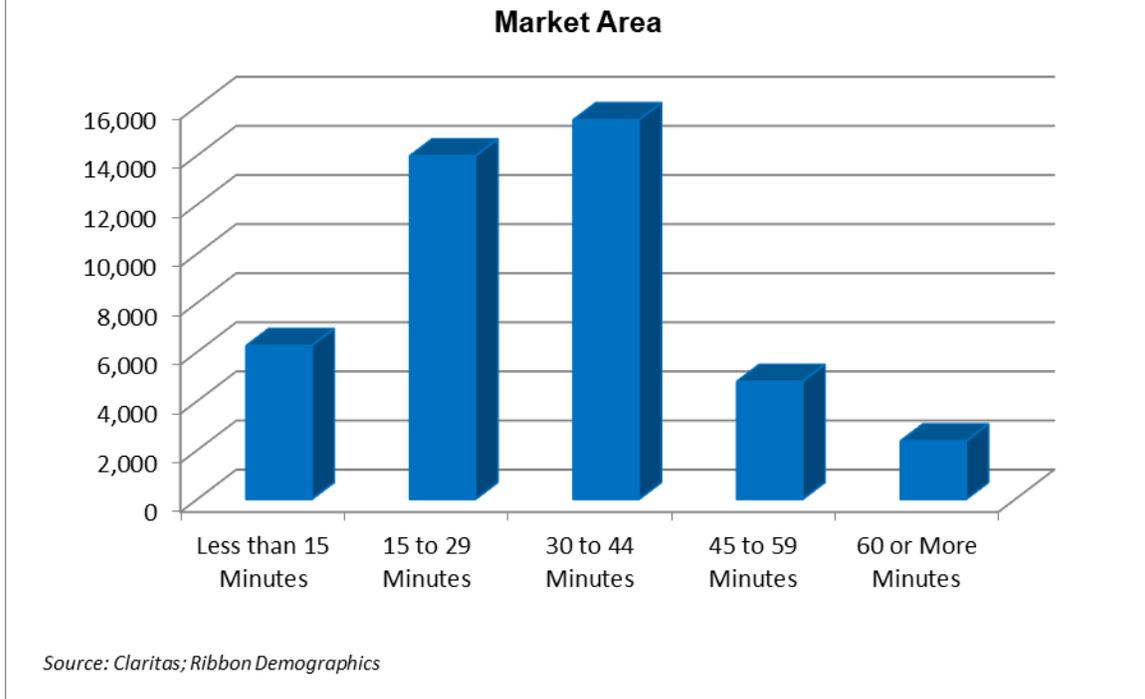
Source: U.S. Bureau of Labor Statistics



### Employment Outside the County

In 2022, for residents employed in market area, the travel time to work from the site is less than 30 minutes. For the majority of those employed in other parts of the area, the travel time would be within 45 minutes. According to the chart below, 14.6 percent have a travel time of less than 15 minutes; 32.6 percent have a travel time of 15 to 29 minutes; and 52.8 percent have a travel time of over 30 minutes.

**Employed Civilian Population Aged 16+ Years - Travel Time to Work - 2022 Estimates**



### Summary of Employment Trends in Market Area

The property is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 30, 50 or 60 percent of the area median income. Households with one to five persons and incomes between \$24,857 and \$83,640 will be eligible for the proposed development. For the units with vouchers, households with one to five persons and incomes below \$69,700 would be eligible for the proposed development. Major employers shown on Page 68 are included in the professional, scientific and technical services; retail services; and finance, insurance, real estate, rent and lease services. The available employment is well-suited to the targeted population of the proposed LIHTC development.

## DEMOGRAPHIC CHARACTERISTICS



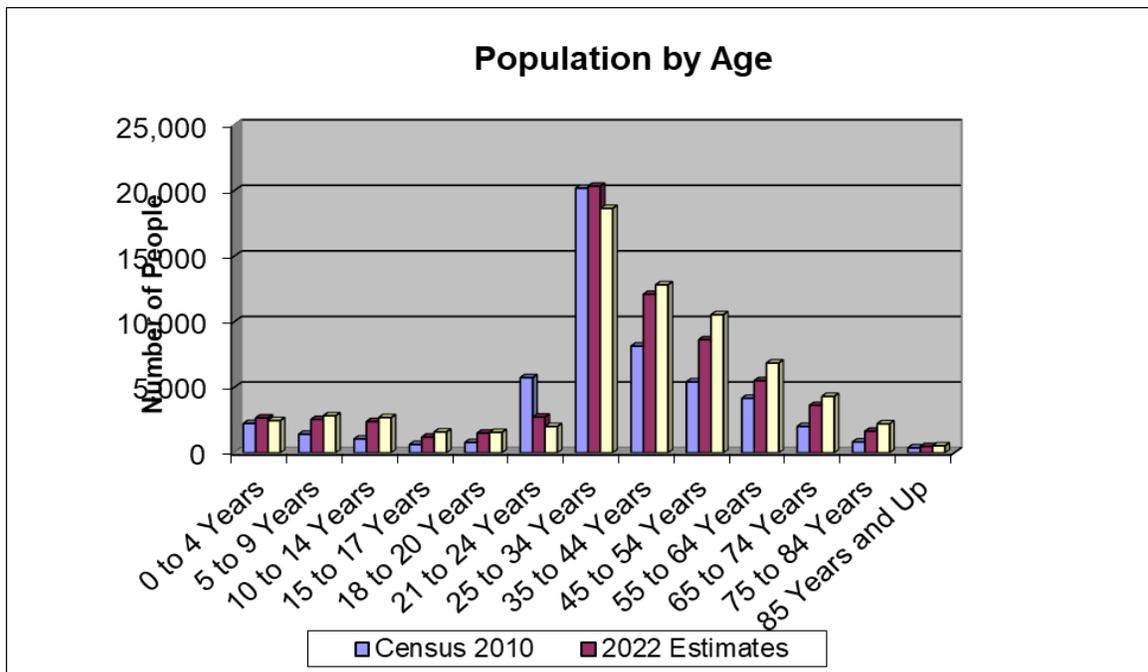
**Population and Households Trends and Analysis**

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

The primary market area for the subject consists of the following census tracts: 1014.04, 1015.00, 1016.02, 1016.03, 1017.01, 1017.02, 1017.03, 1018.01, 1018.02, 1018.03, 1019.00, 1020.02, 1024.00, 1025.00, 1034.01 and 9801.00. The market area has the following boundaries: North – Interstate 66; South – Henry G. Shirley Memorial Highway, Interstate 395, South Army Navy Drive, South Washington Boulevard and South Columbia Pike; West – North Quincy Street, North Glebe Road, 5<sup>th</sup> Street North, North Oakland Street and South Glebe Road; and East – Potomac River and Columbia Island.

Population by Age & Sex Market Area											
Census 2010				Current Year Estimates - 2022				Five Year Projections - 2027			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	1,104	1,133	<b>2,237</b>	0 to 4 Years	1,357	1,303	<b>2,660</b>	0 to 4 Years	1,257	1,197	<b>2,454</b>
5 to 9 Years	737	680	<b>1,417</b>	5 to 9 Years	1,304	1,241	<b>2,545</b>	5 to 9 Years	1,438	1,388	<b>2,826</b>
10 to 14 Years	533	524	<b>1,057</b>	10 to 14 Years	1,198	1,186	<b>2,384</b>	10 to 14 Years	1,380	1,308	<b>2,688</b>
15 to 17 Years	333	299	<b>632</b>	15 to 17 Years	604	595	<b>1,199</b>	15 to 17 Years	797	793	<b>1,590</b>
18 to 20 Years	476	311	<b>787</b>	18 to 20 Years	811	694	<b>1,505</b>	18 to 20 Years	860	698	<b>1,558</b>
21 to 24 Years	2,694	3,036	<b>5,730</b>	21 to 24 Years	1,357	1,370	<b>2,727</b>	21 to 24 Years	1,111	894	<b>2,005</b>
25 to 34 Years	10,241	9,933	<b>20,174</b>	25 to 34 Years	10,460	9,867	<b>20,327</b>	25 to 34 Years	9,553	9,086	<b>18,639</b>
35 to 44 Years	4,550	3,591	<b>8,141</b>	35 to 44 Years	6,119	5,970	<b>12,089</b>	35 to 44 Years	6,450	6,360	<b>12,810</b>
45 to 54 Years	2,939	2,472	<b>5,411</b>	45 to 54 Years	4,559	4,069	<b>8,628</b>	45 to 54 Years	5,315	5,215	<b>10,530</b>
55 to 64 Years	2,152	2,006	<b>4,158</b>	55 to 64 Years	2,962	2,533	<b>5,495</b>	55 to 64 Years	3,657	3,194	<b>6,851</b>
65 to 74 Years	974	1,035	<b>2,009</b>	65 to 74 Years	1,802	1,814	<b>3,616</b>	65 to 74 Years	2,203	2,101	<b>4,304</b>
75 to 84 Years	381	448	<b>829</b>	75 to 84 Years	757	891	<b>1,648</b>	75 to 84 Years	1,029	1,185	<b>2,214</b>
85 Years and Up	127	253	<b>380</b>	85 Years and Up	200	279	<b>479</b>	85 Years and Up	210	323	<b>533</b>
<b>Total</b>	<b>27,241</b>	<b>25,721</b>	<b>52,962</b>	<b>Total</b>	<b>33,490</b>	<b>31,812</b>	<b>65,302</b>	<b>Total</b>	<b>35,260</b>	<b>33,742</b>	<b>69,002</b>
62+ Years	n/a	n/a	4,232	62+ Years	n/a	n/a	7,168	62+ Years	n/a	n/a	8,779
<b>Median Age:</b>			<b>32.2</b>	<b>Median Age:</b>			<b>34.7</b>	<b>Median Age:</b>			<b>37.1</b>

Source: Claritas; Ribbon Demographics



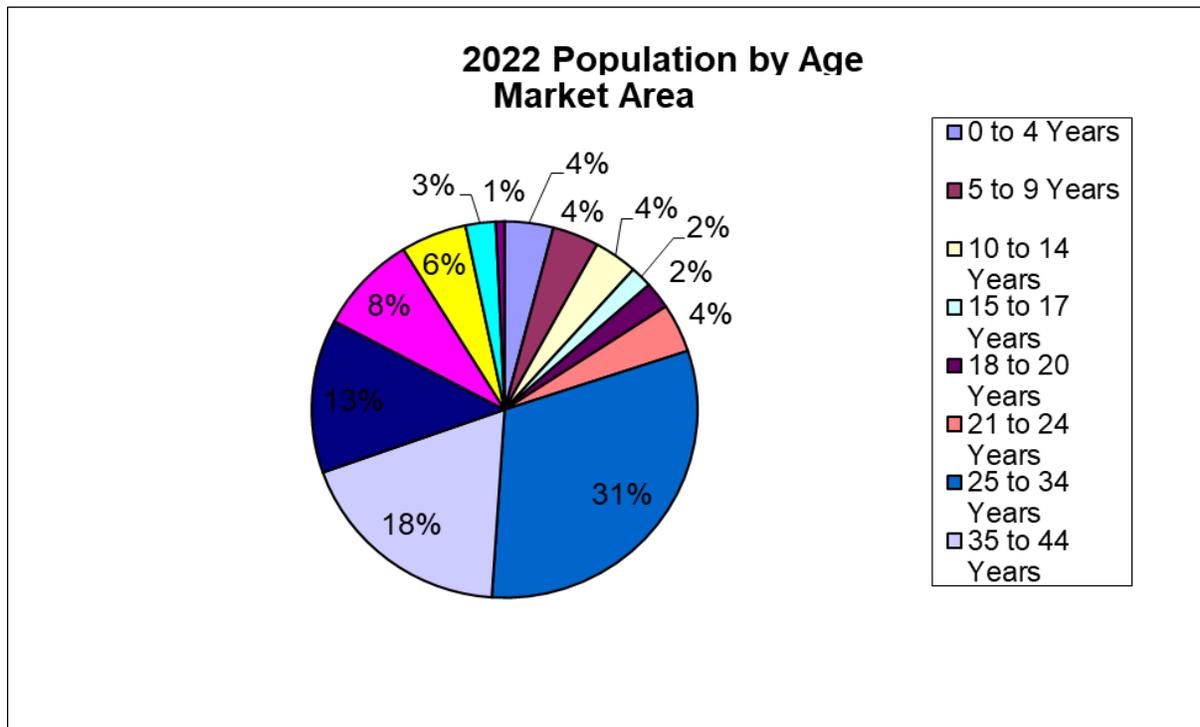
Source: Claritas; Ribbon Demographics



In 2000, this geographic market area contained an estimated population of 43,577. The population in 2010 in the market area increased 21.5 percent to 52,962. In 2022, the population in this market area increased 23.3 percent to 65,302. It is projected that between 2022 and 2027, population in the market area will increase an additional 5.7 percent to 69,002. Population estimates and projections are based on the most recent data from Claritas and Ribbon Demographics. The data was produced during the COVID-19 pandemic. Currently, there are no estimated changes due to the virus. The long-term economic impact on any region is not yet known. The short-term economic impact has been relatively minor. However, it is possible the population growth could be impacted by the COVID-19 if there are long-term economic impacts in the area. The following tables show the population change by age in the market area.

Percent Population by Age & Sex Market Area												
Census 2010				Current Year Estimates - 2022				Five Year Projections - 2027				
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total	
0 to 4 Years	2.1%	2.1%	<b>4.2%</b>	0 to 4 Years	2.1%	2.0%	<b>4.1%</b>	0 to 4 Years	1.8%	1.7%	<b>3.6%</b>	
5 to 9 Years	1.4%	1.3%	<b>2.7%</b>	5 to 9 Years	2.0%	1.9%	<b>3.9%</b>	5 to 9 Years	2.1%	2.0%	<b>4.1%</b>	
10 to 14 Years	1.0%	1.0%	<b>2.0%</b>	10 to 14 Years	1.8%	1.8%	<b>3.7%</b>	10 to 14 Years	2.0%	1.9%	<b>3.9%</b>	
15 to 17 Years	0.6%	0.6%	<b>1.2%</b>	15 to 17 Years	0.9%	0.9%	<b>1.8%</b>	15 to 17 Years	1.2%	1.1%	<b>2.3%</b>	
18 to 20 Years	0.9%	0.6%	<b>1.5%</b>	18 to 20 Years	1.2%	1.1%	<b>2.3%</b>	18 to 20 Years	1.2%	1.0%	<b>2.3%</b>	
21 to 24 Years	5.1%	5.7%	<b>10.8%</b>	21 to 24 Years	2.1%	2.1%	<b>4.2%</b>	21 to 24 Years	1.6%	1.3%	<b>2.9%</b>	
25 to 34 Years	19.3%	18.8%	<b>38.1%</b>	25 to 34 Years	16.0%	15.1%	<b>31.1%</b>	25 to 34 Years	13.8%	13.2%	<b>27.0%</b>	
35 to 44 Years	8.6%	6.8%	<b>15.4%</b>	35 to 44 Years	9.4%	9.1%	<b>18.5%</b>	35 to 44 Years	9.3%	9.2%	<b>18.6%</b>	
45 to 54 Years	5.5%	4.7%	<b>10.2%</b>	45 to 54 Years	7.0%	6.2%	<b>13.2%</b>	45 to 54 Years	7.7%	7.6%	<b>15.3%</b>	
55 to 64 Years	4.1%	3.8%	<b>7.9%</b>	55 to 64 Years	4.5%	3.9%	<b>8.4%</b>	55 to 64 Years	5.3%	4.6%	<b>9.9%</b>	
65 to 74 Years	1.8%	2.0%	<b>3.8%</b>	65 to 74 Years	2.8%	2.8%	<b>5.5%</b>	65 to 74 Years	3.2%	3.0%	<b>6.2%</b>	
75 to 84 Years	0.7%	0.8%	<b>1.6%</b>	75 to 84 Years	1.2%	1.4%	<b>2.5%</b>	75 to 84 Years	1.5%	1.7%	<b>3.2%</b>	
85 Years and Up	0.2%	0.5%	<b>0.7%</b>	85 Years and Up	0.3%	0.4%	<b>0.7%</b>	85 Years and Up	0.3%	0.5%	<b>0.8%</b>	
<b>Total</b>	<b>51.4%</b>	<b>48.6%</b>	<b>100.0%</b>	<b>Total</b>	<b>51.3%</b>	<b>48.7%</b>	<b>100.0%</b>	<b>Total</b>	<b>51.1%</b>	<b>48.9%</b>	<b>100.0%</b>	
62+ Years	n/a	n/a	8.0%	62+ Years	n/a	n/a	11.0%	62+ Years	n/a	n/a	12.7%	

Source: Claritas; Ribbon Demographics



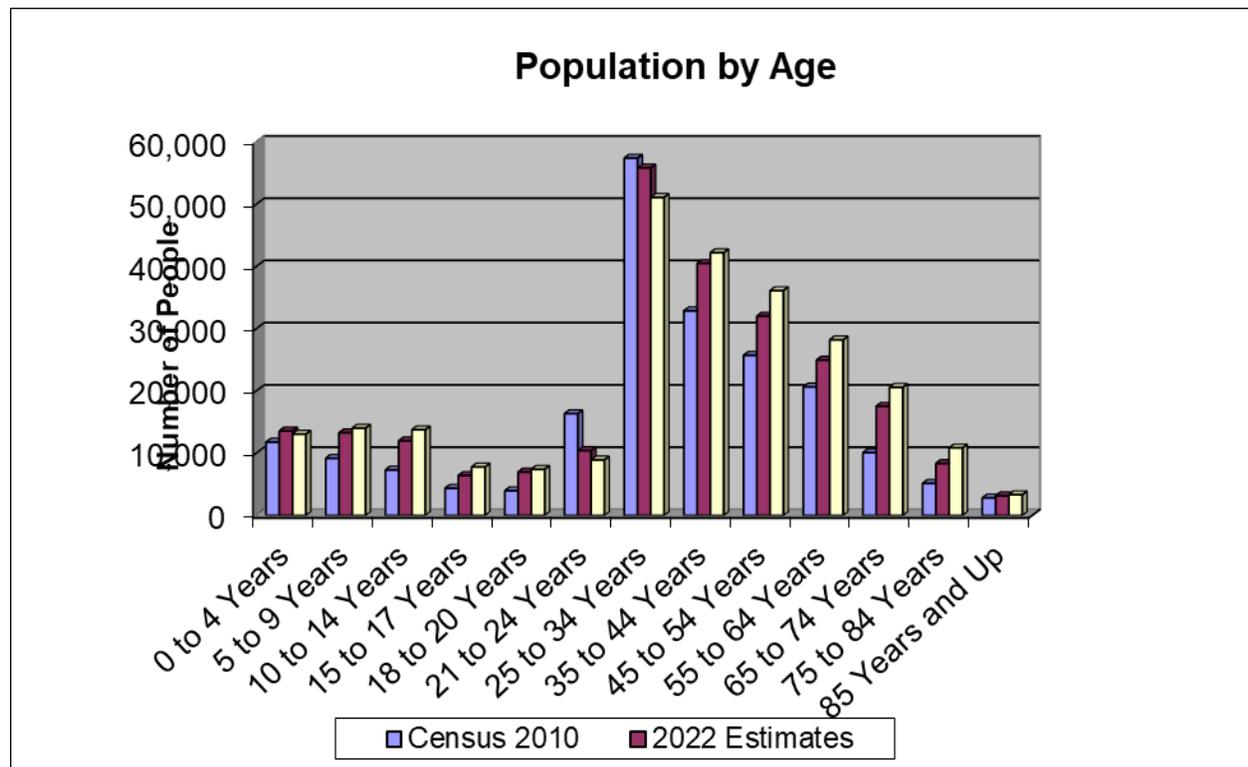
Source: Claritas; Ribbon Demographics



The following data shows the change in population within Arlington County. The county population also shows significant increases since 2000, though it is increasing at a slower rate than the market area.

