



**Vogt Santer  
Insights**

## Market Feasibility Analysis

*of*

1520 Clark Street  
1520 Clark Street  
Racine, Racine County, Wisconsin 53403

*for*

Mr. Kyle Peterson  
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*Effective Date*

January 12, 2015

*Job Reference Number*

12098JT



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## Market Study Certification

This certifies that Heather Houseberg, an employee of Vogt Santer Insights, personally inspected the area, including competing properties and the proposed site in Racine, Wisconsin the week of December 29, 2014. Further, the information contained in this report is true and accurate as of January 12, 2015.

This market study has been prepared by Vogt Santer Insights, 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 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 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.

Vogt Santer Insights is duly qualified and experienced in providing market analysis for Affordable Housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Vogt Santer Insights is an independent market analyst. No principal or employee of Vogt Santer Insights has any financial interest whatsoever in the development for which this analysis has been undertaken as defined on the following page. Our conclusions are based solely on our professional opinion and best efforts.



An identity of interest relationship exists if any officer, director, board member, or authorized agent of any development of any development team member (consultant, general contractor, attorney, management, agent, seller of the land, etc.):

- (a) is also an officer, director, board member or authorized agent of any other development team member;
- (b) has any financial interest in any other development team member's firm or corporation;
- (c) is a business partner of an officer, director, board member or authorized agent of any other development team member;
- (d) has a family relationship through blood, marriage or adoption with an officer, director, board member, or authorized agent of any other development team member; or
- (e) advances any funds or items of value to the sponsor/borrower.

Certified:



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Formerly known as  
National Council of Affordable  
Housing Market Analysts



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# I. Introduction

## A. Purpose

The purpose of this report is to evaluate the market feasibility of a proposed family/general occupancy Low-Income Housing Tax Credit (LIHTC) project, targetting veterans, to be developed in Racine, Racine County, Wisconsin. The proposed project involves the adaptive reuse of a manufacturing and warehouse complex constructed in the early 1900s. An in-person inspection of the subject site and the surrounding site area, as well as existing conventional apartment properties, was conducted by Heather Houseberg the week of December 29, 2014. Heather Houseberg, Jennifer Tristano and Robert Vogt contributed to the analysis and final conclusions contained in this report.

This Comprehensive Market Analysis Full Narrative Report was initiated by Mr. Kyle Peterson of Herman & Kittle Properties, Inc. This study complies with the Low-Income Housing Tax Credit guidelines of the Wisconsin Housing and Economic Development Authority (WHEDA) and also conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA), which include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for affordable housing market studies. These standards, designed to enhance the quality of market analyses, make market studies easier to prepare, understand and use by market analysts and end users.

## B. Methodologies

Methodologies used by Vogt Santer Insights include the following:

- The Primary Market Area (PMA) generated for the subject site as proposed is identified. The Site PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed subject project. Site PMAs are not defined by 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.

PMAAs are established using a variety of factors that include, but are 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 subject property. Given the complexity of the LIHTC market, multiple comparable properties may be present.
  - 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 subject development. An in-depth evaluation of those two property types provides an indication of the potential of the subject 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 subject project opens and after it 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 subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.

- We conduct a capture rate analysis following WHEDA market study guidelines of the subject project's required capture of the number of income- and size-appropriate renter households within the Site PMA. This analysis is conducted on a renter household level and a market capture rate is determined for the subject development. This capture rate is compared with acceptable capture rates for similar types of projects to determine whether the subject development's capture rate is achievable. In addition, Vogt Santer Insights also compares all existing, under construction and planned LIHTC housing within the Site PMA to the number of income-appropriate households. The resulting penetration rate is evaluated in conjunction with the project's capture rate.
- Achievable market rents and Tax Credit rents for the subject development are determined. Using Rent Comparability Grids, the features of the subject 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 subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit.

### C. Sources

Vogt Santer Insights uses various sources to gather and confirm data used in each analysis. These sources include the following:

- The 2000 and 2010 Census on Housing
- ESRI
- Urban Decision Group
- Applied Geographic Solutions
- HISTA Data (household income by household size, tenure and age of head of household) by Ribbon Demographics
- U.S. Department of Labor
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- U.S. Department of Housing and Urban Development (HUD)

Definitions of terms used throughout this report may be viewed at [VSInsights.com/terminology.php](http://VSInsights.com/terminology.php).

## **2010 Census Statement**

The U.S. Census Bureau has transitioned to an entirely new system of collecting and releasing demographic data. The 2010 decennial Census is now complete, and the Census Bureau has released data for all geographies regarding variables such as population, household characteristics and tenure. The Census Bureau, however, no longer collects detailed housing, income and employment data via the traditional long form, which has been replaced by the American Community Survey (ACS).

The ACS represents a fundamental change in the processes and methodologies the Census Bureau employs to collect, analyze and disseminate data. The ACS now releases three data sets each year for various geographies. Only one data set is available for all geographies, however, regardless of population. This data set is a five-year average of estimates collected by the Census Bureau; the most recent data is available for the years 2006-2010, and the most recently released data set is weighted to Census 2010. It should be noted that the five-year data set has a significantly smaller sample size than that used to compile the Census 2000 long form data (commonly referred to as Summary File 3 data).

Vogt Santer Insights (VSI) has completed a transition to incorporate both the 2010 Census and the 2006-2010 American Community Survey five-year data set into our analyses. We now use the 2006-2010 variables instead of the Summary File 3 data for our baseline (2010) data when a given variable is not available from the 2010 Census. Although this data is updated each year, the correct method of comparing ACS income data is to utilize non-overlapping data sets. For example, the data for 2006 through 2010 should be compared to the 2011 through 2015 data, which will not be available until late 2016. The data presented in Vogt Santer Insights' analyses will be updated when the 2011-2015 ACS is available.

The ACS, however, publishes one- and three-year data sets for areas with populations in excess of 65,000 and 25,000, respectively. As long as years do not overlap, a single-year data set may be compared to another single-year data set, and a three-year data set may be compared to another three-year data set. Due to the relatively recent inception of the ACS data collection method, the single-year and three-year data sets have not yet exhibited a reliable benchmark from which to evaluate trends. Until these shorter time-interval data sets prove to adequately illustrate demographic trends, Vogt Santer Insights will continue to utilize only five-year data sets where ACS data is presented.



The reader should be aware of the methodology utilized in ACS data reporting before engaging in comparisons of data sets from differing time periods. The data cannot be attributed to specific years because five-year data sets are actually averages of estimates collected during consecutive five-year periods.

When income information is presented for the year 2010, the data is actually an average of estimates collected during the years 2006 through 2010, although it is weighted to Census 2010. This distinction is particularly imperative relative to median household income trends (displayed in Section VI of this report).

For many geographies nationally, declines in income are reported between the 2006-2010 ACS baseline data presented in our analyses and ESRI current-year estimates and five-year projections. The recent national recession contributed to the median household income decline witnessed in many markets. In some cases, this decline may also be attributed to the large increase of households entering retirement who have lower earnings.

In addition to the data retrieved from the Census Bureau, VSI utilizes data from several different third-party providers, including ESRI and Nielsen. Each of these data providers has undergone significant internal changes to incorporate the results of both the Census 2010 and the 2006-2010 ACS into the algorithms used to calculate current-year and five-year projections of Census data. In theory, the emergence of the ACS and the ongoing nature of its data collection techniques should result in more accurate income estimates and projections from third-party data providers such as ESRI and Nielsen.

Vogt Santer Insights uses the population, household and income data that is currently available for 2014 and 2019. This data is based on the latest Census data and projections available.

The 2010 Census results and projections are based on the 2010 Census boundaries. As a result, comparison to the 2000 Census results should be made with caution because areas may have increased in population and households through annexation and not due to births or migration.

Vogt Santer Insights will always provide the most accurate Census counts and estimates, *as well as* third-party estimates and projections when they are available. Because the Census Bureau and third-party data providers are in the process of transitioning to the new data that is less comprehensive, we believe it is necessary to adapt accordingly.

#### **D. 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. Vogt Santer Insights relies on a variety of data sources to generate this report. These data sources are not always verifiable; Vogt Santer Insights, however, makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Vogt Santer Insights 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, conclusions in or the use of this study.

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## II. Executive Summary

This report evaluates the market feasibility of a proposed, mixed-income, market-rate and Low-Income Housing Tax Credit rental community proposed for development at 1520 Clark Street in Racine, Wisconsin under the Low-Income Housing Tax Credit (LIHTC) program. The proposed project involves the adaptive reuse of a historic factory/warehouse complex built in the early 1900s into a general occupancy rental community targeting veterans. Based on the findings in this report, our opinion is the subject project is feasible as proposed.

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

### **Absorption Projections and Stabilized Occupancy**

Considering the facts contained in the market study and comparing them with other projects with similar characteristics in other markets, we are able to establish absorption projections for the subject development as proposed.

The strong performance exhibited by the existing Tax Credit product in this market and the value of the proposed maximum allowable Tax Credit rents relative to market and those being achieved at the comparable Tax Credit projects are considered when formulating our absorption projections for the proposed 1520 Clark Street.

Given the significant demographic support base among area renter households, it is our opinion the 65 proposed Tax Credit units will reach a stabilized occupancy rate of 95% (5% vacancy factor) within five to six months. This is based on an average monthly absorption of up to 13 units.

Given the market-rate capture rates, limited to size, bedroom preference and income-eligibility are 1.3% or less among renter households with incomes between \$36,000 and \$60,000, it is our opinion the nine (9) market-rate units will lease within two months of opening.

These absorption projections assume a December 2016 completion date. A later opening may have a slowing impact on the absorption potential for the subject project. 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 market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period.

## Subject Project and Site & Neighborhood Description

The proposed project involves the adaptive reuse of a historic manufacturing/warehouse building at 1520 Clark Street in the Uptown neighborhood of Racine, Wisconsin into a 74-unit apartment property. The proposed project will be developed using Low-Income Housing Tax Credit (LIHTC) financing. The majority of units (65, or 88%) will operate as Tax Credit and will target veteran general occupancy individuals and households with incomes of up to 30%, 50% and 60% of Area Median Household Income (AMHI), while nine (9) will operate as market-rate without rent or income restrictions.

The proposed project will include a mix of one-, two- and three- bedroom garden-style/flat units and community space. The proposed collected Tax Credit rents are \$243 and \$275 for 30% AMHI units, \$584 and \$661 for 50% AMHI units and range from \$598 to \$798 for 60% AMHI units. The 30% AMHI units will target supportive housing individuals and households with a preference for veterans including 10 one-bedroom units and nine (9) two-bedroom units. The market-rate rents will be \$850 for one-bedroom units and \$1,060 for two-bedroom units.

The renovations are anticipated to be complete in December 2016. Additional information regarding the proposed project follows.

Total Units	Bedrooms/ Baths	Style	Square Feet	Percent of AMHI	Proposed Rents			Maximum LIHTC Gross Rent
					Collected	Utility Allowance	Gross	
10	One-Br./1.0	Garden	807	30%	\$243	\$143	\$386	\$386
7	One-Br./1.0	Garden	807	60%	\$598	\$143	\$741	\$772
3	One-Br./1.0	Garden	807	MR	\$850	-	-	-
9	Two-Br./2.0	Garden	932 & 993	30%	\$275	\$188	\$463	\$463
8	Two-Br./2.0	Garden	932 & 993	50%	\$584	\$188	\$772	\$772
1	Two-Br./2.0	Garden	932 & 993	60%	\$702	\$188	\$890	\$927
6	Two-Br./2.0	Garden	932 & 993	MR	\$1,060	-	-	-
16	Three-Br./2.0	Garden	1,127	50%	\$661	\$230	\$891	\$891
14	Three-Br./2.0	Garden	1,127	60%	\$798	\$230	\$1,028	\$1,070
74								

Source: Herman & Kittle Properties, Inc.

AMHI – Area Median Household Income – Racine, Wisconsin MSA (2014)

MR – Market-rate

Additional details of the subject project can be found in Section III *Project Description* of this report.

Although the site is located within an industrial area, the surrounding neighborhood of Uptown is currently undergoing revitalization, and all community services are within convenient proximity. Also, the nearby major employer will appeal to prospective site tenants. It is of note that the site is adjacent east of an active rail line that causes noise disturbance and vibrations; however, many area residents consider such potential nuisances as necessary tradeoffs for the convenience of urban living. Visibility and access are both considered very good.

The site is within proximity to shopping, employment, recreation, entertainment and education opportunities. Public transportation and safety services are within 0.6 miles of the site. The site has convenient access to major highways and public bus transportation. The site's excellent location is desirable to tenants seeking an urban lifestyle. Several buildings within the site area, including the factory that currently occupies the site, are vacant; however, the Uptown neighborhood is beginning to revitalize.

Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability.

### **Primary Market Area Description**

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to originate. The Racine Site PMA includes almost the entire city limits of Racine. The Site PMA is part of the larger Racine Metropolitan Statistical Area (MSA). The boundaries of the Site PMA include 3 Mile Road to the north; Lake Michigan to the east; Durand Avenue to the south; and State Route 31 (S. Green Bay Road) and Batten International Airport to the west. A map illustrating the boundaries of the market area can be found on page V-3 of this report.

### **Demographic Analysis**

The Racine Site PMA population base declined by 3,229 between 2000 and 2010. Between 2010 and 2014, the population declined by 1,199, or 1.6%. It is projected that the population will decline by 563, or 0.8%, between 2014 and 2019. Within the Racine Site PMA, households declined by 1,055 (3.6%) between 2000 and 2010. Between 2010 and 2014, households declined by 260 or 0.9%. By 2019, there will be 27,856 households, a decline of 152 households, or 0.5% from 2014 levels. This is a decline of approximately 30 households annually over the next five years.

Renter households within the Racine Site PMA represent a 43.7% of overall households. This high share of renter households is typical of an urban market. The more than 12,000 renter households in the Racine Site PMA represent an excellent source of support for the proposed project.

**Economic Analysis**

The residential employment figures for Racine County indicate that some growth, though minimal, occurred between 2010 and 2013, and through year-end 2013 unemployment had declined by 180 basis points from the 2009 peak of 10.4%. The most recent, unofficial, not seasonally adjusted unemployment rate in Racine County of 6.0% as of November 2014 is similar to pre-recession levels. A variety of development and expansion projects citywide, including expansions at several local manufacturers, including Marlo, Inc., Altus Vinyl and InSinkEerator, should encourage further economic development in the area. The expansion and relocation projects are anticipated to create more than 500 local jobs.

Employees at manufacturers typically have qualifying incomes to reside at LIHTC housing. Demand for affordable housing in the Site PMA remains strong, with a strong source of lower-wage jobs that will continue to create demand for affordable housing near employment centers. The projected household growth in the Site PMA is concentrated among higher-earning households that will support the proposed market-rate housing.

**Overall Rental Housing Market Conditions**

We identified and personally surveyed 25 conventional housing projects containing a total of 2,149 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 97.0%, a high rate for rental housing. Typically, markets should have about a 5% vacancy factor to allow for adequate renter mobility and turnover.

The following table summarizes the breakdown of conventional housing units surveyed within the Site PMA.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate	Under Construction
Market-rate	6	727	23	96.8%	0
Market-rate/Tax Credit	6	543	22	95.9%	0
Market-rate/Tax Credit/Government-Subsidized	1	120	9	92.5%	0
Tax Credit	3	136	5	96.3%	0
Government-Subsidized	9	623	6	99.0%	0
Total	25	2,149	65	97.0%	0

The mixed-income market-rate/Tax Credit/government-subsidized segment of the rental housing market has the highest vacancy rate of 7.5%, and is resultant of nine (9) vacant senior Tax Credit units at Lincoln Manor (Map ID 18). All other segments of the rental housing market have high occupancy rates ranging from 95.9% to 99.0%.

## Comparable Affordable Property Analysis

We identified four Low-Income Housing Tax Credit (LIHTC) properties within the Racine Site PMA that are adaptive reuse developments similar to that proposed for the site. These properties are also similar to the proposed 1520 in that they are mixed-income, offering both non-subsidized Tax Credit units targeted to households with incomes of up to 60% of AMHI, and market-rate units that operate without rent or income limitations.

The four selected LIHTC properties and the subject development as proposed are summarized as follows (Information regarding property address, phone number, contact name and utility responsibility is included in the one-page profiles found in Section IX).

Map I.D.	Project Name	Year Opened/ Renovated	Total Units	Occupancy Rate	Distance To Site	Waiting List	Target Market
<b>Site</b>	<b>1520 Clark Street</b>	<b>2016</b>	<b>65*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>Families; 30%, 50% &amp; 60% AMHI</b>
7	Mitchell Wagon Factory Lofts	2003	88*	97.7%	0.9 Miles	None	Families; 50% & 60% AMHI
8	Wilmanor Apts.	1995 / 2014	24*	87.5%	1.1 Miles	None	Families; 30%, 40% & 50% AMHI
12	Arcade Apts. (Main Lake)	1996	60*	100.0%	1.6 Miles	25 H.H.	Families; 60% AMHI
15	Belle Harbor Lofts/Historic Olson Building Lofts	2000	62*	96.8%	1.7 Miles	None	Families; 30%, 50% & 60% AMHI

H.H. – Households

\*Market-rate units not included

The four LIHTC projects have a combined total of 234 units with an overall occupancy rate of 97.0%. Three projects have high occupancies of 96.8% or higher. Only Wilmanor Apartments (Map ID 8) has a higher than typical vacancy rate. Note the increased rate is due to just three vacant units and is not reflective of market softness. According to Ron with S&M Management, the vacancies can be attributed to recent renovations, noting that the three vacancies are units in which renovations were recently completed.

The Arcade Apartments (Map ID 12) is fully occupied with a 25-household waiting list. The strong performance of the comparable projects indicates strong demand for non-subsidized, general occupancy Tax Credit product.

The following table details the gross Tax Credit rents proposed for the site, the gross rents currently being charged for the four selected comparable LIHTC projects and the 2014 maximum allowable rents for the Racine MSA. It is notable that several comparable properties currently charge rents that are higher than the 2014 maximum allowable rent levels. This can be attributed to several factors, including utility allowance differences, as well as the fact that rent and income limits for each property are determined based on placed-in-service dates and financing options.

