

Market Feasibility Analysis

Fountain Square Apartments
East Station Street & South East Avenue
Kankakee, Kankakee County, Illinois 60901

Prepared For

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Effective Date

November 20, 2017

Job Reference Number

17-552 JP



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							A				<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 0	EPP0031232	07/01/2016	07/01/2017	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ 1,000,000 \$
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2016-2017 Site and Market Study Summary Form

(Please complete all highlighted (in yellow) sections of this form. Failure to do so will be grounds for automatic denial of your application)

Required Information:	Information Requested on this form:	Mark appropriate box / Include required information:	Other information / Page Number Where information can be found in Site and Market Study:
Name of Development:	Fountain Square Apartments		
Location of the Proposed (City/County):	Kankakee/Kankakee County		
Targeted Tenant Type:	Family Elderly Other	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	If Other please indicate targeted population:
Other affordable units that target the same tenant type in the PMA: (should include IHDA, HUD, Rural Housing, Chicago Tax Credits, etc.)	Number of Units	342	Page number: III-13 & 14
Total Number of other affordable units in the PMA: (should include IHDA, HUD, Rural Housing, Chicago Tax Credits, etc.)	Number of Units	701	Page number: III-13 & 14
Rent Schedule (including unit sizes) for Proposed Development:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: I-1
Occupancy levels for existing affordable properties in PMA:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: III-14
Rent Schedule for Comparable Properties:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: IV-6
Evaluation of the proposed rents to comparable properties in the PMA:	Lower Comparable Higher	<input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>	Evaluation and Explanation found on page: IV-6
Demographic (population) trending for PMA and for targeted tenant population:	Increase Stable Decrease	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	Evaluation and Explanation found on page: III-15 & 16
Demographic (households) trending for PMA and for targeted tenant population:	Increase Stable Decrease	<input type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	Evaluation and Explanation found on page: III-16 & 17
Evaluation of the proposed unit mix to the PMA standard:	Superior Meets Inferior	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Evaluation found on page: IV-6
Evaluation of the proposed unit sizes (sq. ft.) to the PMA standard:	Superior Meets Inferior	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Evaluation found on page: IV-7
List of Proposed Development Amenities:	Included Not Included	<input checked="" type="checkbox"/> <input type="checkbox"/>	Page number: I-2
Evaluation of proposed amenities to PMA standard:	Superior Equal Inferior	<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	Evaluation and Explanation found on page: IV-8 & 9

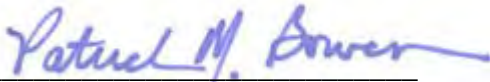
Estimated absorption period:	Units per month	11	Explanation of absorption estimate found on page:
	Number of months	3	
Marketability/Visibility of the Site:	Good	X	Explanation found on page:
	Average		
	Poor		II-1
Affordable units market penetration including the proposed in the PMA (use ALL income qualified households for PMA ONLY):	Rate	2.40%	Page number:
			V-4
Proposed projects' required rate of capture within the PMA (use ALL income qualified households for PMA ONLY):	Rate	0.5% for LIHTC, 0.3% for 80%, 0.1% for market-rate	Page number:
			V-4
Overall Market Demand (the additional number of units needed within the market area to meet demand from targeted populations. The analysis should determine if there is sufficient demand to support the proposed project):	Units needed	837	Page number:
	Sufficient Demand (y/n)?	Y	V-2 & 3
Public Safety Issues (Provide an analysis of public safety issues including information or statistics on crime in the PMA. Address any local perceptions of crime or safety issues in the PMA):	Included	X	Page number:
	Not Included		II-7
List of major employers in PMA (not required of some projects, see requirements):	Included	X	Page number:
	Not Included		III-22
Economic Stability Analysis / Evaluation of PMA employment (not required of some projects, see requirements):	Growth	X	Analysis found on page:
	Stability		
	Decline		III-27

Market Study Certification

This certifies that Jeff Peters, an employee of Bowen National Research, personally made an inspection of the area including competing properties and the proposed site in Kankakee, Illinois. Further, the information contained in this report is true and accurate as of November 20, 2017.

Bowen National Research is a disinterested third party without any current or future financial interest in the project under consideration. We have received a fee for the preparation of the market study. However, no contingency fees exist between our firm and the client.

Certified:



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Table Of Contents

Introduction	
Executive Summary	
I. Proposed Development	
II. Field Observations	
III. Market Area Characteristics	
IV. Housing Market Characteristics	
V. Affordability/Demand	
VI. Impact on Other Housing and Market-Rate Housing	
VII. Conclusions and Recommendations	
Addendum A – Field Survey of Conventional Rentals	
Addendum B – Site Photographs	
Addendum C – Qualifications	
Addendum D – NCHMA Checklist	
Addendum E – Achievable Market Rent	

Introduction

A. PURPOSE

The purpose of this report is to evaluate the market feasibility of Fountain Square Apartments, a proposed new construction Low-Income Housing Tax Credit (LIHTC) and market-rate family apartment project to be developed in Kankakee, Illinois. Ms. Amy Clark of Economic Growth Corporation initiated this study. This study complies with the guidelines of the Illinois Housing Development Authority (IHDA) and is in conformance with the standards adopted by the National Council of Housing Market Analysts (NCHMA).

These standards include the standard definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. These standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and end users.

B. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area generated for the proposed site is identified. The PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. PMAs are not defined by a radius. The use of a radius is an ineffective approach, because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods, or physical landmarks that might impede development.

PMAs are established using a variety of factors including, but not limited to:

- A detailed demographic and socioeconomic evaluation
- Interviews with area planners, realtors, and other individuals who are familiar with area growth patterns
- A drive-time analysis to the site
- Personal observations of the field analyst
- An evaluation of existing housing supply characteristics and trends

- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels, and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the proposed property. Given the complexity of the LIHTC market, there may be multiple comparable properties.
- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to the proposed development. An in-depth evaluation of those two property types provides an indication of the potential of the proposed development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics, and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the proposed project opens and achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, timing of the project, and its impact on the market and the proposed development.
- We conduct an analysis of the proposed project's required capture of the number of income-appropriate households within the PMA. This analysis is conducted on a household level (renter and/or owner) and a market capture rate is determined for the proposed development. This capture rate is compared with acceptable market capture rates for similar types of projects to determine whether the proposed development's capture rate is achievable. In addition, Bowen National Research also conducts a comparison of all existing and planned affordable housing within the market to the number of income-appropriate households. The resulting penetration rate is evaluated in conjunction with the project's capture rate.
- A determination of comparable market rent(s) for the proposed subject development is conducted. Using a Rent Comparability Grid, the features of the proposed development are compared item by item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in a comparable market rent for a unit comparable to the proposed unit.

C. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; however, Bowen National Research makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, unbiased professional analyses, opinions, and conclusions. We have no present or prospective interest in the property that is the subject of this report and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, or conclusions in, or the use of, this study.

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D. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- ESRI
- Urban Decision Group (UDG)
- Applied Geographic Solutions
- Area Chamber of Commerce
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local Housing Authority representatives
- American Community Survey (ACS)

Executive Summary

This report evaluates the market feasibility of the proposed 34-unit Fountain Square rental community to operate as a Low-Income Housing Tax Credit (LIHTC) project in Kankakee, Illinois. Based on the findings contained in this report, it is our opinion that a market exists for the proposed subject development, assuming it is constructed and operated as outlined in this report. The proposed bedroom types (one- and two-bedroom) are considered appropriate for the market, and the number of each unit type offered is supportable within the Kankakee Site PMA based on the findings of our report.

The following is a summary of key findings from our report:

Project Concept

The subject project involves the new construction of the 34-unit Fountain Square Apartments rental community to be located at the northeast quadrant of the intersection of East Station Street and South East Avenue in Kankakee, Kankakee County, Illinois. The project will offer 17 one-bedroom and eight (8) two-bedroom garden-style units, as well as nine (9) two-bedroom, two-story, loft units within one (1), three-story, elevator-served residential building with integrated community spaces. Note that the first floor of the proposed development will consist of a parking garage. Fountain Square Apartments will be a mixed-income property partially developed under the Low-Income Housing Tax Credit (LIHTC) program with nine (9) one-bedroom units targeting lower-income family households earning up to 60% of Area Median Household Income (AMHI). Eight (8) one-bedroom units will target households earning up to 80% of AMHI, and all 17 two-bedroom units will operate as unrestricted market-rate. The proposed collected rents range from \$590 to \$1,300, depending upon unit size and targeted income level. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by February 2019.

Additional details of the subject project are included in Section I - *Project Summary Information*, of this report.

Site Evaluation

The proposed subject site is situated within a desirable portion of town, with surrounding land uses primarily consisting of downtown businesses and surface parking lots. Note that the structures within the site neighborhood are in fair to good condition. Many area community services are located within walking distance of the subject site, primarily due to its proximity to downtown Kankakee. In addition, services located farther away can conveniently be accessed via River Valley Metro, with numerous bus stops within walking distance of the subject site and various bus routes can be utilized from the bus stops and transfer center near the subject site. The proximity to bus routes positively impacts the marketability of the proposed subject site, as low-income families can conveniently access the local community services that are not within walking distance. Access of the proposed subject site is considered good, as surrounding roadways are lightly traveled with no

expected traffic disruptions upon ingress and egress. Visibility is also considered good within the immediate area, as there will be unobstructed views of the proposed subject site in all directions except the east, due to the adjacent businesses. Although there is an Amtrak train station located 0.2 miles west of the site, this is not expected to adversely impact the marketability of the subject project, as there are various railroad tracks throughout Kankakee and area residents are likely accustomed to the minor disruption of train activity throughout the area. Note that there are two full-service hospitals within 1.0 mile of the proposed subject site, Presence St. Mary's Hospital and Riverside Medical Center. Overall, the proposed subject site's location, convenient accessibility and proximity to area services are expected to contribute to its marketability.

Primary Market Area

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to originate. The Kankakee Site PMA includes the communities of Kankakee, Bradley, Sun River Terrace, Bourbonnais, Limestone and Manteno, as well as the surrounding unincorporated areas of Kankakee County. The boundaries of the Site PMA include the Kankakee County border, East 6000N Road and West 9000N Road to the north; North County Highway 51, State Route 17, East 1000S Road and the Momence town limits to the east; East 3000S Road and the Iroquois River to the south; and South 7000W Road and Warner Bridge Road to the west.

A map delineating the boundaries of the Site PMA is included on page III-3.

Demographics

Overall, population and household trends within the Kankakee Site PMA have experienced declines since 2010. These trends are projected to decline through 2022, decreasing by 2,389 (-2.6%) and 829 (-2.4%), respectively, from 2017. Notably, the estimated 12,030 renter households in 2017 represent a good base of potential support in the market for the proposed subject development. Further, the subject site will be able to accommodate more than 62.0% of all households within the Site PMA, based on size, as it will offer one- and two-bedroom units. Additionally, it is projected that nearly 52% of all renter households will earn an annual income below \$35,000 in 2022. The preceding trends are indicative of the increasing need for affordable housing within the market.

Additional demographic information is included in Section III - *Market Area Characteristics*, beginning on page 15.

Economy

According to a representative with the Economic Alliance of Kankakee County and data provided by the U.S. Department of Labor and Bureau of Labor Statistics, the Kankakee County economy continues to improve. Although the county experienced a significant downturn between 2007 and 2009, similar to trends experienced by much of the country during the national recession, the county's employment base has increased by more than

2,200 jobs, or 4.6%, since 2009. Similarly, the unemployment rate within the county has generally decreased during the same time frame and is currently at a ten-year low of 5.7% (through September). Based on these recent trends, it is anticipated that Kankakee County will continue to experience steady economic growth for the foreseeable future, which will continue to create a stable environment for housing.

Additional economic information is included in Section III - *Market Area Characteristics*, beginning on page 20.

Rental Housing Overview

We identified and personally surveyed 21 conventional housing projects containing a total of 1,022 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.9%, an excellent rate for rental housing. Each rental housing segment is summarized as follows:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	12	337	15	95.5%
Market-rate/Tax Credit	1	25	0	100.0%
Market-rate/Government-Subsidized	1	133	6	95.5%
Tax Credit	3	175	0	100.0%
Tax Credit/Government-Subsidized	1	128	0	100.0%
Government-Subsidized	3	224	0	100.0%
Total	21	1,022	21	97.9%

As the preceding table illustrates, all surveyed rental housing developments broken out by project type are performing well, as none are below 95.5%. In fact, all Tax Credit rental communities surveyed in the market are 100.0% occupied, most of which maintain wait lists, illustrating that pent-up demand exists for additional low-income rental housing.

Comparable Tax Credit Housing Supply

We identified and surveyed four properties within the Kankakee Site PMA that offer non-subsidized Low-Income Housing Tax Credit (LIHTC) units. However, two of these properties are age-restricted and thus target a different population than the subject development. The remaining two properties target families earning up to 60% of AMHI, similar to the subject development. Therefore, these properties are considered competitive with the proposed development. These two LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in Addendum A, *Field Survey of Conventional Rentals*.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Fountain Square Apartments	2019	9*	-	-	-	Families; 60% AMHI
5	Glen Apts.	2007	44	100.0%	11.2 Miles	50 H.H.	Families; 30%, 40%, 50%, & 60% AMHI
14	Sun River Single Family Housing	2007	21*	100.0%	7.1 Miles	10 H.H.	Families; 30%, 40%, 50%, & 60% AMHI

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

The two LIHTC projects have a combined occupancy rate of 100.0% and both properties maintain a waiting list for their next available units, the longest of which contains 50 households. This is a clear indication of pent-up demand for general-occupancy LIHTC product such as that proposed at the subject site. The subject project will help alleviate a portion of this pent-up demand.

The gross rents for the competing projects and the proposed rents at the subject site, as well as their rent per square foot, unit mixes and vacancies by bedroom are listed in the following table:

		Gross Rent/Per Sq. Ft. - Percent of AHMI (Number of Units/Vacancies)		
Map I.D.	Project Name	One-Br.	Two-Br.	Three-Br.
Site	Fountain Square Apartments	\$677/\$0.75-60% (9)	-	-
5	Glen Apts.	\$444/\$0.63-30% (3/0) \$567/\$0.81-50% (5/0) \$569/\$0.81-60% (4/0)	\$531/\$0.61-40% (4/0) \$678/\$0.84-50% (3/0) \$766/\$0.95-60% (16/0)	\$609/\$0.58-40% (2/0) \$779/\$0.74-50% (2/0) \$949/\$0.90-60% (5/0)
14	Sun River Single Family Housing	-	-	\$585/\$0.49-30% (2/0) \$757/\$0.63-40% (3/0) \$927/\$0.77-50% (5/0) \$1,099/\$0.92-60% (11/0)

The proposed subject gross rent of \$677 (\$0.75 per square foot), will be the highest gross LIHTC rent in the market among properties targeting similar unit types and income levels. However, given that all comparable Tax Credit developments within the Site PMA are 100.0% occupied and maintain waiting lists, it is likely that these properties could charge higher rents without having an adverse impact on their occupancy levels. Further, the subject development will be 12 years newer than the comparable general-occupancy LIHTC projects in the market, offering the largest unit sizes (square feet) and a superior amenities package (illustrated later in this report), which will further enable the subject project to charge higher rents within the market. Overall, we believe the proposed subject rent is appropriate for the Kankakee Site PMA.

Comparable Tax Credit Summary

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing comparable properties within the market, it is our opinion that the proposed development will be very competitive. Although the proposed subject rent will be the highest LIHTC rent within the market among similar unit types targeting similar income levels, it will be the newest project in the Kankakee Site PMA, offering a superior amenities package and larger unit sizes (square feet). Combined with the fact that all comparable LIHTC projects are 100% occupied with waiting lists, it is likely that the subject project can charge rent premiums without impacting its ability to successfully operate as a LIHTC rental community. This has been considered in our absorption estimates.

An in-depth analysis of the Kankakee rental market, as well as the comparable market-rate and LIHTC properties, is included in Section IV - *Housing Market Characteristics* of this report.

Market-Rent Advantage

Based on Rent Comparability Grids, it was determined that achievable market rents for units similar to the subject development are \$945 for a one-bedroom unit and \$1,135 to \$1,180 for a two-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rents for selected units:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$590 (60%) \$850 (80%)	\$945	37.6% 10.1%
Two-Bedroom (900 square feet)	\$1,200 (MR)	\$1,135	-5.7%
Two-Bedroom (1,050 square feet)	\$1,300 (MR)	\$1,180	-10.2%

MR – Market-rate

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have a sufficient flow of tenants. As such, the subject's Tax Credit units will likely be perceived as a significant value, as they represent a market rent advantage of 37.6%. The subject's 80% units and market-rate units represent market rent advantages ranging between -10.2% and 10.1%. Ideally, market-rate units should be positioned within 5.0% of achievable market rents. However, the lack of available market-rate units within Kankakee, as well as the limited supply of newer market-rate properties likely will allow the subject to achieve higher market-rents. In addition, the subject's newness and proximity to downtown services, features which are typically attractive to market-rate renters, will likely allow the subject to achieve rent premiums. These slightly higher market-rate rents have been considered in our absorption projections.

Capture Rate Estimates

Assuming the project is complete in 2019, the following table illustrates the amount of size- and income-qualified households that are anticipated to be within the PMA at that time. Our capture rate calculations follow:

	Percent of Median Household Income		
	60% (\$23,211 - \$31,080)	80% (\$32,571 - \$46,600)	Market-Rate (\$46,601+)
Number of Proposed Units	9	8	17
*Size- & Income-Eligible Households 2019	1,721	2,851	13,831
Capture Rate	0.5%	0.3%	0.1%

*Only one- and two-person households considered in this analysis

As the preceding illustrates, the capture rates by targeted AMHI level range from 0.1% to 0.5%. These capture rates are considered very low and easily achievable within the Kankakee Site PMA and demonstrate a deep base of potential size- and income-appropriate support for the subject development. This is especially true when considering the lack of general-occupancy Tax Credit product in the Site PMA, which will likely allow the proposed subject project to capture a larger than typical share of the income-qualified applicants. It is also of note that the capture rates for the subject project are well below the typical IHDA threshold of 5.0% for family projects.

Penetration Rate Calculations

The 330 existing (surveyed and unsurveyed) affordable general-occupancy units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned affordable general-occupancy units is \$0 to \$41,940. Note that because the subject development will target families, we have excluded the affordable age-restricted units in the market. As such, the following analysis only includes households under the age of 55. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be an estimated 13,755 households with eligible incomes. The 330 existing and proposed affordable general-occupancy units represent a penetration rate of 2.4% of the 13,755 income-eligible households, which is summarized on the following table.

	Market Penetration
Number of comparable affordable units (Proposed and Existing)	330
Age- & Income-Eligible Households – 2019	/ 13,755
Overall Market Penetration Rate	= 2.4%

It is our opinion that the 2.4% penetration rate for the affordable general-occupancy units, both existing and proposed, is achievable. Also note that the 2.4% penetration rate is well below the typical IHDA threshold of 25.0%.

Absorption Estimates

Considering the facts contained in this market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the 34 proposed units at the subject site will reach a stabilized occupancy of 95.0% within three months of opening. This absorption period is based on an absorption rate of approximately 11 units per month, and assumes the nine (9) LIHTC units will lease up within one month, while the 25 market-rate units will lease up within three months.

These absorption projections assume a 2019 opening date. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

Additional information regarding capture and penetration rates, as well as our absorption projections is included in Section V - *Affordability Demand* of this report.

I. Project Summary Information

A. DEVELOPER INFORMATION

Economic Growth Corporation
100 19th Street, Suite 109
Rock Island, Illinois 61201

B. PROJECT DESCRIPTION

The subject project involves the new construction of the 34-unit Fountain Square Apartments rental community to be located at the northeast quadrant of the intersection of East Station Street and South East Avenue in Kankakee, Kankakee County, Illinois. The project will offer 17 one-bedroom and eight (8) two-bedroom garden-style units, as well as nine (9) two-bedroom, two-story, loft units within one (1), three-story, elevator-served residential building with integrated community spaces. Note that the first floor of the proposed development will consist of a parking garage. Fountain Square Apartments will be a mixed-income property partially developed under the Low-Income Housing Tax Credit (LIHTC) program with nine (9) one-bedroom units targeting lower-income family households earning up to 60% of Area Median Household Income (AMHI). Eight (8) one-bedroom units will target households earning up to 80% of AMHI, and all 17 two-bedroom units will operate as unrestricted market-rate. The proposed collected rents range from \$590 to \$1,300, depending upon unit size and targeted income level. None of the units within the subject development will receive project-based rental assistance. The proposed project is expected to be complete by February 2019. Additional details of the subject project are as follows:

Total Units	Bedroom Type	Baths	Style	Square Feet	% AMHI	Proposed Rents			Max. Allowable LIHTC Gross Rent
						Collected Rent	Utility Allowance	Gross Rent	
9	One-Br.	1.0	Garden	900	60%	\$590	\$87	\$677	\$728
8	One-Br.	1.0	Garden	900	80%	\$850	\$100	\$950	\$1,034
8	Two-Br.	2.0	Garden	900	MR	\$1,200	\$0	\$1,200	-
9	Two-Br.	2.0	2-Story Loft	1,050	MR	\$1,300	\$0	\$1,300	-
34	Total								

Source: Economic Growth Corporation

AMHI – Area Median Household Income (Kankakee, IL MSA; 2017)

The one-bedroom income-restricted units will include the cost of cold water, sewer and trash collection in the rent, while tenants will be responsible for the cost of gas heat, gas water heat and electric cooking. Tenants of the two-bedroom market-rate units will be responsible for the cost of all utilities.

C. LOCATION

The proposed site is located at the intersection of East Station Street and South East Avenue in the central portion of Kankakee. Located within Kankakee County, the subject site is approximately 60.0 miles south of Chicago, Illinois and approximately 78.0 miles north of Champaign, Illinois. Details of the site and its surrounding neighborhood are provided in Section II of this report.

D. SITE DESCRIPTION

The subject site comprises approximately 0.7 acres, which consists of a portion of an existing surface parking lot located in the northeast quadrant of the intersection of East Station Street and South East Avenue. The subject site is rectangular in shape and will comprise one (1) three-story elevator-equipped residential building upon completion. Although many of the surrounding land uses are not comprised of residential dwellings, the proposed subject development is expected to fit well within the site neighborhood, as the proximity to area community services will contribute to the marketability of the subject project. Surrounding land uses include an automobile parts supplier, restaurants, surface parking lots, a train station and undeveloped land. The subject design is also considered conducive to affordable rental housing and is expected to be well-received by Kankakee residents.

E. UNIT AMENITIES

Each unit will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Washer/Dryer Appliances
- Central Air Conditioning
- Carpet
- Window Blinds
- Patio/Balcony
- Ceiling Fan
- Intercom

F. COMMUNITY AMENITIES

The subject property will include the following community features:

- Elevator
- Storage Units (\$10/month)
- Key Fob Access
- Parking Garage

G. CONSTRUCTION/REHAB

The subject project involves the new construction of a three-story, elevator-served building on a 0.7-acre parcel that is currently a parking lot. Each unit will include a balcony. The building will consist of wood framing construction over a concrete foundation. The construction and building materials appear appropriate for the proposed subject development.

H. PARKING

The subject site will include 44 parking spaces within a ground-floor parking garage and 10 surface parking lot spaces, all at no additional cost to the residents. This equates to approximately 1.3 parking spaces per unit, which is considered appropriate for low-income rental housing.