Population by Age & Sex Arlington											
Census 2010				Current Year Estimates - 2022				Five Year Projections - 2027			
Age	Male	Female	Total	Age	Male	Female	Total	Age	Male	Female	Total
0 to 4 Years	6,000	5,782	<b>11,782</b>	0 to 4 Years	6,925	6,648	<b>13,573</b>	0 to 4 Years	6,670	6,388	<b>13,058</b>
5 to 9 Years	4,647	4,526	<b>9,173</b>	5 to 9 Years	6,813	6,466	<b>13,279</b>	5 to 9 Years	7,152	6,870	<b>14,022</b>
10 to 14 Years	3,690	3,617	<b>7,307</b>	10 to 14 Years	6,156	5,832	<b>11,988</b>	10 to 14 Years	7,063	6,701	<b>13,764</b>
15 to 17 Years	2,273	2,091	<b>4,364</b>	15 to 17 Years	3,250	3,174	<b>6,424</b>	15 to 17 Years	3,994	3,796	<b>7,790</b>
18 to 20 Years	2,045	1,922	<b>3,967</b>	18 to 20 Years	3,490	3,486	<b>6,976</b>	18 to 20 Years	3,753	3,660	<b>7,413</b>
21 to 24 Years	7,606	8,742	<b>16,348</b>	21 to 24 Years	5,251	5,179	<b>10,430</b>	21 to 24 Years	4,620	4,294	<b>8,914</b>
25 to 34 Years	28,668	28,734	<b>57,402</b>	25 to 34 Years	28,220	27,622	<b>55,842</b>	25 to 34 Years	25,886	25,207	<b>51,093</b>
35 to 44 Years	17,245	15,623	<b>32,868</b>	35 to 44 Years	20,313	20,172	<b>40,485</b>	35 to 44 Years	21,091	21,124	<b>42,215</b>
45 to 54 Years	13,217	12,500	<b>25,717</b>	45 to 54 Years	16,263	15,749	<b>32,012</b>	45 to 54 Years	17,986	18,127	<b>36,113</b>
55 to 64 Years	10,225	10,420	<b>20,645</b>	55 to 64 Years	12,828	12,140	<b>24,968</b>	55 to 64 Years	14,414	13,799	<b>28,213</b>
65 to 74 Years	4,807	5,279	<b>10,086</b>	65 to 74 Years	8,258	9,272	<b>17,530</b>	65 to 74 Years	9,944	10,636	<b>20,580</b>
75 to 84 Years	2,203	2,950	<b>5,153</b>	75 to 84 Years	3,697	4,658	<b>8,355</b>	75 to 84 Years	4,788	6,064	<b>10,852</b>
85 Years and Up	<u>875</u>	<u>1,940</u>	<u>2,815</u>	85 Years and Up	<u>1,190</u>	<u>1,970</u>	<u>3,160</u>	85 Years and Up	<u>1,229</u>	<u>2,096</u>	<u>3,325</u>
<b>Total</b>	<b>103,501</b>	<b>104,126</b>	<b>207,627</b>	<b>Total</b>	<b>122,654</b>	<b>122,368</b>	<b>245,022</b>	<b>Total</b>	<b>128,590</b>	<b>128,762</b>	<b>257,352</b>
62+ Years	n/a	n/a	23,451	62+ Years	n/a	n/a	35,781	62+ Years	n/a	n/a	42,344
		<b>Median Age:</b>	<b>33.9</b>			<b>Median Age:</b>	<b>36.0</b>			<b>Median Age:</b>	<b>38.0</b>

Source: Claritas; Ribbon Demographics



Source: Claritas; Ribbon Demographics



### Housing Market

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

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

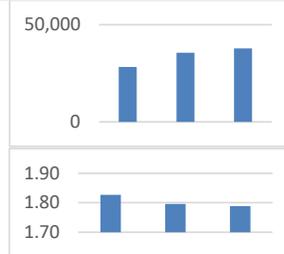
The "tenure" of existing housing will be examined first as a guide to the future proportion of ownership and rentals; then characteristics of the housing stock will be noted.

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

### Tenure

The percentage of renters in Arlington County in 2022 is 42.1 percent, while the percentage of renters in the market area in 2022 is 68.9 percent. Currently, there are no estimated changes due to the virus. The long-term economic impact on any region is not yet known. The short-term economic impact has been relatively minor. However, it is possible the household growth could be impacted by the COVID-19 if there are long-term economic impacts in the area.

Market Area		
Total Households		
Census 2010	28,218	
Current Year Estimates - 2022	35,553	
Five Year Projections - 2027	37,753	
Estimated Change - 2010 to 2022	7,335	26.0%
Projected Change - 2022 to 2027	2,200	6.2%
Average Household Size 2010	1.83	
Average Household Size 2022	1.80	
Average Household Size 2027	1.79	
Households by Tenure		
2010 Owner	8,862	31.4%
2010 Renter	19,356	68.6%
2022 Owner	11,060	31.1%
2022 Renter	24,493	68.9%
2027 Owner	11,705	31.0%
2027 Renter	26,048	69.0%



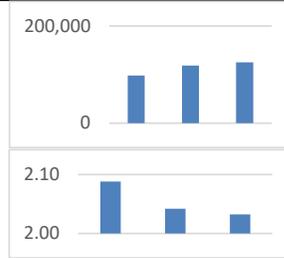
Source: Claritas; Ribbon Demographics



**Arlington**

**Total Households**

Census 2010	98,050	
Current Year Estimates - 2022	118,528	
Five Year Projections - 2027	125,154	
<i>Estimated Change - 2010 to 2022</i>	20,478	20.9%
<i>Projected Change - 2022 to 2027</i>	6,626	5.6%
Average Household Size 2010	2.09	
Average Household Size 2022	2.04	
Average Household Size 2027	2.03	



**Households by Tenure**

2010 Owner	42,457	43.3%
2010 Renter	55,593	56.7%
2022 Owner	49,892	42.1%
2022 Renter	68,636	57.9%
2027 Owner	52,412	41.9%
2027 Renter	72,742	58.1%

Source: Claritas; Ribbon Demographics



### Rent Overburdened Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2018 (the most recent data available), there were 4,690 renter-occupied households in the county with incomes greater than 30 percent and less than or equal to 50 percent that are considered rent overburdened. The rent overburdened households represent 90.7 percent of the households in the county with incomes greater than 30 percent and less than or equal to 50 percent. The percentage of rent-overburdened households was used in the demand analysis to calculate the number of households within the subject's income range that are rent-overburdened.

Income by Cost Burden (Renters only)	Cost burden > 30%	Cost burden > 50%	Total
Household Income <= 30% HAMFI	6,555	6,125	8,410
Household Income >30% to <=50% HAMFI	4,690	2,965	5,170
Household Income >50% to <=80% HAMFI	2,390	715	3,350
Household Income >80% to <=100% HAMFI	2,810	190	4,620
Household Income >100% HAMFI	4,345	130	37,660
Total	20,790	10,125	59,210

Source: CHAS 2014-2018 American Community Survey

### Substandard Households

According to the Comprehensive Housing Affordability Strategy (CHAS) published by the Office of Policy Development and Research, in 2018 (the most recent data available), there were 22,640 renter-occupied households in the county with at least one of the four following housing problems: incomplete kitchen facilities, incomplete plumbing facilities, more than one person per room and cost burden greater than 30 percent. This data includes rent-overburdened households which have already been addressed. Therefore, it is necessary to remove the rent-overburdened households from the data to determine the remaining substandard households. The previous table indicates there are 5,170 total rent overburdened households with incomes greater than 30 percent and less than or equal to 50 percent. These 5,170 households that were rent-overburdened were subtracted from the 22,640 households that are substandard. The result of 17,470 households represents 29.5 percent of the total renter households in the county. The percentage of substandard households was used in the demand analysis to calculate the number of households within the subject's income range that are considered substandard.

Housing Problems Overview	Owner	Renter	Total
Household Has At Least 1 of 4 Housing Problems	8,630	22,640	31,270
Household Has None of 4 Housing Problems or Cost Burden Not Available, No Other Problems	36,875	36,570	73,445
Total	45,505	59,210	104,715

Source: CHAS 2014-2018 American Community Survey



**Income Eligibility Analysis**

**Renter Households**

All Age Groups

Year 2022 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	862	193	37	7	14	<b>1,113</b>
\$10,000-20,000	536	141	13	17	73	<b>780</b>
\$20,000-30,000	505	173	9	133	48	<b>868</b>
\$30,000-40,000	310	194	39	58	35	<b>636</b>
\$40,000-50,000	567	107	55	15	23	<b>767</b>
\$50,000-60,000	710	250	167	31	18	<b>1,176</b>
\$60,000-75,000	1,682	323	62	179	68	<b>2,314</b>
\$75,000-100,000	2,182	661	367	195	32	<b>3,437</b>
\$100,000-125,000	1,602	1,047	227	21	26	<b>2,923</b>
\$125,000-150,000	1,199	865	197	50	38	<b>2,349</b>
\$150,000-200,000	1,289	1,883	400	133	58	<b>3,763</b>
\$200,000+	<u>1,675</u>	<u>1,673</u>	<u>717</u>	<u>220</u>	<u>82</u>	<b><u>4,367</u></b>
<b>Total</b>	<b>13,119</b>	<b>7,510</b>	<b>2,290</b>	<b>1,059</b>	<b>515</b>	<b>24,493</b>

Source: Claritas and Ribbon Demographics

**Owner Households**

All Age Groups

Year 2022 Estimates

	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	94	71	17	13	8	<b>203</b>
\$10,000-20,000	206	103	22	16	13	<b>360</b>
\$20,000-30,000	92	51	18	13	7	<b>181</b>
\$30,000-40,000	97	60	20	11	6	<b>194</b>
\$40,000-50,000	78	46	14	10	1	<b>149</b>
\$50,000-60,000	82	46	17	24	12	<b>181</b>
\$60,000-75,000	327	98	28	21	3	<b>477</b>
\$75,000-100,000	499	173	58	19	9	<b>758</b>
\$100,000-125,000	638	176	35	24	16	<b>889</b>
\$125,000-150,000	462	282	49	40	69	<b>902</b>
\$150,000-200,000	617	752	318	45	23	<b>1,755</b>
\$200,000+	<u>1,201</u>	<u>2,523</u>	<u>587</u>	<u>496</u>	<u>204</u>	<b><u>5,011</u></b>
<b>Total</b>	<b>4,393</b>	<b>4,381</b>	<b>1,183</b>	<b>732</b>	<b>371</b>	<b>11,060</b>

Source: Claritas and Ribbon Demographics



<b>Renter Households</b>						
All Age Groups						
Year 2027 Projections						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	838	175	24	14	19	<b>1,070</b>
\$10,000-20,000	566	141	13	22	69	<b>811</b>
\$20,000-30,000	504	153	10	133	48	<b>848</b>
\$30,000-40,000	350	186	39	64	32	<b>671</b>
\$40,000-50,000	506	87	44	18	21	<b>676</b>
\$50,000-60,000	660	216	161	27	16	<b>1,080</b>
\$60,000-75,000	1,532	284	59	175	66	<b>2,116</b>
\$75,000-100,000	2,222	630	368	201	38	<b>3,459</b>
\$100,000-125,000	1,694	1,024	234	26	28	<b>3,006</b>
\$125,000-150,000	1,313	845	207	67	34	<b>2,466</b>
\$150,000-200,000	1,474	1,909	416	141	62	<b>4,002</b>
\$200,000+	<u>2,396</u>	<u>2,185</u>	<u>899</u>	<u>253</u>	<u>110</u>	<b><u>5,843</u></b>
<b>Total</b>	<b>14,055</b>	<b>7,835</b>	<b>2,474</b>	<b>1,141</b>	<b>543</b>	<b>26,048</b>

Source: Claritas and Ribbon Demographics

<b>Owner Households</b>						
All Age Groups						
Year 2027 Projections						
	1-Person	2-Person	3-Person	4-Person	5+-Person	Total
	Household	Household	Household	Household	Household	
\$0-10,000	109	82	21	15	8	<b>235</b>
\$10,000-20,000	219	102	20	12	9	<b>362</b>
\$20,000-30,000	99	59	15	13	14	<b>200</b>
\$30,000-40,000	101	85	15	10	6	<b>217</b>
\$40,000-50,000	69	41	16	7	4	<b>137</b>
\$50,000-60,000	78	56	17	24	6	<b>181</b>
\$60,000-75,000	306	88	26	22	4	<b>446</b>
\$75,000-100,000	528	165	56	16	7	<b>772</b>
\$100,000-125,000	620	180	37	28	15	<b>880</b>
\$125,000-150,000	466	283	44	38	71	<b>902</b>
\$150,000-200,000	617	695	324	38	20	<b>1,694</b>
\$200,000+	<u>1,476</u>	<u>2,841</u>	<u>635</u>	<u>508</u>	<u>219</u>	<b><u>5,679</u></b>
<b>Total</b>	<b>4,688</b>	<b>4,677</b>	<b>1,226</b>	<b>731</b>	<b>383</b>	<b>11,705</b>

Source: Claritas and Ribbon Demographics



Households with one to five persons and incomes between \$24,857 and \$83,640 will be eligible for the proposed development. For the units with vouchers, households with one to five persons and incomes below \$69,700 would be eligible for the proposed development. Income is a key characteristic in analyzing housing markets. The previous pages show household incomes for the Market Area for all renter and owner households in 2022 and 2027. However, this analysis is primarily concerned with target incomes of renters as shown in the following table:

INCOME-ELIGIBLE RENTER HOUSEHOLDS					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$725	\$24,857	\$83,640	26.6%	6,527
All Unit Types (30%)	\$725	\$24,857	\$41,820	5.0%	1,222
All Unit Types (50%) w/Subsidy	\$725	\$0	\$69,700	27.9%	6,836
All Unit Types (50%)	\$1,209	\$41,451	\$69,700	13.6%	3,328
All Unit Types (60%)	\$1,451	\$49,749	\$83,640	19.2%	4,697

Source: Claritas; Ribbon Demographics and HUD

Target incomes for the different unit types are derived by the analyst. For the low end of the range, the lowest rent charged in an income limit (i.e., 60% AMI) for a unit is divided by 35 percent. The resulting number is then multiplied by 12 to derive an annual income ( $\$725 / 35\% = \$2,071.43 \times 12 = \$24,857$ ). This process is based on the premise that a tenant should not pay more than 35 percent of his annual income on rent. For the 10 units which will have vouchers, tenants will never be required to pay more than 30 percent of their income towards rent. Therefore, there is no minimum income limit for these units.

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

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

LIHTC INCOME LIMITS			
Person in Households	30%	50%	60%
1	\$27,090	\$45,150	\$54,180
2	\$30,960	\$51,600	\$61,920
3	\$34,830	\$58,050	\$69,660
4	\$38,700	\$64,500	\$77,400
5	\$41,820	\$69,700	\$83,640
6	\$44,910	\$74,850	\$89,820

Source: HUD

**DEVELOPMENT-SPECIFIC DEMAND ANALYSIS**



### Sources of Demand

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

### Required Unit Mix

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

The following table illustrates the ratio of units required by each household size. These occupancy patterns suggest that efficiency units should account for 5.4 percent of the renter housing demand; one-bedroom units should account for 55.9 percent; two-bedroom units should account for 27.7 percent; three-bedroom units should account for 10.5 percent, and units with four or more bedrooms should account for 0.6 percent of the renter housing demand in the market area.

RENTAL HOUSING DEMAND BY NUMBER OF BEDROOMS						
HOUSEHOLD SIZE	0 BR	1 BR	2 BR	3 BR	4 BR	TOTAL
1 Person	1,312	11,807	0	0	0	13,119
2 Persons	0	1,878	5,633	0	0	7,510
3 Persons	0	0	1,145	1,145	0	2,290
4 Persons	0	0	0	953	106	1,059
5 or More Persons	0	0	0	464	52	515
<b>TOTAL</b>	<b>1,312</b>	<b>13,685</b>	<b>6,778</b>	<b>2,562</b>	<b>157</b>	<b>24,493</b>
<b>PERCENT</b>	<b>5.4%</b>	<b>55.9%</b>	<b>27.7%</b>	<b>10.5%</b>	<b>0.6%</b>	<b>100.0%</b>

Source: Claritas; Ribbon Demographics

### Eligible Households

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

Households with one to five persons and incomes between \$24,857 and \$83,640 will be eligible for the proposed development. For the units with vouchers, households with one to five persons and incomes below \$69,700 would be eligible for the proposed development. The following table shows the income-eligible households for the proposed subject:

INCOME-ELIGIBLE RENTER HOUSEHOLDS					
	Gross Rent	Lower Range	Upper Range	% Income Qualified	Income-Eligible Households
All Unit Types (All)	\$725	\$24,857	\$83,640	26.6%	6,527
All Unit Types (30%)	\$725	\$24,857	\$41,820	5.0%	1,222
All Unit Types (50%) w/Subsidy	\$725	\$0	\$69,700	27.9%	6,836
All Unit Types (50%)	\$1,209	\$41,451	\$69,700	13.6%	3,328
All Unit Types (60%)	\$1,451	\$49,749	\$83,640	19.2%	4,697

Source: Claritas; Ribbon Demographics and HUD



**Penetration Rate**

There is one property currently under construction in the market area that will have units competitive with the proposed development. Post West Nine/Post East Four was awarded tax credits and tax exempt bonds in 2019. The development is currently under construction and will be called Terwilliger Place once construction is complete. According to the contact for the property, there will be 160 total units, 80 of which will be designated as veteran preference. The remaining units will be general occupancy and are considered competitive with the proposed development. The property has an estimated opening date of June or July 2022. There are currently 1,106 competitive units in the market area, and the proposed development will contain 96 units. Therefore, the total affordable inventory would be 1,282 units. The chart below indicates a penetration rate of 19.6 percent for the market area when considering all competitive units.

<b>REQUIRED PENETRATION RATE - ALL COMPETITIVE UNITS</b>	
Income-Eligible Renter Households	6,527
Existing Competitive Units	1,106
LIHTC Competitive Units Planned	80
Proposed Units in Subject	96
Total Inventory	1,282
Penetration Rate	19.6%

A penetration rate considering only the vacant competitive units in the market area was also determined. The total inventory when considering only the vacant competitive units is 221 units. The chart below indicates a penetration rate of 3.0 percent for the market area when considering only the vacant competitive units.

<b>REQUIRED PENETRATION RATE - VACANT COMPETITIVE UNITS</b>	
Income-Eligible Renter Households	6,527
Existing Vacant Competitive Units	17
LIHTC Competitive Units Planned	80
Proposed Units in Subject	96
Total Inventory	193
Penetration Rate	3.0%

The developer will also be submitting an application in the four percent tax exempt round. The units in that application will be located at the same site as the proposed subject. The application in the four percent round will have 138 total units, 10 at 30 percent of the area median income with vouchers, 26 at 50 percent of the area median income and 102 at 60 percent of the area median income. Therefore, the property will have a total of 234 units at the site if both applications are funded. A penetration rate for the proposed units in both tax credit rounds was also calculated. The chart below indicates a penetration rate of 21.8 percent considering the total proposed 234 units.