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Units)			Rent Specials/Concessions
		One-Br.	Two-Br.	Three-Br.	
Site	<b>1520 Clark Street</b>	<b>\$386/30% (10)</b> <b>\$741/60% (7)</b>	<b>\$463/30% (9)</b> <b>\$772/50% (8)</b> <b>\$890/60% (1)</b>	<b>\$891/50% (16)</b> <b>\$1,028/60% (14)</b>	<b>None</b>
7	Mitchell Wagon Factory Lofts	\$676/50% (15) \$810/60% (15)	\$814/50% (15) \$974/60% (15)	\$939/50% (14) \$1,124/60% (14)	None
8	Wilmanor Apts.	\$457/30% (2) \$482/40% (2) \$482/40% (1) \$507/50% (2)	\$500/30% (1) \$500/50% (12)	-	None
12	Arcade Apts. (Main Lake)	\$637-\$837/60% (26)	\$833-\$1,033/60% (34)	-	None
15	Belle Harbor Lofts/Historic Olson Building Lofts	\$410/30% (2) \$676/50% (2) \$714-\$739/60% (18)	\$848-\$893/60% (20)	\$1,053-\$1,088/60% (20)	None
	Maximum Allowable Rents – Racine, Wisconsin MSA (2014)	\$386/30% \$515/40% \$643/50% \$772/60%	\$463/30% \$618/40% \$772/50% \$927/60%	\$535/30% \$713/40% \$891/50% \$1,070/60%	

Studio units not included in table

The proposed gross rents for the 30%, 50% and 60% AMHI units are within the range of those currently being achieved for similar income level units at the comparable properties. The proposed 60% AMHI rents are most competitive with those at Belle Harbor Lofts/Historic Olson Building Lofts and are generally lower than those being charged at Arcade Apartments and Mitchell Wagon Factory Lofts. Given the full occupancy at Mitchell Wagon Factory Lofts and the full occupancy and 25-household waiting list at Arcade Apartments, the proposed rents are appropriate and achievable in this market.

Given the value of the proposed rents relative to those being charged at the comparable adaptive reuse projects, the newness of the site and the comprehensive amenities planned, it is our opinion the proposed rents are appropriate and will represent a value in this market.



The subject development as proposed will compare well with the existing LIHTC projects in the market based on unit size (square footage) and the number of baths offered. The proposed unit sizes are within the range of those offered at the comparable properties and the units offer a commensurate number of bathrooms. Only the units at Mitchell Wagon Factory Lofts and select units at Arcade Apartments are significantly larger than those proposed for the site. We expect the units will be marketable as proposed. Once construction is complete, the subject amenities will be competitive with other Tax Credit projects in the market and surrounding area. The subject site, with comprehensive amenities, will be appealing to income-qualified renters.

Overall, based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the subject development as proposed will be competitive.

### **Achievable Rents**

We conduct two achievable rent analyses. The first rent analysis establishes the market rent the subject project as proposed could achieve without the limitations of the Tax Credit program. The second rent analysis is the achievable Tax Credit rent. This is the Tax Credit rent the subject site could charge based upon the Tax Credit rents currently being achieved at existing comparable Tax Credit properties in the market. Note that we only compare the proposed Tax Credit rents at those properties considered most comparable to the subject site with regard to unit types and Area Median Household Income (AMHI) limitation.

### **Achievable Market Rents**

We identified six market-rate properties within the Racine Site PMA that we consider comparable in terms of unit and project amenities to the subject development as proposed. Four are most similar to the site in that they are mixed-income adaptive reuse projects similar to the site that include a mix of non-subsidized Tax Credit and market-rate units. Similar to the proposed project, the four mixed-income comparables are apartments converted from historic structures built in the late 1800s/early 1900s. Because only two of the aforementioned properties include three-bedroom units, the following analysis also considers two conventional rental properties of 1960s and 1970s vintage that offer three-bedroom units.

The subject development as proposed and the six selected market-rate properties include the following:

Map I.D.	Project Name	Year Opened/ Renovated	Total Units	Occupancy Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	1520 Clark Street	2016	9*	-	-	3*	6*	-
7	Mitchell Wagon Factory Lofts**	2003	12*	100.0%	-	4 (100.0%)	4 (100.0%)	4 (100.0%)
8	Wilmanor Apts.**	1995 / 2014	12*	91.7%	1 (100.0%)	9 (88.9%)	2 (100.0%)	-
12	Arcade Apts. (Main Lake)**	1996	15*	100.0%	-	6 (100.0%)	9 (100.0%)	-
13	Graceland Gardens	1968	120	95.0%	-	36 (100.0%)	80 (92.5%)	4 (100.0%)
15	Belle Harbor Lofts/Historic Olson Building Lofts**	2000	16*	100.0%	-	6 (100.0%)	5 (100.0%)	5 (100.0%)
20	Douglas Terrace Apts.	1970 / 1996	202	97.0%	8 (100.0%)	106 (96.2%)	72 (97.2%)	16 (100.0%)

\*Market-rate units only

\*\*Mixed-income, adaptive reuse

The six selected market-rate projects have a combined total of 377 units with an overall occupancy rate of 96.6%. Five properties have stable to high occupancy rates of 95.0% or higher. While Wilmanor Apartments vacancy rate is 8.3%, the increased rate is due to just one vacant unit.

In Section X of this report, it was determined that the present-day achievable market rents for units similar to the subject development as proposed are \$850 for a one-bedroom unit, \$1,060 for a two-bedroom unit and \$1,145 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Proposed Rent as Share of Market
One-Bedroom	\$243/30%	\$850	28.6%
	\$598/60%		70.4%
	\$850/MR		100.0%
Two-Bedroom	\$275/30%	\$1,060	25.9%
	\$584/50%		55.1%
	\$702/60%		66.2%
	\$1,060/MR		100.0%
Three-Bedroom	\$661/50%	\$1,145	57.7%
	\$798/60%		69.7%

MR – Market-rate



The proposed collected rents Tax Credit rents are 25.9% to 70.4% of the achievable market rents, and as such, should represent very good to excellent values for the local market. Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have an adequate flow of tenants. Given the value of the proposed rents relative to market, with market rent advantages of at least 29.6%, we expect the proposed Tax Credit rents will be perceived as considerable values in this market.

Given 1520 Clark Street will represent the most modern rental housing choice in this market and will offer comprehensive unit features and community amenities, we expect the nine (9) market-rate units will be marketable at the proposed rents that are equal to the achievable market rents. The proposed market-rate rents are within the range of those currently being achieved for comparable units at the adaptive reuse properties that range from \$710 to \$860 for one-bedroom units and \$890 to \$1,105 for two-bedroom units. It is our opinion that the proposed rents are appropriate for the nine units at 1520 Clark Street and will be marketable in the Racine Site PMA, and will represent a value given the newness of the project and the comprehensive amenities proposed for the project.

Achievable Tax Credit Rents

The achievable Tax Credit rent analysis is conducted to evaluate the appropriateness of the proposed rents compared to existing Tax Credit rental alternatives. The properties used in this analysis are detailed in the Survey of Comparable Tax Credit Properties found and discussed in greater detail in Section IX of this report.

In Section X of this report, it was determined that the present-day achievable 60% AMHI Tax Credit rents for units similar to those proposed for 1520 are \$700 for a one-bedroom unit, \$775 for a two-bedroom unit and \$845 for a three-bedroom unit.

The following table compares the proposed collected rent at the subject site with current achievable Tax Credit rent for the subject units.

Bedroom Type	Proposed Collected 60% AMHI Rent	Achievable 60% AMHI Tax Credit Rent	Proposed Rent as Share of Achievable Tax Credit Rent
One-Bedroom	\$598	\$700	85.4%
Two-Bedroom	\$702	\$775	90.6%
Three-Bedroom	\$798	\$845	94.4%

The proposed collected 60% AMHI rents are 85.4% to 94.4% of the achievable 60% AMHI Tax Credit rents and considered appropriate for the market. Note that the achievable 60% AMHI rents are higher than the current maximum level. As noted in the Comparable Tax Credit Analysis in Section IX, several properties are charging rents that are higher than current maximum levels due to HUD Hold Harmless policies that protect property owners from declining median incomes/declining rents. Based on the preceding rent comparability grids and comparable rent analysis in Section IX, rents higher than current maximum are achievable in the Site PMA. It is our opinion the proposed maximum allowable 60% AMHI rents are appropriate and achievable in this market. The proposed units will fill an underserved need for low-income and veteran designated units in the Racine Site PMA.

### **Capture and Penetration Rates**

The subject site is expected to be complete in December 2016. Based on the household projections found in the Demographic Characteristics and Trends section of this report, an estimated 4,284 renter households within the Site PMA in 2016 will have incomes within the ranges of \$13,234 and \$18,550 (30% AMHI units) and \$26,469 to \$44,460 (50% and 60% AMHI units), and will be income-eligible to reside in a Tax Credit unit at the proposed 1520. The 65 units at the subject site represent a required basic Tax Credit capture rate of 1.6%.

Households with incomes between \$36,000 and \$60,000 will qualify to reside in a market-rate unit at 1520. It is projected an estimated 2,257 renter households with eligible incomes will reside in the Site PMA in 2016. The nine (9) market-rate units represent a basic capture rate of 0.4%.

These calculations, as well as the basic capture rates by AMHI level, are summarized in the following table:

	Basic Capture Rate				
	30% AMHI \$13,234- \$18,550	50% AMHI \$26,469- \$37,050	60% AMHI \$26,469- \$44,460	Market-Rate \$36,000- \$60,000	Overall Tax Credit \$13,234 - \$18,550 & \$26,469-\$44,460)
Number of Proposed Units	19	24	22	9	65
Income-Eligible Renter Households – 2016	/ 1,334	/ 2,051	/ 2,946	/ 2,257	/ 4,284
Basic Renter Capture Rate	= 1.4%	= 1.2%	= 0.7%	= 0.4%	= 1.6%

\*Includes all income-qualified renter households

The basic capture rates for the non-subsidized Tax Credit and market-rate units are all both considered excellent and easily achievable at 0.4% for market-rate units and 1.6% for the Tax Credit units. The basic capture rates by AMHI level are also excellent at 1.4% or less. The low basic capture rates are positive indications of the demographic support potential in the Racine Site PMA.

### **Estimates of Support from Veterans in need of Supportive Services**

The 19 30% AMHI units at the subject project will have a preference for income-qualified veterans who will reside in these units. For the purpose of the following demand analysis, we will forecast the demographic support base for the 19 30% AMHI units assuming they are to be supported by the veteran cohort.

According to 2009-2013 ACS data, the veteran population for the city of Racine was 5,237 and for Racine County, was 14,054. These represent 9.3% and 9.5% shares of the total populations for these respective geographies. Given the limited data provided for veteran households by income, for our demand analysis, we apply the Racine city ratio of 9.3% to the number of income-eligible renter households to estimate the potential veteran renter demographic depth in the market.

The proposed 30% of AMHI one- and two-bedroom units will target households with incomes from \$13,234 to \$14,450 and \$15,874 to \$18,550, respectively. In 2016, there will be an estimated 2,136 income- and size-eligible (one- through three-person) renter households within the Site PMA. Applying the 9.3% ratio to the size- and income-eligible renter households yields an estimated 199 income-eligible veteran renter households within the Site PMA in 2016. The proposed 19 units with a veteran preference would represent a basic veteran renter capture rate of 9.5%, which is considered a good capture ratio.

We believe most of the units will be filled by referrals from local advocacy groups. Within the Site PMA there are several facilities that offer transitional and Permanent Supportive Housing (PSH) units for homeless and low-income veterans, include the 15-unit College Avenue Apartments run by the Center for Veterans Issues (CVI) that consists of one-bedroom units, and 38 units in Union Grove run by the Veterans Assistance Foundation (VAF), including 30 one-bedroom transitional and eight (8) PSH, single-room occupancy (SRO) units. Additionally, 35 Veterans Administration Supportive Housing (VASH) Vouchers are issued within Racine County.

The proposed project will include both one- and two-bedroom units, allowing it to serve a broader base of renters. The subject site will clearly serve an unmet need within the Site PMA with 19 veteran designated units at 30% AMHI.

Given the limited available rental alternatives for the special needs set-aside and excellent rent value for the proposed 30% AMHI units, it is our opinion the 9.5% capture rate is easily achievable.

## **Overall Tax Credit Penetration Rate**

The 578 existing Tax Credit units in the market must also be considered when evaluating the achievable capture 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 Tax Credit units is \$12,994 to \$44,460 (based on the lowest gross one-bedroom rent of \$379 at Belle Harbor Lofts/Historic Olson Building Lofts and a five-person 60% AMHI maximum income).

Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, an estimated 6,417 renter households will have eligible incomes in 2016. The 643 existing and proposed Tax Credit units represent a penetration rate of 10.0% of the 6,417 income-eligible renter households, which is summarized in the following table.

	<b>Tax Credit Penetration Rate (\$12,994 - \$44,460)</b>
Number of LIHTC Units (Proposed and Existing)	643
Income-Eligible Renter Households – 2016	/ 6,417
Overall Market Penetration Rate	= 10.0%

It is our opinion that the 10.0% penetration rate for the LIHTC units, both existing and proposed, is achievable, particularly when considering the strong occupancy of the existing 578 units that are 95.3% occupied, with just 27 vacant units.

The full demand analysis is detailed in Section XI *Capture Rate Analysis* of this report.

## **Market Strengths and Weaknesses**

### Strengths:

- The proposed 1520 Clark Street will represent an excellent quality, newly redeveloped rental housing alternative in an urban neighborhood.
- The comparable adaptive reuse Tax Credit comparables are performing very well with a combined overall occupancy rate of 97.0%.
- The proposed subject Tax Credit rents are within the range of those currently being charged for similar income level units in the market and will represent very good to excellent values with market rent advantages of at least 25.4%.
- There is more than ample demographic support for the proposed project to operate as currently proposed. The low basic Tax Credit capture rates, ranging from 0.4% for the proposed 60% AMHI units to 1.4% for 30% AMHI units, and 1.6% overall indicate there is more than ample support for the subject units.

- The 10.0% overall Tax Credit penetration rate is low, indicating there is sufficient support for the existing and proposed Tax Credit units in this market. Given the low penetration rate, we do not anticipate the development of the site will have any notable adverse impact on the occupancy rates at the other properties in the area.
- The subject project will be one of the highest quality affordable rental alternatives in the market.
- The subject project will be elevator-equipped. This feature will expand the spectrum of individuals and households that would respond to the project, including seniors and younger individuals with mobility limitations.
- The lack of veteran supportive housing units within the Site PMA will help serve an unmet need in the Site PMA.

Weaknesses:

- The number of households within the Racine Site PMA has been on the decline since 2000. It is projected the trend will continue through 2019, with most of the decline occurring among households younger than age 55. Among renter households, the decline is expected to be minimal (39, or 0.3%), and it is projected in 2019, there will be more than 12,000 renter households. These households represent an excellent base of potential support for the proposed project.
- There is an abundance of low- and moderately-priced rental alternatives available in this market; however, these units are typically older, and many are suffering from deferred maintenance and/or are becoming functionally obsolete.
- The subject site is adjacent east of a rail line, and nearby businesses report sporadic train activity, noting that some days no train activity is present, while other days several trains will pass. No trains were noted at the time of our site visit. The train serves nearby industrial businesses. While the passing trains may generate some noise and vibrations, residents of urban neighborhoods of Racine consider the possible noise generated by train activity as a necessary tradeoff for the convenience of urban living.
- The proposed site is in a transitioning area, which could be a deterrent for some prospective tenants. Given the strong occupancy of the comparable adaptive reuse projects, and the market overall, we do not anticipate this will have a negative impact on the proposed 1520.

**Summary of the Subject Project's Positive and Negative Attributes**

The proposed 1520 Clark Street adaptive reuse project will provide an affordable housing choice similar to several very successful mixed-income projects within the Site PMA. The subject will also provide much needed affordable housing for the underserved veteran population in Racine County. It is our opinion, given the strength of the comparable mixed-income, adaptive reuse affordable housing alternatives and the low 10.0% overall Tax Credit penetration rate, that the development of the proposed project will have little, if any negative impact on the occupancies of the affordable rental housing options in this market.

## **Recommendations**

We worked closely with the developer in evaluating the market to make recommendations to improve marketability during the course of our study. When possible, the developer made improvements or changes to the project concept to accommodate our suggestions. At this time, we have no additional suggestions or recommendations to improve the proposed project's potential.



### III. Project Description

The proposed project involves the adaptive reuse of a historic manufacturing/warehouse building at 1520 Clark Street in the Uptown neighborhood of Racine, Wisconsin into a 74-unit apartment property. The proposed project will be developed using Low-Income Housing Tax Credit (LIHTC) financing. The majority of units (65, or 88%) will operate as Tax Credit and will target veteran general occupancy individuals and households with incomes of up to 30%, 50% and 60% of Area Median Household Income (AMHI), while nine (9) will operate as market-rate without rent or income restrictions.

The proposed project will include a mix of one-, two- and three-bedroom garden-style/flat units and community space. The proposed collected Tax Credit rents are \$243 and \$275 for 30% AMHI units, \$584 and \$661 for 50% AMHI units and range from \$598 to \$798 for 60% AMHI units. The 30% AMHI units will target general occupancy individuals and households with a preference for veterans in need of supportive housing, including 10 one-bedroom units and nine (9) two-bedroom units. The market-rate rents will be \$850 for one-bedroom units and \$1,060 for two-bedroom units.

The renovations are anticipated to be complete in December 2016. Additional information regarding the proposed project follows.

