



REAL ESTATE STRATEGIES, INC.
63 Chestnut Road, Suite 6
Paoli, PA 19301

Phone 610.240.0820
Fax: 610.240.0822

October 31, 2013

Mr. R. Max Kent
Senior Project Manager
New Courtland Elder Services
Germantown Home
6950 Germantown Avenue
Philadelphia, PA 19119

Dear Mr. Kent:

In accordance with our engagement letter, Real Estate Strategies, Inc. is pleased to submit this Market Study/Housing Needs Assessment for New Courtland Apartments at Allegheny Phase 2.

Our report has not ascertained the legal and regulatory requirements applicable to the project. Our report is based on estimates, assumptions and other information developed from research of the market, our knowledge of the industry and other factors, including certain information that you have provided. The sources of information and bases of the estimates and assumptions are stated in our market study. Some assumptions inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results will vary from those described in our market study, and the variations may be material.

Further, we have neither evaluated management's effectiveness nor are we responsible for future marketing efforts and other management actions upon which actual results will depend. We will have no responsibility for updating our market study to account for events and circumstances that occur after the date of our market study, which is the date of this letter. Our report is intended solely for use in support of applications for loans and grants and for submission to the Pennsylvania Housing Finance Agency as part of an application for funding. Otherwise, neither our report nor its contents, nor any reference to Real Estate Strategies, Inc., may be included or quoted in any offering circular or registration statement, prospectus, sales brochure, loan, appraisal or other agreement or document without our prior written permission.

If there are any questions, please call us at (610) 240-0820.

Very truly yours,

REAL ESTATE STRATEGIES, INC.

Margaret B. Sowell, CRE
President

The Agency will only accept this form without modification for processing.

The completion date of this Market Study/Housing Needs Assessment must be within twelve (12) months of the application date.

If the market analyst has questions on completing this form, please call the Development Division at (717) 780-3876 or the Tax Credit Division at (717) 780-3948.

MARKET STUDY/HOUSING NEEDS ASSESSMENT

New Courtland Apartments at Allegheny Phase 2

Proposed Development Name

1900 W. Allegheny Avenue

Street Address

Philadelphia

City

Philadelphia

County

19132

(ZIP)

Housing Type: Elderly 62+ General Occupancy

Elderly 55+ Other (describe)

Total Number of Rental Units: 45

Additional Development Information:

The subject of the Market Study/Housing Needs Assessment (the Subject Property) is the New Courtland Apartments at Allegheny Phase 2, a proposed 45-unit new construction apartment building for low-income seniors age 62 and older to be located at 1900 W. Allegheny Avenue in the Allegheny West/Tioga neighborhood of the City of Philadelphia, Philadelphia County. The Subject Property is being developed by New Courtland Elder Services (NCES) on a portion of a five-acre former brownfield site. The Subject Property will be the second phase of senior campus that will also include 60 units of senior LIHTC housing developed during Phase 1 as well as a new LIFE center that will be adjacent to the LIHTC building. The LIFE program provides a broad range of health care and other supportive services to seniors to allow them to age in their own homes and communities. NCES will give preference to LIFE-eligible elders (those in need of additional support to live independently) in leasing the New Courtland Apartments at Allegheny Phases 1 and 2.

All units at the New Courtland Apartments at Allegheny will have one bedroom and one bathroom. A majority of the units have an average size of 593 square feet. Six units are handicapped accessible with an average size of 670 square feet. The Phase 2 building will be connected to the Phase 1 building allowing tenants to access a community room, outdoor green space, administrative space and a senior

center. NCES will provide social supportive services to the residents on an as-needed basis; this cost will be covered by NCES, outside of the project budget.

When completed, the Subject Property will be leased to residents with incomes in several bands: below 20 percent Area Median Income AMI, below 50 percent AMI and below 60 percent AMI. NCES has received a commitment for ACC rental assistance contracts from Philadelphia Housing Authority (PHA). With the ACC contracts in place, tenants would pay 30 percent of their household income for rent and utilities. The table below shows the unit distribution, income targeting, and tenant paid rent (which includes all utilities) assumed for each AMI level. The operating pro forma assumes two different income tiering ranges for the 50 percent AMI units: 22 would be targeted to households with incomes between 20 and 50 percent AMI; 12 would be targeted to households with incomes between 30 and 50 percent AMI.

**PROPOSED UNIT DISTRIBUTION AND RENTAL RATES: With ACC Rental Assistance
New Courtland Apartments at Allegheny Phase 2**

Unit Type	Number	Average SF	Tenant Paid Rent*	Total Tenant Expense
1 BR @ 20% AMI	2	593	\$275	\$275
1 BR HC@ 20%AMI	3	670	\$275	\$275
1 BR HC@ 50% AMI	3	670	\$275	\$275
1 BR @ 50% AMI	22	593	\$275	\$275
1 BR @ 50% AMI	12	593	\$410	\$410
1 BR @ 60% AMI	3	593	\$550	\$550

HC=handicapped accessible unit

*Tenant paid rent shown above includes all utilities. Tenants will pay 30 percent of income for rent and utilities.

RES has also analyzed the proposed LIHTC rents without ACC contracts. If no rent subsidy were available, NCES proposes to charge the following LIHTC rents.

**PROPOSED UNIT DISTRIBUTION AND RENTAL RATES: No ACC Rental Assistance
New Courtland Apartments at Allegheny Phase 2**

Unit Type	Number	Average SF	Tenant Paid Rent*	Total Tenant Expense	Rental Assistance Payment (internal)	Total Housing Expense
1 BR @ 20% AMI	2	593	\$275	\$275	\$380	\$655
1 BR HC@ 20% AMI	3	670	\$275	\$275	\$380	\$655
1 BR HC@ 50% AMI	3	670	\$655	\$655	--	\$655
1 BR @ 50% AMI	34	593	\$655	\$655	--	\$655
1 BR @ 60% AMI	3	593	\$680	\$680	--	\$680

HC=handicapped accessible unit

*Tenant paid rent shown above includes all utilities.

New Courtland Apartments at Allegheny (Phases 1 and 2) will provide a robust continuum of supportive services to seniors on the Allegheny campus. Supportive services available to all residents will include:

- **Social history and assessment at move-in**
- **Referrals to services (e.g. health care, meals, transportation, etc.)**
- **Review of rights at move-in and annually after that**
- **Support for a Resident Council and related activities**
- **Liaison with family or responsible person**
- **Arranging for food and clothing donations, as necessary**
- **Documentation for various programs and services**
- **Liaison to acute care hospitals to ensure a continuum of care for hospitalized residents**
- **Health screenings and vaccination programs**
- **Social activities, wellness programs and educational workshops**
- **Intergenerational programs tailored to senior's interests and limitations**

All residents of the proposed apartments will also be eligible to attend the senior center on the ground floor. The center will be open to all age-eligible members of the broader community, as well. Senior center programming will include a variety of activities, classes and trips as well as a daily hot lunch.

In addition to providing the on-site supportive services detailed above, NCES is the LIFE provider serving 11 zip codes in north and northwest Philadelphia. This service area includes Allegheny West and Tioga. LIFE is a nursing home alternative providing a comprehensive package of medical, day care and social services for the elderly so that they can remain in their homes, rather than being institutionalized. Services to LIFE enrollees may include:

- **Adult day care augmented with nursing, physical, occupational and recreational therapies, meals and nutritional counseling**
- **Wellness education and personal care**
- **Telehealth Medical Monitoring for persons with chronic disease**
- **Medical care and home health nursing care**
- **All necessary prescription medication**
- **Social services**
- **Respite care**
- **Hospitalization and nursing home care when necessary**

The market analyst must first define the primary market area by the zip code(s) or census tract(s). Once the primary market area is defined, the analyst **MUST** request a listing of existing PennHOMES and Tax Credit housing developments located within the primary market area using the attached PHFA Housing Inventory Request Form. Attach the listing to this study with the current occupancy and waiting lists for each development that may be impacted by the proposal. Refer to #10 below.

Additional information sheets may be attached and must reference the appropriate category.

1. Provide a narrative describing the primary and secondary market areas and the factors used in making your determination and attach a street map showing the proposed site and surrounding area **including all amenities** in addition to outlining the primary market area. List each zip code/census tract or part thereof which comprises the primary market area that specifically references the location of the proposed site:

Based on research of the market, RES has defined the Primary Market Area (PMA) as the northwestern portion of the North Philadelphia. The PMA is made up of several neighborhoods including the Allegheny West neighborhood where the Subject Property is located. The PMA incorporates the following Census Tracts: 165 to 168, 169.01, 169.02, 170 to 174 and 200 to 205. The PMA is roughly bounded by the Roosevelt Boulevard (US 1) on the north, Susquehanna Avenue on the south, Ridge Avenue and the Schuylkill River on the west and Old York Road and Germantown Avenue on the east.