<b>REQUIRED PENETRATION RATE - ALL COMPETITIVE UNITS (9% and 4% COMBINED)</b>	
Income-Eligible Renter Households	6,527
Existing Competitive Units	1,106
LIHTC Competitive Units Planned	80
Proposed Units in Subject	234
Total Inventory	1,420
Penetration Rate	21.8%



A penetration rate considering only the vacant competitive units and considering the total 234 units proposed at the subject site was also calculated. The chart below indicates a penetration rate of 5.1 percent for the market area when considering only the vacant competitive units.

<b>REQUIRED PENETRATION RATE - VACANT COMPETITIVE UNITS (9% and 4% COMBINED)</b>	
Income-Eligible Renter Households	6,527
Existing Vacant Competitive Units	17
LIHTC Competitive Units Planned	80
Proposed Units in Subject	234
Total Inventory	331
Penetration Rate	5.1%

### Demand Analysis

The following table will contain the summary demand estimates for the proposed units:

	REQUIRED DEMAND				
	All Units (\$24,857 to \$83,640)	Up to 30% (\$24,857 to \$41,820)	Up to 50% w/Subsidy (\$0 to \$69,700)	Up to 50% (\$41,451 to \$69,700)	Up to 60% (\$49,749 to \$83,640)
New Rental Households	249	47	260	127	179
+					
Existing Households - Overburdened	5,921	1,109	6,202	3,019	4,261
+					
Existing Households - Substandard	1,926	361	2,017	982	1,386
+					
Existing Qualifying Tenants - to Remain After Renovation	31	2	10	10	19
<b>TOTAL DEMAND</b>	<b>8,127</b>	<b>1,518</b>	<b>8,489</b>	<b>4,138</b>	<b>5,845</b>
-					
Supply (Directly Comparable Vacant Units Completed or in Pipeline in PMA)	97	0	0	0	97
<b>NET DEMAND</b>	<b>8,030</b>	<b>1,518</b>	<b>8,489</b>	<b>4,138</b>	<b>5,748</b>
<b>PROPOSED UNITS</b>	<b>96</b>	<b>10</b>	<b>10</b>	<b>29</b>	<b>47</b>
<b>CAPTURE RATE</b>	<b>1.2%</b>	<b>0.7%</b>	<b>0.1%</b>	<b>0.7%</b>	<b>0.8%</b>
<b>ABSORPTION PERIOD</b>	<b>3 Months</b>	<b>1 Month</b>	<b>1 Month</b>	<b>1 Month</b>	<b>2 Months</b>
<b>PROPOSED UNITS (9% and 4% COMBINED)</b>	<b>234</b>	<b>20</b>	<b>10</b>	<b>55</b>	<b>149</b>
<b>CAPTURE RATE (9% and 4% COMBINED)</b>	<b>2.9%</b>	<b>1.3%</b>	<b>0.1%</b>	<b>1.3%</b>	<b>2.6%</b>
<b>ABSORPTION PERIOD (9% and 4% COMBINED)</b>	<b>7 Months</b>	<b>1 Month</b>	<b>1 Month</b>	<b>2 Months</b>	<b>5 Months</b>

\*See Page 78 for absorption period explanation.



### Demand Analysis Summary

**New Rental Households:** The demand from new renter household growth is calculated by taking the new rental households projected between 2022 and 2027 divided by five years (311 households) and then multiplying by three years since the rehabilitation will be complete in 2025. This resulted in a new renter household growth total of 933. The new renter household growth number of 933 was then multiplied by the percent of income qualified tenants in the market area ( $933 \times 26.6\% = 249$ ). The subject will attract tenants between \$24,857 and \$83,640. The percent of income qualified households can be seen on Page 75. The demand from new household growth is 249 for all units.

**Existing Households – Overburdened:** The total number of income-eligible renter households is 6,527. The percent overburdened percentage of 90.7 percent determined on Page 70 was applied to this number to derive the existing households – overburdened shown on the demand chart on the previous page.

**Existing Households – Substandard:** The total number of income-eligible households is 6,527. The percent of substandard households as determined on Page 70 was applied to this number to derive the substandard households as shown on the demand chart on the previous page.

**Existing Qualifying Tenants Likely to Remain After Renovation:** The subject is a proposed LIHTC development. However, an existing apartment complex is currently located on the site. This property will be demolished, and a new apartment development will be constructed. The residents at the existing property will be relocated to other communities for the duration of the construction. All current residents who are income-qualified at the date placed in service will be offered a unit in the new complex. There are currently 31 residents at the existing property that will be income-qualified for the subject once it is constructed. Therefore, the 31 existing qualifying tenants were included in the analysis.

**Supply:** Post West Nine/Post East Four was awarded tax credits and tax exempt bonds in 2019. The development is currently under construction and will be called Terwilliger Place once construction is complete. According to the contact for the property, there will be 160 total units, 80 of which will be designated as veteran preference. The remaining units will be general occupancy and are considered competitive with the proposed development. The property has an estimated opening date of June or July 2022. Eight units at this property were included in the supply as they will be available for general occupancy. Additionally, there are 17 vacant competitive LIHTC units in the market area. Therefore, 97 total units were subtracted as supply ( $80 \text{ new units} + 17 \text{ existing vacant LIHTC units} = 97 \text{ units}$ ).

**Net Demand, Capture Rate and Conclusion:** The market shows a net demand of 8,030 units for all units. Based on the demand analysis, a capture rate of 1.2 percent was determined. The capture rate is considered good. In addition, due to the existing waiting lists and high occupancy rates of LIHTC properties in the market area as well as the current population and household growth and stable economic factors, it is the belief of the analyst that the property will be viable within the market area. Consequently, it is firmly believed that the proposed development will satisfy a portion of the demand for rental units within the market. It is believed that the property will meet the demand for affordable housing in the market area.

**Absorption Period:** The subject is a proposed LIHTC development that will contain 96 units. The absorption level is typically based on the most recent multifamily developments. There are two recently constructed properties in the market area with lease-up data available. Evo, a 455-unit property located at 1771 North Pierce Street, opened in August 2021 and is currently leased at 55 percent. Therefore, 249 units have been occupied since the opening date. The property is currently leasing up units at a rate of approximately 50 units per month. Aubrey, a 331-unit property located at 1788 North Pierce Street, opened in May 2021 and is currently 80 percent occupied. The property has 265 units occupied and is leasing up at a rate of 33 units per month. In addition, the analyst also considered the opinions of apartment managers and local real estate agents, the current occupancy rates of the surveyed developments and the current waiting lists of the affordable developments confirmed in the market area.



After considering all factors, it is estimated that the development could absorb 35 to 40 units per month, resulting in a 95 percent occupancy level within two to three months.

**Proposed Units (9% and 4% Applications Combined)**

The developer will also be submitting an application in the four percent tax exempt round for the adjacent condo. The units in that application will be located at the same site as the proposed subject. The condo financed by 4% tax credits will have 138 total units, 10 at 30 percent of the area median income, 26 at 50 percent of the area median income and 102 at 60 percent of the area median income. The units will have the same income limits as the proposed subject. Therefore, a capture rate analysis for the proposed units in both tax credit rounds was also conducted. The capture rate considering the proposed 234 units is 2.9 percent. The capture rate is considered good, and the combined units are considered viable in the market area.

**Capture Rate Analysis**

The following table shows the capture rates for the proposed development.

<b>CAPTURE RATE</b>	
<b>PROJECT-WIDE CAPTURE RATE - LIHTC UNITS</b>	1.2%
<b>PROJECT-WIDE CAPTURE RATE - MARKET UNITS</b>	N/A
<b>PROJECT-WIDE CAPTURE RATE - ALL UNITS</b>	1.2%
<b>PROJECT-WIDE ABSORPTION PERIOD (MONTHS)</b>	3 Months

The market shows a net demand of 8,030 households for all units. As complete, the property will be 100 percent LIHTC at 30, 50 and 60 percent of the area median income. The capture rate for the subject is 1.2 percent, which is considered good. In addition, based on the occupancy rates of apartment complexes in the market area, the existing waiting lists, the projected family population and household growth and the economic factors, it is believed that property will be viable within the market area and will meet the demand for affordable housing in the market area.

The following table shows the capture rates for the proposed units in both tax credit rounds:

<b>CAPTURE RATE (9% and 4% COMBINED)</b>	
<b>PROJECT-WIDE CAPTURE RATE - LIHTC UNITS</b>	2.9%
<b>PROJECT-WIDE CAPTURE RATE - MARKET UNITS</b>	N/A
<b>PROJECT-WIDE CAPTURE RATE - ALL UNITS</b>	2.9%
<b>PROJECT-WIDE ABSORPTION PERIOD (MONTHS)</b>	7 Months

The capture rate for the proposed units for both tax credit rounds is 2.9 percent, which is considered good. In addition, based on the occupancy rates of apartment complexes in the market area, the existing waiting lists, the projected family population and household growth and the economic factors, it is believed that property will be viable within the market area and will meet the demand for affordable housing in the market area.

## COMPETITIVE ENVIRONMENT



## Housing Profile

### Market Area Overview

The rental housing stock in the market area is comprised of single-family homes as well as market-rate and restricted apartment complexes. The majority of the housing stock was built in the 1990s and 2000s.

### Housing Inventory

From 2010 through December 2021, permit-issuing jurisdictions in Arlington County reported a total of 20,946 single-family and multifamily dwelling permits. Multifamily units made up 87.0 percent of the planned construction activity.

BUILDING PERMITS ISSUED			
YEAR	SINGLE-FAMILY	MULTIFAMILY	TOTAL
2010	286	589	875
2011	193	1,752	1,945
2012	156	2,051	2,207
2013	204	730	934
2014	229	1,931	2,160
2015	245	407	652
2016	334	1,580	1,914
2017	184	2,700	2,884
2018	206	2,550	2,756
2019	161	582	743
2020	294	259	553
2021*	226	3,097	3,323
<b>TOTAL</b>	<b>2,718</b>	<b>18,228</b>	<b>20,946</b>

\*Preliminary Numbers through December 2021

Source: SOCDS

### Projects Planned or Under Construction

Post West Nine/Post East Four was awarded tax credits and tax exempt bonds in 2019. The development is currently under construction and will be called Terwilliger Place once construction is complete. According to the contact for the property, there will be 160 total units, 80 of which will be designated as veteran preference. The remaining units will be general occupancy and are considered competitive with the proposed development. The property has an estimated opening date of June or July 2022.

### Unit Condition

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



### Housing Units

The following tables show significant characteristics of the market area's housing stock in 2022. According to Claritas and Ribbon Demographics, there are 37,787 total housing units in the market area, 35,553 of which are occupied. There are 11,060 owner-occupied households and 24,493 renter-occupied households for 2022. In addition, there are 2,234 total vacant housing units in the market area.

Housing Unit Summary		
Current Year Estimates - 2022		
Market Area		
	Number	Percent
<b>Housing Units</b>	<b>37,787</b>	<b>100.0%</b>
Vacant Housing Units	2,234	5.9%
Renter-Occupied	24,493	68.9%
Owner-Occupied	11,060	31.1%
<b>Total Occupied:</b>	<b>35,553</b>	<b>100.0%</b>

*Source: Claritas; Ribbon Demographics*

### Age of Rental Units

In 2022, there are 2,755 households constructed prior to 1939. According to Claritas and Ribbon Demographics, 8,803 households were built in 2010 or later.

Housing Units by Year Structure Built		
Current Year Estimates - 2022		
Market Area		
Year	Number	Percent
2014 or Later	6,393	16.9%
2010 - 2013	2,410	6.4%
2000 - 2009	7,005	18.5%
1990 - 1999	4,249	11.2%
1980 - 1989	3,326	8.8%
1970 - 1979	2,638	7.0%
1960 - 1969	2,731	7.2%
1950 - 1959	3,906	10.3%
1940 - 1949	2,374	6.3%
1939 or Earlier	2,755	<u>7.3%</u>
<b>Total:</b>	<b>37,787</b>	<b>100.0%</b>

*Source: Claritas; Ribbon Demographics*



**Unit Types**

In 2022, there are 6,854 single-family housing units, 30,926 multifamily housing units and seven mobile homes or other housing in the market area.

<b>Housing Units by Units in Structure</b>		
<i>Current Year Estimates - 2022</i>		
<b>Market Area</b>		
<b>Unit</b>	<b>Number</b>	<b>Percent</b>
I Unit Detached	4,799	12.7%
I Unit Attached	2,055	5.4%
2 Units	301	0.8%
3 to 4 Units	1,046	2.8%
5 to 19 Units	6,013	15.9%
20 to 49 Units	2,345	6.2%
50 or More Units	21,221	56.2%
Mobile Home	7	0.0%
Other	0	0.0%
<b>Total:</b>	<b>37,787</b>	<b>100.0%</b>

*Source: Claritas; Ribbon Demographics*

**Unit Size**

The average size of the units in the surveyed developments is 712 square feet for one-bedroom units, 876 square feet for two-bedroom units and 1,190 square feet for three-bedroom units. The subject's proposed one- and three-bedroom units will be smaller than the average unit size, and the subject's proposed two-bedroom units will be larger than the average unit size. All proposed unit sizes at the subject are within the comparable ranges. Consequently, it is believed the subject's unit sizes will be competitive in this market.

<b>AVERAGE APARTMENT SIZE OF COMPARABLE APARTMENTS</b>					
<b>Unit Type</b>	<b>COMPARABLES</b>			<b>Subject (SF)</b>	<b>Subject's Advantage</b>
	<b>Minimum (SF)</b>	<b>Maximum (SF)</b>	<b>Average (SF)</b>		
1 BR	512	972	712	582	-18.2%
2 BR	695	1,218	876	866	-1.1%
3 BR	803	1,625	1,190	1,103	-7.3%

*Source: Gill Group Field Survey*

**Rental Vacancy Rates**

According to RealtyRates.com Market Survey, the vacancy rate for the South Atlantic Region has fluctuated only slightly. For 2021, the vacancy rate ranged from 5.4 percent to 5.8 percent, with an average of 5.6 percent.

<b>REALTY RATES MARKET SURVEY - REGIONAL VACANCY RATES</b>			
<b>QUARTER</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
1st Quarter	6.5%	6.0%	5.8%
2nd Quarter	6.4%	5.9%	5.6%
3rd Quarter	6.2%	5.7%	5.5%
4th Quarter	6.1%	5.5%	5.4%

*Source: RealtyRates.com Market Survey, South Atlantic Region*



**Vacancy Analysis**

The vacancy rate for affordable housing units in the market area is 1.2 percent. The following table shows the vacancy rates for all affordable family housing properties verified in the market area. The vacancy rate for family competitive LIHTC housing in the market area is 1.5 percent. Of the 1,106 competitive LIHTC family units verified, 17 were vacant.

<b>AFFORDABLE HOUSING VACANCIES</b>			
<b>Name of Property</b>	<b># of Units</b>	<b># of Vacant Units</b>	<b>Vacancy Rate</b>
Colonial Village West	70	0	0.0%
Clarendon Court Apartments	103	0	0.0%
William Watters Apartments	22	0	0.0%
The Larkspur	76	2	2.6%
Frederick at Courthouse	109	1	0.9%
The Barkalow Apartments	14	1	7.1%
Courthouse Crossings	112	0	0.0%
The Springs Apartments	98	0	0.0%
Queens Court Apartments	249	0	0.0%
Calvary Manor	23	0	0.0%
Parc Rosslyn	238	3	1.3%
Woodbury Park	364	10	2.7%
<b>Totals</b>	<b>1,478</b>	<b>17</b>	<b>1.2%</b>



The current vacancy rate in surveyed market-rate apartment complexes is 8.0 percent. The vacancy rate includes two newly constructed complexes that are still in the process of leasing up their units. Without these properties, the vacancy rate for market-rate complexes is 3.8 percent. The following table shows the vacancy rates for each conventional property verified in the area.

MARKET VACANCIES			
Name of Property	# of Units	# of Vacant Units	Vacancy Rate
Tellus Apartments	259	18	6.9%
19Nineteen Clarendon	191	5	2.6%
2001 Clarendon Boulevard	154	8	5.2%
Avalon Clarendon - The Crossing Clarendon	300	13	4.3%
Zoso Flats	114	4	3.5%
Lyon Place at Clarendon Center	244	10	4.1%
Garfield Park Apartments	152	8	5.3%
The Clarendon	292	10	3.4%
The Beacon Clarendon	187	8	4.3%
Central Place	377	17	4.5%
Virginia Square Plaza	225	0	0.0%
Virginia Square Apartments	231	8	3.5%
Gables 12 Twenty One	135	2	1.5%
Evo	455	206	45.3%
Aubrey	331	66	19.9%
Avery Row	67	2	3.0%
Courtland Towers	575	36	6.3%
The Reserve at Clarendon Centre	252	7	2.8%
2201 Wilson Apartments	219	11	5.0%
The Prime at Arlington Courthouse	273	4	1.5%
Avalon Courthouse Place	564	12	2.1%
<b>Totals</b>	<b>5,597</b>	<b>455</b>	<b>8.1%</b>

The market area has an overall rental vacancy rate of 6.7 percent including the newly constructed conventional properties or 3.2 percent when not considering the newly constructed properties. Of the 7,075 total units verified in the market area, 472 were vacant. Of the 472 vacant units, 272 were included in the two newly constructed properties that are still leasing up units.

#### Lease Terms and Concessions

The typical lease is twelve months. As of the effective date of the analysis, none of the affordable housing properties were offering concessions.

#### Likely Impact of Proposed Development on Rental Occupancy Rates

The proposed development will not have an adverse impact on the market area. Its one-, two- and three-bedroom units will be suitable in the market. In addition, it can attract tenants from the waiting lists of the existing competitive properties as well as the new households in the growing market area. Therefore, the proposed development is unlikely to materially impact the existing competitive properties in the market area which exhibit strong occupancy rates.



**Comparable Profile Pages**

**COMPARABLE APARTMENT RENTAL NO. 1**



Property Type: Section 8/Walk-Up  
 Property Name: Colonial Village West  
 Address: 2111 North Key Boulevard,  
 Arlington, VA 22201  
 Verification: Caleb; 703-524-1337  
 February 1, 2022, By Telephone  
 Distance From Subject: 0.9 Miles

**Year Opening/Significant Renovation  
 Amenities**

1938/2019  
 Refrigerator, Range/Oven, Wood, Blinds, Laundry Facility

**Utilities (Type/Responsibility)**

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

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Unit Mix</u>		<u>Utility Allowance</u>	<u>Gross Rent</u>
			<u>Size SF</u>	<u>Collected Rent/Mo.</u>		
1/1	35	0	619	\$1,690	Unknown	\$1,690
2/1	9	0	730	\$1,975	Unknown	\$1,975
2/1.5	6	0	765	\$2,155	Unknown	\$2,155
3/1	15	0	803	\$2,682	Unknown	\$2,682
3/2	5	0	1,060	\$2,875	Unknown	\$2,875

**Occupancy** 100%  
**Total Units** 70  
**No. of Buildings** 8  
**Construction Type** Brick  
**HVAC** Central Elec/Central Elec  
**Stories** 2, 3  
**Waiting List** # Unknown  
**Turnover Rate** 15%  
**Absorption Rate** N/A

**Remarks**

The property is designated for families at 60 percent of the area median income. The complex maintains a waiting list, but the contact was unsure of the number of applicants.