- A. Project Name:** 1520 Clark Street
- B. Property Location:** 1520 Clark Street, Racine,  
Racine County, Wisconsin 53403
- C. Project Type:** Low-Income Housing Tax Credit &  
Market-rate

**D. Unit Configuration and Rents:**

Total Units	Bedrooms/ Baths	Style	Square Feet	Percent of AMHI	Proposed Rents			Maximum LIHTC Gross Rent
					Collected	Utility Allowance	Gross	
10	One-Br./1.0	Garden	807	30%	\$243	\$143	\$386	\$386
7	One-Br./1.0	Garden	807	60%	\$598	\$143	\$741	\$772
3	One-Br./1.0	Garden	807	MR	\$850	-	-	-
9	Two-Br./2.0	Garden	932 & 993	30%	\$275	\$188	\$463	\$463
8	Two-Br./2.0	Garden	932 & 993	50%	\$584	\$188	\$772	\$772
1	Two-Br./2.0	Garden	932 & 993	60%	\$702	\$188	\$890	\$927
6	Two-Br./2.0	Garden	932 & 993	MR	\$1,060	-	-	-
16	Three-Br./2.0	Garden	1,127	50%	\$661	\$230	\$891	\$891
14	Three-Br./2.0	Garden	1,127	60%	\$798	\$230	\$1,028	\$1,070
74								

Source: Herman & Kittle Properties, Inc.  
 AMHI – Area Median Household Income – Racine, Wisconsin MSA (2014)  
 MR – Market-rate

**E. Target Market:**

Low-income individuals and families with incomes of up to 30%, 50% and 60% of AMHI, as well as market-rate renters; The 30% AMHI units will have a preference for veterans, but will be available for general occupancy tenants

**F. Project Design:**

Adaptive reuse of a historic building; According to the site plan, portions of the building will be demolished to create four separate buildings

**G. Original Year Built:**

1900s

**H. Construction Start Date:**

October 15, 2015

**Start of Preleasing:**

Not Specified

**Projected Opening Date:**

December 15, 2016

**I. Site Size:**

2.955 acres

**J. Site Topography:**

Developed with minimal foliage

**K. Unit Amenities:**

Each unit will include the following amenities:

- Gas Range
- Refrigerator
- Dishwasher
- In-unit Washer & Dryer
- Walk-in Closet\*
- Carpet
- Central Air Conditioning
- Window Blinds
- Ceiling Fan

\*1-br units only

**L. Community Amenities:**

The subject property will include the following community features:

- On-site Management
- Fitness Center
- Storage
- Library
- Media/Theater Room
- Chapel
- Community Room
- Computer Center
- Elevator
- Kitchenette
- Medical Exam Room
- Craft Room

**M. Utility Responsibility:**

Subject Utility Type and Responsibility with Cost Estimates					
Utility	Tenant	Landlord	1-Br.	2-Br.	3-Br.
General Electricity	X	-	\$38	\$51	\$63
Heating	Gas	-	\$47	\$63	\$77
Hot Water	Gas	-	\$8	\$11	\$13
Cooking	Gas	-	\$6	\$9	\$11
Cold Water	X	-	\$44	\$54	\$66
Sewer	X	-			
Trash Collection	-	X	-	-	-
<b>Developer-Provided Utility Allowance Estimate</b>			<b>\$143</b>	<b>\$188</b>	<b>\$230</b>

**N. Parking:**

A total of 72 open, surface lot parking spaces will be available for residents and guests at no additional cost to tenants. Additionally, 35 parking garage spaces will be available for an additional monthly fee of \$40.

**O. Current Occupancy:**

Not applicable, new construction

**P. Planned Renovation:**

The proposed project involves the gut renovation of an existing structure

**Q. Statistical Area:**

Racine, Wisconsin MSA (2014)

**R. Floor and Site Plan Review:**

The floor plans and a site plan for the proposed project were provided by Herman & Kittle Properties, Inc. The subject parcel is located northwest of the intersection of Clark Street and 16<sup>th</sup> Street. The existing building will be reconfigured to include a mix of one-, two- and three-bedroom units and community space. The site plans illustrate portions of the existing structure will be demolished and will be reconfigured into four separate buildings of varying heights, including one-, two- and three-story structures.

According to the site plan, each building will include residential units, and the community amenities will be situated in two buildings. A parking garage will be in the far southeastern portion of the site. According to the site plan, the site will have two ingress/egress points along Clark Street. The surface parking lot along Clark Street will feed into the parking garage. The egress from the parking garage will be onto 16<sup>th</sup> Street.

The one-bedroom units will be approximately 800 square feet and will have an entryway with the kitchen to the side. The entryway leads into the open living/dining room. A short hallway opposite the kitchen leads to the bedroom, walk-in closet, the full bathroom and a linen closet. This open floor plan maximizes the available space for the one-bedroom residents.

The two-bedroom units will have two full baths and will include either 932 or 993 square feet of living space. In one configuration, the entryway leads into the living/dining area. The kitchen is beyond and is opposite the utility closet. The bedrooms and bathrooms are at the rear of these units. In the other two-bedroom configuration, the entryway is adjacent to the kitchen and leads into the open living/dining area. Similar to the one-bedroom units, a hallway leads past the utility closet to the bedrooms and bathrooms. Both two-bedroom floor plans make efficient use of the available space and are considered appropriate for a mixed-income project.

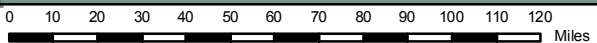
The three-bedroom units each include two full bathrooms and 1,127 square feet of living space. The three-bedroom units are similar in design to the one-bedroom units in that the living/dining area and kitchen are on one side of the unit, with the bedrooms, bathrooms and utility closet situated on the opposite side. One bedroom in this plan is a master suite with a walk-in closet and a private bathroom. The three-bedroom floor plan is considered appropriate for the target market.

A state map, an area map and a site neighborhood map, as well as the site and floor plans provided by the developer are on the following pages.

# State of Wisconsin





**Legend**

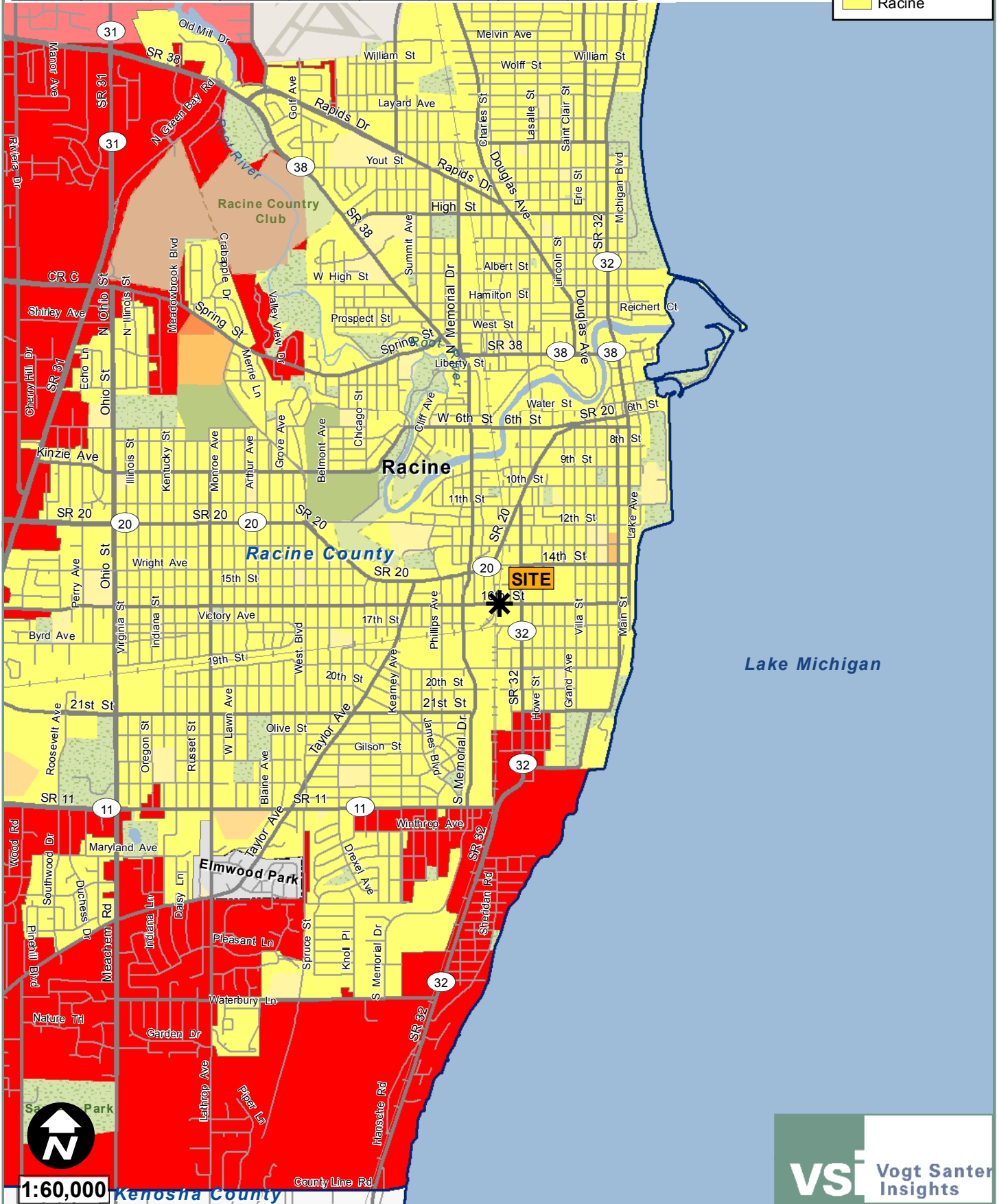
-  Project Site
-  Wisconsin



# Racine, WI Surrounding Area

**Legend**

-  Project Site
-  Caledonia
-  Mount Pleasant
-  Racine



# Racine, WI Site Neighborhood Map

## 1520 Clark Street

### Legend

 Project Site

Image Date: 04-29-2011

1 inch = 250 feet

0 220 440 660 880 1,100 1,320 Feet





# 1520

## EXISTING HISTORICAL BUILDING - RENOVATION 1520 CLARK STREET RACINE, WI 53403 RACINE COUNTY

DRAWING SHEET INDEX		
Sheet No.	Sheet Name	Conditional Use Submittal
<b>ARCHITECTURAL:</b>		
G.001	Cover Sheet	11/24/2014
G.111A	General - Arch - Site	11/24/2014
G.111B	General - Arch - Site with Demo	11/24/2014
A.000	As-Built	11/24/2014
A.111	Arch - Plan - Floor - Overall	11/24/2014
A.121	Arch - Plan - Floor - Bldg. - 2,3,4,5	11/24/2014
A.122	Arch - Plan - Floor - Bldg. - 9,10	11/24/2014
A.123	Arch - Plan - Floor - Bldg. - 14	11/24/2014
A.124	Arch - Plan - Floor - Bldg. - 17,18	11/24/2014
A.200	Elevations	11/24/2014
A.411	Arch - Plan - Enlarged - Unit 1BR, 1B	11/24/2014
A.421	Arch - Plan - Enlarged - Unit 2BR, 1B	11/24/2014
A.431	Arch - Plan - Enlarged - Unit 3BR, 2B	11/24/2014



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SEAL

PROJECT TITLE

1520  
1520 CLARK STREET  
-  
RACINE, WI 53403

SHEET TITLE  
COVER PAGE

ISSUED FOR: \_\_\_\_\_ DATE: \_\_\_\_\_  
BASE: \_\_\_\_\_ 05-15-2014

REVISIONS	MARK	DESCRIPTION	DATE

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JOB NO.  
**14-035**

SHEET NUMBER  
**G.000**



### PROJECT DIRECTORY:

**OWNER:**  
1520, LLP  
500 E. 96TH STREET, SUITE 300  
INDIANAPOLIS, IN. 46240  
317-846-3111

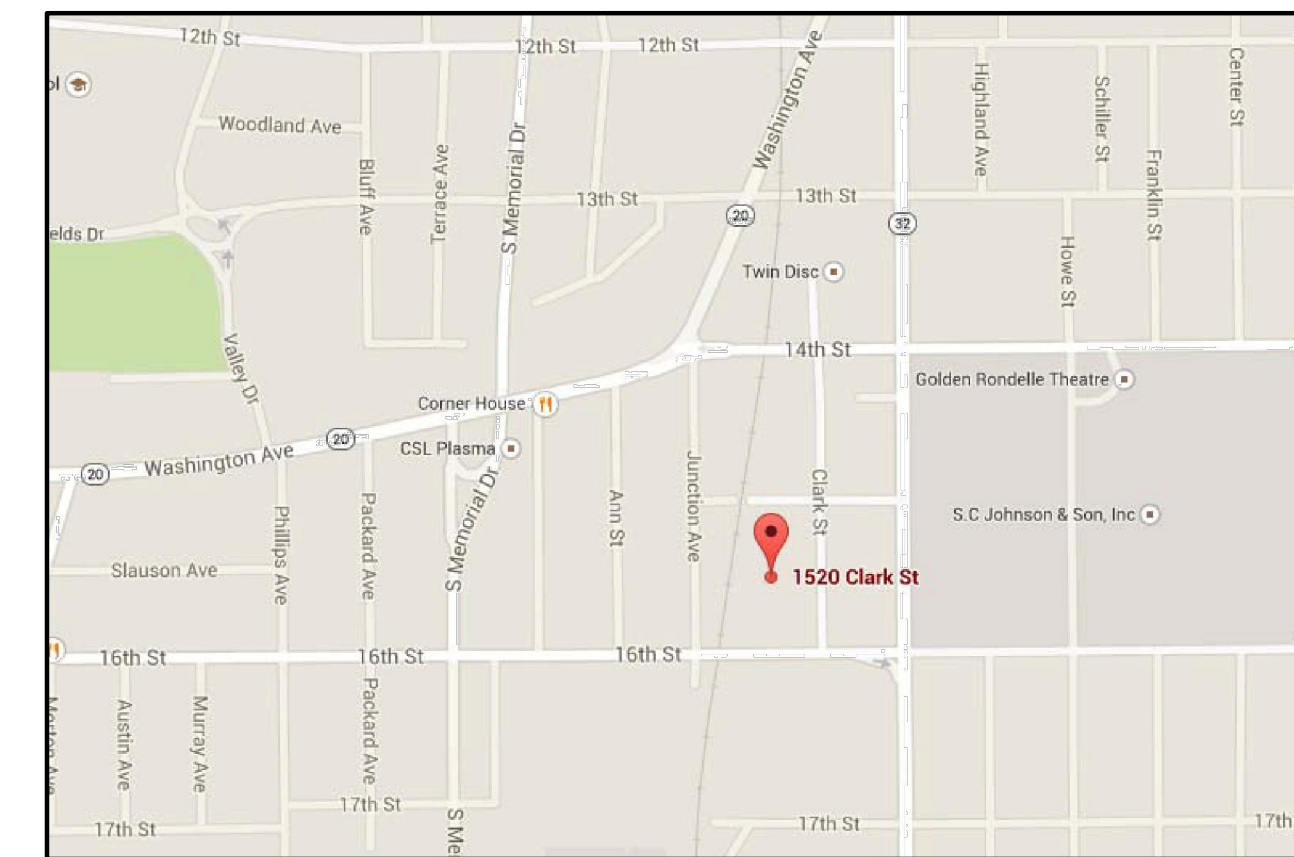
**PARKING COUNT**  
COVERED 35  
OPEN 72  
TOTAL 107

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3	0	0	0	0	0	0
4	0	0	0	0	0	0
5	0	0	12	5	17	16819
6	0	0	0	0	0	0
7	0	0	0	0	0	0
8	0	0	0	0	0	0
9	0	1	0	2	3	3247
10	0	2	0	2	4	4240
11	0	0	0	0	0	0
12	0	0	0	0	0	0
13	0	0	0	0	0	0
14	0	0	0	15	15	16905
15	0	0	0	0	0	0
16	0	0	0	0	0	0
17	10	0	0	2	12	10324
18	10	2	0	4	16	14564
19	0	0	0	0	0	0
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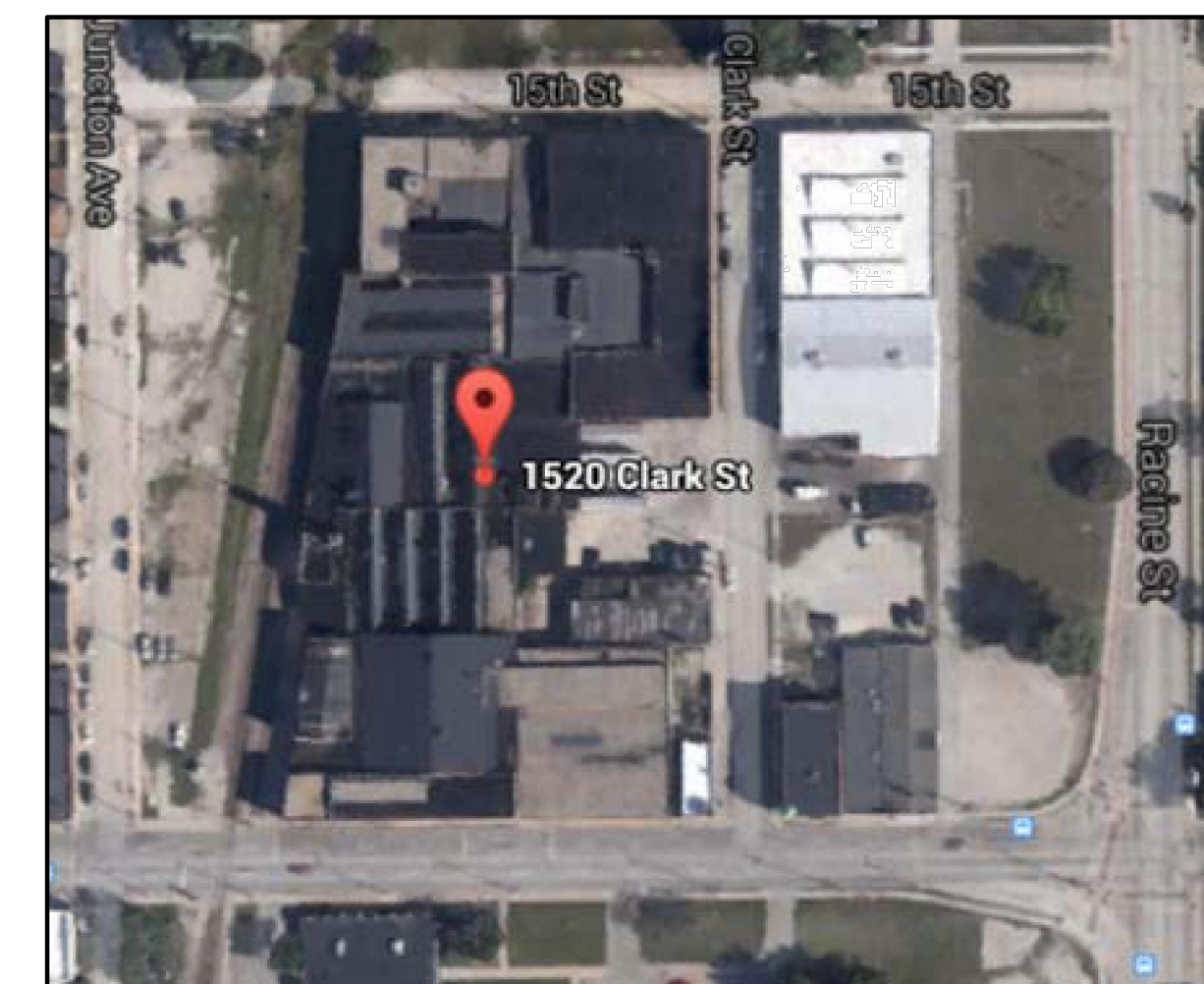
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HKPDESIGN@HERMANKITTLE.COM  
ATTN: MICHAEL J. THOMAS