I. DENSITY

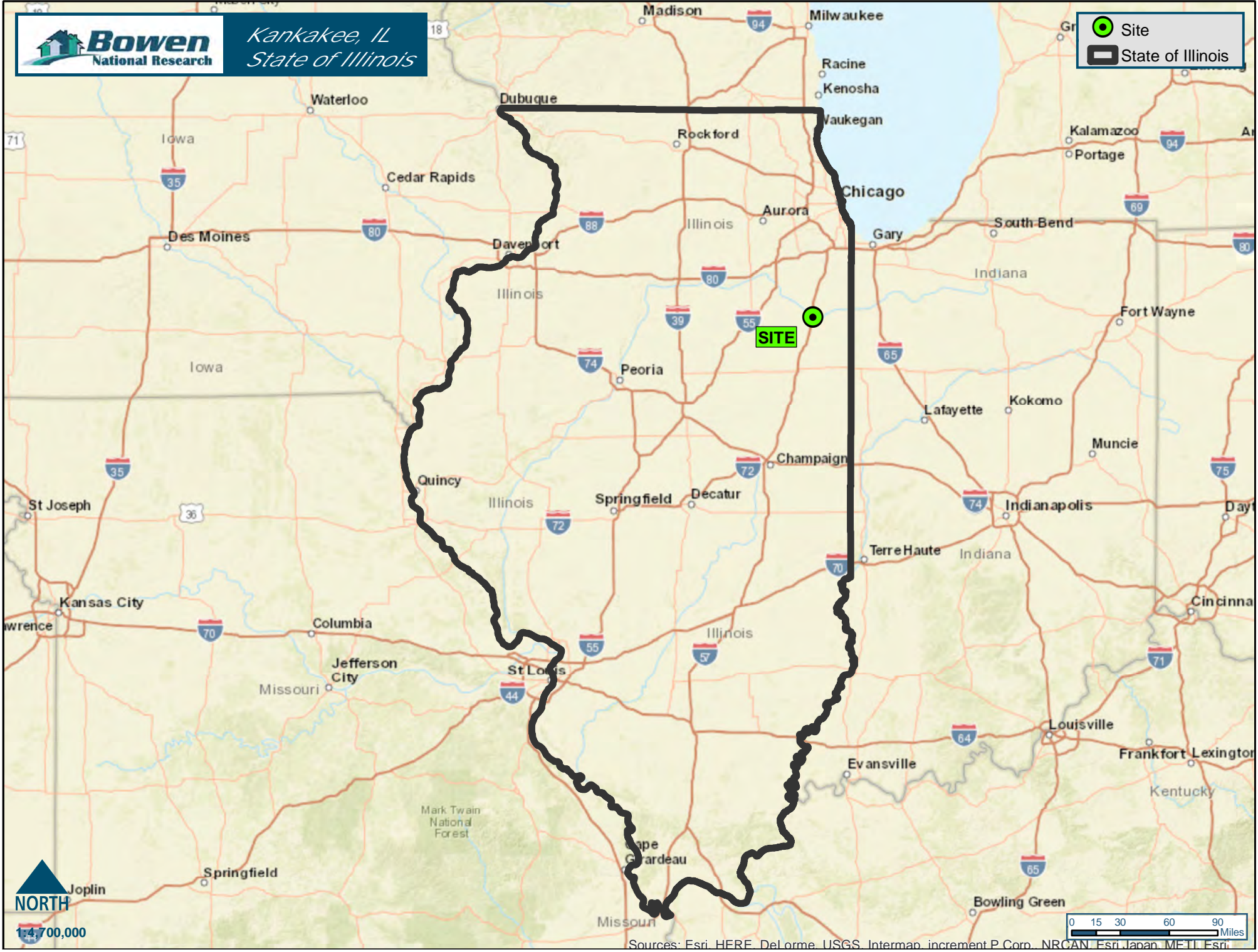
The subject project will offer a total of 34 units on an approximate 0.7-acre site. This equates to approximately 48 units per acre. Given the proposed project's three-story design, this density appears to be appropriate for the area.

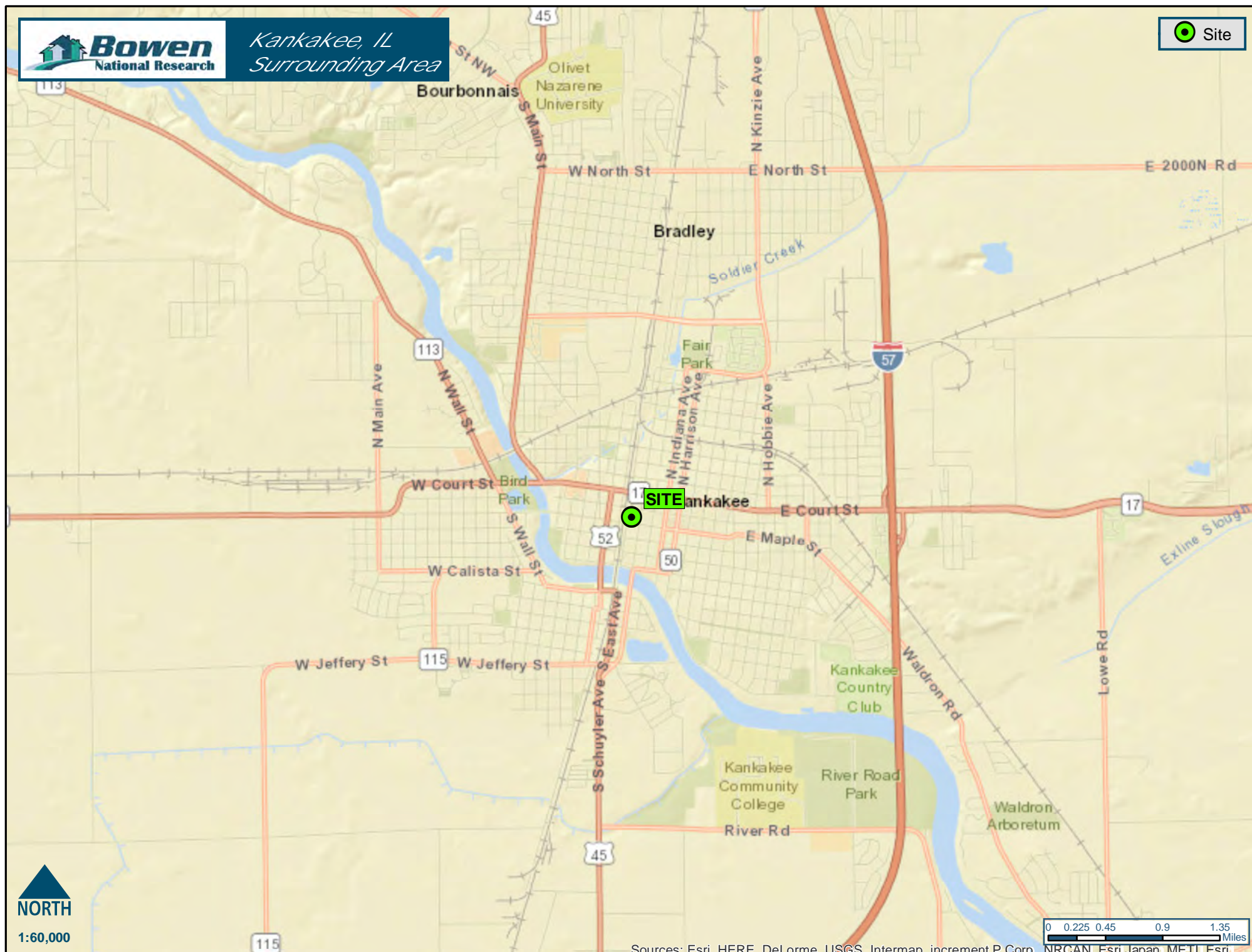
J. TENANT DISPLACEMENT (for Acquisition/Rehab Projects Only)

Not Applicable; New Construction

K. STATISTICAL AREA: Kankakee, IL MSA (2017)

A state map, an area map and a site neighborhood map are on the following pages.







Kankakee, IL
Site Neighborhood

Legend
Site Area



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES, 0.0125 0.025 0.05 0.075
AeroGRID, IGN, and the GIS User Community Miles

II. Field Observations

The proposed subject site is located in the northeast quadrant of the intersection of East Station Street and South East Avenue, in the central portion of Kankakee, Illinois. Located within Kankakee County, Kankakee is approximately 60.0 miles south of Chicago, Illinois and approximately 78.0 miles north of Champaign, Illinois. The subject site visit and corresponding fieldwork were completed during the week of November 6, 2017.

A. ACCESS TO SITE

Access to the proposed subject site is considered good, as the site is conveniently accessible from both South East Avenue and East Station Street, which border the site to the west and south, respectively. Both of the aforementioned two-lane roadways were observed to experience light vehicular traffic, which allows for unimpeded ingress and egress. Note that there is a train station situated 0.1 miles west of the subject site and the frequency of trains at this station could limit the accessibility of the subject. Regardless, the accessibility of the site is typically considered convenient. In addition, River Valley Metro provides affordable fixed-route public transportation in the area and various bus stops are located within walking distance of the subject site, some of which are situated along Court Street, Schuyler Avenue and Washington Avenue. Nearly all of the bus routes offered by River Valley Metro are serviced by the bus stops in the site area and there is a transfer center located at the intersection of Chestnut Street and Schuyler Avenue. The site's proximity to this transfer center greatly enhances accessibility of the subject site as the public transportation routes offered provide access throughout most of Kankakee, as well as surrounding communities.

B. SITE MARKETABILITY (VISIBILITY)

Visibility of the proposed subject site is good, as there are clear views of the site from both South East Avenue and East Station Street, which border the site to the west and south, respectively. Although both of these surrounding roadways are generally lightly traveled, the proximity to area businesses will likely enhance the marketability of the subject development. In addition, the subject's proximity to numerous public bus stops and an Amtrak station will also likely enhance visibility of the subject, as the subject property will likely be at least partially visible from these nearby bus stops and from riders utilizing the nearby bus routes. Promotional signage placed near a roadway with higher traffic patterns, such as Court Street, will increase the visibility of the site, however, the subject's visibility as proposed is considered good.

C. ADJACENT LAND USES

The subject site is located within an established portion of downtown Kankakee. Surrounding land uses include an automobile parts supplier, restaurants, offices, undeveloped land and surface parking lots. Adjacent land uses are detailed as follows.

North -	The northern boundary is defined by a surface parking lot and a fountain, which is followed by two additional surface parking lots. Extending north is Court Street, a four-lane divided roadway with moderate traffic patterns. Local government offices extend north.
East -	The eastern boundary is defined by an unnamed alley, which buffers the subject site from area businesses such as Napa Auto Parts, Grapes and Hops, Love Christian Center and Standard Title Guaranty. Restaurants, financial institutions and various additional businesses extend east into downtown Kankakee.
South -	East Station Street, a lightly traveled two-lane roadway, borders the site to the south. A surface parking lot and a storage facility extend south. Additional small businesses extend south, including a locksmith and vacant retail space.
West -	South East Avenue, a lightly traveled two-lane roadway, borders the site to the west. This aforementioned roadway terminates near the site's location and primarily provides access to the surface parking lot for the nearby Amtrak train station. A set of railroad tracks and light industrial structures extend west.

Although the site neighborhood is not comprised of residential uses, the subject site is conducive to multifamily housing, as the site is within walking distance of numerous area community services. In addition, all of the structures within the immediate site area are generally well-maintained and in fair to good condition. In addition, the site's proximity to railroad tracks is not expected to adversely impact the marketability of the subject project, as residents of Kankakee are likely accustomed to the trains that typically operate in the area, as there are railroad tracks throughout downtown Kankakee. It is our opinion that the proposed subject site is appropriate for development as proposed.

Photographs of the site can be found in Addendum B of this report.

D. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (Miles)
Major Highways	State Route 17 Interstate 57	0.2 North 1.7 East
Public Bus Stop	River Valley Metro River Valley Metro	0.1 East 0.3 North
Major Employers/ Employment Centers	Provena St. Mary's Hospital Shapiro Developmental Center Riverside Health Systems	0.4 Northwest 0.9 South 1.0 West
Convenience Store	Circle K Gas & Snacks 66 Shell Marathon	0.3 South 0.6 Southeast 0.6 West 1.5 East
Grocery	Jewel-Osco Aldi East Court Grocery/Deli	0.2 South 0.2 East 1.4 East
Discount Department Store	Dollar General Family Dollar Store Family Dollar Store	0.2 South 1.0 East 1.4 Northwest
Shopping Center/Mall	Meadowview Shopping Center	1.6 Northwest
Schools: Elementary Middle/Junior High High	Steuben Elementary School King Middle School Kankakee High School	1.0 East 1.3 East 1.7 Southwest
Hospital	Presence St. Mary's Hospital Riverside Medical Center	0.4 Northwest 1.0 West
Police	Kankakee Police Department	0.6 Northeast
Fire	Kankakee Fire Department	0.6 Northeast
Post Office	U.S. Post Office	0.6 East
Bank	Midland States Bank Homestar Bank & Financial Services PNC Bank	0.2 East 0.2 East 0.4 Northeast
Recreational Facilities	Kankakee Community Development Corporation	0.6 East
Gas Station	Shell Gas & Snacks 66 Shell Marathon	0.3 South 0.6 Southeast 0.6 West 1.5 East
Pharmacy	Jaffe Drugs Walgreens CVS Pharmacy Osco Drug	0.2 Northeast 0.2 North 0.2 North 0.2 South
Restaurant	Papi's Pizza Cafe No Dogs Johnny's Pizza	0.1 Southeast 0.2 East 0.2 East
Day Care	River Valley Migrant Asbury Child Care Center Lasting Impressions Child Care	0.5 Northeast 0.5 East 0.7 West
Library	Kankakee County Library	0.3 East

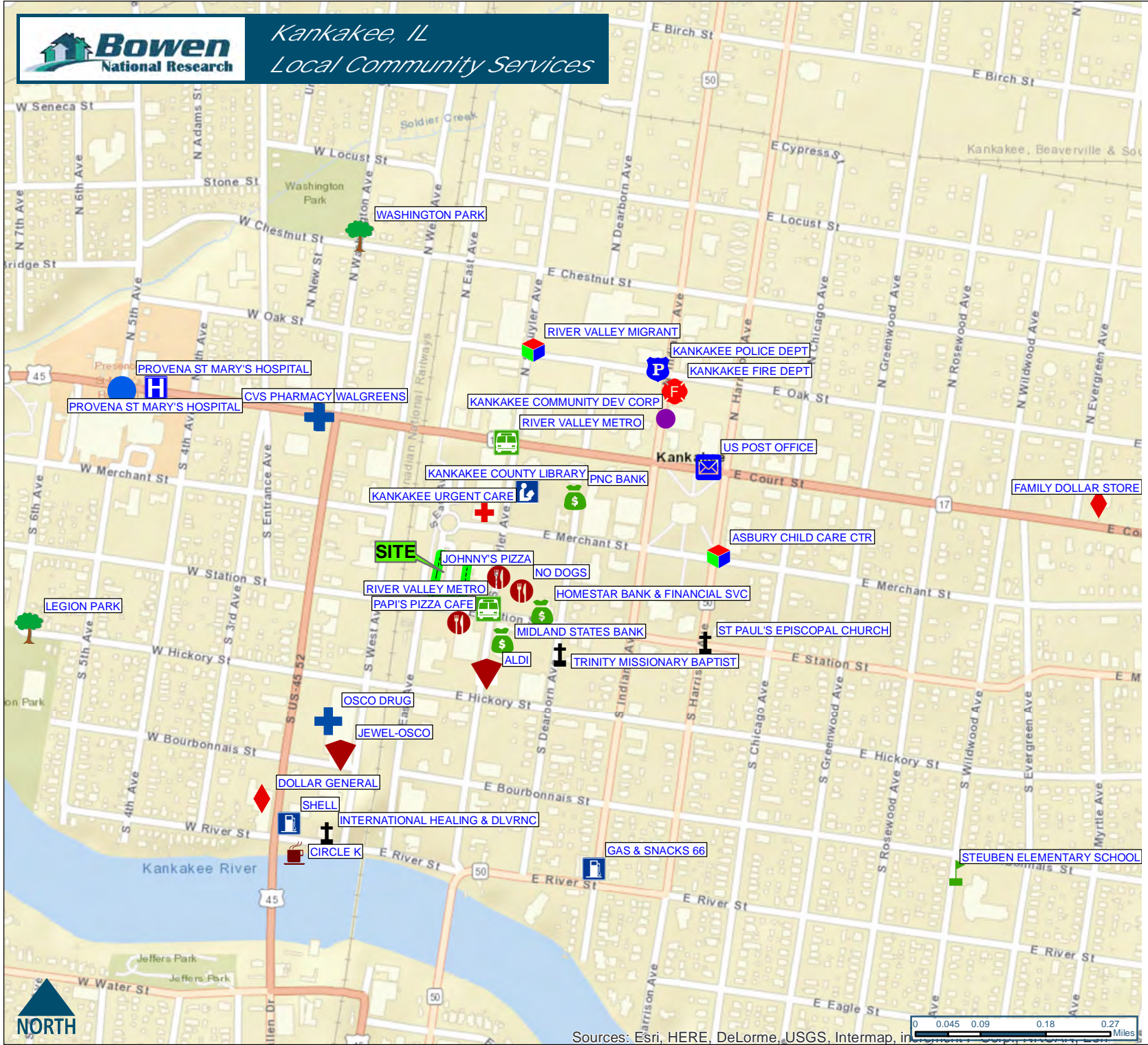
(continued)

Community Services	Name	Driving Distance From Site (Miles)
Park	Legion Park	0.2 Southwest
	Washington Park	0.4 North
	Bird Park	0.5 West
Church	Trinity Missionary Baptist	0.3 East
	International Healing & Deliverance Center	0.3 South
	St Paul's Episcopal Church	0.4 East






















The proposed subject site is situated in the downtown portion of Kankakee, near numerous community services. This is considered a desirable portion of Kankakee, as a variety of community services including restaurants, shopping, dining establishments and employment opportunities are available within walking distance of the subject site. Many basic community services are located within 1.0 mile and most are located within 2.0 miles. Additionally, the community services that are located farther away can be easily accessed via River Valley Metro, which offers affordable transportation throughout Kankakee and surrounding communities such as Bradley and Bourbonnais. Availability of this affordable fixed-route transportation service will contribute to the marketability of the proposed subject site. There are multiple River Valley Metro bus stops within walking distance of the subject site and a transfer center is located within 0.2 miles of the site, which allows residents of the subject site to access a variety of transportation routes.

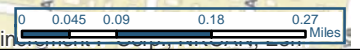
Public safety services are provided via Kankakee Police and Fire departments, both of which are located within 0.6 miles of the site. Kankakee School District services the site area with all attending schools located within 1.7 miles of the site. The Presence St. Mary's Hospital and the Riverside Medical Center are both located within 1.0 mile of the proposed subject site and offer a wide-range of medical services including emergency care. The subject site will benefit from its proximity to area community services, as most are within walking distance.

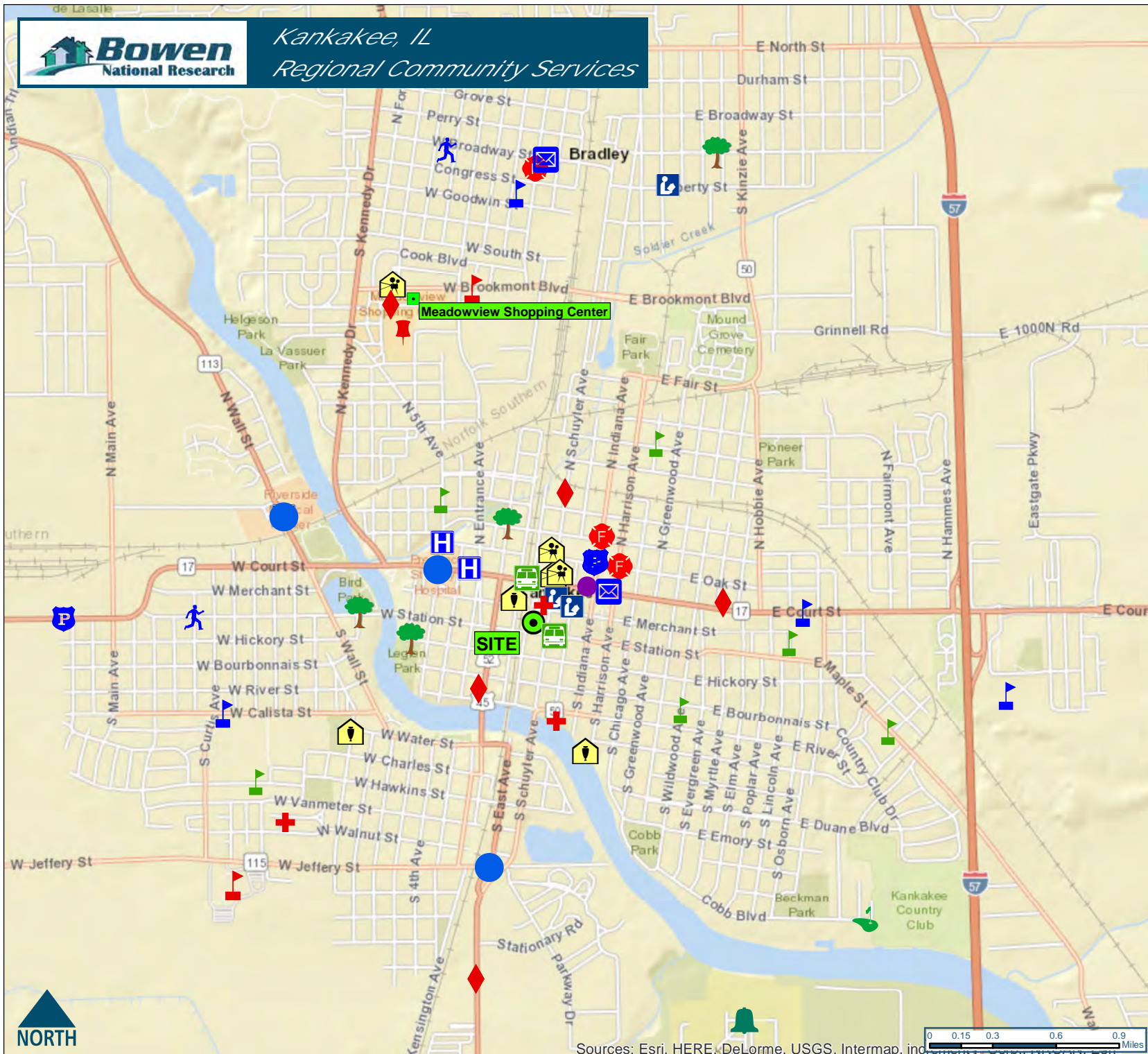
Maps illustrating the location of community services are on the following pages.
























Legend

-  Site area
-  Bank
-  Child Care
-  Church
-  Convenience Store
-  Elementary School
-  Fire
-  Gas
-  Grocery
-  Hospital
-  Library
-  Medical Center
-  Park
-  Pharmacy
-  Police
-  Post Office
-  Recreation Center
-  Restaurant
-  Shopping
-  Transit
-  Employer 1000-5000








Legend

-  Site
-  Entertainment
-  Cinema
-  Elementary School
-  Fire
-  Fitness Center
-  Golf
-  High School
-  Hospital
-  Library
-  Medical Center
-  Middle School
-  Museum
-  Park
-  Police
-  Post Office
-  Recreation Center
-  Shopping
-  Transit
-  University
-  Employer 1000-5000

**Shopping Center
Gross Leasable Area**

-  < 500,000 sq. ft.
-  < 1,000,000 sq. ft.
-  < 3,200,000 sq. ft.

E. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and a murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

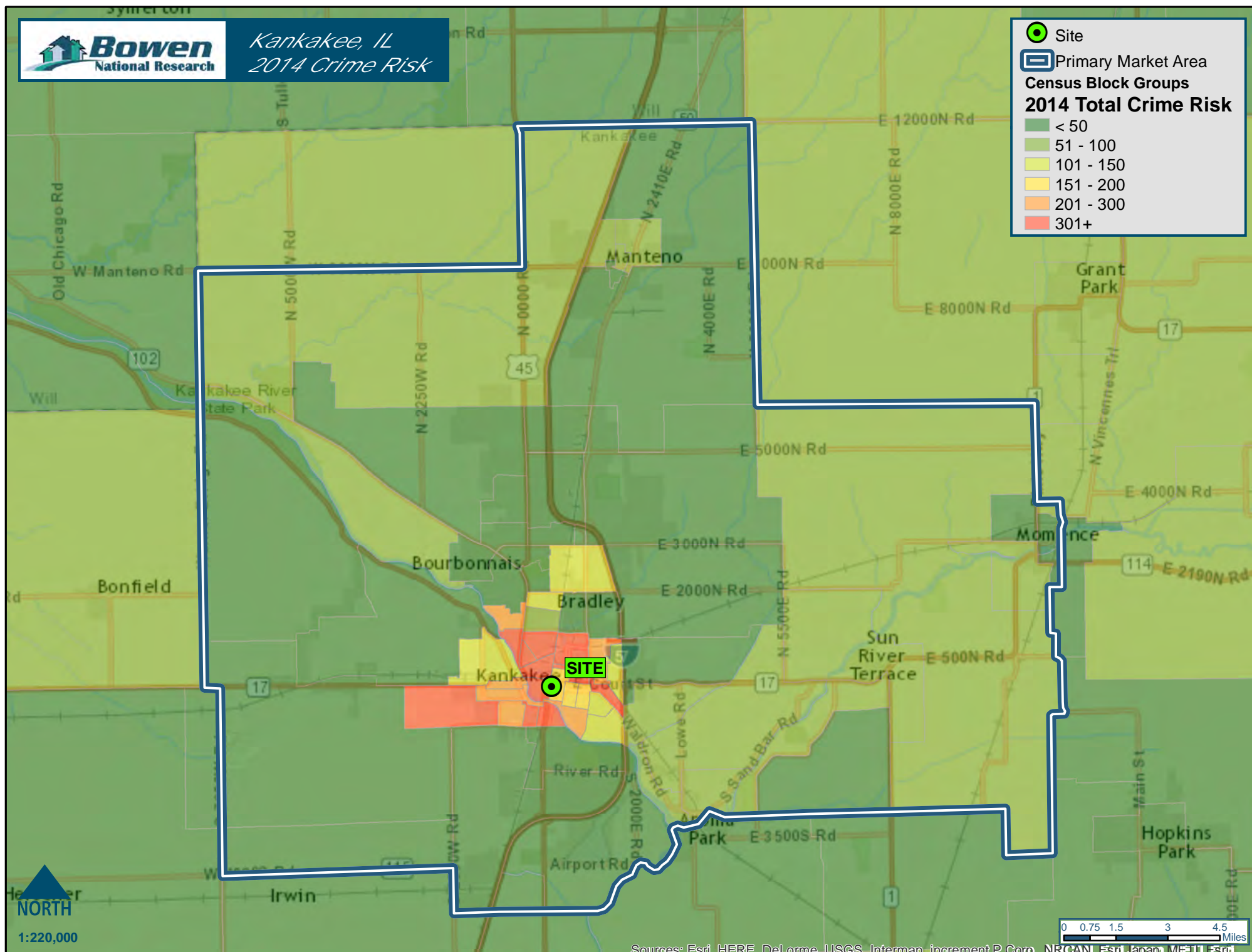
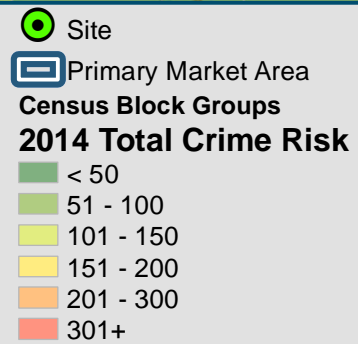
Total crime risk (118) for the Site PMA is above the national average (100) with an overall personal crime index of 126 and a property crime index of 133. Total crime risk (97) for Kankakee County is below the national average with indexes for personal and property crime of 102 and 111, respectively.

	Crime Risk Index	
	Site PMA	Kankakee County
Total Crime	118	97
Personal Crime	126	102
Murder	98	84
Rape	127	103
Robbery	124	95
Assault	152	125
Property Crime	133	111
Burglary	152	130
Larceny	164	134
Motor Vehicle Theft	58	49

Source: Applied Geographic Solutions

Although the crime risk index for the Site PMA (118) is slightly above the national average (100), nearly all rental properties identified and surveyed within the market are maintaining strong occupancy levels. This illustrates that crime has not had an adverse impact on the Kankakee rental housing market. In addition, the subject project will consist of a secured-entry residential building, which will likely help mitigate potential perceptions of crime. Therefore, it is unlikely that the perception of crime, or lack thereof, will have any tangible impact on the marketability of the subject development.

A map illustrating crime risk is on the following page.



F. OVERALL SITE EVALUATION

The proposed subject site is situated within a desirable portion of town, with surrounding land uses primarily consisting of downtown businesses and surface parking lots. Note that the structures within the site neighborhood are in fair to good condition. Many area community services are located within walking distance of the subject site, primarily due to its proximity to downtown Kankakee. In addition, services located farther away can conveniently be accessed via River Valley Metro, with numerous bus stops within walking distance of the subject site and various bus routes can be utilized from the bus stops and transfer center near the subject site. The proximity to bus routes positively impacts the marketability of the proposed subject site, as low-income families can conveniently access the local community services that are not within walking distance. Access of the proposed subject site is considered good, as surrounding roadways are lightly traveled with no expected traffic disruptions upon ingress and egress. Visibility is also considered good within the immediate area, as there will be unobstructed views of the proposed subject site in all directions except the east, due to the adjacent businesses. Although there is an Amtrak train station located 0.2 miles west of the site, this is not expected to adversely impact the marketability of the subject project, as there are various railroad tracks throughout Kankakee and area residents are likely accustomed to the minor disruption of train activity throughout the area. Note that there are two full-service hospitals within 1.0 mile of the proposed subject site, Presence St. Mary's Hospital and Riverside Medical Center. Overall, the proposed subject site's location, convenient accessibility and proximity to area services are expected to contribute to its marketability.

III. Primary Market Area Characteristics

A. PRIMARY MARKET AREA

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed development is expected to originate. The Kankakee Site PMA was determined through interviews with area leasing agents, a drive-time analysis and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Kankakee Site PMA includes the communities of Kankakee, Bradley, Sun River Terrace, Bourbonnais, Limestone and Manteno, as well as the surrounding unincorporated areas of Kankakee County. The boundaries of the Site PMA include the Kankakee County border, East 6000N Road and West 9000N Road to the north; North County Highway 51, State Route 17, East 1000S Road and the Momence town limits to the east; East 3000S Road and the Iroquois River to the south; and South 7000W Road and Warner Bridge Road to the west.

The Site PMA comprises Census Tract numbers:

102.01	102.02	104	105	106.01
106.02	107.01	107.02	108	109
112	113	114	115	116
117	118	119	120	121
122	123*	124	125	126

*Site location

Beatrice Nolan, Property Manager of Sun River Single Family Housing (Map ID 14), a general-occupancy Tax Credit project, confirmed the boundaries of the Site PMA. Specifically, Ms. Nolan stated that most families seeking affordable housing in this area would originate from within the Kankakee, Bradley and Sun River areas, as these three communities share a lot of the same community services and are in close proximity of each other. Additionally, Ms. Nolan stated that most families from Kankakee prefer to remain in the area, thus confirming the Site PMA.

Susan Popovich, Property Manager of Eastcourt Village (Map ID 3), an age-restricted market-rate and government-subsidized project, confirmed the Site PMA. Ms. Popovich stated that the majority of her property's residents are local from Kankakee County, with a few from outside areas. She added that both families and seniors that originated within Kankakee County tend to remain in the area and are less likely to search outside the county for affordable housing.

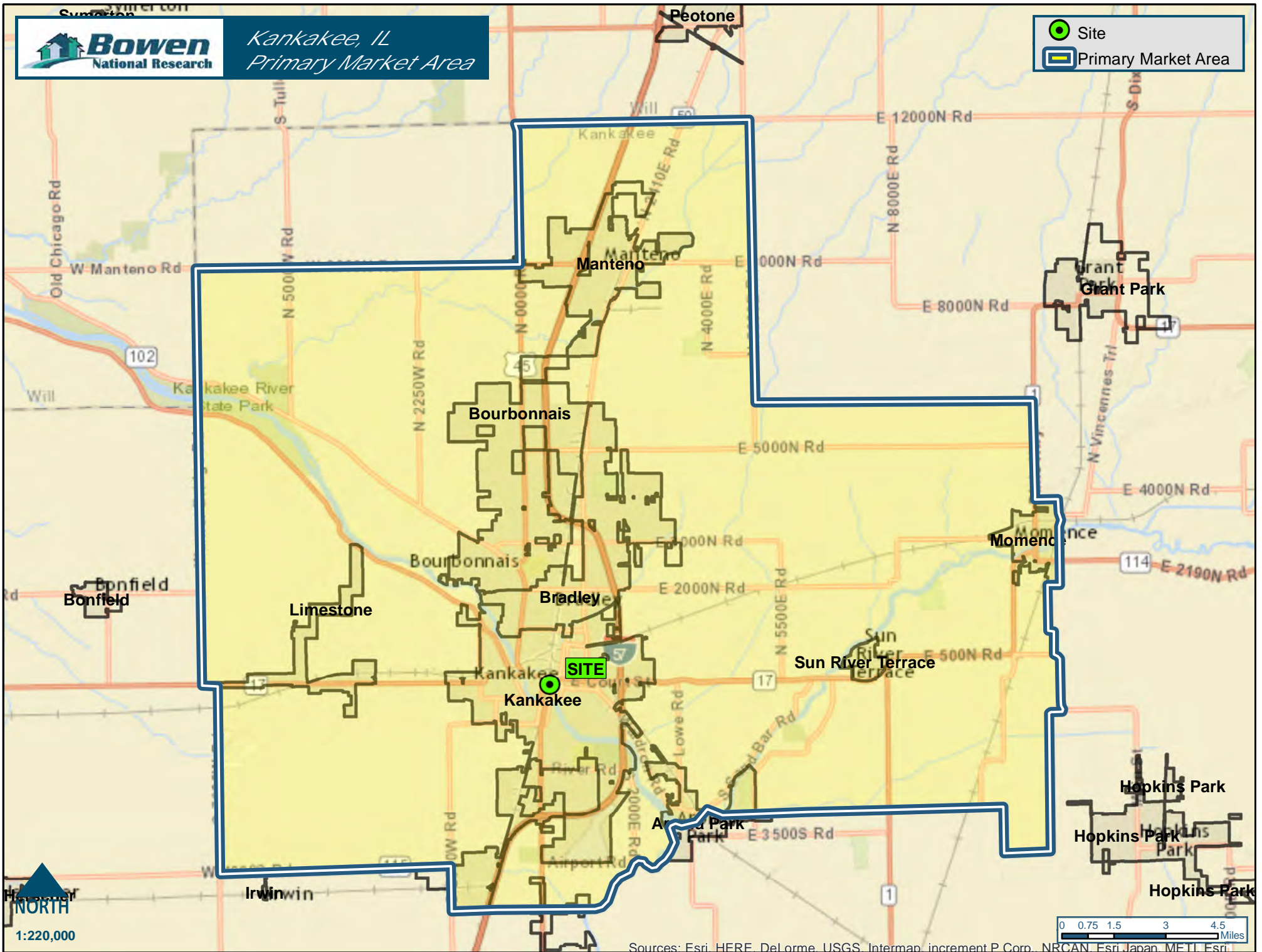
A small portion of support may originate from some of the outlying communities of Kankakee County, however, we have not considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



*Kankakee, IL
Primary Market Area*

- Site
- Primary Market Area



B. COMPARABLE PROPERTIES

We identified and surveyed four properties within the Kankakee Site PMA that offer non-subsidized Low-Income Housing Tax Credit (LIHTC) units. However, two of these properties are age-restricted and thus target a different population than the subject development. The remaining two properties target families earning up to 60% of AMHI, similar to the subject development. Therefore, these properties are considered competitive with the proposed development. These two LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in *Addendum A, Field Survey of Conventional Rentals*.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Fountain Square Apartments	2019	9*	-	-	-	Families; 60% AMHI
5	Glen Apts.	2007	44	100.0%	11.2 Miles	50 H.H.	Families; 30%, 40%, 50%, & 60% AMHI
14	Sun River Single Family Housing	2007	21*	100.0%	7.1 Miles	10 H.H.	Families; 30%, 40%, 50%, & 60% AMHI

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

The two LIHTC projects have a combined occupancy rate of 100.0% and both properties maintain a waiting list for their next available units, the longest of which contains 50 households. This is a clear indication of pent-up demand for general-occupancy LIHTC product such as that proposed at the subject site. The subject project will help alleviate a portion of this pent-up demand.

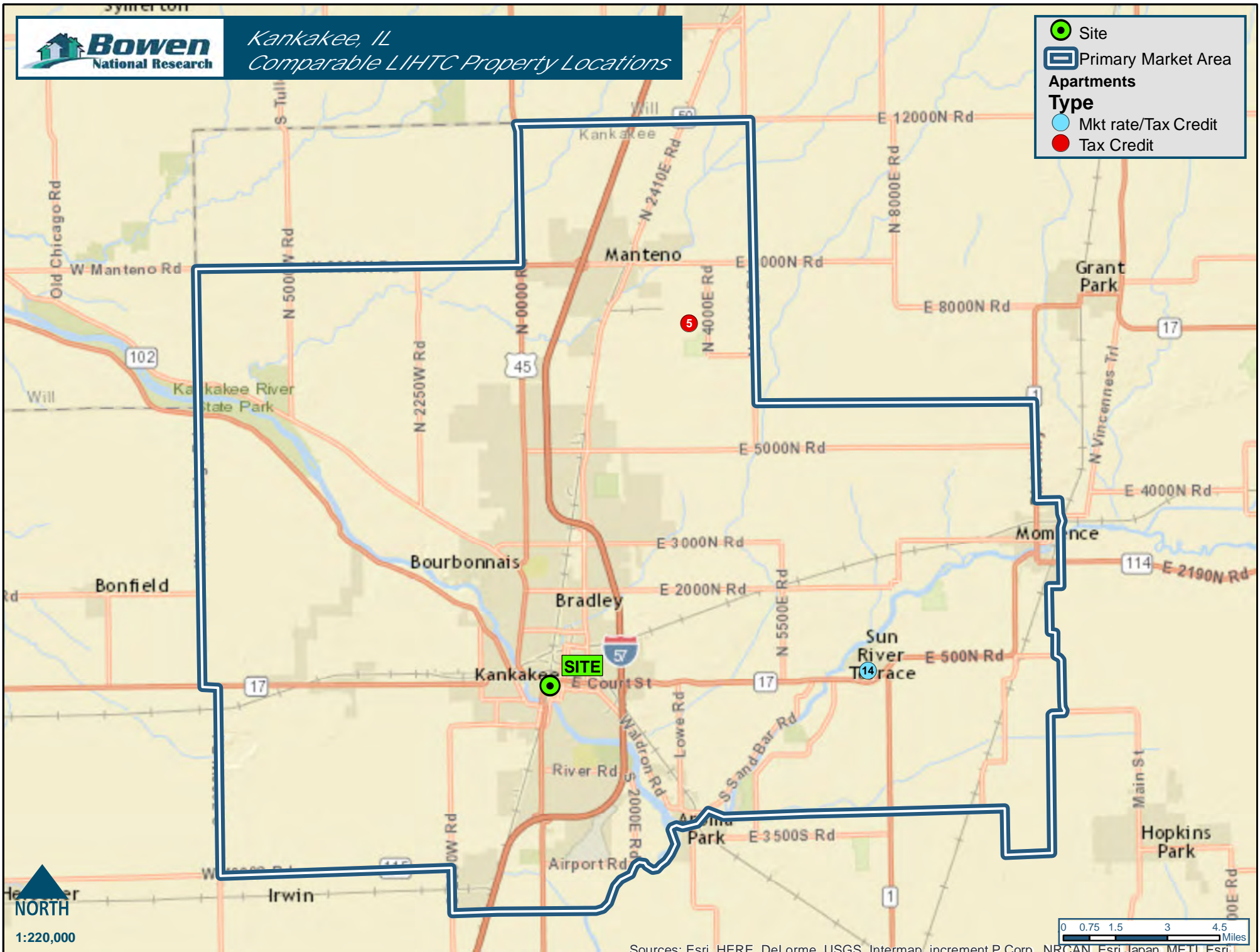
Note that there is one (1) LIHTC property that offers general-occupancy units for families that we identified, but were unable to survey. This property, Kankakee Scattered Rental Rehab, consists of six (6) two- through four-bedroom single-family homes and operates under the Tax Credit program. In addition, Manteno Veteran's Homeless Program is located in Manteno and does not operate under the Tax Credit program, however, operates as transitional housing throughout funding from the Illinois Housing Development Authority (IHDA). This property is not restricted to the guidelines of the Tax Credit program and targets a different population (homeless veterans) than the subject development and has not been included in our comparable analysis.

A map denoting the location of these comparable properties, as well as a detailed summary of each of these comparable properties is included on the following pages.



Kankakee, IL
Comparable LIHTC Property Locations

- Site
- Primary Market Area
- Apartment Type
 - Mkt rate/Tax Credit
 - Tax Credit



8

1200 Winans Ave.

4.1 miles to site



Address 1200, 1250 Winans Ave.
Bourbonnais, IL 60914

Phone (815) 530-0186 **Contact** Kevin

Total Units 11 **Vacancies** 1 **Percent Occupied** 90.9%

Project Type Market-Rate

Year Open 2005 **Floors** 4

Concessions No Rent Specials

Parking Attached Garages, Surface Parking

Waiting List NONE

Quality Rating B **Neighborhood Rating** B

Remarks Does not accept HCV; 3-br units are located at 1250 Winans Ave.



Features and Utilities



Utilities Landlord pays Water, Sewer, Trash

Unit Amenities Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Patio/Deck/Balcony, Ceiling Fan, Blinds

Project Amenities Laundry Facility

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	
2	1	G	6	0	1050	\$0.81	\$850	
3	2	G	5	1	1200	\$0.92	\$1100	

9 636-728 Double Jack St.		5.2 miles to site						
	Address 787 Double Jack St. Bourbonnais, IL 60914							
	Phone (815) 929-9381		Contact Greg					
	Total Units 30	Vacancies 0	Percent Occupied 100.0%					
	Project Type Market-Rate							
	Year Open 2004		Floors 2					
	Concessions No Rent Specials							
	Parking Attached Garages, Surface Parking							
	Waiting List NONE							
	Quality Rating B		Neighborhood Rating B					
	Remarks Square footage estimated by management							
Features and Utilities								
Utilities		Landlord pays Trash						
Unit Amenities		Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Intercom, Blinds						
Project Amenities								
Unit Configuration								
BRs	BA s	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	
2	1	G	30	0	1000	\$0.85	\$850	

10	Double Jack Apts.	5.3 miles to site
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	Address 636-728 Double Jack St. Bourbonnais, IL 60914		
	Phone (630) 909-9258	Contact Ryan	
	Total Units 36	Vacancies 0	Percent Occupied 100.0%
	Project Type Market-Rate		
	Year Open 1995	Floors 2	
	Concessions No Rent Specials		
	Parking Detached Garages, Surface Parking		
	Waiting List NONE		
	Quality Rating B-	Neighborhood Rating B	
	Remarks Select units have patio/balcony; Square footage estimated by management		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management

Unit Configuration								
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BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	
2	1.5	G	20	0	840	\$1.04	\$875	
3	2	G	16	0	985	\$0.99	\$975	

12	Sherwood Forest Apts.	2.0 miles to site
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Address 1100 W. Jeffrey St. Kankakee, IL 60901	
Phone (815) 932-9313	Contact Michelle
Total Units 80	Vacancies 5 Percent Occupied 93.8%
Project Type Market-Rate	
Year Open 1970	Renovated 2000 Floors 2
Concessions No Rent Specials	
Parking Surface Parking	
Waiting List NONE	
Quality Rating B	Neighborhood Rating B
Remarks HCV (20 units)	



Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	
1	1	G	12	2	725	\$0.95	\$692	
2	2	G	56	3	965	\$0.81	\$779	
3	2	G	12	0	1025	\$0.86	\$879	

18 Townhomes of Deerpark

5.2 miles to site

**Address** 735-782 Double Jack St.
Bourbonnais, IL 60914**Phone** (815) 329-8275 **Contact** Amanda**Total Units** 42 **Vacancies** 1 **Percent Occupied** 97.6%**Project Type** Market-Rate**Year Open** 1992 **Floors** 2**Concessions** No Rent Specials**Parking** Attached Garages, Surface Parking**Waiting List** NONE**Quality Rating** B **Neighborhood Rating** B**Remarks** Does not accept HCV; Higher rent for units with basements that are finished**Features and Utilities****Utilities** No landlord paid utilities**Unit Amenities** Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds**Project Amenities****Unit Configuration**

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	
2	1.5	T	24	0	1400	\$0.85	\$1195	
3	2.5	T	18	1	1500	\$0.86 - \$1.00	\$1295 to \$1495	

14 Sun River Single Family Housing

7.1 miles to site



Address	7100 E. Country Club Dr. & N. Roosevelt Sunriver Terrace, IL 60964		
Phone	(815) 939-1161	Contact	Beatrice
Total Units	25	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2007	Floors	1
Concessions	No Rent Specials		
Parking	Attached Garages, Surface Parking		
Waiting List	10 households		
Quality Rating	B	Neighborhood Rating	B
Remarks	Market-rate (4 units); 30%, 40%, 50%, & 60% AMHI (21 units); HCV (1 unit); Lease-to-own		

**Features and Utilities**

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Blinds
Project Amenities	Playground

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
3	2	G	4	0	1200	\$0.82	\$986	
3	2	G	11	0	1200	\$0.78	\$940	60%
3	2	G	5	0	1200	\$0.64	\$768	50%
3	2	G	3	0	1200	\$0.50	\$598	40%
3	2	G	2	0	1200	\$0.36	\$426	30%

5 Glen Apts.

11.2 miles to site



Address	326 Diversatech Dr. Manteno, IL 60950		
Phone	(815) 468-8775	Contact	Cherryl
Total Units	44	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2007	Floors	1
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	50 households		
Quality Rating	B-	Neighborhood Rating	B
Remarks	30%, 40%, 50% & 60% AMHI; HCV (1 unit); One manager unit not included in total		

**Features and Utilities**

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Range, Central AC, Carpet, Blinds
Project Amenities	On-site Management, Laundry Facility, Club House

Unit Configuration

BRs	BA's	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	4	0	701	\$0.70	\$494	60%
1	1	G	5	0	701	\$0.70	\$492	50%
1	1	G	3	0	701	\$0.53	\$369	30%
2	1	G	16	0	805	\$0.83	\$666	60%
2	1	G	3	0	805	\$0.72	\$578	50%
2	1	G	4	0	865	\$0.50	\$431	40%
3	1.5	G	5	0	1050	\$0.79	\$825	60%
3	1.5	G	2	0	1050	\$0.62	\$655	50%
3	1.5	G	2	0	1050	\$0.46	\$485	40%

C. AFFORDABLE PROPERTIES WITHIN THE PMA

We identified a total of 18 existing federally subsidized and/or Tax Credit apartment communities in the Kankakee Site PMA. Of the 18, we were able to successfully obtain information for nine of these properties. The following table summarizes the nine affordable rental communities we were unable to survey within the market:

Federally Subsidized and/or Tax Credit			
Project Name	Total Units	Address	Target Market
Crestview Village Apts	132	208 Crest Lane, Kankakee 60901	Families; Tax Credit, Section 8
Azzarelli Tower Apts.	100	145 W. Broadview Dr., Kankakee 60901	Seniors; Tax Credit, Section 8
Riverwood Apts.	125	300 E. River St., Kankakee 60901	Seniors; Tax Credit, Section 8
Manteno Apts.	12	245 Keigher Dr., Manteno 60950	Families; Rural Development 515
Dudley Burrell Apts.	N/A	238 N. Greenwood, Kankakee 60901	Families; Section 8
Renaissance Center Apts.	52	300 N. Indiana Ave., Kankakee 60901	N/A; Section 8
Austin Apts.	N/A	994 N. Indiana Ave., Kankakee 60901	N/A; Section 8
Kankakee Scattered Rental Rehab	6	Scattered sites- Kankakee	Families; Tax Credit
*Manteno Veteran's Homeless Program	N/A	1 Veteran's Drive, Manteno 60950	Transitional Housing

N/A – Not Available

*Property is not Tax Credit/Subsidized; offers affordable units

The 150 general-occupancy affordable units have been included in the penetration rate in *Section V*.

