

A MARKET CONDITIONS AND PROJECT EVALUATION SUMMARY OF

OLEANDER TERRACE APARTMENTS

Located at

**532 OLEANDER AVENUE
LEMOORE, KINGS COUNTY, CALIFORNIA 93245**

Effective Date: March 8, 2010

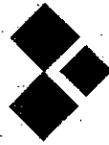
Report Date: June 24, 2010

Prepared For

**John Clem
Lemoore Housing Investors, L.P.
414 W. 4th Street, Suite L
Santa Ana, CA 92701**

Prepared By

**Novogradac & Company LLP
7227 Metcalf Avenue, Suite 250
Overland Park, Kansas 66204
913.262.3500**



**NOVOGRADAC
& COMPANY LLP**
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June 24, 2010

John Clem
Lemoore Housing Investors, L.P.
414 W. 4th Street, Suite L
Santa Ana, CA 92701

Re: Market Study of Oleander Terrace Apartments
532 Oleander Avenue
Lemoore, California 93245

Dear Mr. Clem:

At your request, Novogradac & Company LLP has performed a market study of the multifamily rental market in the Lemoore, Kings County, California area relative to the above-proposed affordable housing project.

The purpose of this market study is to assess the viability of Oleander Terrace Apartments (Subject), a proposed 66-unit Low Income Housing Tax Credit (LIHTC) and HOME development to be located at 532 Oleander Avenue, in Lemoore, Kings County, California. The property will offer affordable rental units restricted to households earning 30, 40, and 50 percent of the area median income (AMI) or below. Additionally, 39 of the units will be set-aside for farmworkers.

The following report provides support for the findings of the study and outlines the sources of information and the methodologies used to arrive at these conclusions. This report incorporates LIHTC rent and income restrictions. The scope of this report meets the requirements of the California Tax Credit Allocation Committee (TCAC), the California Debt Limit Allocation Committee (CDLAC), and HOME, including the following:

- Executive Summary and Conclusions
- Project Description
- Delineation of the Market Area
- Market Area Economy
- Population, Household, and Income Trends
- Demand Estimate
- Absorption Rate Analysis
- Competitive Rental Market Analysis
- Required Appendices

This report contains, to the fullest extent possible and practical, explanations of the data, reasoning, and analyses that were used to develop the opinions contained herein. The depth of discussion contained in the report is specific to the needs of the client, specifically the requirements of TCAC pursuant to TCAC market study requirements. Novogradac & Company LLP adheres to market study guidelines promulgated by the National Council of Affordable Housing Market Analysts (NCAHMA). This report deviates from NCAHMA market study guidelines in areas specified in TCAC market study requirements, and therefore is not in compliance with NCAHMA market study guidelines. The report and the conclusions are subject to the *Assumptions and Limiting Conditions* attached.

Lemoore Housing Investors, L.P. is the client in this engagement. We understand that they will use this document for tax credit application purposes. Intended users are those transaction participants who are interested parties and have knowledge of the Section 42 LIHTC program. These could include local housing authorities, state allocating agencies, state lending authorities, LIHTC construction and permanent lenders, and LIHTC syndicators. As our client, Lemoore Housing Investors, L.P. owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

The authors of this report certify that we are not part of the development team, owner of the Subject property, general contractor, nor are we affiliated with any member of the development team engaged in the development of the Subject property or the development's partners or intended partners.

This report was prepared in February and March 2010. Rachel Barnes Denton did the property inspection for this market study on March 8, 2010. There exists no identity of interest between Novogradac and the entity for whom this report is prepared, the applicant, and/or its principals. The recommendations and conclusions are based solely on our professional opinions.

Please do not hesitate to contact us if there are any questions regarding the report or if Novogradac & Company LLP can be of further assistance. It has been our pleasure to assist you with this project.

Respectfully submitted,
Novogradac & Company LLP



Brad E. Weinberg, MAI,
CCIM
Partner



Rachel Barnes Denton
Manager



Katherine Thein
Real Estate Analyst
913-262-3500 ext. 23
Katy.Thein@novoco.com

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EXECUTIVE SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY AND CONCLUSIONS

A. Project Summary

The Subject (Oleander Terrace Apartments) will consist of three, two-story apartment buildings and nine, two-story townhome-style buildings which will house a total of 65 two and three bedroom units. The site will also be improved with a two-story recreation building which will house a three-bedroom manager's unit. All of the units will be LIHTC-restricted, offered to households with income levels at 30, 40, and 50 percent of the AMI. Additionally, 39 units will be restricted to farmworkers. The Subject's proposed unit mix is detailed in the following table.

UNIT MIX, SIZE, RENT							
Unit Type	Number	Unit Size	Net Rent	Utility Allowance	Gross Rent	2010 Max LIHTC Rents	2010 Fair Market Rents
30% AMI/ Low HOME							
2BR/2BA	3	935	\$326	\$53	\$379	\$379	\$790
3BR/2BA	4	1,296	\$375	\$64	\$439	\$439	\$1,152
40% AMI/ Low HOME							
2BR/2BA	3	935	\$454	\$53	\$507	\$507	\$790
3BR/2BA	1	1,296	\$522	\$64	\$586	\$586	\$1,152
40% AMI							
2BR/2BA	1	935	\$454	\$53	\$507	\$507	\$790
3BR/2BA	2	1,296	\$522	\$64	\$586	\$586	\$1,152
50% AMI							
2BR/2BA	25	935	\$574	\$53	\$627	\$633	\$790
3BR/2BA	26	1,296	\$633	\$64	\$697	\$732	\$1,152
Manager's Unit							
Mgr's Unit	1	1,309	\$732	N/A	N/A	N/A	N/A
Total	66						

B. Description of Site and Adjacent Parcels

The Subject is a proposed new construction LIHTC apartment development located at 532 Oleander Terrace in Lemoore, Kings County, California, 93245. The Subject site is located within Census Tract 0004.05, 80 yards northeast of the intersection of Oleander Avenue and Smith Street.

The Subject is currently identified as two parcels by the Kings County Assessor. Parcel 'A' is 2.92 acres and is identified by the following APN: 023-020-064. Parcel 'B' is 2.00 acres and is identified by the following APN: 023-020-065. The total site area is 4.91 acres. According to the city of Lemoore, both Subject parcels are zoned RM-3, medium density residential.

Immediately north and northeast of the Subject are vacant parcels that are zoned LMD-R (low medium density residential). To the east of the Subject is a vacant parcel zoned MD-M (medium density multifamily). To the southeast of the Subject is a vacant parcel zoned MD (mixed use). To the south, west, and east of the Subject are single family homes zoned LD-R (low density residential).

C. Primary Market Area

The primary market area (PMA) for the Subject generally consists of the city of Lemoore and the unincorporated community of Armona, and immediate surrounding rural areas. Specific boundaries are outlined below:

North: West Lacey Boulevard
East: 13th Avenue
South: Idaho Avenue
West: 19 ½ Avenue (also known as State Highway 41)

The Subject site is located in the eastern portion of Lemoore, King County, California. Lemoore is located approximately 30 miles south of Fresno and 28 miles west of Visalia. The Subject's primary market area (PMA) is generally defined as the city of Lemoore and the unincorporated community of Armona, and the immediate surrounding rural areas. According to market participants, tenants are willing to relocate throughout Lemoore and the surrounding areas in order to locate good quality affordable housing.

The PMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. Socioeconomic characteristics, development patterns, and political jurisdictional boundaries all played into the determination of the eastern boundary. In general, 13th Avenue functions as a primary dividing line between the unincorporated community of Armona and the city of Hanford, which is a larger city than Lemoore with more amenities and services. Additionally, we felt that this was an appropriate boundary as Lemoore has a differing median income than Hanford, as well as separate school districts. Development patterns play into our determination of the southern, western, and northern boundary. Areas beyond the southern, western, and northern boundaries are rural and would not likely draw potential tenants to the Subject. According to several property managers in Lemoore, the majority of tenants come from the Lemoore area and are not from remote rural areas of Kings County.

We recognize several sub-markets exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries. Given the opportunity to locate good quality affordable housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, leakage is expected from outside the PMA from other parts of Kings County.

D. Market Feasibility

The demographic trends, demand analysis, existing supply of housing, as well as interviews with real estate professionals demonstrate an ongoing need for affordable housing in the PMA over the foreseeable term. Additionally, the area's affordable housing developments maintain extensive waiting lists for all unit types. Therefore, we believe that construction of the Subject is feasible within this market, and will have a positive impact upon the community.

E. Strengths/Weaknesses

There are no apparent weaknesses of the Subject's site, development scheme, rents, or market. Strengths of the Subject development and market include:

- The site is located in close proximity to schools, employment, public transportation, and retail.
- The number of households has rapidly increased in the PMA since the 1990's. As the total population and number of households continue to grow, the demand for housing units will continue to increase.
- Market rate and LIHTC properties in the Subject's PMA are experiencing a low instance of concessions, and affordable properties maintain extensive waiting lists. The Subject will offer affordable multifamily housing units in an area with a high cost of living.
- Construction of the Subject will positively impact the surrounding neighborhood by improving the Subject's overall site appeal.
- The Subject's proposed LIHTC rents are substantially below comparable market rents, providing a significant tenant rent advantage for low to moderate income households.
- There are no site nuisances that could impact the marketability of the Subject. The Subject's location and surrounding uses are suitable for multifamily development and will attract renter households.
- There are no physical barriers that will affect the marketability of the Subject.
- There are no single family homes for equal or less rent near the Subject that will affect the marketability of the Subject.

F. Summary of Rent Comparables

The properties included in the survey are considered the best "true comparables" for the Subject. The Subject will consist of 66 two and three-bedroom apartment and townhouse units. We performed an extensive search for comparable properties within the PMA. Typically, properties situated within a one-mile radius of a Subject are the best comparables due to similarities in the local market conditions. However, due to the limited number of developments within one mile, we also extended our search area beyond the one mile radius. We have included a total of six market rate comparable properties, of which four are located in the PMA and within one mile of the Subject. The remaining two market rate comparables (Ashley Court Apartments and College Park Apartments) are located in Lemoore, approximately 1.4 and 1.8 miles west of the Subject, respectively; both of these properties are located within the defined PMA. Ashley Court and College Park Apartments were used as Ashley Court has three-bedroom units and College Park is one of the newer developments within the PMA and exhibits condition more similar to the Subject's.

There are a total of six LIHTC developments located within the PMA. Villa San Joaquin Apartments has a USDA Rural Development overlay; therefore, we have excluded this property from our analysis. The remaining five LIHTC developments within the PMA are included as LIHTC comparables.

In order to find properties comparable to the Subject we physically drove the market area to find comparable developments as well as utilized several other outlets. These included a review of area listings through the yahoo yellow pages of apartments closest to the Subject, the review of apartment websites such as www.rent.com, www.apartments.com, www.apartmentguide.com, www.apartmentfinder.com, www.craigslist.org, and newspaper outlets such as The Lemoore Advance. Additionally, we identified comparable properties through discussions with area property managers regarding competition among properties.

A summary of comparables used in the analysis is included on the following pages.

G. Existing and Planned Affordable Housing

Existing affordable housing projects in the PMA will not be adversely affected by the proposed construction of the Subject property. A survey of LIHTC rental housing developments in the area demonstrates strong demand for good quality rental units, as evidenced by the high occupancy levels and extensive waiting lists. Given the strong demand for affordable housing in the area, we anticipate that the Subject property will also maintain a high occupancy level as well as a long waiting list.

We spoke with Rachel Bridges with the City of Lemoore Planning Department to determine if there are any multifamily developments proposed, planned, or under construction within the city of Lemoore. According to Ms. Bridges, there are two multifamily developments that recently completed construction within the city. Valley Oak Apartments is a 73-unit market rate multifamily development located 1.0 miles north of the Subject on East Hanford Armona Road. The development opened in December 2009 and is currently 83 percent occupied, and still in its initial lease-up period.

Montgomery Crossings is a 57-unit LIHTC and USDA development that opened in August of 2009. Sixteen of the units are USDA where tenants pay 30 percent of their income towards rent. The remaining 41 units are LIHTC units at the 30, 50, 55, and 60 percent AMI levels. Montgomery Crossings offers two, three and four-bedroom units, and is located 1.4 miles south of the Subject on Tammy Lane. The development is currently 100 percent occupied and maintains a short waiting list.

In addition to the two recently completed developments, Ms. Bridges indicated that there are two developments in the planning stages within Lemoore at this time as well. Village at Acacia is a proposed 81-unit LIHTC development to be located at the southwest corner of Acacia Drive and Bush Street, approximately 1.6 miles west of the Subject. The development received a LIHTC allocation in 2009. Ms. Bridges did not know when construction is scheduled to begin. Further, Ms. Bridges could not provide any details pertaining to bedroom types, AMI levels, square footages of units, or the proposed rental rates for the development. As this development will be a family LIHTC development, it will likely be in competition with the Subject.

Fox Street Villas is a proposed 80-unit age restricted LIHTC development to be located on Fox Street, approximately 0.9 miles northwest of the Subject. Fox Street Villas has not received a LIHTC allocation. Ms. Bridges did not know when construction is scheduled to begin, or have any further details on the project pertaining to unit types and proposed rental rates. As this development will be age-restricted, we do not believe it will be in competition with the Subject.

Additionally, we contacted the Kings County Planning Department in order to determine if there are any multifamily developments proposed, planned, or under construction outside of Lemoore, but within the PMA. According to the Planning Department, there is one project that received HOME funding in 2009. The Armona Family Apartments is a proposed 20-unit LIHTC development that will be located approximately 3.5 miles east of the Subject in Armona. The development is scheduled to begin construction in March 2010. No further details regarding unit types or proposed rents were available at this time. As this will be a

Oleander Terrace Apartments, Lemoore, California; Market Study

LIHTC development targeting families within the PMA, we believe it will likely be in competition with the Subject.

Additionally, we reviewed TCAC, CDLAC, and HUD development lists for projects funded over the past several years as being best representative of current and planned affordable housing conditions throughout the PMA. We focused on affordable housing developments intended to serve similar households as the Subject, which is multifamily. No such projects have been funded in Lemoore in recent years with the exception of Montgomery Crossing in 2008, and Armona Family Apartments and Village at Acacia in 2009.

EXISTING AFFORDABLE PROPERTIES IN PMA											Distance from Subject
Property Name	Location	Year Built/Renovated	Housing Program	Primary Tenancy	Unit Mix	Waiting List	Occupancy	Total Units	Income Levels		
Country Club Apartments	1040 Blake St.	1989	LIHTC	Family	2, 3brs	No	93.5%	40	55% AMI		0.8 miles
Alderwood Apartments	990 Fox St.	1996	LIHTC	Family	1, 2, 3, 4brs	Yes	100.0%	80	40%, 60% AMI		1.0 miles
Westberry Square Apts	1195 E. Hanford Armona Rd.	1998	LIHTC	Family	1, 2, 3, 4 brs	No	97.0%	100	50%, 60% AMI		1.0 miles
Montclair Apartments	1150 S. 9th St.	1999	LIHTC	Family	2, 3brs	Yes	100.0%	80	44%, 46%, 48% AMI		1.4 miles
Villa San Joaquin	200 North 19th Ave.	2004	LIHTC/USDA	Family	2brs	Yes	100.0%	36	50% of tenants income		1.3 miles
Kings River Apartments	1600 W Bush St.	1992	USDA	Family	0, 1, 2, 3 brs	Yes	N/Av	44	30% of tenants income		1.7 miles
Lemoore Elderly Apartments	1601 E St.	N/A	USDA	Senior	1brs	Yes	100.0%	23	30% of tenants income		0.9 miles
Montgomery Crossings	1150 Tammy Lane	2009	LIHTC/USDA	Family	2, 3, 4 brs	Yes	100.0%	57	30, 50, 55, 60% AMI		1.4 miles
Lemoore Villa	1899 E Hanford Armona Rd.	N/A	USDA	Family	2brs	Yes	N/Av	28	30% of tenants income		0.9 miles
Mountain View Apartments	158 E Hazelwood Dr.	1988	USDA	Senior	1brs	Yes	100.0%	39	30% of tenants income		1.1 miles

- All of the data combined with interviews of real estate professionals demonstrate an ongoing need for the creation of affordable housing for families over the foreseeable term. As evidenced in the demand analysis, there is a significant level of demand for affordable housing in the area. Additionally, the area's affordable housing developments maintain waiting lists for all unit types. The existing, proposed, and newly developing multifamily properties will not hinder each other's ability to maintain full occupancy. The Subject will have a positive impact on the surrounding neighborhood and will not adversely affect existing or proposed affordable housing located in the area.
- It should be noted that there has not been a decline in population or households within the PMA or the MSA from 2000 to 2009. Both population and households are projected to increase in the PMA and MSA through 2014.

H. Conclusions

- The Subject will provide affordable multifamily housing and will represent good quality apartments that are in demand in the area. The site is located within close proximity to all major shopping, schools, and recreational amenities. The construction of the Subject, as proposed, will positively impact the neighborhood and the availability of affordable family housing in the Subject's PMA. The neighborhood is well suited for this type of housing.
- The total population and number of households have steadily increased in both the PMA and MSA since 1990. As both population and households continue to grow, the demand for housing units will continue to increase. These factors support current and future demand for the proposed Subject.
- The education, agriculture, trade, transportation, and utilities, and manufacturing sectors play a significant role in the viability of the area economy, as well as the naval base. Thirty-nine of the Subject's units will be set-aside for farmworkers, which bodes well for the Subject as agriculture and its affiliated industries comprise a large part of Kings County's economy. The unemployment rate within the county has increased and is higher than that of the state and the nation, which is attributed the current economic recession. Overall, it appears as if both Lemoore and Kings County have been impacted by the current national economic recession to date. The fallout from the mortgage crisis has also had a further negative impact on the local economy. However, it is reasonable to assume that the current economic climate has resulted in an even greater need for additional affordable housing options, such as the Subject, given current leasing activities at the LIHTC comparables.
- The demand analysis, existing supply of housing, as well as interviews with real estate professionals demonstrate an ongoing need for creation of affordable housing in the PMA over the foreseeable term. Additionally, the area's affordable housing developments maintain extensive waiting lists for all unit types. Therefore, we anticipate that the Subject and the existing affordable properties will not hinder each other's ability to maintain full occupancy.
- We anticipate a good response to the Subject due to the lack of good quality affordable housing in the primary market area. Based on the capture rates illustrated in the *Demand Analysis* section of this report, as well as our conversations with local real estate professionals, we anticipate the Subject will reach a stabilized occupancy level of 95 percent within three months of completion, if the property is properly marketed and pre-leasing begins approximately three months prior to completion of construction. This absorption estimate equates to a leasing pace of 22 units per month.
- We believe that the Subject's 39 units set-aside for farmworkers will reach a stabilized occupancy within two months of completion, equating to an absorption rate of approximately 20 units per month.
- The Subject's proposed LIHTC rents are significantly lower (64.3 to 32.5 percent) than NOVOCO's estimated achievable market rents. The Subject will be in excellent condition and offer amenities that are comparable or superior to many existing market rate properties.

Oleander Terrace Apartments, Lemoore, California; Market Study

- The tenant paid rents for all AMI levels in the proposed development illustrate at least a ten percent rent differential over the comparable properties. The Subject's two-bedroom units are 29.9 to 60.2 percent less than the adjusted weighted average comparable market rents for the same unit type. Three-bedroom units are 35.9 to 62.0 percent lower than the weighted average market rents of those properties used in the comparison. As such, the Subject's rents meet the required benchmark.

TEN PERCENT TEST				
Unit Type	Unit Size (SF)	Subject's Proposed	Subject's Proposed	Subject's
		30% AMI/ Low HOME	40% AMI/ Low HOME	Proposed 50% AMI
2BR/2BA	935	\$326	\$454	\$574
3BR/2BA	1,296	\$375	\$522	\$633

TEN PERCENT TEST		
Unit Type	Comparable Properties Weighted	Subject's Advantage
	Average Market Rent	
2BR/2BA	\$819	(-60.2%, -44.6%, -29.9%)
3BR/2BA	\$988	(-62.0%, -47.1%, -35.9%)

- TCAC requires that the unit value ratio for each of the Subject's unit types be at or below the values for the same unit types among the comparable rental properties. This analysis is illustrated on the rent comparability matrices provided earlier in the report, and is detailed below.

UNIT VALUE RATIO					
Unit Type	Highest	Size	\$/SF	Comparable Properties	Percent Differential
	Proposed Rent				
2BR/2BA	\$574	935	\$0.61	\$0.84	-27.2%
3BR/2BA	\$633	1,296	\$0.49	\$0.91	-46.0%

The value ratios of the Subject's units are 27.2 and 46.0 percent less than the adjusted weighted average comparable value ratio for two and three-bedroom units, respectively. Thus, the Subject's unit value ratios meet the required benchmark.

PROJECT DESCRIPTION

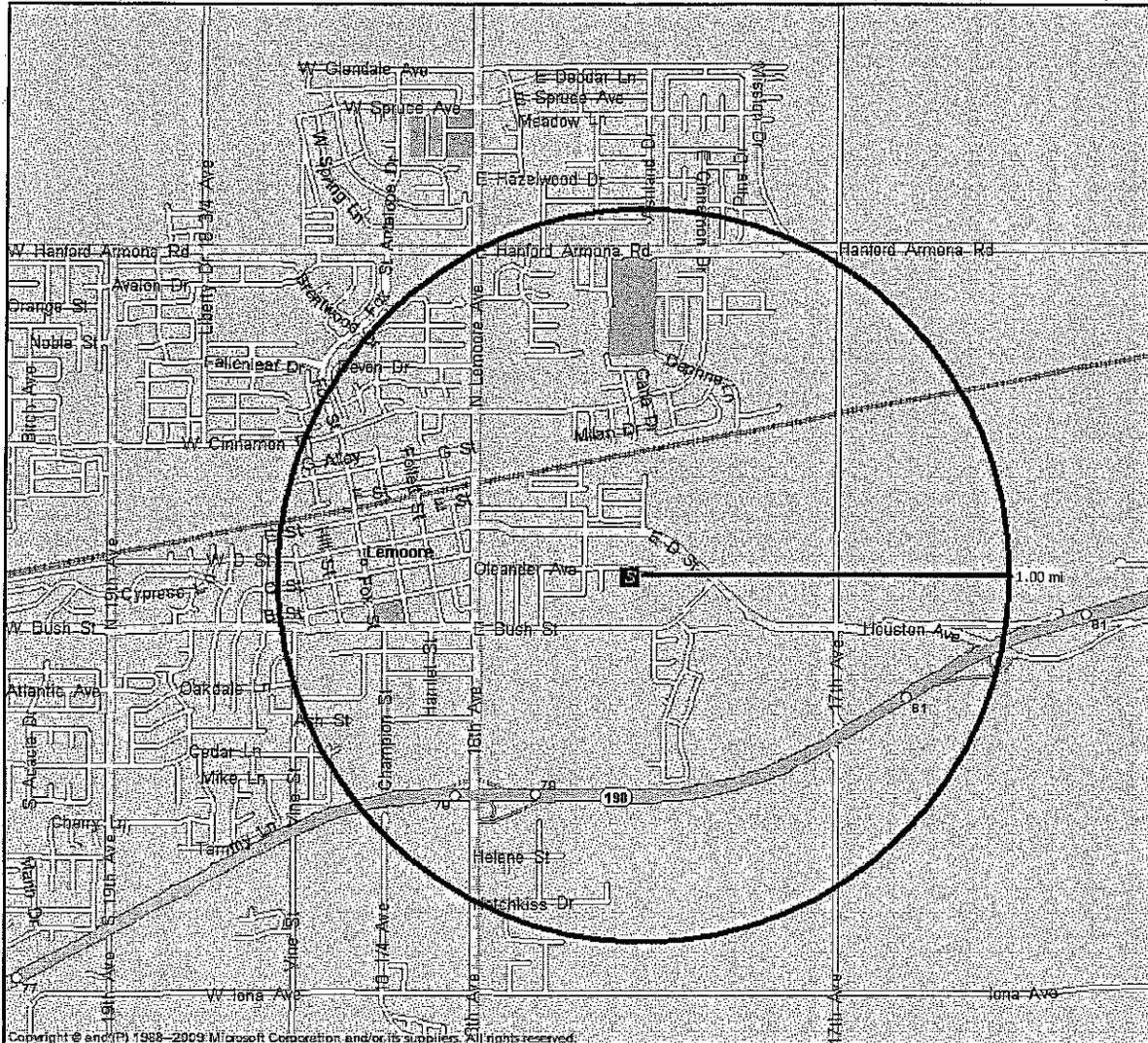
PROJECT DESCRIPTION

Our description of the Subject is based upon information provided by the developer. We anticipate the information supplied is accurate.

- Sponsor's Name:** The sponsor is Lemoore Housing Investors, L.P.
- Development Name:** Oleander Terrace Apartments (Subject).
- Site Location:** The Subject is a proposed new construction LIHTC apartment development located at 532 Oleander Avenue in Lemoore, Kings County, California, 93245, approximately 80 yards northeast of the intersection of Oleander Avenue and Smith Street. The Subject site is located within Census Tract 0004.05.
- Size:** The Subject is currently identified as two parcels by the Kings County Assessor. Parcel 'A' is 2.92 acres and is identified by the following APN: 023-020-064. Parcel 'B' is 2.00 acres and is identified by the following APN: 023-020-065. The total site area is 4.91 acres.
- Current Zoning:** According to the City of Lemoore, both Subject parcels are zoned RM-3, medium density residential.
- Contiguous Land Use and Zoning:** Immediately north and northeast of the Subject are vacant parcels that are zoned LMD-R (low medium density residential). To the east of the Subject is a vacant parcel zoned MD-M (medium density multifamily). To the southeast of the Subject is a vacant parcel zoned MD (mixed use). To the south, west, and east of the Subject are single family homes zoned LD-R (low density residential).

Map I of Subject Site

The following maps illustrate the Subject's location.



Photographs of Subject Site and Street Views



View north along Smith Avenue



View east along Oleander Avenue



View of Subject facing north



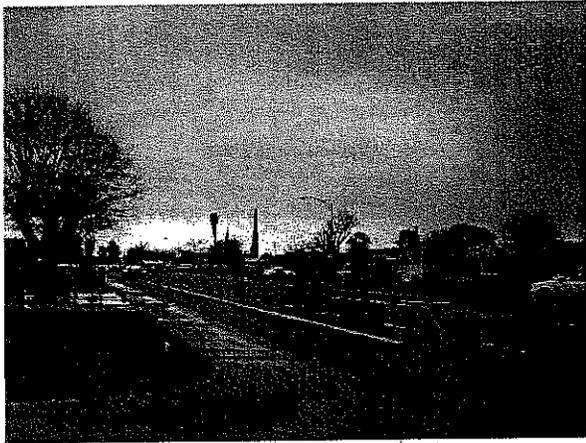
View facing south along Grace Court



View facing west along Oleander Avenue



View of Subject facing east



View facing west along D Street



View facing east along D Street (Subject on right)



View of Subject facing south



View facing south along Smith Avenue

Oleander Terrace Apartments, Lemoore, California; Market Study

Unit Mix:

The Subject will contain a total of 66 two and three-bedroom apartment and townhouse units. All of the units will be LIHTC-restricted, offered to households with income levels at 30, 40, and 50 percent of the AMI or below. One three-bedroom unit will be reserved as a manager's unit. Further, 11 units will have HOME funding as well. It should be noted that 39 of the units will be set aside for farmworkers. The Subject's proposed unit mix is detailed in the following table.

UNIT MIX, SIZE, RENT							
Unit Type	Number	Unit Size	Net Rent	Utility Allowance	Gross Rent	2010 Max LIHTC Rents	2010 Fair Market Rents
30% AMI/ Low HOME							
2BR/2BA	3	935	\$326	\$53	\$379	\$379	\$790
3BR/2BA	4	1,296	\$375	\$64	\$439	\$439	\$1,152
40% AMI/ Low HOME							
2BR/2BA	3	935	\$454	\$53	\$507	\$507	\$790
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2BR/2BA	1	935	\$454	\$53	\$507	\$507	\$790
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50% AMI							
2BR/2BA	25	935	\$574	\$53	\$627	\$633	\$790
3BR/2BA	26	1,296	\$633	\$64	\$697	\$732	\$1,152
Manager's Unit							
Mgr's Unit	1	1,309	\$732	N/A	N/A	N/A	N/A
Total	66						

Target Population and Occupancy Type:

The Subject will target income-qualified households generally ranging in size from two to six persons. Based on the proposed unit mix, the annual household income levels will range from \$11,370 to \$32,700. Additionally, 39 units will be set-aside for farmworkers.

New Construction or Rehabilitation:

The project will be new construction.

Date of Construction:

The developer's projected construction start date is in the 4th Quarter 2010, with an anticipated completion during the 4th Quarter 2011.

Utility Structure:

The Subject's rents will include water, sewer, and trash expenses. Tenants will be responsible for general electric expenses, air conditioning, and gas cooking, heating, and hot water. The utility allowance was based upon the high efficiency utility allowance schedule for Kings County obtained from the Housing Authority of the County of

Kings, dated July 1, 2009. A copy of the utility allowance schedule is included in *Appendix D*.

Construction Details:

The Subject will consist of three, two-story apartment buildings and nine, two-story townhome-style buildings which will house a total of 65 two and three-bedroom units. The site will also be improved with a two-story recreation building which will include a leasing office, laundry facility, computer lab, kitchen, and clubhouse/community room, with the manager's three-bedroom apartment located upstairs. The Subject site will also include 140 surface off-street parking spaces, 67 of which will include carports. The buildings will utilize Type V, wood-frame, slab on grade construction. We have reviewed architectural drawings prepared by Maple Architects, which are not dated. A copy of the site plan, floor plans, and elevations are included in *Appendix F*.

Proposed Unit Amenities:

The Subject's unit amenities will include a patio/balcony, blinds, carpeting, coat closets, walk-in closets, cable TV hookup, and central heating and air conditioning. The appliance package will include a refrigerator, range, garbage disposal, and dishwasher.

Proposed Development Amenities: The Subject's community amenities will include a clubhouse/community room with kitchen, computer lab, central laundry facility, picnic area, playground, and swimming pool. Additionally, there will be a variety of educational classes and services provided free of charge to tenants.

Parking:

The Subject will contain 140 surface parking spaces, of which, 67 will include carports free of charge to the tenants.

DELINEATION OF MARKET AREA

DELINEATION OF MARKET AREA

PRIMARY AND SECONDARY MARKET AREA

For the purpose of this study, it is necessary to define the market area, or the area from which potential tenants for the project are likely to be drawn. In some areas, residents are very much "neighborhood oriented" and are generally very reluctant to move from the area where they have grown up. In other areas, residents are much more mobile and will relocate to a completely new area, especially if there is an attraction such as affordable housing at below market rents. The primary market area (PMA) for the Subject generally consists of the city of Lemoore and the unincorporated community of Armona, and immediate surrounding rural areas. Specific boundaries are outlined below:

North: West Lacey Boulevard
East: 13th Avenue
South: Idaho Avenue
West: 19 ½ Avenue (also known as State Highway 41)

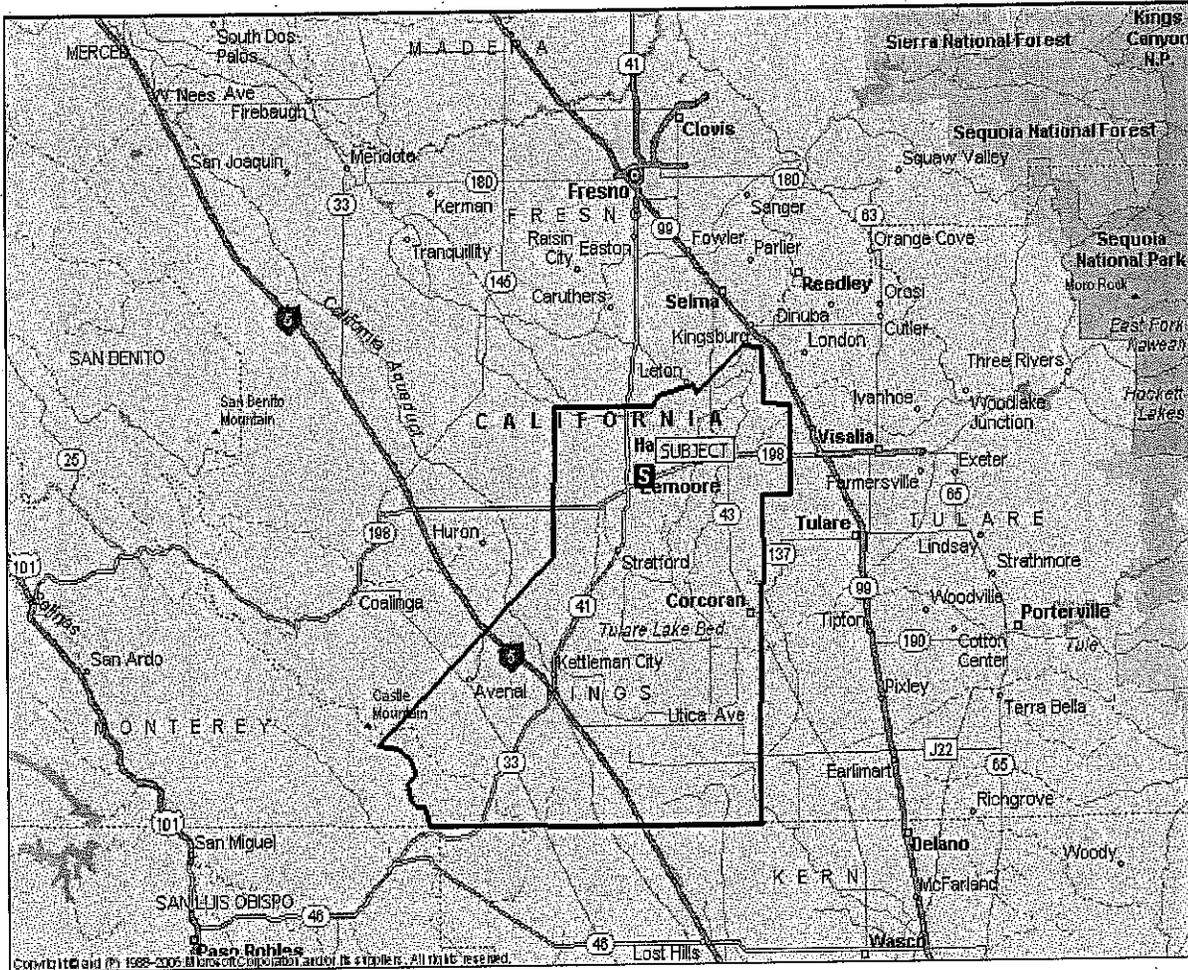
The Subject site is located in the eastern portion of Lemoore, King County, California. Lemoore is located approximately 30 miles south of Fresno and 28 miles west of Visalia. The Subject's primary market area (PMA) is generally defined as the city of Lemoore and the unincorporated community of Armona, and the immediate surrounding rural areas. According to market participants, tenants are willing to relocate throughout Lemoore and the surrounding areas in order to locate good quality affordable housing.