The PMA was established on the basis of conversations with property managers and City of Philadelphia officials regarding the prior places of residence of households moving into affordable housing in the area and overall demographic and mobility trends in this part of the City. Our research indicates that it will be difficult for the Subject Property to attract residents from many communities east of Broad Street where there are significant concentrations of Hispanic resident. According to 2010 Census data, more than 92 percent of PMA residents are African-American. Only 3.4 percent of the PMA population is of Hispanic origin.

Although 60 to 70 percent of residents at the Subject Property are expected to come from the PMA, a percentage of demand for the Subject Property will be generated from outside the primary market area. This may be particularly true for LIFE-eligible seniors, who will be given a preference for occupancy. Property managers at area affordable senior apartment buildings surveyed for this market study report indicated that, while many of their residents come from the immediate neighborhood surrounding their properties, others come from more distant neighborhoods throughout the City of Philadelphia.

Given the relatively few affordable apartment buildings in the PMA specifically designed for and restricted to seniors, the Subject Property is well positioned to attract older residents, especially as they downsize from their existing homes and seek more modern, maintenance-free apartment living. With an extensive supportive services program for all residents as well as both an on-site senior center and the adjacent LIFE Center, New Courtland Apartments at Allegheny will be unique in the PMA and should be particularly attractive to seniors needing enhanced services.

Attachment 1 contains a map with the PMA and the location of the Subject Property delineated. The map also shows the location of amenities in the surrounding area.

2. Provide photographs of the site from a minimum of two perspectives. The photographs must be either originals or color copies and should be dated. For multiple sites, the photographs must identify the site address. All photographs must be clear and show the detail of any buildings. (Attach photos on a separate page.)

Attachment 2 provides photographs of the site and its surroundings.

3. The Market Analysts should determine whether the proposed development is located in an urban, suburban, or rural area and explain the methodology for their determination.

Urban Suburban Rural

The Subject Property is located in Census Tract 173, immediately across Allegheny Avenue from Census Tract 202, within the City of Philadelphia, the central city of the Philadelphia Primary

Metropolitan Statistical Area as defined by the U.S. Bureau of the Census. Both of these census tracts are listed on the PHFA web site as Qualified Census Tracts (QCTs). The area surrounding the Subject Property is built out primarily with residential row houses on small lots. There are several commercial buildings and industrial uses in the neighborhood. Population density is high in the area.

4. Provide the number of age and income qualified renter and homeowner households for the primary market area from the 2010 census, and a five-year projection. Discuss the population trend and the three factors that are having the most impact on the trend.

Because units at the Subject Property will be rent subsidized, a minimum income of \$0 was assumed. Maximum income was based on the current (September 2013) PHFA 60 percent AMI income limits for one-person households--\$33,300. Eligible households include both renter and homeowner households. Property managers at other affordable properties indicate that some tenants in those properties are former homeowners seeking lower maintenance housing. An active investor market has provides housing market liquidity in this part of Philadelphia.

RES also estimated the number of age and income qualified households in the event that rental subsidies are not available. Eligible households age 62+ were estimated based on a minimum income of \$7,333, the minimum income a household would require to afford the 20 percent AMI gross rent of \$275 without exceeding 45% of income. The maximum income was set at \$33,300 based on the one-person 60 percent AMI limit.

	2013	5-year projection (2018)
With ACC Rent Subsidy	5,751	6,111
LIHTC Only—No Subsidy	4,010	4,265

Sources: 2013 and 2018 Nielsen household age by income estimates and projections for the delineated PMA. Census 2010 did not collect data on household income.

Please note that the income range used to define the target market is based on income limits in effect in September 2013 and has not been adjusted to account for income limits that could be in effect during 2018.

Census data presented in the table on the following page show that the overall population in the PMA declined by 10.6 percent between 2000 and 2010. The number of households also declined, but at a slower rate—6.1 percent. Nielsen estimates that the PMA population declined another 0.4 percent between 2010 and 2013, however, the number of households is estimated to have increased 0.3 percent over this same period. The average annual rate of population decline is estimated to have slowed dramatically, when compared to population losses between 2000 and 2010. Nielsen projects that the PMA population will continue to decline between 2013 and 2018, while the household count remains essentially stable.

The following trends are contributing to population and household changes in the PMA:

- The 2010 Census showed that for the first time in 50 years, the population of the City of Philadelphia grew during the previous 10 years. As a result of City-wide trends, demographers are revisiting their forward estimates and projections and even in distressed neighborhoods, anticipate much lower rates of population loss than has been seen in past decades.

- The aging of the Baby Boom generation is reflected in statistics showing the number of households growing while population decreases. As the population in North Philadelphia ages in place, average household size has decreased. One and two person elderly households still occupying the homes in which they raised their families.
- Many parts of North Philadelphia have experienced disinvestment over the past four decades. When older neighborhood homeowners pass away, frequently their homes are held by heirs and are left vacant and deteriorating. The age of the housing stock and increasing vacancy has spurred population decline in many neighborhoods. At the same time, redevelopment activities are underway in parts of the PMA to help to stabilize demographic trends.

New Courtland Apartments at Allegheny PMA Population and Household Change

	<u>Population</u>	<u>Households</u>
2000 Census	72,953	27,251
2010 Census	65,255	25,576
Change 2000 - 2010	-10.6%	-6.1%
Avg. Annual Rate	-1.1%	-0.6%
2013 Estimate	64,999	25,647
Change 2010 - 2013	-0.4%	0.3%
Avg. Annual Rate	-0.1%	0.1%
2018 Projection	64,581	25,655
Change 2013 - 2018	-0.6%	0.0%
Avg. Annual Rate	-0.1%	0.0%

Sources: 2000 and 2010 Census; Nielsen 2013 estimates and 2018 projections; RES

5. Using the number of age and income qualified renter and homeowner households located within the primary market area, compute the development specific capture rate percentage using the 2010 Census data. The minimum household income being used for total housing expenses should not exceed a total housing expense to income ratio of 40% and 45% for general and elderly occupancy designated projects, respectively.

Provide the total/sum of the renter and homeowner households in the primary market area by age and income qualifications. The minimum household income being used for total housing expenses should not exceed 40% for general occupancy or 45% for elderly occupancy. Based on this information compute the development specific primary market area's capture rate percentage for the qualified households to the projected number of units being proposed by income type.

	Total Units	2013 Age and Income Qualified Households	Capture Rate
With ACC Rent Subsidy	45	5,751	0.8%
LIHTC Only-No Subsidy	45	4,010	1.1%

The analysis indicates that there is a large pool of age- and income-qualified households exists in the PMA. The 45 rent-subsidized Phase 2 units would need to capture less than one percent of eligible households to lease fully. As the Baby Boom generation ages throughout Philadelphia, demand for quality affordable senior housing will continue to increase.

In addition to the development specific capture rate, compute the overall primary market area's capture rate percentage, which incorporates both the number of units proposed for the subject property and the total of similar (general, senior, bedroom size, homeless special needs etc.) existing and proposed PennHOMES and Tax Credit units in the primary market area. If the proposed development includes Project Subsidized units, also include like developments in the PMA.

	Total Units	2013 Age and Income Qualified Households	Capture Rate
With ACC Rent Subsidy	705	5,751	12.3%
LIHTC Only-No Subsidy	167	4,010	4.2%

This overall capture rate is based on the listing of affordable housing in the PMA that is included as Attachment 5. The capture rate in the LIHTC-only scenario was based only on properties charging fixed rents: St. Joseph's, the Subject Property (in this scenario) and to be conservative, New Courtland Apartments at Allegheny Phase 1 (with the assumption that a circumstance under which Phase 2 lost rent subsidies would also affect Phase 1). New Courtland Apartments at Allegheny Phase 1 has been awarded ACC rent subsidies and is expected to be rent-subsidized.

- Interview and/or survey neighborhood groups, grassroots organizations, local community development corporations, potential tenant populations, and local government officials to determine support, interest and/or opposition to the proposed development, as well as identifying other proposed housing for the area. List all people interviewed, including phone numbers, and discuss the comments received below:

Clint Randall—North Philadelphia Community Planner, Philadelphia City Planning Commission—215-683-4685:

There is a documented need for affordable senior housing throughout North Philadelphia; households in the area cannot afford market rate units. The City has provided a letter of support for the New Courtland Apartments at Allegheny Phase 2 development.