**HISTORICAL CONSULTANT :**  
MacRostie Historic Advisors LLC  
53 W JACKSON BLVD, SUITE 1323  
CHICAGO, IL 60604  
312-786-1700



### VICINITY MAP



### SITE MAP



**CIVIL ENGINEERS:**  
TBD

**STRUCTURAL ENGINEERS:**  
TBD

**MEP ENGINEERS:**  
TBD





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SEAL

**PROJECT TITLE**

1520  
1520 CLARK STREET  
RACINE, WI 53403

**SHEET TITLE**

GNRL — ARCH —  
SITE W DEMO

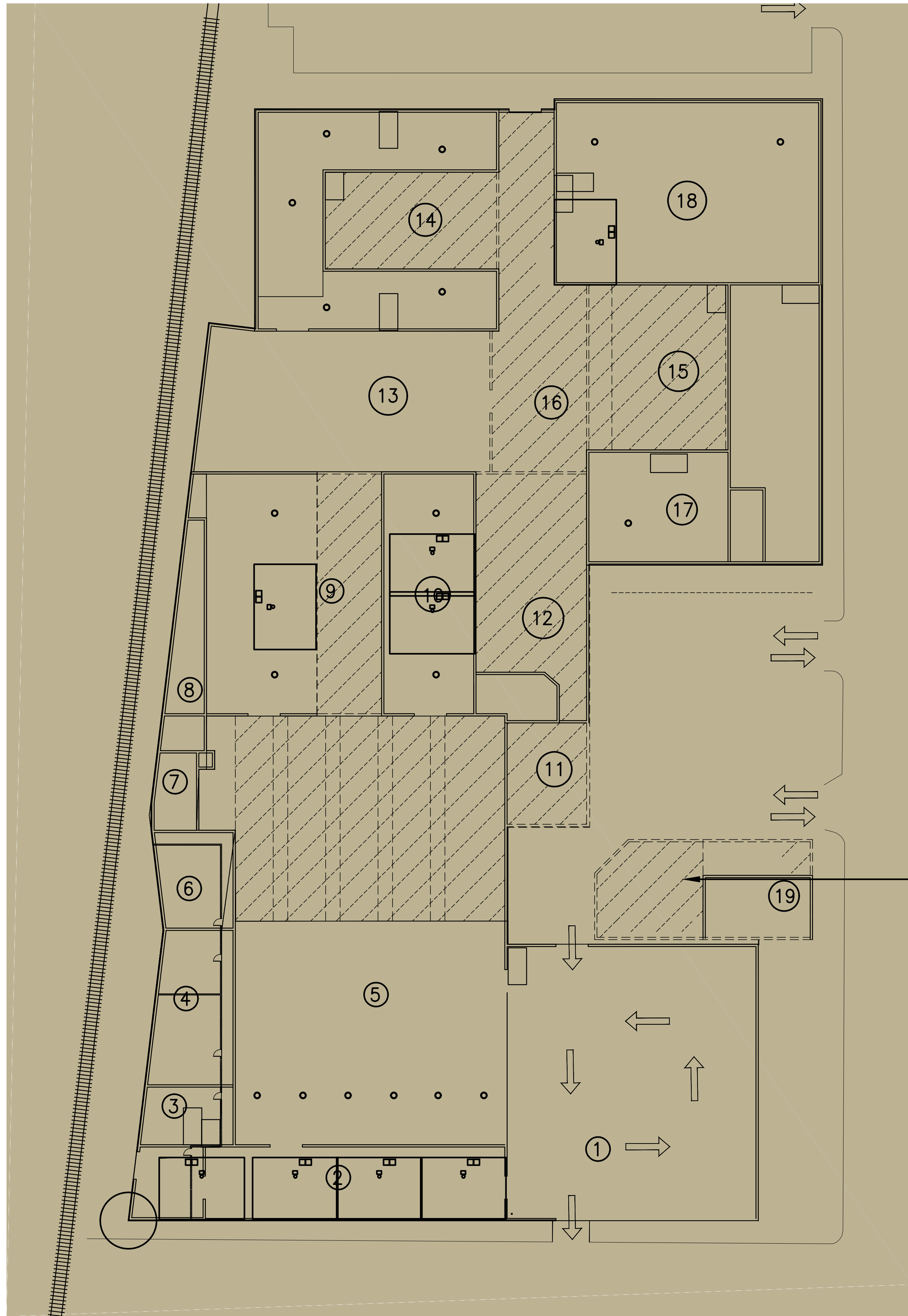
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BASE: \_\_\_\_\_ 05-15-2014

REVISIONS	MARK	DESCRIPTION	DATE

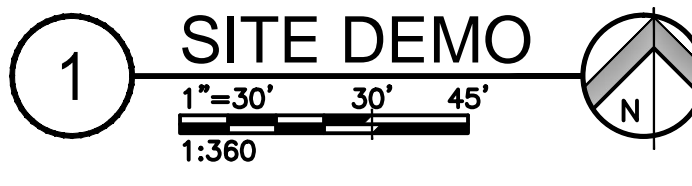
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JOB NO.  
**14-035**

SHEET NUMBER  
**G111B**



HATCHED AREAS  
TO BE DEMOLISHED



FILE: \\HPF051\AUTOCAD\COMPLEX\ARCHITECTURAL\MP PROJECTS\14-035 RACINE, WI\CD\14014-0111B SITE DEMO.DWG  
TIME: 20150928



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SEAL

D

PROJECT TITLE

C

1520  
1520 CLARK STREET  
-  
RACINE, WI 53403

SHEET TITLE

GNRL — ARCH —  
SITE W DEMO

ISSUED FOR: DATE  
BASE 05-15-2014

B

REVISIONS  
MARK DESCRIPTION DATE

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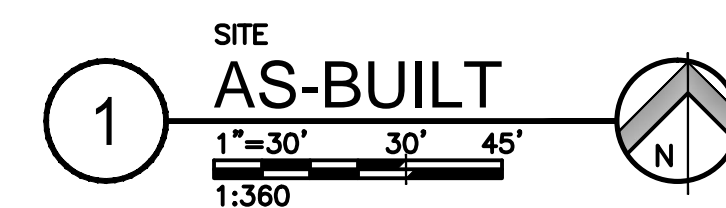
DO NOT SCALE PRINTS - USE  
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A

JOB NO.  
14-035

SHEET NUMBER

A.000



6

5

4

3

2

1

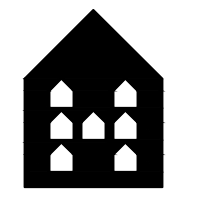
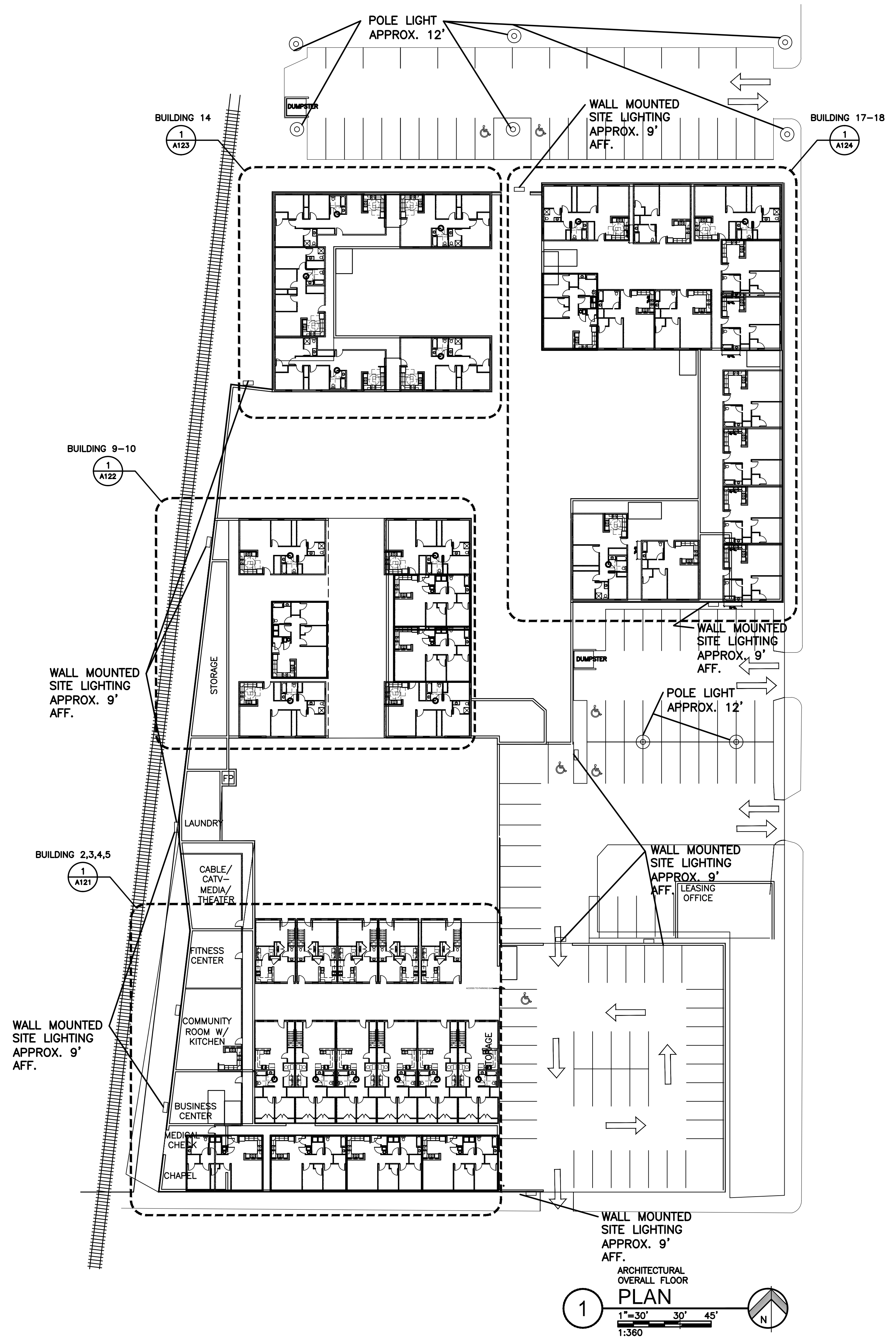
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DATE: 20150508SS



3 EXAMPLE POLE LIGHT  
NTS



2 EXAMPLE WALL LIGHT  
NTS



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BASE: \_\_\_\_\_ 05-15-2014

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SHEET NUMBER  
**A111**

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DATE: 20150509 11:11







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SEAL

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RACINE, WI 53403

SHEET TITLE  
ARCH - PLAN - FLOOR  
- BLDG 14

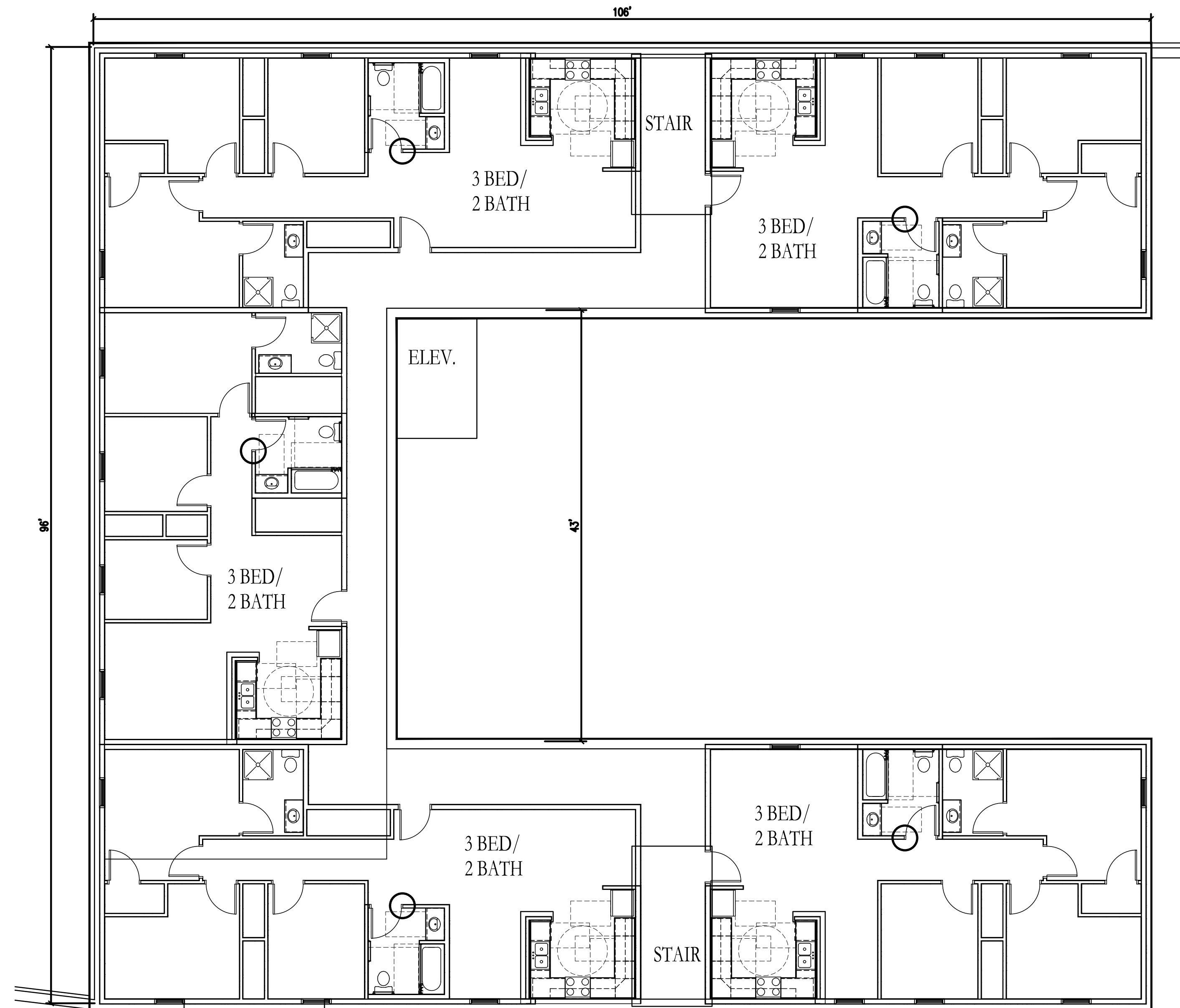
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JOB NO.  
**14-035**

SHEET NUMBER  
**A123**



BLDG 14 ARCHITECTURAL FLOOR PLAN

1

1/8"=1' 8' 12' 1:96

FILE: \\HPF03\AUTOCAD\COMPLEX\ARCH\PROJECTS\14-035\_RACINE\_WI\CD\140114-1123\_ARCH - PLAN - FLOOR - BLDG 14.DWG  
TIME: 2015/05/21/11:17





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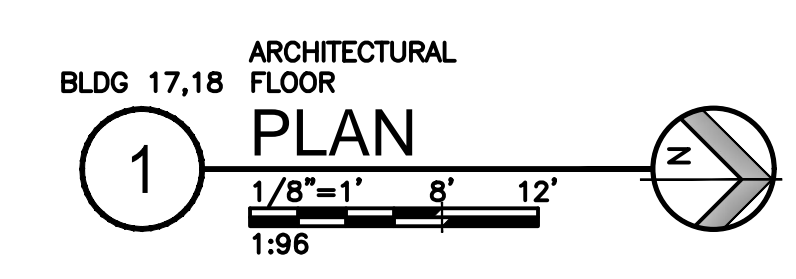
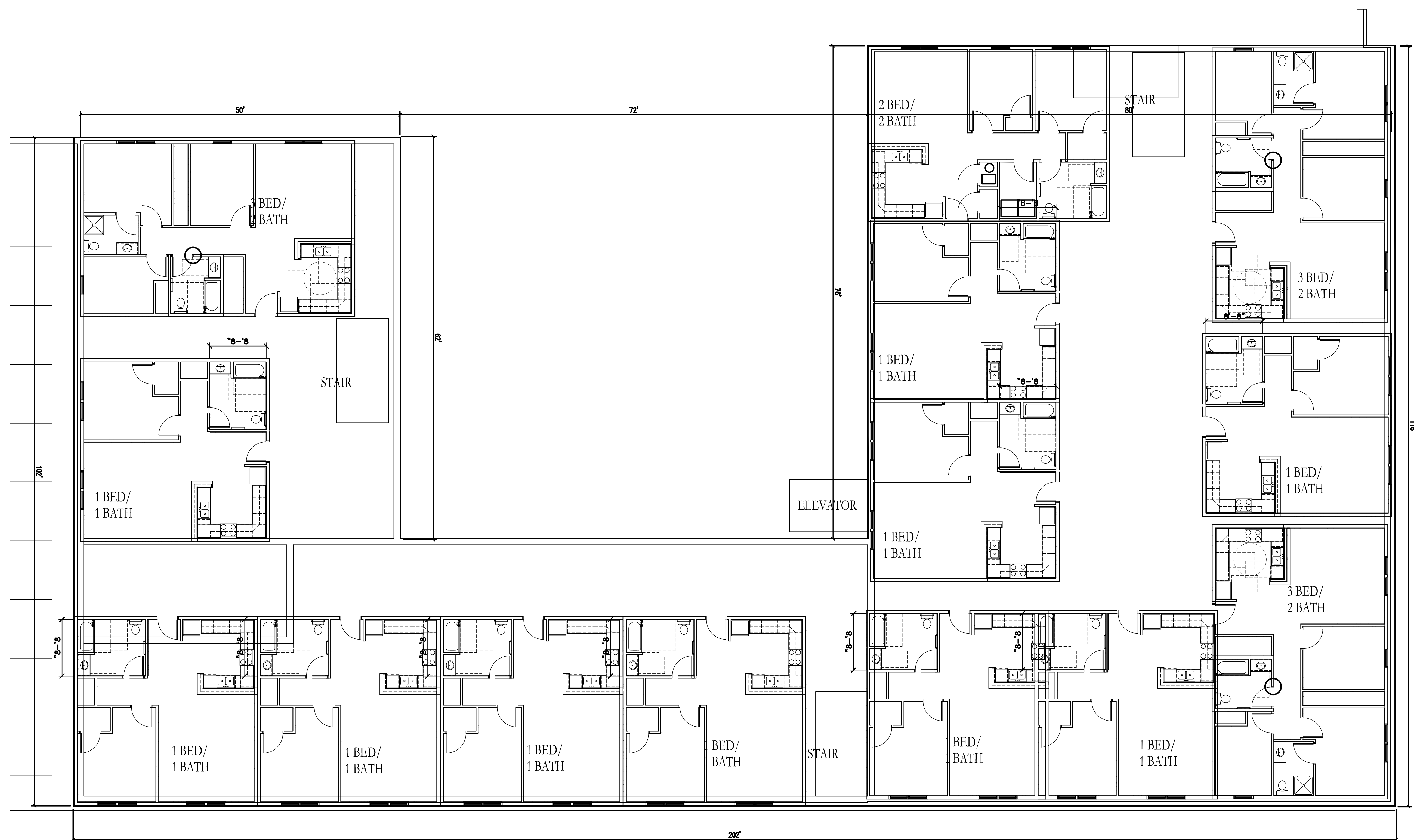
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ARCH - PLAN - FLOOR  
- BLDG 17,18