The remaining nine federally subsidized and/or Tax Credit apartment developments in the Kankakee Site PMA were surveyed in October 2017 and are summarized as follows:

Map I.D.	Project Name	Type	Year Built/ Renovated	Total Units	Occup.	Gross Rent (Unit Mix)				
						Studio	One- Br.	Two-Br.	Three- Br.	Four- Br.
1	Meadowbrook	TAX	1994	24	100.0%	-	\$611 (22)	\$674 (2)	-	-
3	Eastcourt Village	SEC 8	1975	120**	98.3%	\$523 (50)	\$713 (69)	\$949 (1)	-	-
4	Kankakee Kommons	SEC 8	1981	101	100.0%	-	\$952 (100)	\$1094 (1)	-	-
5	Glen Apts.	TAX	2007	44	100.0%	-	\$444 - \$569 (12)	\$531 - \$766 (23)	\$609 - \$949 (9)	-
13	Midtown Towers	P.H.	1970	100	100.0%	-	\$604 (99)	\$770 (1)	-	-
14	Sun River Single Family Housing	TAX	2007	21**	100.0%	-	-	-	\$585 - \$1,099 (21)	-
15	Sun River Commons	RD 515	1998	23 + 1 *	100.0%	-	\$636 - \$776 (21)	\$705 - \$845 (2)	-	-
17	Hidden Glen Apts.	TAX & SEC 8	1972 / 2008	128	100.0%	-	-	\$932 (128)	-	-
19	Bradley Place Apts. I & II	TAX	1996	107	100.0%	-	\$465 - \$632 (92)	\$572 - \$708 (15)	-	-
Total				668	99.7%					

Note : Contact names and method of contact, as well as amenities and other features are listed in the field survey

OCCUP. - Occupancy

TAX - Tax Credit

SEC - Section

P.H. - Public Housing

RD - Rural Development

*Units under construction

**Market-rate units not included

The overall occupancy is 99.7% for these projects, a very strong rate for rental housing. In addition, most of the properties also maintain waiting lists for their next available units, some of which contain more than 150 households. This illustrates that pent-up demand exists for additional affordable housing within the market.

Additional information regarding these affordable rental properties within the Site PMA is included in Addendum A, *Field Survey of Conventional Rentals* of this report.

D. AREA SERVICES

As discussed in detail in *Section II*, the subject site is within proximity of numerous area services, many of which are located within 1.0 mile and located in the downtown area of Kankakee. Additionally, these community services that are located farther away can be conveniently accessed via River Valley Metro, which provides affordable transportation throughout Kankakee, Bradley, Bourbonnais and surrounding areas of Kankakee County. Multiple routes are located within walking distance of the subject site and a transfer center is located near the site, which provides residents of the subject site various route options. In addition, the convenient access to Meadowview Shopping Center from the subject development is expected to contribute to its marketability, as this shopping center is located 1.6 miles northwest of the site and offers various services, including employment opportunities. Notably, these area services within proximity of the proposed subject site are considered beneficial to the targeted low-income population. Note that a detailed list of area services along with maps illustrating their location to the subject site is included in *Section II* of this report.

E. POPULATION/DEMOGRAPHIC CHARACTERISTICS

1. Population Trends

The Site PMA population bases for 2000, 2010, 2017 (estimated) and 2022 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2022 (Projected)
Population	85,052	95,167	92,994	90,605
Population Change	-	10,115	-2,173	-2,389
Percent Change	-	11.9%	-2.3%	-2.6%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Kankakee Site PMA population base increased by 10,115 between 2000 and 2010. This represents an 11.9% increase over the 2000 population, or an annual rate of 1.1%. Between 2010 and 2017, the population declined by 2,173, or 2.3%. It is projected that the population will decline by 2,389, or 2.6%, between 2017 and 2022.

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2017 (Estimated)		2022 (Projected)		Change 2017-2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	27,732	29.1%	25,022	26.9%	24,066	26.6%	-956	-3.8%
20 to 24	6,843	7.2%	6,921	7.4%	6,154	6.8%	-767	-11.1%
25 to 34	12,099	12.7%	12,320	13.2%	12,108	13.4%	-212	-1.7%
35 to 44	12,048	12.7%	11,432	12.3%	11,545	12.7%	113	1.0%
45 to 54	13,149	13.8%	11,769	12.7%	10,607	11.7%	-1,162	-9.9%
55 to 64	10,761	11.3%	11,557	12.4%	11,089	12.2%	-468	-4.0%
65 to 74	6,412	6.7%	7,917	8.5%	8,631	9.5%	714	9.0%
75 & Over	6,124	6.4%	6,056	6.5%	6,405	7.1%	349	5.8%
Total	95,168	100.0%	92,994	100.0%	90,605	100.0%	-2,389	-2.6%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 51% of the population is expected to be between 25 and 64 years old in 2017. This age group is the primary group of potential renters for the subject site and will likely represent a significant number of the tenants.

2. Household Trends

Household trends within the Kankakee Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2017 (Estimated)	2022 (Projected)
Households	31,565	34,570	33,902	33,073
Household Change	-	3,005	-668	-829
Percent Change	-	9.5%	-1.9%	-2.4%
Household Size	2.69	2.75	2.59	2.59

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Kankakee Site PMA, households increased by 3,005 (9.5%) between 2000 and 2010. Between 2010 and 2017, households declined by 668, or 1.9%. By 2022, there will be 33,073 households, a decline of 829 households, or 2.4%, from 2017 levels. This is a decline of approximately 166 households annually over the next five years.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2017 (Estimated)		2022 (Projected)		Change 2017-2022	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	1,485	4.3%	1,315	3.9%	1,166	3.5%	-149	-11.3%
25 to 34	5,508	15.9%	5,466	16.1%	5,311	16.1%	-155	-2.8%
35 to 44	6,216	18.0%	5,748	17.0%	5,734	17.3%	-14	-0.2%
45 to 54	7,165	20.7%	6,224	18.4%	5,532	16.7%	-692	-11.1%
55 to 64	6,174	17.9%	6,466	19.1%	6,110	18.5%	-356	-5.5%
65 to 74	4,011	11.6%	4,828	14.2%	5,187	15.7%	359	7.4%
75 to 84	2,774	8.0%	2,544	7.5%	2,824	8.5%	280	11.0%
85 & Over	1,237	3.6%	1,311	3.9%	1,209	3.7%	-102	-7.8%
Total	34,570	100.0%	33,902	100.0%	33,073	100.0%	-829	-2.4%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, between 2017 and 2022, all age groups are projected to experience declines, except for households between the ages of 65 and 84, increasing by 639, or 8.7%. Although most age groups are projected to decline, in 2022 it is projected that nearly 69% of all households will be between the ages of 25 and 64. These trends are indicative of an increasing need for both senior- and family-oriented housing in the market.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2017 (Estimated)		2022 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	23,104	66.8%	21,872	64.5%	21,302	64.4%
Renter-Occupied	11,466	33.2%	12,030	35.5%	11,771	35.6%
Total	34,570	100.0%	33,902	100.0%	33,073	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2017, homeowners occupied 64.5% of all occupied housing units, while the remaining 35.5% were occupied by renters. The estimated 12,030 renter-occupied households represent a good base of potential support in the market for the subject development.

The household sizes by tenure within the Site PMA, based on the 2017 estimates and 2022 projections, were distributed as follows:

Persons Per Renter Household	2017 (Estimated)		2022 (Projected)		Change 2017-2022	
	Households	Percent	Households	Percent	Households	Percent
1 Person	4,043	33.6%	3,956	33.6%	-87	-2.2%
2 Persons	3,491	29.0%	3,416	29.0%	-75	-2.2%
3 Persons	1,987	16.5%	1,945	16.5%	-43	-2.2%
4 Persons	1,383	11.5%	1,354	11.5%	-30	-2.2%
5 Persons+	1,125	9.3%	1,101	9.4%	-24	-2.2%
Total	12,030	100.0%	11,771	100.0%	-259	-2.2%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Persons Per Owner Household	2017 (Estimated)		2022 (Projected)		Change 2017-2022	
	Households	Percent	Households	Percent	Households	Percent
1 Person	5,297	24.2%	5,160	24.2%	-138	-2.6%
2 Persons	7,944	36.3%	7,737	36.3%	-207	-2.6%
3 Persons	3,362	15.4%	3,274	15.4%	-87	-2.6%
4 Persons	3,259	14.9%	3,174	14.9%	-85	-2.6%
5 Persons+	2,010	9.2%	1,958	9.2%	-52	-2.6%
Total	21,872	100.0%	21,303	100.0%	-569	-2.6%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The subject site as proposed, will offer one- and two-bedroom units and target up to three-person households, which comprise more than 62% of the Site PMA households, indicating a good base of potential support for the subject, based on household size.

3. Income Trends

The distribution of households by income within the Kankakee Site PMA is summarized as follows:

Household Income	2010 (Census)		2017 (Estimated)		2022 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$15,000	4,566	13.2%	4,214	12.4%	4,258	12.9%
\$15,000 to \$24,999	3,584	10.4%	3,990	11.8%	3,908	11.8%
\$25,000 to \$34,999	4,454	12.9%	3,350	9.9%	3,226	9.8%
\$35,000 to \$49,999	4,970	14.4%	4,992	14.7%	4,754	14.4%
\$50,000 to \$74,999	6,991	20.2%	5,971	17.6%	5,479	16.6%
\$75,000 to \$99,999	4,524	13.1%	4,387	12.9%	4,119	12.5%
\$100,000 to \$149,999	3,937	11.4%	4,616	13.6%	4,779	14.4%
\$150,000 to \$199,999	1,167	3.4%	1,446	4.3%	1,544	4.7%
\$200,000 & Over	377	1.1%	936	2.8%	1,007	3.0%
Total	34,570	100.0%	33,902	100.0%	33,074	100.0%
Median Income	\$49,128		\$51,696		\$51,784	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$49,128. This increased by 5.2% to \$51,696 in 2017. By 2022, it is projected that the median household income will be \$51,784, an increase of 0.2% from 2017.

The following tables illustrate renter household income by household size for 2010, 2017 and 2022 for the Kankakee Site PMA:

Renter Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	1,224	822	426	313	319	3,104
\$15,000 to \$24,999	755	473	245	180	184	1,838
\$25,000 to \$34,999	681	530	275	202	206	1,894
\$35,000 to \$49,999	582	540	280	206	210	1,818
\$50,000 to \$74,999	486	551	286	210	214	1,746
\$75,000 to \$99,999	187	231	120	88	90	716
\$100,000 to \$149,999	80	104	54	39	40	317
\$150,000 to \$199,999	6	8	4	3	3	25
\$200,000 & Over	2	3	1	1	1	8
Total	4,003	3,261	1,691	1,243	1,268	11,466

Source: ESRI; Urban Decision Group

Renter Households	2017 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	1,087	801	456	317	258	2,919
\$15,000 to \$24,999	859	584	333	231	188	2,196
\$25,000 to \$34,999	514	432	246	171	139	1,501
\$35,000 to \$49,999	693	633	361	251	204	2,142
\$50,000 to \$74,999	501	551	314	219	178	1,762
\$75,000 to \$99,999	217	265	151	105	86	824
\$100,000 to \$149,999	107	141	80	56	45	429
\$150,000 to \$199,999	39	51	29	20	16	155
\$200,000 & Over	27	32	18	13	10	100
Total	4,043	3,491	1,987	1,383	1,125	12,030

Source: ESRI; Urban Decision Group

Renter Households	2022 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$15,000	1,019	760	433	301	245	2,757
\$15,000 to \$24,999	780	535	305	212	172	2,004
\$25,000 to \$34,999	456	390	222	155	126	1,348
\$35,000 to \$49,999	705	616	351	244	199	2,115
\$50,000 to \$74,999	452	480	273	190	155	1,550
\$75,000 to \$99,999	221	257	146	102	83	810
\$100,000 to \$149,999	178	215	123	85	69	671
\$150,000 to \$199,999	86	99	56	39	32	313
\$200,000 & Over	60	63	36	25	20	204
Total	3,956	3,416	1,945	1,354	1,101	11,771

Source: ESRI; Urban Decision Group

Demographic Summary

Overall, population and household trends within the Kankakee Site PMA have experienced declines since 2010. These trends are projected to decline through 2022, decreasing by 2,389 (-2.6%) and 829 (-2.4%), respectively, from 2017. Notably, the estimated 12,030 renter households in 2017 represent a good base of potential support in the market for the proposed subject development. Further, the subject site will be able to accommodate more than 62.0% of all households within the Site PMA, based on size, as it will offer one- and two-bedroom units. Additionally, it is projected that nearly 52% of all renter households will earn an annual income below \$35,000 in 2022. The preceding trends are indicative of the increasing need for affordable housing within the market.

F. EMPLOYMENT

1. Labor Force Profile

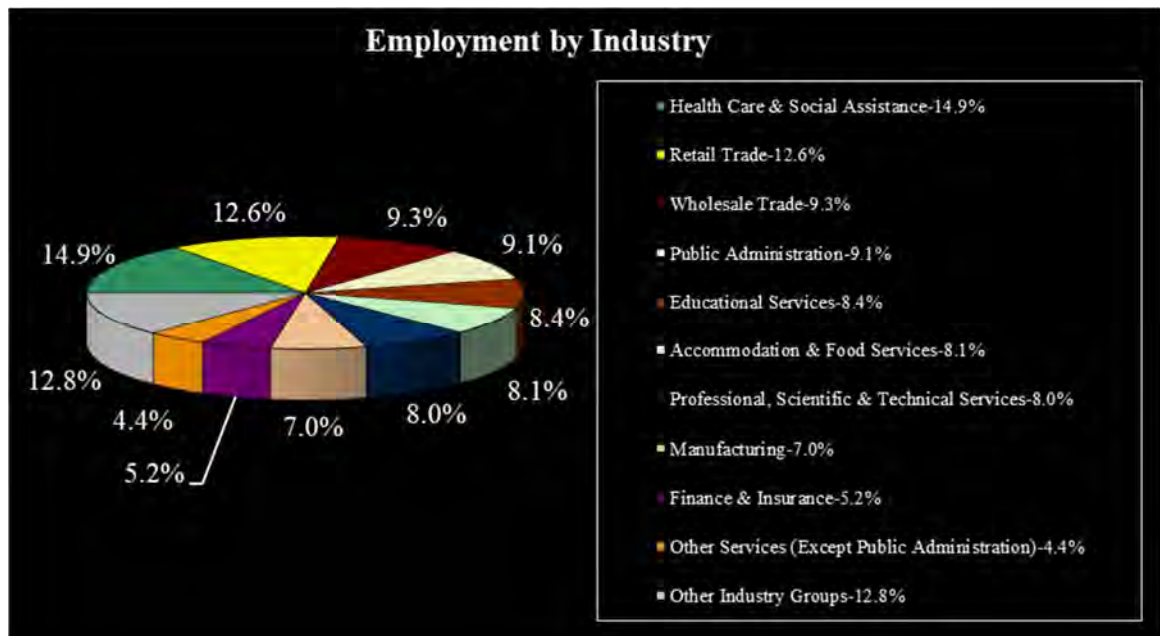
The labor force within the Kankakee Site PMA is based primarily in two sectors. Health Care & Social Assistance (which comprises 14.9%) and Retail Trade comprise nearly 27% of the Site PMA labor force. Employment in the Kankakee Site PMA, as of 2017, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	26	0.7%	125	0.2%	4.8
Mining	3	0.1%	24	0.0%	8.0
Utilities	5	0.1%	53	0.1%	10.6
Construction	228	6.6%	1,598	3.0%	7.0
Manufacturing	120	3.5%	3,712	7.0%	30.9
Wholesale Trade	124	3.6%	4,924	9.3%	39.7
Retail Trade	528	15.2%	6,643	12.6%	12.6
Transportation & Warehousing	98	2.8%	1,889	3.6%	19.3
Information	66	1.9%	1,124	2.1%	17.0
Finance & Insurance	211	6.1%	2,740	5.2%	13.0
Real Estate & Rental & Leasing	152	4.4%	596	1.1%	3.9
Professional, Scientific & Technical Services	227	6.5%	4,218	8.0%	18.6
Management of Companies & Enterprises	2	0.1%	34	0.1%	17.0
Administrative, Support, Waste Management & Remediation Services	123	3.5%	775	1.5%	6.3
Educational Services	109	3.1%	4,435	8.4%	40.7
Health Care & Social Assistance	394	11.4%	7,839	14.9%	19.9
Arts, Entertainment & Recreation	67	1.9%	506	1.0%	7.6
Accommodation & Food Services	252	7.3%	4,266	8.1%	16.9
Other Services (Except Public Administration)	501	14.4%	2,339	4.4%	4.7
Public Administration	167	4.8%	4,807	9.1%	28.8
Nonclassifiable	66	1.9%	21	0.0%	0.3
Total	3,469	100.0%	52,668	100.0%	15.2

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Kankakee Metropolitan Statistical Area (MSA) are compared with those of Illinois in the following table:

Typical Wage by Occupation Type		
Occupation Type	Kankakee MSA	Illinois
Management Occupations	\$91,210	\$111,130
Business and Financial Occupations	\$56,460	\$73,730
Computer and Mathematical Occupations	\$63,650	\$85,340
Architecture and Engineering Occupations	\$71,690	\$80,260
Community and Social Service Occupations	\$44,460	\$48,780
Art, Design, Entertainment and Sports Medicine Occupations	\$42,770	\$52,410
Healthcare Practitioners and Technical Occupations	\$69,280	\$76,250
Healthcare Support Occupations	\$27,990	\$30,470
Protective Service Occupations	\$44,700	\$51,370
Food Preparation and Serving Related Occupations	\$21,560	\$23,060
Building and Grounds Cleaning and Maintenance Occupations	\$27,050	\$30,350
Personal Care and Service Occupations	\$25,540	\$27,060
Sales and Related Occupations	\$32,310	\$42,090
Office and Administrative Support Occupations	\$33,350	\$37,760
Construction and Extraction Occupations	\$56,960	\$64,400
Installation, Maintenance and Repair Occupations	\$48,110	\$49,000
Production Occupations	\$38,530	\$37,150
Transportation and Moving Occupations	\$33,120	\$36,840

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$21,560 to \$56,960 within the Kankakee MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$70,458. It is important to note that most occupational types within the Kankakee MSA have slightly lower typical wages than the state of Illinois's typical wages. The proposed project will target low-income households. The area employment base has a significant number of income-appropriate households from which the proposed subject project will be able to draw renter support.

The ten largest employers within the Kankakee County area comprise a total of 10,009 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Riverside Medical Center	Health Care	2,827
CSL Behring	Biotechnology	1,265
Shapiro Development Center	Health Care	1,166
Presence St. Mary's Hospital	Health Care	1,139
Cigna Healthcare	Health Care	1,000
Baker and Taylor	Distribution	604
Van Drunen Farms	Food Processing	603
Olivet Nazarene University	Education	540
Kankakee Community College	Education	500
Indian Oaks Academy	Youth Services	365
Total		10,009

Source: Economic Alliance of Kankakee County (October 2016)

According to a representative with the Economic Alliance of Kankakee County, the local Kankakee economy is continuing to improve. The following summarizes key economic factors impacting the local employment base:

- IKO Roofing, as of April 2017, is expanding their current operations in South Kankakee, adding 15,000 square feet and hiring up to 15 new employees. They currently operate with nearly 250,000 square feet of warehouse space.
- In February 2017, Nucor Corporation, a company which produces steel and aluminum gratings, purchased the closing Alabama Metal Industries plant in Bourbonnais and hired 65 to 70 of the 86 employees who were expecting to be laid off.
- FutureCeuticals expanded their Momence Headquarters in July of 2017. This project added 14,700 square feet to their headquarters, an investment of approximately \$2 million. This expansion will create between 20 and 30 jobs over the next two years.

- Aqua Illinois, a subsidiary of Aqua America, announced in June 2016 that they plan to invest \$15 million in updates and improvements to the Joseph Donovan Regional Water Treatment Plant in the city of Kankakee. The updates and improvements will take place over the course of the next two years.
- In July 2016, the Northfield Square Mall was bought by Namdar Reality Group for \$9.6 million. Their ongoing plan for the mall is to redevelop some of the parking lots, lower rental costs, and renovate the areas of the mall which need it.
- In September 2016, Meijer announced plans for a new location in Bradley at the location of the former Kmart, which was sold for \$5 million. Meijer plans on demolishing the old Kmart building, and rebuilding to suit their needs on the property. The expected completion date of the Meijer is the spring of 2018.
- SERVPRO, an international fire and water cleanup provider, is expanding to Manteno in order to serve increased demand for their services. Phase I of this project, located at 1725 Boudreau Road in Manteno's Diversatech Business Park, was completed late 2016, with a total investment of over \$1.4 million. The final plans include three phases.
- CSL Behring purchased the vacant property formerly owned by Bunge Edible Oil. CSL Behring is planning to expand this 74-acre parcel and it is unknown how many jobs this expansion will create.
- A new 97-room Hampton Inn is being built in Kankakee. It will be completed by 2018, and will create up to 100 jobs for the area. This project is a \$14 million investment.

WARN (layoff notices):

According to Illinois Work Net, there have been four WARN notices of large-scale layoffs/closures reported for Kankakee County since May 2016, which are summarized in the table below:

WARN Notices				
Company	Location	Jobs	Notice Date	Effective Date
Ultra Foods	Kankakee	92	7/20/2017	9/15/2017
Alabama Metal Industries Corp.	Bourbonnais	86	12/1/2016	1/31/2017
Merisant US, Inc.	Manteno	77	10/4/2016	12/12/2016
Kmart	Bradley	125	4/26/2016	5/1/2016

In addition to the county's overall positive economic factors, it is worth noting that the subject's proximity to downtown Kankakee is likely to positively contribute to the project's marketability. Various downtown businesses being located within walking distance of the site allows for convenient access to area services, including area employment opportunities, as the subject is bordered by downtown Kankakee and the numerous downtown businesses act as a major employer for the area.

2. Employment Trends

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

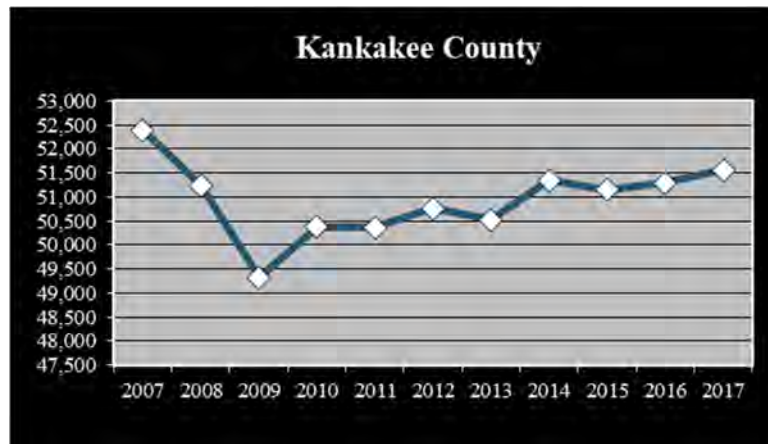
Excluding 2017, the employment base has increased by 1.0% over the past five years in Kankakee County, less than the Illinois state increase of 2.7%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Kankakee County, Illinois and the United States.