The PMA boundaries and overall market health assessment are based upon an analysis of demographic and socioeconomic characteristics, target tenant population, political jurisdictional boundaries, natural boundaries, experience of nearby comparable developments, accessibility to mass transit or key transportation corridors and commute patterns, and market perceptions. Socioeconomic characteristics, development patterns, and political jurisdictional boundaries all played into the determination of the eastern boundary. In general, 13th Avenue functions as a primary dividing line between the unincorporated community of Armona and the city of Hanford, which is a larger city than Lemoore with more amenities and services. Additionally, we felt that this was an appropriate boundary as Lemoore has a differing median income than Hanford, as well as separate school districts. Development patterns play into our determination of the southern, western, and northern boundary. Areas beyond the southern, western, and northern boundaries are rural and would not likely draw potential tenants to the Subject. According to several property managers in Lemoore, the majority of tenants come from the Lemoore area and are not from remote rural areas of Kings County.

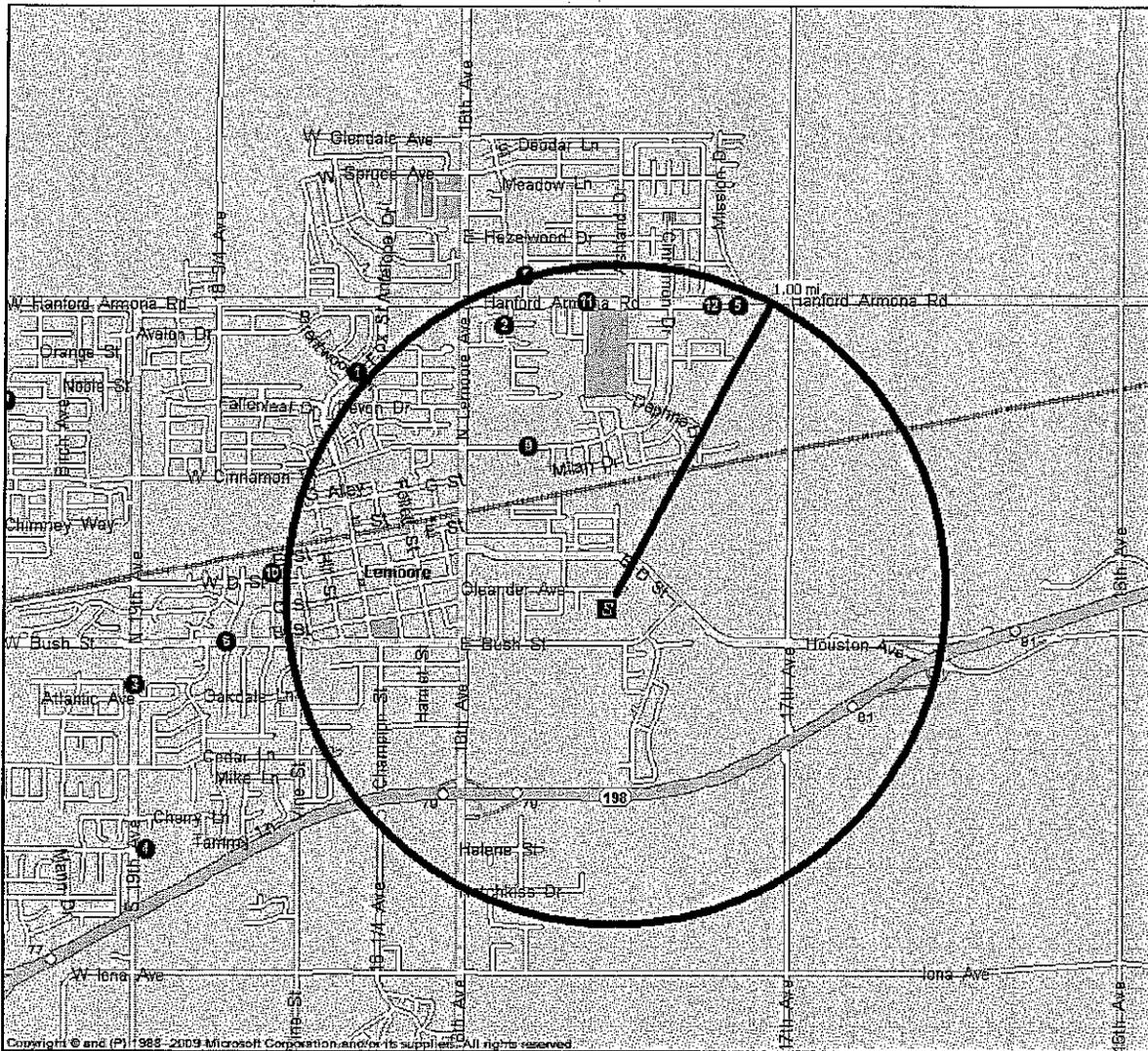
We recognize several sub-markets exist within this PMA; however, market data demonstrates that a significant amount of the renter base considers housing opportunities within these boundaries. Given the opportunity to locate good quality affordable housing, the renter base will move within these areas. We anticipate the majority of demand will be generated from this geographic area. However, leakage is expected from outside the PMA from other parts of Kings County.

The secondary market area (SMA) for the Subject is the Hanford-Corcoran, California MSA, which is comprised of Kings County. Maps outlining the PMA and SMA can be found on the following pages.

Secondary Market Area Map



Comparable Properties Map



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COMPARABLE PROPERTIES

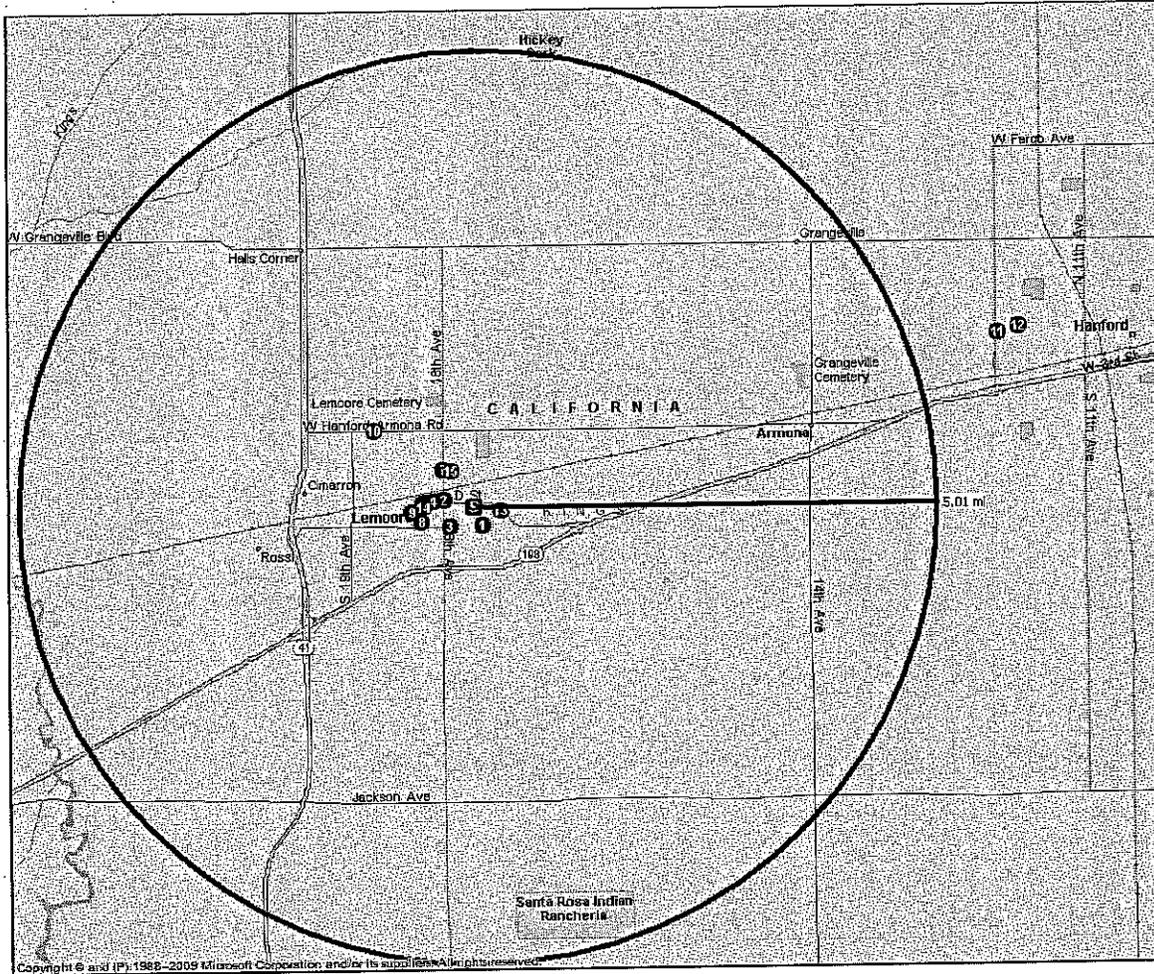
#	Property Name	Type	Distance
1	Alderwood Apartments	LIHTC	1.1 miles
2	Country Club Apts	LIHTC	0.9 miles
3	Montclair Apartments	LIHTC	1.4 miles
4	Montgomery Crossings	LIHTC/USDA	1.4 miles
5	Westberry Square Apartments	LIHTC	1.0 miles
6	Ashley Court Apartments	Market	1.2 miles
7	College Park Apartments	Market	1.8 miles
8	Heritage Apartments	Market	1.0 miles
9	Lakeview Apartments	Market	0.5 miles
10	Olive Dee Apartments	Market	1.0 miles
11	Park Place Apartments	Market	0.9 miles
12	Valley Oak	Market	1.0 miles

Oleander Terrace Apartments, Lemoore, California; Market Study

Locational Amenities and Distances from the Site

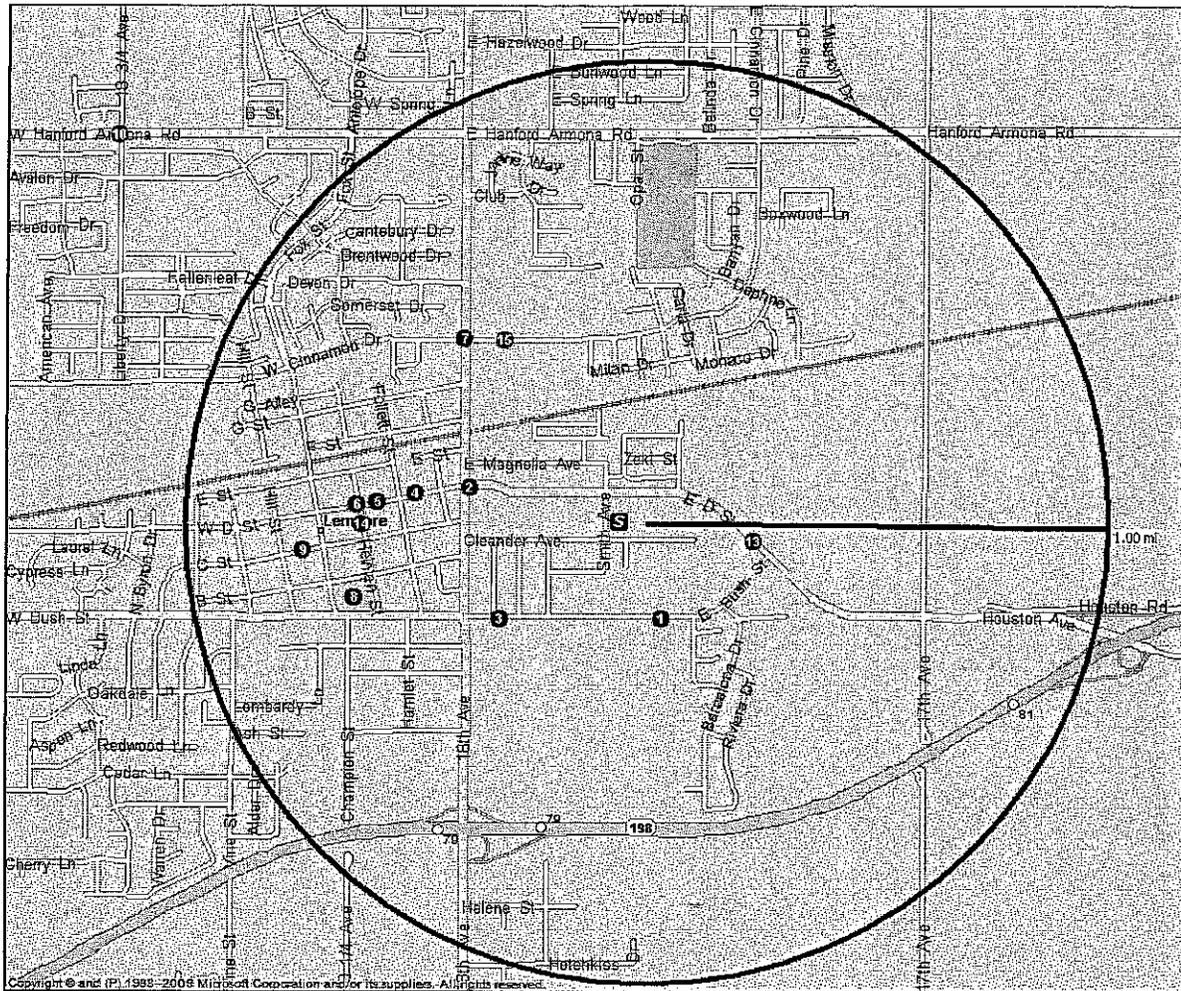
The Subject will be located in close proximity to most services and amenities. The following maps illustrate the distances of various services from the site.

Locational Amenities Map I



LOCATION AMENITIES			
Map Number	Name	Service	Distance (Miles)
1	Lemoore Elementary School (K-6)	Elementary School	0.1
2	KART Bus Stop @ 18 th Ave. & E. D St.	Public Transportation	0.3
3	Lemoore High School	High School	394 yards
4	Shell Gas Station	Gas Station	0.4
5	Super Mercado	Grocery Store	0.5
6	Wells Fargo Bank	Bank	0.6
7	Rite Aid	Pharmacy	0.6
8	Lemoore City Park	Community Park	0.49
9	Lemoore Branch Library	Library	0.62
10	Liberty Middle School (7-8)	Middle School	1.4
11	Hanford Mall	Retail	6.1
12	Hanford Community Hospital	Hospital	6.8
13	Central Valley Health	Healthcare	231 yards
14	Leoni Pharmacy	Pharmacy	0.49 miles
15	Fresh N Easy Supermarket	Grocery	0.7

Locational Amenities Map II



LOCATION AMENITIES			
Map Number	Name	Service	Distance (Miles)
1	Lemoore Elementary School (K-6)	Elementary School	0.1
2	KART Bus Stop @ 18 th Ave. & E. D St.	Public Transportation	0.3
3	Lemoore High School	High School	394 yards
4	Shell Gas Station	Gas Station	0.4
5	Super Mercado	Grocery Store	0.5
6	Wells Fargo Bank	Bank	0.6
7	Rite Aid	Pharmacy	0.6
8	Lemoore City Park	Community Park	0.49
9	Lemoore Branch Library	Library	0.62
10	Liberty Middle School (7-8)	Middle School	1.4
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12	Hanford Community Hospital	Hospital	6.8
13	Central Valley Health	Healthcare	231 yards
14	Leoni Pharmacy	Pharmacy	0.49 miles
15	Fresh and Easy Supermarket	Grocery	0.7

SITE CHARACTERISTICS

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety, and appeal of the project. The site description discusses the physical features of the site, as well as the layout, access issues and traffic flow.

- Location:** The Subject is a proposed new construction LIHTC apartment development located at 532 Oleander Avenue in Lemoore, Kings County, California, 93245
- Shape:** The Subject site is generally L-shaped.
- Size:** The size of the two parcels which comprise the Subject site is 4.91 acres.
- Frontage:** The site will have frontage along the south side of D Street, the north side of Oleander Avenue, and the east side of Smith Avenue.
- Current Zoning:** According to the City of Lemoore, both Subject parcels are zoned RM-3, medium density residential.
- Topography/Existing Improvements:** The site is vacant land which exhibits generally level topography.
- Vegetation:** The Subject has natural vegetation indigenous to the area.
- Proximity to Adverse Conditions:** At this time, we are unaware of any detrimental influences that would impact the value of the Subject.
- Drainage:** Drainage appears adequate, however, no specific tests were performed.
- Soil and Subsoil Conditions:** We were not provided with soil surveys.
- Flood Plain:** According to www.floodinsights.com Community Panel Number 060089 0167C, dated June 16, 2009, the Subject is located in Zone X, an area determined to be outside the 100 and 500-year flood plains.
- Environmental:** We were not provided with an environmental assessment report. We did not observe any environmental hazards during our site inspection. However, we are not experts within this field.

Photographs of Subject Site & Neighborhood:



View of Subject facing east



View of Subject facing north



Single family home south/east of Subject



Typical single family home along Grace Court



Single family home along Oleander



Typical single family home southwest of Subject

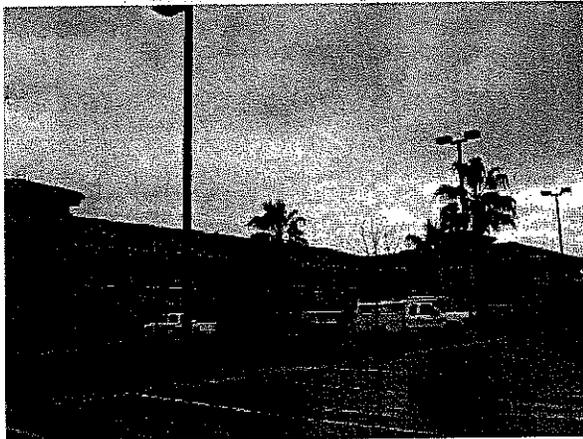
Oleander Terrace Apartments, Lemoore, California; Market Study



Single family home west of Subject



Vacant land north of the Subject



Best Western located southeast of Subject



Medical office located east of Subject along D Street



Vacant parcel southeast of Subject



Typical single family home north of Subject

Oleander Terrace Apartments, Lemoore, California; Market Study

Access and Traffic Flow

The Subject is accessible via East D Street and Oleander Avenue, both moderately traveled two-lane roads that generally traverse east/west through the central portion of Lemoore. Both roads provide direct access to 18th Street, a main thoroughfare which traverses north/south through the central portion of the city. Eighteenth Street connects with State Highway 198 approximately 0.8 miles southwest of the Subject site. State Highway 198 generally traverses east/west and provides access to Armona and Hanford to the east and Lemoore Naval Air Station to the west. Additionally, State Highway 198 connects with State Highway 41 approximately 2.25 miles southwest of the Subject site. State Highway 41, also known as 19 ½ Avenue, travels north/south along the western edge of Lemoore and provides access to Fresno to the north and Stratford and Kettleman City to the south.

Visibility/Views

The site has excellent visibility from D Street to the north, Oleander Avenue to the south, and Smith Avenue to the west. Views to the north, northeast, and east of the Subject consist of vacant land. Further east, single family homes are visible. Views to the south, northwest, and west consist of single family homes ranging in condition from average to good.

Crime Statistics

The following tables show data of crime statistics for the city of Lemoore and Kings County from 1998 to 2008. For comparison purposes, the following crime statistics are per 100,000 persons.

CRIME STATISTICS – LEMOORE, CA 1998-2008							
Year	Murder	Rape	Robbery Total	Aggravated Assault	Burglary	Motor Vehicle Theft	Larceny
1998	6.0	47.8	53.8	233.0	752.8	316.6	2,688.5
1999	5.6	28.2	73.3	253.6	743.9	242.3	2,023.1
2000	0.0	25.4	60.9	137.0	664.6	142.0	887.8
2001	0.0	19.9	74.7	283.9	647.5	358.6	1,902.6
2002	0.0	44.0	73.4	278.9	523.6	543.2	2,671.8
2003	4.7	23.5	70.4	253.6	497.7	394.4	2,263.2
2004	4.6	50.4	22.9	284.0	421.4	306.9	2,001.6
2005	0.0	40.2	40.2	268.1	643.5	446.8	2,305.7
2006	8.7	39.3	56.8	292.5	480.3	371.1	1,956.1
2008	12.8	38.4	72.5	113.1	515.7	387.9	2,220.7

Source: HUD State of the Cities Data Systems (SOCDS), 3/2010

CRIME STATISTICS- KINGS COUNTY, CA 1998 – 2008							
Year	Murder	Rape	Robbery Total	Aggravated Assault	Burglary	Motor Vehicle Theft	Larceny
1998	5.5	24.5	19.1	278.0	545.0	19.1	978.3
1999	0.0	16.7	27.8	253.4	476.2	11.1	710.0
2000	2.6	20.5	25.7	182.4	488.0	38.5	398.1
2001	2.5	17.7	45.4	158.9	494.3	12.6	496.8
2002	2.5	24.8	22.3	121.4	527.7	14.9	502.9
2003	8.9	20.8	47.5	228.5	581.5	17.8	863.4
2004	5.8	46.2	43.3	179.1	641.5	20.2	814.8
2005	8.7	46.2	46.2	361.0	854.9	40.4	1,042.7
2006	2.9	37.7	40.6	298.9	522.4	20.3	1,187.0
2008	12.0	17.9	65.7	242.2	555.8	35.9	789.9

Source: HUD State of the Cities Data Systems (SOCDS), 3/2010

As indicated in the previous tables, overall crime rates within both areas have fluctuated over the last few years. Observations of the PMA and interviews with apartment managers and market participants do not reflect significant crime problems in the area.

Summary

The Subject will provide affordable multifamily housing and will represent good quality apartments that are in demand in the area. The site is located within close proximity to all major shopping, schools, and recreational amenities, and is located within a largely residential neighborhood. The construction of the Subject, as proposed, will positively impact the neighborhood and the availability of affordable family housing in the Subject's PMA. The neighborhood is well suited for this type of housing.

MARKET AREA ECONOMY

MARKET AREA ECONOMY

The following discussion includes an analysis of the Market Area Economy. This section presents and analyzes information regarding employment by industry, major current employers, and unemployment trends. The Subject is located in Lemoore, in northern Kings County, California. Some economic data is not available at the PMA level, which is noted where appropriate throughout this section of the report.

Kings County is an irregular shaped county located in the south-central portion of the state of California. The county is bordered by Fresno County to the north and west, Tulare County to the east, Kern County to the south and Monterey County to the southwest. US Highway 41 traverses north/south across the county and is located approximately 2.0 miles west of Lemoore. Additionally, State Highway 198 traverses east/west throughout the central portion of Kings County and is located approximately 2.1 miles southwest of the Subject.

Kings County is located in the San Joaquin Valley, which serves as one of the world's most productive agricultural areas. Agriculture, manufacturing, and food processing-related industries serve as a major source of employment within the county.

The Subject is located in the city of Lemoore, which is home to Lemoore Naval Air Station, the newest air station in the United States Navy. According to the *Economic Impact & Vital Statistics Data 2003* report, the combined annual payroll of all personnel employed at the base was \$270,129,624 in 2002. Furthermore, according to the most recent Base Closure and Realignment Commission (BRAC) report, the Lemoore Naval Air Station will have a net increase of 79 jobs, including 44 military and 35 civilian positions.

Novogradac & Company LLP obtained economic information from the U.S. Bureau of Labor Statistics, California Employment Development Department, City of Lemoore, Kings County, Kings County Economic Development Corporation, and ESRI Business Demographics 2009, a national data proprietor. These data sources are considered the most reliable and current.

Oleander Terrace Apartments, Lemoore, California; Market Study

Employment by Industry

The following table illustrates the distribution of employment by industry sector within the PMA and MSA.

2009 EMPLOYMENT BY INDUSTRY				
Occupation	PMA		MSA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Agric/Forestry/Fishing/Hunting	867	7.1%	6,236	12.5%
Mining	36	0.3%	146	0.3%
Construction	594	4.8%	2,340	4.7%
Manufacturing	652	5.3%	2,951	5.9%
Wholesale Trade	242	2.0%	1,371	2.8%
Retail Trade	1,290	10.5%	5,107	10.3%
Transportation/Warehousing	447	3.6%	1,567	3.1%
Utilities	104	0.8%	326	0.7%
Information	135	1.1%	403	0.8%
Finance/Insurance	229	1.9%	928	1.9%
Real Estate/Rental/Leasing	317	2.6%	737	1.5%
Prof/Scientific/Tech Services	199	1.6%	1,006	2.0%
Mgmt of Companies/Enterprises	29	0.2%	126	0.3%
Admin/Support/Waste Mgmt Services	441	3.6%	1,435	2.9%
Educational Services	1,620	13.2%	5,768	11.6%
Health Care/Social Assistance	1,533	12.5%	6,650	13.4%
Arts/Entertainment/Recreation	344	2.8%	921	1.9%
Accommodation/Food Services	759	6.2%	2,746	5.5%
Other Services (excl Public Adm.)	657	5.3%	2,569	5.2%
Public Administration	1,794	14.6%	6,426	12.9%
Total Employment	12,289	100.0%	49,759	100.0%

Source: ESRI Business Demographics 2009; Novogradac & Company LLP, 3/2010

As depicted above, employment within the PMA is greatest in the public administration sector followed by the educational services and health care/social assistance sectors. Comparatively, the largest employment sector in the MSA is the health care and social assistance sector, followed by public administration and the agric/forestry/fishing/hunting sector. The majority of jobs in these industries typically pay lower wages, which may indicate a need for additional affordable housing options in the area.

Oleander Terrace Apartments, Lemoore, California; Market Study

The ESRI data is based upon 2000 Census information, which is trended in order to forecast current data. The California Employment Development Department publishes 2008 data for Kings County that we believe presents a better indication of employment by sector, and is shown in the following chart.

EMPLOYMENT BY INDUSTRY – KINGS COUNTY						
Industry	2003	%	2004	%	2005	%
Agriculture	7,100	17.8%	7,100	17.8%	7,700	18.6%
Natural Resources, Mining, and Construction	1,300	3.3%	1,200	3.0%	1,400	3.4%
Manufacturing	3,800	9.6%	3,800	9.5%	3,900	9.4%
Trade, Transportation and Utilities	4,800	12.1%	5,000	12.5%	5,300	12.8%
Information	300	0.8%	300	0.8%	300	0.7%
Financial Activities	1,300	3.3%	1,200	3.0%	1,100	2.7%
Professional and Business Activities	1,300	3.3%	1,300	3.3%	1,200	2.9%
Educational and Health Services	3,300	8.3%	3,300	8.3%	3,400	8.2%
Leisure and Hospitality	2,500	6.3%	2,500	6.3%	2,700	6.5%
Services	700	1.8%	600	1.5%	600	1.5%
Government	13,400	33.7%	13,600	34.1%	13,700	33.2%
Total Employment	39,800	100.0%	39,900	100.0%	41,300	100.0%
Industry	2006	%	2007	%	2008	%
Agriculture	8,800	20.4%	9,300	20.7%	6,700	15.3%
Natural Resources, Mining, and Construction	1,400	3.3%	1,400	3.1%	1,200	2.7%
Manufacturing	3,900	9.1%	4,300	9.6%	4,600	10.5%
Trade, Transportation and Utilities	5,400	12.5%	5,500	12.2%	5,600	12.8%
Information	300	0.7%	300	0.7%	300	0.7%
Financial Activities	1,100	2.6%	1,100	2.4%	1,000	2.3%
Professional and Business Activities	1,200	2.8%	1,100	2.4%	1,100	2.5%
Educational and Health Services	3,600	8.4%	3,600	8.0%	4,400	10.0%
Leisure and Hospitality	2,800	6.5%	2,800	6.2%	2,800	6.4%
Services	600	1.4%	600	1.3%	500	1.1%
Government	14,000	32.5%	14,900	33.2%	15,600	35.6%
Total Employment	43,100	100.0%	44,900	100.0%	43,800	100.0%

Source: California Employment Development Department; Novogradac & Co. LLP, 3/2010

In 2008, the government industry was the largest in Kings County, followed by agriculture, trade, transportation, and utilities, and manufacturing. These four industries accounted for approximately 74.2 percent of total employment in Kings County in 2008. Government represents 35.6 percent of total employment, while agriculture represents 15.3 percent of total employment, which are both considerably higher than ESRI projected data. We believe the data provided by the California Employment Development Department better demonstrates the significance of the government and agriculture sectors within the area.

Major Employers

The economic base in the county is heavily reliant on the government, agricultural, and manufacturing sectors, as indicated in the following chart:

KINGS COUNTY MAJOR EMPLOYERS – 2010			
Employer Name	Location	Industry	Number of Employees
Lemoore Naval Air Station	Lemoore	United States Navy Base	5,000-9,999
California State Prison	Corcoran	State Prison	1,000-4,999
Corcoran State Prison	Corcoran	State Prison	1,000-4,999
Del Monte Foods	Hanford	Food Manufacturer	1,000-4,999
Kings County Government Center	Hanford	County Government	1,000-4,999
Tachi Palace Hotel & Casino	Lemoore	Hotel and Casino	1,000-4,999
Warmerdam Packing	Hanford	Fruits and Vegetable Grower & Shipper	500-999
Wal-Mart Supercenter	Hanford	Department Store	500-999
Hanford Community Medical Center	Hanford	Hospitals	500-999
Hanford Community Hospital	Hanford	Hospital	250-499
Central Valley Meat Company	Hanford	Meat Packer	250-499
Con Agra Foods	Hanford	Food Broker	250-499
Lemoore High School	Lemoore	Public School	250-499
Leprino Foods Company	Lemoore	Cheese Processor & Manufacturer	250-499
US Naval Hospital	Lemoore	Hospital	250-499
Exopak, LLC	Hanford	Plastics-Foil & Coated Paper	100-249
JG Boswell Company	Corcoran	Cotton Goods Manufacturer	100-249
Nichols Farms	Hanford	Food Manufacturer	100-249
Keenan Farms	Kettleman City	Food Manufacturer	100-249
West Hill College- Lemoore	Lemoore	Schools- Universities & College Academic	100-249
Sentinel	Hanford	Newspaper	100-249
K-Mart	Lemoore	Department Store	100-249

Source: California Employment Development Dept; Novogradac & Company LLP, 3/2010

The preceding table details the major employers in Kings County. Lemoore Air Force Base serves as the largest employer in the county, followed by the two correctional facilities located in Corcoran. Businesses within the manufacturing and agriculture sectors, such as Del Monte Foods, also employ a significant number of area residents.

The following table outlines the major agricultural employers within Kings County.

KINGS COUNTY MAJOR AGRICULTURAL EMPLOYERS		
Name of Company	Location	Number of Employees
Del Monte Food	Hanford	1,400
JG Boswell Company	Corcoran	1,200
SK Foods	Lemoore	500
Leprino Foods-West	Lemoore	327
Marquez Brothers	Hanford	306
Leprino Foods-East	Lemoore	291
Central Valley Meat Co.	Hanford	270
Conagra Foods Inc.	Hanford	250
Warmerdam Packing	Hanford	250
Netto AG Inc.	Hanford	136
Mt. Whitney Packing	Corcoran	123
Keenan Farms	Avenal	100
Gilkey Enterprises	Corcoran	50
Penny Newman Milling	Hanford	48
Baker Commodities	Hanford	40
Verdegaal Brothers	Hanford	30
Fagundes Agribusiness	Hanford	25
Beco Dairy Automation	Hanford	20
Hansen Farms	Corcoran	20
Western Farm Service	Hanford	20
Bio Products, Inc.	Corcoran	19
Agusa, Inc.	Lemoore	18
Cargill Inc.-Nutrena Feed Division	Hanford	17
Lacey Milling Co.	Hanford	15
Silveira's Ground Service, Inc.	Hanford	15
Integrated Gran & Milling	Hanford	11
Mineral King Minerals	Hanford	11

Source: Kings County Economic Development, 3/2010.

Thirty-nine of the Subject's units will be set-aside for farmworkers. As is evident from the table above, agriculture and its affiliated industries are a significant component of the Kings County economy.

Employment Expansion/Contractions

We contacted James Salyer with the Kings County Economic Development Corporation, in order to obtain information regarding local employment expansion and contraction. According to Mr. Salyer, there has been employment growth in the area within the year. Currently, a new hospital in the City of Hanford is under construction, and expected to be complete in 2010. Marquez Brothers International, a cheese manufacturing company located in Hanford expanded operations by 30 employees over the last year. Northland Process Piping, which is located in Lemoore, added 40 new employment positions in 2009. Additionally, Mr. Salyer indicated that Lemoore has seen significant retail growth within the last year, including a new Rite Aid, Walgreens, and Fresh and Easy grocery store. Further, Mr. Salyer indicated that a fragrance and flavoring manufacturer is currently considering moving its headquarters to Kings County, although no final decisions have been made yet.

Conversely, Mr. Saylor indicated that there also have been some employment contractions within the county. Western RV, a RV manufacturer, closed in Lemoore. Mr. Saylor did not know how many positions were lost. In Corcoran, Hormac Manufacturing downsized by 31 employees, while a paper plant in Hanford lost 86 employees.

Overall, it appears that the recession has had a negative impact in Kings County, with the closing of several businesses. Further, employment data indicates that there has been a significant number of jobs lost over the past year in the County. However, there has been employment growth over the past year, with several projects in the works that have the potential to create job growth in the future.