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**14-035**  
SHEET NUMBER  
**A124**



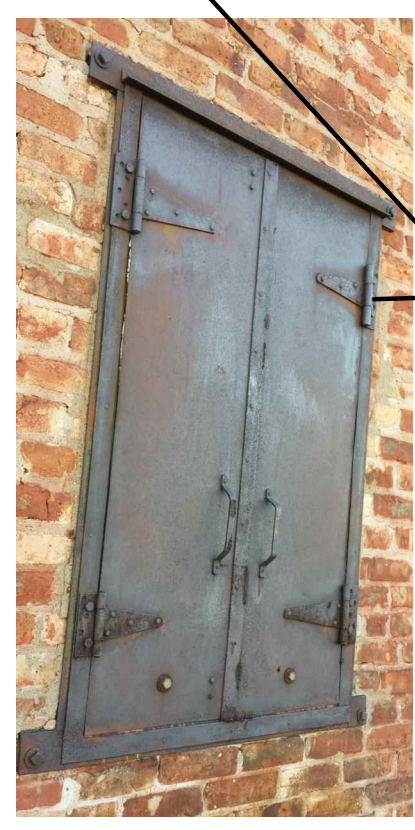
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TIME: 201505090920



WEST SIDE (ALONG TRAIN TRACKS)  
SITE  
**4 ELEVATIONS**  
NTS

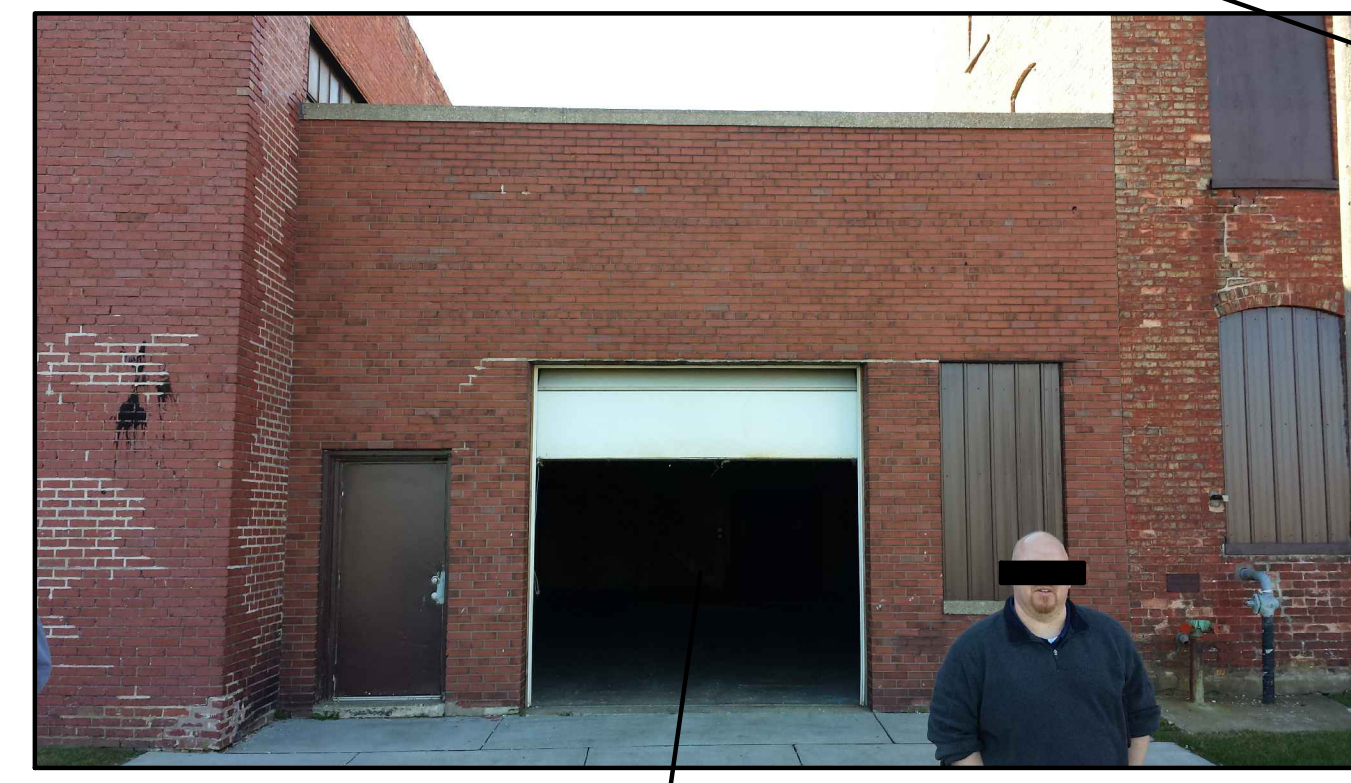
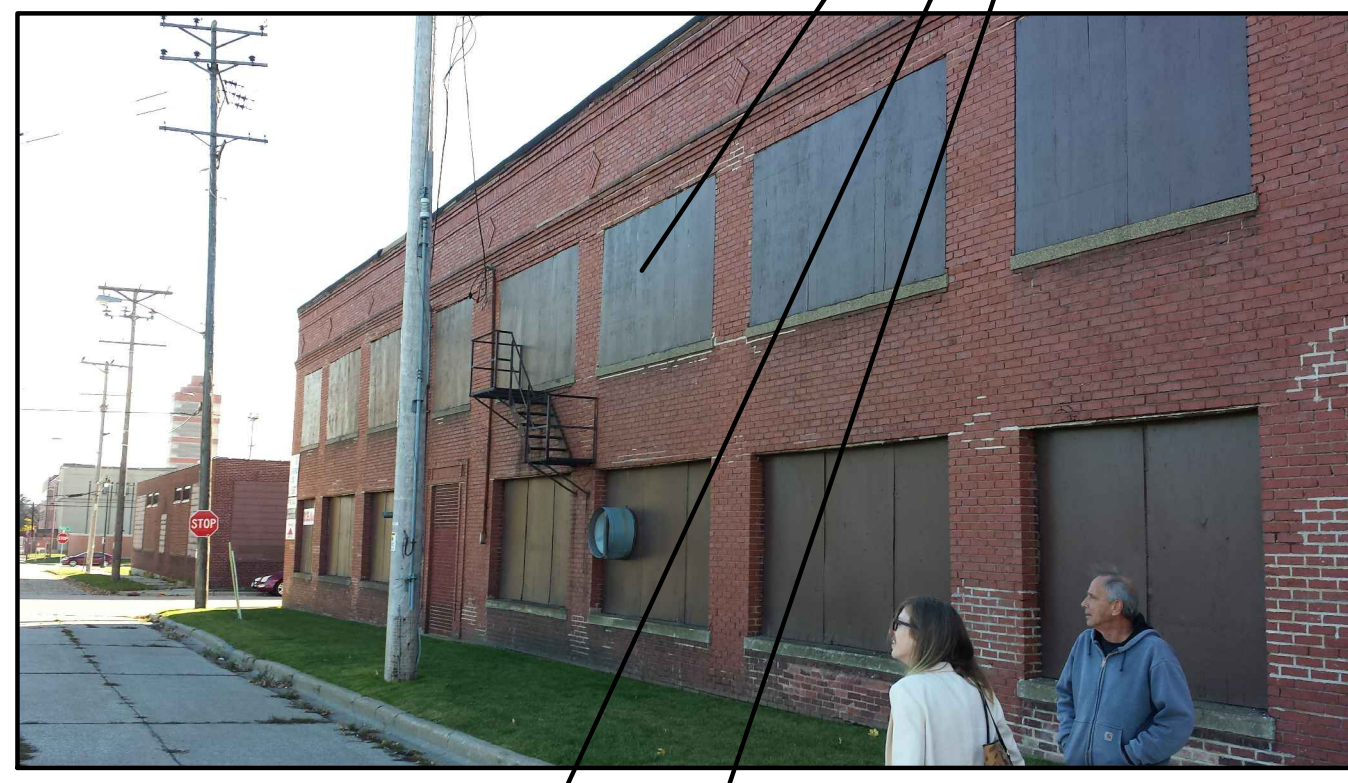


15TH AND 16TH ST WINDOWS  
TO MATCH HISTORICAL ORIGINAL  
WINDOWS



RAILROAD ELEVATION OPENINGS TO MATCH  
EXISTING STEEL SHUTTERS

TUCKPOINT/REPAIR BRICK AS REQUIRED

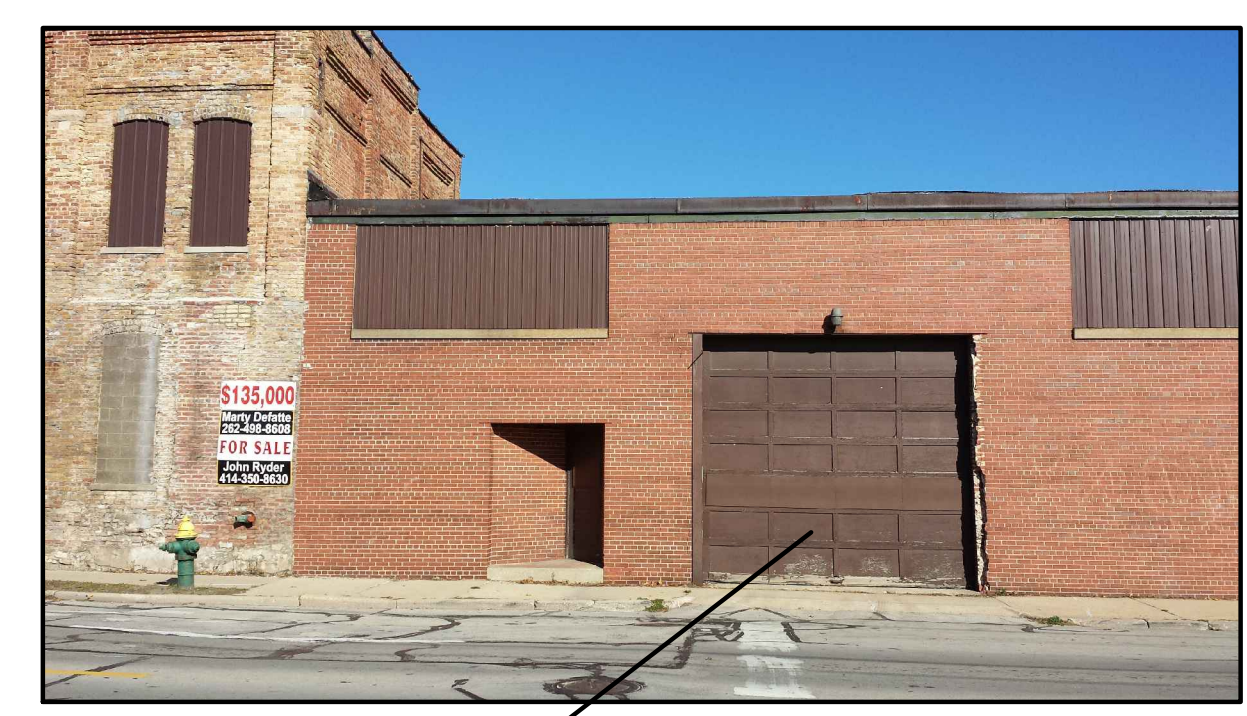
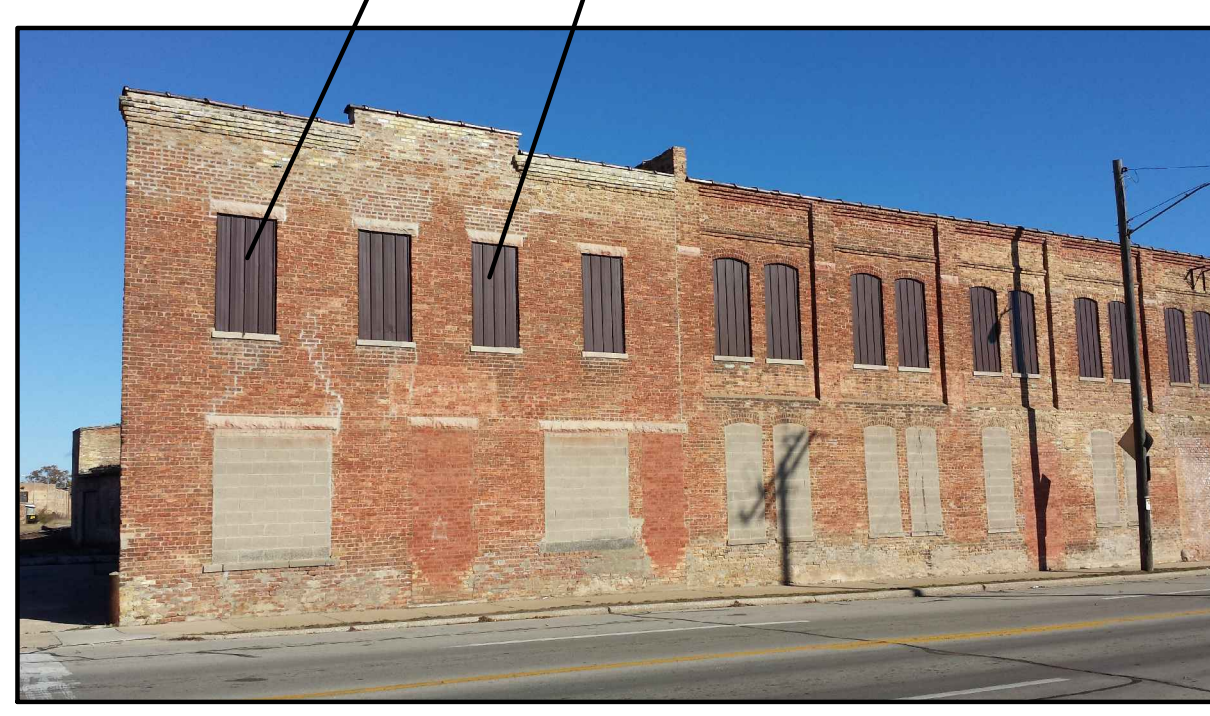


REPLACE DOOR WITH IRON PEDESTRIAN GATE

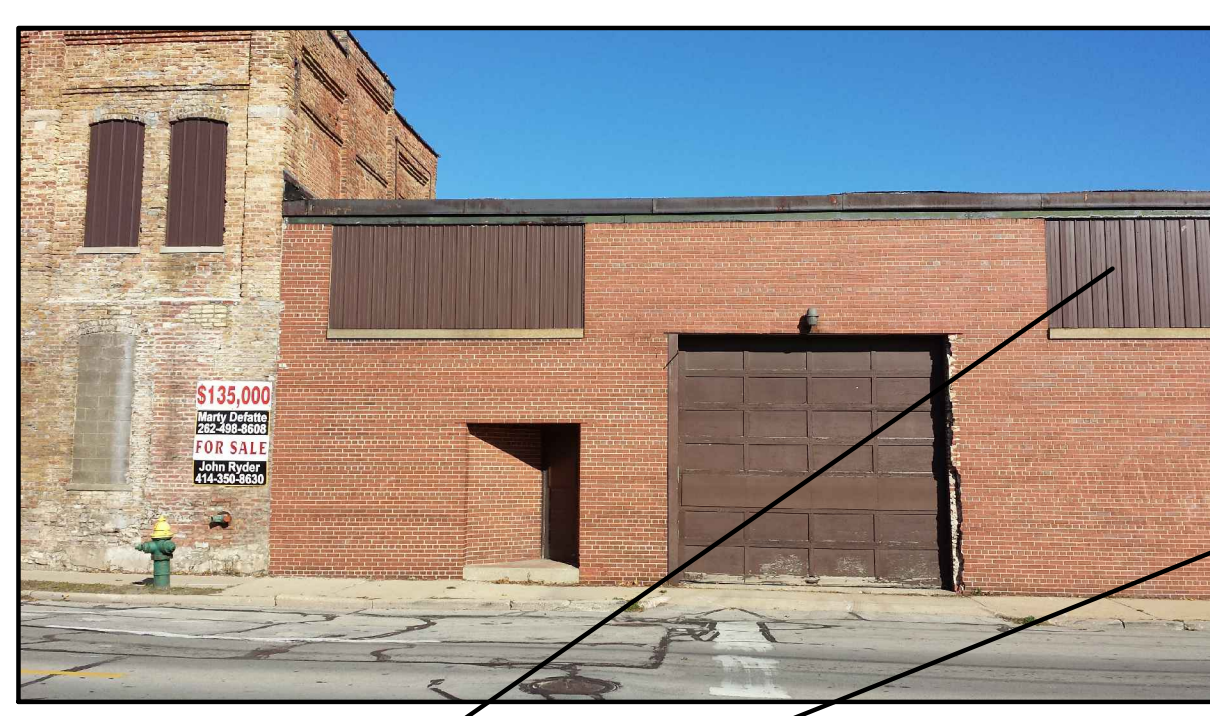


NORTH SIDE  
SITE  
**3 ELEVATIONS**  
NTS

WEST SIDE  
SITE  
**2 ELEVATIONS**  
NTS



REPLACE EXISTING GARAGE DOOR



REPLACE/REOPEN CLERESTORY WINDOWS



SOUTH SIDE (ALONG 16TH ST)  
SITE  
**1 ELEVATIONS**  
NTS

REVISIONS	MARK	DESCRIPTION	DATE

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DATE: 20150509



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SEAL

PROJECT TITLE

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1520 CLARK STREET  
RACINE, WI 53403