There is limited private residential development market in the Allegheny West/Tioga neighborhood, with the exception of investors converting single family homes into apartments (targeting students at higher price points than neighborhood residents can afford) near Temple's Medical School. The LIHTC program is an important tool for bringing modern, quality housing units to the

neighborhood that are affordable to area residents. The development of the Bakers Square shopping center and grocery store at the Budd Site at the western edge of the Tioga neighborhood is a significant new amenity for area households.

Ron Hinton—Allegheny West—215-221-8830: In 2012, Mr. Hinton commented that the proposed elder campus proposed is consistent with the coordinated planning efforts of both Allegheny West and Tioga United. The groups have been seeking reuse options for vacant industrial sites, particularly those options that focus on housing and retail uses. The goal is to redevelop Allegheny Avenue between Broad Street and 22nd Street as a gateway to the Allegheny West and Tioga neighborhoods. Allegheny West worked to attract Family Dollar with the knowledge that it would provide convenient shopping for residents of senior housing developed across Allegheny Avenue.

Verna Tyner—Tioga United—215-686-3446: The concept of senior housing at the 1900 W. Allegheny site has been well-received in the Tioga community. Tioga United has a good relationship with New Courtland and has had an effective partnership with the organization as part of the FHLB Blueprint Community. The community is looking forward to seeing this development get built.

Allan Glicksman, Director of Research, Philadelphia Corporation for Aging (PCA) – 215-765-9000 ext. 5063: PCA provides supportive services for seniors in the City of Philadelphia. The organization sees a great need for affordable housing for seniors in Philadelphia. New affordable rental units offer older persons the opportunity to stay in their neighborhood, but in housing that is more suitable than their existing homes. Seniors prefer one-bedroom units over efficiencies. Typically neighborhood residents support the development of senior affordable housing.

7. Analyze the suitability of the site for the subject development including accessibility to employment and services and its compatibility with surrounding uses, including economic benefits to the area and/or the proposed residents.

The site for the Subject Property is suitable for residential use. The surrounding area historically included a concentration of industrial and commercial buildings. Many structures were demolished under the City of Philadelphia's Neighborhood Transformation Initiative, which was designed to clear abandoned blighted buildings to make way for new developments. The site for the Subject Property is a former brownfield site and is currently a vacant lot bounded by Allegheny Avenue and railroad viaducts. The NCES LIFE Center is under construction adjacent to the Subject Property. The building, nearly complete, and surrounding landscaping are transforming the character of the surrounding area and will be an asset to the adjacent New Courtland Apartments Phases 1 and 2. The geometry of the subject site, in combination with the viaducts creates the potential for siting of senior housing that is both visible and accessible, yet defensible. Residential uses in the area primarily include a mix of existing two- and three-story row houses and a few smaller apartment buildings. Much of the housing stock is built close to the sidewalk with very small front yards and porches making the community very pedestrian friendly. There is also a bike lane along Allegheny Avenue. The area has several retail stores within walking distance of the Subject Site, including a Family Dollar supermarket, corner stores and a drug store. There are also several commercial buildings, some of which are occupied and others that present opportunities for future development.

Residents of the Subject Property who still desire to work will have excellent access to employment opportunities in the Center City Business District and at Temple University Hospital, which is located less than five blocks from the Subject Property, as well as in the broader region which is accessible via an extensive public transportation network. The Subject Property is located within one mile of several local and regional businesses including retail stores, some remaining light

manufacturing as well as several service businesses and medical providers. According to the Allegheny West Neighborhood Strategic Plan, the site sits on the other side of the regional rail lines from the Allegheny West Business Campus, a proposed redevelopment of 28 acres of underutilized former industrial properties which, when completed, is expected to create 500 jobs.

The Subject Site is well served by both rail and bus transit options. The Allegheny Avenue station of SEPTA's regional rail system is located at North 22nd Street and Allegheny Avenue and provides access to Center City, University City and Norristown. SEPTA's bus Routes 33 and 2 run north/south and are short walks from the Subject Property providing residents with access to Center City Philadelphia employment centers, shopping and entertainment. The Route 60 bus runs east/west and has a stop at North 20th Street and Allegheny Avenue providing residents with direct access to the Broad Street Subway, the Market Frankford Elevated Train and shopping in Port Richmond. The Broad Street Subway runs north/south along North Broad Street through North Philadelphia providing residents with access to the Central Business District and destinations south such as the City's sporting arenas. The North Broad Street Train Station is located at North Broad Street and Glenwood Avenue providing access to SEPTA's regional rail system as well as service along Amtrak's Northeast Corridor.

The Allegheny West Neighborhood Strategic Plan calls for a transit oriented development to be focused within a three block area surrounding the Allegheny train station at North 22nd Street and Allegheny Avenue. When completed, this redevelopment will create 70 units of for-sale housing, 100 units of rental housing, 40,000 square feet of retail space, parking to support the retail and rail usage and recreational facilities. NCES' plan for the Subject Property is a component of the Neighborhood Strategic Plan.

As shown on the map provided as Attachment 1, there are a range of retail establishments within easy access of the Subject Property. Areas highlighted in red indicate significant commercial corridors. The closest shopping center is located at Hope Plaza which is at the corner of North 22nd Street and Lehigh Avenue and includes a supermarket, a drugstore as well as a dollar store and several apparel stores. There are also several smaller retail stores located along a thriving commercial corridor on North 22nd Street between Lehigh and Indiana Avenues. Also, there are retail stores on North Broad Street at Allegheny Avenue and a commercial corridor located along Germantown Avenue at North Broad Street. A Pathmark supermarket is located at Broad and Glenwood. All of these commercial establishments will benefit from the presence of new the households at the Subject Property. The new Bakers Square shopping center at Wissahickon Avenue and Fox Street, which includes a recently opened Shop-Rite grocery store, offers an additional shopping option for residents at 1900 W. Allegheny Avenue.

The site is located a few blocks from Temple University Hospital. There are also several smaller medical providers in the area as well as public, parochial and charter schools. The NCES LIFE center under construction adjacent to the proposed LIHTC building will offer health services for seniors.

NCES intends to provide supportive services and activities to all residents at the Subject Property. Residents in need will be connected with services to help them remain independent including medical screenings and health workshops, anti-predatory education including protection from scams, assistance with food and nutrition including Meals on Wheels, and access to home healthcare and other necessary supports. Eligible residents will have the opportunity to enroll in NCES' LIFE program.

A proposal exists to establish a Patch Adams Free Clinic and related open space, gardens and orchards on a five-acre site on the north side of the 1800 block of W. Allegheny Ave. immediately

east of the rail viaduct. The clinic would provide low cost allopathic and holistic community health care to low-income households using a cooperative model. If this plan is implemented it would, in conjunction with the development of the NCES senior campus in the 1900 block, fill in the two most significant vacant parcels in the neighborhood. Currently this site is privately owned by other parties and zoned light industrial. It is unclear whether the organization advocating for the Patch Adams Free Clinic development will be able to raise funds for site acquisition.

8. Complete the first section of the attached Housing Providers Needs Assessment Form and forward it to the Executive Director of the appropriate County and/or Local Housing Authority and/or Public Housing Agency serving the market area. The response must be incorporated into your evaluation and attached to this final report. If no response, document the date sent to the Housing Authority.

The Housing Providers Needs Assessment Form was faxed to Mr. Kelvin Jeremiah, President and CEO of the Philadelphia Housing Authority on October 1, 2013. A copy of the request is included as Attachment 3 to this report. As of the date of this report, a response had not been received from PHA. PHA did provide a response for a separate market study RES is preparing that indicated that as of September 2013, there were 28,076 households on the waiting list for conventional public housing, 54,401 households on the list for Housing Choice Vouchers and 26,382 households on the list for the Authority's LIHTC/PAPMC properties.

PHA's FY 14 Moving to Work Plan projects that in March 2014, the overall occupancy rate for conventional public housing and sites operated by alternative management entities (AME) will be 97 percent. The households on PHA's waiting list are self-selecting and tend to have extremely low household incomes. Historically more than 99 percent of households on the agency's waiting list for public housing have had incomes under 30 percent AMI. These data suggest strong demand for rent-subsidized general occupancy and senior housing throughout the City of Philadelphia.

9. List the name and address of all subsidized housing developments within the primary market area, including current occupancy levels and number of persons on the waiting list. If you are aware of any deviations in the occupancy levels and size of the waiting list in the past 2 or 3 years, please describe.