Year	Total Employment					
	Kankakee County		Illinois		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2007	52,393	-	6,334,010	-	146,388,400	-
2008	51,242	-2.2%	6,238,611	-1.5%	146,047,748	-0.2%
2009	49,319	-3.8%	5,943,229	-4.7%	140,696,560	-3.7%
2010	50,381	2.2%	5,937,047	-0.1%	140,469,139	-0.2%
2011	50,368	0.0%	5,948,366	0.2%	141,791,255	0.9%
2012	50,768	0.8%	5,990,644	0.7%	143,621,634	1.3%
2013	50,522	-0.5%	5,958,978	-0.5%	144,996,474	1.0%
2014	51,356	1.7%	6,046,057	1.5%	147,403,607	1.7%
2015	51,156	-0.4%	6,120,860	1.2%	149,648,686	1.5%
2016	51,300	0.3%	6,154,867	0.6%	152,001,644	1.6%
2017*	51,563	0.5%	6,146,261	-0.1%	152,065,874	0.0%

Source: Department of Labor; Bureau of Labor Statistics

*Through September



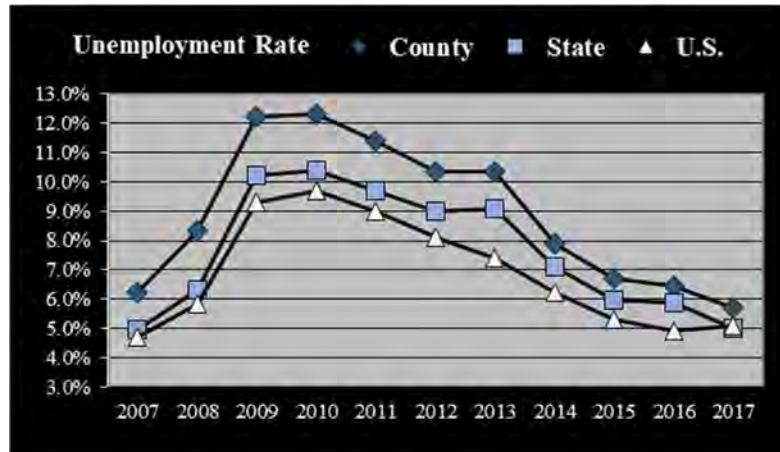
As the preceding illustrates, the Kankakee County employment base was adversely impacted by the national recession between 2007 and 2009. However, since 2009 more than 2,200 (4.6%) jobs have been added to the Kankakee County's employment base (through September 2017), which illustrates the local economy is well into the stages of recovery.

Unemployment rates for Kankakee County, Illinois and the United States are illustrated as follows:

Year	Unemployment Rate		
	Kankakee County	Illinois	United States
2007	6.2%	5.0%	4.7%
2008	8.3%	6.3%	5.8%
2009	12.2%	10.2%	9.3%
2010	12.3%	10.4%	9.7%
2011	11.4%	9.7%	9.0%
2012	10.4%	9.0%	8.1%
2013	10.4%	9.1%	7.4%
2014	7.9%	7.1%	6.2%
2015	6.7%	6.0%	5.3%
2016	6.5%	5.9%	4.9%
2017*	5.7%	5.0%	5.1%

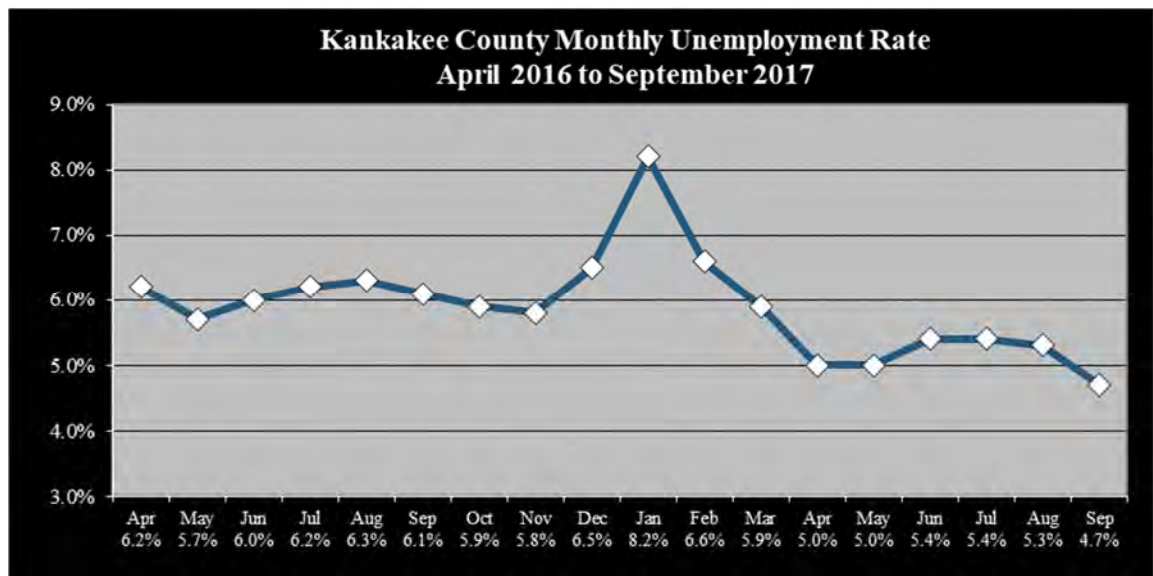
Source: Department of Labor, Bureau of Labor Statistics

*Through September



The unemployment rate in Kankakee County has ranged between 5.7% and 12.3%, well above both the state and national averages since 2007. However, since the county's peak of 12.3% in 2010, the unemployment rates has generally declined each year to a ten-year low of 5.7% through September 2017.

The following table illustrates the monthly unemployment rate in Kankakee County for the most recent 18-month period for which data is currently available.



As the preceding table illustrates, with the exception of January 2017 (8.2%), the Kankakee County unemployment rate has remained below 7.0% over the previous 18-month period. Notably, the county's unemployment rate over the past six months (April to September) has remained near 5.0%.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Kankakee County.

In-Place Employment Kankakee County			
Year	Employment	Change	Percent Change
2007	43,571	-	-
2008	43,390	-181	-0.4%
2009	42,223	-1,167	-2.7%
2010	41,902	-321	-0.8%
2011	41,269	-633	-1.5%
2012	42,575	1,306	3.2%
2013	42,868	293	0.7%
2014	43,370	502	1.2%
2015	42,980	-390	-0.9%
2016	43,273	293	0.7%
2017*	43,960	687	1.6%

Source: Department of Labor, Bureau of Labor Statistics

*Through March

Data for 2016, the most recent year that year-end figures are available, indicates in-place employment in Kankakee County to be 84.4% of the total Kankakee County employment. This means that Kankakee County has more employed persons leaving the county for daytime employment than those who work in the county.

3. **Economic Forecast**

According to a representative with the Economic Alliance of Kankakee County and data provided by the U.S. Department of Labor and Bureau of Labor Statistics, the Kankakee County economy continues to improve. Although the county experienced a significant downturn between 2007 and 2009, similar to trends experienced by much of the country during the national recession, the county's employment base has increased by more than 2,200 jobs, or 4.6%, since 2009. Similarly, the unemployment rate within the county has generally decreased during the same time frame and is currently at a ten-year low of 5.7% (through September). Based on these recent trends, it is anticipated that Kankakee County will continue to experience steady economic growth for the foreseeable future, which will continue to create a stable environment for housing.

G. SCHOOL PERFORMANCE DATA

According to Illinois Report Card, the Kankakee School District, which serves the subject site, is performing adequately. When compared to the state of Illinois as a whole, the Kankakee School District posted similar scores in all four major subjects (English, Mathematics, Reading and Science). Although the state's overall performance in these four categories is higher than the Kankakee School District, the schools in the local district are showing signs of improvement such as the improved teacher statistics of teacher attendance rates and teacher evaluation scores, which are higher than the state average. It is anticipated that the subject site's school district will continue to improve and it is expected that the Kankakee School District will positively contribute to the marketability of the site. It is also worth noting that school bus transportation is offered at the subject site's location.

IV. Housing Market Characteristics

A. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Kankakee Site PMA in 2010 and 2017 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2017 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	34,570	92.5%	33,902	91.0%
Owner-Occupied	23,104	66.8%	21,872	64.5%
Renter-Occupied	11,466	33.2%	12,030	35.5%
Vacant	2,806	7.5%	3,344	9.0%
Total	37,376	100.0%	37,246	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2017 update of the 2010 Census, of the 37,246 total housing units in the market, 9.0% were vacant. In 2017, it was estimated that homeowners occupied 64.5% of all occupied housing units, while the remaining 35.5% were occupied by renters. The share of renters is considered typical for a market of this size and the 12,030 renter households in 2017 represent a deep base of potential support for the proposed subject project.

Conventional Apartments

We identified and personally surveyed 21 conventional housing projects containing a total of 1,022 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 97.9%, an excellent rate for rental housing. Each rental housing segment is summarized as follows:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	12	337	15	95.5%
Market-rate/Tax Credit	1	25	0	100.0%
Market-rate/Government-Subsidized	1	133	6	95.5%
Tax Credit	3	175	0	100.0%
Tax Credit/Government-Subsidized	1	128	0	100.0%
Government-Subsidized	3	224	0	100.0%
Total	21	1,022	21	97.9%

As the preceding table illustrates, all surveyed rental housing developments broken out by project type are performing well, as none are below 95.5%. In fact, all Tax Credit rental communities surveyed in the market are 100.0% occupied, most of which maintain wait lists, illustrating that pent-up demand exists for additional low-income rental housing.

The following table summarizes the breakdown of market-rate and non-subsidized Tax Credit units surveyed within the Site PMA.

Market-Rate						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
Studio	1.0	14	4.0%	4	28.6%	\$603
One-Bedroom	1.0	53	15.0%	4	7.5%	\$720
Two-Bedroom	1.0	124	35.0%	5	4.0%	\$824
Two-Bedroom	1.5	48	13.6%	0	0.0%	\$1,107
Two-Bedroom	2.0	56	15.8%	3	5.4%	\$908
Three-Bedroom	1.5	4	1.1%	1	25.0%	\$915
Three-Bedroom	2.0	37	10.5%	1	2.7%	\$1,246
Three-Bedroom	2.5	18	5.1%	1	5.6%	\$1,581
Total Market-rate		354	100.0%	19	5.4%	-
Tax Credit, Non-Subsidized						
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant	Median Gross Rent
One-Bedroom	1.0	126	64.3%	0	0.0%	\$611
Two-Bedroom	1.0	40	20.4%	0	0.0%	\$708
Three-Bedroom	1.5	9	4.6%	0	0.0%	\$949
Three-Bedroom	2.0	21	10.7%	0	0.0%	\$1,099
Total Tax Credit		196	100.0%	0	0.0%	-

The market-rate units are 94.6% occupied and the Tax Credit units are 100.0% occupied. Note that the median gross Tax Credit rents are all below their corresponding median gross market-rate rents. As such, Tax Credit product likely represents good values to low-income households within the Site PMA. This is further illustrated by the 100.0% occupancy maintained at all Tax Credit communities surveyed within the market.

The following is a distribution of non-subsidized units surveyed by year built for the Site PMA:

Year Built	Projects	Units	Vacancy Rate
Before 1970	2	8	12.5%
1970 to 1979	6	208	7.7%
1980 to 1989	1	15	0.0%
1990 to 1999	4	209	0.5%
2000 to 2005	2	41	2.4%
2006 to 2010	2	69	0.0%
2011	0	0	0.0%
2012	0	0	0.0%
2013	0	0	0.0%
2014	0	0	0.0%
2015	0	0	0.0%
2016	0	0	0.0%
2017*	0	0	0.0%

*As of October

Over 39% of all apartments surveyed were built prior to 1980. These older apartments have a vacancy rate of 7.9%, higher than the overall market. In fact, the properties built before 1970 have a vacancy rate of 12.5%, higher than the remaining year built segments. As such, there appears to be a correlation between vacancies and age. Regardless, the subject will be the newest property in the market upon completion of construction, which will likely allow it to compete well.

It is also important to point out that there were no conventional non-subsidized rental projects built since 2007 (excluding two properties currently under construction). The subject project will provide a new rental housing alternative that is currently lacking within the market.

The Kankakee apartment market offers a wide range of rental product, in terms of price point and quality. The following table compares the gross rent (the collected rent at the site plus the estimated costs of tenant-paid utilities) of the subject project with the rent range of the existing conventional apartments surveyed in the market.

Bedroom Type	Gross Rent			Units (Share) with Rents Above Proposed Rents
	Proposed Subject	Existing Rentals		
		Median	Range	
One-Bedroom	\$677-60% \$950-80%	\$620	\$444 - \$788	45 (25.1%) 0 (0.0%)
Two-Bedroom	\$1,200-MR \$1,300-MR	\$908	\$531 - \$1,427	24 (9.0%) 24 (9.0%)

MR – Market-rate

Most of the rents of existing rentals in the market are priced above the proposed rents at the subject site. However, this is likely due to the age of the non-subsidized properties in the market, as previously detailed. Regardless, the appropriateness of the proposed rents is evaluated in detail in the Achievable Market Rent Analysis section of this report.

We rated each non-subsidized property surveyed on a scale of "A" through "F". All non-subsidized properties were rated based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Following is a distribution by quality rating, units and vacancies.

Market-Rate			
Quality Rating	Projects	Total Units	Vacancy Rate
B	9	222	4.1%
B-	2	51	0.0%
C+	3	81	12.3%
Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
B	3	152	0.0%
B-	1	44	0.0%

Vacancies are the highest among three market-rate properties with a quality rating of a “C+”. This is the lowest quality rating assigned to the surveyed properties. As such, there may be a correlation between quality and vacancies. Nonetheless, all other properties broken out by quality are maintaining vacancy rates no higher than 4.1%, illustrating that quality has not had a significant impact on occupancy levels. Considering that the subject project is anticipated to be of excellent quality, this will have a positive impact on the demand of the subject units.

Government-subsidized

The five government-subsidized projects surveyed within the Site PMA operate under the HUD Section 8, Rural Development Section 515 (RD 515) and Public Housing programs. Generally, these properties have few amenities, are older and offer small unit sizes (square feet). The government-subsidized units (both with and without Tax Credits) in the Site PMA are summarized as follows.

Subsidized Tax Credit					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Two-Bedroom	1.0	128	100.0%	0	0.0%
Total Subsidized Tax Credit		128	100.0%	0	0.0%
Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacancy	% Vacant
Studio	1.0	50	14.5%	1	2.0%
One-Bedroom	1.0	289	84.0%	1	0.3%
Two-Bedroom	1.0	5	1.5%	0	0.0%
Total Subsidized		344	100.0%	2	0.6%

Nearly all government-subsidized units (both with and without Tax Credits) surveyed in the market are occupied, the majority of which maintain wait lists. This illustrates that pent-up demand exists for additional very low-income rental housing within the market.

B. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Tax Credit

We identified and surveyed four properties within the Kankakee Site PMA that offer non-subsidized Low-Income Housing Tax Credit (LIHTC) units. However, two of these properties are age-restricted and thus target a different population than the subject development. The remaining two properties target families earning up to 60% of AMHI, similar to the subject development. Therefore, these properties are considered competitive with the proposed development. These two LIHTC properties and the proposed subject development are summarized as follows. Information regarding property address, phone number, contact name and utility responsibility is included in Addendum A, *Field Survey of Conventional Rentals*.

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Fountain Square Apartments	2019	9*	-	-	-	Families; 60% AMHI
5	Glen Apts.	2007	44	100.0%	11.2 Miles	50 H.H.	Families; 30%, 40%, 50%, & 60% AMHI
14	Sun River Single Family Housing	2007	21*	100.0%	7.1 Miles	10 H.H.	Families; 30%, 40%, 50%, & 60% AMHI

OCC. – Occupancy

H.H. - Households

*Tax Credit units only

The two LIHTC projects have a combined occupancy rate of 100.0% and both properties maintain a waiting list for their next available units, the longest of which contains 50 households. This is a clear indication of pent-up demand for general-occupancy LIHTC product such as that proposed at the subject site. The subject project will help alleviate a portion of this pent-up demand.

The following table identifies the properties that accept Housing Choice Vouchers as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Number of Vouchers	Share of Vouchers
5	Glen Apts.	44	1	2.3%
14	Sun River Single Family Housing	21*	1	4.8%
Total		65	2	3.1%

*Tax Credit units only

As the preceding table illustrates, there are a total of approximately two units that are occupied by Voucher holders among the comparable non-subsidized LIHTC projects in the market. The two units occupied by Voucher holders comprise only 3.1% of these comparable units. This demonstrates that nearly 97% of the non-subsidized Tax Credit units in the market are occupied by tenants which are not currently receiving rental assistance. This indicates that the gross rents being charged at the aforementioned projects in the market are achievable.

The gross rents for the competing projects and the proposed rents at the subject site, as well as their rent per square foot, unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Per Sq. Ft. - Percent of AHMI (Number of Units/Vacancies)		
		One-Br.	Two-Br.	Three-Br.
Site	Fountain Square Apartments	\$677/\$0.75-60% (9)	-	-
5	Glen Apts.	\$444/\$0.63-30% (3/0)	\$531/\$0.61-40% (4/0)	\$609/\$0.58-40% (2/0)
		\$567/\$0.81-50% (5/0)	\$678/\$0.84-50% (3/0)	\$779/\$0.74-50% (2/0)
		\$569/\$0.81-60% (4/0)	\$766/\$0.95-60% (16/0)	\$949/\$0.90-60% (5/0)
14	Sun River Single Family Housing	-	-	\$585/\$0.49-30% (2/0) \$757/\$0.63-40% (3/0) \$927/\$0.77-50% (5/0) \$1,099/\$0.92-60% (11/0)

The proposed subject gross rent of \$677 (\$0.75 per square foot), will be the highest gross LIHTC rent in the market among properties targeting similar unit types and income levels. However, given that all comparable Tax Credit developments within the Site PMA are 100.0% occupied and maintain waiting lists, it is likely that these properties could charge higher rents without having an adverse impact on their occupancy levels. Further, the subject development will be 12 years newer than the comparable general-occupancy LIHTC projects in the market, offering the largest unit sizes (square feet) and a superior amenities package (illustrated later in this section), which will further enable the subject project to charge higher rents within the market. Overall, we believe the proposed subject rent is appropriate for the Kankakee Site PMA.

The subject project will offer a unit mix that is equally comprised of non-subsidized one- and two-bedroom units. This unit mix is appropriate for non-subsidized rental units, as approximately 50% of non-subsidized units surveyed in the Site PMA are comprised of two-bedroom units. While approximately 35% of non-subsidized units surveyed in the Site PMA are comprised of one-bedroom units, due to the surplus of age-restricted properties in the area, all of which are performing well, the subject will likely attract some senior households, thus the subject's equal balance of one- and two-bedroom units seems appropriate for this market.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market are compared with the subject development in the following tables:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Fountain Square Apartments	900	-	-
5	Glen Apts.	701	805 - 865	1,050
14	Sun River Single Family Housing	-	-	1,200

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Fountain Square Apartments	1.0	-	-
5	Glen Apts.	1.0	1.0	1.5
14	Sun River Single Family Housing	-	-	2.0

The proposed development will offer the largest unit sizes (square footage) relative to those offered at the comparable LIHTC projects in the market. This will provide the subject with a competitive advantage and will enable it to charge higher rents. In fact, the subject's one-bedroom units will be larger than the two-bedroom units offered at one of the comparable LIHTC properties.

The following tables compare the amenities of the site to those of the other Tax Credit properties.

COMPARABLE PROPERTIES AMENITIES - KANKAKEE, ILLINOIS

	APPLIANCES						UNIT AMENITIES																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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MAP ID	PROJECT AMENITIES																		
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER	OTHER
SITE											O	X							Key Fob Access
14								X											
5		X	X	X															

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

Parking
A - Attached
C - Carport
D - Detached
O - On Street
S - Surface
G - Parking Garage
(o) - Optional
(s) - Some

Sports Courts
B - Basketball
D - Baseball Diamonds
P - Putting Green
T - Tennis
V - Volleyball
X - Multiple

Floor Covering
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

Community Space
A - Activity Room
L - Lounge/Gathering Room
T - Training Room

The amenities package to be included at the proposed development will be superior than those offered at the comparable LIHTC projects within the market. In terms of unit amenities, the subject project will be the only LIHTC project in the market to offer ceiling fans and intercom access. Regarding project amenities, the subject project will be the only LIHTC project to include an elevator, additional storage and key fob access. The inclusion of the aforementioned amenities will enhance the subject's marketability and will enable it to charge higher rents within the Kankakee Site PMA.

Comparable/Competitive Summary

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing comparable properties within the market, it is our opinion that the proposed development will be very competitive. Although the proposed subject rent will be the highest LIHTC rent within the market among similar unit types targeting similar income levels, it will be the newest project in the Kankakee Site PMA, offering a superior amenities package and larger unit sizes (square feet). Combined with the fact that all comparable LIHTC projects are 100% occupied with waiting lists, it is likely that the subject project can charge rent premiums without impacting its ability to successfully operate as a LIHTC rental community. This has been considered in our absorption estimates.

Market-Rate

The subject project will also offer eight (8) units set at 80% of AMHI, which will likely compete with market-rate product. In addition, the subject will offer 17 market-rate units. As such, the following is our market-rate competitive analysis.

We identified five comparable market-rate properties within the Site PMA. These five comparable market-rate properties and the proposed subject development are summarized as follows:

Map I.D.	Project Name	Year Built/Renovated	Units	Occupancy Rate	Distance to Site	Rent Special
Site	Fountain Square Apartments	2019	25*	-	-	-
8	1200 Winans Ave.	2005	11	90.9%	4.1 Miles	None
9	636-728 Double Jack St.	2004	30	100.0%	5.2 Miles	None
10	Double Jack Apts.	1995	36	100.0%	5.3 Miles	None
12	Sherwood Forest Apts.	1970 / 2000	80	93.8%	2.0 Miles	None
18	Townhomes of Deerpark	1992	42	97.6%	5.2 Miles	None

*Market-rate units only

The five selected market-rate projects have a combined total of 199 units with an overall occupancy rate of 96.5%. This is a typical occupancy rate, and a positive indicator of the stability of the housing market within the Site PMA for projects similar to the subject property.

The gross rents for the competing projects and the proposed rents at the subject site, as well as their rent per square foot, unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Per Sq. Ft. (Number of Units/Vacancies)		
		One-Br.	Two-Br.	Three-Br.
Site	Fountain Square Apartments	\$950/\$1.06 (8)*	\$1,200-\$1,300/\$1.24-\$1.33 (17)	-
8	1200 Winans Ave.	-	\$979/\$0.93 (6/0)	\$1,259/\$1.05 (5/1)
9	636-728 Double Jack St.	-	\$1,096/\$1.10 (30/0)	-
10	Double Jack Apts.	-	\$1,092/\$1.30 (20/0)	\$1,246/\$1.26 (16/0)
12	Sherwood Forest Apts.	\$788/\$1.09 (12/2)	\$908/\$0.94 (56/3)	\$1,038/\$1.01 (12/0)
18	Townhomes of Deerpark	-	\$1,427/\$1.02 (24/0)	\$1,581-\$1,781/\$1.05-\$1.19 (18/1)

*80% AMHI units

The proposed subject's one-bedroom market-rate rent of \$950 will be the highest among the comparable market-rate properties. Although only one comparable market-rate property offers one-bedroom units, it worth noting that this property was originally constructed in 1970 and it is likely that the subject project will be superior to this property upon completion of construction. The proposed subject's two-bedroom market-rate rents, ranging from \$1,200 to \$1,300, will be some of the highest in the market, however, they still fall within the range of the existing comparable market-rate properties.

The unit sizes (square footage) and number of bathrooms included in each of the different comparable market-rate unit types offered in the market are compared with the subject development in the following tables:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	Fountain Square Apartments	900	900 - 1,050	-
8	1200 Winans Ave.	-	1,050	1,200
9	636-728 Double Jack St.	-	1,000	-
10	Double Jack Apts.	-	840	985
12	Sherwood Forest Apts.	725	965	1,025
18	Townhomes of Deerpark	-	1,400	1,500

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	Fountain Square Apartments	1.0	2.0	-
8	1200 Winans Ave.	-	1.0	2.0
9	636-728 Double Jack St.	-	1.0	-
10	Double Jack Apts.	-	1.5	2.0
12	Sherwood Forest Apts.	1.0	2.0	2.0
18	Townhomes of Deerpark	-	1.5	2.5

The proposed development will be competitive with the existing comparable projects in the market based on unit size (square footage) and the number of baths offered. The subject's one-bedroom units will be significantly larger than the one-bedroom units offered at the comparable market-rate development which offers this unit type. The two full bathrooms to be included in the subject's two-bedroom units will likely provide the subject with a competitive advantage.