SHEET TITLE  
ARCH - PLAN -  
LARG - UNIT 1BR,1B

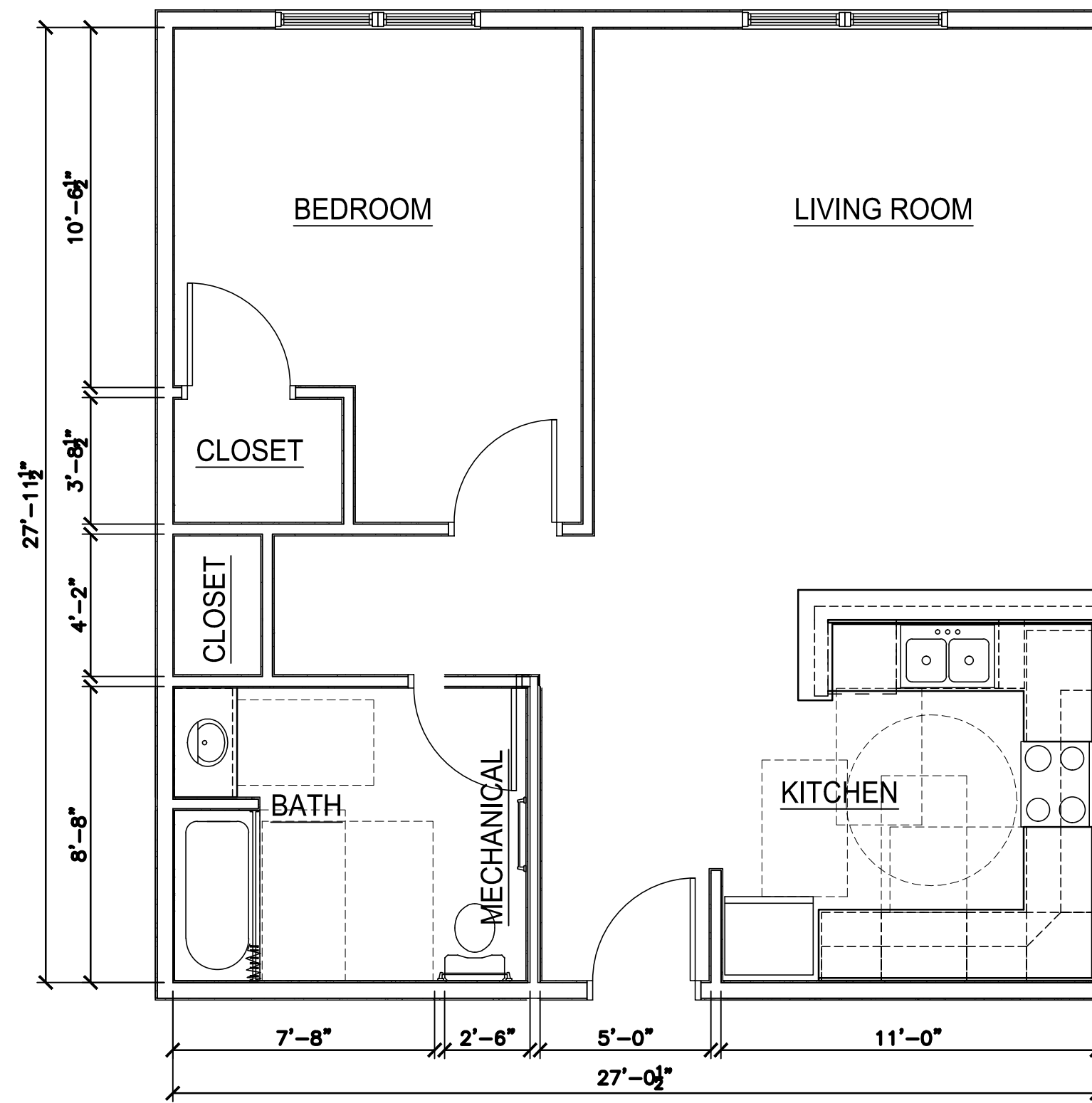
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BASE 05-15-2014

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JOB NO.  
**14-035**

SHEET NUMBER  
**A411**



1  
ARCHITECTURAL  
UNIT - 1BR, 1B  
**PLAN**  
1/4"=1'  
1:48

FILE: \\HPF020\AUTOCAD\PROJECTS\14-035 RACINE, WI\CD\14011-A411 ARCH - PLAN - LARG - 1BR,1B.DWG  
TIME: 2015/05/28 10:58



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ARCH - PLAN -  
LARG - UNIT 2BR,1B

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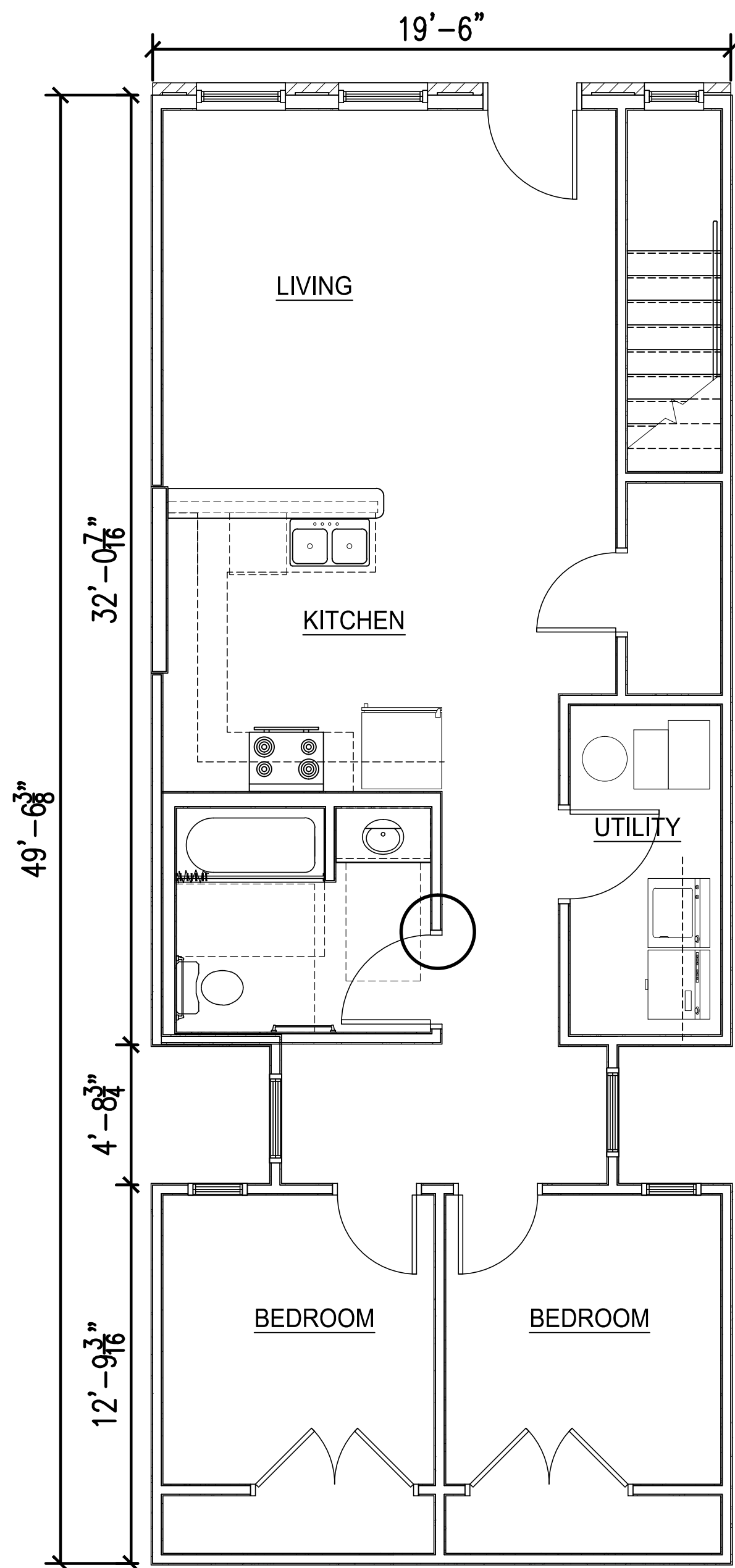
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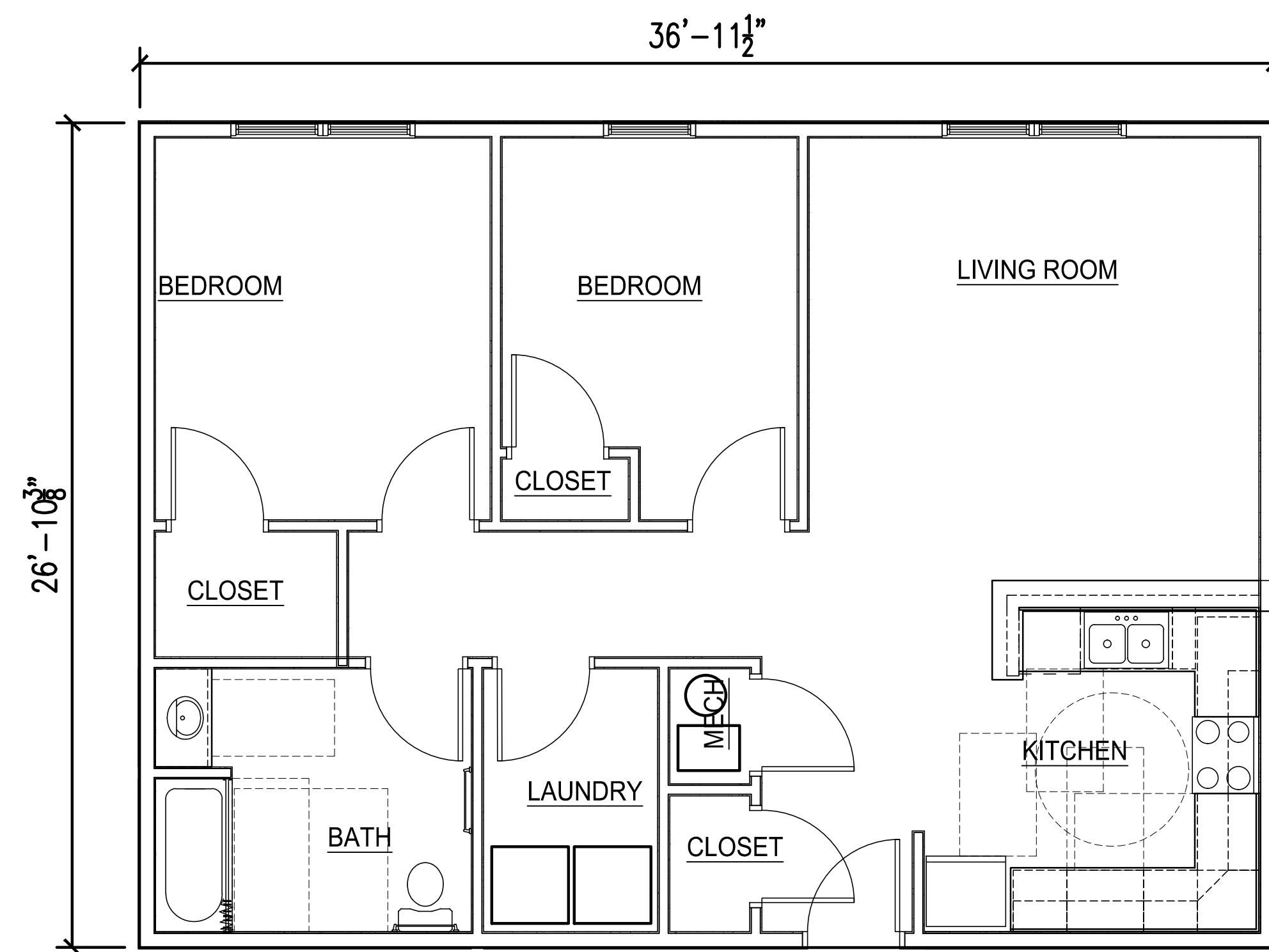
14-035

SHEET NUMBER

A421



2  
ARCHITECTURAL  
UNIT - 2BR, 1B  
PLAN  
1/4"=1' 4' 6'  
1:48



1  
ARCHITECTURAL  
UNIT - 2BR, 1B  
PLAN  
1/4"=1' 4' 6'  
1:48

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TIME: 2015/05/21 11:17



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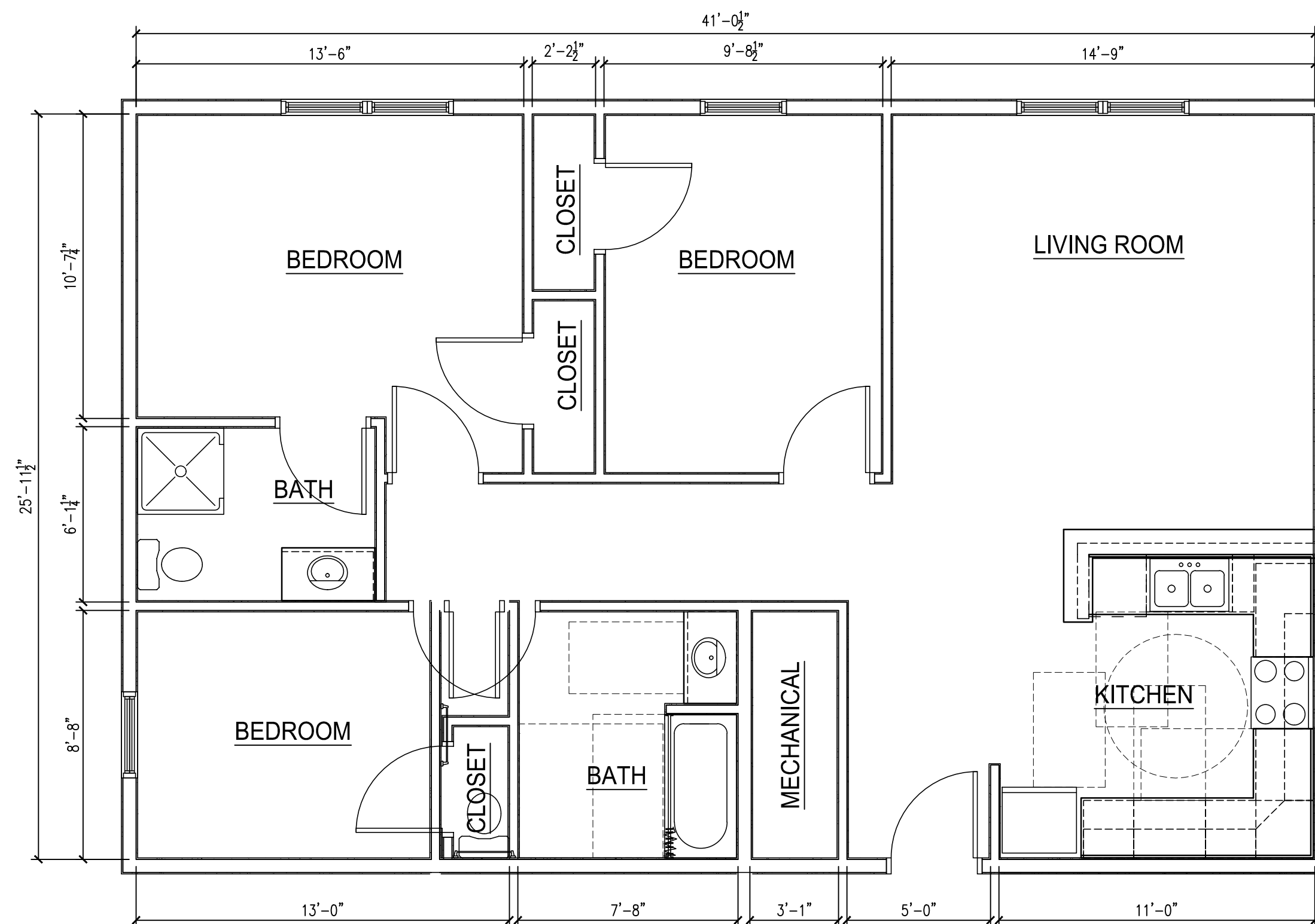
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14-035

SHEET NUMBER

A431



## IV. Site Location Description and Area Analysis

### A. Site Location Description

#### 1. Location

The proposed site, located southwest of the intersection of Clark and 15<sup>th</sup> streets, is in the Uptown neighborhood, 1.5 southwest of downtown Racine, Racine County, Wisconsin. The site is approximately 3.0 acres and currently consists of a vacant factory. The site visit and corresponding fieldwork were conducted during the week of December 29, 2014.