Attachment 5 summarizes the survey of competitive affordable housing properties. According to PHFA's list of LIHTC and PennHOMES properties in the market area, there are 487 affordable housing units restricted to seniors in four operating properties in the PMA. Three of these properties, Venango House, Opportunities Tower and Warnock Street Phase II, offer rent subsidies. New Courtland Apartments at Allegheny Phase 1 will add 60 units to the PMA senior LIHTC inventory. The addition of the 45 Phase 2 units will bring the total number of PHFA-assisted units to 592. There is one additional non-PHFA affordable senior property in the PMA, Tioga Presbyterian, which has 113 rent-subsidized units. Including Tioga Presbyterian, the total number of operating and proposed affordable senior rental units in the PMA is 705.

There are only five vacant units in the operating properties, indicating an occupancy rate of more than 99 percent. All of the vacancies were in a development that charges fixed LIHTC rents without a rent subsidy, St. Joseph's Housing. The three rent subsidized LIHTC buildings are fully occupied with waits of three months to more than two years for prospective tenants. Property managers indicated that rent subsidized units have very low turnover and only become available when a resident passes away or is moved to an assisted living facility or skilled nursing home. (There may be some additional vacancies in efficiency units that are under renovation at Opportunities Towers 1 and 2. These units are not currently available for rent, but there is reportedly limited interest in

this unit type. These efficiency units are not comparable to the apartments proposed at the Subject Property. One bedroom units at this property are completely leased with an extensive waiting list.)

10. Discuss the availability of affordable housing options including home ownership opportunities for the target population. Describe the age, condition, etc, of housing, and the extent of abandoned housing and other buildings within the primary market area. If possible identify any substandard housing in the primary market area.

The housing stock in the area immediately surrounding the Subject Property consists primarily of two- and three-story row houses on small lots. These row homes were built between 50 and 100 years ago. Most of the two-story houses range in size from 1,000 to 1,300 square feet and contain three bedrooms and one bathroom. The three-story homes are larger with approximately 2,500 to 3,000 square feet; many are architecturally significant. Most of the three-story homes have four to six bedrooms and some have one and a half or two bathrooms. Most of the houses in the immediate area surrounding the Subject Property have small front porches and small front yards. The housing stock in the broader PMA has much greater diversity including mid-rise apartment buildings, smaller walk-up apartment buildings with fewer than ten units, former commercial buildings that have been converted to rental apartments, single-family row homes, twins and very few single-family detached houses.

According to local Realtors and a review of multiple listing data, houses in the area range in price from as low as \$10,000 to as high as \$185,000. The majority of the units are in the \$30,000 to \$85,000 range. There are housing units priced higher than this in the East Falls neighborhood immediately to the west of the PMA. Homes that have been converted to apartments can command higher pricing from investors. Some homes with more than five bedrooms and two or two and a half baths are also in the higher price range. Houses priced at the lower end of the range (\$10,000 to \$25,000) are often in need of significant repairs and modernization. Many are uninhabitable vacant shells where the cost to renovate the structure would be in excess of the value of the completed house. These vacant homes have long been a problem in the PMA. While many homes in the PMA are affordable to low-income households, they all have stairs and do not offer a secure living environment. Consequently, they are not conducive to occupancy by seniors, especially the frail elderly.

Market-rate one-bedroom apartments in the PMA have rental rates (not including tenant-paid utilities) typically ranging from \$600 to \$750 per month. Many of these apartment properties are older buildings and former row houses converted to apartments. Most were built between 75 and 100 years ago and all have stairs making them difficult for seniors to navigate. Few offer central air conditioning, dishwashers, garbage disposals, laundry facilities or sprinkler systems. They also lack security systems and none offers the array of social supportive services for seniors that NCES is planning for the Subject Property, including proximity to the new LIFE center.

Unlike other parts of North Philadelphia, east and south of the PMA, there are only two active community development corporations in the area surrounding the Subject Property; the Allegheny West Foundation and the Nicetown/Tioga Community Development Corporation. Advocate Community Development Corporation has developed several new and renovated affordable housing projects over the years around the Diamond Street area which is just south of the PMA. Unlike Lower North Philadelphia where the City is beginning to see signs of stabilizing distressed urban areas, the development activity in the PMA has yet to create a critical mass of new housing to affect property values or stem the tide of disinvestment. Although the City's Neighborhood Transformation Initiative was active in demolishing vacant blighted buildings for future development, neither the City nor the housing market has made progress in rebuilding the housing

stock to stabilize the community. The plans for the Subject Property represent implementation of part of the redevelopment vision for this part of Allegheny West.

The 2010 Census reported that 50.4 percent of the 25,576 occupied housing units in the PMA owner-occupied, while 49.6 percent were renter-occupied. The tenure split for households headed by persons 65 years and older was 28.4 percent renter/71.6 percent owner. These data suggest that seniors in the PMA are more likely to be homeowners, while younger households in the PMA are increasingly likely to be renters. As the PCPC community planner indicated in his comments, the housing stock in the PMA is difficult for seniors to maintain as they age. A resale market exists, although many of the purchasers are investors.

The American Community Survey 2005-9 data indicated that an alarming 24 percent of total housing units are vacant (including houses available for sale or rent). 90.4 percent of the PMA housing stock was built before 1969 and is over 40 years old. An additional 2.5 percent was built between 1970 and 1979. Consequently, many of these houses would require substantial updating to have the features and amenities offered by the Subject Property. In addition, almost 92 percent of the housing stock is in structures with fewer than four units. Most of these housing units are row houses which have stairs and are not conducive to occupancy by seniors aging in place.

While the redevelopment of parts of Lower North Philadelphia is reducing urban blight and rebuilding neighborhoods into more stable communities, the PMA is still struggling with housing disinvestment and abandonment. There are some community development corporations working to develop affordable housing and stabilize the community, however, the effects of their work are limited. New safe, affordable housing development is necessary in the area to begin to stem the tide of disinvestment and rebuild this part of the City. The Subject Property will help the stabilization process while providing much needed housing for low-income seniors.

11. Discuss the short and long-term impact that the subject development may have on existing and/or proposed affordable market rate, Tax Credit, and subsidized housing located within the primary market area including the information provided in the PHFA Housing Inventory Request Form. List the properties and identify the current occupancy and number of persons on the waiting list for these properties.

The Subject Property includes 45 proposed affordable housing units with supportive services for seniors age 62 and older. The development will target and give preference to LIFE-eligible seniors and provide enhanced services to them. Given the limited amount of affordable housing in the area for seniors, it is not anticipated to have any ongoing adverse impact on any existing or proposed affordable, Tax Credit or subsidized housing units in the PMA. Of the 660 operating affordable senior units in the PMA, only five units were vacant in September 2012, an average vacancy rate of 0.7 percent. The inventory of PHFA funded properties had an average vacancy rate of 1.0 percent, while the other affordable senior property was fully occupied. The six senior affordable properties surveyed all maintain waiting lists and reported waiting times of anywhere from three months to two years for an applicant to get an apartment. Properties with rent subsidies have the strongest demand as they can attract residents with nominal income.

St. Joseph's Retirement Community is the only LIHTC senior property in the PMA without rent subsidies. Currently the property has an 8.1 percent vacancy rate and 10 households on the waiting list. When RES completed the initial market study for 1900 W. Allegheny in early 2010, St. Joseph's was fully occupied with 7 households on the waiting list. When contacted for this report, the manager explained that the poor economy has made it more difficult to qualify tenants for units with fixed LIHTC rents. This is an issue that managers of LIHTC properties, both general

occupancy and senior, throughout North Philadelphia report. Nevertheless, St. Joseph's has been able to maintain adequate occupancy.

Because New Courtland Apartments at Allegheny Phases 1 and 2 will offer rent subsidies, it is likely that tenants on the waiting list for the fixed rent units at St. Joseph's may prefer to lease at New Courtland properties. During the lease up period for the Subject Property, it could be more difficult to lease available units at St. Joseph's. Because of the typically low turnover in senior rental buildings, once New Courtland Apartments at Allegheny Phase 2 reaches stabilized occupancy any negative impact on St. Joseph's should disappear.

12. List market rental comparables (no income restrictions) within the Primary Market Area. *Do not use rent subsidized developments.* Attach a color photo of each comparable. A minimum of three comparables should be submitted. If comparables cannot be located, a thorough explanation must be provided and report what type of rental housing is available in the market. Attach a map identifying the location of the subject and comparables. Please use the attached Comparable Housing Survey forms.