The following tables compare the amenities of the site to those of the other market-rate properties.

COMPARABLE PROPERTIES AMENITIES - KANKAKEE, ILLINOIS

		APPLIANCES						UNIT AMENITIES														
																			OTHER			
MAP ID		RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING		
SITE		X	X		X			X		C	X	X	X	X		X		B		S,G		
8		X	X		X	X		X		C			X	X				B		A,S		
9		X	X		X	X		X		C	X	X	X			X		B		A,S		
10		X	X		X	X		X		C		X	S	X				B		D(o),S		
12		X	X		X	X		X		C				X				B		S		
18		X	X		X	X		X		C	X	X	X	X	X			B		A,S		

	PROJECT AMENITIES																			
	OTHER	BUSINESS CENTER	SOCIAL SERVICES	PICNIC AREA	LIBRARY	COMPUTER LAB	SECURITY GATE	ELEVATOR	STORAGE	SPORTS COURT	TENNIS COURT	PLAYGROUND	JACUZZI / SAUNA	FITNESS CENTER	COMMUNITY SPACE	CLUB HOUSE	LAUNDRY	ON-SITE MGMT	POOL	MAP ID
	Key Fob Access							X	O											SITE
8																	X			
9																				
10																		X		
12																	X	X		
18																				

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
C - Curtains
D - Drapes

Parking
A - Attached
C - Carport
D - Detached
O - On Street
S - Surface
G - Parking Garage
(o) - Optional
(s) - Some

Sports Courts
B - Basketball
D - Baseball Diamonds
P - Putting Green
T - Tennis
V - Volleyball
X - Multiple

Floor Covering
C - Carpet
H - Hardwood
V - Vinyl
W - Wood
T - Tile

Community Space
A - Activity Room
L - Lounge/Gathering Room
T - Training Room

The amenities package to be included at the proposed development will be slightly superior than those offered at the comparable market-rate projects within the market. In terms of unit amenities, the subject project will be one of the only market-rate projects in the market to offer washer/dryer appliances and intercom access. Regarding project amenities, the subject project will be the only market-rate project to include an elevator, additional storage and key fob access. The inclusion of the aforementioned amenities will enhance the subject's marketability and will enable it to charge higher rents within the Kankakee Site PMA.

Comparable/Competitive Summary

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing comparable properties within the market, it is our opinion that the proposed development will be very competitive. Although the proposed subject's market-rate rents will be among the highest market-rate rents within the market among similar unit types, it will be the newest project in the Kankakee Site PMA, offering a superior amenities package and competitive unit sizes (square feet). This has been considered in our absorption estimates.

C. PLANNED MULTIFAMILY DEVELOPMENT

Based on our interviews with local building and planning representatives for the various municipalities comprised within the Site PMA, it was determined that there are two rental communities within the development pipeline in the Site PMA. These projects are summarized as follows:

- River Station Senior (formerly known as Kankakee Senior Housing) is a mixed-income property that is currently under construction at 245 South 6th Avenue in Kankakee. Developed by Kankakee County Housing Authority, Mercy Housing, Heritage Development Corporation and Bennett Commercial LLC, the project will consist of 70 one-bedroom units for seniors ages 55 and older earning up to 50% and 60% of AMHI. Note that a total of 40 units will operate with Project Based Vouchers (PBV). The development is planned to be completed by the end of 2017.
- Oak Arbor West is a 32-unit market-rate rental community that is currently under construction at 801 to 837 Christine Drive in Bradley. One of the residential buildings of this property is nearly complete, while an additional residential building is expected to be complete by the end of 2017. Developed by Pommier Construction, the property broke ground in May 2017. Additional information on this project was unavailable at the time this report was issued.

Of the two communities within the development pipeline in the market, one will be a senior LIHTC community, however, the subject site targets families. As such, this property will not compete with the subject development. The market-rate units at Oak Arbor West will likely be considered competitive with the subject development's market-rate units. Regardless, as shown in *Section VI*, there is a deep base of support for the subject's market-rate units. As such, it is not likely that this project in the development pipeline will have an adverse impact on the marketability of the subject project.

D. FORECLOSED, VACANT and ABANDONED PROPERTIES

As illustrated on page one of this section of the report, there are an estimated 3,344 vacant units within the Kankakee Site PMA in 2017. The following table illustrates the status of vacant units within the Site PMA and the state of Illinois based on 2011-2015 American Community Survey (ACS) five year estimates.

Vacancy Status				
Vacant Units	Site PMA		Illinois	
	Number	Percent	Number	Percent
For Rent	984	29.4%	111,989	21.6%
For-Sale Only	767	22.9%	70,450	13.6%
Rented/Sold, Not Occupied	205	6.1%	48,367	9.4%
Seasonal or Recreational	254	7.6%	50,950	9.8%
For Migrant Workers	0	0.0%	513	0.2%
Other Vacant	1,134	34.0%	235,018	45.4%
Total	3,344	100.0%	517,287	100.0%

Source: ESRI; Urban Decision Group; Bowen National Research; 2011-2015 ACS 5-year estimates

As reported in the 2011-2015 ACS, 29.4% of the vacant housing units in the market are long-term rentals. As the previous table indicates, the largest share of vacant units is classified as "Other Vacant", which encompasses foreclosed, dilapidated and abandoned housing. It should be noted that these vacant units do not appear to have had an adverse impact on occupancy rates among the long-term rental market within the Site PMA, based on the information provided within this section of the report and further illustrated by our Field Survey of Conventional Rentals. As such, we do not anticipate that vacant foreclosed housing units within the Site PMA will have any significant impact on future occupancy rates among the long-term rental market within the Site PMA.

E. LOCAL PERSPECTIVE

The following are summaries of interviews conducted with various local sources regarding the need for affordable housing in the Kankakee Site PMA.

- Beatrice Nolan, Property Manager of Sun River Single Family Housing (Map ID 14), a general-occupancy Tax Credit and market-rate community in Kankakee, stated that there is certainly a need for affordable housing for families throughout Kankakee County. Ms. Nolan added that there is also a high demand for affordable housing for seniors in the area, as she frequently receives inquiries from both families and seniors. Ms. Nolan stated that there are already a lot of affordable one-bedroom units for seniors in the area, but they are all typically full and there are not many general-occupancy one-bedroom units offered at any properties in the Kankakee area. Ms. Nolan also stated that the Kankakee area would benefit from newer market-rate rental housing, as most existing properties are quite old.
- Lisa Wogan, Director of Marketing and Business Attraction of the Economic Alliance of Kankakee County, stated that there are already a lot of affordable housing options in the area, but many are typically full with waiting lists. Ms. Wogan added that there are plenty of poor quality single-family homes in Kankakee that could be renovated for quality affordable housing.

V. Affordability/Demand

A. AFFORDABLE RENT ANALYSIS

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the proposed subject project's potential. Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Kankakee, IL Metropolitan Statistical Area (MSA), which has a median four-person household income of \$74,300 for 2017. The subject property's LIHTC units will be restricted to households with incomes of up to 60% of AMHI. Note that the subject will also offer units restricted to 80% of AMHI and market-rate units. The following table summarizes the maximum allowable income by household size and targeted AMHI levels.

Household Size	Targeted AMHI Maximum Allowable Income	
	60%	80%
One-Person	\$27,180	\$36,250
Two-Person	\$31,080	\$41,400
Three-Person	\$34,980	\$46,600

1. Maximum Income Limits

The largest proposed LIHTC units (one-bedroom) at the subject site are expected to house up to three-person households. As such, the maximum allowable income at the subject site is **\$31,080** for the subject's LIHTC units.

2. Minimum Income Requirements

The following table compares the proposed gross rent at the subject site with the maximum allowable LIHTC rent for the proposed bedroom type and AMHI level for the MSA in 2017:

Affordability of Proposed Gross Rents				
Bedroom Type	Proposed Gross Rent	% AMHI	Maximum Allowable LIHTC Rent	% Difference
One-Br.	\$677	60%	\$728	7.0%

*Note that the subject's 80% units and market-rate units have been excluded

As the preceding table illustrates, the subject's proposed gross LIHTC rent is 7.0% below the current maximum allowable LIHTC rent for one-bedroom units targeting households earning up to 60% of AMHI. As such, the proposed gross rent is considered affordable and will represent a good value to low-income renters within the Site PMA.

Pursuant to Illinois Housing Development Authority market study guidelines, the appropriate rent-to-income ratio for low-income units is 35% for families and 45% for elderly.

The proposed Tax Credit units will have a lowest gross rent of \$677. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$8,124. Applying a 35% rent-to-income ratio to the minimum annual household expenditures yields a minimum annual household income requirement of **\$23,211** for the Tax Credit units.

The proposed market-rate units and the units set at 80% of AMHI will have a lowest gross rent of \$950. Using the same methodology, the minimum income annual household income requirement for these units is **\$32,571**.

3. **Income-Appropriate Range**

Based on the preceding analyses, the income-appropriate range required to live at the proposed project's Tax Credit units, as well as units restricted to 80% and market-rate units without a maximum income restriction is as follows:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited to 60% of AMHI)	\$23,211	\$31,080
Market-Rate (Limited to 80% of AMHI)	\$32,571	\$46,600
Market-Rate	\$46,601	-

The following section summarizes the capture rate for each income level for the proposed subject development, as required by IHDA. Note that we utilized the minimum income of \$46,601 for the subject's market-rate units to avoid overlap with the subject's Tax Credit units and 80% units.

B. **OVERALL MARKET DEMAND**

Per IHDA requirements, we have also provided overall market demand estimates that take into consideration the family demographic base of low-income renter households and the existing supply of comparable rental housing. Based on the preceding analysis, the income-appropriate range required to live at the proposed project's Tax Credit units is \$23,211 to \$31,080. Our demographic projections indicate that there will be 799 size- and income-appropriate renter households in the market at the subject's time of completion (2019). Note that this calculation only includes one- and two-person households as the subject will only offer one-bedroom LIHTC units. In addition, the following analysis only includes comparable one-bedroom LIHTC units targeting families earning up to 60% of AMHI. Conservatively assuming that all four (4) one-bedroom units targeting families earning up to 60% of AMHI offered among the two comparable LIHTC

properties surveyed in the market are occupied by households that would also qualify to reside at the subject project; there will be a total of 795 remaining size- and income-eligible renter households in the market in 2019 that would not have LIHTC rental housing available. Our calculations of overall market demand based on the preceding analysis, and considering that no additional comparable LIHTC properties are planned, within the Site PMA are summarized as follows.

	Overall Market Demand
*Size- and Income-Eligible Renter Households (2019)	799
Less Existing Comparable LIHTC Units	- 4
Net Total of Size- and Income-Eligible Renter Households (2019)	= 795
Size- and Income-Eligible Renter Households Divided by 95% (Balanced Market)	$795 / 95\% = 837$
Less Directly Comparable Planned Units	$837 - 0 = 837$
Total Number of Units Needed	= 837

*Only one- and two-person households considered in this analysis

Based on the preceding analysis, a total of 837 one-bedroom LIHTC units are needed for a balanced market among the targeted tenant population at the subject site. As such, the nine LIHTC units at the subject site are expected to meet only a portion of the comparable LIHTC units demanded in the market.

C. CAPTURE RATE

Methodology

Based on IHDA methodology, capture rates are calculated by dividing the total number of the proposed units, within each income strata, by the **total** number of income/age eligible households (**not** only the renter households) within the **PMA only**. The number of households are determined by the range between the minimum annual income that a household must earn in order for the proposed rents to be considered “affordable”, up to the maximum income level for a given income strata. Note that historically capture rates of 5% or lower for family projects and 7% or lower for elderly projects have been considered acceptable by IHDA.

Capture Rate Calculations

Assuming the project is complete in 2019, the following table illustrates the amount of size- and income-qualified households that are anticipated to be within the PMA at that time. Our capture rate calculations follow:

	Percent of Median Household Income		
	60% (\$23,211 - \$31,080)	80% (\$32,571 - \$46,600)	Market-Rate (\$46,601+)
Number Of Proposed Units	9	8	17
*Size- & Income-Eligible Households 2019	1,721	2,851	13,831
Capture Rate	0.5%	0.3%	0.1%

*Only one- and two-person households considered in this analysis

As the preceding illustrates, the capture rates by targeted AMHI level range from 0.1% to 0.5%. These capture rates are considered very low and easily achievable within the Kankakee Site PMA and demonstrate a deep base of potential size- and income-appropriate support for the subject development. This is especially true when considering the lack of general-occupancy Tax Credit product in the Site PMA, which will likely allow the proposed subject project to capture a larger than typical share of the income-qualified applicants. It is also of note that the capture rates for the subject project are well below the typical IHDA threshold of 5.0% for family projects.

D. PENETRATION RATE

The 330 existing (surveyed and unsurveyed) affordable general-occupancy units in the market must also be considered when evaluating the achievable penetration rate for the subject development. Based on the same calculation process used for the subject site, the income-eligible range for the existing and planned affordable general-occupancy units is \$0 to \$41,940. Note that because the subject development will target families, we have excluded the affordable age-restricted units in the market. As such, the following analysis only includes households under the age of 55. Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, there will be an estimated 13,755 households with eligible incomes. The 330 existing and proposed affordable general-occupancy units represent a penetration rate of 2.4% of the 13,755 income-eligible households, which is summarized on the following table.

	Market Penetration
Number of comparable affordable units (Proposed and Existing)	330
Age- & Income-Eligible Households – 2019	/ 13,755
Overall Market Penetration Rate	= 2.4%

It is our opinion that the 2.4% penetration rate for the affordable general-occupancy units, both existing and proposed, is achievable.

E. SUPPORT FROM HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Kankakee County Housing Authority, there are approximately 610 Housing Choice Voucher holders within the housing authority's jurisdiction, and 941 people currently on the waiting list for additional Vouchers. The waiting list is currently closed and it is unknown when the waiting list will reopen. Annual turnover is estimated at 50 households. This reflects the continuing need for Housing Choice Voucher assistance.

If the rents do not exceed the payment standards established by the local/regional housing authority, households with Housing Choice Vouchers may be willing to reside at a LIHTC project. Established by the Kankakee County Housing Authority, the regional payment standards, as well as the proposed subject gross rents, are summarized in the following table:

Bedroom Type	Payment Standards	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$734	\$677 (60%) \$950 (80%)
Two-Bedroom	\$977	\$1,200 (MR) \$1,300 (MR)

As the preceding table illustrates, the subject's one-bedroom proposed gross rent at 60% of AMHI is below their corresponding payment standards. As such, these units are likely to attract Voucher support. Potential voucher support has been considered in our absorption projections.

F. ABSORPTION RATE

Considering the facts contained in this market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the proposed subject development. It is our opinion that the 34 proposed units at the subject site will reach a stabilized occupancy of 95.0% within three months of opening. This absorption period is based on an absorption rate of approximately 11 units per month, and assumes the nine (9) LIHTC units will lease up within one month, while the 25 market-rate units will lease up within three months.

These absorption projections assume a 2019 opening date. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project throughout the Site PMA a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has also been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

G. HOUSING NEED

The subject project is not targeting any special needs housing segment. Therefore, this section is not applicable.

VI. Impact On Other Affordable Housing And Market-Rate Housing

A. IMPACT ON OTHER IHDA PROPERTIES

As stated in Section IV of this report, we identified two non-subsidized general-occupancy LIHTC projects in the Site PMA that will directly compete with the subject project. Considering that both competitive LIHTC projects are 100.0% occupied, both of which maintain waiting lists, the development of the subject project is not expected to have any adverse impact on future occupancy rates at these existing general-occupancy LIHTC properties.

B. IMPACT ON OTHER ASSISTED/AFFORDABLE HOUSING (NON-IHDA PROPERTIES)

We identified and surveyed five government-subsidized rental properties in the Site PMA. Considering that nearly all government-subsidized projects surveyed are 100.0% occupied, most of which maintain wait lists, we do not expect the subject development to have any adverse impact on the future occupancy levels at these properties. In fact, the existing government-subsidized properties have a combined occupancy rate of 99.6%, reflective of just two vacant units.

C. IMPACT ON MARKET-RATE HOUSING

The proposed project will offer Tax Credit units set at 60% of AMHI, as well as units set at 80% of AMHI and unrestricted market-rate units. As such, some of the units at the subject development will compete with the existing market-rate properties. However, it is important to note that the market-rate properties surveyed have a combined occupancy rate of 94.6%, which is considered a stable rate for rental housing. In addition, based on the analysis in *Section V*, there is a deep base of support for the subject's market-rate units. As such, we do not expect the subject development to have any adverse impact on the occupancy levels of existing market-rate properties.

VII. Conclusions And Recommendations

Based on the findings reported in our market study, it is our opinion that a market exists for the 34-unit Fountain Square rental community, assuming it is built and operated as outlined within this report. Note that changes to the project's rents, amenities, floor plans, location or other features may invalidate our findings.

The proposed subject site is situated within an established area of the downtown portion of Kankakee that is predominantly comprised of downtown businesses in fair to good condition and surface parking lots. The subject site is expected to fit well with these structures and the proximity to area community services will contribute to the marketability of the subject site. Note that most essential community services are located within walking distance of the subject site and multiple public bus stops are located within proximity of the site, which allows for convenient access to area services located farther away. The generally light traffic in the site area also allows for convenient ingress and egress.

Nearly all affordable rental housing (government-subsidized and/or Tax Credit) identified and surveyed in the market are 100.0% occupied, the majority of which maintain waitlists. In fact, all Tax Credit properties surveyed within the Site PMA are currently 100.0% occupied. This demonstrates that pent-up demand exists for additional affordable housing within the market. The subject project will be 12 years newer than the existing competitive general-occupancy LIHTC projects in the Site PMA, which will also contribute to its overall marketability. Although the subject's proposed rents will be some of the highest LIHTC and market-rate rents within the market, as detailed in Section IV, its newness, larger unit sizes and superior amenities package will likely enable it to charge rent premiums. Additionally, considering that all LIHTC units within the market are occupied, it is likely that these projects can charge higher rents without having an adverse impact on their occupancy levels. Based on the preceding analysis, the subject development will provide an affordable non-subsidized rental product that will be marketable to a population segment (families) which is currently underserved within the Site PMA. In addition to the subject's marketability, it will also be well supported demographically within the Site PMA, as evidenced by the subject's low overall capture rates of 0.5%, 0.3% and 0.1% for the subject's Tax Credit units, units set at 80% of AMHI and market-rate units, respectively, as detailed in Section V.

Based on the preceding analysis along with facts contained within this report, we do not have any recommendations or suggested modifications for the subject project.

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

KANKAKEE, ILLINOIS

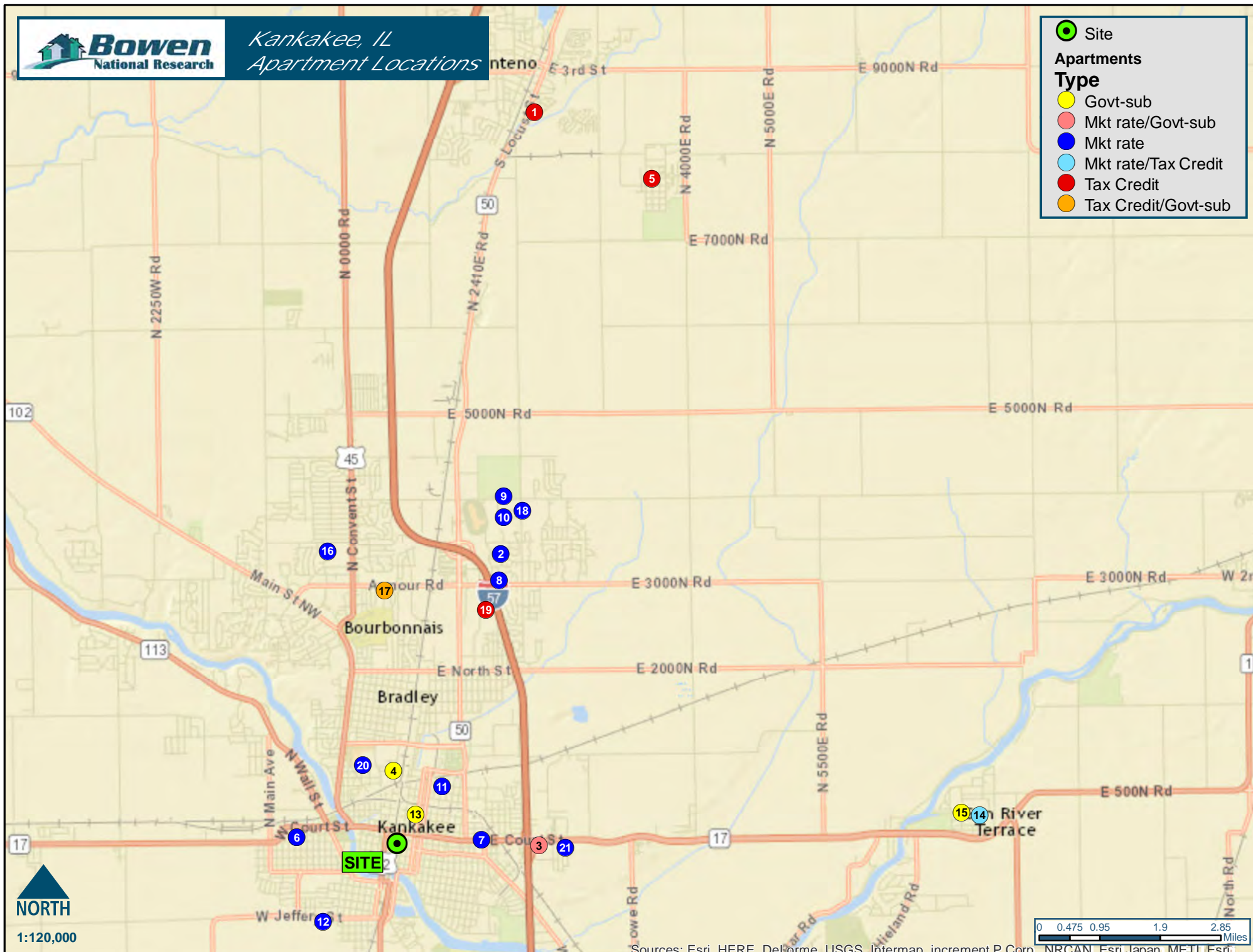
The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri Japan, METI, Esri

MAP IDENTIFICATION LIST - KANKAKEE, ILLINOIS

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
◆ 1	Meadowbrook	TAX	B	1994	24	0	100.0%	9.4
2	1520 Girard Ave.	MRR	B	1968	4	0	100.0%	4.4
◆ 3	Eastcourt Village	MRG	C+	1975	133	6	95.5%	1.9
◆ 4	Kankakee Commons	GSS	B-	1981	101	0	100.0%	1.3
5	Glen Apts.	TAX	B-	2007	44	0	100.0%	11.2
◆ 6	221 S. Cannon Ave.	MRR	B	1965	4	1	75.0%	1.5
7	Kohl Apts. II	MRR	B	1988	15	0	100.0%	1.1
8	1200 Winans Ave.	MRR	B	2005	11	1	90.9%	4.1
9	636-728 Double Jack St.	MRR	B	2004	30	0	100.0%	5.2
10	Double Jack Apts.	MRR	B-	1995	36	0	100.0%	5.3
11	Kohls Greenwood Avenue Apts.	MRR	B-	1972	15	0	100.0%	1.2
12	Sherwood Forest Apts.	MRR	B	1970	80	5	93.8%	2.0
◆ 13	Midtown Towers	GSS	C+	1970	100	0	100.0%	0.7
14	Sun River Single Family Housing	MRT	B	2007	25	0	100.0%	7.1
◆ 15	Sun River Commons	GSS	B+	1998	23	0	100.0%	7.1
16	Golden West Apts.	MRR	C+	1970	16	0	100.0%	4.2
17	Hidden Glen Apts.	TGS	B-	1972	128	0	100.0%	3.8
18	Townhomes of Deerpark	MRR	B	1992	42	1	97.6%	5.2
◆ 19	Bradley Place Apts. I & II	TAX	B	1996	107	0	100.0%	3.5
20	Meadowview Apts.	MRR	B	1970	32	1	96.9%	1.4
21	Sneedcrest Apts.	MRR	C+	1970	52	6	88.5%	2.2

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	12	337	15	95.5%	0
MRT	1	25	0	100.0%	0
MRG	1	133	6	95.5%	0
TAX	3	175	0	100.0%	0
TGS	1	128	0	100.0%	0
GSS	3	224	0	100.0%	1

Total units does not include units under construction.