#### 2. Surrounding Land Uses

The proposed site is in an established industrial area located southwest of downtown Racine. Surrounding land uses include commercial and industrial businesses, single-family homes, a rail line, a vacant lot and bars. The site's adjacent land uses are detailed as follows:

North -	The site is bordered immediately to the north by 15 <sup>th</sup> Street. A large, grassy undeveloped parcel is north of this street. Also north of the street, and slightly northeast of the site, are a few single-family homes in satisfactory condition, along with Z & Z Machine Products/PKI Inc. Farther north is Twin Disc Inc, a company that engineers, manufactures and distributes power transmission products. Farther north, several small businesses and vacant store fronts are located along Washington Avenue (State Route 20), which is a major east-west area thoroughfare.
East -	The site is bordered to the east by Clark Street. Immediately southeast of the site is Old School Way bar, which is located on the northwest corner of the terminus of Clark Street at 16 <sup>th</sup> Street. A large warehouse that belongs to Z & Z Machine Products/PKI Inc. is east of Clark Street, as well as another bar and C.H. Peters Company. Farther east is the S.C. Johnson & Son Inc., a major area employer. Single-family homes in satisfactory condition extend farther east for five blocks to Lake Michigan.

<b>South -</b>	The site is bordered to the south by 16 <sup>th</sup> Street. A vacant warehouse, along with a site currently used for the Racine Urban Market is south of 16 <sup>th</sup> Street. More industrial warehouses continue south, including D & D Industrial Coatings and Woodland Alloys. More industrial land uses and single-family homes in satisfactory condition continue farther south.
<b>West -</b>	The site is bordered immediately to the west by a rail line. A vacant lot used for parking abuts the rail line to the west, followed by Junction Avenue. Uptown Bar & Grill and a dance studio are among several small commercial businesses located along the west side of Junction Avenue. Von Schrader Company, a cleaning service and supplies company, is slightly southwest of the site. Farther west, single-family homes in satisfactory condition extend for several blocks. Stations belonging to the Racine Police and Fire departments are also within this area. Residential areas extend for several miles beyond.

The proximity of a large employer, S.C. Johnson & Son Inc., and other large-scale commercial and manufacturing plants will appeal to potential low-income residents of the site due to the potential employment opportunities.

It should be noted that the site is adjacent east of a rail line, and nearby businesses report sporadic train activity. A representative of Racine Screen Printing, a business located slightly southwest of the site, along 16<sup>th</sup> Street and adjacent west of the rail line, noted that some days no train activity is observed, while other days quite a few trains travel through the area. He added that when the rail line is active, a significant amount of noise disturbance and vibrations are generated. However, no trains were observed at the time of the site visit. Additionally, the rail line no longer provides commuter service, but continues to service the nearby industrial businesses. Also, many area residents consider the noise generated by the train activity as a necessary tradeoff for the convenience of urban living.

Although the site is located within an industrial area, the surrounding neighborhood of Uptown is currently undergoing revitalization, and all community services are within convenient proximity.

### 3. Visibility and Access

The proposed site, located southwest of the intersection of Clark and 15<sup>th</sup> streets, is in the Uptown neighborhood, just southwest of downtown Racine. The site has unobstructed frontage along both streets, as well as 16<sup>th</sup> Street and Junction Avenue. Thus, the site will have good visibility from surrounding roadways. Development plans indicate that two access points for the site will be located along Clark Street. Clark Street experiences light to moderate traffic, providing easy access to the site. These plans also show that the site will offer covered parking, which will provide an egress point on to 16<sup>th</sup> Street. This street experiences moderate vehicular traffic throughout the day, which creates good site awareness.

Light vehicular traffic occurs along 15<sup>th</sup> Street due to its short distance, with terminations at the rail line, adjacent west of the site, and Racine Street, east of the site. However, 15<sup>th</sup> Street continues farther east of the site, with termination points at Center and Main streets. Sidewalks are present in the area, and on-street parking is offered.

Public bus transportation is available throughout the city via Belle Urban System, with the nearest stop located 0.1 miles southeast of the site, at the northwestern corner of the Racine and 16<sup>th</sup> streets intersection.

Overall, we consider both access and visibility of the site to be very good.

Photographs of the site can be found on the following pages.



# 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

 - Site



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

\* - Site



South view from site



Southwest view from site



West view from site



Northwest view from site



North view along Clark Street



South view along Clark Street

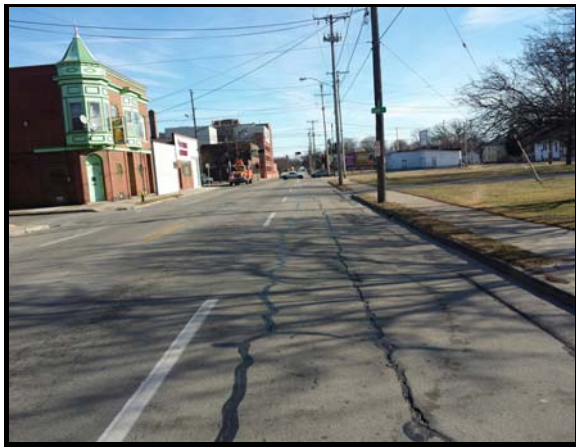
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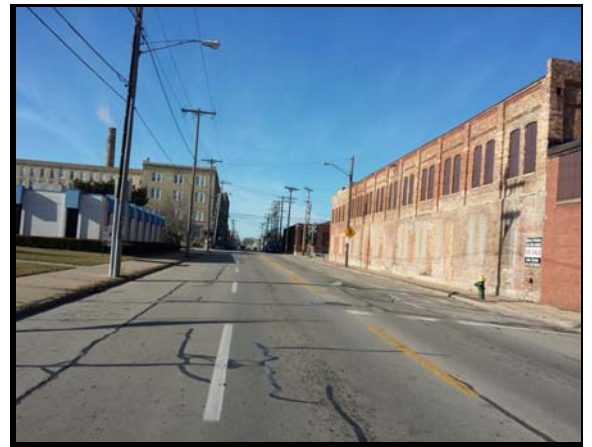
East view along 15th Street



West view along 15th Street



East view along 16th Street



West view along 16th Street

\* - Site

## B. Proximity to Community Services and Infrastructure

The community services near the site are detailed in the following table:

Community Services	Name	Driving Distance from Site (miles)
Major Highways	State Route 20	0.2 Northwest
	State Route 31	2.8 West
	Interstate 94	8.3 West
Public Bus Stop/Train Station	16th Street & Racine Street	0.1 Southeast
Grocery Stores	Midtown Market	0.6 North
	Super Mercado Jimenez	0.7 West
	Max Supermarket	0.7 Northeast
	Family Super Market	0.7 Northwest
	Save-A-Lot	1.8 North
Department Stores	Family Dollar	1.9 West
	Shopko	2.4 West
	Dollar General	2.6 West
	Kohl's	3.1 West
	Kmart	3.2 West
	Target	3.3 Southwest
Shopping/Retail Centers	Flatiron Village Mall	2.1 North
	Elmwood Plaza Shopping Center	2.1 Southwest
	Regency Mall	3.6 West
Major Employers/Employment Centers	S.C. Johnson & Son Inc.	0.4 East
	Washington Ave.	2.7 West
	Regency Mall	3.6 West
Elementary Schools	S.C. Johnson Elementary School	2.4 Southwest
Middle/Junior High Schools	Starbuck Middle School	2.2 West
High Schools	J.I. Case High School	4.3 West
Hospitals/Medical Centers	All Saints Hospital-Wheaton Franciscan	0.7 East
	St. Luke's Hospital	0.8 East
	St. Mary's Hospital	2.6 Northwest
Police Stations	Racine Police Department	0.4 South
	City of Racine Police Department	0.5 West
Fire Stations	Racine Fire Department Station 6	0.6 West
Post Office	U.S. Post Office	1.4 Northeast
Gasoline Stations	U.S. Pantry Food Mart	0.4 West
	A D United Petroleum	0.5 West
	BP	0.5 North
Convenience Stores	U.S. Pantry Food Mart	0.4 West
	A D United Petroleum	0.5 West
	Bell City Food Mart-Laundromat	0.5 East

Continued:

Community Services	Name	Driving Distance from Site (miles)
Pharmacies	Wheaton Franciscan Pharmacy	0.8 Northeast
	Lakeview Pharmacy	1.4 Northeast
	Walgreens	1.7 North
Banks	Johnson Bank	0.3 Northeast
	Johnson Bank	1.4 Northeast
	Chase Bank	1.6 Northeast
Restaurants	Uptown Pub & Grill	0.3 West
	Uptown China	0.3 Northwest
	Corner House	0.3 Northwest
Day Care	Child Universe	0.6 North
	Head Start	0.8 Northeast
	Drexki Kidz	0.9 Northwest
Libraries	Racine Public Library	1.6 Northeast
Fitness Centers	Racine Family YMCA	1.5 Northeast
	Razor Sharp Fitness - Downtown Racine	1.8 Northeast
	Curves	2.1 Southwest
Parks/Recreation	Franklin Park	0.6 North
	Washington Park	1.3 West
	Island Park	1.8 North
Entertainment/Arts	Racine Heritage Museum	1.3 Northeast
	Racine Art Museum	1.5 Northeast
	RAM's Charles A. Wustum Museum of Fine Arts	2.6 Northwest
	Marcus Renaissance Cinema	6.3 West
Universities/Colleges	Gateway Technical College	1.4 Northeast
Senior Centers	Racine County Aging Resource	0.7 Southwest

The proposed site, located southwest of the intersection of Clark and 15<sup>th</sup> streets, is within the Uptown neighborhood southwest of downtown Racine. The site has excellent access to transit opportunities. State Route 20 (Washington Avenue), a major area thoroughfare, is within convenient proximity, 0.2 miles northwest. Public bus transportation is available throughout the city via Belle Urban System, with the nearest stop located on the northwestern corner of the Racine and 16<sup>th</sup> streets intersection, 0.1 miles southeast of the site.

The site is located southwest of downtown Racine, within the Uptown neighborhood, which is currently experiencing revitalization. Numerous specialty boutiques and retailers are scattered throughout the neighborhood, providing a variety of shopping opportunities within 1.0 mile of the site. Other nearby retail shopping includes discount stores Family Dollar, contained within the Elmwood Plaza Shopping Center, 2.1 miles southwest, and Dollar General, 2.6 miles west. Regency Mall, which is 3.9 miles west and contains such stores as Target, Game Stop, JCPenney and Layne Bryant, is a major employer for the site area. S.C. Johnson & Son Inc. and the retail corridor along Washington Avenue are also major employers within the area.

Several small markets provide essentials within the neighborhood, including Max Supermarket and Family Super Market, which are both located within 0.7 miles. Grocery store Save-A-Lot provides a more extensive selection of groceries 1.8 miles north. A variety of dining options are present near the site; restaurants Uptown China and Corner House are both 0.3 miles northwest, and Uptown Pub & Grill is 0.3 miles west.

The site is within the Racine Unified School District. Students residing at the proposed property will be assigned to attend the following schools, all of which are within 4.3 miles: S.C. Johnson Elementary, Starbuck Middle and J.I. Case High. Postsecondary education opportunities exist at Gateway Technical College, 1.4 miles northeast of the site. Also, early childhood care is available at several area day cares located within 0.9 miles of the site, including Child Universe, Head Start and Drexki Kidz.

An abundance of recreation and entertainment opportunities are available for prospective site residents, including several nearby parks and museums. Franklin, Washington and Island parks are all located within 1.8 miles. The Racine Heritage and Racine Art museums are both within 1.5 miles northeast, and RAM's Charles A. Wustum Museum of Fine Arts is 2.6 miles northwest. Additionally, area fitness options include Racine Family YMCA, Razor Sharp Fitness and Curves, which are all located within 2.1 miles.

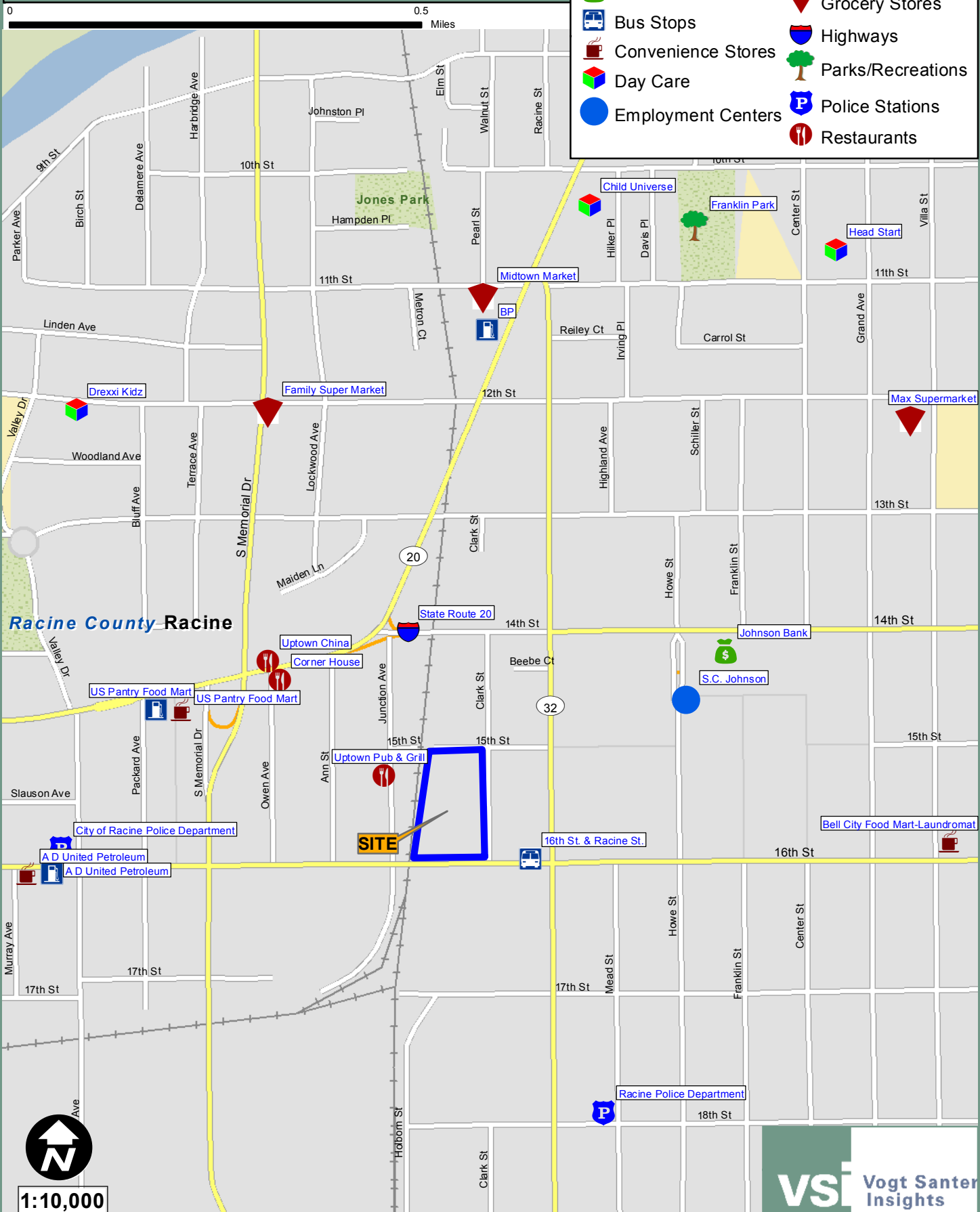
The site area offers three full-service hospitals, which include All Saints, St. Luke's and St. Mary's hospitals. These hospitals are all located within 2.6 miles of the site. Racine Police and Fire departments, which maintain stations within 0.6 miles of the site, provide the area with emergency response services.

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

# Racine, WI Neighborhood Community Services

## Legend

-  Project Site
-  Banks
-  Bus Stops
-  Convenience Stores
-  Day Care
-  Employment Centers
-  Gas Stations
-  Grocery Stores
-  Highways
-  Parks/Recreations
-  Police Stations
-  Restaurants



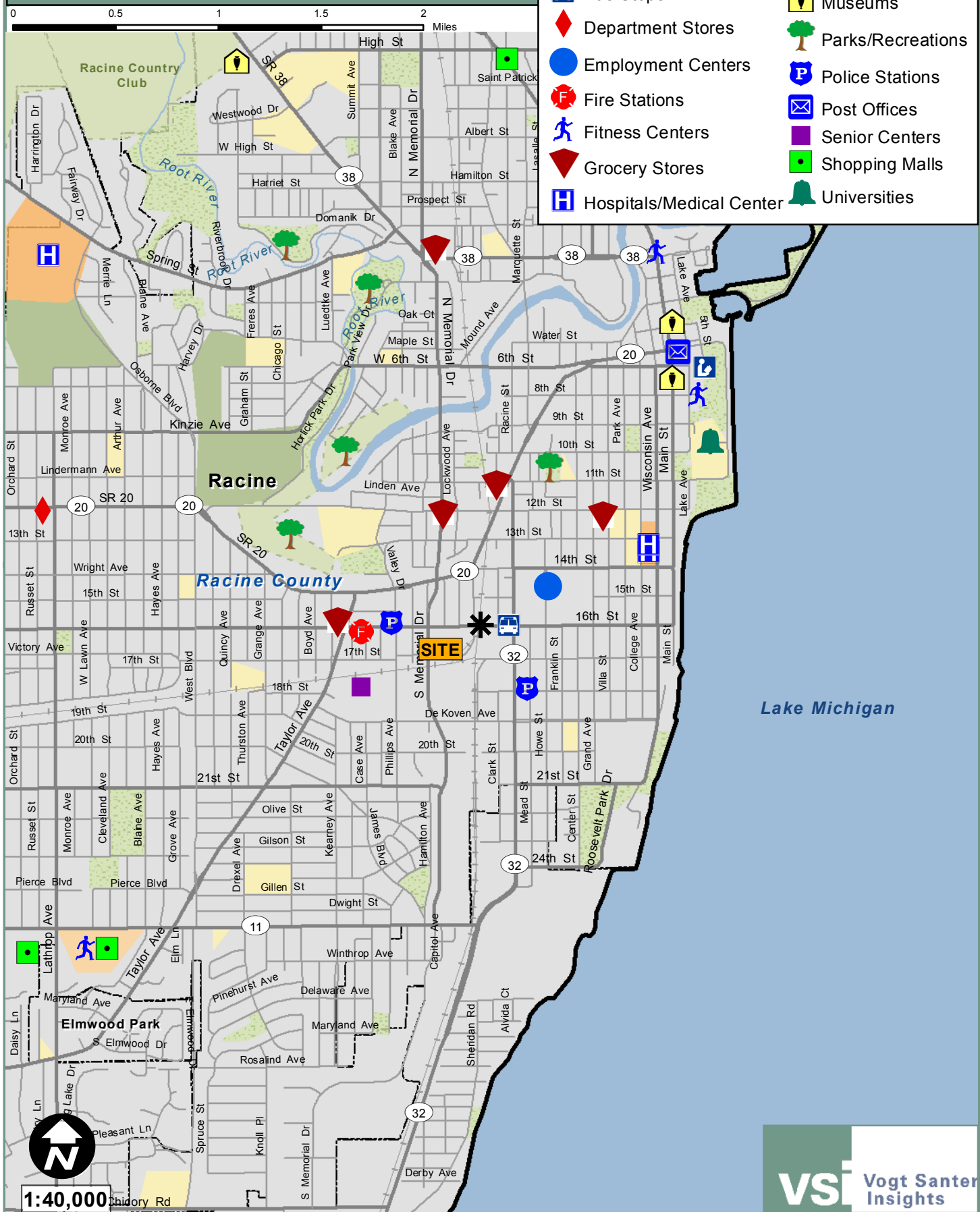


# Racine, WI

## Regional Community Services

### Legend

-  Project Site
-  Bus Stops
-  Department Stores
-  Employment Centers
-  Fire Stations
-  Fitness Centers
-  Grocery Stores
-  Hospitals/Medical Center
-  Libraries
-  Museums
-  Parks/Recreations
-  Police Stations
-  Post Offices
-  Senior Centers
-  Shopping Malls
-  Universities



Lake Michigan

### C. Overall Site Evaluation

Although the site is located within an industrial area, the surrounding neighborhood of Uptown is currently undergoing revitalization, and all community services are within convenient proximity. Also, the nearby major employer will appeal to prospective site tenants. It is of note that the site is adjacent east of an active rail line that causes noise disturbance and vibrations; however, many area residents consider such potential nuisances as necessary tradeoffs for the convenience of urban living. Visibility and access are both considered very good.