Attachment 6 contains a map that shows the locations of comparison properties and a Comparable Housing Survey form for each property. Market rental comparables include market-rate units with no income restrictions.

To identify comparable market-rate housing, the market analysts looked for properties that were high-rise or mid-rise properties with an elevator, however this property type is not prevalent in the PMA. Dobson Mills, on the 4000 block of Ridge Avenue, is the only market rate property in the PMA that offers residents a secure living environment in an elevator building with fully-equipped kitchens and central air conditioning. This property, however, is the most expensive in the PMA with one-bedroom rents starting at \$1,159, plus utilities, well above the range affordable to low-income seniors.

The market analysts did identify a mid-rise, walk-up building located three blocks away from the Subject Property--1605 Apartments (formerly known as Temple West). Most of the other market-rate apartments in the PMA are concentrated in former row houses that have been converted to apartments. The rents for one-bedroom apartments currently advertised in the PMA ranged from \$550 to \$650. Generally in Philadelphia, tenants pay all utilities except water and sewer. However two of the four comparables include gas (heat, hot water and cooking) and one of these also includes electricity (a surcharge is added for a window air conditioner). None of the comparable properties has central air conditioning.

Rental units being developed in the vicinity of Temple University's hospital and medical school were not considered comparable. These units are targeted to medical and allied health students and are priced assuming students are paying by the bed. The resulting total unit rent is substantially higher than typical for units targeting non-student households. The analysts note some downward pressure on one-bedroom (non-student) rents in the PMA over the past three years, perhaps because the development of units targeted to students is pulling this segment of the tenant pool out of older apartments in PMA neighborhoods.

13. Summarize the comparable unassisted market rent for each unit size.

<u>Unit Size</u>	<u>Rent</u>		<u>Tenant Paid Utilities</u>	=	<u>Adjusted Market Rent</u>
One-bedroom	<u>\$625</u>	+	<u>\$95</u>	=	<u>\$720</u>

RES has only made adjustments for tenant paid utilities. No adjustments were made for property age or unit size.

14. Compute the Pricing Advantage of the subject development's proposed rents to the Adjusted Market Rent.

Pricing advantage was computed based on the "total tenant expense" figure in the pro forma rent table provided at the beginning of this report. Because the units are rent subsidized, tenants will pay 30 percent of income for rent and utilities; depending on a household's income, the pricing advantage could be somewhat higher or lower than the figure shown in the table below. A tenant with income at the 50 percent limit for one-person households (\$27,750) paying 30 percent of income in gross rent (\$694), would still enjoy a rent advantage of four percent. The rent advantage disappears at incomes between 50 and 60 percent AMI.

With ACC Rent Subsidy:

<u>Unit Size</u>	<u>Subject Rent</u>	<u>Adjusted Market Rent</u>	<u>Pricing Advantage*</u>
1-BR -Below 20% AMI	\$275	\$720	162%
1 BR < 50% AMI	\$275	\$720	162%
1-BR <50% AMI	\$410	\$720	76%
1-BR <60% AMI	\$550	\$720	31%

NOTE: The operating pro forma assumes two different income tiers for the 50% AMI ACC units.

LIHTC Rents Only—No ACC:

<u>Unit Size</u>	<u>Subject Rent</u>	<u>Adjusted Market Rent</u>	<u>Pricing Advantage*</u>
1-BR -Below 20% AMI	\$275	\$720	162%
1-BR <50% AMI	\$655	\$720	10%
1-BR <60% AMI	<u>\$680</u>	<u>\$720</u>	<u>6%</u>

*Calculated by subtracting the Subject Rent from the Adjusted Rent and dividing the difference by the Subject Rent.

15. **For existing facilities applying for preservation funding** provide evidence indicating that the development is or is not a likely candidate for converting to a market rate rental development that may not be affordable to the existing residents. Factors to consider include, but are not limited to, demand for or waiting list of market rate units within the primary market area, significant increases in rents at other market rate properties, significant increases in median incomes and property values within the primary market area, and the development's location or proximity to new economic development which is creating higher than average new employment opportunities.

Not applicable.

16. Based on the aforementioned information, discuss your support for the proposed development or provide recommendations and/or suggest modifications. This should include your conclusion regarding the need and marketability of the proposed housing. Also, estimate the absorption period and ongoing vacancy rate for the proposed housing based upon comparables and/or housing experience.

Market Support for the Project

Supply and demand conditions in the Primary Market Area indicate a need for additional affordable senior housing in the PMA and market support for the type of units NCES proposes for New Courtland Apartments at Allegheny Phase 2. A pool of more than 5,750 age- and income-qualified households is present in the PMA. The size of the prospective tenant pool is expected to increase as the Baby Boom generation in Philadelphia ages. There is a limited supply of quality affordable senior housing in the PMA, and existing buildings maintain high occupancy and long waiting lists. Prospective tenants face a wait of between three months and two years before units become available. Although there are market-rate one-bedroom units that are offered for rent in the PMA, many have deferred maintenance and lack amenities such as elevators, modern kitchens or central air conditioning. Typically, neither the buildings nor the units are suitable for occupancy by mobility impaired seniors.

NCES is very experienced in developing and managing affordable housing, including properties with Low-Income Housing Tax Credits. The mission of NCES is to provide high-quality health care and housing services on a nondiscriminatory basis to all eligible seniors regardless of their financial circumstances. The Subject Property will be part of their current inventory of more than 500 independent living apartments and 1,800 nursing home beds for low-income seniors in the City of Philadelphia.

New Courtland Apartments at Allegheny will offer an extensive menu of supportive services to residents, who will also enjoy programs offered by the on-site senior center. The development will offer a preference to LIFE-eligible seniors and will offer LIFE enrollees enhanced services, the effectiveness of which are expected to be leveraged by the co-location of the LIFE center and the proposed senior apartments on the Allegheny Avenue senior campus. NCES has developed strong partnership relationships with both the Allegheny West and Tioga United community groups; the onsite senior center will benefit the surrounding community and allow for interaction between tenants and other neighborhood residents. Because of NCES' excellent reputation, the extensive continuum of services that will be provided at the proposed development, and strong community support, the market analysts believe that NCES will be successful in leasing the building.

RES has advised NCES to maintain rental rates for the 50 and 60 percent AMI units at levels significantly below maximum LIHTC rental rates for these income bands. This recommendation is based on the relatively low rental rates charged by much of the existing market-rate stock, despite the drawbacks in design and condition that these properties present. Rental rates were also

compared to the LIHTC rents at St. Joseph's Retirement Community, the only senior LIHTC in the PMA without rent subsidies.

Absorption Rate

RES estimates that the rent-subsidized Subject Property will achieve an average absorption rate of 10 to 15 units per month and will achieve stabilized occupancy within three to four months of completion, assuming effective marketing during construction and efficient tenant pre-qualification. This estimate is based on the depth of demand, the performance of other rent-subsidized senior housing in the PMA and discussions with property managers at other rent subsidized senior properties throughout Philadelphia.