◆ Senior Restricted
Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

* - Drive Distance (Miles)

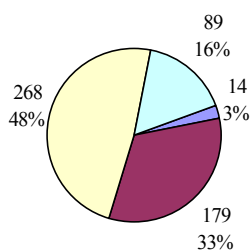
Survey Date: October 2017

DISTRIBUTION OF UNITS - KANKAKEE, ILLINOIS

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
0	1	14	4.0%	4	28.6%	\$603
1	1	53	15.0%	4	7.5%	\$720
2	1	124	35.0%	5	4.0%	\$824
2	1.5	48	13.6%	0	0.0%	\$1,107
2	2	56	15.8%	3	5.4%	\$908
3	1.5	4	1.1%	1	25.0%	\$915
3	2	37	10.5%	1	2.7%	\$1,246
3	2.5	18	5.1%	1	5.6%	\$1,581
TOTAL		354	100.0%	19	5.4%	
TAX CREDIT, NON-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	126	64.3%	0	0.0%	\$611
2	1	40	20.4%	0	0.0%	\$708
3	1.5	9	4.6%	0	0.0%	\$949
3	2	21	10.7%	0	0.0%	\$1,099
TOTAL		196	100.0%	0	0.0%	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	1	128	100.0%	0	0.0%	N.A.
TOTAL		128	100.0%	0	0.0%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
0	1	50	14.5%	1	2.0%	N.A.
1	1	289	84.0%	1	0.3%	N.A.
2	1	5	1.5%	0	0.0%	N.A.
TOTAL		344	100.0%	2	0.6%	
1 UNITS UNDER CONSTRUCTION						
GRAND TOTAL		1,022	-	21	2.1%	

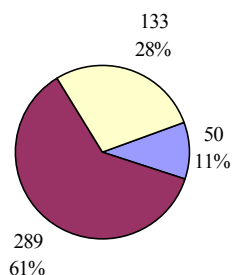
DISTRIBUTION OF UNITS BY BEDROOM

NON-SUBSIDIZED



■ 0 BEDROOMS
 ■ 1 BEDROOM
 ■ 2 BEDROOMS
 ■ 3 BEDROOMS

SUBSIDIZED



■ 0 BEDROOMS
 ■ 1 BEDROOM
 ■ 2 BEDROOMS

SURVEY OF PROPERTIES - KANKAKEE, ILLINOIS

1	Meadowbrook				
	Address 175 N. McGuire Dr. Manteno, IL 60950	Phone (815) 370-8858 (Contact in person)	Total Units 24	Vacancies 0	
	Year Built 1994	Contact Glenn	Occupied 100.0%	Floors 1	
	Comments 50% & 60% AMHI; HCV (8 units); Square footage estimated		Quality Rating B	Senior Restricted (62+)	
			Waiting List	5 households	
2	1520 Girard Ave.				
	Address 1520 Girard Ave. Bourbonnais, IL 60914	Phone (815) 730-1500 (Contact in person)	Total Units 4	Vacancies 0	
	Year Built 1968	Contact Tim	Occupied 100.0%	Floors 2	
	Comments Does not accept HCV		Quality Rating B	Waiting List	
			None		
3	Eastcourt Village				
	Address 2200 E. Court St. Kankakee, IL 60901	Phone (815) 937-4200 (Contact in person)	Total Units 133	Vacancies 6	
	Year Built 1975	Contact Susan	Occupied 95.5%	Floors 13	
	Comments Market-rate (13 units); HUD Section 8 (120 units); HCV (3 units); Unit mix estimated		Quality Rating C+	Senior Restricted (55+)	
			Waiting List	None	
4	Kankakee Commons				
	Address 155 W. Mertens St. Kankakee, IL 60901	Phone (815) 937-0360 (Contact in person)	Total Units 101	Vacancies 0	
	Year Built 1981	Contact Jodene	Occupied 100.0%	Floors 3	
	Comments HUD Section 8		Quality Rating B-	Senior Restricted (62+)	
			Waiting List	120 households	
5	Glen Apts.				
	Address 326 Diversatech Dr. Manteno, IL 60950	Phone (815) 468-8775 (Contact in person)	Total Units 44	Vacancies 0	
	Year Built 2007	Contact Cherryl	Occupied 100.0%	Floors 1	
	Comments 30%, 40%, 50% & 60% AMHI; HCV (1 unit); One manager unit not included in total		Quality Rating B-	Waiting List	
			50 households		

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: October 2017

SURVEY OF PROPERTIES - KANKAKEE, ILLINOIS






6 221 S. Cannon Ave.			
	Address 221 S. Cannon Ave. Kankakee, IL 60901	Phone (815) 383-0026 (Contact in person)	Total Units 4
	Year Built 1965 Comments Does not accept HCV	Contact Cindy	Vacancies 1 Occupied 75.0% Floors 2 Quality Rating B Senior Restricted (55+) Waiting List None
7 Kohl Apts. II			
	Address 1451 E. Court St. Kankakee, IL 60901	Phone (815) 933-9665 (Contact in person)	Total Units 15
	Year Built 1988 Comments Does not accept HCV; Square footage estimated	Contact Charlotte	Vacancies 0 Occupied 100.0% Floors 1.5, 2 Quality Rating B Waiting List None
8 1200 Winans Ave.			
	Address 1200, 1250 Winans Ave. Bourbonnais, IL 60914	Phone (815) 530-0186 (Contact in person)	Total Units 11
	Year Built 2005 Comments Does not accept HCV; 3-br units are located at 1250 Winans Ave.	Contact Kevin	Vacancies 1 Occupied 90.9% Floors 4 Quality Rating B Waiting List None
9 636-728 Double Jack St.			
	Address 787 Double Jack St. Bourbonnais, IL 60914	Phone (815) 929-9381 (Contact in person)	Total Units 30
	Year Built 2004 Comments Square footage estimated by management	Contact Greg	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B Waiting List None
10 Double Jack Apts.			
	Address 636-728 Double Jack St. Bourbonnais, IL 60914	Phone (630) 909-9258 (Contact in person)	Total Units 36
	Year Built 1995 Comments Select units have patio/balcony; Square footage estimated by management	Contact Ryan	Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- Waiting List None

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: October 2017

SURVEY OF PROPERTIES - KANKAKEE, ILLINOIS




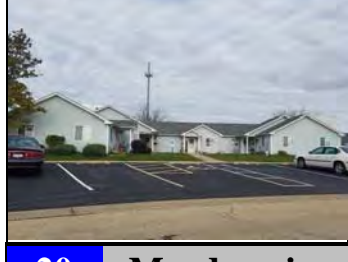

11	Kohls Greenwood Avenue Apts.							
	Address		738-758 N. Greenwood Ave. Kankakee, IL 60901	Phone	(815) 933-9665 (Contact in person)	Total Units	15	
	Year Built		1972	Renovated	1995	Contact	Charlotte	
	Comments		Does not accept HCV; Year built, renovation date & square footage estimated				Occupied	100.0%
							Floors	2.5
							Quality Rating	B-
						Waiting List	None	
12	Sherwood Forest Apts.							
	Address		1100 W. Jeffrey St. Kankakee, IL 60901	Phone	(815) 932-9313 (Contact in person)	Total Units	80	
	Year Built		1970	Renovated	2000	Contact	Michelle	
	Comments		HCV (20 units)				Occupied	93.8%
							Floors	2
							Quality Rating	B
						Waiting List	None	
13	Midtown Towers							
	Address		340 N. Dearborn Ave. Kankakee, IL 60901	Phone	(815) 929-1604 (Contact in person)	Total Units	100	
	Year Built		1970	Contact	Eric	Vacancies	0	
	Comments		Public Housing				Occupied	100.0%
							Floors	5
							Quality Rating	C+
						Senior Restricted (62+)		
						Waiting List	100 households	
14	Sun River Single Family Housing							
	Address		7100 E. Country Club Dr. & N. Roose Sunriver Terrace, IL 60964	Phone	(815) 939-1161 (Contact in person)	Total Units	25	
	Year Built		2007	Contact	Beatrice	Vacancies	0	
	Comments		Market-rate (4 units); 30%, 40%, 50%, & 60% AMHI (21 units); HCV (1 unit); Lease-to-own				Occupied	100.0%
							Floors	1
							Quality Rating	B
						Single-Family Homes		
						Waiting List	10 households	
15	Sun River Commons							
	Address		7165 E. Country Club Dr. St. Anne, IL 60964	Phone	(815) 939-1061 (Contact in person)	Total Units	23	
	Year Built		1998	Contact	Larry	Vacancies	0	
	Comments		RD 515, has RA (24 units); Select units have ceiling fans; One unit under repair due to fire; Square footage estimated				Occupied	100.0%
							Floors	1
							Quality Rating	B+
						Senior Restricted (62+)		
						Waiting List	15 households	

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: October 2017

SURVEY OF PROPERTIES - KANKAKEE, ILLINOIS


16	Golden West Apts.
	<p> Address 860 Gettysburg Dr. Bourbonnais, IL 60914 Year Built 1970 Comments Accepts HCV; Year built & square footage estimated </p> <p> Phone (815) 933-6282 (Contact in person) Contact Debbie </p> <p> Total Units 16 Vacancies 0 Occupied 100.0% Floors 2.5 Quality Rating C+ </p> <p> Waiting List None </p>
17	Hidden Glen Apts.
	<p> Address 290 N. Stadium Dr. Bourbonnais, IL 60914 Year Built 1972 Renovated 2008 Comments 50% AMHI & HUD Section 8 </p> <p> Phone (815) 932-9265 (Contact in person) Contact Robin </p> <p> Total Units 128 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating B- </p> <p> Waiting List 143 households </p>
18	Townhomes of Deerpark
	<p> Address 735-782 Double Jack St. Bourbonnais, IL 60914 Year Built 1992 Comments Does not accept HCV; Higher rent for units with basements that are finished </p> <p> Phone (815) 329-8275 (Contact in person) Contact Amanda </p> <p> Total Units 42 Vacancies 1 Occupied 97.6% Floors 2 Quality Rating B </p> <p> Waiting List None </p>
19	Bradley Place Apts. I & II
	<p> Address 110 Uncle Leo Dr. Bradley, IL 60915 Year Built 1996 Comments 40%, 50% & 60% AMHI; HOME Funds (48 floating units); Does not accept HCV; Phase II (47 units) opened 1998 & has higher rent </p> <p> Phone (815) 936-7354 (Contact in person) Contact Shelly </p> <p> Total Units 107 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Senior Restricted (55+) Waiting List 178 households </p>
20	Meadowview Apts.
	<p> Address 525-575 W. Henry St. Kankakee, IL 60901 Year Built 1970 Comments Accepts HCV (0 currently) </p> <p> Phone (815) 936-1560 (Contact in person) Contact Leanne </p> <p> Total Units 32 Vacancies 1 Occupied 96.9% Floors 1.5, 2 Quality Rating B </p> <p> Waiting List None </p>

Project Type

Market-rate
Market-rate/Tax Credit
Market-rate/Government-subsidized
Market-rate/Tax Credit/Government-subsidized
Tax Credit
Tax Credit/Government-subsidized
Government-subsidized

Survey Date: October 2017

SURVEY OF PROPERTIES - KANKAKEE, ILLINOIS

21	Sneedcrest Apts.			
	Address	2755 & 2779 Cooper Dr.	Total Units	52
		Kankakee, IL 60901	Vacancies	6
	Year Built	1970	Occupied	88.5%
	Comments	Square footage estimated	Floors	2
			Quality Rating	C+
			Waiting List	
			None	

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: October 2017

COLLECTED RENTS - KANKAKEE, ILLINOIS

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
1		\$515	\$545						
2			\$875						
3	\$575	\$750							
5		\$369 to \$494	\$431 to \$666	\$485 to \$825					
6			\$780						
7		\$500	\$625						
8			\$850	\$1100					
9			\$850						
10			\$875	\$975					
11		\$475	\$575						
12		\$692	\$779	\$879					
14				\$426 to \$986					
16			\$750						
18							\$1195	\$1295 to \$1495	
19		\$390 to \$557	\$472 to \$608						
20			\$695						
21	\$520	\$650	\$700					\$800	

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: October 2017

PRICE PER SQUARE FOOT - KANKAKEE, ILLINOIS

STUDIO UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
21	Sneedcrest Apts.	1	300	\$573	\$1.91
3	Eastcourt Village	1	475	\$603	\$1.27
ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
7	Kohl Apts. II	1	576	\$596	\$1.03
11	Kohls Greenwood Avenue Apts.	1	500	\$664	\$1.33
12	Sherwood Forest Apts.	1	725	\$788	\$1.09
21	Sneedcrest Apts.	1	650	\$720	\$1.11
3	Eastcourt Village	1	585	\$787	\$1.35
1	Meadowbrook	1	680	\$611	\$0.90
5	Glen Apts.	1	701	\$444 to \$569	\$0.63 to \$0.81
19	Bradley Place Apts. I & II	1	500	\$465 to \$632	\$0.93 to \$1.26
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
2	1520 Girard Ave.	1.5	925	\$1107	\$1.20
6	221 S. Cannon Ave.	1	800	\$829	\$1.04
7	Kohl Apts. II	1	880	\$754	\$0.86
8	1200 Winans Ave.	1	1050	\$979	\$0.93
9	636-728 Double Jack St.	1	1000	\$1096	\$1.10
10	Double Jack Apts.	1.5	840	\$1092	\$1.30
11	Kohls Greenwood Avenue Apts.	1	720	\$821	\$1.14
12	Sherwood Forest Apts.	2	965	\$908	\$0.94
16	Golden West Apts.	1	850	\$879	\$1.03
18	Townhomes of Deerpark	1.5	1400	\$1427	\$1.02
20	Meadowview Apts.	1	800	\$824	\$1.03
21	Sneedcrest Apts.	1	950	\$793	\$0.83
1	Meadowbrook	1	780	\$674	\$0.86
5	Glen Apts.	1	805 to 865	\$531 to \$766	\$0.66 to \$0.89
19	Bradley Place Apts. I & II	1	625	\$572 to \$708	\$0.92 to \$1.13
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
8	1200 Winans Ave.	2	1200	\$1259	\$1.05
10	Double Jack Apts.	2	985	\$1246	\$1.26
12	Sherwood Forest Apts.	2	1025	\$1038	\$1.01
18	Townhomes of Deerpark	2.5	1500	\$1581 to \$1781	\$1.05 to \$1.19

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

Survey Date: October 2017

PRICE PER SQUARE FOOT - KANKAKEE, ILLINOIS

THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
21	Sneedcrest Apts.	1.5	1200	\$915	\$0.76
14	Sun River Single Family Housing	2	1200	\$585 to \$1145	\$0.49 to \$0.95
5	Glen Apts.	1.5	1050	\$609 to \$949	\$0.58 to \$0.90

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

Survey Date: October 2017

AVERAGE GROSS RENT PER SQUARE FOOT - KANKAKEE, ILLINOIS

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.11	\$1.03	\$1.12
TOWNHOUSE	\$0.00	\$1.02	\$1.06

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.07	\$0.94	\$0.80
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$1.08	\$1.02	\$0.98
TOWNHOUSE	\$0.00	\$1.02	\$1.06

TAX CREDIT UNITS - KANKAKEE, ILLINOIS

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
5	Glen Apts.	3	701	1	30%	\$369
♦ 19	Bradley Place Apts. I & II	18	500	1	40%	\$390
5	Glen Apts.	5	701	1	50%	\$492
5	Glen Apts.	4	701	1	60%	\$494
♦ 19	Bradley Place Apts. I & II	30	500	1	50%	\$497 - \$503
♦ 1	Meadowbrook	11	680	1	60%	\$515
♦ 1	Meadowbrook	11	680	1	50%	\$515
♦ 19	Bradley Place Apts. I & II	44	500	1	60%	\$545 - \$557
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
5	Glen Apts.	4	865	1	40%	\$431
♦ 19	Bradley Place Apts. I & II	6	625	1	40%	\$472
♦ 1	Meadowbrook	1	780	1	50%	\$545
♦ 1	Meadowbrook	1	780	1	60%	\$545
5	Glen Apts.	3	805	1	50%	\$578
♦ 19	Bradley Place Apts. I & II	9	625	1	50%	\$608
5	Glen Apts.	16	805	1	60%	\$666
17	Hidden Glen Apts.	128	800	1	50%	\$803
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
14	Sun River Single Family Housing	2	1200	2	30%	\$426
5	Glen Apts.	2	1050	1.5	40%	\$485
14	Sun River Single Family Housing	3	1200	2	40%	\$598
5	Glen Apts.	2	1050	1.5	50%	\$655
14	Sun River Single Family Housing	5	1200	2	50%	\$768
5	Glen Apts.	5	1050	1.5	60%	\$825
14	Sun River Single Family Housing	11	1200	2	60%	\$940

♦ - Senior Restricted

QUALITY RATING - KANKAKEE, ILLINOIS

MARKET-RATE PROJECTS AND UNITS

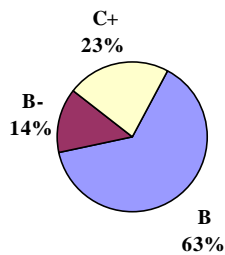
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B	9	222	4.1%		\$788	\$908	\$1,259	
B-	2	51	0.0%		\$664	\$1,092	\$1,246	
C+	3	81	12.3%	\$603	\$720	\$879	\$915	

TAX CREDIT (NON-SUBSIDIZED) PROJECTS AND UNITS

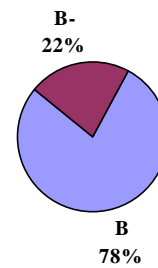
QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
B	3	152	0.0%		\$611	\$708	\$1,099	
B-	1	44	0.0%		\$567	\$766	\$949	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS



TAX CREDIT UNITS



YEAR BUILT - KANKAKEE, ILLINOIS *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	2	8	1	12.5%	8	1.5%
1970 to 1979	6	208	16	7.7%	216	37.8%
1980 to 1989	1	15	0	0.0%	231	2.7%
1990 to 1999	4	209	1	0.5%	440	38.0%
2000 to 2005	2	41	1	2.4%	481	7.5%
2006 to 2010	2	69	0	0.0%	550	12.5%
2011	0	0	0	0.0%	550	0.0%
2012	0	0	0	0.0%	550	0.0%
2013	0	0	0	0.0%	550	0.0%
2014	0	0	0	0.0%	550	0.0%
2015	0	0	0	0.0%	550	0.0%
2016	0	0	0	0.0%	550	0.0%
2017**	0	0	0	0.0%	550	0.0%
TOTAL	17	550	19	3.5%	550	100.0 %

YEAR RENOVATED - KANKAKEE, ILLINOIS *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	1	15	0	0.0%	15	15.8%
2000 to 2005	1	80	5	6.3%	95	84.2%
2006 to 2010	0	0	0	0.0%	95	0.0%
2011	0	0	0	0.0%	95	0.0%
2012	0	0	0	0.0%	95	0.0%
2013	0	0	0	0.0%	95	0.0%
2014	0	0	0	0.0%	95	0.0%
2015	0	0	0	0.0%	95	0.0%
2016	0	0	0	0.0%	95	0.0%
2017**	0	0	0	0.0%	95	0.0%
TOTAL	2	95	5	5.3%	95	100.0 %

Note: The upper table (Year Built) includes all of the units included in the lower table.

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of October 2017

APPLIANCES AND UNIT AMENITIES - KANKAKEE, ILLINOIS

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	17	100.0%	550
REFRIGERATOR	17	100.0%	550
ICEMAKER	0	0.0%	
DISHWASHER	6	35.3%	224
DISPOSAL	6	35.3%	212
MICROWAVE	1	5.9%	25
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	10	58.8%	392
AC - WINDOW	6	35.3%	143
FLOOR COVERING	17	100.0%	550
WASHER/DRYER	3	17.6%	97
WASHER/DRYER HOOK-UP	5	29.4%	240
PATIO/DECK/BALCONY	8	47.1%	188
CEILING FAN	5	29.4%	173
FIREPLACE	0	0.0%	
BASEMENT	1	5.9%	42
INTERCOM SYSTEM	4	23.5%	74
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	17	100.0%	550
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	1	5.9%	24

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - KANKAKEE, ILLINOIS

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	7	41.2%	328
LAUNDRY	13	76.5%	417
CLUB HOUSE	3	17.6%	175
MEETING ROOM	1	5.9%	13
FITNESS CENTER	0	0.0%	
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	1	5.9%	25
COMPUTER LAB	0	0.0%	
SPORTS COURT	0	0.0%	
STORAGE	1	5.9%	15
LAKE	0	0.0%	
ELEVATOR	1	5.9%	13
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	0	0.0%	
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	1	5.9%	107

DISTRIBUTION OF UTILITIES - KANKAKEE, ILLINOIS

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
GAS	3	237	23.2%
TENANT			
ELECTRIC	12	500	48.9%
GAS	6	285	27.9%
			100.0%
COOKING FUEL			
LANDLORD			
GAS	2	137	13.4%
TENANT			
ELECTRIC	18	833	81.5%
GAS	1	52	5.1%
			100.0%
HOT WATER			
LANDLORD			
GAS	3	237	23.2%
TENANT			
ELECTRIC	12	500	48.9%
GAS	6	285	27.9%
			100.0%
ELECTRIC			
TENANT	21	1,022	100.0%
			100.0%
WATER			
LANDLORD	16	895	87.6%
TENANT	5	127	12.4%
			100.0%
SEWER			
LANDLORD	16	895	87.6%
TENANT	5	127	12.4%
TRASH PICK-UP			
LANDLORD	19	976	95.5%
TENANT	2	46	4.5%
			100.0%

UTILITY ALLOWANCE - KANKAKEE, ILLINOIS

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$18	\$29		\$48	\$4	\$9	\$3	\$7	\$28	\$38	\$32	\$15	\$20
1	GARDEN	\$24	\$39		\$64	\$5	\$11	\$4	\$9	\$37	\$47	\$46	\$15	\$20
1	TOWNHOUSE	\$24	\$39		\$64	\$5	\$11	\$4	\$9	\$37	\$47	\$46	\$15	\$20
2	GARDEN	\$33	\$53		\$87	\$6	\$15	\$5	\$12	\$49	\$57	\$60	\$15	\$20
2	TOWNHOUSE	\$33	\$53		\$87	\$6	\$15	\$5	\$12	\$49	\$57	\$60	\$15	\$20
3	GARDEN	\$41	\$66		\$109	\$8	\$18	\$6	\$15	\$60	\$69	\$78	\$15	\$20
3	TOWNHOUSE	\$41	\$66		\$109	\$8	\$18	\$6	\$15	\$60	\$69	\$78	\$15	\$20
4	GARDEN	\$50	\$80		\$131	\$10	\$23	\$8	\$18	\$74	\$76	\$89	\$15	\$20
4	TOWNHOUSE	\$50	\$80		\$131	\$10	\$23	\$8	\$18	\$74	\$76	\$89	\$15	\$20

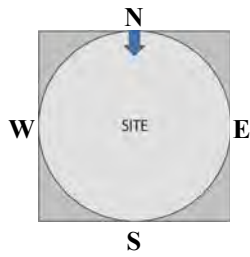
IL-Kankakee (10/2017)

Survey Date: October 2017

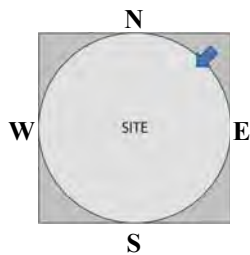
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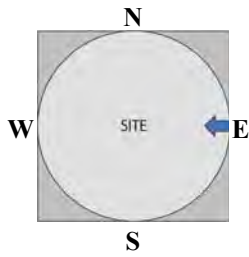
ADDENDUM B. SITE PHOTOGRAPHS