Economic Impact of Mortgage Crisis

We researched several local, regional, and national data sources and publications, in order to ascertain information pertaining to the mortgage crisis, and its impact on the local market. Overall, California continues to be hit hard by the mortgage crisis. According to an article published January 21, 2010 by www.dqnews.com, of the existing homes sold in California in December 2009, 41.0 percent were properties that had been foreclosed on during the past year, which is down from 52.2 percent in December 2008. The article also indicated that "Indicators of market distress continue to move in different directions. Foreclosure activity is off its recent peak but remains high by historical standards."

In terms of sale prices, the area continues to experience lows, although prices are beginning to slowly recover. Several data points are published monthly for area counties and cities by www.dqnews.com. For Kings County, sales volume increased by 4.1 percent between December 2008 and December 2009; however, the median sale price decreased by 17.6 percent during this same time period. It appears that the county has been impacted by the current mortgage crisis over the past year; however, the area is slowly starting to see increases in sales volume.

According to www.realtytrac.com, California ranked first in the country for the number of foreclosures in January 2010. In January 2010, there were 71,817 foreclosures within the state of California. Kings County ranked 38th in the state during this same time period, with 187 foreclosures. Overall, it appears as if the state of California has been dramatically impacted by the current national recession to date, while the MSA has been impacted as well.

Employment and Unemployment Trends

Employment and unemployment statistics for Kings County, the state of California, and the nation are shown in the table below.

EMPLOYMENT AND UNEMPLOYMENT TRENDS, 1998-DECEMBER 2009							
Year	Kings County, California			State of California			USA
	Total Employed	% Change	Unemployment Rate	Total Employed	% Change	Unemployment Rate	Unemployment Rate
1998	37,200	-1.6%	13.9%	15,203,700	2.9%	6.0%	4.5%
1999	37,200	0.0%	13.2%	15,566,900	2.4%	5.3%	4.2%
2000	44,300	19.1%	10.0%	16,024,300	2.9%	4.9%	4.0%
2001	44,900	1.4%	10.7%	16,220,000	1.2%	5.4%	4.7%
2002	45,900	2.2%	11.7%	16,180,800	-0.2%	6.7%	5.8%
2003	47,200	2.8%	12.0%	16,227,000	0.3%	6.8%	6.0%
2004	47,800	1.3%	11.0%	16,444,500	1.3%	6.2%	5.5%
2005	49,300	3.1%	9.5%	16,782,300	2.1%	5.4%	5.1%
2006	50,900	3.2%	8.5%	17,029,300	1.5%	4.9%	4.6%
2007	53,443	4.8%	8.7%	17,208,903	1.1%	5.4%	4.6%
2008	52,746	-1.3%	10.7%	17,059,574	-0.9%	7.2%	5.8%
Dec-2009	49,295	-6.5%	17.1%	15,989,277	-6.3%	12.1%	10.0%

Source: US Bureau of Labor Statistics, Novogradac & Company LLP, 3/2010

Unemployment rates over the past three years have increased, and the current unemployment rate is 17.1 percent. Additionally, employment levels decreased from 2007 to 2008. The most recent trend of increasing unemployment rates and decreasing employment levels is attributed to the current economic recession.

Similarly, unemployment rates in the state have increased over the past several years and the current unemployment rate is 12.1 percent. Unemployment trends in the county has historically mirrored that of the state, with the county typically experiencing unemployment rates higher than that of the state. Employment levels have dropped in state from 2008 to the present, which is also likely a result of the recent economic recession.

It is important to note that the relatively high unemployment rate in the County is attributed to the prevalence of seasonal agricultural employment. The growing season in Kings County generally runs from March to November.

Oleander Terrace Apartments, Lemoore, California; Market Study

Availability of Affordable Housing

The following chart identifies existing affordable housing developments within the Subject's PMA. A search of HUD's Section 8 database, LIHTC database, TCAC's list of LIHTC projects, and the USDA property database was performed.

EXISTING AFFORDABLE PROPERTIES IN PMA										
Property Name	Location	Year Built/ Renovated	Housing Program	Primary Tenancy	Unit Mix	Waiting List	Occupancy	Total Units	Income Levels	Distance from Subject
Country Club Apartments	1040 Blake St.	1989	LIHTC	Family	2, 3brs	No	93.5%	40	55% AMI	0.8 miles
Alderwood Apartments	990 Fox St.	1996	LIHTC	Family	1, 2, 3, 4brs	Yes	100.0%	80	40%, 60% AMI	1.0 miles
Westberry Square Apts	1195 E. Hanford Armona Rd.	1998	LIHTC	Family	1, 2, 3, 4 brs	No	97.0%	100	50%, 60% AMI	1.0 miles
Montclair Apartments	150 S. 9th St.	1999	LIHTC	Family	2, 3brs	Yes	100.0%	80	44%, 46%, 48% AMI	1.4 miles
Villa San Joaquin	200 North 19th Ave.	2004	LIHTC/USDA	Family	2brs	Yes	100.0%	36	30% of tenants income	1.3 miles
Kings River Apartments	1600 W Bush St.	1992	USDA	Family	0, 1, 2, 3 brs	Yes	N/Av	44	30% of tenants income	1.7 miles
Lemoore Elderly Apartments	601 E St.	N/A	USDA	Senior	1brs	Yes	100.0%	23	30% of tenants income	0.9 miles
Montgomery Crossings	1150 Tammy Lane	2009	LIHTC/USDA	Family	2,3,4 brs	Yes	100.0%	57	30, 50, 55, 60% AMI	1.4 miles
Lemoore Villa	899 E Hanford Armona Rd.	N/A	USDA	Family	2brs	Yes	N/Av	28	30% of tenants income	0.9 miles
Mountain View Apartments	158 E Hazelwood Dr.	1988	USDA	Senior	1brs	Yes	100.0%	39	30% of tenants income	1.1 miles

The affordable properties in the PMA are experiencing occupancy levels ranging from 93.5 to 100 percent, and most maintain waiting lists. Five of the LIHTC properties will be further detailed in the *Competitive Rental Market* section of this report.

Wages by Occupation

KINGS COUNTY, CA AVERAGE SALARY-1 ST QUARTER 2009			
Occupational Title	Number of Employees	Average Hourly Wage	Average Annual Wage
Total all occupations	38,820	\$19.66	\$40,892
Management Occupations	1,010	\$40.90	\$85,085
Business and Financial Operations Occupations	780	\$26.97	\$56,088
Computer and Mathematical Occupations	190	\$30.88	\$64,241
Architecture and Engineering Occupations	220	\$33.86	\$70,427
Life, Physical, and Social Science Occupations	220	\$32.73	\$68,073
Community and Social Services Occupations	630	\$30.90	\$64,264
Legal Occupations	80	\$35.92	\$74,712
Education, Training, and Library Occupations	3,660	\$21.40	\$44,521
Arts, Design, Entertainment, Sports, and Media Occupations	90	\$21.07	\$43,810
Healthcare Practitioners and Technical Occupations	1,810	\$36.79	\$76,530
Healthcare Support Occupations	1,130	\$12.67	\$26,365
Protective Service Occupations	4,040	\$32.51	\$67,629
Food Preparation and Serving-Related Occupations	2,930	\$10.02	\$20,846
Building and Grounds Cleaning and Maintenance Occupations	1,010	\$12.24	\$25,455
Sales and Related Occupations	3,170	\$13.72	\$28,532
Office and Administrative Support Occupations	5,250	\$15.08	\$31,354
Farming, Fishing, and Forestry Occupations	3,240	\$9.66	\$20,107
Construction and Extraction Occupations	1,180	\$24.54	\$51,029
Installation, Maintenance, and Repair Occupations	1,740	\$20.19	\$41,989
Production Occupations	2,630	\$16.90	\$35,149
Transportation and Material Moving Occupations	2,990	\$17.72	\$36,847

Source: California Economic Development Department, Novogradac & Company LLP, 3/2010

The previous table details the average hourly and annual wages by employment classification. The classification with the lowest average hourly wage was farming/fishing/forestry occupations, at \$9.66 per hour. The highest average hourly wage of \$40.90 was in management occupations.

The qualifying incomes for the Subject's tenants will range from \$11,370 to \$32,700 which encompasses a significant portion of the employment in the area. Utilizing the lower end of the wage range of \$9.66 per hour at 2,080 annual hours equates to an annual wage of \$20,093. The upper end of the qualifying income at \$32,700 corresponds to an approximate hourly wage rate of \$15.72. An element not reflected in the wage rate data is that many positions represent part-time employment, and starting rates are typically lower than mean wage rates. Data from the California Economic Development Department Occupational Employment Statistics Survey demonstrates that a significant range exists below and above the mean wage rates.

Commuting Patterns

The chart below shows the travel time to work for the PMA according to ESRI data.

COMMUTING PATTERNS	
Average Travel Time	21.2 Minutes
Travel Time < 5 min	462
5-9 min	1,282
10-14 min	1,380
15-19 min	2,456
20-24 min	1,164
25-29 min	394
30-34 min	911
35-39 min	345
40-44 min	342
45-59 min	666
60-89 min	247
90+ min	112

Source: ESRI Business Systems; Novogradac & Company LLP, 3/2010

As shown above, the average travel time for individuals in the PMA is 21.2 minutes. The largest category of commuters is the 15 to 19 minute category, followed by the 10 to 14, and 5 to 9 minutes ranges. The data indicates that most area residents are employed within the Lemoore area, but a significant percentage may commute to surrounding cities, such as Hanford.

Conclusion

The education, agriculture, trade, transportation, and utilities, and manufacturing sectors play a significant role in the viability of the area economy, as well as the naval base. Thirty-nine of the Subject's units will be set-aside for farmworkers, which bodes well for the Subject as agriculture and its affiliated industries comprise a large part of Kings County's economy. The unemployment rate within the county has increased and is higher than that of the state and the nation, which is attributed the current economic recession. Overall, it appears as if both Lemoore and Kings County have been impacted by the current national economic recession to date. The fallout from the mortgage crisis has also had a further negative impact on the local economy. However, it is reasonable to assume that the current economic climate has resulted in an even greater need for additional affordable housing options, such as the Subject, given current leasing activities at the LIHTC comparables.

**POPULATION, HOUSEHOLD, AND INCOME
TRENDS**

POPULATION, HOUSEHOLD, AND INCOME TRENDS

In this section we compare population, household, and income trends in the PMA with the secondary market area (SMA). The primary market area is defined as a rectangular area encompassing the cities of Lemoore and Armona. The SMA is the Hanford-Corcoran, CA Metropolitan Statistical Area (MSA) which incorporates all of Kings County. All information is provided to us by ESRI Business Systems and HISTA Ribbon Demographics, national proprietary data providers.

According to the developer, the estimated time of market entry for the Subject will be the 4th Quarter 2011. All estimates have been projected to that date. The data is presented for both the PMA and the MSA in which the proposed project will be located.

POPULATION TRENDS

Total Population

The table below illustrates total population in the PMA and MSA from 1990 through 2014, including the projected population at the time of market entry.

TOTAL POPULATION				
Year	PMA		MSA	
	Number	Annual Change	Number	Annual Change
1990	18,511	-	101,469	-
2000	24,419	3.2%	129,461	2.8%
2009	30,694	2.8%	155,116	2.1%
Projected Mkt. Entry	32,142	2.1%	160,223	1.5%
2014	33,912	2.1%	166,464	1.5%

Source: ESRI Business Demographics 2009; Novogradac & Company LLP, 3/2010

Total population in both the PMA and MSA is growing consistently. In fact, between 1990 and 2000 population growth within the PMA exceeded three percent annually. Since 2000, total population within the PMA has continued to grow, albeit at a slightly slower pace. Within the MSA, total population is also growing, but at a rate slower than the PMA.

Oleander Terrace Apartments, Lemoore, California; Market Study

Population by Age Group

The table below illustrates population by age group in the PMA and MSA from 1990 through 2014. This table also includes the projected population at the time of market entry.

POPULATION BY AGE GROUP					
PMA					
Age Cohort	1990	2000	2009	Projected Mkt. Entry	2014
0-4	1,796	2,265	3,104	3,278	3,491
5-9	1,810	2,343	2,658	2,835	3,052
10-14	1,595	2,345	2,347	2,481	2,644
15-19	1,514	2,242	2,395	2,327	2,243
20-24	1,569	1,809	2,624	2,608	2,589
25-29	1,665	1,780	3,033	3,078	3,132
30-34	1,619	1,859	2,295	2,739	3,282
35-39	1,487	1,953	2,011	2,182	2,390
40-44	1,206	1,886	1,938	1,948	1,960
45-49	929	1,512	1,984	1,912	1,825
50-54	757	1,191	1,787	1,813	1,844
55-59	641	836	1,407	1,528	1,675
60-64	562	705	1,014	1,135	1,282
65-69	465	549	687	795	927
70-74	366	485	526	566	615
75-79	278	336	390	409	433
80-84	159	207	285	283	280
85+	93	117	210	228	250
Total	18,511	24,420	30,695	32,144	33,914
MSA					
Age Cohort	1990	2000	2009	Projected Mkt. Entry	2014
0-4	9,417	10,437	13,090	13,638	14,307
5-9	9,099	10,922	11,794	12,341	13,010
10-14	7,980	10,215	10,490	10,967	11,550
15-19	7,159	10,014	12,019	11,807	11,547
20-24	9,984	11,228	14,649	14,938	15,291
25-29	11,368	11,485	15,468	15,659	15,893
30-34	10,011	11,646	13,202	14,369	15,795
35-39	8,223	11,881	12,345	12,762	13,272
40-44	6,096	10,288	10,749	10,812	10,889
45-49	4,585	7,917	9,793	9,517	9,180
50-54	3,616	6,009	8,182	8,313	8,472
55-59	3,147	4,359	6,632	7,076	7,619
60-64	2,959	3,503	5,004	5,486	6,076
65-69	2,592	2,831	3,531	4,023	4,624
70-74	2,056	2,438	2,674	2,902	3,180
75-79	1,591	1,930	2,158	2,235	2,330
80-84	932	1,269	1,705	1,695	1,683
85+	654	1,089	1,631	1,683	1,746
Total	101,469	129,461	155,116	160,223	166,464

Source: ESRI Business Demographics 2009; Novogradac & Company LLP, 3/2010

Number of Elderly and Non-Elderly

The table below is an illustration of the elderly and non-elderly population within the PMA.

NUMBER OF ELDERLY AND NON-ELDERLY – PMA						
Year	PMA			MSA		
	Total Population	Non-Elderly	Elderly (65+)	Total Population	Non-Elderly	Elderly (65+)
1990	18,511	17,150	1,361	101,469	93,644	7,825
2000	24,420	22,726	1,694	129,461	119,904	9,557
2009	30,695	28,597	2,098	155,116	143,417	11,699
Projected Mkt. Entry	32,144	29,862	2,281	160,223	147,685	12,538
2014	33,914	31,409	2,505	166,464	152,901	13,563

Source: ESRI Business Demographics 2009; Novogradac & Company LLP, 3/2010

As illustrated in the table above, within the PMA, population is greatest in the non-elderly population, those aged 64 or under. The percentage of the non-elderly population within the PMA currently exceeds the percentage within the MSA, which is also indicative of the need for additional family housing options within the Subject's local area.

HOUSEHOLD TRENDS

Total Number of Households

The table below illustrates the total number of households in the PMA and the MSA.

TOTAL NUMBER OF HOUSEHOLDS				
Year	PMA		MSA	
	Number	Annual Change	Number	Annual Change
1990	6,189	-	29,082	-
2000	7,886	2.7%	34,418	1.8%
2009	9,743	2.5%	40,526	1.9%
Projected Mkt. Entry	10,175	2.0%	41,990	1.6%
2014	10,704	2.0%	43,780	1.6%

Source: ESRI Business Demographics 2009; Novogradac & Company LLP, 3/2010

Similar to total population growth, the total number of households in the PMA is growing at a steady pace. The PMA is projected to experience stable growth over the next five years. The MSA has also experienced steady household growth in recent years. With steady growth occurring in both areas of analysis, the demand for multifamily housing will continue to increase.

Household by Tenure

The table below illustrates total households by tenure for the general population.

TENURE PATTERNS – TOTAL POPULATION								
Year	PMA				MSA			
	Owner-Occupied Units		Renter-Occupied Units		Owner-Occupied Units		Renter-Occupied Units	
	Number	%	Number	%	Number	%	Number	%
2000	4,486	56.9%	3,400	43.1%	19,253	55.9%	15,165	44.1%
2009	5,470	56.1%	4,273	43.9%	22,515	55.6%	18,011	44.4%
Projected Mkt. Entry	5,916	58.0%	4,260	42.0%	24,217	57.6%	17,773	42.4%
2014	6,461	60.4%	4,243	39.6%	26,298	60.1%	17,482	39.9%

Source: ESRI Business Demographics 2009; Novogradac & Company LLP, 3/2010

As indicated, the total number of renter-occupied housing units within the PMA during 2009 represented 43.9 percent of total households; this percentage is expected to decrease slightly through 2014. Comparatively, the total number of renter-occupied households within the MSA during 2009 was 44.4 percent, which is also projected to decrease slightly by 2014. It is important to not that this decrease in renter percentage is based on forecasts that were made prior to the recession. Given the housing crisis and the continued impact of the recession, many economists are expecting home ownership to recede to more historic levels. As a result, the current forecast may understate the extent of future renter households. Despite the forecast decline in renter households, the area maintains a significant number of renter households.

Average Household Size

The table below illustrates average household size.

AVERAGE HOUSEHOLD SIZE				
Year	PMA		MSA	
	Number	Annual Change	Number	Annual Change
2000	3.09	-	3.18	-
2009	3.15	0.2%	3.24	0.2%
Projected Mkt. Entry	3.15	0.1%	3.25	0.1%
2014	3.16	0.1%	3.26	0.1%

Source: ESRI Business Demographics 2009; Novogradac & Company LLP, 3/2010

As illustrated in the above table, the average household size in both the PMA and MSA increased between 2000 and 2009. Both areas indicate an average household size that is larger than the national average of 2.59 persons. This data suggests that there is demand for large unit sizes, which bodes well for the Subject's unit mix of two and three-bedroom units.

Oleander Terrace Apartments, Lemoore, California; Market Study

Renter Households by Number of Persons in the Household

The following tables show household size by renter tenure.

RENTER HOUSEHOLDS BY NUMBER OF PERSONS – PMA								
	2000		2009		Projected Mkt Entry		2014	
	Number	%	Number	%	Number	%	Number	%
With 1 Person	697	20.5%	911	20.5%	913	21.4%	916	20.5%
With 2 Persons	758	22.3%	953	22.3%	952	22.3%	950	22.3%
With 3 Persons	751	22.1%	919	22.1%	909	21.3%	897	22.1%
With 4 Persons	659	19.4%	836	19.4%	827	19.4%	816	19.4%
With 5+ Persons	536	15.8%	653	15.8%	658	15.5%	664	15.8%
Total Renter Households	3,400	100.0%	4,273	100.0%	4,260	100.0%	4,243	100.0%

Source: Ribbon Demographics 2007; Novogradac & Company LLP, 3/2010

RENTER HOUSEHOLDS BY NUMBER OF PERSONS – SMA								
	2000		2009		Projected Mkt Entry		2014	
	Number	%	Number	%	Number	%	Number	%
With 1 Person	2,866	18.9%	3,553	18.9%	3,564	20.1%	3,577	18.9%
With 2 Persons	3,168	20.9%	3,716	20.9%	3,636	20.5%	3,538	20.9%
With 3 Persons	3,015	19.9%	3,543	19.9%	3,467	19.5%	3,373	19.9%
With 4 Persons	2,725	18.0%	3,201	18.0%	3,139	17.7%	3,063	18.0%
With 5+ Persons	3,391	22.4%	3,998	22.4%	3,968	22.3%	3,931	22.4%
Total Renter Households	15,165	100.0%	18,011	100.0%	17,773	100.0%	17,482	100.0%

Source: ESRI Business Solutions 2009; Novogradac & Company LLP, 3/2010

The Subject will accommodate household sizes generally ranging between two and six persons. This range includes approximately 79.5 percent of the total renter population within the PMA.

INCOME TRENDS

Assumptions of Income Projections

Novogradac & Company receives data from ESRI Business Systems and Ribbon Demographics, national data providers. Data estimates and projections are based on the 2000 Census. Household income by household size and renter tenure are provided per TCAC market study guidelines. Estimation of household income by household size and renter tenure is allocated based upon occupied renter percentage in the PMA.

Household Income Distribution

The following table illustrates household income distribution of the general population in 2009, 2014, and estimated at the projected market entry date for the PMA and the MSA.

HOUSEHOLD INCOME DISTRIBUTION – PMA						
Income Cohort	2009		Projected Mkt Entry		2014	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	654	6.7%	636	6.3%	614	5.7%
\$10,000-19,999	1,040	10.7%	988	9.7%	923	8.6%
\$20,000-29,999	1,134	11.6%	1,086	10.7%	1,027	9.6%
\$30,000-39,999	1,130	11.6%	1,142	11.2%	1,157	10.8%
\$40,000-49,999	1,169	12.0%	1,150	11.3%	1,127	10.5%
\$50,000-59,999	884	9.1%	956	9.4%	1,044	9.8%
\$60,000-74,999	1,292	13.3%	1,565	15.4%	1,898	17.7%
\$75,000-99,999	1,077	11.1%	1,174	11.5%	1,291	12.1%
\$100,000+	1,362	14.0%	1,479	14.5%	1,622	15.2%
Total	9,743	100.0%	10,175	100.0%	10,704	100.0%

Source: Ribbon Demographics 2007; Novogradac & Company LLP, 3/2010

HOUSEHOLD INCOME DISTRIBUTION – SMA						
Income Cohort	2009		Projected Mkt Entry		2014	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	3,226	8.0%	3,108	7.4%	2,964	6.8%
\$10,000-19,999	4,789	11.8%	4,525	10.8%	4,201	9.6%
\$20,000-29,999	5,671	14.0%	5,437	12.9%	5,150	11.8%
\$30,000-39,999	5,058	12.5%	5,097	12.1%	5,144	11.7%
\$40,000-49,999	4,621	11.4%	4,664	11.1%	4,716	10.8%
\$50,000-59,999	3,428	8.5%	3,654	8.7%	3,929	9.0%
\$60,000-74,999	5,753	14.2%	6,781	16.1%	8,036	18.4%
\$75,000-99,999	3,714	9.2%	4,105	9.8%	4,583	10.5%
\$100,000+	4,265	10.5%	4,621	11.0%	5,056	11.5%
Total	40,526	100.0%	41,990	100.0%	43,780	100.0%

Source: ESRI Demographics Solutions 2009; Novogradac & Company LLP, 3/2010

Annual income for income eligible households will range from \$11,370 to \$32,700.

Renter Household Income Distribution

The following table illustrates the household income distribution adjusted for tenure. ESRI data indicates in 2009, of the 9,743 housing units, 4,273 are renter households and 5,470 are owner-occupied households. Renter households therefore make up 43.9 percent of the occupied housing units households.

RENTER HOUSEHOLD INCOME DISTRIBUTION – PMA						
Income Cohort	2009		Projected Mkt Entry		2014	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	535	12.5%	517	12.1%	494	11.6%
\$10,000-19,999	716	16.8%	674	15.8%	622	14.7%
\$20,000-29,999	735	17.2%	682	16.0%	617	14.5%
\$30,000-39,999	607	14.2%	595	14.0%	580	13.7%
\$40,000-49,999	549	12.8%	531	12.5%	511	12.0%
\$50,000-59,999	261	6.1%	280	6.6%	304	7.2%
\$60,000-74,999	301	7.0%	364	8.5%	440	10.4%
\$75,000-99,999	251	5.9%	273	6.4%	299	7.1%
\$100,000+	318	7.4%	344	8.1%	376	8.9%
Total	4,273	100.0%	4,260	100.0%	4,243	100.0%

Source: Ribbon Demographics 2007; Novogradac & Company LLP, 3/2010

RENTER HOUSEHOLD INCOME DISTRIBUTION – SMA						
Income Cohort	2009		Projected Mkt Entry		2014	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	2,465	8.0%	2,354	13.2%	2,218	6.8%
\$10,000-19,999	3,174	11.8%	2,957	16.6%	2,693	9.6%
\$20,000-29,999	3,408	14.0%	3,154	17.7%	2,844	11.8%
\$30,000-39,999	2,754	12.5%	2,731	15.4%	2,704	11.7%
\$40,000-49,999	2,017	11.4%	2,003	11.3%	1,987	10.8%
\$50,000-59,999	1,122	8.5%	1,161	6.5%	1,210	9.0%
\$60,000-74,999	1,287	14.2%	1,491	8.4%	1,739	18.4%
\$75,000-99,999	831	9.2%	903	5.1%	992	10.5%
\$100,000+	954	10.5%	1,017	5.7%	1,094	11.5%
Total	18,011	100.0%	17,773	100.0%	17,482	100.0%

Source: ESRI Demographics 2009; Novogradac & Company LLP, 3/2010

Oleander Terrace Apartments, Lemoore, California; Market Study

Renter Household Income Distribution by Household Size-PMA

The following tables illustrate renter household income distribution by household size.

RENTER HOUSEHOLD INCOME DISTRIBUTION BY HOUSEHOLD SIZE – PMA					
2009					
Income Cohort	1 Person	2 Person	3 Person	4 Person	5+ Person
\$0-9,999	217	132	62	65	59
\$10,000-19,999	290	89	172	95	71
\$20,000-29,999	140	199	127	150	118
\$30,000-39,999	109	95	179	152	72
\$40,000-49,999	127	79	118	145	79
\$50,000-59,999	3	115	51	28	64
\$60,000-74,999	9	85	73	69	66
\$75,000-99,999	7	71	61	58	55
\$100,000+	9	89	76	73	70
Total	911	953	919	836	653

Source: Ribbon Demographics 2007; Novogradac & Company LLP, 3/2010

PROJECTED MKT ENTRY					
Income Cohort	1 Person	2 Person	3 Person	4 Person	5+ Person
\$0-9,999	217	125	59	62	55
\$10,000-19,999	282	82	158	87	65
\$20,000-29,999	134	183	117	138	110
\$30,000-39,999	113	90	171	150	71
\$40,000-49,999	134	77	112	135	73
\$50,000-59,999	5	120	56	31	69
\$60,000-74,999	11	102	88	83	80
\$75,000-99,999	8	77	66	62	60
\$100,000+	10	97	83	78	76
Total	913	952	909	827	658

Source: Ribbon Demographics 2007; Novogradac & Company LLP, 3/2010

2014					
Income Cohort	1 Person	2 Person	3 Person	4 Person	5+ Person
\$0-9,999	216	116	54	57	50
\$10,000-19,999	274	73	140	78	57
\$20,000-29,999	127	163	104	123	99
\$30,000-39,999	117	85	162	147	70
\$40,000-49,999	142	74	104	123	67
\$50,000-59,999	6	126	62	35	74
\$60,000-74,999	13	124	107	99	97
\$75,000-99,999	9	84	73	68	66
\$100,000+	11	106	91	85	83
Total	916	950	897	816	664

Source: Ribbon Demographics 2007; Novogradac & Company LLP, 3/2010

Renter Household Income Distribution by Household Size-SMA

The following tables illustrate renter household income distribution by household size.

RENTER HOUSEHOLD INCOME DISTRIBUTION BY HOUSEHOLD SIZE - SMA					
2009					
Income Cohort	1 Person	2 Person	3 Person	4 Person	5+ Person
\$0-9,999	1,079	503	331	270	281
\$10,000-19,999	908	506	718	488	554
\$20,000-29,999	520	736	654	641	856
\$30,000-39,999	406	568	577	496	707
\$40,000-49,999	238	433	404	419	523
\$50,000-59,999	38	305	248	304	227
\$60,000-74,999	152	278	256	244	356
\$75,000-99,999	98	180	165	158	230
\$100,000+	113	206	190	181	264
Total	3,553	3,716	3,543	3,201	3,998

Source: ESRI Demographics 2009; Novogradac & Company LLP, 3/2010

PROJECTED MKT ENTRY					
Income Cohort	1 Person	2 Person	3 Person	4 Person	5+ Person
\$0-9,999	1,050	473	311	254	266
\$10,000-19,999	883	461	658	445	510
\$20,000-29,999	505	674	602	587	787
\$30,000-39,999	414	559	561	485	711
\$40,000-49,999	250	439	397	404	513
\$50,000-59,999	45	309	255	317	234
\$60,000-74,999	182	315	298	283	413
\$75,000-99,999	110	191	181	171	250
\$100,000+	124	215	203	193	282
Total	3,564	3,636	3,467	3,139	3,968

Source: ESRI Demographics 2009; Novogradac & Company LLP, 3/2010

2014					
Income Cohort	1 Person	2 Person	3 Person	4 Person	5+ Person
\$0-9,999	1,015	435	288	234	247
\$10,000-19,999	853	406	585	392	456
\$20,000-29,999	486	598	538	520	703
\$30,000-39,999	424	548	542	472	717
\$40,000-49,999	265	447	388	387	501
\$50,000-59,999	54	315	265	333	243
\$60,000-74,999	219	359	349	330	483
\$75,000-99,999	125	205	199	188	276
\$100,000+	137	226	220	207	304
Total	3,577	3,538	3,373	3,063	3,931

Source: ESRI Demographics 2009; Novogradac & Company LLP, 3/2010

Conclusion

The preceding tables illustrate household income, renter household income, and renter household income by household size for the PMA and SMA for 2009, projected market entry, and 2014 forecast. The *Demand Estimate* section following utilizes this data in quantification of appropriate income qualified renter households adjusted by household size.

DEMAND ESTIMATE

DEMAND ESTIMATE

Our estimate of demand will be based on current households and the projected household growth. We will assume that lower income households will pay up to 40 percent of household income for their gross rent. Demand will be calculated for each proposed rent level and each bedroom size. Income qualified households will not be double counted.

The results provide an indication of the total number of households that are age and income qualified and currently renters. This analysis includes several assumptions that are necessary because more detailed demographic data is not available. These assumptions include: (1) an even distribution of the number of households within each Census income range; (2) an even distribution of the number of households across the household size spectrum; and (3) that the number of persons per unit will be distributed as illustrated on the bedroom demand analysis.

DEMAND FROM EXISTING HOUSEHOLDS

We estimated demand from existing households for each bedroom size and each AMI level for the Subject development. In order to avoid double counting of income-qualified households, we also estimated demand by combining the households at each AMI level to eliminate overlapping income cohorts. A description of the steps involved in the estimate of demand is detailed below.

Number of Existing Households for the Current Year

As noted in the *Population, Household, and Income Trends* section of this report, the total number of households in the PMA was 9,743 in 2009, which is a beginning point for analysis.

Number of Renters

Information provided to us by ESRI indicates that in 2009, of the occupied housing units, there are an estimated 4,273 renter households and 5,470 owner-occupied households. Renter households therefore comprise 43.9 percent of the occupied housing units. We will multiply this percentage by the total households noted above.

Number of Income Qualified Renter Households

The Subject will consist of 65 LIHTC units and one manager's unit. LIHTC maximum rent and income limits are based on the area median gross income (AMI), adjusted for household size, for the Subject location. HUD estimates the relevant income levels, with annual updates. The rents are calculated by HUD assuming that the gross rent a household pays is 30 percent of its household income at the relevant AMI level (30, 40, and 50 percent for the Subject). HUD assumes household size to be 1.5 persons per bedroom for LIHTC rent calculation purposes.

If the tenant pays utilities in addition to the rent, the rent is reduced by a utility allowance, which is generally estimated by the local Housing Authority. In this case, we have estimated the utility allowance based upon information provided by the developer, and confirmed by the allowance from the Housing Authority of the County of Kings, dated July 1, 2009.

By multiplying the total number of renter households by the percentage of income eligible households, we can estimate the number of income eligible renter households in the local market area. This analysis assumes an even distribution of the number of households within each Census income range, since more detailed data is not available.

Setting the Minimum and Maximum Eligible Income Ranges

The calculations to establish the number of income eligible potential tenants for the Subject are as follows:

First, we estimate the minimum and maximum income levels for the proposed LIHTC project. HUD determines maximum income guidelines for tax credit properties based on the area median income. Minimum income levels were calculated based on the assumption that lower income families should pay no more than 40 percent of their income to gross rent. Often, lower income families pay a higher percentage of income to rent due to their income level. Although higher income households generally spend a smaller portion of their income on rent, the area is not dominated by high incomes.

Secondly, we illustrate the household population segregated by income band to determine those who are income qualified to reside in the Subject property.

Third, we combine the allowable income range with the income distribution analysis to determine the number of potential income qualified households. In some cases the LIHTC income eligible band overlaps with more than one Census income range. In those cases, the prorated share of more than one Census range will be calculated, which provides an estimate of the total number of households and the percentage of households that are income eligible.

The developer has proposed rents at the complex to be set at 30, 40, and 50 percent of the AMI, calculated in accordance with HUD and LIHTC guidelines. HUD establishes the maximum income level for the Subject based on household size. For demand calculation purposes, we will assume 2.0 persons per bedroom when establishing maximum income eligibility. The regulations promulgated by TCAC indicate that the minimum income level scenario should assume that a household is not paying more than 40 percent of its income on housing, using the developer's lowest priced unit's proposed rent.

Oleander Terrace Apartments, Lemoore, California; Market Study

The maximum and minimum eligible household income limits for the Subject is as follows:

Eligible Income Requirements			
Unit Type	Minimum Eligible Income	Maximum Eligible Income	Proposed Gross Rent
30% AMI/ Low HOME			
2BR/2BA	\$11,370	\$16,890	\$379
3BR/2BA	\$13,170	\$19,620	\$439
40% AMI/ Low HOME			
2BR/2BA	\$15,210	\$22,520	\$507
3BR/2BA	\$17,580	\$26,160	\$586
50% AMI			
2BR/2BA	\$18,810	\$28,150	\$627
3BR/2BA	\$20,910	\$32,700	\$697

The number of eligible households by income cohort is illustrated in the following table. As previously stated, this analysis assumes an even distribution of persons within each Census income range.