Vacancy Rate

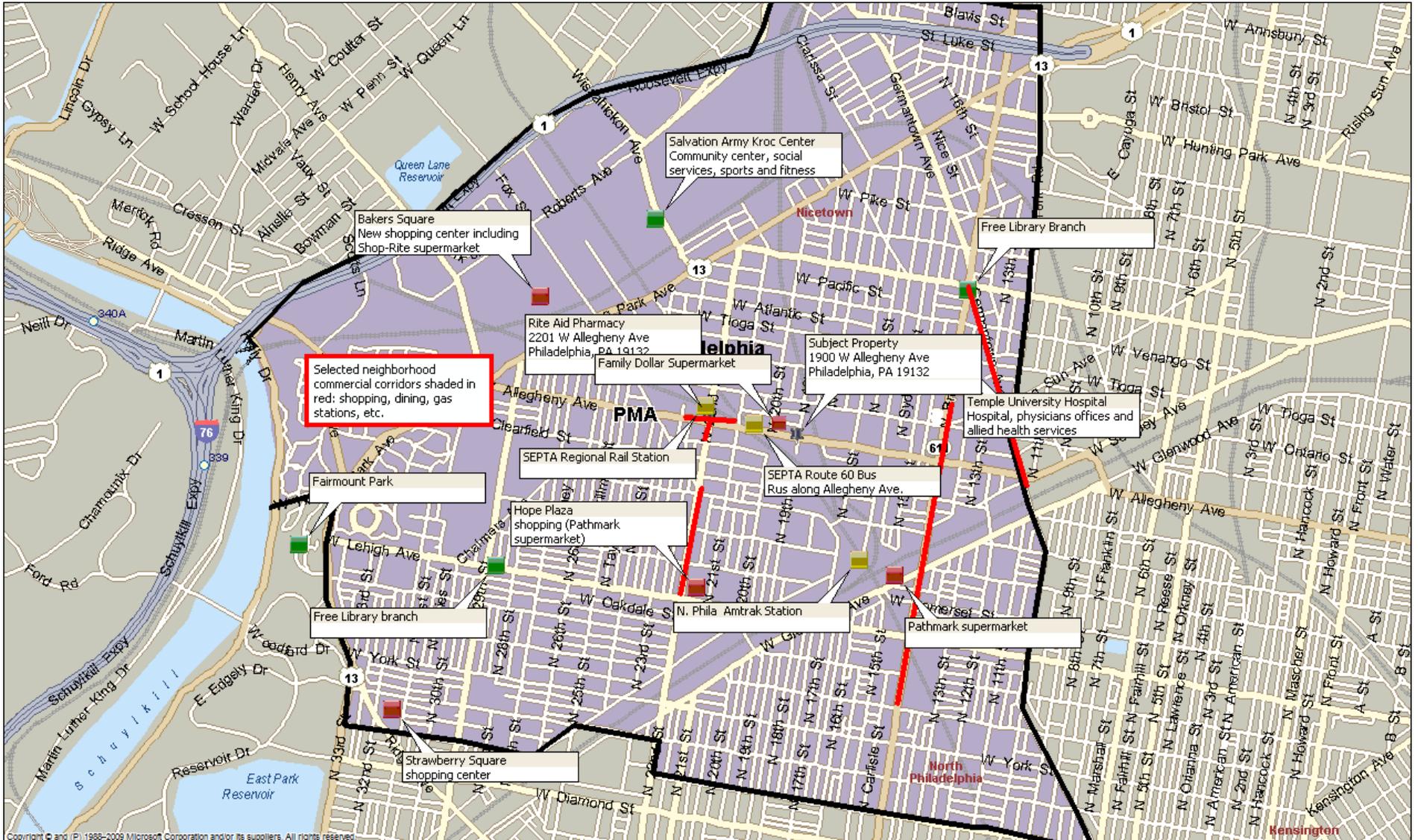
Based on the performance of other rent-subsidized senior rental buildings in the PMA, it is likely that New Courtland Apartments at Allegheny Phase 2 will maintain average occupancy of 99 percent or higher. A stabilized vacancy rate of five percent would be a conservative pro forma assumption.

Information about the qualifications of Real Estate Strategies, Inc. and resumes of individuals who were involved in the preparation of this market study are provided in Attachment 7.

<u>10/31/2013</u>	Submitted by:
Date	<u>Elizabeth M. Beckett</u>
	Name (type or print)
	<u>Senior Vice President</u>
	Title
	<u>Real Estate Strategies, Inc.</u>
	Firm
	<u>63 Chestnut Road, Suite 6, Paoli, PA 19301</u>
	Address
	<u>610.240.0820</u>
	Phone Number
	<u>610.240.0822</u>
	FAX Number
	<u>ebeckett@resadvisors.com</u>
	Email

ATTACHMENT 1

Location of Subject Property, Primary Market Area (PMA) Boundaries and Area Amenities



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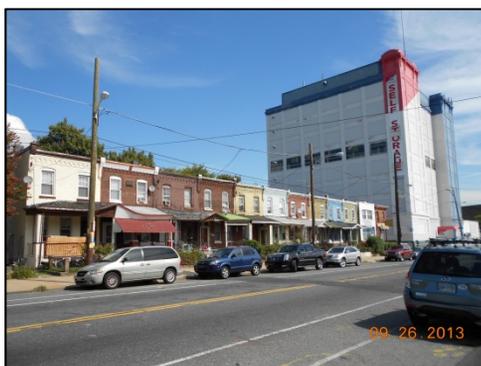
ATTACHMENT 2: Photographs of Site and Surroundings



View of Site (behind sign) from Allegheny Ave.



View of Site looking SE from Allegheny Ave.



Homes and storage building across Allegheny Ave. from Site



Family Dollar across Allegheny Ave. from Site



New Courtland LIFE Center under construction adjacent to Site



REAL ESTATE STRATEGIES, INC.
63 Chestnut Road, Suite 6
Paoli, PA 19301

Phone 610.240.0820
Fax: 610.240.0822

ATTACHMENT 3

October 1, 2013

Mr. Kelvin A. Jeremiah
President and CEO
Philadelphia Housing Authority
12 S. 23rd Street
Executive Office
Philadelphia, PA 19103

BY FAX: 215-684-4163

Dear Mr. Jeremiah:

I am preparing an updated market analysis for inclusion in New Courtland Elder Services' submission to the Pennsylvania Housing Finance Agency (PHFA) for the November 2013 Low Income Housing Tax Credit round. PHFA requires that market analysts submit a "Housing Provider Needs Assessment Form" to public housing agencies active in the identified primary market area for the proposed project. The form is supposed to be completed by the public housing authority and returned to the market analyst within five days of receipt.

I have enclosed the Housing Provider Needs Assessment Form for the proposed senior LIHTC development to be located at 1900 W. Allegheny Avenue in North Philadelphia. The proposed development will include 45 units targeted to low income seniors and is the second LIHTC phase on a senior campus that also includes New Courtland's new LIFE center.

The form can be faxed back to me at 610-240-0822 or scanned and e-mailed to ebeckett@resadvisors.com. Thank you in advance for your timely attention to this matter. Please call me at 610-240-0820 if you have any questions about the proposed development or this form.

Sincerely yours,

Elizabeth M. Beckett
Senior Vice President

Enclosure

HOUSING PROVIDERS NEEDS ASSESSMENT

The attached form is to be completed by the County and/or Local Housing Authority and/or other public housing agencies serving the market area of the proposed development and returned within 5 days to the market analyst.

The first section of the form describing the proposed development is to be completed by the market analyst and submitted to the housing authority with the attached form.

The following proposed development intends to apply to the Pennsylvania Housing Finance Agency (PHFA) for funding and/or Low Income Housing Tax Credits.

Development Name: New Courtland at Allegheny Phase 2

Location: 1900 W. Allegheny Avenue
Philadelphia, PA 19132

The primary market area is defined by the following census tract(s) and/or zip code(s).

Census Tract(s)				
<u>165-168</u>	<u>200 - 205</u>	_____	_____	_____
<u>169.01</u>	_____	_____	_____	_____
<u>169.02</u>	_____	_____	_____	_____
<u>170-174</u>	_____	_____	_____	_____

Occupancy Type: Elderly X 62+ General _____

Unit Type(s):	Bdrm Type	Quantity	Sq. Ft.	Rent
	SRO	_____	_____	_____
	EFF	_____	_____	_____
	1 Bdrm	45	585-635	Rent subsidized*

*All units will have ACC subsidies. Tenants will pay 30% of income for rent and utilities.

Expected date of completion: 2015

Residents' Income Range:

20% AMI , 40% AMI and 60% AMI income limits. Income range will be \$0 to \$33,300 based on one-person household income limits.

To assist the market analyst and PHFA in evaluating the need for this proposal, please answer the following questions.

1. Please provide your waiting list, if more than one, by program and how many applicants on each.

2. How many different individuals are on your total waiting list?

Elderly, age 62+ _____ Non-elderly _____ Persons needing accessible units _____

3. How frequently do you purge the waiting list? _____

4. When was the last time you purged the waiting list? _____

5. How many of the individuals on the waiting list are within the income range of the proposed development?

6. How many of the individuals on the waiting list are seeking unit types similar to the proposed development?

7. What was your average utilization rate of the Section 8 voucher program at the end of last year?

8. Are you aware of any subsidized housing or programs in the area that would be at a competitive disadvantage by the proposed housing? (If yes, please include the name of the development, address and reason why.)

9. How many of the individuals on the waiting list currently reside within the primary market area (as defined by the market analyst) of the proposed development?

10. Is the type of housing being proposed being considered a priority/preference under voucher certification program?

11. Is your Public Housing waiting list currently open? _____
(If no, how long has it been closed?) _____

12. Is your Section 8 waiting list currently open? _____
(If no, how long has it been closed?) _____

13. When do you qualify applications for eligibility? a. when application was made _____
or b. after nearing top of the list _____

14. Would you recommend, and/or do you feel there is a need/sufficient demand to develop this housing? (please explain)

15. Please provide any additional information regarding the housing proposal that would assist PHFA in evaluating the need for the housing.