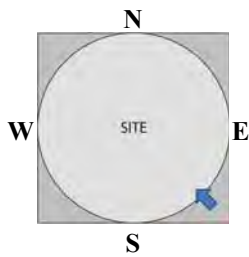
View of site from the north



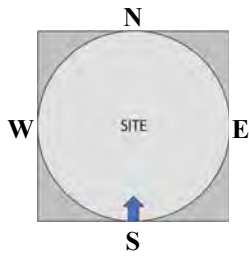
View of site from the northeast



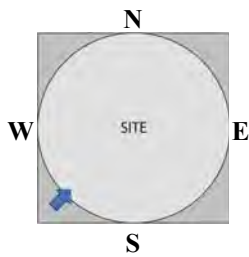
View of site from the east



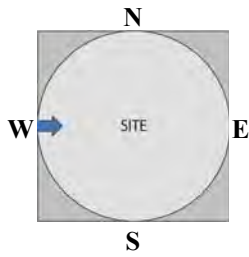
View of site from the southeast



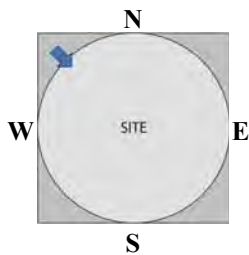
View of site from the south



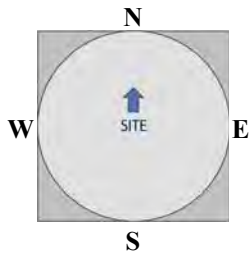
View of site from the southwest



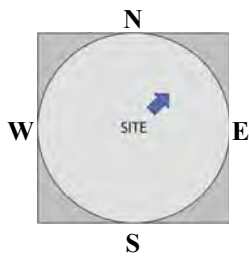
View of site from the west



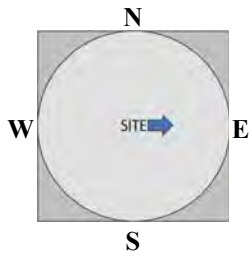
View of site from the northwest



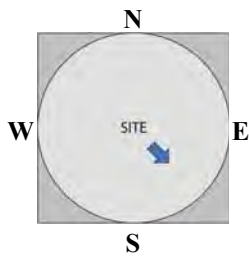
North view from site



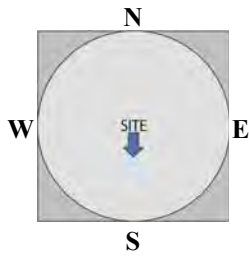
Northeast view from site



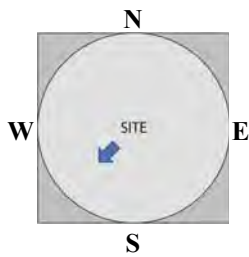
East view from site



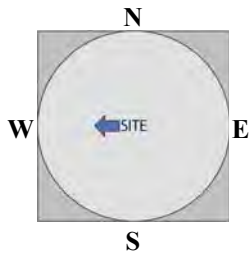
Southeast view from site



South view from site



Southwest view from site



West view from site



Northwest view from site



Streetscape - East view of East Station Street



Streetscape - West view of East Station Street

Addendum C - Qualifications

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

Company Leadership

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Desireé Johnson is the Director of Operations for Bowen National Research. Ms. Johnson is responsible for all client relations, the procurement of work contracts, and the overall supervision and day-to-day operations of the company. She has been involved in the real estate market research industry since 2006. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Market Analysts

Christopher T. Bunch, Market Analyst has over ten years of professional experience in real estate, including five years of experience in the real estate market research field. Mr. Bunch is responsible for preparing market feasibility studies for a variety of clients. Mr. Bunch earned a bachelor's degree in Geography with a concentration in Urban and Regional Planning from Ohio University in Athens, Ohio.

Lisa Goff, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Luke Mortensen, Market Analyst, is experienced in the assessment of housing operating under various programs throughout the country, as well as other development alternatives. He is also experienced in evaluating projects in the development pipeline and economic trends. Mr. Mortensen received his Bachelor's Degree in Sports Leadership and Management from Miami University.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country since 2014. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Gregory Piduch, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Piduch holds a Bachelor of Arts in Communication and Rhetoric from the University of Albany, State University of New York and a Master of Professional Studies in Sports Industry Management from Georgetown University.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Research Staff

Bowen National Research employs a staff of in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices, chambers of commerce, housing authorities and residents.

Stephanie Viren is the Research and Travel Coordinator at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg University.


Kelly Wiseman, Research Specialist Director, has significant experience in the evaluation and surveying of housing projects operating under a variety of programs. In addition, she has conducted numerous interviews with experts throughout the country, including economic development, planning, housing authorities and other stakeholders.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

Addendum D - Member Certification & Checklist

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

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



Patrick M. Bowen
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Date: November 20, 2017



Jeff Peters
Market Analyst
jeffp@bowennational.com
Date: November 20, 2017

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com>.

Addendum – Market Study Index

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. 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 exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary	Executive Summary
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	I
3.	Utilities (and utility sources) included in rent	I
4.	Project design description	I
5.	Unit and project amenities; parking	I
6.	Public programs included	I
7.	Target population description	I
8.	Date of construction/preliminary completion	I
9.	If rehabilitation, existing unit breakdown and rents	I
10.	Reference to review/status of project plans	I
Location and Market Area		
11.	Market area/secondary market area description	II
12.	Concise description of the site and adjacent parcels	II
13.	Description of site characteristics	II
14.	Site photos/maps	II & Addendum B
15.	Map of community services	II
16.	Visibility and accessibility evaluation	II
17.	Crime Information	II

CHECKLIST (Continued)

		Section (s)
Employment and Economy		
18.	Employment by industry	III
19.	Historical unemployment rate	III
20.	Area major employers	III
21.	Five-year employment growth	III
22.	Typical wages by occupation	III
23.	Discussion of commuting patterns of area workers	III
Demographic Characteristics		
24.	Population and household estimates and projections	III
25.	Area building permits	IV
26.	Distribution of income	III
27.	Households by tenure	III
Competitive Environment		
28.	Comparable property profiles	III
29.	Map of comparable properties	III
30.	Comparable property photographs	III
31.	Existing rental housing evaluation	IV
32.	Comparable property discussion	III & IV
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	IV
34.	Comparison of subject property to comparable properties	III & IV
35.	Availability of Housing Choice Vouchers	V
36.	Identification of waiting lists	III, IV & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	IV
38.	List of existing LIHTC properties	IV
39.	Discussion of future changes in housing stock	IV
40.	Discussion of availability and cost of other affordable housing options including homeownership	IV
41.	Tax Credit and other planned or under construction rental communities in market area	IV
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	V
43.	Calculation and analysis of Penetration Rate	V
44.	Evaluation of proposed rent levels	IV & Addendum E
45.	Derivation of Achievable Market Rent and Market Advantage	Addendum E
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	VII
48.	Market strengths and weaknesses impacting project	Executive Summary
49.	Recommendations and/or modification to project discussion	VII
50.	Discussion of subject property's impact on existing housing	VI
51.	Absorption projection with issues impacting performance	V
52.	Discussion of risks or other mitigating circumstances impacting project projection	Executive Summary
53.	Interviews with area housing stakeholders	IV

CHECKLIST (Continued)

		Section (s)
Other Requirements		
54.	Preparation date of report	Title Page
55.	Date of Field Work	Addendum A
56.	Certifications	Certification
57.	Statement of qualifications	Addendum C
58.	Sources of data not otherwise identified	Introduction
59.	Utility allowance schedule	Addendum A

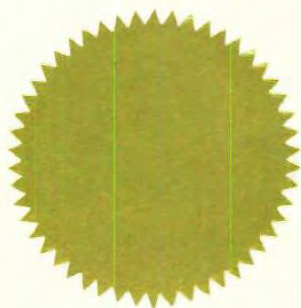
Certificate of Membership

Bowen National Research
Is a Member Firm in Good Standing of



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

Membership Term
7/01/2018 to 6/30/2018



Thomas Amdur
Executive Director, NH&RA

Addendum E - Achievable Market Rent Analysis

A. INTRODUCTION

We identified five market-rate properties within the Kankakee Site PMA that we consider most comparable to the proposed subject development. These selected properties are used to derive market rent for a project with characteristics similar to the proposed subject development. It is important to note that for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the proposed subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the proposed subject project does not have a washer or dryer and a selected property does, we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the proposed project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

The proposed subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One-Br.	Two-Br.	Three-Br.
Site	Fountain Square Apartments	2019	34	-	17 (-)	17 (-)	-
8	1200 Winans Ave.	2005	11	90.9%	-	6 (100.0%)	5 (80.0%)
9	636-728 Double Jack St.	2004	30	100.0%	-	30 (100.0%)	-
10	Double Jack Apts.	1995	36	100.0%	-	20 (100.0%)	16 (100.0%)
12	Sherwood Forest Apts.	1970 / 2000	80	93.8%	12 (83.3%)	56 (94.6%)	12 (100.0%)
18	Townhomes of Deerpark	1992	42	97.6%	-	24 (100.0%)	18 (94.4%)

Occ. – Occupancy

The five selected market-rate projects have a combined total of 199 units with an overall occupancy rate of 96.5%. This illustrates that these projects have been well received within the market and region and will serve as accurate benchmarks with which to compare to the proposed subject development.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate adjustments made (as needed) for various features and locations or neighborhood characteristics, as well as for quality differences that exist between the selected properties and the proposed subject development.

Unit Type \longrightarrow

ONE BEDROOM

	Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5			
	Fountain Square Apartments		Data		1200 Winans Ave.		636-728 Double Jack St.		Double Jack Apts.		Sherwood Forest Apts.		Townhomes of Deerpark	
	East Station Street & South East Avenue intersection		on		1200, 1250 Winans Ave.		787 Double Jack St.		636-728 Double Jack St.		1100 W. Jeffrey St.		735-782 Double Jack St.	
	Kankakee, IL		Subject		Bourbonnais, IL		Bourbonnais, IL		Bourbonnais, IL		Kankakee, IL		Bourbonnais, IL	
A.	Rents Charged				Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?				\$850		\$850		\$875		\$692		\$1,195	
2	Date Surveyed				Nov-17		Nov-17		Nov-17		Nov-17		Nov-17	
3	Rent Concessions				None		None		None		None		None	
4	Occupancy for Unit Type				100%		100%		100%		83%		100%	
5	Effective Rent & Rent/ sq. ft		▼		\$850	0.81	\$850	0.85	\$875	1.04	\$692	0.95	\$1,195	0.85
B.	Design, Location, Condition				Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories		EE/3		WU/4		WU/2		WU/2		WU/2		TH/2	
7	Yr. Built/Yr. Renovated		2019		2005	\$14	2004	\$15	1995	\$24	1970/2000	\$34	1992	\$27
8	Condition/Street Appeal		E		G	\$30	G	\$30	G	\$30	G	\$30	G	\$30
9	Neighborhood		G		G	\$10	G	\$10	G	\$10	G	\$10	G	\$10
10	Same Market?				Yes		Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities				Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms		1		2	(\$50)	2	(\$50)	2	(\$50)	1		2	(\$50)
12	# Baths		1		1		1		1.5	(\$15)	1		1.5	(\$15)
13	Unit Interior Sq. Ft.		900		1050	(\$33)	1000	(\$22)	840	\$13	725	\$39	1400	(\$111)
14	Balcony/Patio		Y		Y		Y		Y		N	\$5	Y	
15	AC: Central/Wall		C		C		C		C		C		C	
16	Range/Refrigerator		R/F		R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher		N/Y		N/Y		N/Y		N/Y		N/Y		N/Y	
18	Washer/Dryer		W/D		L	\$35	W/D		HU	\$25	L	\$35	W/D	
19	Floor Coverings		C		C		C		C		C		C	
20	Window Coverings		B		B		B		B		B		B	
21	Intercom		Y		N	\$3	Y		N	\$3	N	\$3	N	\$3
22	Garbage Disposal		N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Storage		Y/N		Y/N		N/N	\$5	Y/N		Y/N		Y/N	
D	Site Equipment/ Amenities				Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)		P-GAR		A-GAR	(\$20)	A-GAR	(\$20)	LOT/\$0	\$30	LOT/\$0	\$30	A-GAR	(\$20)
25	On-Site Management		N		N		N		Y	(\$5)	Y	(\$5)	N	
26	Security Features/Entry		Y		N	\$5	N	\$5	N	\$5	N	\$5	N	\$5
27	Community Space		N		N		N		N		N		N	
28	Pool/Recreation Areas		N		N		N		N		N		N	
29	Computer/Business Center		N		N		N		N		N		N	
30	Picnic Area		N		N		N		N		N		N	
31	Playground		N		N		N		N		N		N	
32	Social Services		N		N		N		N		N		N	
E.	Utilities				Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)		N/G		N/E		N/E		N/G		N/E		N/G	
34	Cooling (in rent?/ type)		N/E		N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)		N/E		N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)		N/G		N/E		N/E		N/G		N/E		N/G	
37	Other Electric		N		N		N		N		N		N	
38	Cold Water/Sewer		Y/Y		Y/Y		N/N	\$93	N/N	\$93	Y/Y		N/N	\$93
39	Trash/Recycling		Y/N		Y/N		Y/N		Y/N		Y/N		N/N	\$15
F.	Adjustments Recap				Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D				6	4	5	4	8	4	9	2	5	5
41	Sum Adjustments B to D				\$97	(\$108)	\$65	(\$97)	\$140	(\$75)	\$191	(\$10)	\$75	(\$201)
42	Sum Utility Adjustments						\$93		\$93				\$108	
					Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E				(\$11)	\$205	\$61	\$255	\$158	\$308	\$181	\$201	(\$18)	\$384
G.	Adjusted & Market Rents				Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)				\$839		\$911		\$1,033		\$873		\$1,177	
45	Adj Rent/Last rent					99%		107%		118%		126%		98%
46	Estimated Market Rent		\$945		\$1.05	Estimated Market Rent/ Sq. Ft								

Rent Comparability Grid

Unit Type

TWO BEDROOM
900 SF

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
	Fountain Square Apartments	Data		1200 Winans Ave.		636-728 Double Jack St.		Double Jack Apts.		Sherwood Forest Apts.	
	East Station Street & South East Avenue intersection	on		1200, 1250 Winans Ave.		787 Double Jack St.		636-728 Double Jack St.		1100 W. Jeffrey St.	
	Kankakee, IL	Subject		Bourbonnais, IL		Bourbonnais, IL		Bourbonnais, IL		Kankakee, IL	
A.	Rents Charged			Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?			\$850		\$850		\$875		\$779	
2	Date Surveyed			Nov-17		Nov-17		Nov-17		Nov-17	
3	Rent Concessions			None		None		None		None	
4	Occupancy for Unit Type			100%		100%		100%		95%	
5	Effective Rent & Rent/ sq. ft			\$850	0.81	\$850	0.85	\$875	1.04	\$779	0.81
B.	Design, Location, Condition			Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	EE/3		WU/4		WU/2		WU/2		WU/2	
7	Yr. Built/Yr. Renovated	2019		2005	\$14	2004	\$15	1995	\$24	1970/2000	\$34
8	Condition/Street Appeal	E		G	\$30	G	\$30	G	\$30	G	\$30
9	Neighborhood	G		G	\$10	G	\$10	G	\$10	G	\$10
10	Same Market?			Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities			Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		1	\$30	1	\$30	1.5	\$15	2	\$15
13	Unit Interior Sq. Ft.	900		1050	(\$32)	1000	(\$22)	840	\$13	965	(\$14)
14	Balcony/Patio	Y		Y		Y		Y		N	\$5
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		N/Y		N/Y		N/Y		N/Y	
18	Washer/Dryer	W/D		L	\$35	W/D		HU	\$25	L	\$35
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	Y		N	\$3	Y		N	\$3	N	\$3
22	Garbage Disposal	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Storage	Y/N		Y/N		N/N	\$5	Y/N		Y/N	
D	Site Equipment/ Amenities			Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	P-GAR		A-GAR	(\$20)	A-GAR	(\$20)	LOT/\$0	\$30	LOT/\$0	\$30
25	On-Site Management	N		N		N		Y	(\$5)	Y	(\$5)
26	Security Features	N		N		N		N		N	
27	Community Space	N		N		N		N		N	
28	Pool/Recreation Areas	N		N		N		N		N	
29	Computer/Business Center	N		N		N		N		N	
30	Picnic Area	N		N		N		N		N	
31	Playground	N		N		N		N		N	
32	Social Services	N		N		N		N		N	
E.	Utilities			Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/G		N/E		N/E		N/G		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/G		N/E		N/E		N/G		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		Y/Y	(\$117)	N/N		N/N		Y/Y	(\$117)
39	Trash/Recycling	N/N		Y/N	(\$15)	Y/N	(\$15)	Y/N	(\$15)	Y/N	(\$15)
F.	Adjustments Recap			Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D			6	3	5	3	8	2	7	3
41	Sum Adjustments B to D			\$122	(\$57)	\$90	(\$47)	\$150	(\$10)	\$147	(\$24)
42	Sum Utility Adjustments				(\$132)		(\$15)		(\$15)		(\$132)
				Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E			(\$67)	\$311	\$28	\$152	\$125	\$175	(\$9)	\$303
G.	Adjusted & Market Rents			Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)			\$783		\$878		\$1,000		\$770	
45	Adj Rent/Last rent				92%		103%		114%		99%
46	Estimated Market Rent	\$1,135		\$1.26		Estimated Market Rent/ Sq. Ft					

Rent Comparability Grid

Unit Type

TWO BEDROOM
1,050 SF

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
	Fountain Square Apartments	Data		1200 Winans Ave.		636-728 Double Jack St.		Double Jack Apts.		Sherwood Forest Apts.	
	East Station Street & South East Avenue intersection	on		1200, 1250 Winans Ave.		787 Double Jack St.		636-728 Double Jack St.		1100 W. Jeffrey St.	
	Kankakee, IL	Subject		Bourbonnais, IL		Bourbonnais, IL		Bourbonnais, IL		Kankakee, IL	
A.	Rents Charged			Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?			\$850		\$850		\$875		\$779	
2	Date Surveyed			Nov-17		Nov-17		Nov-17		Nov-17	
3	Rent Concessions			None		None		None		None	
4	Occupancy for Unit Type			100%		100%		100%		95%	
5	Effective Rent & Rent/ sq. ft			\$850	0.81	\$850	0.85	\$875	1.04	\$779	0.81
B.	Design, Location, Condition			Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	TH/2		WU/4	\$10	WU/2	\$10	WU/2	\$10	WU/2	\$10
7	Yr. Built/Yr. Renovated	2019		2005	\$14	2004	\$15	1995	\$24	1970/2000	\$34
8	Condition/Street Appeal	E		G	\$30	G	\$30	G	\$30	G	\$30
9	Neighborhood	G		G	\$10	G	\$10	G	\$10	G	\$10
10	Same Market?			Yes		Yes		Yes		Yes	
C.	Unit Equipment/ Amenities			Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2		2		2	
12	# Baths	2		1	\$30	1	\$30	1.5	\$15	2	\$15
13	Unit Interior Sq. Ft.	1050		1050		1000	\$11	840	\$45	965	\$18
14	Balcony/Patio	Y		Y		Y		Y		N	\$5
15	AC: Central/Wall	C		C		C		C		C	
16	Range/Refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		N/Y		N/Y		N/Y		N/Y	
18	Washer/Dryer	W/D		L	\$35	W/D		HU	\$25	L	\$35
19	Floor Coverings	C		C		C		C		C	
20	Window Coverings	B		B		B		B		B	
21	Secured Entry	Y		N	\$3	Y		N	\$3	N	\$3
22	Garbage Disposal	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans/Storage	Y/N		Y/N		N/N	\$5	Y/N		Y/N	
D.	Site Equipment/ Amenities			Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	P-GAR		A-GAR	(\$20)	A-GAR	(\$20)	LOT/\$0	\$30	LOT/\$0	\$30
25	On-Site Management	N		N		N		Y	(\$5)	Y	(\$5)
26	Security Features	N		N		N		N		N	
27	Community Space	N		N		N		N		N	
28	Pool/Recreation Areas	N		N		N		N		N	
29	Computer/Business Center	N		N		N		N		N	
30	Picnic Area	N		N		N		N		N	
31	Playground	N		N		N		N		N	
32	Social Services	N		N		N		N		N	
E.	Utilities			Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/G		N/E		N/E		N/G		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/G		N/E		N/E		N/G		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N		Y/Y	(\$117)	N/N		N/N		Y/Y	(\$117)
39	Trash/Recycling	N/N		Y/N	(\$15)	Y/N	(\$15)	Y/N	(\$15)	Y/N	(\$15)
F.	Adjustments Recap			Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D			7	2	7	2	9	2	9	2
41	Sum Adjustments B to D			\$132	(\$25)	\$111	(\$25)	\$192	(\$10)	\$175	(\$10)
42	Sum Utility Adjustments				(\$132)		(\$15)		(\$15)		(\$132)
				Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E			(\$25)	\$289	\$71	\$151	\$167	\$217	\$33	\$317
G.	Adjusted & Market Rents			Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)			\$825		\$921		\$1,042		\$812	
45	Adj Rent/Last rent				97%		108%		119%		104%
46	Estimated Market Rent	\$1,180		\$1.12							

Estimated Market Rent/ Sq. Ft

Once all adjustments to collected rents were made, the adjusted rents for each comparable market-rate property were considered to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site, and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that achievable market rents for units similar to the subject development are \$945 for a one-bedroom unit and \$1,135 to \$1,180 for a two-bedroom unit. The following table compares the proposed collected rents at the subject site with achievable market rents for selected units:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
One-Bedroom	\$590 (60%)	\$945	37.6%
	\$850 (80%)		10.1%
Two-Bedroom (900 square feet)	\$1,200 (MR)	\$1,135	-5.7%
Two-Bedroom (1,050 square feet)	\$1,300 (MR)	\$1,180	-10.2%

MR – Market-rate

Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have a sufficient flow of tenants. As such, the subject's Tax Credit units will likely be perceived as a significant value, as they represent a market rent advantage of 37.6%. The subject's 80% units and market-rate units represent market rent advantages ranging between -10.2% and 10.1%. Ideally, market-rate units should be positioned within 5.0% of achievable market rents. However, the lack of available market-rate units within Kankakee, as well as the limited supply of newer market-rate properties likely will allow the subject to achieve higher market-rents. In addition, the subject's newness and proximity to downtown services, features which are typically attractive to market-rate renters, will likely allow the subject to achieve rent premiums. These slightly higher market-rate rents have been considered in our absorption projections.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions. When multiple rent levels were offered, we included an average rent.

7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1970 and 2005, however, the property constructed in 1970 was extensively renovated in 2000. Regardless, the subject will be at least 14 years newer than the newest comparable market-rate project. We have adjusted the rents at the selected properties by \$1 per year of (effective) age difference to reflect the age of these properties.
8. It is anticipated that the proposed subject project will have a high quality appearance and an attractive aesthetic appeal. We have made adjustments for those properties that we consider to have inferior quality to the subject development.
9. Although the subject project and all of the selected comparable market-rate properties are located within similar quality neighborhoods, the subject project will be located within downtown Kankakee, which offers numerous services within walking distance. In addition, the subject site is located in an area with various transportation options. As such, an adjustment has been made to reflect the subject's superior location.
11. Some of the selected properties do not offer one-bedroom units, similar to the subject development. We have used the two-bedroom units at these properties and made adjustments to reflect the difference in the number of bedrooms offered at these properties.
12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments to reflect the difference in the number of bathrooms offered at the site compared with the competitive properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25.0% of the average for this adjustment.
- 14.-23. The proposed subject project will offer a unit amenities package competitive with the selected properties. We have, however, made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The proposed project offers a comprehensive project amenities package similar to the selected properties. We have made monetary adjustments to reflect the difference between the proposed subject project's and the selected properties' project amenities.