Calculation of Potential Household Demand by Income Cohort								
Percent of AMI Level		30% AMI			40% AMI			
Minimum Income Limit		\$11,370	\$379	Gross Rent	\$15,210	\$507	Gross Rent	
Maximum Income Limit		\$19,620			\$26,160			
Income Category	Total Renter Households PMA	Income Brackets	Percent within Cohort	Renter HHs within Bracket	Income Brackets	Percent within Cohort	Households within Bracket	
\$0-9,999	535							
\$10,000-19,999	716	\$ 8,250	83%	591	\$ 4,789	48%	343	
\$20,000-29,999	735				\$ 6,160	62%	453	
\$30,000-39,999	607							
\$40,000-49,999	549							
\$50,000-59,999	261							
\$60,000-74,999	301							
\$75,000-99,999	251							
\$100,000+	318							
	4,273			591			796	
% of Renter HH within limits v. total number of Renter HH				13.8%				18.6%

Percent of AMI Level		50% AMI			All LIHTC Units			
Minimum Income Limit		\$18,810	\$627	Gross Rent	\$11,370	\$379	Gross Rent	
Maximum Income Limit		\$32,700			\$32,700			
Income Category	Total Renter Households PMA	Income Brackets	Percent within Cohort	Renter HHs within Bracket	Income Brackets	Percent within Cohort	Renter HHs within Bracket	
\$0-9,999	535							
\$10,000-19,999	716	\$ 1,189	12%	85	\$ 8,629	86%	618	
\$20,000-29,999	735	\$ 9,999	100%	735	\$ 9,999	100%	735	
\$30,000-39,999	607	\$ 2,700	27%	164	\$ 2,700	27%	164	
\$40,000-49,999	549							
\$50,000-59,999	261							
\$60,000-74,999	301							
\$75,000-99,999	251							
\$100,000+	318							
	4,273			984			1,517	
% of Renter HH within limits v. total number of Renter HH				23.0%				35.5%

Based on this analysis at these AMI levels, there are 13.8 percent of renter households at the 30 percent AMI/ Low HOME, 18.6 percent at the 40 percent AMI/ Low HOME, 23.0 percent of renter households at the 50 percent AMI level, and 35.5 percent overall (to avoid double counting households) that would be income-eligible to reside at the Subject. We will apply these

percentages to the year 2009 calculation of the number of renter households that are income-eligible at each AMI level.

Turnover Rate

There are numerous sources of information regarding turnover rate, or the percent of persons who move in a year. The most reliable source is that of the market participants in the Subject's market area. As discussed in the *Competitive Rental Market* section, we interviewed comparable properties on the turnover rate experienced on an annual basis. Reported turnover ranged from 12 to 45 percent at comparable properties. Additionally, according to the 2000 Census information, approximately 27.9 percent of renter households in the PMA pay more than 35 percent of income to rent. As a result, we have concluded to a conservative 30 percent turnover rate for the area. This rate takes into consideration both sources of potential turnover for the Subject.

Number of Appropriate Sized Households

In order to determine the number of appropriate sized households at each bedroom type, first we analyzed the number of persons in each household by renter tenure, as detailed in the following table.

RENTER HOUSEHOLDS BY PERSONS IN HOUSEHOLD		
Household Size	2009	
	Number	Percentage
With 1 Person	911	21.3%
With 2 Persons	953	22.3%
With 3 Persons	919	21.5%
With 4 Persons	836	19.6%
With 5 Persons+	653	15.3%
Total Renter Households	4,273	100.0%

Second, we made assumptions based on the average household size in the market to estimate the distribution of households by unit type. It should be noted that these assumptions are compliant with HOME requirements. Following are these assumptions:

HOUSEHOLD SIZE DISTRIBUTION BY BEDROOM TYPE	
Percentage	Distribution
Percentage of one person households in one bedroom units	100%
Percentage of two person households in one bedroom units	35%
Percentage of two person households in two bedroom units	65%
Percentage of three person households in two bedroom units	100%
Percentage of four person households in two bedroom units	35%
Percentage of four person households in three bedroom units	65%
Percentage of five person+ households in three bedroom units	100%

Oleander Terrace Apartments, Lemoore, California; Market Study

Third, we multiplied the percentage of renter households at each household size by the distribution of these households within each bedroom type. The sum of these percentages is the appropriate percentage of renter households for each bedroom type.

Appropriate Sized Renter Households						
One-Bedroom Unit	21.3%	*	100.0%	=	21.3%	
	+	22.3%	*	35.0%	=	7.8%
	=					29.1%
Two-Bedroom Unit	22.3%	*	65.0%	=	14.5%	
	+	21.5%	*	100.0%	=	21.5%
	+	19.6%	*	35.0%	=	6.8%
	=					42.9%
Three-Bedroom Unit	21.5%	*	0.0%	=	0.0%	
	+	19.6%	*	65.0%	=	12.7%
	+	15.3%	*	100.0%	=	15.3%
	=					28.0%
Total					100.0%	

ANNUAL DEMAND FROM NEW HOUSEHOLDS

New Renter Households at Market Entry

According to ESRI, 2009 Estimates and Projections, the number of renter households in the PMA will decrease from 4,273 to 4,260 between 2009 and the 4th Quarter 2011, a decrease of 14 households.

Estimate the Annual Renter Household Growth

According to ESRI, 2009 Estimates and Projections, the number of renter households in the PMA will decrease from 4,273 to 4,243 between 2008 and 2014, averaging a decrease of six households annually.

Number of Income – Qualified Renter Households

We have already estimated this in the prior section to be 13.6 percent of renter households at the 30 percent AMI/ Low HOME, 18.4 percent at the 40 percent AMI/ Low HOME, 22.5 percent of renter households at the 50 percent AMI level, and 35.2 percent overall (to avoid double counting households) that would be income-eligible to reside at the Subject. We will apply these same percentages here.

Number of Appropriate Sized Households

We have already estimated this in the prior section; we will apply these same percentages here.

Oleander Terrace Apartments, Lemoore, California; Market Study

TOTAL DEMAND FROM EXISTING AND NEW RENTER HOUSEHOLDS

The steps have been detailed and all inputs have been determined in order to calculate the annual demand from existing rental households at each AMI level and bedroom type. Our calculations and conclusions are as follows:

Demand for Units at 30% AMI/ Low HOME					
Number of Existing Households for the Current Year					9,743
Number of Existing Renter Households for the Current Year					4,273
Number of Income Qualified Renter Households	4,273	*	13.8%	=	591
Movership or Turnover Rate	591	*	30.0%	=	177
Number of Appropriate Sized Renter Households					
Two-Bedroom Unit	177	*	42.9%	=	76
Three-Bedroom Unit	177	*	28.0%	=	50
Estimated Annual Demand from Existing Rental Households					
Two-Bedroom Unit					76
Three-Bedroom Unit					50
TOTAL					126
Number of new, additional Renter Households by					
Projected Mkt Entry 4th Qtr 2011	Mkt Entry 4,260	-	2009 4,273	=	-13
Annual Renter Household Growth	-13	/	2.3	=	-6
Number of Income Qualified Renter Households	-6	*	13.8%	=	-1
Number of Appropriate Sized Renter Households					
Two-Bedroom Unit	-1	*	42.9%	=	0
Three-Bedroom Unit	-1	*	28.0%	=	0
Estimated Annual Demand from New Rental Households					
Two-Bedroom Unit					0
Three-Bedroom Unit					0
TOTAL					-1
Total Demand from Existing and New Households					
	Existing	+	New	=	Total
Two-Bedroom Unit	76	+	0	=	76
Three-Bedroom Unit	50	+	0	=	49
TOTAL					125
Capture Rate - 30% AMI/Low HOME					
	Developer's Unit Mix	/	Total Demand	=	Total
Two-Bedroom Unit	3	/	76	=	4.0%
Three-Bedroom Unit	4	/	49	=	8.1%
OVERALL					5.6%

The Subject's capture rate for the 30 percent AMI/ Low HOME units is 5.6 percent.

Oleander Terrace Apartments, Lemoore, California; Market Study

Demand for Units at 40% AMI/Low HOME					
Number of Existing Households for the Current Year					9,743
Number of Existing Renter Households for the Current Year					4,273
Number of Income Qualified Renter Households	4,273	*	18.6%	=	796
Movership or Turnover Rate	796	*	30.0%	=	239
Number of Appropriate Sized Renter Households					
Two-Bedroom Unit	239	*	42.9%		102
Three-Bedroom Unit	239	*	28.0%		67
Estimated Annual Demand from Existing Rental Households					
Two-Bedroom Unit					102
Three-Bedroom Unit					67
TOTAL					169
Number of new, additional Renter Households by					
Projected Mkt Entry 4th Qtr 2011	4,260		2009	=	-13
Annual Renter Household Growth	-13	/	2.3	=	-6
Number of Income Qualified Renter Households	-6	*	18.6%	=	-1
Number of Appropriate Sized Renter Households					
Two-Bedroom Unit	-1	*	42.9%	=	0
Three-Bedroom Unit	-1	*	28.0%	=	0
Estimated Annual Demand from New Rental Households					
Two-Bedroom Unit					0
Three-Bedroom Unit					0
TOTAL					-1
Total Demand from Existing and New Households					
Two-Bedroom Unit	102	+	0	=	102
Three-Bedroom Unit	67	+	0	=	67
TOTAL					168
Capture Rate - 40% AMI/Low HOME					
Two-Bedroom Unit	4	/	102	=	3.9%
Three-Bedroom Unit	3	/	67	=	4.5%
OVERALL	7	/	168	=	4.2%

The overall capture rate for the 40 percent AMI/ Low HOME units is 4.2 percent.

Oleander Terrace Apartments, Lemoore, California; Market Study

Demand for Units at 50% AMI Level					
Number of Existing Households for the Current Year					9,743
Number of Existing Renter Households for the Current Year					4,273
Number of Income Qualified Renter Households	4,273	*	23.0%	=	984
Movership or Turnover Rate	984	*	30.0%	=	295
Number of Appropriate Sized Renter Households					
Two-Bedroom Unit	295	*	42.9%	=	126
Three-Bedroom Unit	295	*	28.0%	=	83
Estimated Annual Demand from Existing Rental Households					
Two-Bedroom Unit					126
Three-Bedroom Unit					83
TOTAL					209
Number of new, additional Renter Households by Projected Mkt Entry 4th Qtr 2011					
	<u>Mkt Entry</u>		<u>2009</u>		
Number of new, additional Renter Households by Projected Mkt Entry 4th Qtr 2011	4,260	-	4,273	=	-13
Annual Renter Household Growth	-13	/	2.3	=	-6
Number of Income Qualified Renter Households	-6	*	23.0%	=	-1
Number of Appropriate Sized Renter Households					
Two-Bedroom Unit	-1	*	42.9%	=	-1
Three-Bedroom Unit	-1	*	28.0%	=	0
Estimated Annual Demand from New Rental Households					
Two-Bedroom Unit					-1
Three-Bedroom Unit					0
TOTAL					-1
Total Demand from Existing and New Households					
	Existing	+	New	=	Total
Two-Bedroom Unit	126	+	-1	=	126
Three-Bedroom Unit	83	+	0	=	83
TOTAL					208
Capture Rate - 50% AMI Level					
	Developer's	/	Total	=	Total
Two-Bedroom Unit	25	/	126	=	19.9%
Three-Bedroom Unit	26	/	82	=	31.6%
OVERALL	51	/	208	=	24.5%

The overall capture rate for the 50 percent AMI units is 24.5 percent.

Oleander Terrace Apartments, Lemoore, California; Market Study

Demand for All Units					
Number of Existing Households for the Current Year					9,743
Number of Existing Renter Households for the Current Year					4,273
Number of Income Qualified Renter Households	4,273	*	35.5%	=	1,517
Movership or Turnover Rate	1,517	*	30.0%	=	455
Number of Appropriate Sized Renter Households					
Two-Bedroom Unit	455	*	42.9%		195
Three-Bedroom Unit	455	*	28.0%		127
Estimated Annual Demand from Existing Rental Households					
Two-Bedroom Unit					195
Three-Bedroom Unit					127
TOTAL					322
Number of new, additional Renter Households by					
Projected Mkt Entry 4th Qtr 2011	Mkt Entry		2009		
	4,260	-	4,273	=	-13
Annual Renter Household Growth	-13	/	2.3	=	-6
Number of Income Qualified Renter Households	-6	*	35.5%	=	-2
Number of Appropriate Sized Renter Households					
Two-Bedroom Unit	-2	*	42.9%	=	-1
Three-Bedroom Unit	-2	*	28.0%	=	-1
Estimated Annual Demand from New Rental Households					
Two-Bedroom Unit					-1
Three-Bedroom Unit					-1
TOTAL					-2
Total Demand from Existing and New Households					
Two-Bedroom Unit	Existing	+	New	=	Total
	195	+	-1	=	194
Three-Bedroom Unit	127	+	-1	=	127
TOTAL					321
Capture Rate - All Units					
Two-Bedroom Unit	Developer's	/	Total	=	Total
	32	/	194	=	16.5%
Three-Bedroom Unit	33	/	127	=	26.0%
OVERALL	65	/	321	=	20.3%

This calculation derives an estimate of penetration required to lease the Subject. Total demand, both currently present and moving into the market, is adjusted for income eligibility and renter status. The demand estimate calculates the number of two and three-bedroom units that are needed in the market to satisfy the number of renter households' living in these unit sizes. In this case it represents 321 units. The penetration rate is the percentage that the Subject will capture of this demand. A number below 100 percent is a positive indicator and represents an expected absorption rate of less than one year. A number greater than 100 percent indicates an absorption pace longer than one year. The above calculation generates penetration rates of 16.5 and 26.0 percent for two and three-bedroom units, respectively. An overall capture rate of 20.3 percent was calculated, which indicates an expected absorption rate of less than one year. More importantly, it indicates a level of unmet demand will still exist upon completion of the Subject.

SECONDARY DEMAND ANALYSIS – FARMWORKER SET-ASIDE

In addition to the *Demand Analysis* required by TCAC, we also consulted various sources, including the Kings County Housing Authority, the Kings County Economic Development Corporation, comparable rental properties in the area, and area wage and economic data regarding potential demand for the 39 units set-aside for farmworkers at the Subject. These units will serve a limited sector of the population, one in which there is little empirical data available for analysis. As a result, we have placed reliance on information supplied by the aforementioned sources.

There is limited housing in the region that specifically targets farmworkers. The Kings County Housing Authority oversees the Admin Farm Labor Housing program which currently operates five single family homes throughout the county that are reserved for families with farm labor income. Additionally, the housing authority oversees the Kettleman City Farm Labor Housing Development, which consists of 40 units set-aside for farmworkers. The development is currently 97.5 percent occupied and maintains a waiting list. Furthermore, five of the rental properties surveyed indicated that farmworkers are currently part of their tenant base, ranging from two to 50 percent. These are considered viable sources of additional demand for the Subject's units, particularly the 39 units set-aside for farmworkers.

As previously discussed in the *Market Area Economy* section of this report, the agriculture sector plays a significant role in the Lemoore economy. The California Economic Development Department estimates that Agriculture accounted for 15.3 percent of the total employment in Kings County in 2008. Additionally, many manufacturing businesses in the area rely on the agriculture sector as many major employers are food processors involved in canning, dehydrating, packaging, and/or shipping local produce. Major agriculture and related manufacturing and processing employers in the region are outlined in the following table:

Oleander Terrace Apartments, Lemoore, California; Market Study

KINGS COUNTY MAJOR AGRICULTURAL EMPLOYERS		
Name of Company	Location	Number of Employees
Del Monte Food	Hanford	1,400
JG Boswell Company	Corcoran	1,200
SK Foods	Lemoore	500
Leprino Foods-West	Lemoore	327
Marquez Brothers	Hanford	306
Leprino Foods-East	Lemoore	291
Central Valley Meat Co.	Hanford	270
Conagra Foods Inc.	Hanford	250
Warmerdam Packing	Hanford	250
Netto AG Inc.	Hanford	136
Mt. Whitney Packing	Corcoran	123
Keenan Farms	Avenal	100
Gilkey Enterprises	Corcoran	50
Penny Newman Milling	Hanford	48
Baker Commodities	Hanford	40
Verdegaal Brothers	Hanford	30
Fagundes Agribusiness	Hanford	25
Beco Dairy Automation	Hanford	20
Hansen Farms	Corcoran	20
Western Farm Service	Hanford	20
Bio Products, Inc.	Corcoran	19
Agusa, Inc.	Lemoore	18
Cargill Inc.-Nutrena Feed Division	Hanford	17
Lacey Milling Co.	Hanford	15
Silveira's Ground Service, Inc.	Hanford	15
Integrated Gran & Milling	Hanford	11
Mineral King Minerals	Hanford	11

Source: Kings County Economic Development, 3/2010

As is evident from the table above, agriculture and its affiliated industries are a significant component of the Kings County Economy.

Additionally, data provided by ESRI, and presented previously in this report, indicates that approximately 867 persons within the PMA are employed by the agriculture industry. An additional 652 are employed in the manufacturing industry; many of these workers will also be eligible for the Subject's set-aside units for farm workers. However, in order to be conservative and for the purposes of this analysis, we have only analyzed the employment in the agriculture sector.

Our previous income distribution analysis indicated that 35.2 percent of renter households are income-eligible to reside at the Subject. Applying this percentage to the total number of agriculture employees equates to a total income-qualified farm worker population of approximately 305. The Subject will offer 39 units set aside for this population. We have calculated a capture rate of 7.8 percent for these 39 units as we have divided the Subject's 39 units by the income-eligible household pool of 305. This is an extremely conservative analysis, as it is likely that a significantly larger portion of the agriculture industry is income-eligible to reside at the Subject, given the wage rates in the area. Furthermore, other industries, such as manufacturing and processing, also employ potential tenants that may be eligible for the farmworker set-aside.

Conclusion

These calculations derive an estimate of annual capture rate required to lease the Subject. Total demand, both currently present and moving into the market, is adjusted for income eligibility and renter status. The demand estimate remaining is the number of units that will be unsatisfied in the market without construction of the Subject. These un-accommodated units of demand will be forced to leave the market without additional affordable units.

The Subject's annual capture rate at each AMI level and bedroom type are low, demonstrating the strong demand for housing within the PMA and especially for affordable housing. The overall annual capture rates by AMI level vary from 4.2 to 24.5 percent, which are reasonable and indicative of ample demand for the Subject units. To avoid double counting of households, we estimated overall capture rates of 16.5 and 26.0 percent for the Subject's two and three-bedroom units, respectively. The overall annual capture rate for the Subject is 20.3 percent, which indicates that the Subject will be absorbed in less than one year.

The data above does not reflect developments under construction or planned to enter the market prior to the Subject's estimated market entry date. As previously discussed, there are three multifamily developments in the planning stages or under construction within the PMA at this time. Village at Acacia is a proposed 81-unit LIHTC development to be located at the southwest corner of Acacia Drive and Bush Street, approximately 1.6 miles west of the Subject. The development received a LIHTC allocation in 2009. As this development will be a family LIHTC development, it will likely be in competition with the Subject.

Fox Street Villas is a proposed 80-unit age restricted LIHTC development to be located on Fox Street, approximately 0.9 miles northwest of the Subject. Fox Street Villas has not received a LIHTC allocation. As this development will be age-restricted, we do not believe it will be in competition with the Subject. The Armona Family Apartments is a proposed 20-unit LIHTC development that will be located approximately 3.5 miles east of the Subject in Armona. The development is scheduled to begin construction in March 2010. No further details regarding unit types or proposed rents were available at this time. As this will be a LIHTC development targeting families within the PMA, we believe it will likely be in competition with the Subject.

Additionally, the demand analysis does not take into consideration the effect a newly constructed property will have on households in the PMA that are living in substandard conditions. The rental housing stock in the PMA is older, and the majority of the available rental units exhibit signs of deferred maintenance. Furthermore, the demand analysis does not take into account leakage from outside the PMA, which has been narrowly defined as the city of Lemoore and the unincorporated community of Armona per TCAC requirements. It is highly likely that a percentage of potential Subject tenants will originate from outside the PMA. Affordable projects of all types throughout the PMA and all of Kings County maintain high occupancy levels and extensive waiting lists. As an example, it is likely that a tenant searching for affordable housing in Hanford may consider relocating to Lemoore, given the lack of available supply. Therefore, we anticipate the Subject will achieve a lower capture rate than indicated in our analysis due to the appeal of a newly constructed development offering amenities such that the Subject will offer.

ABSORPTION RATE

ABSORPTION RATE

The demand analysis indicates that there are sufficient income eligible households in the Subject's market area.

The number of potential renters in the market area, the low vacancy, and low incidence of concessions in the market indicates strong demand for affordable housing. Similarly, market demand is evident for units, based on limited vacancies and the quick turnover of vacant units. According to our rent survey and the analysis of the low income housing demand, the demand for affordable housing is strong. As an affordable housing development with the advantage of below market rate units to offer tenants, absorption is expected to be rapid.

Valley Oak Apartments, a 73-unit market rate development, is the newest comparable. The development opened in December 2009 and is still in lease-up. The development is currently 83 percent occupied. Management indicated that they expect the development to reach a stabilized occupancy by May 2010. This would equate to a preliminary absorption pace of approximately 12 units per month.

We were able to obtain absorption information from Montgomery Crossings, a 57-unit LIHTC/USDA development that opened in August 2009. According to management, the development reached a stabilized occupancy within one month. This equates to an absorption pace of 57 units per month. The development is currently 100 percent occupied and maintains a short waiting list.

We also obtained absorption information from College Park Apartments. This market rate property opened in late 2005 and consists of 120 one and two-bedroom single story apartments, and was reportedly 100 percent occupied two and one-half months after opening. This lease-up period equates to a rapid absorption rate of approximately 48 units per month.

Based on the preliminary absorption rate of Valley Oak Apartments, as well as the absorption rates of Montgomery Crossings and College Park Apartments, in conjunction with the reasonable capture rates illustrated in the *Demand Estimate* section of this report, we anticipate the Subject will reach a stabilized occupancy level of 95 percent within three months of completion, equating to an absorption rate of 22 units per month. These projections are conservative and will easily be achieved if the property is properly marketed and pre-leasing begins approximately three months prior to completion of construction.

We believe that the Subject's 39 units set-aside for farmworkers will reach a stabilized occupancy within two months of completion, equating to an absorption rate of approximately 20 units per month.

COMPETITIVE RENTAL MARKET

COMPETITIVE RENTAL MARKET

We performed a competitive rental analysis of the local market. We surveyed both market rate and affordable housing rental properties.

The properties included in the survey are considered the best "true comparables" for the Subject. The Subject will consist of 66 two and three-bedroom apartment and townhouse units. We performed an extensive search for comparable properties within the PMA. Typically, properties situated within a one-mile radius of a Subject are the best comparables due to similarities in the local market conditions. However, due to the limited number of developments within one mile, we also extended our search area beyond the one mile radius. We have included a total of six market rate comparable properties, of which four are located in the PMA and within one mile of the Subject. The remaining two market rate comparables (Ashley Court Apartments and College Park Apartments) are located in Lemoore, approximately 1.4 and 1.8 miles west of the Subject, respectively; both of these properties are located within the defined PMA. Ashley Court and College Park Apartments were used as Ashley Court has three-bedroom units and College Park is one of the newer developments within the PMA and exhibits condition more similar to the Subject's.

There are a total of six LIHTC developments located within the PMA. Villa San Joaquin Apartments has a USDA Rural Development overlay; therefore, we have excluded this property from our analysis. The remaining five LIHTC developments within the PMA are included as LIHTC comparables.

In order to find properties comparable to the Subject we physically drove the market area to find comparable developments as well as utilized several other outlets. These included a review of area listings through the yahoo yellow pages of apartments closest to the Subject, the review of apartment websites such as www.rent.com, www.apartments.com, www.apartmentguide.com, www.apartmentfinder.com, www.craigslist.org, and newspaper outlets such as The Lemoore Advance. Additionally, we identified comparable properties through discussions with area property managers regarding competition among properties.

Provided on the following pages are maps of the comparable market rate and LIHTC properties used in the rental analysis, in relation to the Subject. On the following pages are the individual comparable property profiles for both the market rate and LIHTC developments used in our analysis.

PROPERTY PROFILE REPORT

Alderwood Apartments

Effective Rent Date 3/15/2010
Location 990 Fox St
 Lemoore, CA 93245
 Kings County
Distance 1 mile
Units 80
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated 1996 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Country Club
Tenant Characteristics Families, 5% farmworkers
Contact Name Olivia
Phone 559.924.0221



Market Information

Program LIHTC
Annual Turnover Rate 18%
Units/Month Absorbed N/A
HCV Tenants 25%
Leasing Pace One week
Annual Chg. in Rent 3-4% increase on all units
Concession None

Utilities

A/C not included -- central
Cooking not included -- gas
Water Heat not included -- gas
Heat not included -- gas.
Other Electric not included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	2	733	\$445	\$0	@50%	Yes	0	0.0%	no	None
1	1	Garden (2 stories)	6	733	\$549	\$0	@60%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	5	988	\$535	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	19	988	\$661	\$0	@60%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	8	1,198	\$614	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	32	1,198	\$759	\$0	@60%	Yes	0	0.0%	no	None
4	2	Garden (2 stories)	2	1,454	\$681	\$0	@50%	Yes	0	0.0%	no	None
4	2	Garden (2 stories)	6	1,454	\$843	\$0	@60%	Yes	0	0.0%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$445	\$0	\$445	\$0	\$445	1BR / 1BA	\$549	\$0	\$549	\$0	\$549
2BR / 1BA	\$535	\$0	\$535	\$0	\$535	2BR / 1BA	\$661	\$0	\$661	\$0	\$661
3BR / 2BA	\$614	\$0	\$614	\$0	\$614	3BR / 2BA	\$759	\$0	\$759	\$0	\$759
4BR / 2BA	\$681	\$0	\$681	\$0	\$681	4BR / 2BA	\$843	\$0	\$843	\$0	\$843

Alderwood Apartments, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Exterior Storage
Garbage Disposal
Refrigerator
Washer/Dryer

Blinds
Central A/C
Dishwasher
Ceiling Fan
Oven
Walk-In Closet

Security

None

Services

None

Property

Clubhouse/Meeting
Off-Street Parking
Picnic Area
Swimming Pool

Exercise Facility
On-Site Management
Playground
Volleyball Court

Premium

None

Other

None

Comments

Management indicated that there is currently a waiting list of 20 households for all unit types. Management was unaware of any recent or planned renovations for the property. The information presented was gathered through an interview with the property manager, Olivia, and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager.

Alderwood Apartments, continued

Trend Report

Vacancy Rates

1Q08	3Q08	1Q09	1Q10
5.0%	1.3%	0.0%	0.0%

Trend: @50%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$445	\$0	\$445	\$445

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$535	\$0	\$535	\$535

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$614	\$0	\$614	\$614

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2010	1	0.0%	\$681	\$0	\$681	\$681

Trend: @60%

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$537	\$0	\$537	\$537
2008	3	0.0%	\$563	\$0	\$563	\$563
2009	1	0.0%	\$528	\$0	\$528	\$528
2010	1	0.0%	\$549	\$0	\$549	\$549

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	5.3%	\$647	\$0	\$647	\$647
2008	3	5.3%	\$677	\$0	\$677	\$677
2009	1	0.0%	\$637	\$0	\$637	\$637
2010	1	0.0%	\$661	\$0	\$661	\$661

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	3.1%	\$745	\$0	\$745	\$745
2008	3	0.0%	\$781	\$0	\$781	\$781
2009	1	0.0%	\$734	\$0	\$734	\$734
2010	1	0.0%	\$759	\$0	\$759	\$759

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$830	\$0	\$830	\$830
2008	3	0.0%	\$871	\$0	\$871	\$871
2009	1	0.0%	\$814	\$0	\$814	\$814
2010	1	0.0%	\$843	\$0	\$843	\$843

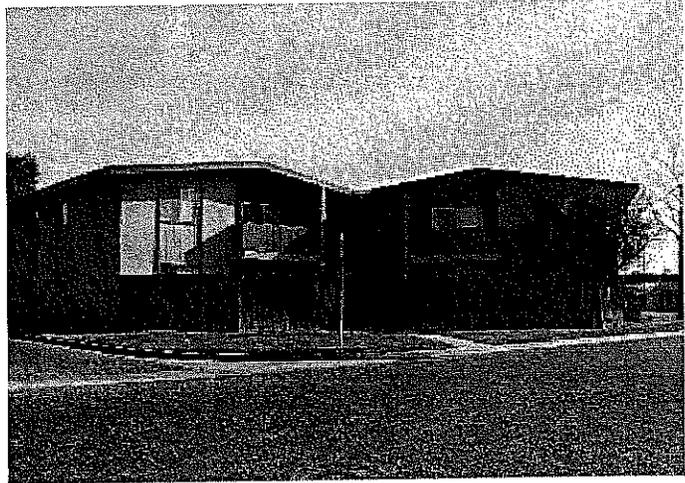
Trend: Comments

- 1Q08 Management estimated that four percent of tenants are farm workers.
- 3Q08 According to management, approximately five percent of tenants are farmworkers. Management indicated that they do keep a waiting list, but was unable to estimate the number of households on the list at this time.
- 1Q09 According to management, 100 households are on the waiting list at this time. Management indicated that there was a decrease in rental rates because there was an increase in the utility allowance. The current rental rates are at the 2008 maximum allowable levels.
- 1Q10 Management indicated that there is currently a waiting list of 20 households for all unit types. Management was unaware of any recent or planned renovations for the property. The information presented was gathered through an interview with the property manager, Olivia, and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager.

PROPERTY PROFILE REPORT

Country Club Apts

Effective Rent Date 3/12/2010
Location 1040 Blake St
 Lemoore, CA 93245
 Kings County
Distance 0.8 miles
Units 108
Vacant Units 7
Vacancy Rate 6.5%
Type Garden (2 stories)
Year Built/Renovated 1989 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Montclair Apartments
Tenant Characteristics 5% farmworkers, military, families
Contact Name Yolanda
Phone 559.924.3474



Market Information

Program LIHTC
Annual Turnover Rate 18%
Units/Month Absorbed N/A
HCV Tenants 21%
Leasing Pace One week
Annual Chg. in Rent None since 2nd Qtr 2009
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat included -- gas
Heat not included -- electric
Other Electric not included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	27	950	\$600	\$0	@55%	No	1	3.7%	no	None
2	1	Garden (2 stories)	27	950	\$625	\$0	@55%	No	2	7.4%	no	None
3	1	Garden (2 stories)	27	1,150	\$700	\$0	@55%	No	2	7.4%	no	None
3	1	Garden (2 stories)	27	1,150	\$725	\$0	@55%	No	2	7.4%	no	None

Unit Mix

@55%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$600 - \$625	\$0	\$600 - \$625	-\$10	\$590 - \$615
3BR / 1BA	\$700 - \$725	\$0	\$700 - \$725	-\$15	\$685 - \$710

Country Club Apts, continued

Amenities

n-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Exterior Storage		
Garbage Disposal	Oven		
Refrigerator			
Property		Premium	Other
Carport	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Playground	Swimming Pool		

Comments

Management indicated that there are applications pending for all of the vacant units. Rental rates are at the 2008 maximum allowable level. Management did not know if a rental increase is scheduled to take place later this year. Although the property was constructed in 1989, management indicated that the development's LIHTC status has been extended. Management was also unaware of any planned renovations for the development. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager.

Country Club Apts, continued

Trend Report

Vacancy Rates

1Q08	3Q08	1Q09	1Q10
2.8%	5.6%	4.6%	6.5%

Trend: @55%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$565 - \$610	\$0	\$565 - \$610	\$555 - \$600
2008	3	5.6%	\$575 - \$610	\$0	\$575 - \$610	\$565 - \$600
2009	1	5.6%	\$600 - \$625	\$0	\$600 - \$625	\$590 - \$615
2010	1	5.6%	\$600 - \$625	\$0	\$600 - \$625	\$590 - \$615

3BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	5.6%	\$665 - \$710	\$0	\$665 - \$710	\$650 - \$695
2008	3	5.6%	\$675 - \$710	\$0	\$675 - \$710	\$660 - \$695
2009	1	3.7%	\$700 - \$725	\$0	\$700 - \$725	\$685 - \$710
2010	1	7.4%	\$700 - \$725	\$0	\$700 - \$725	\$685 - \$710

Trend: Comments

- 1Q08** Management indicated that there were three tenants who work in the dairy industry. Also, the manager estimated that three tenants move out per month.
- 3Q08** According to management, the variance in price is due to the location of the units within the development. Currently, four households are on the waiting list for all unit types.
- 1Q09** According to management, two households are on the waiting list for all unit types at this time. The rental rates are at the 2008 maximum allowable levels.
- 1Q10** Management indicated that there are applications pending for all of the vacant units. Rental rates are at the 2008 maximum allowable level. Management did not know if a rental increase is scheduled to take place later this year. Although the property was constructed in 1989, management indicated that the development's LIHTC status has been extended. Management was also unaware of any planned renovations for the development. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager.

PROPERTY PROFILE REPORT

Montclair Apartments

Effective Rent Date 3/12/2010
Location 150 S 19th Ave
 Lemoore, CA 93245
 Kings County
Distance 1.4 miles
Units 80
Vacant Units 0
Vacancy Rate 0.0%
Type One-story
Year Built/Renovated 1999 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Westbury Square Apartments
Tenant Characteristics Families, 50% farmworkers
Contact Name Dionne
Phone 559.924.7012



Market Information

Program LIHTC
Annual Turnover Rate 18%
Units/Month Absorbed N/A
HCV Tenants 23%
Leasing Pace pre-leased
Annual Chg. in Rent 3-4% inc on all units since 1st Qtr 2009
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- gas
Heat not included -- gas
Other Electric not included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	One-story	10	975	\$457	\$0	@44%	Yes	0	0.0%	no	None
2	1	One-story	11	975	\$482	\$0	@46%	Yes	0	0.0%	no	None
2	1	One-story	11	975	\$507	\$0	@48%	Yes	0	0.0%	no	None
3	2	One-story	16	1,025	\$523	\$0	@44%	Yes	0	0.0%	no	None
3	2	One-story	16	1,025	\$552	\$0	@46%	Yes	0	0.0%	no	None
3	2	One-story	16	1,025	\$581	\$0	@48%	Yes	0	0.0%	no	None

Unit Mix

@44%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@46%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$457	\$0	\$457	\$0	\$457	2BR / 1BA	\$482	\$0	\$482	\$0	\$482
3BR / 2BA	\$523	\$0	\$523	\$0	\$523	3BR / 2BA	\$552	\$0	\$552	\$0	\$552

@48%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$507	\$0	\$507	\$0	\$507
3BR / 2BA	\$581	\$0	\$581	\$0	\$581

Montclair Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Carport	Clubhouse/Meeting	None	None
Central Laundry	Off-Street Parking		
On-Site Management	Playground		

Comments

Management indicated that 50 households are on the waiting list for all unit types at this time. Management was unaware of any planned renovations for the property. The information presented was gathered through an interview with the property manager, Dionne, and our inspection of the property. The information regarding the current condition of the property was also obtained through our physical property inspection and through information obtained from the property manager.