_____	Completed by:
Date	_____
	Name (Type or Print)

	Executive Director Signature

	Name of Public Housing Authority

PHFA HOUSING INVENTORY REQUEST FORM

Date: 10/01/2013

Person Requesting Information Elizabeth Beckett

Company Name Real Estate Strategies, Inc.

Address 63 Chestnut Road, Suite 6

City Paoli

State PA Zip Code 19301

Telephone 610-240-0820 FAX 610-240-0822

E-mail Address EBeckett@RESAdvisors.com

How would you like your request returned? FAX _____ E-MAIL X

Development Name (if known) New Courtland Apartments at Allegheny Phase 2

Exact Site Location/Address 1900 W. Allegheny, Philadelphia, PA 19132

Requesting Information For

Exact Site Municipality City of Philadelphia

County Philadelphia

Zip Code(s)

_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Census Tract(s)

<u>165 - 168</u>	<u>170 - 174</u>	_____	_____	_____
<u>169.01</u>	<u>200 - 205</u>	_____	_____	_____
<u>169.02</u>	_____	_____	_____	_____

Additional Information and/or Comments

Senior LIHTC

Submit your request by fax 717-780-1811 or by e-mail llutz@phfa.org.

The above information describes the location of the proposed site and additional details to be utilized by the Agency in response to the PHFA Housing Inventory request. The inventory is for information purposes only.

**ATTACHMENT 5
NEW COURTLAND APARTMENTS AT ALLEGHENY PHASE 2
SURVEY OF AFFORDABLE SENIOR HOUSING UNITS**

Project Name	Address	Zip Code	Rental Rate	Number of Units	Vacant Units	Vacancy Rate	Households On Waiting List	Length of Time	Changes in Last 2 - 3 Years
PHFA LIHTC Units									
Venango House	2104 W. Venango St.	19140	rent subsidized	105	0	0.0%	55	2+ year	Less Demand
St. Josephs Housing	1515 W. Allegheny Ave.	19132	\$450-\$495 net; \$591-\$636 gross	62	5	8.1%	10	6 months - 1 year	Same
Warnock Street Phase II	2862 Germantown Avenue	19133	rent subsidized	45	0	0.0%	1,100 +/-	NA	Same
Opportunity Towers I & II*	1717 W. Hunting Park Avenue	19140	rent subsidized	<u>275</u>	<u>0*</u>	<u>0.0%</u>		3 to 6 months for 1 BR 3+ years for accessible units	
Subtotal: Operating Properties				487	5	1.0%			
New Courtland Apartments at Allegheny	1900 W. Allegheny Ave.	19132							
			Phase 1 (to open 2014)	60	proposed				
			Phase 2 (proposed)	<u>45</u>					
Subtotal PHFA LIHTC Units				592					
Non PHFA Subsidized Units									
Tioga Presbyterian Apts.	1531 W. Tioga St.	19140	rent subsidized	113	0	0.0%	10	8-12 months	
Total Affordable Units				705	5	0.7%			

SOURCE: Real Estate Strategies, Inc. interviews with property management June 2013.

* Some efficiencies available, but all one-bedroom units are fully leased. Property would not provide additional detail.

ATTACHMENT 6

**MAPS OF COMPARISON PROPERTIES AND
COMPARABLE HOUSING SURVEY FORMS**

COMPARABLE HOUSING SURVEY FORM

Date: 10/25/2013

Name of Property: 3746 N. Carlisle St

Address: 3746 N. Carlisle St. City: Philadelphia Zip Code: 19140

Distance From Subject Property: 0.7 Miles

Is it within Primary Market Area: Yes No

Building Type: Walk-up Row/Townhouse Elevator

Age of the property: 100 years

Contact: Jason

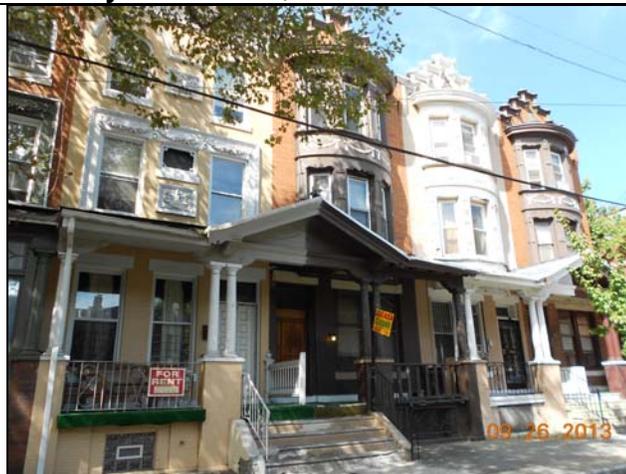
Telephone No. of Contact: 215-271-7070

	Type of Service (gas, elec., etc.)	Included in Rent		Included in Rent		List the appliances provided within the unit:
		Yes	No	Yes	No	
Heat	Gas		X	Water		Refrigerator & Stove
Hot water	Gas		X	Sewer	X	
Cooking	Gas		X			
A/C	Window		X			
Unit lighting	Electric		X			

Number of Units	Number of Bdrm/Bath	Square Feet	Rent	Occupancy or Vacancy (%)	Number on Waiting List
4 units in building	1-BD, 1-BA	Unknown (est. 650 SF)	\$550	Rented	

Identify any special characteristics or amenities of the comparables:

Third floor apartment. Utility allowance \$179



COMPARABLE HOUSING SURVEY FORM

Date: September 2013
 Name of Property: 1605 Apartments (formerly Temple West Apartments)
 Address: 1605 West Allegheny Avenue, Philadelphia, PA 19132
 Distance From Subject Property: 2.8 miles
 Is it within Primary Market Area: Yes No
 Building Type: Walk-up Row/Townhouse Elevator
 Age of the property: Renovated 2011
 Contact: James
 Telephone No. of Contact: 267.227.1687

	Type of Service* (gas, elec., etc.)	Included in Rent		Water Sewer	Included in Rent		List the appliances provided within the unit:
		Yes	No		Yes	No	
Heat	<u>Oil</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	<u>Refrigerator and stove.</u>
Hot water	<u>Gas</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input type="checkbox"/>	
Cooking	<u>Gas</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
A/C	<u>Window</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	
Unit lighting	<u>Electric</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>	

Number of Units	Number of Bdrm/Bath	Square Feet	Market Rent	Occupancy or Vacancy (%)	Number on Waiting List
<u>83 total</u>	<u>1BD/1BA</u>	<u>640</u>	<u>\$650</u>	<u>N/A</u>	<u>N/A</u>
<u>units</u>					

Identify any special characteristics or amenities of the comparables: **This property is located near Temple University School of Medicine. Leasing agents indicated that both 1-bedroom and studio apartments were available at this time. Utility allowance: \$61.**



COMPARABLE HOUSING SURVEY FORM

Date: October 2013
 Name of Property: 3525 N. 16th St.
 Address: 3525 N. 16th St., Philadelphia, PA 19140
 Distance From Subject Property: .425 miles
 Is it within Primary Market Area: X Yes No
 Building Type: Walk-up X Row/Townhouse Elevator
 Age of the property: 100 years +
 Contact: Greg
 Telephone No. of Contact: 443-621-6286

	Type of Service* (gas, elec., etc.)	Included in Rent		Included in Rent		List the appliances provided within the unit:
		Yes	No	Yes	No	
Heat	<u>Gas</u>	<u>X</u>		Water	<u>X</u>	<u>Refrigerator, cooktop, oven</u> <u>toaster oven, microwave</u> <u>Stacked washer/dryer</u>
Hot water	<u>Gas</u>	<u>X</u>		Sewer	<u>X</u>	
Cooking	<u>Gas</u>	<u>X</u>				
A/C	<u>Window</u>		<u>X</u>			
Unit lighting	<u>Electric</u>	<u>X</u>				

Number of Units	Number of Bdrm/Bath	Square Feet	Market Rent	Occupancy or Vacancy (%)	Number on Waiting List
<u>4 total in bldg.</u>	<u>1 BR/1 BA</u>	<u>575</u>	<u>\$650</u>	<u>75%</u> <u>occupancy (1 unit available)</u>	

Identify any special characteristics or amenities of the comparables:

First floor apartment. Free WiFi, basement storage, access to back yard. Electric surcharge of \$30/month during summer if tenant uses window air conditioner= monthly utility allowance (for 12 months) of \$10