**COMPARABLE APARTMENT RENTAL NO. 2**



Property Type: LIHTC/Elevator  
 Property Name: Clarendon Court Apartments  
 Address: 3825 7<sup>th</sup> Street North, Arlington, VA 22203  
 Verification: Becca; 703-243-0555 February 1, 2022, By Telephone  
 Distance From Subject: 2.3 Miles

**Year Opening/Significant Renovation Amenities**

1993/2017  
 Refrigerator, Range/Oven, Microwave, Wood, Blinds, Walk-In Closet, Balcony, Patio, Laundry Facility, On-Site Management, On-Site Maintenance

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
Efficiency (60%)	3	0	530	\$1,377	Unknown	\$1,377
1/1 (60%)	47	0	620	\$1,520	Unknown	\$1,520
2/1 (60%)	49	0	800	\$1,665	Unknown	\$1,665
3/2 (60%)	4	0	1,000	\$2,042	Unknown	\$2,042

**Occupancy** 100%  
**Total Units** 103  
**No. of Buildings** 3  
**Construction Type** Brick/Siding  
**HVAC** Central Elec/Central Elec  
**Stories** 3  
**Waiting List** 2 Months  
**Turnover Rate** N/A  
**Absorption Rate** 2 Weeks

**Remarks**

The property is designated for families at 60 percent of the area median income. The complex maintains a two-month waiting list.



**COMPARABLE APARTMENT RENTAL NO. 3**



Property Type: LIHTC/Walk-Up  
 Property Name: William Watters Apartments  
 Address: 2008 North Adams Street  
 Arlington, VA 22201  
 Verification: Janet; 703-525-5555  
 February 1, 2022, By Telephone  
 Distance From Subject: 1.4 Miles

**Year Opening/Significant Renovation Amenities**

1962  
 Refrigerator, Range/Oven, Carpet, Vinyl, Parquet, Blinds, Ceiling Fans,  
 Laundry Facility, On-Site Management, On-Site Maintenance

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
1/1 (60%)	11	0	600	\$1,250	Unknown	\$1,250
2/1 (60%)	11	0	700	\$1,470	Unknown	\$1,470

**Occupancy** 100%  
**Total Units** 22  
**No. of Buildings** 1  
**Construction Type** Brick  
**HVAC** Central Gas/Central Elec  
**Stories** 1  
**Waiting List** N/A  
**Turnover Rate** N/A  
**Absorption Rate** N/A

**Remarks**

The property is designated for families at 60 percent of the area median income. The complex does not maintain a waiting list.



**COMPARABLE APARTMENT RENTAL NO. 4**



Property Type: LIHTC/Walk-Up  
 Property Name: The Larkspur  
 Address: 2001 North Cleveland Street,  
 Arlington, VA 22201  
 Verification: Kathy; 703-888-2298  
 February 1, 2022, By Telephone  
 Distance From Subject: 1.5 Miles

**Year Opening/Significant Renovation  
 Amenities**

1958/2012  
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Wood,  
 Ceramic Tile, Blinds, Walk-In Closet, Balcony, Patio, Clubhouse, Dog  
 Park, Laundry Facility, On-Site Management, On-Site Maintenance,  
 Walking Trail, Bike Storage

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
Efficiency (60%)	17	0	510	\$1,309	Unknown	\$1,309
1/1 (60%)	31	1	654	\$1,386	Unknown	\$1,386
2/1 (60%)	28	1	778	\$1,655	Unknown	\$1,655

**Occupancy** 97%  
**Total Units** 76  
**No. of Buildings** 1  
**Construction Type** Brick  
**HVAC** Central Elec/Central Elec  
**Stories** 4  
**Waiting List** N/A  
**Turnover Rate** N/A  
**Absorption Rate** N/A

**Remarks**

The property is designated for families at 60 percent of the area median income. The contact did not disclose waiting list information.



**COMPARABLE APARTMENT RENTAL NO. 5**



Property Type: LIHTC/Elevator  
 Property Name: Frederick at Courthouse  
 Address: 2230 Fairfax Drive,  
 Arlington, VA 22201  
 Verification: Manager; 703-243-0690  
 February 1, 2022, By Telephone  
 Distance From Subject: 0.8 Miles

**Year Opening/Significant Renovation Amenities**

2007  
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Carpet, Ceramic Tile, Blinds, Balcony, Exercise Room, Business Center, Laundry Facility, On-Site Management, On-Site Maintenance, Courtyard, Bike Storage

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
1/1 (60%)	42	1	700-783	\$1,340	Unknown	\$1,340
2/2 (60%)	40	0	1,002-1,218	\$1,587	Unknown	\$1,587
3/3 (60%)	27	0	1,451-1,560	\$1,804	Unknown	\$1,804

**Occupancy** 99%  
**Total Units** 109  
**No. of Buildings** 1  
**Construction Type** Brick  
**HVAC** Central Elec/Central Elec  
**Stories** 9  
**Waiting List** N/A  
**Turnover Rate** N/A  
**Absorption Rate** N/A

**Remarks**

The property is designated for families at 60 percent of the area median income. The contact did not disclose if the property had a waiting list.



**COMPARABLE APARTMENT RENTAL NO. 6**



Property Type: LIHTC/Walk-Up  
 Property Name: The Barkalow Apartments  
 Address: 2708 North Pershing Drive, Arlington, VA 22201  
 Verification: Mari; 703-888-1142  
 February 1, 2022, By Telephone  
 Distance From Subject: 1.4 Miles

**Year Opening/Significant Renovation Amenities**

1927/2000  
 Refrigerator, Range/Oven, Carpet, Vinyl, Blinds, Ceiling Fans, Laundry Facility, On-Site Management, On-Site Maintenance

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
1/1 (60%)	12	1	595	\$1,450	Unknown	\$1,450
2/1 (60%)	1	0	695	\$1,550	Unknown	\$1,550
3/1 (60%)	1	0	1,000	\$1,700	Unknown	\$1,700

**Occupancy** 93%  
**Total Units** 14  
**No. of Buildings** 1  
**Construction Type** Brick  
**HVAC** Central Elec/Central Elec  
**Stories** 2  
**Waiting List** 5 Applicants  
**Turnover Rate** 17%  
**Absorption Rate** 1 Week

**Remarks**

The property is designated for families at 60 percent of the area median income. The property has a waiting list with five applicants.



**COMPARABLE APARTMENT RENTAL NO. 7**



Property Type: LIHTC/Walk-Up  
 Property Name: Courthouse Crossings  
 Address: 1240 North Rolfe Street, Arlington, VA 22209  
 Verification: Samantha; 703-528-7200 February 1, 2022, By Telephone  
 Distance From Subject: 0.3 Miles

**Year Opening/Significant Renovation Amenities**

1990/2007  
 Refrigerator, Range/Oven, Washer/Dryer Hook-Ups, Carpet, Vinyl, Blinds, Ceiling Fans, Balcony, Patio, Dog Park, Service Coordination, On-Site Management, On-Site Maintenance

**Utilities (Type/Responsibility)**

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

Unit Type	No. of Units	No. Vacant	Unit Mix		Utility Allowance	Gross Rent
			Size SF	Collected Rent/Mo.		
1/1	25	0	605	\$1,460	Unknown	\$1,460
2/2	55	0	922	\$1,750	Unknown	\$1,750
3/2	29	0	1,150	\$2,030	Unknown	\$2,030
4/2	3	0	1,450	\$2,260	Unknown	\$2,260

Occupancy: 100%  
 Total Units: 112  
 No. of Buildings: 3  
 Construction Type: Brick  
 HVAC: Central Elec/Central Elec  
 Stories: 4  
 Waiting List: # Unknown  
 Turnover Rate: N/A  
 Absorption Rate: 2 Weeks

**Remarks**

The property is designated for families at 60 percent of the area median income. The complex maintains a waiting list, but the contact was unsure of the number of applicants.



**COMPARABLE APARTMENT RENTAL NO. 8**



Property Type: LIHTC/Elevator  
 Property Name: The Springs Apartments  
 Address: 555 North Thomas Street,  
 Arlington, VA 22203  
 Verification: Ashley; 703-888-1142  
 February 1, 2022, By  
 Telephone  
 Distance From Subject: 2.9 Miles

**Year Opening/Significant Renovation  
 Amenities**

2015  
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher,  
 Microwave, Carpet, Vinyl, Blinds, Ceiling Fans, Balcony, Exercise  
 Room, Picnic Area, Playground, Business Center, Meeting Room,  
 Laundry Facility, On-Site Management, On-Site Maintenance, Bike  
 Storage

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
1/1 (60%)	Unknown	0	583	\$1,372-\$1,677	Unknown	\$1,372-\$1,677
2/1 (60%)	Unknown	0	731	\$1,624-\$1,800	Unknown	\$1,624-\$1,800
3/2 (60%)	Unknown	0	892	\$1,848-\$2,273	Unknown	\$1,848-\$2,273

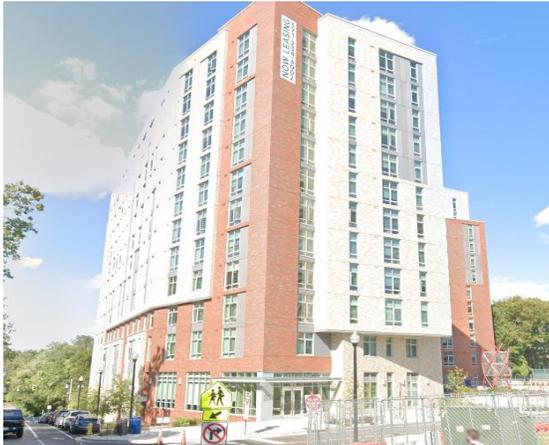
**Occupancy** 100%  
**Total Units** 98  
**No. of Buildings** 1  
**Construction Type** Brick  
**HVAC** Central Elec/Central Elec  
**Stories** 5  
**Waiting List** N/A  
**Turnover Rate** N/A  
**Absorption Rate** N/A

**Remarks**

The property is designated for families at 60 percent of the area median income. The complex does not maintain a waiting list.



**COMPARABLE APARTMENT RENTAL NO. 9**



Property Type: LIHTC/Elevator  
 Property Name: Queens Court Apartments  
 Address: 1801-1805 North Quinn Street, Arlington, VA 22209  
 Verification: Jennifer; 571-234-4002 February 1, 2022, By Telephone  
 Distance From Subject: 1.0 Miles

**Year Opening/Significant Renovation Amenities**

2020  
 Refrigerator, Range/Oven, Dishwasher, Microwave, Wood, Blinds, Ceiling Fans, Coat Closet, Meeting Room, Business Center, Multi-Use Room, Outdoor Terrace, Laundry Facility, On-Site Management, On-Site Maintenance, Limited Access Gate, Video Surveillance, Bike Storage

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<b>Unit Type</b>	<b>No. of Units</b>	<b>No. Vacant</b>	<b>Size SF</b>	<b>Collected Rent/Mo.</b>	<b>Utility Allowance</b>	<b>Gross Rent</b>
Efficiency	Unknown	0	461-614	\$1,260-\$1,321	Unknown	\$1,260-\$1,321
1/1	Unknown	0	466-703	\$1,260-\$1,321	Unknown	\$1,260-\$1,321
2/1.5	Unknown	0	828-976	\$1,278-\$1,562	Unknown	\$1,278-\$1,562
2/2	Unknown	0	918-919	\$1,278-\$1,562	Unknown	\$1,278-\$1,562
3/2	Unknown	0	974-1,117	\$1,440-\$1,767	Unknown	\$1,440-\$1,767

**Occupancy** 100%  
**Total Units** 249  
**No. of Buildings** 1  
**Construction Type** Brick  
**HVAC** Central Elec/Central Elec  
**Stories** 12  
**Waiting List** 6-12 Months  
**Turnover Rate** N/A  
**Absorption Rate** N/A

**Remarks**

The property is designated for families at 40, 50 and 60 percent of the area median income. The complex has a waiting list of six to twelve months.



**COMPARABLE APARTMENT RENTAL NO. 10**



Property Type: LIHTC/Walk-Up  
 Property Name: Calvert Manor  
 Address: 1927 North Calvert Street, Arlington, VA 22201  
 Verification: Manager; 703-888-1142  
 February 1, 2022, By Telephone  
 Distance From Subject: 1.4 Miles

**Year Opening/Significant Renovation Amenities**

1970/2014  
 Refrigerator, Range/Oven, Carpet, Vinyl, Ceramic Tile, Blinds, Laundry Facility, On-Site Management, On-Site Maintenance

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
Efficiency	Unknown	0	481	\$1,100	Unknown	\$1,100
1/1	Unknown	0	700	\$1,215-\$1,350	Unknown	\$1,215-\$1,350
2/1	Unknown	0	804	\$1,390	Unknown	\$1,390
3/1	Unknown	0	944	\$1,600	Unknown	\$1,600

**Occupancy** 100%  
**Total Units** 23  
**No. of Buildings** 1  
**Construction Type** Brick  
**HVAC** Central Elec/Central Elec  
**Stories** 3  
**Waiting List** N/A  
**Turnover Rate** N/A  
**Absorption Rate** N/A

**Remarks**

The property is designated for families. The contact did not know the percent of area median income or number of applicants on the waiting list.



**COMPARABLE APARTMENT RENTAL NO. 11**



Property Type: LIHTC/Market/Elevator  
 Property Name: Parc Rosslyn Apartments  
 Address: 1531 North Pierce Street, Arlington, VA 22209  
 Verification: Alex; 703-525-6111  
 February 1, 2022, By Telephone  
 Distance From Subject: 0.5 Miles

**Year Opening/Significant Renovation Amenities**

2008  
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Microwave, Carpet, Wood Composite, Blinds, Ceiling Fans, Vaulted Ceilings (Select), Fireplace (Select), Walk-In Closet, Coat Closet, Clubhouse, Swimming Pool, Exercise Room, Picnic Area, Business Center, Cyber Café, On-Site Management, On-Site Maintenance, Limited Access Gate, Video Surveillance, Sundeck, Bike Storage

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
Efficiency	7	0	678-685	\$1,649-\$1,699	Unknown	\$1,649-\$1,699
1/1	72	0	683-903	\$1,733-\$2,274	Unknown	\$1,733-\$2,274
2/1	50	1	916-931	\$2,987-\$3,042	Unknown	\$2,987-\$3,042
2/2	79	2	930-1,036	\$3,105-\$3,320	Unknown	\$3,105-\$3,320
3/2	30	0	1,279-1,625	\$3,858-\$4,032	Unknown	\$3,858-\$4,032

Occupancy: 99%  
 Total Units: 238  
 No. of Buildings: 1  
 Construction Type: Brick  
 HVAC: Central Gas/Central Elec  
 Stories: 15  
 Waiting List: N/A  
 Turnover Rate: 20%  
 Absorption Rate: N/A

**Remarks**

Nine-six units at the property are LIHTC at 60 percent of the area median income. The remaining units are market. All units are designated for families. The property does not maintain a waiting list.



**COMPARABLE APARTMENT RENTAL NO. 12**



Property Type: LIHTC/Elevator  
 Property Name: Woodbury Park  
 Address: 2399 11<sup>th</sup> Street North,  
 Arlington, VA 22201  
 Verification: Keanna; 703-528-3625  
 February 1, 2022, By Telephone  
 Distance From Subject: 1.0 Miles

**Year Opening/Significant Renovation Amenities**

1949/2015  
 Refrigerator, Range/Oven, Garbage Disposal, Dishwasher, Washer, Dryer, Carpet, Wood, Blinds, Walk-In Closet, Coat Closet, Clubhouse, Exercise Room, Business Center, Laundry Facility, On-Site Management, On-Site Maintenance, Limited Access Gate, Courtyard, Bike Storage

**Utilities (Type/Responsibility)**

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

**Unit Mix**

<u>Unit Type</u>	<u>No. of Units</u>	<u>No. Vacant</u>	<u>Size SF</u>	<u>Collected Rent/Mo.</u>	<u>Utility Allowance</u>	<u>Gross Rent</u>
1/1 (60%)	120	0	512-627	\$1,372	Unknown	\$1,372
2/1 (60%)	84	0	715-863	\$1,624	Unknown	\$1,624

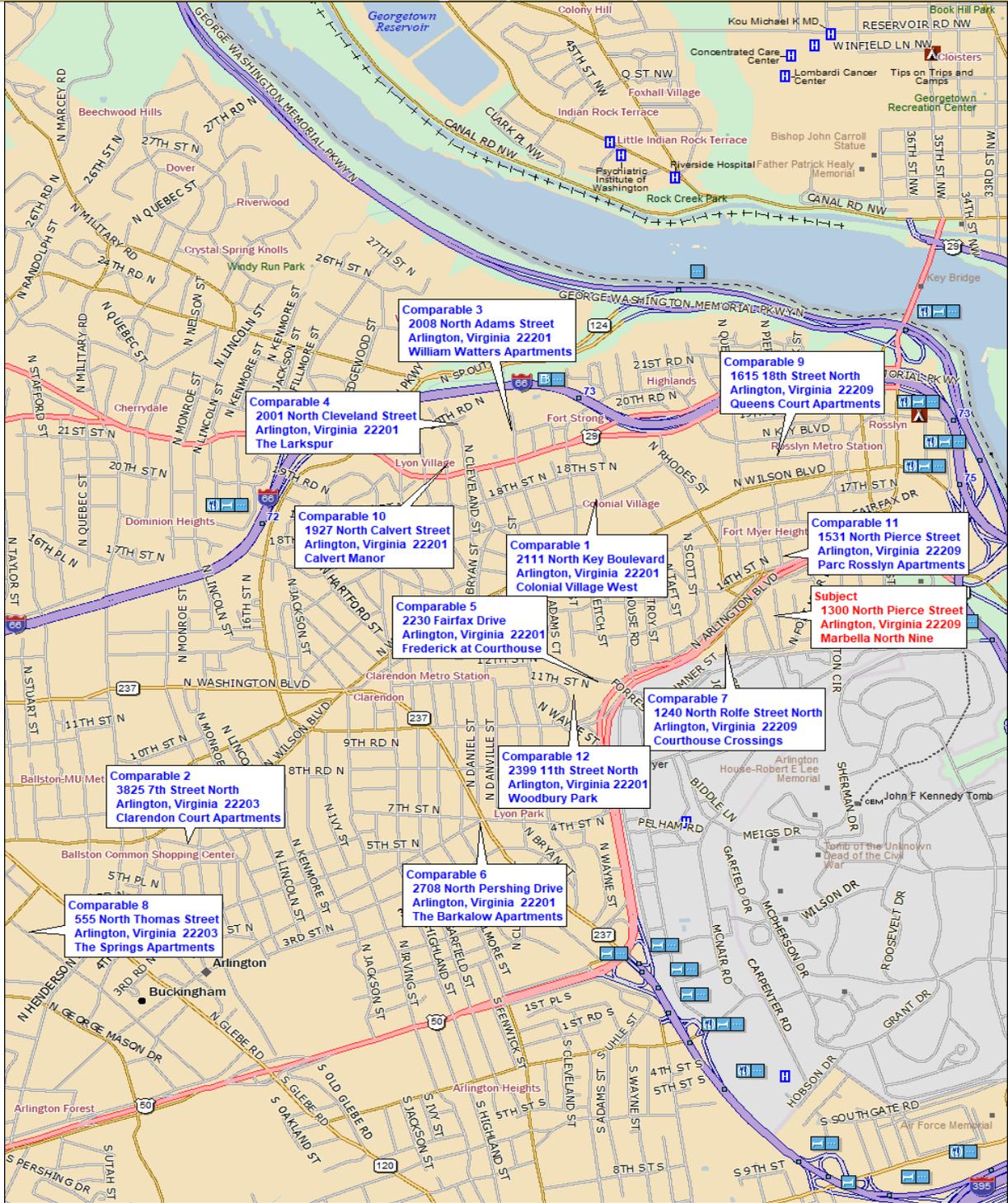
**Occupancy** 97%  
**Total Units** 364  
**No. of Buildings** 1  
**Construction Type** Brick  
**HVAC** Central Elec/Central Elec  
**Stories** 4  
**Waiting List** N/A  
**Turnover Rate** N/A  
**Absorption Rate** 1 Week

**Remarks**

The property is designated for families and contains a mixture of LIHTC units at 60 percent of the area median income and market units. The unit mix above is only the LIHTC units. All vacant units are located in the market units. The property does not maintain a waiting list.