Montclair Apartments, continued

Trend Report

Vacancy Rates

1Q08	3Q08	1Q09	1Q10
6.2%	1.3%	0.0%	0.0%

Trend: @44%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	10.0%	\$377	\$0	\$377	\$377
2008	3	10.0%	\$443	\$0	\$443	\$443
2009	1	0.0%	\$439	\$0	\$439	\$439
2010	1	0.0%	\$457	\$0	\$457	\$457

Trend: @46%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$400	\$0	\$400	\$400
2008	3	0.0%	\$468	\$0	\$468	\$468
2009	1	0.0%	\$464	\$0	\$464	\$464
2010	1	0.0%	\$482	\$0	\$482	\$482

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	12.5%	\$431	\$0	\$431	\$431
2008	3	0.0%	\$510	\$0	\$510	\$510
2009	1	0.0%	\$506	\$0	\$506	\$506
2010	1	0.0%	\$523	\$0	\$523	\$523

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	12.5%	\$457	\$0	\$457	\$457
2008	3	0.0%	\$538	\$0	\$538	\$538
2009	1	0.0%	\$534	\$0	\$534	\$534
2010	1	0.0%	\$552	\$0	\$552	\$552

Trend: @48%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$423	\$0	\$423	\$423
2008	3	0.0%	\$492	\$0	\$492	\$492
2009	1	0.0%	\$488	\$0	\$488	\$488
2010	1	0.0%	\$507	\$0	\$507	\$507

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$484	\$0	\$484	\$484
2008	3	0.0%	\$566	\$0	\$566	\$566
2009	1	0.0%	\$562	\$0	\$562	\$562
2010	1	0.0%	\$581	\$0	\$581	\$581

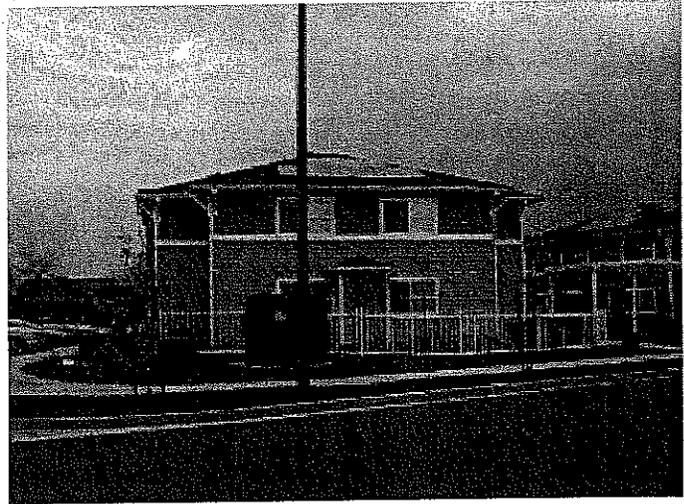
Trend: Comments

- 1Q08 Management indicated that the majority of tenants are characterized as low rate income households. They estimated that 23 percent of tenants are farm workers. Also, management estimated the amount of tenants who leave each month.
- 3Q08 According to management, 60 households are currently on the waiting list for all units. Management estimated that approximately 50 percent of tenants are farmworkers.
- 1Q09 According to management, there is a waiting list several months long for all unit types. The rental rates are at the 2008 maximum allowable levels.
- 1Q10 Management indicated that 50 households are on the waiting list for all unit types at this time. Management was unaware of any planned renovations for the property. The information presented was gathered through an interview with the property manager, Dionne, and our inspection of the property. The information regarding the current condition of the property was also obtained through our physical property inspection and through information obtained from the property manager.

PROPERTY PROFILE REPORT

Montgomery Crossings

Effective Rent Date 3/12/2010
Location 1150 Tammy Lane
Lemoore, CA 93245
Kings County
Distance 1.4 miles
Units 57
Vacant Units 0
Vacancy Rate 0.0%
Type Garden (2 stories)
Year Built/Renovated 2009 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Montclair Apartments
Tenant Characteristics Families from Kings County, 5% Farmworkers
Contact Name Manager
Phone 559-994-2481



Market Information

Program @30%, @50%, @55%, @60%, Rural
Annual Turnover Rate 12%
Units/Month Absorbed 57 units/month
HCV Tenants N/A
Leasing Pace One week
Annual Chg. in Rent N/A
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- gas
Heat not included -- gas
Other Electric not included
Water included
Sewer included
Trash Collection included

Montgomery Crossings, continued

Unit Mix (face rent)

Bed	Bath	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	N/A	900	\$323	\$0	@30%	Yes	0	N/A	no	None
2	1	Garden (2 stories)	N/A	900	\$574	\$0	@50%	Yes	0	N/A	no	None
2	1	Garden (2 stories)	N/A	900	\$637	\$0	@55%	Yes	0	N/A	no	None
2	1	Garden (2 stories)	N/A	900	\$700	\$0	@60%	Yes	0	N/A	no	None
2	1	Garden (2 stories)	N/A	900	N/A	\$0	Rural Development	Yes	0	N/A	N/A	None
3	2	Garden (2 stories)	N/A	1,200	\$371	\$0	@30%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,200	\$633	\$0	@50%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,200	\$734	\$0	@55%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,200	\$806	\$0	@60%	Yes	0	N/A	no	None
3	2	Garden (2 stories)	N/A	1,200	N/A	\$0	Rural Development	Yes	0	N/A	N/A	None
4	2	Garden (2 stories)	N/A	1,400	\$414	\$0	@30%	Yes	0	N/A	no	None
4	2	Garden (2 stories)	N/A	1,400	\$682	\$0	@50%	Yes	0	N/A	no	None
4	2	Garden (2 stories)	N/A	1,400	\$818	\$0	@55%	Yes	0	N/A	no	None
4	2	Garden (2 stories)	N/A	1,400	\$899	\$0	@60%	Yes	0	N/A	no	None
4	2	Garden (2 stories)	N/A	1,400	N/A	\$0	Rural Development	Yes	0	N/A	N/A	None

Unit Mix

@30%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$323	\$0	\$323	\$0	\$323	2BR / 1BA	\$574	\$0	\$574	\$0	\$574
3BR / 2BA	\$371	\$0	\$371	\$0	\$371	3BR / 2BA	\$633	\$0	\$633	\$0	\$633
4BR / 2BA	\$414	\$0	\$414	\$0	\$414	4BR / 2BA	\$682	\$0	\$682	\$0	\$682
@55%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$637	\$0	\$637	\$0	\$637	2BR / 1BA	\$700	\$0	\$700	\$0	\$700
3BR / 2BA	\$734	\$0	\$734	\$0	\$734	3BR / 2BA	\$806	\$0	\$806	\$0	\$806
4BR / 2BA	\$818	\$0	\$818	\$0	\$818	4BR / 2BA	\$899	\$0	\$899	\$0	\$899
Rural	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent						
2BR / 1BA	N/A	\$0	N/A	\$0	N/A						
3BR / 2BA	N/A	\$0	N/A	\$0	N/A						
4BR / 2BA	N/A	\$0	N/A	\$0	N/A						

Montgomery Crossings, continued

Amenities

In-Unit

Balcony/Patio
Carpeting
Coat Closet
Garbage Disposal
Oven
Washer/Dryer hookup

Blinds
Central A/C
Dishwasher
Microwave
Refrigerator

Security

None

Services

None

Property

Business Center/Computer Lab
Courtyard
Central Laundry
On-Site Management
Playground

Carport
Jacuzzi
Off-Street Parking
Picnic Area
Swimming Pool

Premium

None

Other

None

Comments

Montgomery Crossings is a LIHTC/USDA development located in Lemoore. According to management, the development opened in August 2009 and reached a stabilized occupancy within one month. This equates to an absorption pace of 57 units per month. Currently, there is a short waiting list for all unit types. Sixteen of the 57 total units are USDA units and all 16 of the USDA units receive rental assistance. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager. As the development opened in 2009 and is in excellent condition, no renovations are planned at this time.

PROPERTY PROFILE REPORT

Westberry Square Apartments

Effective Rent Date 3/15/2010
Location 1195 E Hanford Armona Rd
 Lemoore, CA 93245
 Kings County
Distance 1 mile
Units 100
Vacant Units 3
Vacancy Rate 3.0%
Type Garden (2 stories)
Year Built/Renovated 1998 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Alderwood
Tenant Characteristics Families from the local area
Contact Name Claudia
Phone 559.924.1064



Market Information

Program LIHTC
Annual Turnover Rate 30%
Units/Month Absorbed N/A
HCV Tenants 10%
Leasing Pace One week
Annual Chg. in Rent 4% increase on all units
Concession None

Utilities

A/C not included -- central
Cooking not included -- gas
Water Heat not included -- gas
Heat not included -- gas
Other Electric not included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	5	888	\$538	\$0	@50%	Yes	0	0.0%	no	None
2	1	Garden (2 stories)	47	888	\$664	\$0	@60%	Yes	1	2.1%	no	None
3	2	Garden (2 stories)	4	1,100	\$620	\$0	@50%	Yes	0	0.0%	no	None
3	2	Garden (2 stories)	28	1,100	\$765	\$0	@60%	Yes	1	3.6%	no	None
4	2	Garden (2 stories)	1	1,300	\$686	\$0	@50%	Yes	0	0.0%	no	None
4	2	Garden (2 stories)	15	1,300	\$848	\$0	@60%	Yes	1	6.7%	no	None

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent	@60%	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$538	\$0	\$538	\$0	\$538	2BR / 1BA	\$664	\$0	\$664	\$0	\$664
3BR / 2BA	\$620	\$0	\$620	\$0	\$620	3BR / 2BA	\$765	\$0	\$765	\$0	\$765
4BR / 2BA	\$686	\$0	\$686	\$0	\$686	4BR / 2BA	\$848	\$0	\$848	\$0	\$848

Westberry Square Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Garbage Disposal	Oven		
Refrigerator	Washer/Dryer hookup		
Property		Premium	Other
Basketball Court	Carport	None	None
Clubhouse/Meeting	Exercise Facility		
Central Laundry	Off-Street Parking		
On-Site Management	Picnic Area		
Playground	Swimming Pool		
Volleyball Court			

Comments

Management indicated that there is a short waiting list for all unit types. Management did not know if there were any future renovations planned for the development, but indicated that there have not been any major renovations within the last five years. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager.

Westberry Square Apartments, continued

Trend Report

Vacancy Rates

1Q08	3Q08	1Q09	1Q10
7.0%	5.0%	5.0%	3.0%

Trend: @50%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$531	\$0	\$531	\$531
2008	3	0.0%	\$561	\$0	\$561	\$561
2009	1	0.0%	\$516	\$0	\$516	\$516
2010	1	0.0%	\$538	\$0	\$538	\$538

Trend: @60%

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$647	\$0	\$647	\$647
2008	3	4.3%	\$677	\$0	\$677	\$677
2009	1	2.1%	\$637	\$0	\$637	\$637
2010	1	2.1%	\$664	\$0	\$664	\$664

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	75.0%	\$611	\$0	\$611	\$611
2008	3	0.0%	\$641	\$0	\$641	\$641
2009	1	0.0%	\$594	\$0	\$594	\$594
2010	1	0.0%	\$620	\$0	\$620	\$620

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	10.7%	\$745	\$0	\$745	\$745
2008	3	7.1%	\$781	\$0	\$781	\$781
2009	1	7.1%	\$734	\$0	\$734	\$734
2010	1	3.6%	\$765	\$0	\$765	\$765

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	100.0%	\$631	\$0	\$631	\$631
2008	3	0.0%	\$661	\$0	\$661	\$661
2009	1	0.0%	\$658	\$0	\$658	\$658
2010	1	0.0%	\$686	\$0	\$686	\$686

4BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$830	\$0	\$830	\$830
2008	3	6.7%	\$871	\$0	\$871	\$871
2009	1	13.3%	\$814	\$0	\$814	\$814
2010	1	6.7%	\$848	\$0	\$848	\$848

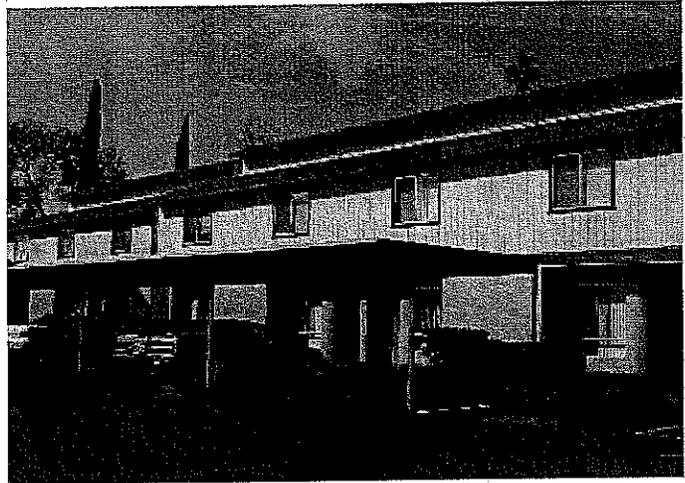
Trend: Comments

- 1Q08** Management was not able to tell how many tenants are farm workers.
- 3Q08** According to management, there are no farmworkers residing at the development at this time.
- 1Q09** According to management, the current occupancy at the development is typical. Reportedly, there was a decrease in rental rates due to an increase on the utility allowance. The current rental rates are at the 2008 maximum allowable levels.
- 1Q10** Management indicated that there is a short waiting list for all unit types. Management did not know if there were any future renovations planned for the development, but indicated that there have not been any major renovations within the last five years. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager.

PROPERTY PROFILE REPORT

Ashley Court Apartments

Effective Rent Date 3/12/2010
Location 909 West Bush Street
 Lemoore, CA 93245
 Kings County
Distance 1.2 miles
Units 60
Vacant Units 0
Vacancy Rate 0.0%
Type Townhouse (2 stories)
Year Built/Renovated 1985 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors College Park Apartments
Tenant Characteristics Families, a few military tenants
Contact Name Pat
Phone 559-924-1471



Market Information

Program Market
Annual Turnover Rate 28%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace One week
Annual Chg. in Rent None since 1st Qtr 2009
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- gas
Heat not included -- gas
Other Electric not included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Townhouse (2 stories)	48	900	\$600	\$0	Market	No	0	0.0%	N/A	None
2	2	Townhouse (2 stories)	7	1,200	\$800	\$0	Market	No	0	0.0%	N/A	None
3	2	Townhouse (2 stories)	5	1,300	\$850	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$600	\$0	\$600	\$0	\$600
2BR / 2BA	\$800	\$0	\$800	\$0	\$800
3BR / 2BA	\$850	\$0	\$850	\$0	\$850

Ashley Court Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	None	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Garbage Disposal		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer hookup		
Property		Premium	Other
Carport	Central Laundry	None	None
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

Management indicated that they do not keep a formal waiting list as they operate on a "first come first served" basis. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager. Management was unaware of any recent or planned renovations for the property.

Ashley Court Apartments, continued

Trend Report

Vacancy Rates

1Q08	3Q08	1Q09	1Q10
0.0%	0.0%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$600	\$0	\$600	\$600
2008	3	0.0%	\$600	\$0	\$600	\$600
2009	1	0.0%	\$600	\$0	\$600	\$600
2010	1	0.0%	\$600	\$0	\$600	\$600

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$700	\$0	\$700	\$700
2008	3	0.0%	\$800	\$0	\$800	\$800
2009	1	0.0%	\$800	\$0	\$800	\$800
2010	1	0.0%	\$800	\$0	\$800	\$800

3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$750	\$0	\$750	\$750
2008	3	0.0%	\$850	\$0	\$850	\$850
2009	1	0.0%	\$850	\$0	\$850	\$850
2010	1	0.0%	\$850	\$0	\$850	\$850

Trend: Comments

- 1Q08 Management was not able to calculate annual turnover rate. Also, the management was not sure if there are any tenants who are farm workers.
- 3Q08 According to management, there are no farmworker tenants residing at the property at this time.
- 1Q09 None.
- 1Q10 Management indicated that they do not keep a formal waiting list as they operate on a "first come first served" basis. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager. Management was unaware of any recent or planned renovations for the property.

PROPERTY PROFILE REPORT

College Park Apartments

Effective Rent Date 3/12/2010
Location 899 Dogwood Avenue
 Lemoore, CA 93245
 Kings County
Distance 1.8 miles
Units 120
Vacant Units 0
Vacancy Rate 0.0%
Type One-story
Year Built/Renovated 2005 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None known.
Tenant Characteristics 70 percent military; correctional officers
Contact Name Wayne
Phone 559.924.9914



Market Information

Program Market
Annual Turnover Rate 13%
Units/Month Absorbed 48 units/month
HCV Tenants 0%
Leasing Pace One week
Annual Chg. in Rent None since 1st Qtr 2009
Concession None

Utilities

A/C not included -- central
Cooking not included -- gas
Water Heat not included -- gas
Heat not included -- gas
Other Electric not included
Water not included
Sewer not included
Trash Collection not included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	One-story	60	735	\$790	\$0	Market	Yes	0	0.0%	N/A	None
2	2	One-story	30	1,092	\$975	\$0	Market	Yes	0	0.0%	N/A	None
2	2	One-story	30	1,092	\$990	\$0	Market	Yes	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$790	\$0	\$790	\$67	\$857
2BR / 2BA	\$975 - \$990	\$0	\$975 - \$990	\$68	\$1,043 - \$1,058

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Coat Closet
 Exterior Storage
 Fireplace
 Oven
 Walk-In Closet

Blinds
 Central A/C
 Dishwasher
 Ceiling Fan
 Garbage Disposal
 Refrigerator
 Washer/Dryer

Security

Perimeter Fencing

Services

None

Property

Carport
 Jacuzzi
 On-Site Management
 Swimming Pool

Clubhouse/Meeting
 Off-Street Parking
 Playground

Premium

None

Other

None

College Park Apartments, continued

Comments

Management indicated that there is a lengthy waiting list for all unit types at this time. Management was unaware of any planned renovations in the near future. The information presented was gathered through an interview with the property manager, Wayne, and through our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager.

College Park Apartments, continued

Trend Report

Vacancy Rates

1Q08	3Q08	1Q09	1Q10
0.0%	0.8%	0.0%	0.0%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$790	\$0	\$790	\$857
2008	3	1.7%	\$790	\$0	\$790	\$857
2009	1	0.0%	\$790	\$0	\$790	\$857
2010	1	0.0%	\$790	\$0	\$790	\$857

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$965 - \$990	\$0	\$965 - \$990	\$1,033 - \$1,058
2008	3	0.0%	\$975 - \$990	\$0	\$975 - \$990	\$1,043 - \$1,058
2009	1	0.0%	\$975 - \$990	\$0	\$975 - \$990	\$1,043 - \$1,058
2010	1	0.0%	\$975 - \$990	\$0	\$975 - \$990	\$1,043 - \$1,058

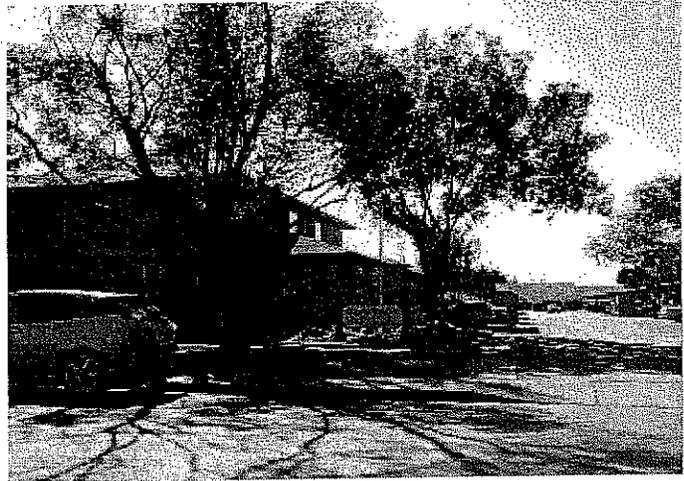
Trend: Comments

- 1Q08 Management acknowledged that three percent of tenants are farm workers.
- 3Q08 According to management, there are three households on the waiting list for two-bedroom units.
- 1Q09 According to management, there are two households on the waiting list for two-bedroom units at this time.
- 1Q10 Management indicated that there is a lengthy waiting list for all unit types at this time. Management was unaware of any planned renovations in the near future. The information presented was gathered through an interview with the property manager, Wayne, and through our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager.

PROPERTY PROFILE REPORT

Heritage Apartments

Effective Rent Date 3/15/2010
Location 1169 Beverly Drive
 Lemoore, CA 93245
 Kings County
Distance 0.9 miles
Units 144
Vacant Units 7
Vacancy Rate 4.9%
Type Garden (2 stories)
Year Built/Renovated 1984 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Lakeview
Tenant Characteristics 70 percent military
Contact Name Anna
Phone 559-924-4204



Market Information

Program Market
Annual Turnover Rate 37%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace 2 Weeks
Annual Chg. in Rent None
Concession Half off first months rent

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- electric
Heat not included -- electric
Other Electric not included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	1	Garden (2 stories)	144	1,000	\$780	\$33	Market	No	7	4.9%	N/A	AVG*
		Garden (2 stories)	0	1,000	\$805	\$34	Market	No	0	N/A	N/A	HIGH
2	1	Garden (2 stories)	0	1,000	\$755	\$31	Market	No	0	N/A	N/A	LOW

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 1BA	\$755 - \$805	\$31 - \$34	\$724 - \$771	\$0	\$724 - \$771

Amenities

In-Unit
 Balcony/Patio
 Carpeting
 Dishwasher
 Garbage Disposal
 Refrigerator
 Washer/Dryer hookup

Blinds
 Central A/C
 Ceiling Fan
 Oven
 Walk-In Closet

Security
 Patrol
 Perimeter Fencing

Services
 None

Property
 Carport
 Off-Street Parking

Central Laundry
 On-Site Management

Premium
 None

Other
 None

Heritage Apartments, continued

Comments

Management indicated that there have not been any major renovations to the property in the last several years. Management was unaware of any planned future renovations for the property. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager, Anna.

Heritage Apartments, continued

Trend Report

Vacancy Rates

1Q08	3Q08	1Q09	1Q10
3.5%	4.2%	3.5%	4.9%

Trend: Market

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	3.5%	\$755 - \$805	\$0	\$755 - \$805	\$755 - \$805
2008	3	4.2%	\$755 - \$805	\$0	\$755 - \$805	\$755 - \$805
2009	1	3.5%	\$755 - \$805	\$0	\$755 - \$805	\$755 - \$805
2010	1	4.9%	\$755 - \$805	\$31 - \$34	\$724 - \$771	\$724 - \$771

Trend: Comments

1Q08 N/A

3Q08 None.

1Q09 N/A

1Q10 Management indicated that there have not been any major renovations to the property in the last several years. Management was unaware of any planned future renovations for the property. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager, Anna.

PROPERTY PROFILE REPORT

Lakeview Apartments

Effective Rent Date 3/12/2010
Location 333 E Cinnamon Drive
 Lemoore, CA 93245
 Kings County
Distance 0.4 miles
Units 284
Vacant Units 30
Vacancy Rate 10.6%
Type Various (2 stories)
Year Built/Renovated 1984 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Park Place, Heritage, College Park
Tenant Characteristics civilians and military
Contact Name Kimberly
Phone 559.924.6464



Market Information

Program Market
Annual Turnover Rate 40%
Units/Month Absorbed N/A
HCV Tenants 1%
Leasing Pace 1-2 weeks
Annual Chg. in Rent None since 1st Qtr 2009
Concession Reduced Security Deposit

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- gas
Heat not included -- gas
Other Electric not included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Garden (2 stories)	32	600	\$575	\$0	Market	No	3	9.4%	N/A	None
1	1	Garden (2 stories)	32	700	\$600	\$0	Market	No	5	15.6%	N/A	None
2	1	Garden (2 stories)	154	850	\$625	\$0	Market	No	12	7.8%	N/A	None
2	1.5	Townhouse	58	1,100	\$725	\$0	Market	No	8	13.8%	N/A	None
3	1.5	Townhouse (2 stories)	8	1,305	\$975	\$0	Market	No	2	25.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
Studio / 1BA	\$575	\$0	\$575	\$0	\$575
1BR / 1BA	\$600	\$0	\$600	\$0	\$600
2BR / 1BA	\$625	\$0	\$625	\$0	\$625
2BR / 1.5BA	\$725	\$0	\$725	\$0	\$725
3BR / 1.5BA	\$975	\$0	\$975	\$0	\$975

Lakeview Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Perimeter Fencing	None
Carpeting	Central A/C		
Coat Closet	Dishwasher		
Exterior Storage	Ceiling Fan		
Garbage Disposal	Oven		
Refrigerator	Walk-In Closet		
Washer/Dryer hookup			
Property		Premium	Other
Basketball Court	Clubhouse/Meeting	None	None
Exercise Facility	Central Laundry		
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

Management indicated that occupancy is typically higher, around 95 percent, and attributed the increase in vacancy to the current economic recession. Management indicated that they hope their current concession of a reduced deposit fee will increase occupancy over the next several months. Management was unaware of any recent of planned renovations for the development. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager.

Lakeview Apartments, continued

Trend Report

Vacancy Rates

1Q08	3Q08	1Q09	1Q10
10.9%	4.6%	3.2%	10.6%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	6.2%	\$695	\$0	\$695	\$695
2008	3	3.1%	\$600	\$0	\$600	\$600
2009	1	3.1%	\$600	\$0	\$600	\$600
2010	1	15.6%	\$600	\$0	\$600	\$600

2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	3.4%	\$825	\$0	\$825	\$825
2008	3	5.2%	\$775	\$0	\$775	\$775
2009	1	3.4%	\$725	\$0	\$725	\$725
2010	1	13.8%	\$725	\$0	\$725	\$725

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	16.2%	\$700	\$0	\$700	\$700
2008	3	5.2%	\$675	\$0	\$675	\$675
2009	1	3.2%	\$625	\$0	\$625	\$625
2010	1	7.8%	\$625	\$0	\$625	\$625

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
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3BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	25.0%	\$950	\$0	\$950	\$950
2008	3	0.0%	\$950	\$0	\$950	\$950
2009	1	0.0%	\$975	\$0	\$975	\$975
2010	1	25.0%	\$975	\$0	\$975	\$975

Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$595	\$0	\$595	\$595
2008	3	3.1%	\$575	\$0	\$575	\$575
2009	1	3.1%	\$575	\$0	\$575	\$575
2010	1	9.4%	\$575	\$0	\$575	\$575

Lakeview Apartments, continued

Trend: Comments

- 1Q08 Management estimated a majority of tenants are military personnel. Management indicated that there is one farmer tenant.
- 3Q08 According to management, rental rates have decreased since January 2008 in order to increase occupancy at the development.
- 1Q09 Since the property was last surveyed in July 2008, rental rates decreased six to seven percent for the two-bedroom units, and increased three percent for the three-bedroom units.
- 1Q10 Management indicated that occupancy is typically higher, around 95 percent, and attributed the increase in vacancy to the current economic recession. Management indicated that they hope their current concession of a reduced deposit fee will increase occupancy over the next several months. Management was unaware of any recent of planned renovations for the development. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager.

PROPERTY PROFILE REPORT

Olive Dee Apartments

Effective Rent Date 3/15/2010
Location 333 North Olive Street
 Lemoore, CA 93245
 Kings County
Distance 0.9 miles
Units 48
Vacant Units 2
Vacancy Rate 4.2%
Type Garden (2 stories)
Year Built/Renovated 1980s / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors Ashley Court, Summer Place
Tenant Characteristics Over 80 percent military; less than 5% farmworkers
Contact Name Liz
Phone 559-924-4564



Market Information

Program Market
Annual Turnover Rate 45%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace Pre-leased
Annual Chg. in Rent 3% decrease on 2BR units
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- gas
Heat not included -- gas
Other Electric not included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	8	685	\$535	\$0	Market	No	0	0.0%	N/A	None
2	1	Garden (2 stories)	40	872	\$685	\$0	Market	No	2	5.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$535	\$0	\$535	\$0	\$535
2BR / 1BA	\$685	\$0	\$685	\$0	\$685

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Dishwasher
 Garbage Disposal
 Refrigerator

Blinds
 Central A/C
 Ceiling Fan
 Oven

Security

None

Services

None

Property

Carport
 Central Laundry
 On-Site Management

Courtyard
 Off-Street Parking
 Swimming Pool

Premium

None

Other

None

Olive Dee Apartments, continued

Comments

Management indicated that rental rates for the two-bedroom units were lowered instead of offering concessions. Management was unaware of any recent or planned renovations for the development. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and from information obtained from the property manager.

Olive Dee Apartments, continued

Trend Report

Vacancy Rates

1Q08	3Q08	1Q09	1Q10
0.0%	0.0%	2.1%	4.2%

Trend: Market

1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$500	\$0	\$500	\$500
2008	3	0.0%	\$500	\$0	\$500	\$500
2009	1	0.0%	\$535	\$0	\$535	\$535
2010	1	0.0%	\$535	\$0	\$535	\$535

2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$675	\$0	\$675	\$675
2008	3	0.0%	\$675	\$0	\$675	\$675
2009	1	2.5%	\$705	\$0	\$705	\$705
2010	1	5.0%	\$685	\$0	\$685	\$685

Trend: Comments

1Q08	Management indicated estimated two tenants per month leave and there are no former tenants.
3Q08	According to management, there are currently 12 households on the waiting list for all unit types.
1Q09	None.
4Q10	Management indicated that rental rates for the two-bedroom units were lowered instead of offering concessions. Management was unaware of any recent or planned renovations for the development. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and from information obtained from the property manager.

PROPERTY PROFILE REPORT

Park Place Apartments

Effective Rent Date 3/15/2010
Location 550 East Hanford Armona Road
 Lemoore, CA 93245
 Kings County
Distance 0.9 miles
Units 100
Vacant Units 2
Vacancy Rate 2.0%
Type Garden (2 stories)
Year Built/Renovated 1992 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors College Park Apartments
Tenant Characteristics Military, civilians, 2% farmworkers
Contact Name Deborah
Phone 559-925-0518



Market Information

Program Market
Annual Turnover Rate 28%
Units/Month Absorbed N/A
HCV Tenants 0%
Leasing Pace One week
Annual Chg. in Rent None
Concession None

Utilities

A/C not included -- central
Cooking not included -- gas
Water Heat not included -- gas
Heat not included -- electric
Other Electric not included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Garden (2 stories)	72	862	\$765	\$0	Market	No	2	2.8%	N/A	None
3	2	Garden (2 stories)	28	1,028	\$850	\$0	Market	No	0	0.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
2BR / 2BA	\$765	\$0	\$765	\$0	\$765
3BR / 2BA	\$850	\$0	\$850	\$0	\$850

Amenities

In-Unit

Balcony/Patio
 Carpeting
 Coat Closet
 Exterior Storage
 Garbage Disposal
 Oven
 Walk-In Closet

Blinds
 Central A/C
 Dishwasher
 Ceiling Fan
 Microwave
 Refrigerator

Security

Perimeter Fencing

Services

None

Property

Clubhouse/Meeting
 Central Laundry
 On-Site Management
 Playground

Garage
 Off-Street Parking
 Picnic Area
 Swimming Pool

Premium

None

Other

None

Park Place Apartments, continued

Comments

Management indicated that both vacancies are pre-leased. Management was unaware of any recent or planned renovations for the property. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager, Deborah.

Park Place Apartments, continued

Trend Report

Vacancy Rates

1Q08	3Q08	1Q09	1Q10
0.0%	1.0%	0.0%	2.0%

Trend: Market

2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$765	\$0	\$765	\$765
2008	3	0.0%	\$765	\$0	\$765	\$765
2009	1	0.0%	\$765	\$0	\$765	\$765
2010	1	2.8%	\$765	\$0	\$765	\$765

3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2008	1	0.0%	\$850	\$0	\$850	\$850
2008	3	3.6%	\$850	\$0	\$850	\$850
2009	1	0.0%	\$850	\$0	\$850	\$850
2010	1	0.0%	\$850	\$0	\$850	\$850

Trend: Comments

1Q08	Management indicated that military personnel and civilians reside at the property; however, a breakdown was unavailable. The manager estimated that two percent of tenants are farm workers.
3Q08	None.
1Q09	According to management, no waiting list is kept because they operate on a "first come first served" basis.
1Q10	Management indicated that both vacancies are pre-leased. Management was unaware of any recent or planned renovations for the property. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager, Deborah.