COMPARABLE HOUSING SURVEY FORM

Date: October 2013

Name of Property: 3100 N. 16th Street

Address: 3100 N. 16th Street City: Philadelphia Zip Code: 19140

Distance From Subject Property: .25 Miles

Is it within Primary Market Area: Yes No

Building Type: Walk-up Row/Townhouse Elevator

Age of the property: 93 Years

Contact: Rachel

Telephone No. of Contact: 267-343-8444

	Type of Service (gas, elec., etc.)	Included in Rent		Included in Rent		List the appliances provided within the unit:
		Yes	No	Yes	No	
Heat	Electric		X	Water	X	Stove
Hot water	Electric		X	Sewer	X	
Cooking	Electric		X			
A/C	Window		X			
Unit lighting	Electric		X			

Number of Units	Number of Bdrm/Bath	Square Feet	Rent	Occupancy or Vacancy (%)	Number on Waiting List
	1-BD, 1-BA	670	\$650		

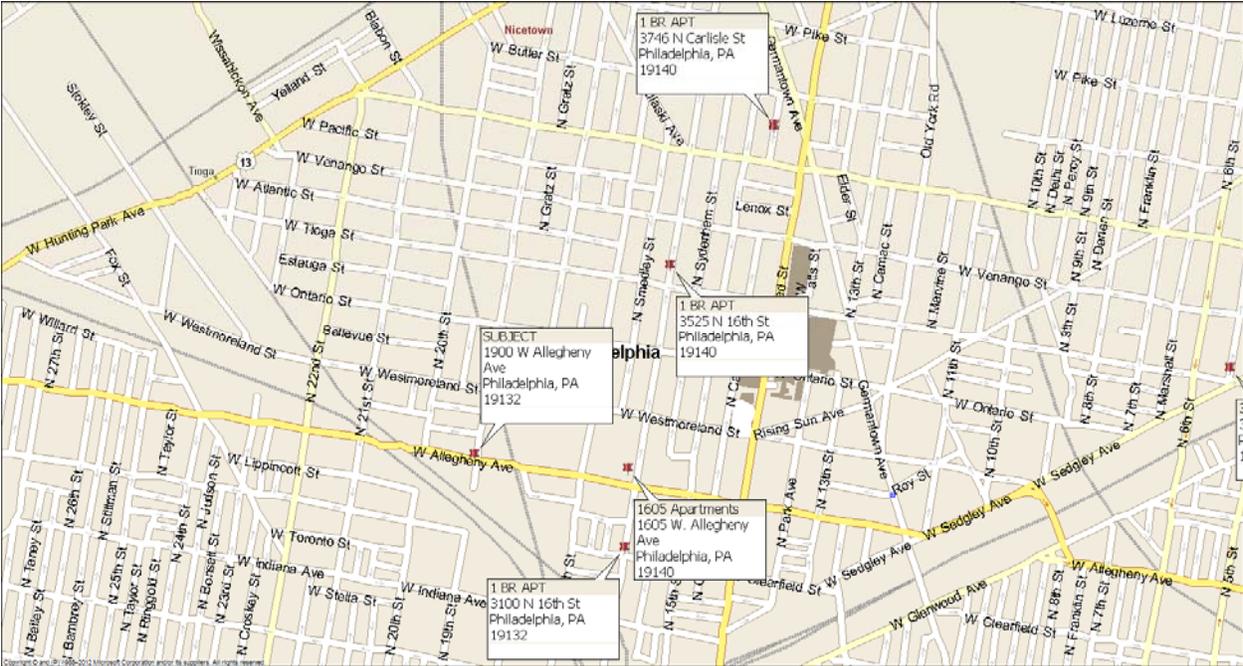
Identify any special characteristics or amenities of the comparables:

Tenant must provide refrigerator

Utility Allowance: \$129



Location of Comparable Market-Rate Rental Properties



ATTACHMENT 7 QUALIFICATIONS OF REAL ESTATE STRATEGIES, INC.

Real Estate Strategies, Inc. (RES) is a women-owned business that established offices during March 1995, to provide advisory services in real estate and economic development. Building on the expertise of its professionals and their significant experience in the real estate industry, the Firm specializes in engagements involving market and financial issues affecting proposed and existing real estate projects. Other specialties include engagements in economic development and reuse planning, fiscal and economic impact analysis, and public/private deal structuring.

In our residential market analysis specialty, principals of RES have completed affordable and mixed-income housing market analyses for the following clients:

- Philadelphia Housing Authority and Philadelphia Redevelopment Authority – Market Assessment Letter for inclusion in the application for the North Philadelphia Choice Implementation Grant application submitted to the Department of Housing and Urban Development on September 10, 2013.
- BDM Affordable Housing - Market study for St. Moran's Housing, a senior LIHTC development in South Philadelphia.
- Asociacion Puertorriquenos En Marcha (APM) and Jonathan Rose Companies – Market studies for the market-rate, affordable, and commercial components of Paseo Verde, a mixed-income, mixed-use development located adjacent to the Temple University rail station in Philadelphia.
- Philadelphia Housing Authority – Market analysis for the Strawberry Mansion redevelopment in Philadelphia, PA; market analyses in connection with other proposed affordable housing redevelopment projects in other areas of the City of Philadelphia including Southwest Philadelphia, West Philadelphia, and Germantown.
- New Courtland – Market analyses for affordable senior housing developments in the Germantown and North Philadelphia neighborhoods in Philadelphia.
- McCormack Baron Salazar – Market analyses for three phases of the HOPE VI-funded Bedford Hill redevelopment in Pittsburgh. We also prepared market analyses for two phases of the Liberty Park family redevelopment and the Lou Mason senior housing development, also in Pittsburgh, PA.
- KBK Enterprises – Market analyses in Pittsburgh, PA for Phases I through IV of the redevelopment of the former Garfield public housing, which has been completed; market analysis for Phase I of the redevelopment of the former Addison public housing site.
- The Community Builders, Inc. – Market analysis for East Liberty Place I and II and New Pennley in Pittsburgh; market analyses for residential developments in Philadelphia, Coatesville, McKees Rocks, and Moon Township, PA.
- Community Investment Strategies – Market analyses submitted to the New Jersey Housing and Mortgage Finance Agency for affordable rental developments in Toms River, East Greenwich, West Deptford, Deptford, Lawrence, Jackson, Glassboro, Florence, and Woolwich.
- Federation Housing – Market analysis in connection with a tax credit application for senior housing developments in Philadelphia and Elkins Park.

- The Finch Group – Market analysis for the redevelopment of Longwood Gardens to create Arbor Park Village in Cleveland, Ohio.
- Pennrose Properties – Market studies for two components of a HOPE VI-funded redevelopment project in Mobile, Alabama.

This market study was prepared by Elizabeth Beckett whose resume follows.

Elizabeth M. Beckett, CRE, Senior Vice President of RES, has 25 years of real estate consulting experience, including five years of association with the real estate advisory services practices of major national accounting and consulting firms. Ms. Beckett's areas of expertise include the following:

- Market and financial analyses of real estate projects;
- Grantsmanship assistance for public/private development ventures;
- Local and regional economic development strategies and target industry studies; and,
- Fiscal and economic impact analysis.

Ms. Beckett has assisted not-for-profit sponsors and for-profit developers of affordable and mixed income housing by preparing market studies to be included in applications for Low-Income Housing Tax Credit, HOPE VI and HUD Section 202/811 financing. Beyond drafting the formal report, Ms. Beckett provides input to help shape development programs and unit designs that will be competitive in the market. Her affordable housing work is concentrated in Pennsylvania, New Jersey and Delaware, and her clients include experienced developers such as The Ingerman Group, New Courtland Elder Services and Community Investment Strategies.

Ms. Beckett previously was a senior associate in the Coopers & Lybrand Real Estate Advisory Services practice. Before that, she was a real estate and economic development consultant at Laventhol & Horwath. Ms. Beckett has also served on the professional staff of the County Executive of New Castle County, Delaware. Her responsibilities included oversight and administration of the County's \$30 million mortgage revenue bond program and other assignments related to affordable housing, housing and community development program analysis and coordination, and community outreach.

A graduate of Haverford College, Ms. Beckett received a Master of Governmental Administration degree from the Fels Center of Government of the University of Pennsylvania. She is a member of the Philadelphia Chapter of the National Network of Commercial Real Estate Women and a charter member and Vice Chair of the National Council of Housing Market Analysts. Ms. Beckett holds the Counselor of Real Estate (CRE) designation.