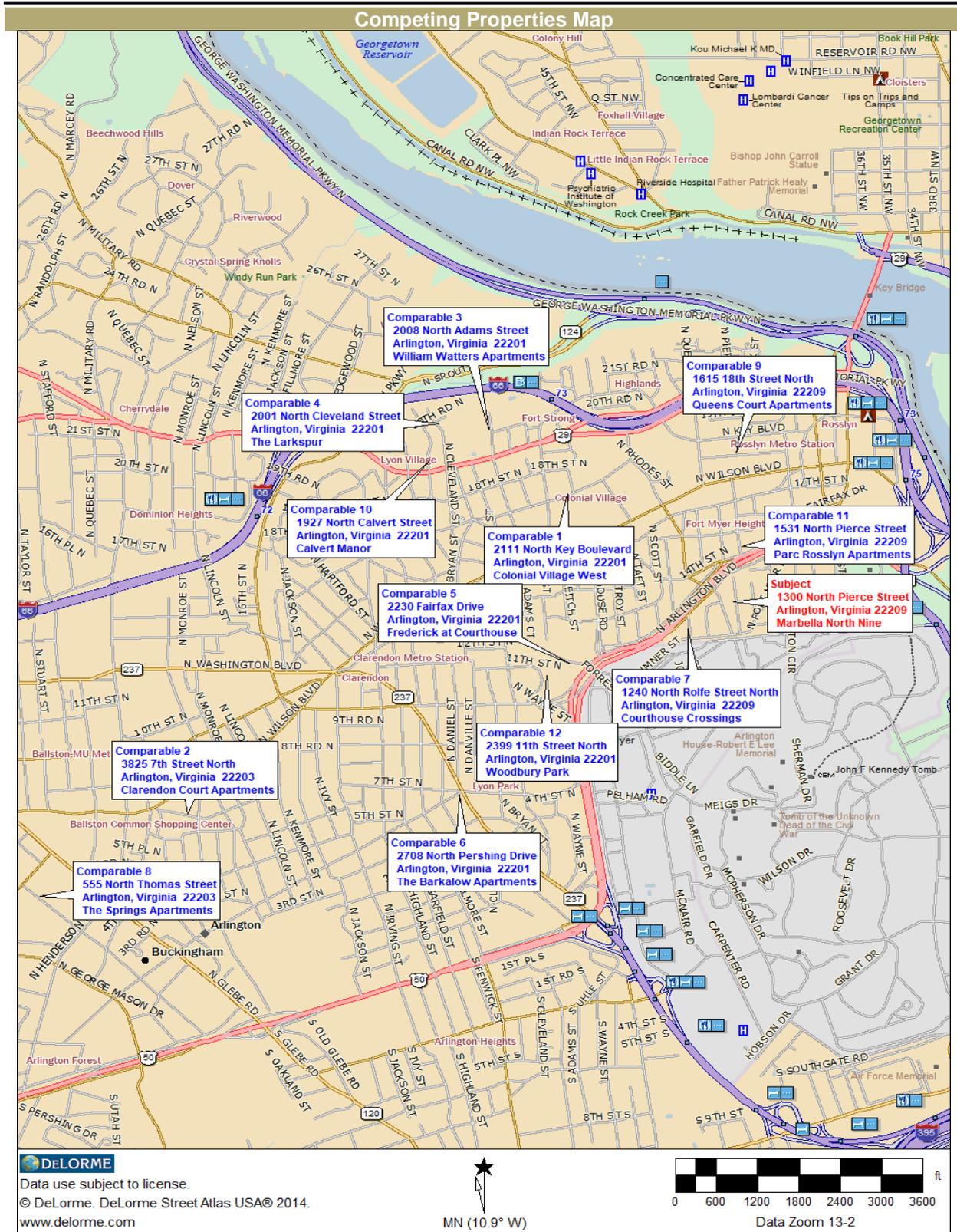
### Existing Comparables Map



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MN (10.9° W)

0 600 1200 1800 2400 3000 3600 ft  
Data Zoom 13-2



The subject will have senior units at 30, 50 and 60 percent AMI. Therefore, the above senior income-restricted units will directly compete with the subject's units.



### Additional Developments

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

Culpepper Garden I Apartments - Arlington, VA – Senior 62+  
Culpepper Garden II Apartments – Arlington, VA – Senior 62+  
Arlington View Terrace – Arlington, VA – Senior 62+  
Terwilliger Place – Arlington, VA – Under Construction  
Colonial Village – Arlington, VA - Could Not Verify  
Union on Queen Apartments – Arlington, VA – Could Not Verify

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

Evo – Arlington, VA  
Aubrey – Arlington, VA  
19Nineteen Clarendon – Arlington, VA  
Lyon Place at Clarendon Center – Arlington, VA  
The Beacon Clarendon – Arlington, VA  
Virginia Square Plaza – Arlington, VA  
The Prime at Arlington Courthouse Apartments – Arlington, VA  
Tellus Apartments – Arlington, VA  
2001 Clarendon Boulevard – Arlington, VA  
Avalon Clarendon – The Crossing Clarendon – Arlington, VA  
Zoso Flats – Arlington, VA  
Garfield Park Apartments – Arlington, VA  
The Clarendon – Arlington, VA  
Central Place – Arlington, VA  
Virginia Square Apartments – Arlington, VA  
Gables 12 Twenty One – Arlington, VA  
Avery Row – Arlington, VA  
Courtland Towers – Arlington, VA  
The Reserve at Clarendon Centre Apartments – Arlington, VA  
2201 Wilson Apartments – Arlington, VA  
Avalon Courthouse Place – Arlington, VA



### Market Rent Analysis

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

Marbella North Nine  
1300 North Pierce Street  
Arlington, Virginia 22209



HUD-Forms 92273 – As Complete

**One-Bedroom Units – (582 SF) – As Complete**  
**Estimates of Market Rent**  
**by Comparison - As Complete**

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

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

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

1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)	B. Comparable Property No. 2 (address)	C. Comparable Property No. 3 (address)	D. Comparable Property No. 4 (address)	E. Comparable Property No. 5 (address)					
One-Bedroom	Marbella North Nine 1300 North Pierce Street Arlington, VA	19Nineteen Clarendon 1919 Clarendon Boulevard Arlington, VA	Lyon Place at Clarendon Center 1200 North Garfield Street Arlington, VA	The Beacon Clarendon 1128 North Irving Street Arlington, VA	Virginia Square Plaza 801 North Monroe Street Arlington, VA	Prime at Arlington Courthouse Apts 1415 North Taft Street Arlington, VA					
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments		
3. Effective Date of Rental	02/2022	02/2022		02/2022		02/2022		02/2022		02/2022	
4. Type of Project/Stories	E/12	E/5		E/12		E/10		E/9		E/12	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	Proposed	97%		96%		96%		100%		99%	
7. Concessions	N	Y (\$42)		Y (\$229)		N		N		N	
8. Year Built	2025	2014	\$11	2010	\$15	2014	\$11	1999	\$26	2002	\$23
9. Sq. Ft. Area	582	620 (\$35)		621 (\$35)		601		700 (\$105)		768 (\$165)	
10. Number of Bedrooms	1	1		1		1		1		1	
11. Number of Baths	1.0	1.0		1.0		1.0		1.0		1.0	
12. Number of Rooms	3	3		3		3		3		3	
13. Balc./Terrace/Patio	N	N		Y (\$5)		Y (\$5)		Y (\$5)		N	
14. Garage or Carport	G/0	L/0, CP/0, G/125	\$90	CP/0, G/125	\$90	G/200	\$125	G/0		L/0	\$100
15. Equipment	a. A/C	C		C		C		C		C	
	b. Range/Refrigerator	RF		RF		RF		RF		RF	
	c. Disposal	Y		Y		Y		Y		Y	
	d. Microwave/Dishwasher	MD		MD		MD		MD		MD	
	e. Washer/Dryer	L	(\$30)	WD (\$30)		WD (\$30)		L		WD (\$30)	
	f. Carpet	V		C		C		C		C	
	g. Drapes	B		B		B		B		B	
	h. Pool/Rec. Area	R	ER (\$15)	PER (\$40)		PER (\$5)		ER (\$5)		ER	
16. Services	a. Heat/Type	N/E		N/E		N/E		N/E		N/E	
	b. Cooling	N/E		N/E		N/E		N/E		N/E	
	c. Cook/Type	N/E		N/E		N/E		N/E		N/E	
	d. Electricity	N		N		N		N		N	
	e. Hot Water	N/E		N/E		N/E		N/E		N/E	
	f. Cold Water/Sewer	N		N		N		N		N	
	g. Trash	Y	\$27	N	\$27	N	\$27	N	\$27	N	\$27
17. Storage	N	Y/0 (\$5)		N		Y/0 (\$5)		Y/0 (\$5)		N	
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar	
19. Security	Y	N	\$20	Y	\$15	N	\$20	Y	\$5	N	\$20
20. Clubhouse/Meeting Room	MR	MR		C/MR (\$5)		C/MR (\$5)		C		MR	
21. Special Features	CT, I	SS (\$20)		SS, GC, F, CT (\$65)		SS, GC (\$55)		CT	\$10	SS, CT (\$20)	
22. Business Center / Nbd Netwk	BC	BC		BC		BC		BC		N	\$5
23. Unit Rent Per Month		\$2,217		\$2,375		\$2,340		\$1,945		\$1,986	
24. Total Adjustment			\$1		(\$262)		\$78		(\$52)		(\$40)
25. Indicated Rent		\$2,218		\$2,113		\$2,418		\$1,893		\$1,946	
26. Correlated Subject Rent	\$2,150	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$2,418	low rent	\$1,893	60% range	\$1,998	to	\$2,313			
Note: In the adjustments column, enter dollar amounts by which subject property varies from comparable properties. If subject is better, enter a "Plus" amount and if subject is inferior to the comparable, enter a "Minus" amount. Use back of page to explain adjustments as needed.				Appraiser's Signature <i>Samuel J. Hill</i>		Date (mm/dd/yy) 02/01/22		Reviewer's Signature		Date (mm/dd/yyyy)	

Previous editions are obsolete

form HUD-92273 (07/2003)

Marbella North Nine  
1300 North Pierce Street  
Arlington, Virginia 22209



**Two-Bedroom Units (866 SF) – As Complete**  
**Estimates of Market Rent**  
**by Comparison - As Complete**

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

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

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1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)		B. Comparable Property No. 2 (address)		C. Comparable Property No. 3 (address)		D. Comparable Property No. 4 (address)		E. Comparable Property No. 5 (address)	
Two-Bedroom	Marbella North Nine 1300 North Pierce Street Arlington, VA	19Nineteen Clarendon 1919 Clarendon Boulevard Arlington, VA		Lyon Place at Clarendon Center 1200 North Garfield Street Arlington, VA		The Beacon Clarendon 1128 North Irving Street Arlington, VA		Virginia Square Plaza 801 North Monroe Street Arlington, VA		Prime at Arlington Courthouse Apts 1415 North Taft Street Arlington, VA	
Characteristics	Data	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments	Data	Adjustments
3. Effective Date of Rental	02/2022	02/2022		02/2022		02/2022		02/2022		02/2022	
4. Type of Project/Stories	E/12	E/5		E/12		E/10		E/9		E/12	
5. Floor of Unit in Building	Varies	Varies		Varies		Varies		Varies		Varies	
6. Project Occupancy %	Proposed	97%		96%		96%		100%		99%	
7. Concessions	N	Y (\$42)		Y (\$300)		N		N		N	
8. Year Built	2025	2014 \$11		2010 \$15		2014 \$11		1999 \$26		2002 \$23	
9. Sq. Ft. Area	866	1,379 (\$340)		823 \$30		910 (\$30)		1,000 (\$90)		1,054 (\$125)	
10. Number of Bedrooms	2	2		2		2		2		2	
11. Number of Baths	1.5	1.0 \$50		2.0 (\$50)		1.0 \$50		2.0 (\$50)		2.0 (\$50)	
12. Number of Rooms	4	4		4		4		4		4	
13. Balc./Terrace/Patio	N	N		Y (\$5)		Y (\$5)		Y (\$5)		N	
14. Garage or Carport	G/0	L/0, CP/0, G/125 \$90		CP/0, G/125 \$90		G/200 \$125		G/0		L/0 \$100	
15. Equipment	a. A/C C	C		C		C		C		C	
	b. Range/Refrigerator RF	RF		RF		RF		RF		RF	
	c. Disposal Y	Y		Y		Y		Y		Y	
	d. Microwave/Dishwasher MD	MD		MD		MD		MD		MD	
	e. Washer/Dryer L	WD (\$30)		WD (\$30)		WD (\$30)		L (\$30)		WD (\$30)	
	f. Carpet V	C		C		C		C		C	
	g. Drapes B	B		B		B		B		B	
	h. Pool/Rec. Area R	ER (\$15)		PER (\$40)		PER (\$5)		ER (\$5)		ER	
16. Services	a. Heat/Type N/E	N/E		N/E		N/E		N/E		N/E	
	b. Cooling N/E	N/E		N/E		N/E		N/E		N/E	
	c. Cook/Type N/E	N/E		N/E		N/E		N/E		N/E	
	d. Electricity N	N		N		N		N		N	
	e. Hot Water N/E	N/E		N/E		N/E		N/E		N/E	
	f. Cold Water/Sewer N	N		N		N		N		N	
	g. Trash Y	N \$27		N \$27		N \$27		N \$27		N \$27	
17. Storage	N	Y/0 (\$5)		N		Y/0 (\$5)		Y/0 (\$5)		N	
18. Project Location	Average	Similar		Similar		Similar		Similar		Similar	
19. Security	Y	N \$20		Y \$15		N \$20		Y \$5		N \$20	
20. Clubhouse/Meeting Room	MR	MR		C/MR (\$5)		C/MR (\$5)		C		MR	
21. Special Features	CT, I	SS (\$20)		SS, GC, F, CT (\$65)		SS, GC (\$55)		CT \$10		SS, CT (\$20)	
22. Business Center / Nbd Netwk	BC	BC		BC		BC		BC		N \$5	
23. Unit Rent Per Month		\$3,289		\$3,225		\$2,726		\$2,645		\$2,685	
24. Total Adjustment		(\$254)		(\$318)		\$98		(\$87)		(\$50)	
25. Indicated Rent		\$3,035		\$2,907		\$2,824		\$2,558		\$2,635	
26. Correlated Subject Rent	\$2,850	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.									
	high rent	\$3,035	low rent	\$2,558	60% range	\$2,653	to	\$2,940			

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

Appraiser's Signature: Samuel J. Hill  
Date (mm/dd/yy): 02/01/22  
Reviewer's Signature: \_\_\_\_\_  
Date (mm/dd/yyyy): \_\_\_\_\_

Previous editions are obsolete

form HUD-92273 (07/2003)

Marbella North Nine  
1300 North Pierce Street  
Arlington, Virginia 22209



**Three-Bedroom Units (1,103 SF) – As Complete**  
**Estimates of Market Rent**  
**by Comparison - As Complete**

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

OMB Approval No. 2502-0029  
(exp. 09/30/2016)

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1. Unit Type	2. Subject Property (Address)	A. Comparable Property No. 1 (address)			B. Comparable Property No. 2 (address)			C. Comparable Property No. 3 (address)			D. Comparable Property No. 4 (address)			E. Comparable Property No. 5 (address)						
Three-Bedroom	Marbella North Nine 1300 North Pierce Street Arlington, VA	19Nineteen Clarendon 1919 Clarendon Boulevard Arlington, VA			Lyon Place at Clarendon Center 1200 North Garfield Street Arlington, VA			The Beacon Clarendon 1128 North Irving Street Arlington, VA			Virginia Square Plaza 801 North Monroe Street Arlington, VA			Prime at Arlington Courthouse Apts 1415 North Taft Street Arlington, VA						
Characteristics	Data	Data Adjustments			Data Adjustments			Data Adjustments			Data Adjustments			Data Adjustments						
3. Effective Date of Rental	02/2022	02/2022			02/2022			02/2022			02/2022			02/2022						
4. Type of Project/Stories	E/12	E/5			E/12			E/10			E/9			E/12						
5. Floor of Unit in Building	Varies	Varies			Varies			Varies			Varies			Varies						
6. Project Occupancy %	Proposed	97%			96%			96%			100%			99%						
7. Concessions	N	Y	(\$42)		Y	(\$406)		N			N			N						
8. Year Built	2025	2014		\$11	2010		\$15	2014		\$11	1999		\$26	2002		\$23				
9. Sq. Ft. Area	1,103	1,478	(\$295)		1,356	(\$200)		1,299	(\$155)		1,315	(\$165)		1,442	(\$265)					
10. Number of Bedrooms	3	3			3			3			3			3						
11. Number of Baths	2.0	2.0			2.0			2.0			3.0			2.0						
12. Number of Rooms	5	5			5			5			5			5						
13. Balc./Terrace/Patio	N	N			Y	(\$5)		Y	(\$5)		Y	(\$5)		N						
14. Garage or Carport	G/0	L/0, CP/0, G/125		\$90	CP/0, G/125		\$90	G/200		\$125	G/0			L/0		\$100				
15. Equipment a. A/C	C	C			C			C			C			C						
b. Range/Refrigerator	RF	RF			RF			RF			RF			RF						
c. Disposal	Y	Y			Y			Y			Y			Y						
d. Microwave/Dishwasher	MD	MD			MD			MD			MD			MD						
e. Washer/Dryer	L	WD	(\$30)		WD	(\$30)		WD	(\$30)		L			WD	(\$30)					
f. Carpet	V	C			C			C			C			C						
g. Drapes	B	B			B			B			B			B						
h. Pool/Rec. Area	R	ER	(\$15)		PER	(\$40)		PER	(\$5)		ER	(\$5)		ER						
16. Services a. Heat/Type	N/E	N/E			N/E			N/E			N/E			N/E						
b. Cooling	N/E	N/E			N/E			N/E			N/E			N/E						
c. Cook/Type	N/E	N/E			N/E			N/E			N/E			N/E						
d. Electricity	N	N			N			N			N			N						
e. Hot Water	N/E	N/E			N/E			N/E			N/E			N/E						
f. Cold Water/Sewer	N	N			N			N			N			N						
g. Trash	Y	N		\$27	N		\$27	N		\$27	N		\$27	N		\$27				
17. Storage	N	Y/0	(\$5)		N			Y/0	(\$5)		Y/0	(\$5)		N						
18. Project Location	Average	Similar			Similar			Similar			Similar			Similar						
19. Security	Y	N		\$20	Y		\$15	N		\$20	Y		\$5	N		\$20				
20. Clubhouse/Meeting Room	MR	MR			C/MR	(\$5)		C/MR	(\$5)		C			MR						
21. Special Features	CT, I	SS	(\$20)		SS, GC, F, CT	(\$65)		SS, GC	(\$55)		CT		\$10	SS, CT	(\$20)					
22. Business Center / Nbrhd Netwk	BC	BC			BC			BC			BC			N		\$5				
23. Unit Rent Per Month		\$4,662			\$4,500			\$4,190			\$3,695			\$3,299						
24. Total Adjustment			(\$259)			(\$604)			(\$77)			(\$112)			(\$140)					
25. Indicated Rent		\$4,403			\$3,896			\$4,113			\$3,583			\$3,159						
26. Correlated Subject Rent	\$3,950	<input type="checkbox"/> If there are any Remarks, check here and add the remarks to the back of page.																		
	high rent	\$4,403	low rent	\$3,159	60% range	\$3,408	to	\$4,154	Appraiser's Signature			Date (mm/dd/yyyy)			Reviewer's Signature			Date (mm/dd/yyyy)		
									Samuel J. Hill			02/01/22								

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

Previous editions are obsolete

form HUD-92273 (07/2003)



**Explanation of Adjustments and Market Rent Conclusions – As Complete**

**Marbella North Nine**

**Primary Unit Types – One-Bedroom Units (582 SF), Two-Bedroom Units (866 SF) and Three-Bedroom Units (1,103 SF)**

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

Rent comparability grids were prepared for the primary unit types. Comparable apartments used include the following: 19Nineteen Clarendon (Comparable 1), Lyon Place at Clarendon Center (Comparable 2), The Beacon Clarendon (Comparable 3), Virginia Square Plaza (Comparable 4) and Prime at Arlington Courthouse Apartments (Comparable 5).