PROPERTY PROFILE REPORT

Valley Oak Apartments

Effective Rent Date 3/12/2010
Location 1165 East Hanford Armona Road
 Lemoore, CA 93245
 Kings County
Distance 1 mile
Units 73
Vacant Units 13
Vacancy Rate 17.8%
Type Garden (2 stories)
Year Built/Renovated 2009 / N/A
Marketing Began N/A
Leasing Began N/A
Last Unit Leased N/A
Major Competitors None Identified
Tenant Characteristics Families, young professionals from area
Contact Name Manager
Phone 559-924-8888



Market Information

Program Market
Annual Turnover Rate N/A
Units/Month Absorbed 12 units per month
HCV Tenants 0%
Leasing Pace Two weeks
Annual Chg. in Rent N/A
Concession None

Utilities

A/C not included -- central
Cooking not included -- electric
Water Heat not included -- gas
Heat not included -- gas
Other Electric not included
Water included
Sewer included
Trash Collection included

Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Garden (2 stories)	18	685	\$750	\$0	Market	No	5	27.8%	N/A	None
2	1	Garden (2 stories)	20	900	\$850	\$0	Market	No	3	15.0%	N/A	None
2	2	Garden (2 stories)	20	985	\$950	\$0	Market	No	2	10.0%	N/A	None
3	2	Garden (2 stories)	15	1,095	\$1,050	\$0	Market	No	3	20.0%	N/A	None

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util.	Adj. Rent
1BR / 1BA	\$750	\$0	\$750	\$0	\$750
2BR / 1BA	\$850	\$0	\$850	\$0	\$850
2BR / 2BA	\$950	\$0	\$950	\$0	\$950
3BR / 2BA	\$1,050	\$0	\$1,050	\$0	\$1,050

Valley Oak Apartments, continued

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Patrol	None
Carpeting	Central A/C	Video Surveillance	
Coat Closet	Dishwasher		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Walk-In Closet	Washer/Dryer		
Property		Premium	Other
Carport	Clubhouse/Meeting	None	None
Courtyard	Exercise Facility		
Off-Street Parking	On-Site Management		
Swimming Pool			

Comments

Valley Oak is a 73-unit market rate development that opened in December 2009. The property is currently 82 percent occupied and still in its initial lease-up period. Management indicated that they expect the development to reach a stabilized occupancy by May of 2010, which equates to a preliminary absorption pace of 12 units per month. Management estimated the number of units for each floor plan. No turnover data was available as the property is still in lease-up. The information presented was gathered through an interview with the property manager and our inspection of the property. The information regarding the current condition of the property was obtained through our physical property inspection and through information obtained from the property manager. As the property was completed in 2009 and is in excellent condition, no renovations are planned at this time.

Analysis Using Subject's Highest Rents - 2BR LIHTC

Enter Data in Blue or Blank Fields	Oleander Terrace Apartments 532 Oleander Ave. Lemoore (Phone) Disc Subject's Highest Rent	Country Club Apartments 1040 Blake St. Lemoore 559.924.3474	Westberry Square Apartments 1195 E. Hanford Armons Rd. Lemoore 559.924.1064	Alderwood Apartments 990 Fox St. Lemoore 559.924.0221	Montgomery Crossing 1150 Tammy Lane Lemoore 559.994.2481	Totals & Weighted Averages
	Characteristic	Char Adj	Char Adj	Char Adj	Char Adj	
Type (Market, Low Income)	L	L	L	L	L	
Distance in Miles from Subject		0.80	1.00	1.00	1.00	
Number of Units		27	47	19	N/Av	93
Vacancy Rate		7%	2%	0%	0%	
Waiting List (Y/N or "N")		Y	Y	Y	Y	
Turnover Rate		21%	30%	25%	N/Av	
Unit Size in SF	935	950	800	988	900	881,956,982
Aggregate Size in SF		25650	37600	18772	N/Av	82,022
Base Rent	\$574	\$625	\$664	\$637	\$700	\$647
Aggregate Rent		\$16,875	\$31,208	\$12,103	N/Av	\$60,186
Value Ratio (rent)	\$0.61	\$0.66	\$0.83	\$0.64	\$0.78	\$0.73
# of stories	2	2	2	2	1	
Elevator (Y/N or "N")	N	N	N	N	N	
# of Bedrooms	2	2	2	2	2	
# of Bathrooms	2	1	1	1	1	
Unit Size Adjustment	935					
Rent Concessions		None	None	Yes	None	
Age (Builder last renovated)	Proposal	1989	1998	1996	2009	
Utilities Paid by Tenant						
Electricity	X	X	X	X	X	
Heat (G or P or Electric)	G	E	G	G	G	
Hot Water (G or E)	G		G	G	G	
Cooking (G or E)	G	E	G	G	E	
TV (Cable or Satellite)	C	C	C	C	C	
Water						
Sewer						
Trash						
Unit Amenities						
Central Heat/Cool	X	X	X	X	X	
Blinds	X	X	X	X	X	
Carpet	X	X	X	X	X	
Ceiling Fan				X		
Skylight						
Storage Closet		X		X		
Coat Closet	X		X	X	X	
Walk-In Closet	X			X		
Fireplace						
Patio/Balcony	X	X	X	X	X	
Appliances						
Refrigerator	X	X	X	X	X	
Stove/Oven	X	X	X	X	X	
Dishwasher	X		X	X	X	
Garbage Disposal	X	X	X	X	X	
Microwave						
Washer/Dryer				X		
Washer/Dryer Hook-ups			X		X	
Parking/Transportation						
Surface Parking	X	X	X	X	X	
Carpool	X	X	X		X	
Underground Parking						
Detached Garage						
Attached Garage						
Tuck-under Garage						
Parking Garage						
Project Amenities						
Clubhouse/Community Room	X		X	X	X	
Swimming Pool	X	X	X	X	X	
Spa/Jacuzzi					X	
Exercise Room			X	X		
Picnic Area	X		X	X	X	
Tot Lot/Playground	X	X	X	X	X	
Tennis Court						
Basketball Court			X			
Volleyball Court			X	X		
On Site Manager	X	X	X	X	X	
Laundry Room	X	X	X		X	
Computer Room	X					
Business Center						
Car Wash Area						
Security						
Gated	X					
Courtesy Patrol						
Surveillance Camera						

Analysis Using Subject's Highest Rents - 3BR LIHTC

Enter Data in Blue or Blank Fields	Oleander Terrace Apartments 532 Oleander Ave Lemoore (Phone) Use Subject's Highest Rent	Country Club Apartments 1040 Blake St Lemoore 559.924.3474	Westberry Square Apartments 1195 E. Hanford Armona Rd. Lemoore 559.924.1064	Alderwood Apartments 990 Fox St. Lemoore 559.924.0221	Montgomery Crossing 1150 Tammy Lane Lemoore 559.994.2481	Totals & Weighted Averages	
	Characteristic	Char	Adj	Char	Adj		Char
Type (Market, Low Income)	L	L	L	L	L		
Distance in Miles from Subject		0.80	1.00	1.00	1.00		87
Number of Units		27	28	32	N/Av		
Vacancy Rate		7%	4%	0%	0%		
Waiting List (Y or N/A)		N	N	Y	Y		
Turnover Rate		21%	30%	25%	N/Av		
Unit Size in SF	1296	1150	1100	1198	1200		1151.563218
Aggregate Size in SF		31050	30800	38336	N/Av		100,186
Base Rent	\$661	\$725	\$765	\$759	\$806		\$750
Aggregate Rent		\$19,575	\$21,420	\$24,288	N/Av		\$65,283
Value Ratio (R/SF)	\$0.51	\$0.63	\$0.70	\$0.63	\$0.67		\$0.65
# of stories	2	2	2	2	1		
Elevator (Y or N/A)	N	N	N	N	N		
# of Bedrooms	3	3	3	3	3		
# of Bathrooms	2	1	2	2	2		
Unit Size Adjustment	1296						
Rent Concessions		None	None	Yes	None		
Age (built or last renovated)	2009	1989	1998	1996	2009		
Utilities Paid by Tenant							
Electricity	X	X	X	X	X		
Heat (Gas or Electric)	G	E	G	G	G		
Hot Water (G or E)	G		G	G	G		
Cooling (G or E)	G	E	G	G	E		
TV (Cable or Satellite)	C	C	C	C	C		
Water							
Sewer							
Trash							
Unit Amenities							
Central Heat/Cool	X	X	X	X	X		
Blinds	X	X	X	X	X		
Carpet	X	X	X	X	X		
Ceiling Fan							
Skylight							
Storage Closet		X		X			
Coat Closet	X		X	X			
Walk-In Closet	X			X			
Fireplace							
Patio/Balcony	X	X	X	X	X		
Appliances							
Refrigerator	X	X	X	X	X		
Stove/Oven	X	X	X	X	X		
Dishwasher	X		X	X	X		
Garbage Disposal	X	X	X	X	X		
Microwave				X			
Washer/Dryer							
Washer/Dryer Hook-ups			X		X		
Parking/Transportation							
Surface Parking	X	X	X	X	X		
Carport	X	X	X		X		
Underground Parking							
Detached Garage							
Attached Garage							
Tuck-under Garage							
Parking Garage							
Project Amenities							
Clubhouse/Community Room	X		X	X	X		
Swimming Pool	X	X	X	X	X		
Spa/Jacuzzi							
Exercise Room			X	X	X		
Picnic Area	X		X	X	X		
Tot Lot/Playground	X	X	X	X	X		
Tennis Court							
Basketball Court			X				
Volleyball Court			X	X	X		
On Site Manager	X	X	X	X	X		
Laundry Room	X	X	X		X		
Computer Room	X						
Business Center							
Car Wash Area							
Security							
Gated	X						
Courtesy Patrol							
Surveillance Camera							

Analysis Using Subject's Highest Rents - 2BR Market

Enter Data in Blue or Blank Fields	Oleander Terrace Apartments	Lakeview Apartments	Park Place Apartments	Heritage Apartments	Olive Dee Apartments	Valley Oak Apartments	Totals & Weighted Averages		Differential
	532 Oleander Ave. Lemoore Phone 559.924.4204	333 E. Cinnamon Dr. Lemoore 559.924.4204	550 E. Hanford Armona Rd. Lemoore 559.925.0518	1169 Beverly Dr. Lemoore 559.924.4204	333 N. Olive St. Lemoore 559.924.4564	1165 E Hanford Armona Rd. Lemoore 559.924.8888	Char	Adj	
Date of Market Study: 3/8/2010									
Prepared By: Novgradac & Company LLP	Use Subject's Highest Rent								
Type (Market "L" or "M")	L	M	M	M	M	M			
Distance in Miles from Subject		0.40	0.90	0.90	0.90	1.00			
Number of Units	58	72	72	144	40	20		334	
Vacancy Rate	14%	3%	3%	5%	5%	10%			
Waiting List (Y or "N")	N	N	N	N	N	N			
Turnover Rate	40%	28%	28%	37%	45%	N/Av			
Unit Size in SF	935	1100	862	1000	872	985		971,389.22	
Aggregate Size in SF		63800	62064	144000	34880	19700		324,444	
Base Rent	\$574	\$725	\$765	\$805	\$685	\$950		\$777	-26.11%
Aggregate Rent		\$42,050	\$55,080	\$115,920	\$27,400	\$19,000		\$259,450	
Value Ratio (GR)	\$0.61	\$0.66	\$0.89	\$0.81	\$0.79	\$0.96		\$0.80	-23.23%
# of Stories	2	2	2	2	2	2			
Elevator (Y or "N")	N	N	N	N	N	N			
# of Bedrooms	2	2	2	2	2	2			
# of Bathrooms	2	1.5	2	1	1	2			
Unit Size Adjustment	935	1100 (\$27)	862 \$16	1,000 (\$13)	872 \$12	985 (\$12)			
Rent Concessions	None	None	None	Yes (\$34)	None	None			
Age (Built or Last Renovated)	Proposed	1984	1992	1984	1980s	2009			
Utilities Paid by Tenant									
Electricity	X	X	X	X	X	X			
Heat ("G" or "E" or "Electric")	G	G	E	E	G	G			
Hot Water (G or E)	G	G	E	E	G	G			
Cooking (G or E)	G	E	G	E	E	E			
TV ("C" cable or "S" satellite)	C	C	C	C	C	C			
Water									
Sewer									
Trash									
Unit Amenities									
Central Heat/Cool	X	X	X	X	X	X			
Blinds	X	X	X	X	X	X			
Carpet	X	X	X	X	X	X			
Ceiling Fan			X (\$5)	X (\$5)	X (\$5)	X (\$5)			
Skylight									
Storage Closet		X (\$5)	X (\$5)						
Coat Closet	X	X	X	X	X	X			
Walk-In Closet	X	X	X	X		\$5			
Fireplace									
Patio/Balcony	X	X	X	X	X	X			
Appliances									
Refrigerator	X	X	X	X	X	X			
Stove/Oven	X	X	X	X	X	X			
Dishwasher	X	X	X	X	X	X			
Garbage Disposal	X	X	X	X	X	X			
Microwave			X (\$5)			X (\$5)			
Washer/Dryer						X (\$35)			
Washer/Dryer Hook-ups		X (\$15)		X (\$15)					
Parking/Transportation									
Surface Parking	X	X	X	X	X	X			
Carport	X		\$10	\$10		\$10			
Underground Parking									
Detached Garage			X (\$25)						
Attached Garage									
Truck-under Garage									
Parking Garage									
Project Amenities									
Clubhouse/Community Room	X	X	X		\$5	\$5			
Swimming Pool	X	X	X		\$5				
Spa/Jacuzzi									
Exercise Room		X (\$5)							
Picnic Area	X	\$5	X		\$5	\$5			
Toilet/Playground	X	\$5	X		\$5	\$5			
Tennis Court									
Basketball Court		X (\$5)							
Volleyball Court									
On Site Manager	X	X	X	X	X	X			
Laundry Room	X	X	X	X	X	X			
Computer Room	X		\$5	\$5	\$5	\$5			
Business Center									
Car Wash Area									
Security									
Gated	X		\$5	\$5	\$5	\$5			
Courtesy Patrol					X (\$5)				
Surveillance Camera						X (\$5)			
Adjusted Rent	\$574	\$763	\$814	\$838	\$807	\$898		\$819	-29.92%
Aggregate Adjusted Rent		\$44,243	\$58,406	\$120,660	\$32,295	\$17,959		\$273,563	
Adjusted Value Ratio (GR)	\$0.61	\$0.69	\$0.94	\$0.84	\$0.93	\$0.91		\$0.84	-27.19%
Adjusted Rent/Base Rent		105%	106%	104%	118%	95%			

Analysis Using Subject's Highest Rents - 3BR Market

Enter Data in Blue or Blank Fields	Oleander Terrace Apartments	Lakeview Apartments		Park Place Apartments		Valley Oak Apartments		Totals & Weighted Averages	Differential
	532 Oleander Ave. Lemoore Phone: 559.924.4204 Use Subject's Highest Rent	333 E. Cinnamon Dr. Lemoore		550 E. Hanford Armona Rd. Lemoore		1165 E. Hanford Armona Rd. Lemoore	559.924.8888		
	Characteristic	Char	Adj	Char	Adj	Char	Adj		
Type ("M"arket, "L"ow Income)	L	M		M		M			
Distance in Miles from Subject		0.40		0.90		1.00			
Number of Units		8		28		15		51	
Vacancy Rate		0%		0%		20%			
Waiting List ("Y"es or "N"o)		N		N		N			
Turnover Rate		32%		28%		N/Av			
Unit Size in SF	1296	1305		1028		1095		1091.156863	
Aggregate Size in SF		10440		28784		16425		55,649	
Base Rent	\$633	\$975		\$850		\$1,050		\$928	-31.82%
Aggregate Rent		\$7,800		\$23,800		\$15,750		\$47,350	
Value Ratio (SSR)	\$0.49	\$0.75		\$0.83		\$0.96		\$0.85	-42.60%
# of stories	2	2		2		2			
Elevator ("Y"es or "N"o)	N	N		N		N			
# of Bedrooms	3	3		3		3			
# of Bathrooms	2	1.5	\$15	2		2			
Unit Size Adjustment	1296	1305	(\$2)	1028	\$55	1095	\$48		
Rent Concessions		None		None		None			
Age (built or last renovated)	2009	1984	\$50	1992	\$50	2009			
Utilities Paid by Tenant									
Electricity	X	X		X		X			
Heat ("G"as or "E"lectric)	G	G		E		G			
Hot Water (G or E)	G	G		G		G			
Cooking (G or E)	G	E		G		E			
TV ("C"able or "S"atellite)	C	C		C		C			
Water									
Sewer									
Trash									
Unit Amenities									
Central Heat/Cool	X	X		X		X			
Blinds	X	X		X		X			
Carpet	X	X		X		X			
Ceiling Fan				X	(\$5)				
Skylight									
Storage Closet		X	(\$5)	X	(\$5)				
Coat Closet	X	X		X		X			
Walk-In Closet	X	X		X		X			
Fireplace									
Patio/Balcony	X	X		X		X			
Appliances									
Refrigerator	X	X		X		X			
Stove/Oven	X	X		X		X			
Dishwasher	X	X		X		X			
Garbage Disposal	X	X		X		X			
Microwave				X	(\$5)	X	(\$5)		
Washer/Dryer						X	(\$35)		
Washer/Dryer Hook-ups		X	(\$15)						
Parking/Transportation									
Surface Parking	X	X		X		X			
Carport	X		\$10		\$10	X			
Underground Parking									
Detached Garage				X	(\$25)				
Attached Garage									
Tuck-under Garage									
Parking Garage									
Project Amenities									
Clubhouse/Community Room	X	X		X		X			
Swimming Pool	X	X		X		X			
Spa/Jacuzzi									
Exercise Room		X	(\$5)			X	(\$5)		
Picnic Area	X		\$5	X			\$5		
Tot Lot/Playground	X		\$5	X			\$5		
Tennis Court									
Basketball Court		X	(\$5)						
Volleyball Court									
On Site Manager	X	X		X		X			
Laundry Room	X	X		X					
Computer Room	X		\$5		\$5		\$5		
Business Center									
Car Wash Area									
Security									
Gated	X		\$5		\$5	X			
Courtesy Patrol						X	(\$5)		
Surveillance Camera						X	(\$5)		
Adjusted Rent	\$633	\$1,038		\$935		\$1,058		\$988	-35.91%
Aggregate Adjusted Rent		\$8,307		\$26,191		\$15,873		\$50,370	
Adjusted Value Ratio (SSR)	\$0.49	\$0.80		\$0.91		\$0.97		\$0.91	-46.04%
Adjusted Rent/Base Rent			106%		110%		101%		

EXPLANATION OF ADJUSTMENTS

The following details the adjustments made in the TCAC *Rent Comparability Matrices* to market rate comparables.

Number of Stories/Elevator

The Subject will contain a total of 66 two and three-bedroom LIHTC apartment and townhouse units housed in two-story residential buildings. All of the comparables are two and three-story garden style buildings, with the exception of Lakeview Apartments, which also offers townhome style buildings. Townhome type units are typically considered superior to flat garden style units. However, in order to remain conservative, we have not applied an adjustment for difference in structure type.

Unit Type/Number of Bedrooms

Again, the Subject offers two and three-bedroom units. All of the comparables used have the same unit type as the Subject, as such, no adjustments are necessary.

Number of Bathrooms

The Subject's two and three-bedroom units will offer two bathrooms. Two comparables in the Subject's two-bedroom matrix offer one bathroom; therefore, an upward adjustment of \$25 is applied. One comparable in the Subject's two-bedroom matrix offers one and a half baths; therefore, an upward adjustment of \$15 is applied. One of the three bedroom comparables offers one and a half bathrooms; therefore, an upward adjustment of \$15 is applied. These adjustments were based off of the difference of rent at Valley Oak Apartments, which offers both two-bedroom one bath units and two-bedroom two-bath units. The difference in rent for the one bathroom was \$100; however, the differential is also likely due to a difference in square footage. Therefore, we believe our adjustments of \$15 and \$25 are reasonable.

Unit Interior Square Footage

The Subject and the comparables vary in square footage. Most market observers agree that with 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 (i.e. a 600 square foot one-bedroom unit functions similarly to a 700 square foot one-bedroom unit) reflective of economies of scale. In other words, there is a diminishing return of value for additional square footage, as each additional square foot does not necessarily equal additional functional utility. Matched pairs are the preferred method to use for derivation of an adjustment, particularly in the case of differences in square footage. However, no matched pairs were available in the market. Therefore, we have applied a market standard that has been observed in similar markets as follows: the square foot difference between the Comparable and the Subject is divided by four and then multiplied by the rent per square foot of the Comparable. In other words, we are estimating that the additional square footage is worth approximately 25 percent of the rent per square foot in comparison to the base square footage.

Rent Concessions

Concessions are calculated on a monthly basis and the corresponding negative adjustments are reflected in the matrices. Heritage Apartments is the only comparable in the grid currently offering concessions of half off the first months rent. Heritage Apartments has received a negative adjustment for the monthly conceded rent amount.

Age (Built or Last Renovated)

The comparables range in year built or last renovated from the 1980's to 2009. Lakeview Apartments and Heritage Apartments were both constructed in 1984 and Olive Dee Apartments was constructed in the 1980's. Park Place Apartments was built in 1992. Valley Oak Apartments, the newest comparable, was constructed in 2009. The Subject will be new construction, and when completed, will be in excellent condition. The comparables range in condition from average to excellent. Lakeview Apartments, Heritage Apartments, Olive Dee Apartments, and Park Place Apartments are in average condition. Valley Oak Apartments is in excellent condition. The following table outlines the average versus excellent rent differential for everything other than condition.

Condition Adjustment (Excellent Versus Average)		
	2BR/2BA Rent Adjusted for All Other Than Condition	3BR/2BA SF Rent Adjusted for All Other Than Condition
Excellent Condition (Valley Oak)	\$898	\$1,058
Average Condition (Lakeview Apartments, Heritage Apartments, Park Place, Olive Dee Apartments)	<u>\$755</u>	<u>\$937</u>
Differential	\$143	\$121

As indicated in the table, for the one and two-bedroom units, there appears to be a premium based on condition of the properties. No adjustment is necessary for Valley Oak Apartments, as it is in excellent condition. An upward adjustment of \$50 is applied to all comparables in average condition. It should be noted that some differences among the comparables may be attributed to other factors besides condition; therefore, we feel that our adjustment of \$50 is conservative and reasonable. Furthermore, it is our understanding that TCAC market study guidelines caution against adjustments in excess of ten percent to the comparables. Applying a significant adjustment for condition, however warranted, would result in an adjustment to the base rent well beyond the ten percent threshold.

Utilities Paid by Tenant

The Subject's rents are inclusive of water, sewer, and trash expenses. The tenants pay for electricity and gas expenses. The utility structure varies at each of the properties. Appropriate adjustments for all comparable properties were applied based on the utility allowance provided by the Kings County Housing Authority.

Unit Amenities

The Subject unit amenities include carpeting in living areas, vinyl flooring in kitchens and baths, blinds, patio/balcony, central air conditioning, coat closet, and walk-in closets. Appropriate adjustments are applied to all of the comparables to account for differences in unit amenities from the Subject based on conversations with local property managers. Several amenities required adjustment, including ceiling fans, storage closets, and walk-in closets. Overall, the Subject offers similar or superior unit amenities to the competition.

Appliances

The Subject's appliance package includes a dishwasher, garbage disposal, oven, and refrigerator. Appropriate adjustments are applied to all of the market rate comparables to account for differences in appliances as compared to the Subject based on conversations with local property managers. All comparables have ovens, refrigerators, dishwashers and garbage disposals, while two comparables have microwave. Additionally, one comparable has in-unit washer/dryers, while two comparables have washer/dryer connections. Overall, the Subject appears to have a similar to slightly inferior amenity package compared to the comparables as it does not offer microwaves, washer/dryer connections, or in-unit washer/dryers.

Adjustments for appliances including microwaves were based on conversations with property managers. In order to determine appropriate adjustments for the washer/dryer connections, we have used a cost/benefit methodology. An \$800 washer and dryer would cost approximately \$22 per month over a three-year lifespan of the appliance. If a household does three loads of laundry a week for \$3.00 per load, the cost would be approximately \$36 per month. This indicates a \$14 value to an in-unit washer and dryer. There is also an inherent convenience in offering a washer and dryer in-unit, which is significant. This indicates a \$35 value to an in-unit washer and dryer. A washer/dryer hookup has less value, which is estimated at approximately \$15 per month. Therefore, comparables with washer/dryer connections received downward adjustments of \$15, and the comparable with in-unit washer/dryers received a downward adjustment of \$35.

Parking/Transportation

The Subject offers off-street parking including both uncovered parking stalls and carports. Comparables not offering any type of covered parking are given a positive adjustment of \$10. Comparables with garage parking are given a negative adjustment of \$25. Adjustments are based on conversations with local property managers.

Project Amenities

Community amenities at the Subject include a clubhouse/community room, central laundry facility, on-site management, playground, computer room, and swimming pool. Appropriate adjustments of \$5 are applied to all of the comparables to account for differences in project amenities from the Subject. Amenities requiring adjustment include swimming pool, clubhouse, picnic area, exercise facility, basketball court, playground, laundry facility, and computer room. It should be noted that Valley Oak Apartments does not have a central laundry facility; however, no adjustment is warranted as the comparable has in-unit washer/dryers. The Subject appears to offer a competitive advantage in terms of project amenities.

Security

The Subject will offer a gated entrance. Comparable properties not offering this amenity received upward adjustments of \$5. Comparables offering a courtesy patrol or video surveillance, which is not offered at the Subject, received a downward adjustment of \$5 each.

MARKET CHARACTERISTICS

For detailed information pertaining to market characteristics, such as rent history, concessions, and turnover, please refer to the property profiles presented at the beginning of this section of the report.

Market Vacancy

The chart below shows overall vacancy rates, as well as vacancy by property type, at the comparable properties included in the survey.

OVERALL VACANCY							
Property name	Rent Structure	Studio	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom	Overall Vacancy
Alderwood Apartments	LIHTC	N/A	0.0%	0.0%	0.0%	0.0%	0.0%
Country Club Apts	LIHTC	N/A	N/A	5.6%	7.4%	N/A	6.5%
Montclair Apartments	LIHTC	N/A	N/A	0.0%	0.0%	N/A	0.0%
Montgomery Crossings	LIHTC/USDA	N/A	N/A	0.0%	0.0%	0.0%	0.0%
Westbery Square Apartments	LIHTC	N/A	N/A	1.9%	3.1%	6.3%	3.0%
Ashley Court Apartments	Market	N/A	0.0%	0.0%	0.0%	N/A	0.0%
College Park Apartments	Market	N/A	0.0%	0.0%	N/A	N/A	0.0%
Heritage Apartments	Market	N/A	N/A	4.9%	N/A	N/A	4.9%
Lakeview Apartments	Market	9.4%	15.6%	9.4%	25.0%	N/A	10.6%
Olive Dee Apartments	Market	N/A	0.0%	5.0%	N/A	N/A	4.2%
Park Place Apartments	Market	N/A	N/A	2.8%	0.0%	N/A	2.0%
Valley Oak Apartments	Market	N/A	27.8%	12.5%	20.0%	N/A	17.8%
Total		9.4%	5.7%	5.3%	4.0%	2.3%	5.1%
Total Excluding Valley Oak		9.4%	3.2%	4.6%	3.0%	2.3%	4.3%

Vacancy rates among comparable properties range from 0.0 to 10.6 percent, with an overall vacancy rate of 5.1 percent. Valley Oak Apartments displays the highest overall vacancy at 17.8 percent. However, this property opened in December 2009 and is still in its initial lease-up period. If we exclude this comparable, the overall vacancy rate is 4.3 percent. Lakeview Apartments displays the second highest overall vacancy rate at 10.6 percent. Management indicated that occupancy is typically higher, around 95 percent, and attributed the increase in vacancy to the current economic recession. Management indicated that they hope their current concession of a reduced deposit will increase occupancy over the next several months.

The vacancy rates among the LIHTC comparables ranges from 0.0 to 6.5 percent, with an overall vacancy rate of 5.4 percent. It should be noted that three of the five LIHTC comparables have a 0.0 percent vacancy rate. The vacancy rates among the market rate comparables ranges from 0.0 to 17.8 percent, with an overall vacancy rate of 6.5 percent. Taking this information into account, combined with the strong demand for affordable housing in the area, we anticipate vacancy at the Subject property to be five percent or less annually.

Oleander Terrace Apartments, Lemoore, California; Market Study

Reasonability of Rents

The table below shows the Subject's proposed unit mix, size, and rent structure.

UNIT MIX, SIZE, RENT							
Unit Type	Number	Unit Size	Net Rent	Utility Allowance	Gross Rent	2010 Max LIHTC Rents	2010 Fair Market Rents
30% AMI/ Low HOME							
2BR/2BA	3	935	\$326	\$53	\$379	\$379	\$790
3BR/2BA	4	1,296	\$375	\$64	\$439	\$439	\$1,152
40% AMI/ Low HOME							
2BR/2BA	3	935	\$454	\$53	\$507	\$507	\$790
3BR/2BA	1	1,296	\$522	\$64	\$586	\$586	\$1,152
40% AMI							
2BR/2BA	1	935	\$454	\$53	\$507	\$507	\$790
3BR/2BA	2	1,296	\$522	\$64	\$586	\$586	\$1,152
50% AMI							
2BR/2BA	25	935	\$574	\$53	\$627	\$633	\$790
3BR/2BA	26	1,296	\$633	\$64	\$697	\$732	\$1,152
Manager's Unit							
Mgr's Unit	1	1,309	\$732	N/A	N/A	N/A	N/A
Total	66						

The following tables compare the Subject's proposed rents with the market derived rents from the TCAC matrices of surveyed properties.

SUBJECT'S PROPOSED NET LIHTS RENTS				
Unit Type	Unit Size (SF)	30% AMI/ Low HOME	40% AMI/ Low HOME	50% AMI
2BR/2BA	935	\$326	\$454	\$574
3BR/2BA	1,296	\$375	\$522	\$633

COMPARABLE PROPERTIES ADJUSTED MARKET RENTS			
Unit Type	Average	Minimum	Maximum
2BR/2BA	\$823	\$763	\$898
3BR/2BA	\$1,011	\$935	\$1,058

The Subject's LIHTC rents are substantially below comparable adjusted market rents, providing a tenant rent advantage. The comparables' adjusted market rents better reflect the achievable rent levels in the area, as adjustments account for condition, amenities, and utility structure. The Subject will be new construction and substantially superior in condition and amenities to the comparable properties. Therefore, the Subject's proposed rents will provide a positive price value relationship.

It should be noted that one comparable was adjusted by more than ten percent in the matrices. Olive Dee Apartments was adjusted upward by 18 percent in the two-bedroom matrix. This was because the development received an upward adjustment of \$25 for the difference in bathrooms and an upward adjustment of \$50 based on age and condition. These two adjustments account for 61 percent of the comparables total adjustments. As previously discussed, we believe that these adjustments are conservative and reasonable.

Comparable LIHTC Rents

Comparable LIHTC rent analysis of achievable LIHTC rents is beyond the scope of the TCAC guidelines. Therefore, we do not draw any conclusions as to the reasonableness of the Subject's proposed LIHTC rents. We inform the reader that other users of this document may place great importance on underwriting the LIHTC rents. Further analysis may be required and the outcome of that analysis is unknown.

Achievable Market Rents

The maximum achievable market rents were determined by comparing the aesthetic quality, amenities, unit sizes, etc. to that of the market rate projects in the area. Novogradac & Company concluded that the Subject will be competitive with the market rate competition and so achievable rents are within the market rental range. Achievable rents represent net market rate rent levels that we believe a project of the Subject's condition and quality could reasonably achieve.

The majority of multifamily rental housing in the Subject's market area is older, and most developments exhibit signs of deferred maintenance. Several comparable properties used in our analysis will be inferior to the Subject in terms of age and condition. The most comparable market rate developments to the Subject are Lakeview Apartments and Valley Oak Apartments. The Subject's units are slightly smaller than the units at Lakeview; however, the Subject will be in superior condition. The Subject will have slightly inferior in-unit amenities and superior community amenities compared to Lakeview.

The Subject will be in similar condition to Valley Oak Apartments, and offer larger unit sizes. The Subject has inferior in-unit amenities as it does not offer a microwave or in-unit washer/dryers; however, the Subject offers slightly superior community amenities. Therefore, we have estimated the Subject's achievable rents between the range of adjusted rents at these properties, as shown in the following table.

ACHIEVABLE MARKET RENT				
Unit Type	Unit Size (SF)	Subject's Proposed 30% AMI/ Low HOME	Subject's Proposed 40% AMI/ Low HOME	Subject's Proposed 50% AMI
2BR/2BA	935	\$326	\$454	\$574
3BR/2BA	1,296	\$375	\$522	\$633

Oleander Terrace Apartments, Lemoore, California; Market Study

ACHIEVABLE MARKET RENT		
Unit Type	NOVOCO's Estimated Achievable Net Market Rents	Subject's LIHTC Rent Differential Over Achievable Rents
2BR/2BA	\$850	(-61.6%, -46.6%, -32.5%)
3BR/2BA	\$1,050	(-64.3%, -50.3%, -39.7%)

As illustrated above the Subject's proposed LIHTC rents are significantly lower (64.3 to 32.5 percent) than NOVOCO's estimated achievable market rents.

Rent Comparability - Market Rents and Subject Proposed LIHTC Rents

The analysis to be performed is the ten percent test. The following table illustrates the affordability of the Subject's proposed LIHTC rents. At all AMI levels, the Subject's rents are at least ten percent below market rents.

TEN PERCENT TEST				
Unit Type	Unit Size (SF)	Subject's Proposed 30% AMI/ Low HOME	Subject's Proposed 40% AMI/ Low HOME	Subject's Proposed 50% AMI
2BR/2BA	935	\$326	\$454	\$574
3BR/2BA	1,296	\$375	\$522	\$633

TEN PERCENT TEST		
Unit Type	Comparable Properties Weighted Average Market Rent	Subject's Advantage
2BR/2BA	\$819	(-60.2%, -44.6%, -29.9%)
3BR/2BA	\$988	(-62.0%, -47.1%, -35.9%)

The Subject's two-bedroom units are 29.9 to 60.2 percent less than the adjusted weighted average comparable market rent for the same unit type. Three-bedroom units are 35.9 to 62.0 percent lower than the weighted average market rents. As such, the Subject's rents meet the required benchmark.

Unit Value Ratio

TCAC requires that the unit value ratio for each of the Subject's unit types be at or below the values for the same unit types in the comparable rental properties. This analysis is illustrated on the rent comparability matrices provided earlier in the report, and is detailed below.

UNIT VALUE RATIO					
Unit Type	Highest Proposed Rent	Size	S/SF	Comparable Properties Weighted Average S/SF	Percent Differential of Subject
2BR/2BA	\$574	935	\$0.61	\$0.84	-27.2%
3BR/2BA	\$633	1,296	\$0.49	\$0.91	-46.0%

The value ratio of the Subject's units are 27.2 and 46.0 percent less than the adjusted weighted average comparable value ratio for two and three-bedroom units, respectively. Thus, the Subject's unit value ratios meet the required benchmark.

Oleander Terrace Apartments, Lemoore, California; Market Study

Properties Not Used in Analysis

There are several multifamily developments located in the Subject's PMA that we did not use in our analysis. The following table identifies these properties and the reason for their exclusion.

EXCLUDED AFFORDABLE PROPERTIES IN PMA					
Property Name	Location	Year Built/ Renovated	Housing Program	Primary Tenancy	Reason for Exclusion
Villa San Joaquin	200 North 19th Ave.	2004	LIHTC/USDA	Family	Subsidized Tenancy
Kings River Apartments	1600 W Bush St.	1992	USDA	Family	Subsidized Tenancy
Lemoore Elderly Apartments	601 E St.	N/A	USDA	Elderly	Subsidized/Dissimilar Tenancy
Lemoore Villa	899 E Hanford Armona Rd.	N/A	USDA	Family	Subsidized Tenancy
Mountain View Apartments	58 E Hazelwood Dr.	1988	USDA	Elderly	Subsidized/Dissimilar Tenancy

Summary Evaluation of the Project

According to our survey, the market for multifamily developments within the PMA is strong. The area is experiencing good occupancy levels and waiting lists are common at affordable properties. The tenant paid rents for all AMI levels in the proposed development will have at least a ten percent market advantage. As new construction, the Subject is expected to be very competitive in the market. Additionally, the *Demand Analysis* section illustrates that demand in the area is moderate and supports the construction of the Subject. Upon completion, the Subject will provide good quality, affordable housing in Lemoore.

EXISTING AND PLANNED AFFORDABLE HOUSING

Existing affordable housing projects in the PMA will not be adversely affected by the proposed construction of the Subject property. A survey of comparable affordable rental housing developments in the area demonstrates strong demand for good quality rental units, as evidenced by the high occupancy rates and waiting lists. Given the strong demand for affordable housing in the PMA, we anticipate that the Subject property will also maintain a high occupancy level as well as a long waiting list. Average occupancy among affordable LIHTC developments is 98.8 percent.

EXISTING AFFORDABLE PROPERTIES IN PMA										
Property Name	Location	Year Built/ Renovated	Housing Program	Primary Tenancy	Unit Mix	Waiting List	Occupancy	Total Units	Income Levels	Distance from Subject
Country Club Apartments	1040 Blake St.	1989	LIHTC	Family	2, 3brs	No	93.5%	40	55% AMI	0.8 miles
Alderwood Apartments	990 Fox St.	1996	LIHTC	Family	1, 2, 3, 4brs	Yes	100.0%	80	40%, 60% AMI	1.0 miles
Westberry Square Apts	1195 E. Hanford Armona Rd.	1998	LIHTC	Family	1, 2, 3, 4 brs	No	97.0%	100	50%, 60% AMI	1.0 miles
Montclair Apartments	150 S. 9th St.	1999	LIHTC	Family	2, 3brs	Yes	100.0%	80	44%, 46%, 48% AMI	1.4 miles
Villa San Joaquin	200 North 19th Ave.	2004	LIHTC/USDA	Family	2brs	Yes	100.0%	36	30% of tenants income	1.3 miles
Kings River Apartments	1600 W Bush St.	1992	USDA	Family	0, 1, 2, 3 brs	Yes	N/Av	44	30% of tenants income	1.7 miles
Lemoore Elderly Apartments	601 E St.	N/A	USDA	Senior	1brs	Yes	100.0%	23	30% of tenants income	0.9 miles
Montgomery Crossings	1150 Tammy Lane	2009	LIHTC/USDA	Family	2, 3, 4 brs	Yes	100.0%	57	30, 50, 55, 60% AMI	1.4 miles
Lemoore Villa	899 E Hanford Armona Rd.	N/A	USDA	Family	2brs	Yes	N/Av	28	30% of tenants income	0.9 miles
Mountain View Apartments	58 E Hazelwood Dr.	1988	USDA	Senior	1brs	Yes	100.0%	39	30% of tenants income	1.1 miles

Housing Authority

We contacted the housing authority with jurisdiction over the PMA. According to Bill Baderscher with the Housing Authority of the County of Kings, the Housing Authority is allotted 640 total Housing Choice Vouchers, all of which are being utilized at this time. The waiting list is currently five to six years in length and is presently open. The payment standards for two and three-bedroom units are \$843 and \$1,229, respectively.

Proposed Construction

We spoke with Rachel Bridges with the City of Lemoore Planning Department to determine if there are any multifamily developments proposed, planned, or under construction within the city of Lemoore. According to Ms. Bridges, there are two multifamily developments that recently completed construction within the city. Valley Oak Apartments is a 73-unit market rate multifamily development located 1.0 miles north of the Subject on East Hanford Armona Road. The development opened in December 2009 and is currently 83 percent occupied, and still in its initial lease-up period.

Montgomery Crossings is a 57-unit LIHTC and USDA development that opened in August of 2009. Sixteen of the units are USDA where tenants pay 30 percent of their income towards rent. The remaining 41 units are LIHTC units at the 30, 50, 55, and 60 percent AMI levels. Montgomery Crossings offers two, three and four-bedroom units, and is located 1.4 miles south of the Subject on Tammy Lane. The development is currently 100 percent occupied and maintains a short waiting list.

In addition to the two recently completed developments, Ms. Bridges indicated that there are two developments in the planning stages within Lemoore at this time as well. Village at Acacia is a proposed 81-unit LIHTC development to be located at the southwest corner of Acacia Drive and Bush Street, approximately 1.6 miles west of the Subject. The development received a LIHTC allocation in 2009. Ms. Bridges did not know when construction is scheduled to begin. Further, Ms. Bridges could not provide any details pertaining to bedroom types, AMI levels, square footages of units, or the proposed rental rates for the development. As this development will be a family LIHTC development, it will likely be in competition with the Subject.

Fox Street Villas is a proposed 80-unit age restricted LIHTC development to be located on Fox Street, approximately 0.9 miles northwest of the Subject. Fox Street Villas has not received a LIHTC allocation. Ms. Bridges did not know when construction is scheduled to begin, or have any further details on the project pertaining to unit types and proposed rental rates. As this development will be age-restricted, we do not believe it will be in competition with the Subject.

Additionally, we contacted the Kings County Planning Department in order to determine if there are any multifamily developments proposed, planned, or under construction outside of Lemoore, but within the PMA. According to the Planning Department, there is one project that received HOME funding in 2009. The Armona Family Apartments is a proposed 20-unit LIHTC development that will be located approximately 3.5 miles east of the Subject in Armona. The development is scheduled to begin construction in March 2010. No further details regarding unit types or proposed rents were available at this time. As this will be a LIHTC development targeting families within the PMA, we believe it will likely be in competition with the Subject.

Additionally, we reviewed TCAC, CDLAC, and HUD development lists for projects funded over the past several years as being best representative of current and planned affordable housing conditions throughout the PMA. We focused on affordable housing developments intended to serve similar households as the Subject, which is multifamily. No such projects have been funded in Lemoore in recent years with the exception of Montgomery Crossing in 2008, and Armona Family Apartments and Village at Acacia in 2009.

Oleander Terrace Apartments, Lemoore, California; Market Study

Building Permits

The following table details building permit information in the city of Lemoore and Kings County from 1998 to present.

NUMBER OF BUILDING PERMITS ISSUED						
Year	City of Lemoore, California			Kings County, California		
	Single Family	2-4 Units	5+ Units	Single Family	2-4 Units	5+ Units
1998	160	80	0	530	80	163
1999	146	0	0	509	0	30
2000	122	0	0	445	0	0
2001	171	0	0	660	0	0
2002	167	0	0	621	0	80
2003	227	0	0	849	60	108
2004	134	120	0	743	124	0
2005	241	28	0	1,068	35	0
2006	206	0	0	755	55	39
2008	96	12	0	352	23	5
2008	62	137	0	161	137	0
YTD 2009	28	0	0	115	0	0
Total	1,760	377	0	6,808	514	425

Source: US Census, HUD State of the Cities Data Systems, Novogradac & Company LLP, 3/2010

As demonstrated in the above table, both the city of Lemoore and Kings County have been dominated by single family construction over the past ten years. Although there has been new single family development within Lemoore, it does not appear to be represented in the table. The dominance of single family construction combined with the current housing shortage is a positive indicator of the need for new construction of multifamily housing such as the Subject.

Rent versus Buy Analysis

We performed an analysis of the cost to own versus cost to rent. The scenario presented employs an estimated median sales price for three-bedroom new starter homes in Lemoore. The data demonstrates that home ownership based upon home sales price is cost prohibitive for most prospective tenants at the lower AMI levels. Of importance within the affordable housing arena is the necessary ten percent down payment, which is typically a hurdle for lower income families, and sometimes credit qualification issues.

Oleander Terrace Apartments, Lemoore, California; Market Study

Re-Sale Starter Home

The Subject's proposed rents provide a significant advantage when compared to the cost of home ownership. The Subject's highest proposed 50 percent three-bedroom rent is \$633, whereas the monthly pre-tax cost of an average starter home in the area is estimated at \$1,135 per month. Our calculations indicate renting is a more financially feasible option, providing an after-tax monthly advantage of \$498 over home ownership at the 50 percent AMI level. The calculations are as follows:

- Unit Price: \$180,000 for three-bedroom
- Equity Required: 10%
- Financing: 90% for 30 years at 5.00% fixed.
- Real Estate Taxes: Calculated based on 1.0% of market of value.
- Mortgage Insurance: Estimated at .005% of total mortgage amount.
- Insurance: Estimated at \$600 per year for three-bedroom units.

RENT BUY ANALYSIS -5.00%				
RENT BUY ANALYSIS- Lemoore, CA				
Inputs		Ownership	Rental	Notes
Average Price		\$180,000		
Closing Costs	3%	\$5,400		
Down payment	10%	\$18,000		
Principal		\$162,000		
Interest Rate	5.00%			
Amortization period	30			
Monthly Payment		\$870		
Annual Payment		\$10,436		
Real Estate Taxes	1.25%	\$2,250		
Private Mortgage Insurance	0.01%	\$8		
Homeowner's Insurance	0.50%	\$900		
Utilities		\$816		Water, sewer and trash estimated cost for one year.
Maintenance and Repairs	1.00%	\$1,800		Assumes a 1% cost for maintenance and repairs.
Tax Benefit				Assumes taxable income of \$36,000
Marginal Tax Bracket	25%			
Annual Interest		\$8,100		Assumes first year
Annual Tax Savings		(\$2,588)		
Rental Costs				
Annual Rent			\$7,596	3 BR (50% AMI) net rent
Insurance (renter)			\$50	
Total Annual Cost		\$13,622	\$7,646	
Total Monthly Cost		\$1,135	\$637	
Differential per year	\$5,976			
Differential per month	\$498			
Cash Due at Occupancy		\$23,400	\$933	

Conclusion

The demand analysis, market data, as well as interviews of real estate professionals demonstrate an ongoing need for the creation and maintenance of affordable housing in the PMA over the foreseeable term. Additionally, all of the area's affordable housing developments maintain waiting list. Therefore, we anticipate that the Subject and the existing affordable properties will not hinder each other's ability to maintain full occupancy.

The Subject's affordable rents offer a significant tenant rent advantage over the adjusted market rents among the properties surveyed. The Subject will surpass the quality of the existing housing stock in the area. The Subject will have a positive impact on the surrounding neighborhood and will not adversely affect existing affordable housing located in the area. There are three LIHTC proposed multifamily projects within the PMA; however, one is an age-restricted development, which will not be in competition with the Subject. The Subject's capture rates for all bedroom types are reasonable and the current stock of affordable housing in Lemoore is older and exhibits inferior condition to the Subject. Additionally, several affordable properties in the local area maintain waiting lists and exhibit stabilized occupancy levels. Therefore, the existing, proposed, and newly developing multifamily properties will not hinder each other's ability to maintain full occupancy.

APPENDIX A

Assumptions & Limiting Conditions

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the consultant assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
4. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted.
5. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
6. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
7. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
8. A consulting analysis market study for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.

Oleander Terrace Apartments, Lemoore, California; Market Study

9. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.
10. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional appraisal organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
11. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property unless satisfactory additional arrangements are made prior to the need for such services.
12. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
13. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
14. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which conclusions contained in this report is based.
15. On all proposed developments, Subject to satisfactory completion, repairs, or alterations, the consulting report is contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time with good quality materials.
16. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums except as reported to the consultant and contained in this report.
17. The party for whom this report is prepared has reported to the consultant there are no original existing condition or development plans that would Subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.

Oleander Terrace Apartments, Lemoore, California; Market Study

18. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
19. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The consultant does not warrant the condition or adequacy of such systems.
20. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
21. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

APPENDIX B

Data Sources

DATA SOURCES

Sources used in this study include data that is both written and oral, published and unpublished, and proprietary and non-proprietary. Real estate developers, housing officials, local housing, and planning authority employees, property managers and other housing industry participants were interviewed. In addition, we conducted a survey of existing comparable properties.

This report incorporates published data supplied by various agencies and organizations including:

- U.S. Census Bureau
- U.S. Bureau of Labor Statistics
- ESRI Business Analyst 9.1
- Ribbon Demographics
- City of Lemoore Planning Department
- Department of Housing and Urban Development (HUD)
- Housing Authority of the County of Kings
- Housing Authority of the County of Kings Utility Allowance Schedule
- California Employment Development Department
- California Tax Credit Allocation Committee Market Study Requirements
- Economic Development Manager, Kings County Economic Development Corporation
- Kings County Assessor's Office
- Kings County Planning Department
- Lemoore Naval Air Station
- 2005 BRAC Report
- www.realtytrac.com
- www.dqnews.com

APPENDIX C

Demographic Reports



Area ID:

0

Name:

PMA

Demographic



2000 Total Population	24,419
2000 Group Quarters	34
2009 Total Population	30,694
2014 Total Population	33,912
2009-2014 Annual Rate	2.01%



2000 Households	7,886
2000 Average Household Size	3.09
2009 Households	9,743
2009 Average Household Size	3.15
2014 Households	10,704
2014 Average Household Size	3.16
2009-2014 Annual Rate	1.90%
2000 Families	6,108
2000 Average Family Size	3.48
2009 Families	7,539
2009 Average Family Size	3.55
2014 Families	8,254
2014 Average Family Size	3.58
2009-2014 Annual Rate	1.83%



2000 Housing Units	8,334
Owner Occupied Housing Units	53.8%
Renter Occupied Housing Units	40.8%
Vacant Housing Units	5.4%
2009 Housing Units	10,337
Owner Occupied Housing Units	52.9%
Renter Occupied Housing Units	41.3%
Vacant Housing Units	5.7%
2014 Housing Units	11,360
Owner Occupied Housing Units	56.9%
Renter Occupied Housing Units	37.4%
Vacant Housing Units	5.8%

Median Household Income

2000	\$39,341
2009	\$49,922
2014	\$52,634

Median Home Value

2000	\$104,990
2009	\$182,400
2014	\$220,917

Per Capita Income

2000	\$15,776
2009	\$19,513
2014	\$20,017

Median Age

2000	28.4
2009	28.7
2014	29.7

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest, dividends, net rents, pensions, SSI and welfare payments, child support and alimony. Specified Renter Occupied HUs exclude houses on 10+ acres. Average Rent excludes units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



Area ID:

0

Name:

Demographic

PMA



2000 Household by Income	
Household Income Base	7,833
<15,000	15.7%
\$15,000 - \$24,999	13.4%
\$25,000 - \$34,999	14.4%
\$35,000 - \$49,999	18.4%
\$50,000 - \$74,999	18.0%
\$75,000 - \$99,999	11.3%
\$100,000 - \$149,999	6.7%
\$150,000 - \$199,999	1.1%
\$200,000+	1.0%
Average Household Income	\$48,967
2009 Household by Income	
Household Income Base	9,741
<15,000	10.6%
\$15,000 - \$24,999	10.0%
\$25,000 - \$34,999	12.0%
\$35,000 - \$49,999	17.4%
\$50,000 - \$74,999	23.3%
\$75,000 - \$99,999	11.8%
\$100,000 - \$149,999	10.8%
\$150,000 - \$199,999	2.4%
\$200,000+	1.7%
Average Household Income	\$61,390
2014 Household by Income	
Household Income Base	10,704
<15,000	10.2%
\$15,000 - \$24,999	9.2%
\$25,000 - \$34,999	10.4%
\$35,000 - \$49,999	17.7%
\$50,000 - \$74,999	25.9%
\$75,000 - \$99,999	11.8%
\$100,000 - \$149,999	10.5%
\$150,000 - \$199,999	2.6%
\$200,000+	1.8%
Average Household Income	\$63,315
2000 Owner Occupied HUs by Value	
Total	4,442
<50,000	6.0%
\$50,000 - \$99,999	39.3%
\$100,000 - \$149,999	38.7%
\$150,000 - \$199,999	10.7%
\$200,000 - \$299,999	4.0%
\$300,000 - \$499,999	1.1%
\$500,000 - \$999,999	0.2%
\$1,000,000 +	0.0%
Average Home Value	\$113,967
2000 Specified Renter Occupied HUs by Contract Rent	
Total	3,431
With Cash Rent	95.8%
No Cash Rent	4.2%
Median Rent	\$436
Average Rent	\$489

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest, dividends, net rents, pensions, SSI and welfare payments, child support and alimony. Specified Renter Occupied HUs exclude houses on 10+ acres. Average Rent excludes units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.

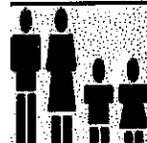


Area ID: 0

Name:

PMA

Demographic



2000 Population by Age

Total	24,420
0 - 4	9.3%
5 - 9	9.6%
10 - 14	9.6%
15 - 24	16.6%
25 - 34	14.9%
35 - 44	15.7%
45 - 54	11.1%
55 - 64	6.3%
65 - 74	4.2%
75 - 84	2.2%
85 +	0.5%
18 +	65.7%

2009 Population by Age

Total	30,693
0 - 4	10.1%
5 - 9	8.7%
10 - 14	7.6%
15 - 24	16.4%
25 - 34	17.4%
35 - 44	12.9%
45 - 54	12.3%
55 - 64	7.9%
65 - 74	4.0%
75 - 84	2.2%
85 +	0.7%
18 +	68.9%

2014 Population by Age

Total	33,911
0 - 4	10.3%
5 - 9	9.0%
10 - 14	7.8%
15 - 24	14.3%
25 - 34	18.9%
35 - 44	12.8%
45 - 54	10.8%
55 - 64	8.7%
65 - 74	4.5%
75 - 84	2.1%
85 +	0.7%
18 +	68.9%

2000 Population by Sex

Males	49.5%
Females	50.5%

2009 Population by Sex

Males	49.7%
Females	50.4%

2014 Population by Sex

Males	49.7%
Females	50.3%

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest, dividends, net rents, pensions, SSI and welfare payments, child support and alimony. Specified Renter Occupied HUs exclude houses on 10+ acres. Average Rent excludes units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



Area ID:

0

Name:

Demographic

PMA



2000 Population by Race/Ethnicity

Total	24,419
White Alone	59.9%
Black Alone	6.7%
American Indian Alone	1.6%
Asian or Pacific Islander Alone	7.2%
Some Other Race Alone	19.0%
Two or More Races	5.6%
Hispanic Origin	32.8%
Diversity Index	79.4

2009 Population by Race/Ethnicity

Total	30,693
White Alone	53.3%
Black Alone	6.3%
American Indian Alone	1.5%
Asian or Pacific Islander Alone	8.2%
Some Other Race Alone	23.7%
Two or More Races	7.1%
Hispanic Origin	40.6%
Diversity Index	84.8

2014 Population by Race/Ethnicity

Total	33,912
White Alone	49.8%
Black Alone	6.2%
American Indian Alone	1.4%
Asian or Pacific Islander Alone	8.6%
Some Other Race Alone	26.2%
Two or More Races	7.9%
Hispanic Origin	44.7%
Diversity Index	86.9

2000 Population 3+ by School Enrollment

Total	22,793
Enrolled in Nursery/Preschool	1.4%
Enrolled in Kindergarten	2.5%
Enrolled in Grade 1-8	15.9%
Enrolled in Grade 9-12	9.0%
Enrolled in College	7.5%
Enrolled in Grad/Prof School	0.7%
Not Enrolled in School	63.0%

2009 Population 25+ by Educational Attainment

Total	17,565
Less Than 9th Grade	10.1%
9th to 12th Grade, No Diploma	11.0%
High School Graduate	30.5%
Some College, No Degree	24.3%
Associate Degree	10.1%
Bachelor's Degree	10.6%
Graduate/Professional Degree	3.4%

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest, dividends, net rents, pensions, SSI and welfare payments, child support and alimony. Specified Renter Occupied HUs exclude houses on 10+ acres. Average Rent excludes units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



Area ID: 0
Demographic

Name: PMA



2009 Population 15+ by Marital Status

Total	22,585
Married	61.5%
Never Married	28.9%
Widowed	3.1%
Divorced	6.6%



2000 Population 16+ by Employment Status

Total	17,002
In Labor Force	67.5%
Civilian Employed	54.8%
Civilian Unemployed	7.3%
In Armed Forces	5.4%
Not In Labor Force	32.5%

2009 Civilian Population 16+ in Labor Force

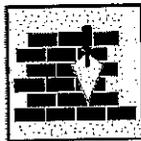
Civilian Employed	85.5%
Civilian Unemployed	14.5%

2014 Civilian Population 16+ in Labor Force

Civilian Employed	89.9%
Civilian Unemployed	10.1%

2000 Females 16+ by Employment Status and Age of Children

Total	8,877
Own Children < 6 Only	9.4%
Employed/in Armed Forces	5.0%
Unemployed	0.8%
Not in Labor Force	3.6%
Own Children < 6 and 6-17 Only	9.4%
Employed/in Armed Forces	4.3%
Unemployed	1.1%
Not in Labor Force	4.0%
Own Children 6-17 Only	22.8%
Employed/in Armed Forces	14.6%
Unemployed	1.6%
Not in Labor Force	6.6%
No Own Children < 18	58.4%
Employed/in Armed Forces	26.6%
Unemployed	4.0%
Not in Labor Force	27.7%



2009 Employed Population 16+ by Industry

Total	12,289
Agriculture/Mining	7.3%
Construction	4.8%
Manufacturing	5.3%
Wholesale Trade	2.0%
Retail Trade	10.5%
Transportation/Utilities	4.5%
Information	1.1%
Finance/Insurance/Real Estate	4.4%
Services	45.4%
Public Administration	14.6%

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest, dividends, net rents, pensions, SSI and welfare payments, child support and alimony. Specified Renter Occupied HUs exclude houses on 10+ acres. Average Rent excludes units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



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Demographic

2009 Employed Population 16+ by Occupation

Total	12,286
White Collar	52.9%
Management/Business/Financial	9.3%
Professional	19.6%
Sales	9.7%
Administrative Support	14.3%
Services	24.4%
Blue Collar	22.6%
Farming/Forestry/Fishing	3.7%
Construction/Extraction	4.0%
Installation/Maintenance/Repair	4.0%
Production	3.9%
Transportation/Material Moving	7.1%



2000 Workers 16+ by Means of Transportation to Work

Total	10,023%
Drove Alone - Car, Truck, or Van	76.4%
Carpooled - Car, Truck, or Van	15.5%
Public Transportation	1.1%
Walked	2.8%
Other Means	1.4%
Worked at Home	2.8%

2000 Workers 16+ by Travel Time to Work

Total	10,021
Did not Work at Home	97.2%
Less than 5 minutes	4.6%
5 to 9 minutes	12.8%
10 to 19 minutes	38.2%
20 to 24 minutes	11.6%
25 to 34 minutes	13.0%
35 to 44 minutes	6.8%
45 to 59 minutes	6.6%
60 to 89 minutes	2.5%
90 or more minutes	1.1%
Worked at Home	2.8%
Average Travel Time to Work (in min)	21.2

2000 Households by Vehicles Available

Total	7,885
None	7.5%
1	32.9%
2	38.1%
3	14.8%
4	4.9%
5+	1.9%
Average Number of Vehicles Available	1.8



2000 Households by Type

Total	7,886
Family Households	77.5%
Married-couple Family	56.3%
With Related Children	33.9%
Other Family (No Spouse)	21.2%
With Related Children	16.8%
Nonfamily Households	22.5%
Householder Living Alone	16.8%
Householder Not Living Alone	5.8%
Households with Related Children	50.7%
Households with Persons 65+	16.1%

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest, dividends, net rents, pensions, SSI and welfare payments, child support and alimony. Specified Renter Occupied HUs exclude houses on 10+ acres. Average Rent excludes units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



Area ID: 0

Name:

PMA

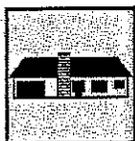
Demographic

2000 Households by Size

Total	7,886
1 Person Household	18.8%
2 Person Household	27.3%
3 Person Household	18.7%
4 Person Household	15.7%
5 Person Household	10.1%
6 Person Household	4.9%
7 + Person Household	3.4%

2000 Households by Year Householder Moved In

Total	7,884
Moved in 1999 to March 2000	26.8%
Moved in 1995 to 1998	29.2%
Moved in 1990 to 1994	18.2%
Moved in 1980 to 1989	12.7%
Moved in 1970 to 1979	8.9%
Moved in 1969 or Earlier	4.2%
Median Year Householder Moved In	1,996



2000 Housing Units by Units in Structure

Total	8,323
1, Detached	67.2%
1, Attached	2.3%
2	1.9%
3 or 4	4.4%
5 to 9	5.2%
10 to 19	4.0%
20 +	9.8%
Mobile Home	5.2%
Other	0.0%

2000 Housing Units by Year Structure Built

Total	8,322
1999 to March 2000	3.1%
1995 to 1998	13.1%
1990 to 1994	10.5%
1980 to 1989	19.3%
1970 to 1979	22.2%
1969 or Earlier	31.9%
Median Year Structure Built	1,978

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest, dividends, net rents, pensions, SSI and welfare payments, child support and alimony. Specified Renter Occupied HUs exclude houses on 10+ acres. Average Rent excludes units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.



Area ID: 0

Name:

Demographic

PMA



2009 Consumer Spending shows the amount spent on a variety of goods and services by households that reside in the market area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue.

Apparel & Services: Total \$	\$15,135,210
Average Spent	\$1,553.41
Spending Potential Index	62
Computers & Accessories: Total \$	\$2,005,403
Average Spent	\$205.83
Spending Potential Index	90
Education: Total \$	\$10,435,191
Average Spent	\$1,071.02
Spending Potential Index	85
Entertainment/Recreation: Total \$	\$27,225,464
Average Spent	\$2,794.30
Spending Potential Index	86
Food at Home: Total \$	\$38,360,645
Average Spent	\$3,937.16
Spending Potential Index	86
Food Away from Home: Total \$	\$28,507,879
Average Spent	\$2,925.92
Spending Potential Index	88
Health Care: Total \$	\$29,499,563
Average Spent	\$3,027.70
Spending Potential Index	80
HH Furnishings & Equip: Total \$	\$16,770,359
Average Spent	\$1,721.23
Spending Potential Index	79
Investments: Total \$	\$10,826,822
Average Spent	\$1,111.22
Spending Potential Index	77
Retail Goods: Total \$	\$208,417,830
Average Spent	\$21,391.04
Spending Potential Index	83
Shelter: Total \$	\$136,632,122
Average Spent	\$14,023.29
Spending Potential Index	90
TV/Video/Sound Equipment: Total \$	\$10,250,221
Average Spent	\$1,052.04
Spending Potential Index	87
Travel: Total \$	\$15,494,397
Average Spent	\$1,590.27
Spending Potential Index	86
Vehicle Maintenance & Repairs: Total \$	\$7,917,516
Average Spent	\$812.62
Spending Potential Index	87

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest, dividends, net rents, pensions, SSI and welfare payments, child support and alimony. Specified Renter Occupied HUs exclude houses on 10+ acres. Average Rent excludes units paying no cash rent.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. ESRI forecasts for 2009 and 2014.

HISTA DATA

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Renter Households						
All Ages						
<i>Census 2000</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	171	127	62	66	61	488
\$10,000-20,000	236	92	176	99	83	685
\$20,000-30,000	115	187	119	147	112	681
\$30,000-40,000	93	98	179	136	79	584
\$40,000-50,000	69	60	84	85	53	350
\$50,000-60,000	3	74	28	20	45	171
\$60,000+	10	120	102	105	102	440
Total	697	758	751	659	536	3,400

Renter Households						
All Ages						
<i>Current Year Estimates - 2009</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	217	132	62	65	59	535
\$10,000-20,000	290	89	172	95	71	716
\$20,000-30,000	140	199	127	150	118	735
\$30,000-40,000	109	95	179	152	72	607
\$40,000-50,000	127	79	118	145	79	549
\$50,000-60,000	3	115	51	28	64	261
\$60,000+	25	244	210	201	190	870
Total	911	953	919	836	653	4,273

Renter Households						
All Ages						
<i>Five Year Projections - 2014</i>						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	216	116	54	57	50	494
\$10,000-20,000	274	73	140	78	57	622
\$20,000-30,000	127	163	104	123	99	617
\$30,000-40,000	117	85	162	147	70	580
\$40,000-50,000	142	74	104	123	67	511
\$50,000-60,000	6	126	62	35	74	304
\$60,000+	33	313	270	252	246	1,115
Total	916	950	897	816	664	4,243

APPENDIX D

Utility Allowance

Allowances for Tenant-Furnished Utilities and Other Services

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

OMB Approval No. 2577-0169
(exp. 07/31/2007)

See Public Reporting Statement and Instructions on back

Locality		Unit Type					Date (mm/dd/yyyy)
Kings County Alternate-Higher Efficiency/Insulation		Multi-family Housing					07/01/2009
Utility or Service		Monthly Dollar Allowances					
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Heating	a. Natural Gas	5	6	7	9	10	13
	b. Bottle Gas						
	c. Oil / Electric	3	5	6	7	9	11
	d. Coal / Other						
Cooking	a. Natural Gas	3	4	5	5	6	7
	b. Bottle Gas						
	c. Oil / Electric	5	6	8	9	10	11
	d. Coal / Other						
Other Electric		16	16	18	20	19	22
Air Conditioning		10	11	13	15	17	18
Water Heating	a. Natural Gas	6	8	10	15	19	23
	b. Bottle Gas						
	c. Oil / Electric	6	11	17	27	37	47
	d. Coal / Other						
Water		21	21	22	22	23	27
Sewer		24	24	24	24	24	24
Trash Collection		22	22	22	22	22	22
Range/Microwave		3	3	3	3	3	3
Refrigerator		4	4	4	4	4	4
Other -- specify							

Actual Family Allowances To be used by the family to compute allowance.
Complete below for the actual unit rented.

Name of Family

Address of Unit

Number of Bedrooms

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

Public reporting burden for this collection of information is estimated to average 1.5 hours 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 agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This collection of information is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437f). The information is used to establish a utility allowance schedule for all utilities and other services used to determine the family's monthly housing assistance payment and rental payment. HUD uses this information to ensure that the costs are reasonable.

Instructions for Form HUD-52667, Allowances For Tenant Furnished Utilities and Other Services

Form HUD-52667 shall be completed by a HA for each different type of unit as explained below. Each form shall be reproduced by the HA and given to families with their Certificate or Voucher or subsequently in connection with any revisions. The form will provide the family, while shopping for a unit, with the amount of the allowances for various types of units for rent. With these allowances the family can compare gross rents and fair market rents. Form HUD-52667 shall also be used by the HA to record the actual allowance for each family.

Level of Allowance: Utilities and other services are included in gross rent, and when they are not furnished by the owner, an allowance must be provided to the family. Allowances must be adequate for all utilities and services not provided by the owner that were included in the fair market rent. The utility allowance schedule is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the HA must use normal patterns of consumption for the community as a whole and current utility rates. Allowances must not be based on energy consumption or costs above average or below average income families. The objective shall be to establish allowances based on actual rates and average consumption estimates and should allow the majority of participating families an allowance that is adequate to cover expected average utility costs and other services over a 12-month period.

Determining Allowances:

- a. In general, HAs shall use to the extent possible local sources of information on the cost of utilities and services. The following local sources should be contacted:
 - (1) Electric utility suppliers.
 - (2) Natural gas utility suppliers.
 - (3) Water and sewer suppliers.
 - (4) Fuel oil and bottle gas suppliers.
 - (5) Public service commissions.
 - (6) Real estate and property management firms.
 - (7) State and local agencies.
 - (8) Appliance sales or leasing firms.
- b. Recently adopted utility allowance schedules from neighboring HAs with essentially the same type of housing stock should also be examined. In most cases fuel or utilities rates normally will not vary appreciably in neighboring communities and where data is not available in small communities allowances for larger nearby communities may be used. Where local sources are inadequate, the HA may consult the national average consumption data provided in Table 1 and make appropriate adjustments to reflect local conditions.

- c. The HA must establish separate heating and cooling allowances for the various types of existing housing in the locality with the same number of bedrooms. Depending on local housing stock, utility allowances must be established for the following unit types: detached houses, duplexes, row or townhouses, garden and high rise apartments and manufactured homes. In addition to establishing different heating and cooling allowances for various types of structures, attention should be given to different allowances for water depending on whether families will have responsibilities for lawn care.
- d. The data to be solicited from the local sources shown above should be as close as possible in form and detail to the format of form HUD-52667. If possible, all consumption data should be obtained for each unit size and type. If data is available only for an average unit size (2.5 bedrooms), multiply the utilities costs for the average unit by the following factors:

<u>Size of Unit</u>	<u>Factor</u>
0-BR	0.5
1-BR	0.7
2-BR	0.9
3-BR	1.1
4-BR	1.4
5-BR	1.6

Example: Natural gas heating cost for average sized unit is \$18.00 per month. The allowance for a 4-bedroom unit will be $1.4 \times \$18.00 = \25.00 (rounded to nearest dollar).

Air Conditioning: Allowances for air conditioning must be established only for communities where the majority of units in the market provide centrally air conditioned units or appropriate wiring for tenant installed A/C units.

Ranges and Refrigerators: Allowances for ranges and refrigerators must be based on the lesser of the cost of leasing or installment purchasing of suitable equipment.

Utility Rate Schedules: The cost of gas and electricity varies according to amounts consumed as shown on the appropriate rate schedules. It is not possible to compute exactly the cost of electricity for any given function without knowing the total electrical usage for a unit. However, because neither the HA or the families know beforehand just what will be the combination of utilities for any unit rented, it will be necessary to approximate the allowances for each function (e.g., heating cooking, etc.) as follows:

For electricity the rates used for lighting, refrigeration and appliances (Table 1, Item I), should be from the top of the rate schedule or the higher unit costs. Allowances for electric cooking, water heating and space heating should be computed from the middle or lower steps in the rate schedules.