**Structure/Stories** – The subject will be located in a 12-story elevator building. The comparables are all located in elevator buildings ranging from five to 12 stories. No adjustments were needed.

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

**Concessions** – The subject is not currently offering concessions. Comparable 1 is currently offering \$55 off the first month’s rent if a resident signs a 12-month lease and moves in prior to February 15. The adjustment was determined by dividing \$500 by 12. The result of \$42 was applied to the rent grids. Comparable 2 is currently offering one month free and three months of free garage parking if a resident signs a 12-month lease and moves in by the end of February. The typical garage parking fee is \$125 per month. Therefore, \$125 was multiplied by three months, and the result of \$375 was added to one month’s rent for each bedroom type. The sum was divided by 12 months, and the result was applied to each rent grid.

**Year Built/Year Renovated** – The subject is proposed. It has an anticipated completion year of 2025. Comparable 1 was built in 2014, and Comparable 2 was built in 2010. Comparable 3 was constructed in 2014, and Comparable 4 was built in 1999. Comparable 5 was constructed in 2002. To account for differences between date of construction/renovation for the subject and the comparables, an effective year built for all properties was determined. The effective year built considers the date of construction as well as any renovation made to the property and the significance of the renovation. The following table shows the effective year built and adjustment amounts determined for the subject and the comparables:

Property	Year Built	Effective Year Built	Adjustment
Subject	2025	2025	-
1	2014	2014	\$11
2	2010	2010	\$15
3	2014	2014	\$11
4	1999	1999	\$26
5	2002	2002	\$23

Adjustments for age differences are relatively subjective given that many properties will complete general upgrades to a property even if they do not complete an actual specific rehabilitation or renovation. In general, newer construction properties and recently renovated properties can command a higher rent than older or non-renovated properties. The appraiser elected to adjust \$1 per effective year built of difference between the subject and the comparables.



**SF Area** – The subject and the comparables vary in square footage. Typically, all other variables being equal, a larger unit is more desirable than a smaller unit. However, the value of the additional square footage is mitigated to some degree by the similarity in perceived unit function. There is a diminishing return of value for additional square footage as each additional square foot does not necessarily equal additional functionality. Additionally, the units at the subject are measured as part of the scope of this assignment. However, the contacts at the comparables are often unwilling to allow interior inspections of the units. Therefore, it is necessary to rely on published unit sizes or verbal confirmation of unit sizes from the property contacts. As such, it is impossible to verify the accuracy of this data. In addition, the subject unit sizes are paint-to-paint measurements, while the contacts often report the “marketing” unit size which is sometimes the gross exterior square footage. Therefore, the unit sizes at the comparables are not always a direct comparison to the unit sizes at the subject. For the purpose of this report, a range of comparable rents per square foot was derived. To determine this adjustment, each comparable’s dollar per square foot rental rate was determined for each bedroom type. From these results, a median dollar per square foot rental rate is determined. The median dollar per square foot was then multiplied by 25 percent for each comparable to derive an adjusted dollar per square foot rental rate. The 25 percent was used to account for the diminished return of the larger unit sizes and the potential differences in reported unit sizes of the comparables versus the subject. Next, the difference in square footage between the subject and each comparable is determined. The difference is multiplied by the determined adjusted dollar per square foot rate to arrive at the adjustment for each comparable. The selected dollar per square foot for the one-bedroom comparison is \$0.89, for the two-bedroom comparison is \$0.66 and for the three-bedroom comparison is \$0.79. The result was rounded to the nearest \$5. No adjustments were made to comparables within 25 square feet of the subject because there is no difference in perceived unit function with 25 square feet. The adjustments are reflected on the HUD-Form 92273-S8, which is attached.

**# of Bedrooms** – The subject will contain one-, two- and three-bedroom units. All comparables are similar. No adjustments were needed.

**# of Baths** – Each complex with a differing number of baths than the subject was adjusted \$50 per half-bath per month. The majority of the difference in number of baths is accounted for in the unit square footage adjustment. However, an adjustment is made here to consider the added convenience of additional baths. The extra room(s) will enhance the marketability of a unit even if the square footage remains the same. The amount selected was chosen after a paired rental analysis was used to determine a range of \$34 to \$499 per full bath per month, as can be seen in the table below.

	Comp 1	Comp 1	Comp 3	Comp 3
<b>Small 2 BR Rent</b>	\$3,180	\$3,225	\$2,575	\$2,750
<b>Small 2 BR Size</b>	1,117	1,134	829	952
<b>Large 2 BR Rent</b>	\$3,225	\$3,545	\$3,120	\$2,855
<b>Large 2 BR Size</b>	1,134	1,285	898	997
<b>Size Adj Factor</b>	\$0.66	\$0.66	\$0.66	\$0.66
<b>Size Difference</b>	17	151	69	45
<b>Indicated Size Adj.</b>	\$11	\$100	\$46	\$30
<b>Adjusted 2 BR Rent</b>	\$3,214	\$3,445	\$3,074	\$2,825
<b>Indicated Bath Adj.</b>	<b>\$34</b>	<b>\$220</b>	<b>\$499</b>	<b>\$75</b>

The paired rental analysis range is determined by comparing units with differing numbers of baths and factoring out any other differences (amenities, utilities provided, etc.) if necessary. The resulting difference is assumed to be attributable to the differing number of baths. The results are grouped together in a range. The adjustment is selected based on where the majority of the results fall within the range. If there is no majority, a conservative adjustment at the low end of the range is selected. As there was no majority for this paired analysis, \$50 per half-bath adjustments were selected.



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**Balcony/Patio** – The subject will not contain these features. Comparables 1 and 5 are similar. The remaining comparables contain these features and were adjusted downward \$5 per month. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, the nominal \$5 adjustment was deemed reasonable.

**Parking** – The subject will have garage parking for no additional monthly fee. Comparable 1 has open parking for no additional monthly fee, covered parking for no additional monthly fee and garage parking for \$125 per month. Comparable 2 has covered parking for no additional monthly fee and garage parking for \$20 per month. Comparable 3 has garage parking for \$200 per month. Comparable 4 has garage parking included in the monthly rent. Comparable 5 has open parking for no additional fee. Properties that offer open parking on-site generally do not charge a fee for this parking type. Likewise, many properties offering covered parking also have this feature included in the rent. Garage parking is considered a significant enhancement and fees range from \$0 to \$200 for the comparables included in this analysis. Based on the fees for garage parking, an adjustment of \$125 per month was selected for this parking type. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Washington, D.C., the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$34.57 per month for covered parking. Therefore, an adjustment of \$35 per month was determined for covered parking. There is no market data regarding a fee residents would be willing to pay for parking lot. However, parking on-site is a significant enhancement in this market area. Therefore, an adjustment of \$25 was considered reasonable for parking lots on-site. As Comparables 1 and 2 have both open and covered parking included in the rent, the comparables were adjusted \$90, the difference in garage parking and covered parking adjustments ( $\$125 - \$35 = \$90$ ). Comparable 5 has open parking included in the rent and was adjusted upward \$100 per month, the difference in garage parking and open parking lot adjustments ( $\$125 - \$25 = \$100$ ). Comparable 3 was adjusted upward \$125 per month as it has no free on-site parking. Comparable 4 did not require an adjustment as it has free garage parking included in the rent.

**AC: Central/Wall** – The subject will contain central air conditioning. All comparables are similar. No adjustments were needed.

**Range/Refrigerator** – The subject will contain both amenities. All comparables contain both amenities. No adjustments were needed.

**Garbage Disposal** – The subject will contain garbage disposals in the units. All comparables are similar. No adjustment was needed.

**Microwave/Dishwasher** – The subject will contain both microwaves and dishwashers. All comparables are similar. No adjustment was needed.

**Washer/Dryer** – The subject will contain a laundry facility. Comparable 4 is similar. The remaining comparables contain washers and dryers in the units. Units with these amenities provided are preferred over units without these features as these appliances are expensive purchases for a prospective tenant. Although there is little market data available concerning units with these features versus those without these features, the amenities are an enhancement to the unit. In addition, the *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Washington, D.C., the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay between \$32.17 and \$44.09 per month for washers and dryers in the unit. After considering all factors, washers and dryers were valued at \$35 per month. Laundry facilities on-site are valued at \$5 per month. Therefore, units with washers and dryers will rent for \$30 more per month than units in properties with laundry facilities ( $\$35$  for washer/dryer -  $\$5$  for laundry facility =  $\$30$ ).



**Carpet** – The subject will contain vinyl flooring. All comparables have carpet flooring. No adjustments were needed. needed.

**Drapes** – The subject will contain window coverings. All comparables contain window coverings. No adjustment was needed.

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

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Swimming Pool	---	---	\$10	\$10	---	---
Exercise Room	---	\$5	\$5	\$5	\$5	\$5
Picnic Area	\$5	\$5	\$5	---	---	---
Tot Lot	\$5	---	---	---	---	---
Yoga Studio	---	\$5	---	---	---	---
Rooftop Terrace	---	---	\$5	\$5	---	---
Game Room	---	---	---	---	\$5	---
Courtyard	\$5	\$5	\$5	---	\$5	\$5
Sundeck	---	---	\$5	---	---	---
Walking Trail	---	---	\$5	---	---	---
Lounge	---	\$5	\$5	---	\$5	\$5
Billiards Table	---	\$5	---	---	---	---
Community Garden	---	---	\$5	---	---	---
Outdoor Seating Area	---	---	\$5	---	---	---
<b>Total</b>	<b>\$15</b>	<b>\$30</b>	<b>\$55</b>	<b>\$20</b>	<b>\$20</b>	<b>\$15</b>
<b>Indicated Adjustment</b>		<b>(\$15)</b>	<b>(\$40)</b>	<b>(\$5)</b>	<b>(\$5)</b>	<b>\$0</b>

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

**Heat** – The subject will not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Cooling** – The subject will not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Cooking** – The subject will not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Electricity** – The subject will not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Hot Water** – The subject will not have this utility provided. None of the comparables have this utility provided. No adjustment was needed.

**Cold Water/Sewer** – The subject will not provide these utilities. None of the comparables provide these utilities. No adjustment was needed.

**Trash** – The subject will provide this utility. None of the comparables have this utility provided. Therefore, all comparables were adjusted upward \$27 per month for all unit types. The amounts are indicated on the Allowances for Tenant-Furnished Utilities and Other Services provided by Virginia Housing.



**Extra Storage** – The subject will not contain extra storage. Comparables 1, 3 and 4 have extra storage for no additional monthly fee. Although there is little market data available concerning units with these features versus those without these features, the added amenity is an enhancement to the unit. Therefore, extra storage was given a nominal \$5 adjustment per month.

**Location** – The subject is located in the Radnor/Fort Myer Heights Neighborhood, which is rated average, with easy access to all services. In order to determine if adjustments were needed for differences in location between the subject and the comparables, several factors were compared. Those factors include livability, amenities available, cost of living, crime factors, employment factors, housing factors, schools in the area, walkscore, population counts, median rent levels and median income levels. Comparables 1 and 5 are located within the subject’s neighborhood. Comparable 2 is located in the Clarendon-Courthouse Neighborhood, and Comparable 3 is located in the Lyon Village Neighborhood. Comparable 4 is located in the Ballston-Virginia Square Neighborhood. The comparison between the subject and comparables is shown in the following table:

Location Characteristics						
	Subject	1	2	3	4	5
Livability	82	82	79	82	84	82
Amenities	A	A	A	A	A	A
Cost of Living	F	F	F	F	F	F
Crime	A	A	A	A	A	A
Employment	A	A	A	A	A	A
Housing	F	F	F	F	F	F
Schools	A	A	A	A	A	A
Walkscore	87	92	98	98	93	92
Transit Score	69	72	70	70	50	54
Population	10,224	10,224	9,100	3,541	12,604	10,224
Median Rent	\$1,656	\$1,656	\$2,073	\$2,143	\$2,307	\$1,656
Median Housing Value	\$415,800	\$415,800	\$418,800	\$943,200	\$482,380	\$415,800
Median Income	\$109,665	\$109,665	\$124,129	\$167,983	\$120,760	\$109,665

Source: AreaVibes and Walkscore

The data shown in the table was verified through [www.areavibes.com](http://www.areavibes.com) and [www.walkscore.com](http://www.walkscore.com). Each category was given a rating of 1 to 5, with 1 being the worst and 5 being the best. The ratings for each category were added together for each comparable, and the total sum was compared to the combined sum for the subject and a percent difference from the subject was determined. The results are shown in the following table:

Location Weighting Table						
	Subject	1	2	3	4	5
Livability	5	5	4	5	5	5
Amenities	5	5	5	5	5	5
Cost of Living	1	1	1	1	1	1
Crime	5	5	5	5	5	5
Employment	5	5	5	5	5	5
Housing	1	1	1	1	1	1
Schools	5	5	5	5	5	5
Walkscore	4	5	5	5	5	5
Transit Score	3	4	4	4	3	3
Population	5	5	4	1	5	5
Median Rent	5	5	5	5	5	5
Median Housing Value	4	4	4	5	4	4
Median Income	5	5	5	5	5	5
Total	53	55	53	52	54	54
% Different	---	-3.8%	0.0%	1.9%	-1.9%	-1.9%
50% Difference	---	-1.9%	0.0%	0.9%	-0.9%	-0.9%

Despite adjusting for the differences between the comparables, it is not always possible to fully account for the differences in rent between comparables as some is due to renter perception or management practices and is not due solely to differences in location. Therefore, it is not appropriate to adjust the full percentage amount determined in the previous analysis, and an adjustment factor of 50 percent was



applied to the percentages determined in this analysis. Although there are slight differences in the neighborhoods, overall, they are very similar to the subject. No adjustment was needed.

**Security** – The following table shows the proposed amenities at the subject and the amenities each comparable:

Feature	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Limited Access Gate	\$10	---	---	---	\$10	---
Intercom Entry	\$10	---	---	---	---	---
Video Surveillance	---	---	\$5	---	\$5	---
<b>Total</b>	<b>\$20</b>	<b>\$0</b>	<b>\$5</b>	<b>\$0</b>	<b>\$15</b>	<b>\$0</b>
<b>Indicated Adjustment</b>		<b>\$20</b>	<b>\$15</b>	<b>\$20</b>	<b>\$5</b>	<b>\$20</b>

No complex in the market area shows a rent differential based on security features. However, security features are an enhancement to an apartment complex, particularly security that limits access to the building or grounds. All security features will provide added protection for residents at the properties. Limited access gates limit access to the grounds, while intercom/electronic entry limits access to the buildings. Therefore, properties with limited access gates and/or intercom/electronic entry are considered superior to properties with video surveillance and/or security patrol which do not limit access. Consequently, limited access gates and intercom/electronic entry are considered \$5 superior to video surveillance and security patrol. The adjustments for the comparables are shown at the bottom of the table.

**Clubhouse/Meeting Room** – The subject will contain a community room. All comparables contain either clubhouse or meeting room. Comparables 2 and 3 contain both features. No complex in the market area shows a rent differential based on these particular items; however, the added amenities are an enhancement. Apartments with these features can command a higher rent in the market area. Therefore, properties with these features were adjusted \$5 per feature.

**Special Features** – The following table shows the proposed amenities at the subject and the amenities at each comparable:

Amenity	Subject	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Stainless Steel Appliances	---	\$30	\$30	\$30	---	\$30
Solid-Surface Countertops	---	---	\$35	\$35	---	---
Fireplace	---	---	\$10	---	---	---
Internet	\$10	---	---	---	---	---
Ceramic Tile	\$0	---	\$0	---	---	\$0
<b>Total</b>	<b>\$10</b>	<b>\$30</b>	<b>\$75</b>	<b>\$65</b>	<b>\$0</b>	<b>\$30</b>
<b>Indicated Adjustment</b>		<b>(\$20)</b>	<b>(\$65)</b>	<b>(\$55)</b>	<b>\$10</b>	<b>(\$20)</b>

Special features such as stainless steel appliances and granite, quartz or solid-surface countertops will typically command a higher rent in the market. Tenants are typically willing to pay a higher premium for these features. Typically, when these features are included in the units, they are considered luxury items, and units are assessed an up-charge from the rent that would be charged if unit did not contain these features. The *2020 NMHC/Kingsley Apartment Resident Preferences Report* for Washington, D.C., the nearest metropolitan area, was consulted. According to the *2020 NMHC/Kingsley Apartment Resident Preferences Report*, residents in the metropolitan area indicated they would expect a renter to pay \$30.42 per month for refrigerators with premium finishes and \$35.89 per month for premium countertops. After considering all factors, a \$30 adjustment was applied for stainless steel appliances, and a \$35 adjustment was applied for the solid-surface countertops. Wi-fi is a convenience to the property. This feature is valuable to residents as it allows access to the Internet without having to deplete data from personal accounts which are typically accompanied by data caps and limits. There is no data for these features that could be extracted from the market area. However, an adjustment was needed for the convenience of the on-site amenity. Therefore, an adjustment of \$10 was selected. Fireplaces are enhancements to the units, and tenants would expect to pay a premium fee if this amenity were included in the units. No complex in the market area shows a rent differential based on this particular item; however, an adjustment was considered appropriate. Therefore, a \$10 adjustment was selected for fireplaces. The



market did not indicate a rent differential based on ceramic tile. Therefore, no adjustments were needed. The adjustments for the comparables are shown at the bottom of the table.

**Business Center/Neighborhood Network** – The subject will contain this feature. All comparables are similar. No adjustment was needed.

**Conclusion of Market Rents – As Complete**

The adjusted rents range from \$1,893 to \$2,418 for the one-bedroom comparison, from \$2,558 to \$3,035 for the two-bedroom comparison and from \$3,159 to \$4,403 for the three-bedroom comparison. All comparables were given consideration. The appraiser concluded the market rent for the units at the subject as follows:

- **582 SF One-Bedroom Units** - **\$2,150**
- **866 SF Two-Bedroom Units** - **\$2,850**
- **1,103 SF Three-Bedroom Units** - **\$3,950**

The following table shows the proposed affordable rents. The proposed rents are below the estimated market rents and at the maximum net tax credit rents. Therefore, the proposed rents are considered reasonable and achievable.

MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES							
Unit Type	# of Units	Square Feet	% of Median Income	Maximum LIHTC Rent	Gross Rent	Utility Allowance	Net Rent
1/1	2	582	30%	\$725	\$725	\$77	\$648
1/1	8	582	50%	\$1,209	\$1,209	\$77	\$1,132
1/1	8	582	60%	\$1,451	\$1,451	\$77	\$1,374
2/1.5	6	866	30%	\$870	\$870	\$105	\$765
2/1.5	24	866	50%	\$1,451	\$1,451	\$105	\$1,346
2/1.5	28	866	60%	\$1,741	\$1,741	\$105	\$1,636
3/2	2	1,103	30%	\$1,006	\$1,006	\$132	\$874
3/2	7	1,103	50%	\$1,677	\$1,677	\$132	\$1,545
3/2	11	1,103	60%	\$2,013	\$2,013	\$132	\$1,881



## Evaluation of the Proposed Development

### Project Design

Marbella North Nine will be comprised of one 12-story elevator building. The building will have a concrete slab foundation and masonry framing, with brick and fiber cement exterior and a flat roof. Landscaping will consist of grass, trees and shrubs. The property will not be a scattered site development.

### Project Amenities

The property will provide the following project amenities: community room, picnic area, tot lot, courtyard, business center, laundry facility, on-site management, on-site maintenance, intercom entry, limited access gate, bicycle storage and common area wi-fi. The subject's project amenities will be competitive with the comparables in the market area.

### Parking

The complex will contain a parking garage with 48 parking spaces. Therefore, the subject will have a parking ratio 0.50 parking spaces per unit. The parking is typical for the market area.

### Unit Mix

The subject's proposed unit mix of one-, two- and three-bedroom units will be suitable in the market area.

### Utilities

The subject will contain forced air electric heating and condenser water loop electric cooling. Cooking and hot water will be electric. The landlord will provide trash collection services. This arrangement will be similar to superior to the majority of the comparables in the market area.

### Unit Amenities

Each unit will contain the following amenities: refrigerator, range/oven, garbage disposal, dishwasher, microwave, vinyl and ceramic tile flooring, blinds, ceiling fans and coat closet. Select units will also have carpet flooring. The units will also have free internet. The unit amenities will be competitive with the comparables in the market area.

### Tenant Services

Marbella North Nine will have ample ground floor program space, including a community room, that will be fully accessible to the residents. Residents will complete a survey at move-in, and a resident services coordinator will continue with "listening" interviews during the first few months of the lease up and welcoming process. From the onset, resident services programs will be targeted to address resident needs and interests while encouraging residents to share their talents and engage with the wider community. APAH aligns resident needs and interests with programs that improve workplace skills, health and well-being, increase financial stability and strengthen community engagement. None of the comparables offer tenant services.

### Impact of Existing/Planned Rental Housing

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



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### Summary of Developments Strength and Weaknesses

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#### **Strengths**

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

#### **Weaknesses**

- There are no apparent weaknesses.

## LOCAL PERSPECTIVE AND INTERVIEWS



**Local Interviews**

**Arlington Zoning Department**

According to Crystal Barnes, Front Counter Services Supervisor for the Arlington Community Planning, Housing and Development Department, the subject is zoned RA6-15, Apartment Dwelling District. The subject will be a legal, conforming use of the zoning ordinance. Ms. Barnes indicated the land around the subject is zoned for residential and multifamily use. Arlington does not have a limit to the number of multifamily units that may be constructed annually. The telephone number for the Arlington Community Planning, Housing and Development Department is 703-228-3668.

**Arlington County Economic Development Department**

According to Michael Stiefvater, Assistance Director of Business Development for the Arlington County Economic Development Department, there have been numerous new and expanding businesses in the county, including those in the following table:

NEW AND EXPANDING BUSINESSES	
Company	New/Expansion
Best Western	New
Ballston Station - Ballston Central United Methodist Church	New
Crystal Gateway	New
Harris Teeter	New
Arlington National Cemetery	Expansion
Crystal City Metro Station	Expansion
Ballston-MU Metro Station	Expansion
Columbia Pike Transit Stations	Expansion
Bowlero	New
Smokecraft Modern BBQ	New
Mimi's Handmade Ice Cream	New
Kusshi	New
Amazon HQ2	New
Banditos Bar & Kitchen	New
Target	New
Road Runner Sports	New
Nighthawk Pizza	New
Privai	New
District Dogs	Expansion
RAKO Coffee	New
Two Six Labs	Expansion
Fresh Impact Farms	Expansion
ZEBOX	New
Microsoft	New
<b>Total:</b>	

*Source: Arlington County Economic Development Department*

The largest of these economic development activities is the addition of Amazon's second headquarters, Amazon HQ2. This development is currently under construction. Amazon is investing \$2.6 billion into this new development. The first portion of the development, Met Park, will consist of three 22-story office towers with ground floor retail space, three retail pavilions ranging from one to three stories, underground parking, a daycare and 2.5 acres of public space. The first phase should be open by 2023. The second phase, PenPlace, will contain of three additional 22-story buildings along with the 370,000-square-foot-spiral-shaped building called Helix. Amazon also intends to fill at least 140,000 square feet of open-to-the-public retail space between Metropolitan Park and PenPlace and will be adding 25,000 jobs over the next ten years. Mr. Stiefvater also indicated that there is a need for more housing in the area. He indicated that all bedroom types are needed. The telephone number for the Arlington County Economic Development Department is 703-228-0827.

## RECOMMENDATIONS AND CONCLUSIONS



**Recommendations and Conclusions**

**Project Description**

The subject, Marbella North Nine, is a proposed LIHTC development to be designated for families. The property will contain 96 units. An existing apartment complex is currently located on the site. This property will be demolished, and a new apartment development will be constructed. The developer is applying for an allocation of Low-Income Housing Tax Credits for all units, which will set the income eligibility to individuals earning up to 30, 50 or 60 percent of the area median income. In addition, 10 units will have project-based vouchers through the Arlington County Permanent Supportive Housing Program. These units will be households earning up to 50 percent of the area median income. Households with one to five persons and incomes between \$24,857 and \$83,640 will be eligible for the proposed development. For the units with vouchers, households with one to five persons and incomes below \$69,700 would be eligible for the proposed development.

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

<b>MAXIMUM LIHTC RENTS AND UTILITY ALLOWANCES</b>							
<b>Unit Type</b>	<b># of Units</b>	<b>Square Feet</b>	<b>% of Median Income</b>	<b>Maximum LIHTC Rent</b>	<b>Gross Rent</b>	<b>Utility Allowance</b>	<b>Net Rent</b>
1/1	2	582	30%	\$725	\$725	\$77	\$648
1/1	8	582	50%	\$1,209	\$1,209	\$77	\$1,132
1/1	8	582	60%	\$1,451	\$1,451	\$77	\$1,374
2/1.5	6	866	30%	\$870	\$870	\$105	\$765
2/1.5	24	866	50%	\$1,451	\$1,451	\$105	\$1,346
2/1.5	28	866	60%	\$1,741	\$1,741	\$105	\$1,636
3/2	2	1,103	30%	\$1,006	\$1,006	\$132	\$874
3/2	7	1,103	50%	\$1,677	\$1,677	\$132	\$1,545
3/2	11	1,103	60%	\$2,013	\$2,013	\$132	\$1,881

The development will be restricted to households with incomes up to 30, 50 and 60 percent of the area median income. The property will have seven one-bedroom units, two two-bedroom units and one three-bedroom unit which will have project-based vouchers. Tenants in these units will be required to pay no more than 30 percent of annual income toward rent and utilities. At no point will tenants in these units be required to pay more than the maximum allowable LIHTC rent.

**Income Averaging**

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

**Housing Profile**

The rental housing stock in the market area is comprised of single-family homes and market-rate and income-restricted apartment complexes. The current vacancy rate in surveyed income-restricted apartment complexes is 1.2 percent. The current vacancy rate in surveyed market-rate apartment complexes is 8.0 percent. The current vacancy rate of the competitive properties in the market area is 1.5 percent.

The proposed construction will not have an adverse impact on the market area. As complete, the property will be 100 percent LIHTC at 30, 50 and 60 percent of the area median income. There were 14 income-restricted developments confirmed in the market area. Of the confirmed income-restricted developments, 11 will directly compete with the subject. All competing developments maintain high occupancy rates, and several maintain waiting lists from which the subject could draw residents. Therefore, it does not appear the market area is saturated with affordable housing



### Market Feasibility

The following table shows the capture rate for the proposed development:

CAPTURE RATE	
PROJECT-WIDE CAPTURE RATE - LIHTC UNITS	1.2%
PROJECT-WIDE CAPTURE RATE - MARKET UNITS	N/A
PROJECT-WIDE CAPTURE RATE - ALL UNITS	1.2%
PROJECT-WIDE ABSORPTION PERIOD (MONTHS)	3 Months

The market shows a net demand of 8,030 households for all units. As complete, the property will be 100 percent LIHTC at 30, 50 and 60 percent of the area median income. The capture rate for the subject is 1.2 percent, which is considered good. In addition, based on the occupancy rates of apartment complexes in the market area, the existing waiting lists, the projected family population and household growth and the economic factors, it is believed that property will be viable within the market area and will meet the demand for affordable housing in the market area.

### Evaluation of Project

The property will be easily accessed via North Pierce Street. North Pierce Street is a secondary road south of Arlington Boulevard, a major thoroughfare in the city. Therefore, the subject has average visibility and easy access. The subject's proposed site plan and project design will be similar to competing apartment developments. The subject's proposed unit mix of one-, two, and three-bedroom units will be suitable in the market.

### Positive/Negative Attributes

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

**Weaknesses:** There are no apparent weaknesses.

### Conclusions

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

- The subject's proposed design and amenities will be competitive with existing projects in the market area. Therefore, no modifications to the subject are necessary.
- The subject will be superior in condition when compared to the majority of the current housing stock
- The market area's population and households are projected to increase through 2027, indicating a need for additional housing the market area. In addition, all restricted properties confirmed maintain high occupancy rates, and many maintain waiting lists. Therefore, it appears the market is not oversaturated with affordable rental housing.
- The subject will have 96 units. Based on the lease-up rates of recently constructed properties in the market area, the property is anticipated to absorb between 35 to 40 units per month, resulting in a 95 percent occupancy level within two to three months.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the proposed development will be suitable for the market area. Given the current low vacancy rates for income-restricted senior properties as well as the waiting lists at several properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.
- According to the past, present and future demographic and economic trends within the primary market area, it is the opinion of the analyst that the rehabilitated development will be suitable for the market area. Given the current low vacancy rates for income-restricted senior properties as well as the waiting lists at most properties, the development will not have an adverse effect on the existing rental comparables and the anticipated pipeline additions to the rental base.

**MARKET STUDY ANALYST STATEMENT OF EXPERIENCE**



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### Qualifications of the Analyst

Gill Group is a nationwide marketing and real estate consulting firm specializing in market studies and real estate appraisals for low-income housing developments. For more than 30 years, Gill Group has been performing market research and appraisals on all types of properties. Primary data from field inspectors, analysts and appraisers is used. Our inspectors, analysts and appraisers personally inspect and examine every property included in the reports. Additional data is obtained from the U.S. Census Bureau, local public officials and reliable market data research companies such as ESRI Business Information Solutions. Gill Group's market studies have been used by clients in the Low Income Housing Tax Credit program and in obtaining and renewing state and federal subsidies for low-income housing developments, senior housing and multifamily rental housing. Samuel T. Gill has been active in the U.S. Department of Housing and Urban Development's Multifamily Accelerated Processing (M.A.P.) and Mark-to-Market programs.



**Samuel T. Gill**  
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Dexter, Missouri 63841  
573-624-6614 (phone)  
573-624-2942 (fax)  
to dd.gill@gillgroup.com

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**OVERVIEW**

Extensive multifamily experience over the past 25 years specializing in work for the Department of Housing and Urban Development (HUD), United States Department of Agriculture/Rural Development (USDA/RD) as well as lenders and developers through the Low-Income Housing Tax Credit (LIHTC) program including but not limited to, Section 8, Section 202, Section 236, Section 515 and Section 538 Programs. Additionally, extensive experience since inception of the Multifamily Accelerated Processing (MAP) Program of Sections 202/223(f), 232/223(f), 221(d)3, 221(d)4 and 223(f). Also, more than 20 years of experience with nursing homes, hotels and complicated commercial appraisal assignments.

**ACCREDITATIONS**

**State Certified General Real Estate Appraiser**

Alabama State License Number: G00548  
Arizona State License Number: 31453  
Colorado State License Number: CG40024048  
Connecticut State License Number: RCG.0001276  
District of Columbia License Number: GA11630  
Georgia State License Number: 258907  
Hawaii State License Number: CGA1096  
Idaho State License Number: CGA-3101  
Illinois State License Number: 153.0001384  
Indiana State License Number: CG40200270  
Iowa State License Number: CG02426  
Kansas State License Number: G-1783  
Louisiana State License Number: G1126  
Maine State License Number: CG3635  
Maryland State License Number: 32017  
Michigan State License Number: 1201068069  
Minnesota State License Number: 40186198  
Mississippi State License Number: GA-624  
Missouri State License Number: RA002563  
Montana State License Number: REA-RAG-LIC-8530  
Nebraska State License Number: CG2000046R  
New York State License Number: 46000039864  
North Carolina State License Number: A5519  
North Dakota State License Number: CG-2601  
Ohio State License Number: 448306  
Oklahoma State License Number: 12524CGA  
Oregon State License Number: C000793  
Pennsylvania State License Number: GA001813R  
South Carolina State License Number: 3976  
Tennessee State License Number: 00003478  
Texas State License Number: 1329698-G  
Utah State License Number: 5510040-CG00  
Virginia State License Number: 4001 015446  
Washington State License Number: 1101018  
West Virginia State License Number: CG358  
Wisconsin State License Number: 1078-10  
Wyoming State License Number: 479

Also received temporary licenses in the following states: Arkansas, California, Delaware, Florida, Kentucky, Massachusetts, Nevada, New Hampshire, New Jersey, New Mexico, Puerto Rico, Rhode Island, South Dakota, the U.S. Virgin Islands and Vermont.



**EXPERIENCE  
(1991 TO PRESENT)**

Primary provider of HUD Mark-to-Market Full Appraisals for mortgage restructuring and Mark-to-Market Lites for rent restructuring and has worked with HUD in this capacity since inception. Completed approximately 350 appraisals assignments under this program.

Provider of HUD MAP and TAP appraisals and market studies for multiple lenders since its inception. Completed approximately 350 appraisal assignments under this program.

Contract MAP quality control reviewer and field inspector for CohnReznick and HUD. Have completed approximately 350 reviews under this program. Have completed approximately 100 field inspections under this program.

Currently approved state reviewer for HUD Rent Comparability Studies for Section 8 Renewals in Alabama, California, Connecticut, Florida, Hawaii, Illinois, Indiana, Iowa, Kansas, Louisiana, Minnesota, Nebraska, New Mexico, North Carolina, Oregon, Utah, Virgin Islands, Virginia, Washington, West Virginia and Wisconsin. Completed approximately 500 reviews under this program.

Provider of HUD Rent Comparability Studies for contract renewal purposes nationwide. Completed approximately 400 rent comparability studies.

Provider of tax credit financing analysis and value of financing analysis. Completed approximately 300 appraisal assignments and market studies under this program.

Provider of multifamily appraisals under the RD 515 and 538 programs. Completed approximately 200 appraisal assignments under these programs.

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

**DEVELOPMENT/OWNERSHIP/  
MANAGEMENT EXPERIENCE  
(2006 TO PRESENT)**

For the past 10 years, he has owned three separate companies that develop, own and manage commercial, multifamily, residential, agricultural and vacant land properties.

In his portfolio are over 100,000 square feet of commercial space, over 1,000 units of multifamily, 200 acres of farmland, and 10 parcels of developable commercial and multifamily lots, all in the Midwest.

**EDUCATION**

**Bachelor of Arts Degree**

*Southeast Missouri State University*

**Associate of Arts Degree**

*Three Rivers Community College*



**HUD/FHA Appraiser Training**

*Arkansas State Office*

**Multifamily Accelerated Processing Valuation (MAP)**

*U. S. Department of Housing and Urban Development*

**2<sup>nd</sup> Annual Multifamily Accelerated Processing Basic and Advanced Valuation (MAP)**

*U. S. Department of Housing and Urban Development*

**FHA Appraising Today**

*McKissock, Inc.*

**Texas USDA Rural Development Multifamily Housing Appraiser Training**

*Texas Rural Development*

**Kentucky USDA Rural Development Multifamily Housing Appraiser Training**

*Kentucky Rural Development*

**Financial Analysis of Income Properties**

*National Association of Independent Fee Appraisers*

**Income Capitalization**

*McKissock, Inc.*

**Introduction to Income Property Appraising**

*National Association of Independent Fee Appraisers*

**Concepts, Terminology & Techniques**

*National Association of Independent Fee Appraisers*

**Uniform Standards of Professional Appraisal Practice**

*Central Missouri State University*

**Appraisal of Scenic, Recreational and Forest Properties**

*University of Missouri-Columbia*

**Appraiser Liability**

*McKissock, Inc.*

**Appraisal Trends**

*McKissock, Inc.*

**Sales Comparison Approach**

*Hondros College*

**Even Odder: More Oddball Appraisals**

*McKissock, Inc.*

**Mortgage Fraud: A Dangerous Business**

*Hondros College*

**Private Appraisal Assignments**

*McKissock, Inc.*

**Construction Details & Trends**

*McKissock, Inc.*

**Condemnation Appraising Principles & Applications**

*Appraisal Institute*

**Michigan Law**

*McKissock, Inc.*

**Pennsylvania State Mandated Law**

*McKissock, Inc.*



**Valuing Real Estate in a Changing Market**

*National Association of Independent Fee Appraisers*

**Principles of Residential Real Estate Appraising**

*National Association of Independent Fee Appraisers*

**Real Estate Appraisal Methods**

*Southeast Missouri State University*

**Lead Inspector Training**

*The University of Kansas*

**Lead Inspector Refresher**

*Safety Support Services, Incorporated*

**Home Inspections: Common Defects in Homes**

*National Association of Independent Fee Appraisers*

**Heating and Air Conditioning Review**

*National Association of Independent Fee Appraisers*

**Professional Standards of Practice**

*National Association of Independent Fee Appraisers*

**Developing & Growing an Appraisal Practice – Virtual Classroom**

*McKissock, Inc.*

**The Appraiser as Expert Witness**

*McKissock, Inc.*

**Current Issues in Appraising**

*McKissock, Inc.*

**2011 ValExpo: Keynote-Valuation Visionaries**

*Van Education Center/Real Estate*

**Residential Report Writing**

*McKissock, Inc.*

**The Dirty Dozen**

*McKissock, Inc.*

**Risky Business: Ways to Minimize Your Liability**

*McKissock, Inc.*

**Introduction to Legal Descriptions**

*McKissock, Inc.*

**Introduction to the Uniform Appraisal Dataset**

*McKissock, Inc.*

**Mold Pollution and the Appraiser**

*McKissock, Inc.*

**Appraising Apartments: The Basics**

*McKissock, Inc.*

**Foundations in Sustainability: Greening the Real Estate and Appraisal Industries**

*McKissock, Inc.*

**Mortgage Fraud**

*McKissock, Inc.*

**The Nuts and Bolts of Green Building for Appraisers**

*McKissock, Inc.*

**The Cost Approach**

*McKissock, Inc.*



**Pennsylvania State Mandated Law for Appraisers**

*McKissock, Inc.*

**Michigan Appraisal Law**

*McKissock, Inc.*

**Modern Green Building Concepts**

*McKissock, Inc.*

**Residential Appraisal Review**

*McKissock, Inc.*

**Residential Report Writing: More Than Forms**

*McKissock, Inc.*

**2-4 Family Finesse**

*McKissock, Inc.*

**Appraisal Applications of Regression Analysis**

*McKissock, Inc.*

**Appraisal of Self-Storage Facilities**

*McKissock, Inc.*

**Supervisor-Trainee Course for Missouri**

*McKissock, Inc.*

**The Thermal Shell**

*McKissock, Inc.*

**Even Odder – More Oddball Appraisals**

*McKissock, Inc.*

**Online Data Verification Methods**

*Appraisal Institute*

**Online Comparative Analysis**

*Appraisal Institute*

**Advanced Hotel Appraising – Full Service Hotels**

*McKissock, Inc.*

**Appraisal of Fast Food Facilities**

*McKissock, Inc.*

**Appraisal Review for Commercial Appraisers**

*McKissock, Inc.*

**Exploring Appraiser Liability**

*McKissock, Inc.*



## Certificate of Professional Designation

*This certificate verifies that*

**Samuel Todd Gill**  
Gill Group, Inc.

*Has completed NCHMA's Professional Designation Requirements  
and is hence an approved member in good standing of:*



Formerly known as  
NCAHMA

National Council of Housing Market Analysts  
1400 16<sup>th</sup> St. NW  
Suite 420  
Washington, DC 20036  
202-939-1750

**Membership Term**  
1/1/2022 to 12/31/2022



Thomas Amdur  
President, NCHMA



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

A handwritten signature in black ink that reads "Samuel T. Gill". The signature is written in a cursive, flowing style.