Similarly, allowances for gas used for water heating and cooking should be computed using rates from the top of the rate schedule and for heating from the lower steps.

Supporting Documentation: The HA shall maintain with the form HUD-52667 copies of all supporting documentation used in determining the allowances and any revisions. For instance, letters from local utility companies shall be attached plus any worksheets used by the HA in computing allowances. The material should contain, if possible, the quantities of the utilities that are the basis of the dollar allowances (e.g., kilowatt hours per unit. A copy of the utility allowance schedule must be sent to the HUD Field Office.

Table 1

Average Allowances For Tenant Purchased Utilities

Note: The consumption amounts listed below are inexact averages and must be used with caution when establishing allowances for actual projects.

	Monthly Consumption	
	Units	2 1/2-BR (a)
I. Electricity		
a. Lighting and Refrigeration	KWH	250-400 (b)
b. Cooking	KWH	110
c. Domestic Hot Water	KWH	340 (c)
d. Space Heating	KWH	680 (d)
e. Air Conditioning	KWH	180 (e)
II. Natural Gas And Bottle Gas		
a. Cooking	Therms	8
b. Domestic Hot Water	Therms	21 (c)
c. Space Heating	Therms	48 (d)
III. Fuel Oil		
a. Domestic Hot Water	Gals	17 (c)
b. Space Heating	Gals	40 (d)
IV. Water		
a. Domestic Use	Gals	8,000
b. Lawn	Gals	2,000

- (a) Estimated average consumption for a hypothetical 2 1/2 bedroom dwelling unit. All consumptions listed must be adjusted for the size of the dwelling unit. Factors shown under Determining Allowances, subparagraph d, may be used for making the adjustment.
- (b) Consumptions will vary considerably depending on electrical appliances used. Upper limit should be sufficient to provide 85 kilowatt hours for a clothes dryer and 50 kilowatt hours for a frost free refrigerator.
- (c) The temperature of local water supply varies by geographic area and will have considerable impact on energy used to heat domestic water. This estimate is for North Central geographic areas where the average city water temperature is approximately 50° F.
- (d) Consumptions are for housing insulated for the heating system installed. Normally a building designed for electric space heating is better insulated than one designed for gas or oil space heating equipment. Climatic conditions assumed to be 4,000 heating degree days and 0° F outside design temperature. Consumption must be adjusted for the normal heating degree days and the outside design temperature in the given geographic area.
- (e) Consumption estimated for 1,000 degree days cooling. Actual consumption will depend on many variables.

Note: The consumption amounts listed above are inexact averages and must be used with caution when establishing allowances for actual projects.

APPENDIX E

Qualifications of Consultants

PREVIOUS EXPERIENCE IN MARKET AREA

In accordance with TCAC regulations, we have provided details pertaining to our experience within the Subject market. Novogradac has completed approximately eight market studies in Lemoore, all of which have had the same general PMA as the Subject. Similarly, we have completed approximately eight site inspections within this market area.

A general firm resume, along with detailed resumes for the Novogradac staff that prepared this market study are located following.



**NOVOGRADAC
& COMPANY** LLP
CERTIFIED PUBLIC ACCOUNTANTS

Background Information

Novogradac & Company LLP is an accounting and valuation consulting firm that maintains its headquarters in San Francisco, California. NOVOCO has additional offices in Washington, DC; Atlanta, GA; Overland Park, KS; Austin, TX; Dover, OH; Long Beach, CA; Cleveland, OH; and Boston, MA. The headquarters of the valuation and market analysis department is in Washington, DC, with additional valuation staff located in the Austin, Atlanta, Long Beach, and Kansas City offices. The firm works extensively in the affordable housing arena. NOVOCO provides a range of specialized services designed to meet the needs of government agencies, lenders, investors, asset managers, military services, advisors, and developers. These services include an array of valuation consulting services; investment analysis/due diligence support; and litigation support; consulting services include market supply and demand surveys; demographic and income profiles; alternative use and adaptive re-use scenarios, and market share and absorption studies. In addition, NOVOCO provides consulting and valuation services regarding government-owned or government-subsidized real estate, including Military Family Housing, Section 8, Public Housing, and Low-Income Housing Tax Credit ("LIHTC") projects. At NOVOCO, we are experienced in dealing with the myriad of rules, regulations, and procedures that may impact the valuation of real estate assets affected by various government regulations and the vagaries of federal and local bureaucracies. Our national presence and our wealth of experience allow us to be familiar with a variety of senior housing markets, in many different project types. Our wealth of experience encompasses the intricacies of rural, urban, and suburban markets.

Qualifications

The NOVOCO Valuation Group has provided market research and appraisals over 4,000 feasibility/market studies and appraisals across the United States. This ability and experience is a tremendous asset to our clients. Brad Weinberg, the Managing Partner of the Valuation Group, holds both MAI and CCIM designations. H. Blair Kincer is a member of the Appraisal Institute with the MAI designation. In addition, the partners and managers hold current appraiser licenses in over 23 states, and have prepared market studies or appraisals for developments in more than 49 states. NOVOCO has additional staff on hand to provide support and assistance, as needed.

Furthermore, NOVOCO furnishes consulting services for a diverse range of projects, including new construction, acquisition rehabilitation, adaptive re-use of commercial properties, garden-style family projects, single-family rental housing, and housing for the elderly, handicapped, and households affected by HIV. We recognize that the needs of a rental property's specific clientele, as well as the project's ability to meet those needs, are as vital to the success of the project as the current health of any particular rental market.

Novogradac & Co. LLP was recently designated a "Best of the Best" firm by Bowman's Accounting Report for 2004. Bowman's Accounting Report analyzed 327 firms, and only the top 25 achieve the "Best of the Best" status. This honor means that NOVOCO has outperformed other firms in its category, with respect to fiscal measurement and wise management. This is the second time that NOVOCO has been recognized with this designation by Bowman's.

Partners with Novogradac & Company LLP have published numerous affordable housing industry-related articles in national newspapers, as well as in highly regarded trade journals. In addition, the Partners are the authors of the Low-Income Housing Tax Credit Handbook, the nation's leading authoritative guide to affordable housing development. The Partners also write and publish *The Low-Income Housing Tax-Exempt Bond Handbook*; *The Building Owners Income Tax Manual*; *The On-Site Tax-Credit Property Management Guidebook*; *The LIHTC Monthly Report*, a monthly journal offering news, features and commentary on the Low-Income Housing Tax Credit industry; the *Housing Bond Report*, a monthly publication on the Low-Income Housing Tax-Exempt bond industry; and the *Property Compliance Report*, a monthly publication on Low-Income Housing Tax Credit compliance.

Novogradac & Company LLP sponsors affordable housing and real-estate-related workshops at locations all over the country. The conferences attract hundreds of the industry's leading experts and participants nationwide. The firm also conducts workshops and seminars throughout the year on a variety of affordable housing-related subjects. Many of the professionals at Novogradac & Company LLP were formerly associated with international accounting and appraisal firms. This association provides an excellent training and educational opportunity.

Our state-of-the-art website (www.taxcredithousing.com) is a widely used resource for the affordable housing community. In fact, several state housing agencies refer audience members to it, when these agencies conduct industry seminars. The website provides rent and income levels for every community in the United States, as well as links to State Housing Agencies. Visitors can view monthly bond factors and applicable federal rates, as well as learn about recent legislation and industry events.

Many of NOVOCO's projects include public and private partnerships, mixed-use components, demolition and reductions in density, combinations of funding sources, (such as LIHTC with Hope VI), ownership components, new construction, and set-asides for the elderly. We believe that all forms of funding that result in innovative approaches to providing an improved quality of life are important. Additional information and/or sample reports can be provided upon request. NOVOCO's experience includes recent projects that study populations in broad geographic areas and assess the market feasibility of properties.

Capacity and Turnaround Time

Novogradac & Company offers a team of 50 consultants with the experience, capacity, and availability to provide market-consulting services at an economical price. The entire firm, including both the Accounting and the Valuation teams, boasts a staff of more than 300. Our team of analysts has experience ranging from three to twenty-five years, in both market research and appraisals on rental housing. Our firm specializes in affordable housing, and our Partners

each have an average of 15 years' worth of experience. This team is assisted by junior-level analysts and support staff, who possess significant experience and training in affordable rental-housing market study research. We have additional support staff on hand to assist in the general data collection and production of the required deliverables.

Additional Capabilities

As discussed earlier, the firm provides both Accounting and Valuation Services. Not only do we have extensive experience in the affordable housing industry, but we specialize in this market niche.

Another service provided by NOVOCO, which sets us apart from our competitors, is our GIS capability. Novogradac & Company, LLP is a licensed user of the ArcView Business Analyst GIS system. The software allows us to do in-house GIS and data analysis of locations nationwide. By creating custom study areas, NOVOCO can analyze locations by state, metropolitan area, county, zip code, Census tract, and block group, as well as by a specified radius from an identified point or custom-drawn polygon.

Data included in GIS analysis encompasses Census data for 2000, as well as estimated numbers for 2007 and forecasted projections for 2012. The GIS software allows us to find pockets of demand for housing and consumer needs by mapping Census tracts or block groups with low incomes, high renter tenure, large households, or other key demand elements, such as elderly rental population. In addition to the Census data and updates, we can import data about existing housing options to the system, in order to add additional layers of information to our analysis. Moreover, our Microsoft Streets & Trips program affords us significant mapping capabilities.

Our access and experience with this data allows us to perform detailed demographic and economic analyses on any custom-specified area. This is an invaluable asset to our clients, as it helps them understand the market segments they serve.

CURRICULUM VITAE
BRAD E. WEINBERG, MAI, CCIM

I. Education

University of Maryland, Masters of Science in Accounting & Financial Management
University of Maryland, Bachelors of Arts in Community Planning

II. Licensing and Professional Affiliations

MAI Member, Appraisal Institute, No. 10790
Certified Investment Member (CCIM), Commercial Investment Real Estate Institute
Member, Urban Land Institute
Member, National Council of Affordable Housing Market Analysts (NCAHMA)

State of Alabama – Certified General Real Estate Appraiser; No. G00628
Washington, D.C. – Certified General Real Estate Appraiser; No. GA10340
State of Georgia – Certified General Real Property Appraiser; No. 221179
State of Maryland – Certified General Real Estate Appraiser; No. 6048
State of South Carolina – Certified General Real Estate Appraiser; No. 4566

III. Professional Experience

Partner, Novogradac & Company LLP
President, Capital Realty Advisors, Inc.
Vice President, The Community Partners Realty Advisory Services Group, LLC
President, Weinberg Group, Real Estate Valuation & Consulting
Manager, Ernst & Young LLP, Real Estate Valuation Services
Senior Appraiser, Joseph J. Blake and Associates
Senior Analyst, Chevy Chase F.S.B.
Fee Appraiser, Campanella & Company

IV. Professional Training

Appraisal Institute Coursework and Seminars Completed for MAI Designation and Continuing Education Requirements

Commercial Investment Real Estate Institute (CIRED) Coursework and Seminars Completed for CCIM Designation and Continuing Education Requirements

V. Speaking Engagements and Authorship

Numerous speaking engagements at Affordable Housing Conferences throughout the Country

Participated in several industry forums regarding the Military Housing Privatization Initiative

Authored "New Legislation Emphasizes Importance of Market Studies in Allocation Process," *Affordable Housing Finance*, March 2001

VI. Real Estate Assignments

A representative sample of Due Diligence, Consulting or Valuation Engagements includes:

- On a national basis, conduct market studies and appraisals for proposed Low-Income Housing Tax Credit properties. Analysis includes preliminary property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis to determine appropriate cost estimates.
- Developed a Flat Rent Model for the Trenton Housing Authority. Along with teaming partner, Quadel Consulting Corporation, completed a public housing rent comparability study to determine whether the flat rent structure for public housing units is reasonable in comparison to similar, market-rate units. THA also requested a flat rent schedule and system for updating its flat rents. According to 24 CFR 960.253, public housing authorities (PHAs) are required to establish flat rents, in order to provide residents a choice between paying a "flat" rent, or an "income-based" rent. The flat rent is based on the "market rent", defined as the rent charged for a comparable unit in the private, unassisted market at which a PHA could lease the public housing unit after preparation for occupancy. Based upon the data collected, the consultant will develop an appropriate flat rent schedule, complete with supporting documentation outlining the methodology for determining and applying the rents. We developed a system that THA can implement to update the flat rent schedule on an annual basis.
- As part of an Air Force Privatization Support Contractor team (PSC) to assist the Air Force in its privatization efforts. Participation has included developing and analyzing housing privatization concepts, preparing the Request for Proposal (RFP), soliciting industry interest and responses to housing privatization RFP, Evaluating RFP responses, and recommending the private sector entity to the Air Force whose proposal brings best value to the Air Force. Mr. Weinberg has participated on numerous initiatives and was the project manager for Shaw AFB and Lackland AFB Phase II.
- Conducted housing market analyses for the U.S. Army in preparation for the privatization of military housing. This is a teaming effort with Parsons Corporation. These analyses were done for the purpose of determining whether housing deficits or surpluses exist at specific installations. Assignment included local market analysis, consultation with installation housing personnel and local government agencies, rent surveys, housing data collection, and analysis, and the preparation of final reports.
- Developed a model for the Highland Company and the Department of the Navy to test feasibility of developing bachelor quarters using public-private partnerships. The model was developed to test various levels of government and private sector participation and contribution. The model was used in conjunction with the market analysis of two test sites to determine the versatility of the proposed development model. The analysis included an analysis of development costs associated with both MILCON and private sector standards as well as the potential market appeal of the MILSPECS to potential private sector occupants.

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
RACHEL BARNES DENTON**

STATE CERTIFICATIONS

State of Missouri **Certified General Real Estate Appraiser** No. 2007035992
State of California **Certified General Real Estate Appraiser** No. AG044228
State of Oregon **Certified General Real Estate Appraiser** No. C000951
State of Kansas **Certified General Real Estate Appraiser** No. G-2501

EDUCATION

Cornell University, School of Architecture, Art & Planning, **Bachelor of Science in City & Regional Planning**, 2003.

Educational requirements successfully completed for the Appraisal Institute:

- Appraisal Principals, September 2004
- Basic Income Capitalization, April 2005
- Uniform Standards of Professional Appraisal Practice, November 2005
- Advanced Income Capitalization, August 2006
- General Market Analysis and Highest & Best Use, July 2008
- Advanced Applications, June 2009

EXPERIENCE

Novogradac & Company LLP, Manager, 11/2007-present
Novogradac & Company LLP, Senior Real Estate Analyst, 6/2003-11/2007

REPRESENTATIVE SAMPLE OF ENGAGEMENTS

- Conducted appraisals of proposed new construction, rehab and existing Low-Income Housing Tax Credit properties, Section 8 Mark-to-Market properties, HUD MAP Section 221D4 properties, USDA Rural Development, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Additional appraisal assignments completed include commercial land valuation, industrial properties for estate purposes, office buildings for governmental agencies, and leasehold interest valuation.
- Conducted market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition with rehabilitation, historic rehabilitation, adaptive reuse, and single family developments.
- Prepared HUD Mark-to-Market rent comparability studies for Section 8 multifamily developments.
- Prepared market studies and appraisals for the HUD MAP program, in accordance with Chapter 7 of the HUD MAP Guide.
- Completed Market Feasibility Studies for Proposed Assisted Living Facilities.
- Completed Market Feasibility Studies for Proposed Condominium Developments.
- Conducted Market Conditions and Viability Studies for Existing LIHTC and market rate multifamily communities.
- Conducted a Highest and Best Use Analysis for a proposed two-phase senior residential development.
- Prepared a three-year Asset Management tracking report for a 16-property portfolio in the southern United States.
- States and Territories in which appraiser has completed assignments:

Alabama	Georgia	Kansas	Nevada	Oregon	Wisconsin
Arkansas	Hawaii	Kentucky	New Mexico	South Carolina	Puerto Rico
California	Idaho	Minnesota	North Carolina	Tennessee	
Colorado	Illinois	Missouri	North Dakota	Texas	
Connecticut	Indiana	Montana	Ohio	Virginia	
Florida	Iowa	Nebraska	Oklahoma	Washington	

**STATEMENT OF PROFESSIONAL QUALIFICATIONS
KATHERINE THEIN**

I. EDUCATION

The University of Kansas, Lawrence, KS
Bachelor of Science in Business Administration with an emphasis in Marketing, 2005

II. PROFESSIONAL EXPERIENCE

Novogradac & Company LLP, September 2008-Present
Real Estate Analyst

Novogradac & Company LLP, September 2006- 2008
Research Assistant

III. REAL ESTATE ASSIGNMENTS

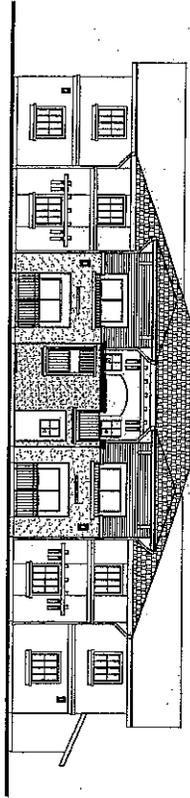
A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Assist with appraisals of proposed new construction, rehab, and existing Low-Income Housing Tax Credit properties, Section 8 Market-to-Market properties, and market rate multifamily developments. Analysis includes property screenings, valuation analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis.
- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market study, supply analysis, and operating expense analysis. Property types include proposed multifamily, senior independent living, large family, acquisition with rehabilitation, historic rehabilitation, adaptive reuse, and single family developments.
- Prepared rent comparable studies for properties encumbered by Section 8 contracts as well as USDA contracts. Research included analysis of comparable properties and market analysis.
- Work assignments completed in various states include:

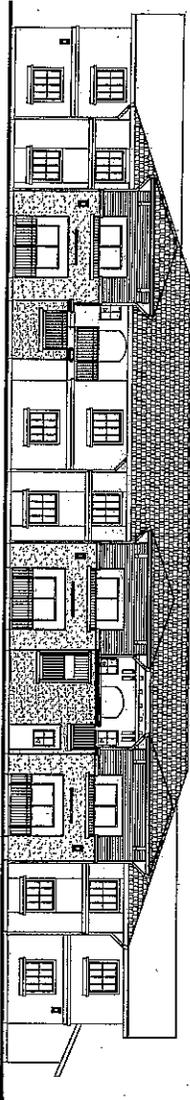
Alaska	Hawaii	Kansas	Ohio
Arkansas	Idaho	Massachusetts	Oklahoma
California	Illinois	Minnesota	Tennessee
Colorado	Indiana	Missouri	Texas
Florida	Iowa	Nebraska	Washington

APPENDIX F

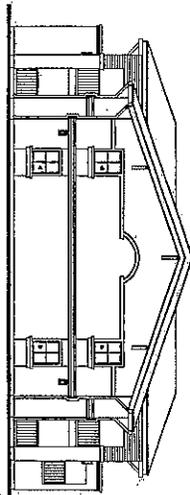
Architectural Drawings



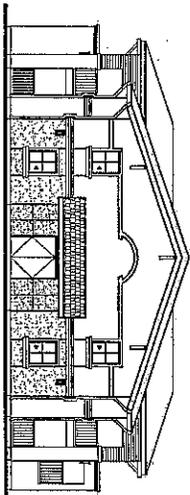
4 FRONT ELEVATION- EIGHT FLEX
Scale: 1/8" = 1'-0"



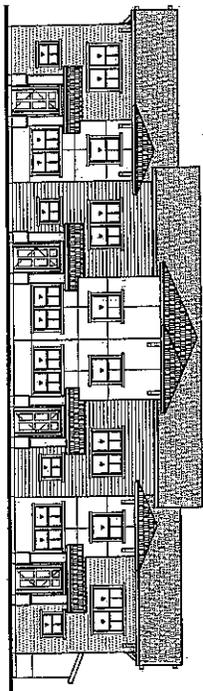
2 FRONT ELEVATION- TWELVE FLEX
Scale: 1/8" = 1'-0"



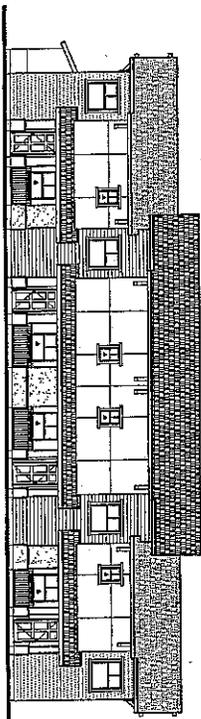
3 SIDE ELEVATION- TWELVE AND EIGHT FLEX
Scale: 1/8" = 1'-0"



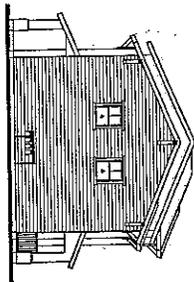
1 SIDE ELEVATION- TWELVE AND EIGHT FLEX
Scale: 1/8" = 1'-0"



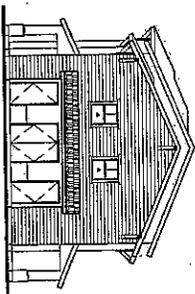
6 FRONT ELEVATION- FOUR PLEX
Scale: 1/8" = 1'-0"



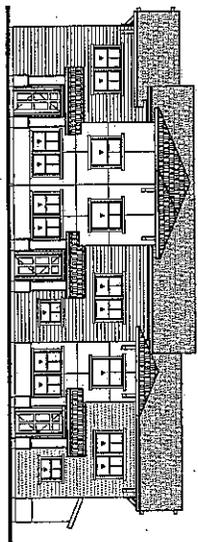
5 REAR ELEVATION- FOUR PLEX
Scale: 1/8" = 1'-0"



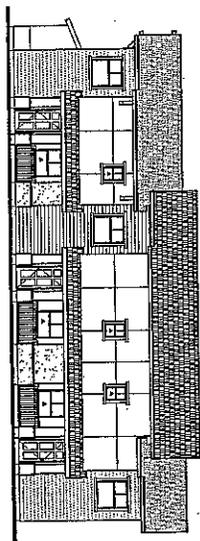
3 SIDE ELEVATION- THREE AND FOUR PLEX
Scale: 1/8" = 1'-0"



2 SIDE ELEVATION- THREE AND FOUR PLEX
Scale: 1/8" = 1'-0"



4 FRONT ELEVATION- THREE PLEX
Scale: 1/8" = 1'-0"



1 REAR ELEVATION- THREE PLEX
Scale: 1/8" = 1'-0"

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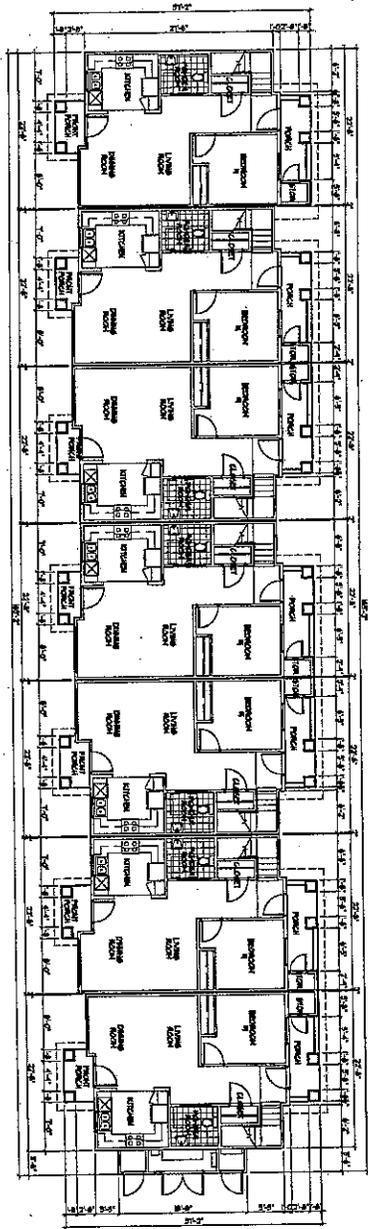
NO.	DESCRIPTION	DATE

PROJECT	CLIENT
Oleander Terrace	
Lemoore, California	
"D" and Smith Street	

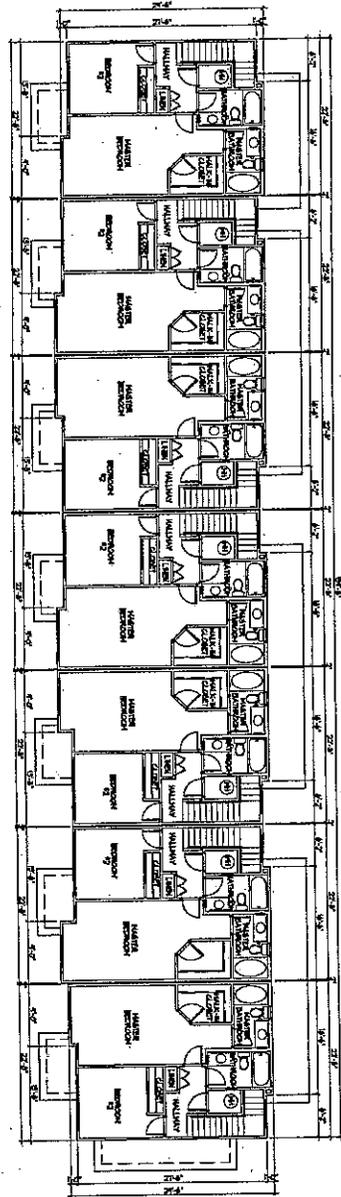
CONSULTANT	DATE

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ARCHITECTURE ▾ PLANNING ▾ INTERIOR DESIGN
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1 800 722 4444 | 949 754 0000 | www.maplema3.com

Sheet: **A3.2**



1. FIRST FLOOR BUILDING PLAN - SEVEN PLEX
 SCALE: 1/8" = 1'-0"
 10/14/2018



2. SECOND FLOOR BUILDING PLAN - SEVEN PLEX
 SCALE: 1/8" = 1'-0"
 10/14/2018

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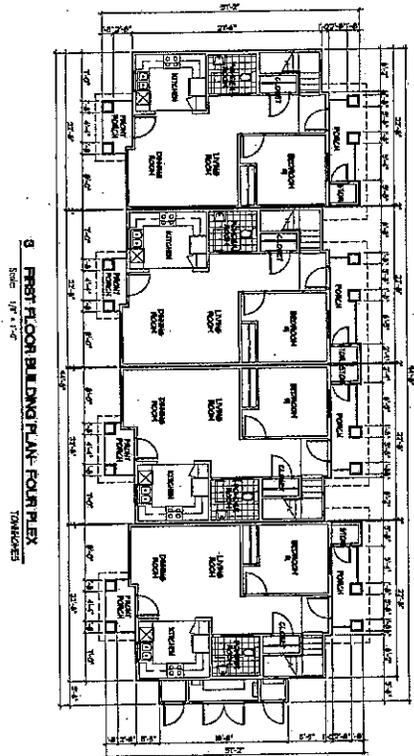
PROJECT	CLIENT	CONSULTANT	STAMP
Oleander Terrace Lemoore, California "D" and Smith Street			

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 ARCHITECTURE • PLANNING • INTERIOR DESIGN
 301 STEVENSON AVENUE, SUITE 200, LEMOORE BEACH, CA 93275
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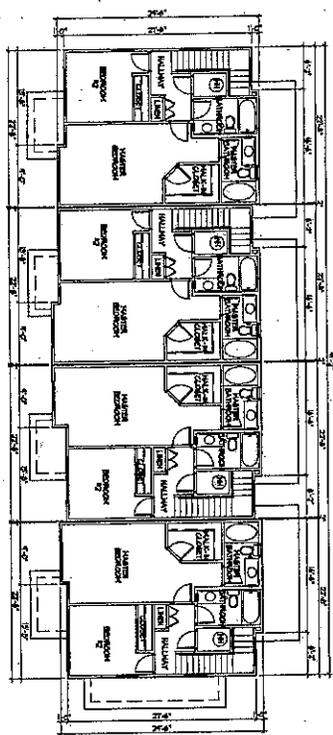
DATE	DESCRIPTION	SCALE

REVISIONS	DATE	BY	DESCRIPTION

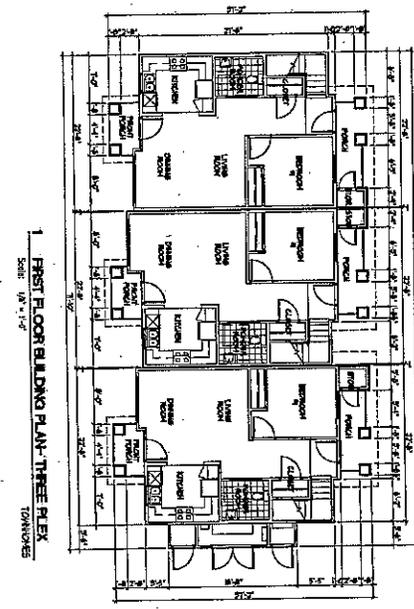
PROJECT	SEVEN PLEX BUILDING
DATE	10/14/2018
SCALE	1/8" = 1'-0"
PROJECT NO.	A2.4



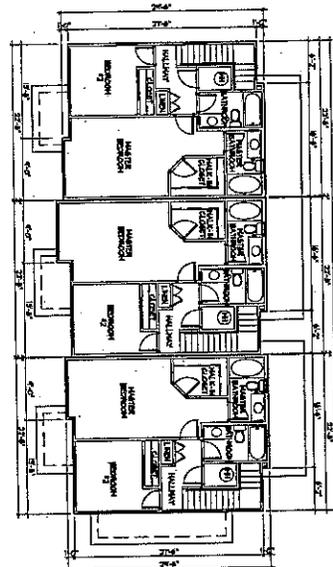
3 FIRST FLOOR BUILDING PLAN-FOUR PLEX
SCALE: 1/8" = 1'-0"



4 SECOND FLOOR BUILDING PLAN-FOUR PLEX
SCALE: 1/8" = 1'-0"



1 FIRST FLOOR BUILDING PLAN-THREE PLEX
SCALE: 1/8" = 1'-0"



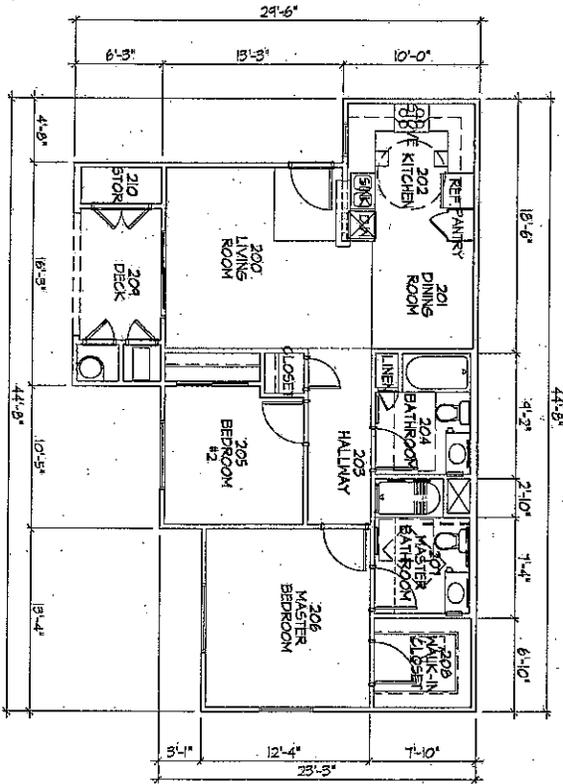
2 SECOND FLOOR BUILDING PLAN-THREE PLEX
SCALE: 1/8" = 1'-0"

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PROJECT	CLIENT	CONSULTANT	STAMP
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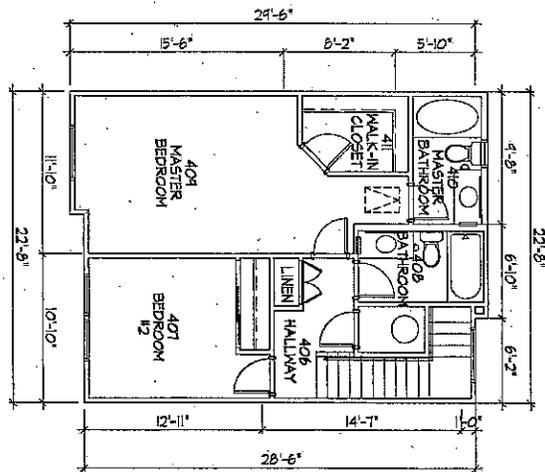
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 ARCHITECTURE ▾ PLANNING ▾ INTERIOR DESIGN
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DATE: 02/11/08
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 SCALE: A2.2



UNIT FLOOR AREA
GROSS AREA 435 SF

9. FLOOR PLAN - 2 BEDROOM - 8 AND 12 FLEX
Scale: 1/8" = 1'-0"



UNIT FLOOR AREA
GROSS AREA 1246 SF

1. FIRST FLOOR PLAN - 3 BEDROOM - 3, 4 AND 7 FLEX
Scale: 1/8" = 1'-0"

2. SECOND FLOOR PLAN - 3 BEDROOM - 3, 4 AND 7 FLEX
Scale: 1/8" = 1'-0"

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<p>PROJECT: Oleander Terrace 10' and Smith Street Lombard, California</p>	<p>CLIENT: _____</p> <p>CONSULTANT: _____</p> <p>DATE: _____</p>
<p>ARCHITECT: Maple M3 Architects ARCHITECTURE ▽ PLANNING ▽ INTERIOR DESIGN 200 STEVENSON AVENUE, SUITE 208, SOMERS BLVD, CA 94707 TEL: 708.294.1834 FAX: 708.294.1834 WWW.MAPLEARCHITECTS.COM</p>	<p>ENLARGED UNIT PLAN SHEET: A4.1</p>

APPENDIX G

Market Study Index



Market Study Index

Market Analysts must provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location and content of issues relevant to the evaluation and analysis of market studies. The page number of each component referenced is noted in the right column. In cases where the item is not relevant, the author has indicated "N/A" or not applicable. Where a conflict with or variation from client standards or client requirements exist, the author has indicated a "V" (variation) with a comment explaining the conflict. More detailed notations or explanations are also acceptable.

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