Samuel T. Gill  
Market Analyst

Date: February 1, 2022

**ADDENDUM A – DATA SOURCES**

2000 U.S. Census  
2010 U.S. Census  
2014-2018 American Community Survey  
Claritas; Ribbon Demographics (A nationally recognized demographics forecaster)  
SOCDS  
U.S. Bureau of Labor Statistics

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

**ADDENDUM B – MARKET STUDY TERMINOLOGY**

**Absorption Period**

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

**Absorption Rate**

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

**Acceptable Rent Burden**

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

**Affordable Housing**

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

**Amenity**

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

**Annual Demand**

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

**Area Median Income (AMI)**

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

**Assisted Housing**

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

**Attached Housing**

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

**Basic Rent**

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

**Below Market Interest Rate Program (BMIR)**

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

**Capture Rate**

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

**Census Tract**

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

**Central Business District (CBD)**

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

**Community Development Corporation (CDC)**

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

**Comparable Property**

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

**Competitive Property**

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

**Concession**

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

**Condominium**

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

**Contract Rent**

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

**Demand**

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

**Difficult Development Area (DDA)**

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

**Detached Housing**

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

**Effective Rents**

Market Rents less concessions.

**Elderly or Senior Housing**

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

**Extremely Low Income**

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

**Fair Market Rent (FMR)**

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

**Family**

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

**Garden Apartments**

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

**Gross Rent**

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

**High-rise**

A residential building having more than ten stories.

**Household**

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

**Household Trends**

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

**Housing Unit**

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

**Housing Choice Voucher (Section 8 Program)**

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

**Housing Finance Agency (HFA)**

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

**HUD Section 8 Program**

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

**HUD Section 202 Program**

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

**HUD Section 811 Program**

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

**HUD Section 236 Program**

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

**Income Band**

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

**Income Limits**

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

**Infrastructure**

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

**Low Income**

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

**Low Income Housing Tax Credit**

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

**Low Rise Building**

A building with one to three stories.

**Market Advantage**

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

**Market Analysis**

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

**Market Area**

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

**Market Area, Primary (PMA)**

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

**Market Area, Secondary (SMA)**

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

**Market Demand**

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

**Market Feasibility Analysis**

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

**Market Rent**

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

**Market Study**

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

**Marketability**

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

**Market Vacancy Rate – Physical**

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

**Market Vacancy Rate – Economic**

Percentage of rent loss due to concessions and vacancies.

**Metropolitan Statistical Area (MSA)**

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

**Mid-rise**

A building with four to ten stories.

**Mixed Income Property**

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

**Mobility**

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

**Moderate Income**

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

**Move-Up Demand**

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

**Multifamily**

Structures that contain two or more housing units.

**Neighborhood**

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

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

Gross Rent less Tenant Paid Utilities.

**Penetration Rate**

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

**Pent-up Demand**

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

**Population Trends**

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

**Primary Market Area**

See Market Area

**Programmatic Rents**

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

**Project Based Rent Assistance**

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

**Public Housing or Low Income Conventional Public Housing**

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

**Qualified Census Tract (QCT)**

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

**Redevelopment**

The redesign or rehabilitation of existing properties.

**Rent Burden**

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

**Rent Burdened Households**

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

**Restricted Rent**

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

**Rural Development (RD) Market Rent**

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

**Rural Development (RD) Program**

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

**Saturation**

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

**Secondary Market Area**

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

**Single-Family Housing**

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

**Special Needs Population**

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

**Stabilized Level of Occupancy**

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

**State Data Center (SDC)**

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

**Subsidy**

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

**Substandard Conditions**

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

**Target Income Band**

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

**Target Population**

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

**Tenant**

One who rents real property from another.

**Tenant Paid Utilities**

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

**Tenure**

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

**Townhouse (or Row House)**

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

**Turnover**

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

**Unmet Housing Need**

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

**Unrestricted Rents**

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

**Vacancy Period**

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

**Vacancy Rate – Economic**

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

**Vacancy Rate – Physical**

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

**Very Low Income**

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

**Zoning**

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

**ADDENDUM C – NCHMA INDEX**

## NCHMA Market Study Index

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

		Page Number(s)
<b>Executive Summary</b>		
1	Executive Summary	11-12
<b>Scope of Work</b>		
2	Scope of Work	14-16
<b>Project Description</b>		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	18-20
4	Utilities (and utility sources) included in rent	19
5	Target market/population description	18
6	Project description including unit features and community amenities	18-19
7	Date of construction/preliminary completion	20
8	If rehabilitation, scope of work, existing rents, and existing vacancies	N/A
<b>Location</b>		
9	Concise description of the site and adjacent parcels	26
10	Site photos/maps	24-32
11	Map of community services	35-49
12	Site evaluation/neighborhood including visibility, accessibility and crime	26, 33-34
<b>Market Area</b>		
13	PMA description	53-54
14	PMA Map	55
<b>Employment and Economy</b>		
15	At-Place employment trends	57-58
16	Employment by sector	59
17	Unemployment rates	57-58
18	Area major employers/employment centers and proximity to site	58
19	Recent or planned employment expansions/reductions	60-62
<b>Demographic Characteristics</b>		
20	Population and household estimates and projections	65-69
21	Area building permits	81
22	Population and household characteristics including income, tenure, and size	65-73
23	For senior or special needs projects, provide data specific to target market	N/A

## NCHMA Market Study Index

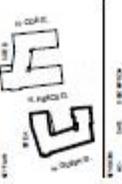
**Introduction:** Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed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

		Page Number(s)
<b>Competitive Environment</b>		
24	Comparable property profiles and photos	86-97
25	Map of comparable properties	98
26	Existing rental housing evaluation including vacancy and rents	84-85
27	Comparison of subject property to comparable properties	81-85, 112-113
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	N/A
29	Rental communities under construction, approved, or proposed	81
30	For senior or special needs populations, provide data specific to target market	N/A
<b>Affordability, Demand, and Penetration Rate Analysis</b>		
31	Estimate of demand	77-79
32	Affordability analysis with capture rate	79
33	Penetration rate analysis with capture rate	76-77
<b>Analysis/Conclusions</b>		
34	Absorption rate and estimated stabilized occupancy for subject	78
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	102-111
36	Precise statement of key conclusions	117-118
37	Market strengths and weaknesses impacting project	118
38	Product recommendations and/or suggested modifications to subject	118
39	Discussion of subject property's impact on existing housing	118
40	Discussion of risks or other mitigating circumstances impacting subject	118
41	Interviews with area housing stakeholders	115
<b>Other Requirements</b>		
42	Certifications	7-9, 127
43	Statement of qualifications	120-126
44	Sources of data not otherwise identified	Addendum A

**ADDENDUM D - SUBJECT INFO**

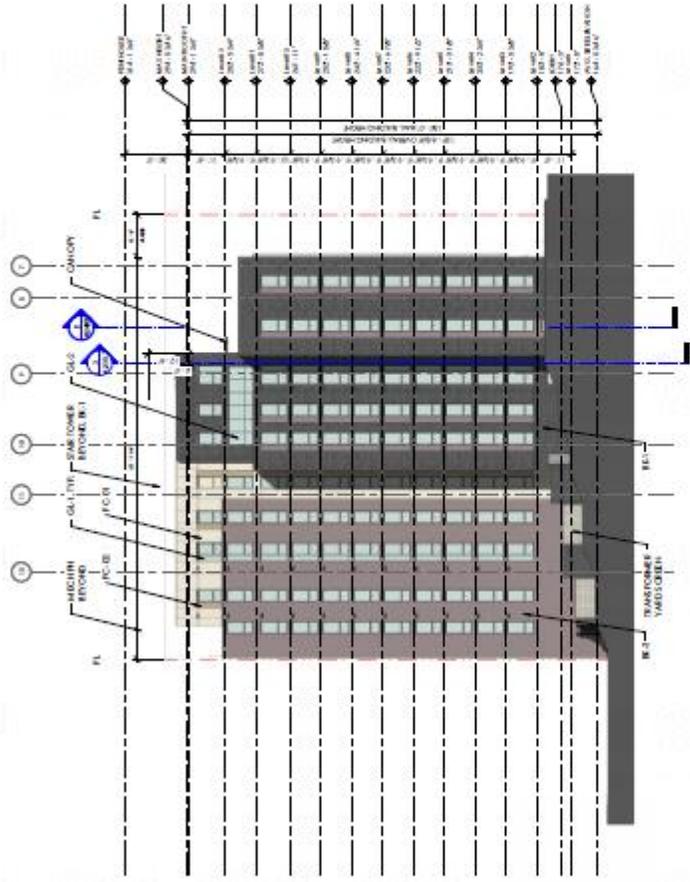






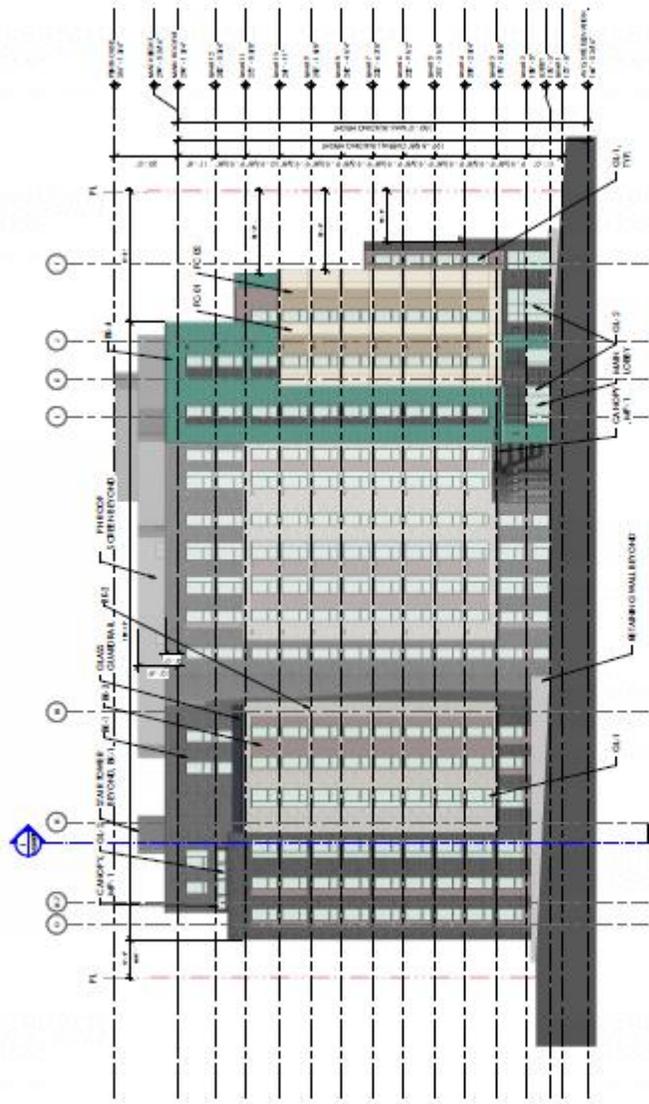
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 PROJECT: MARBELLA  
 DRAWING: ELEVATIONS  
 SCALE: AS SHOWN  
 SHEET: A.2-302-B

DATE: 02/23/2022  
 PROJECT: MARBELLA  
 DRAWING: ELEVATIONS  
 SCALE: AS SHOWN  
 SHEET: A.2-302-B



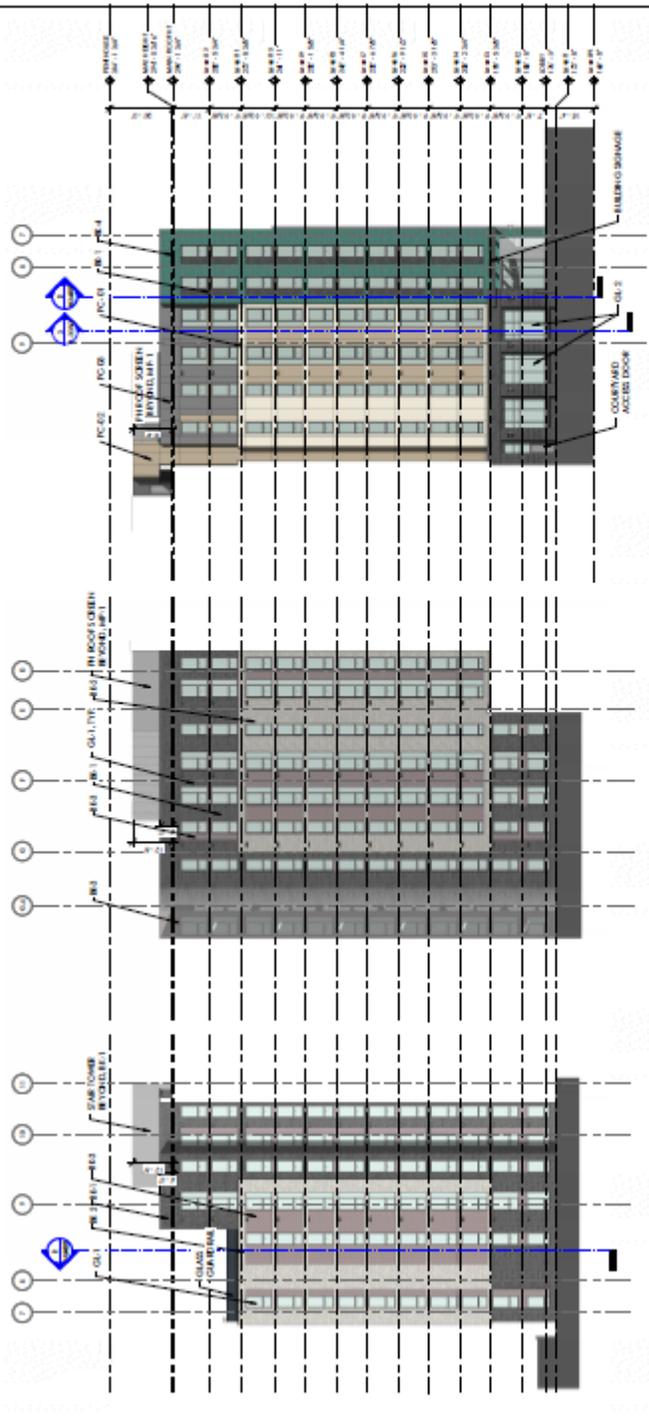
**SOUTH ELEVATION**  
 SCALE: 1/8" = 1'-0"

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W.2	W.2 COLOR (DARK GRAY)
W.3	W.3 COLOR (DARK GRAY)
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**EAST ELEVATION**  
 2.237 SCALE: 1/8" = 1'-0"

MATERIALS/DETAILS	
W-1 COLOR (TAN GRAY)	W-10 CEMENT FURF
W-2 COLOR (DUST GRAY)	W-11 CEMENT FURF (GRAY)
W-3 COLOR (DUST GRAY)	W-12 CEMENT FURF (GRAY)
W-4 COLOR (TAN)	W-13 METAL (TO MATCH W-4)
W-5 COLOR (TAN)	W-14 GLASS SYSTEM (W-5)
W-6 GLASS	W-15 GLASS SYSTEM (W-6)
W-7 GLASS	W-16 GLASS SYSTEM (W-7)
W-8 CEMENT FURF	W-17 OUTRIG METAL DOOR
W-9 CEMENT FURF	



COURTYARD SOUTH ELEVATION  
SCALE: 1/8" = 1'-0"

COURTYARD EAST ELEVATION  
SCALE: 1/8" = 1'-0"

COURTYARD NORTH ELEVATION  
SCALE: 1/8" = 1'-0"

MATERIAL LEGEND - BELLA	
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W-1	W-2 CEILING (FAIR GRAY)
W-2 COLOR (DARK GRAY)	W-3 CEILING (FAIR GRAY)
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W-4	GLASS SYSTEM (W-6)
W-5 COLOR (TAN)	GLASS SYSTEM (W-7)
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M-100 (FAIR GRAY)	





2 | SITE A - N. PIERCE ST. LOOKING NORTH WEST



1 | SITE A - VIEW FROM RHODE ST BRIDGE



3 | SITE A - N. PIERCE ST. MAIN ENTRANCE STREET VIEW

ADDENDUM E – FLOOD DATA

# National Flood Hazard Layer FIRMette



77°43'W 38°32'N



0 250 500 1,000 1,500 2,000 Feet  
 Basemap: USGS National Map: Orthimagery: Data refreshed October, 2020  
 77°41'W 38°32'N

## Legend

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

<p><b>SPECIAL FLOOD HAZARD AREAS</b></p> <ul style="list-style-type: none"> <li> Without Base Flood Elevation (BFE) Zone A, V, AE9</li> <li> With BFE or Depth zone AE, AO, AH, VE, AP</li> <li> Regulatory Floodway</li> </ul>	<p><b>OTHER AREAS OF FLOOD HAZARD</b></p> <ul style="list-style-type: none"> <li> 0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with a average depth less than one foot, or with drainage areas of less than one square mile Zone A</li> <li> Future Conditions 1% Annual Chance Flood Hazard Zone A</li> <li> Area with Reduced Flood Risk due to Levee. See Notes. Zone X</li> <li> Area with Flood Risk due to Levee Zone D</li> </ul>
<p><b>OTHER AREAS</b></p> <ul style="list-style-type: none"> <li> NO SCREEN Area of Minimal Flood Hazard Zone X</li> <li> Effective LOMR</li> <li> Area of Undetermined Flood Hazard Zone D</li> </ul>	<p><b>GENERAL STRUCTURES</b></p> <ul style="list-style-type: none"> <li> Channel, Culvert, or Storm Sewer</li> <li> Levee, Dike, or Floodwall</li> </ul>
<p><b>OTHER FEATURES</b></p> <ul style="list-style-type: none"> <li> Core Sections with 1% Annual Chance</li> <li> Water Surface Elevation</li> <li> Coastal Tracsect</li> <li> Base Flood Elevation Line (BFE)</li> <li> Limit of Study</li> <li> Jurisdiction Boundary</li> <li> Coastal Tracsect Baseline</li> <li> Profile Baseline</li> <li> Hydrographic Feature</li> </ul>	<p><b>MAP PANELS</b></p> <ul style="list-style-type: none"> <li> Digital Data Available</li> <li> No Digital Data Available</li> <li> Unmapped</li> </ul> <p>The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.</p>

This map complies with FEMA's standards for the use of digital flood maps. If it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 1/22/2022 at 1:24 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.