The site is within proximity to shopping, employment, recreation, entertainment and education opportunities. Public transportation and safety services are within 0.6 miles of the site. The site has convenient access to major highways and public bus transportation. The site's excellent location is desirable to tenants seeking an urban lifestyle. Several buildings within the site area, including the factory that currently occupies the site, are vacant; however, the Uptown neighborhood is beginning to revitalize.

Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability.

Site and Neighborhood Area Condition Summary			
<b>Current Site:</b>	Poor/Fair	<b>Site Visibility:</b>	Very Good
<b>Access to Services:</b>	Very Good	<b>Site Vehicular Access:</b>	Very Good
<b>Current Neighborhood:</b>	Poor/Fair	<b>Trend:</b>	Revitalizing
<b>Predominant Neighborhood Land Use:</b>	Commercial, Industrial, Residential-SF, Vacant		

## V. Primary Market Area (PMA) Delineation

The Primary Market Area (PMA) is the geographic area where most of the support for the site is expected to originate. The Racine Site PMA was determined through interviews with area leasing and real estate agents, government officials and economic development representatives, as well as the personal observations of our analysts, which include physical and socioeconomic differences in the market and a demographic analysis of the area's households and population.

The Racine Site PMA includes almost the entire city limits of Racine. The Site PMA is part of the larger Racine Metropolitan Statistical Area (MSA). The boundaries of the Site PMA include 3 Mile Road to the north; Lake Michigan to the east; Durand Avenue to the south; and State Route 31 (S. Green Bay Road) and Batten International Airport to the west. The Census tracts used in this analysis are as follows:

1201	1400	1301
1302	0400	0100
0200	0300	1202
1100	0600	0500
1001	1002	1003
0901	0700	0800

Mr. Brian O'Connell and Mr. Matthew Sadowski, director and assistant director, respectively, of the Racine Department of City Development, provided input regarding the rental market in Racine. Mr. O'Connell and Mr. Sadowski stated that they believe almost all of the tenant support for the proposed project will originate from the city of Racine. Mr. Sadowski stated that State Route 31 is a hard western boundary because, beyond this road, Racine transitions to the neighboring city of Mt. Pleasant, which predominantly consists of suburban sprawl.

Maria Lacaze, assistant manager of Belle Harbor, an adaptive reuse family project in downtown Racine, stated that she expects the proposed site will have a similar tenant base as her property. Ms. Lacaze is also familiar with, or has previously managed, two other Gorman & Company adaptive reuse projects, Harbor at State & Main and Mitchell Wagon Factory Lofts. All three aforementioned market-rate and Tax Credit properties are located in downtown Racine. These properties cater to tenants seeking urban living opportunities, with most support coming from residents living in the downtown area. Due to the industrial and commercial nature of the site area, it is expected that tenant support will likely originate from areas close to downtown.

Mr. Anthony Suiter, property manager of Arcade Apartments, a market-rate and Tax Credit family property located on the north side of downtown, stated that little of his property's support comes from west of State Route 31.

Lake Michigan forms a hard boundary to the east. The proposed site is located in an industrial/commercial urban area. Minimal support is expected to originate from west of State Route 31, north of 3 Mile Road and south of Durand Avenue because communities in those areas are generally suburban. Most of these communities are often populated by homeowners with higher income levels who would not meet the qualifications for low-income housing; thus, these areas were excluded from the Site PMA.








A small portion of support will come from some of the outlying areas of Racine County and suburban communities in the area. However, we do not anticipate this support component will be significant. As such, we have not considered a Secondary Market Area in this report.

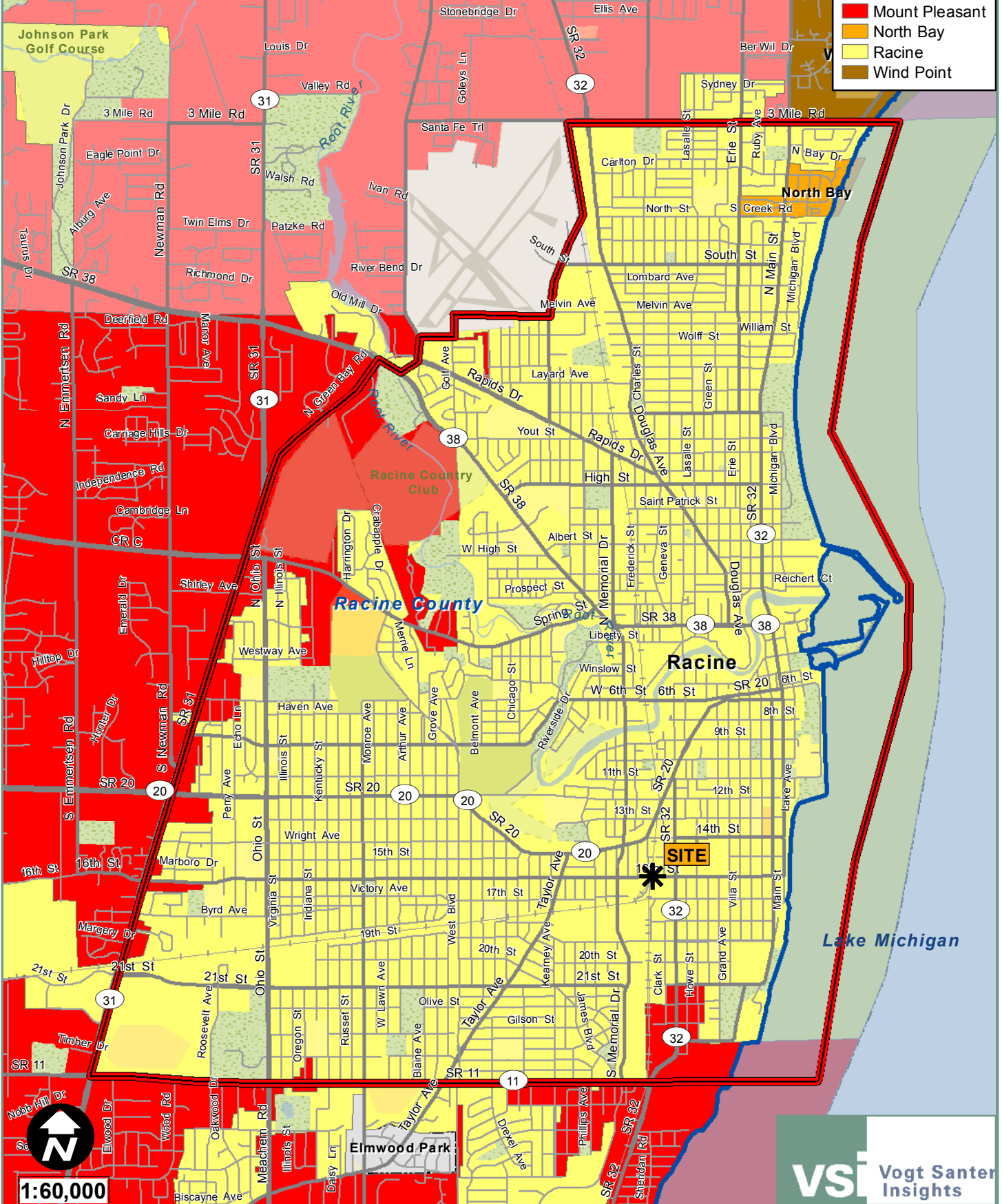
A map delineating the boundaries of the Site PMA is on the following page.

# Racine, WI Primary Market Area

Primary Market Area Information  
 2014 Estimated Population: 71,994  
 2014 Estimated Households: 28,008  
 Area: 15.34 Square Miles  
 County in PMA: Racine County

## Legend

-  Project site
-  PMA
-  Caledonia
-  Mount Pleasant
-  North Bay
-  Racine
-  Wind Point



## VI. Demographic Trends, Analysis and Crime Statistics

### A. Population Trends

The Racine Site PMA population base declined by 3,229 between 2000 and 2010. This represents a 4.2% decline from the 2000 population, or an annual rate of 0.4%. The Site PMA population bases for 2000, 2010, 2014 (estimated) and 2019 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2014 (Estimated)	2019 (Projected)
Population	76,422	73,193	71,994	71,431
Population Change	-	-3,229	-1,199	-563
Percent Change	-	-4.2%	-1.6%	-0.8%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Vogt Santer Insights

Between 2010 and 2014, the population declined by 1,199, or 1.6%. It is projected that the population will decline by 563, or 0.8%, between 2014 and 2019.

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

Population by Age	2010 (Census)		2014 (Estimated)		2019 (Projected)		Change 2014-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	22,351	30.5%	21,262	29.5%	20,489	28.7%	-773	-3.6%
20 to 24	5,180	7.1%	5,585	7.8%	5,304	7.4%	-281	-5.0%
25 to 34	10,723	14.7%	10,107	14.0%	10,070	14.1%	-37	-0.4%
35 to 44	9,229	12.6%	9,110	12.7%	8,977	12.6%	-133	-1.5%
45 to 54	10,237	14.0%	9,175	12.7%	8,242	11.5%	-933	-10.2%
55 to 64	7,375	10.1%	8,240	11.4%	8,518	11.9%	278	3.4%
65 to 74	3,972	5.4%	4,623	6.4%	5,712	8.0%	1,089	23.6%
75 & Over	4,126	5.6%	3,892	5.4%	4,119	5.8%	227	5.8%
Total	73,193	100.0%	71,994	100.0%	71,431	100.0%	-563	-0.8%

Source: 2010 Census; ESRI; Urban Decision Group; Vogt Santer Insights

As the preceding table illustrates, more than 38% of the population is expected to be between the ages of 25 and 54 years old in 2019. This share of people within the primary targeted age segment is a positive indication of the future support potential for the site. Households within this age group are detailed in the following section.

## B. Household Trends

Within the Racine Site PMA, households declined by 1,055 (3.6%) between 2000 and 2010. Household trends within the Racine Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2014 (Estimated)	2019 (Projected)
Households	29,323	28,268	28,008	27,856
Household Change	-	-1,055	-260	-152
Percent Change	-	-3.6%	-0.9%	-0.5%
Household Size	2.61	2.59	2.52	2.51

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Vogt Santer Insights

Between 2010 and 2014, households declined by 260, or 0.9%. By 2019, there will be 27,856 households, a decline of 152 households, or 0.5% from 2014 levels. This is a decline of approximately 30 households annually over the next five years.

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

Households by Age	2010 (Census)		2014 (Estimated)		2019 (Projected)		Change 2014-2019	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	1,470	5.2%	1,435	5.1%	1,318	4.7%	-117	-8.2%
25 to 34	5,279	18.7%	4,954	17.7%	4,851	17.4%	-103	-2.1%
35 to 44	5,051	17.9%	5,010	17.9%	4,863	17.5%	-147	-2.9%
45 to 54	6,083	21.5%	5,424	19.4%	4,788	17.2%	-636	-11.7%
55 to 64	4,712	16.7%	5,244	18.7%	5,322	19.1%	78	1.5%
65 to 74	2,653	9.4%	3,089	11.0%	3,746	13.4%	657	21.3%
75 to 84	1,991	7.0%	1,800	6.4%	1,954	7.0%	154	8.6%
85 & Over	1,027	3.6%	1,052	3.8%	1,016	3.6%	-36	-3.4%
Total	28,266	100.0%	28,008	100.0%	27,858	100.0%	-150	-0.5%

Source: 2010 Census; ESRI; Urban Decision Group; Vogt Santer Insights

Nearly all of the household decline projected between 2014 and 2019 is expected to be among households younger than age 55. Senior households between the ages of 55 and 84 are projected to increase significantly through 2019.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2014 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	16,453	58.2%	15,780	56.3%	15,667	56.2%
Renter-Occupied	11,815	41.8%	12,228	43.7%	12,189	43.8%
Total	28,268	100.0%	28,008	100.0%	27,856	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Vogt Santer Insights



In 2014, homeowners occupied 56.3% of all occupied housing units, while renters occupied the remaining 43.7%. The high share of renters is typical of an urban market. The more than 12,000 renter households represent an excellent base of potential support for the proposed project.

The household sizes by tenure within the Site PMA, based on the 2014 estimates and 2019 projections, were distributed as follows:

Persons Per Renter Household	2014 (Estimated)		2019 (Projected)		Change 2014-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	5,211	42.6%	5,305	43.5%	93	1.8%
2 Persons	2,653	21.7%	2,577	21.1%	-76	-2.9%
3 Persons	1,704	13.9%	1,684	13.8%	-20	-1.2%
4 Persons	1,213	9.9%	1,224	10.0%	12	1.0%
5 Persons+	1,447	11.8%	1,399	11.5%	-48	-3.3%
Total	12,228	100.0%	12,189	100.0%	-39	-0.3%

Source: 2010 Census; ESRI; Urban Decision Group; Vogt Santer Insights

Persons Per Owner Household	2014 (Estimated)		2019 (Projected)		Change 2014-2019	
	Households	Percent	Households	Percent	Households	Percent
1 Person	3,625	23.0%	3,660	23.4%	35	1.0%
2 Persons	5,656	35.8%	5,649	36.1%	-7	-0.1%
3 Persons	2,617	16.6%	2,618	16.7%	1	0.0%
4 Persons	2,168	13.7%	2,084	13.3%	-84	-3.9%
5 Persons+	1,714	10.9%	1,655	10.6%	-59	-3.4%
Total	15,780	100.0%	15,667	100.0%	-113	-0.7%

Source: 2010 Census; ESRI; Urban Decision Group; Vogt Santer Insights

The proposed 1520 will offer a mix of one-, two- and three-bedroom units. The diversified unit type offering at the site will enable nearly all household sizes to qualify for residency at the site.



### C. Income Trends

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

Household Income	2010 (Census)		2014 (Estimated)		2019 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	2,692	9.5%	2,979	10.6%	2,881	10.3%
\$10,000 to \$19,999	3,828	13.5%	3,913	14.0%	3,713	13.3%
\$20,000 to \$29,999	4,251	15.0%	4,499	16.1%	4,202	15.1%
\$30,000 to \$39,999	3,663	13.0%	3,539	12.6%	3,497	12.6%
\$40,000 to \$49,999	2,246	7.9%	2,592	9.3%	2,598	9.3%
\$50,000 to \$59,999	2,557	9.0%	2,290	8.2%	2,235	8.0%
\$60,000 to \$74,999	3,244	11.5%	3,180	11.4%	3,078	11.0%
\$75,000 to \$99,999	2,938	10.4%	2,552	9.1%	2,759	9.9%
\$100,000 to \$124,999	1,430	5.1%	1,439	5.1%	1,552	5.6%
\$125,000 to \$149,999	561	2.0%	406	1.5%	590	2.1%
\$150,000 to \$199,999	471	1.7%	311	1.1%	375	1.3%
\$200,000 & Over	387	1.4%	308	1.1%	377	1.4%
Total	28,268	100.0%	28,008	100.0%	27,856	100.0%
Median Income	\$39,179		\$37,384		\$38,958	

Source: 2010 Census; ESRI; Urban Decision Group; Vogt Santer Insights

In 2010, the median household income was \$39,179. This declined by 4.6% to \$37,384 in 2014. The decline can be attributed to several factors, including the aging household base and the lingering impact of the recent national recession. By 2019, it is projected that the median household income will be \$38,958, an increase of 4.2% over 2014.

Between 2014 and 2019, most of the household growth will be among households with incomes of \$75,000 and higher.

The following tables illustrate renter household income by household size for 2010, 2014 and 2019 for the Racine Site PMA:

Renter Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,036	481	144	101	310	2,071
\$10,000 to \$19,999	1,224	478	364	142	203	2,411
\$20,000 to \$29,999	1,166	319	368	458	114	2,425
\$30,000 to \$39,999	553	446	224	166	241	1,630
\$40,000 to \$49,999	310	249	116	98	81	854
\$50,000 to \$59,999	275	170	62	16	142	664
\$60,000 to \$74,999	72	232	184	90	172	750
\$75,000 to \$99,999	55	159	175	64	128	581
\$100,000 to \$124,999	40	51	18	16	22	146
\$125,000 to \$149,999	28	13	9	11	39	100
\$150,000 to \$199,999	43	10	41	2	7	103
\$200,000 & Over	23	10	1	42	4	79
Total	4,825	2,617	1,705	1,205	1,463	11,815

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2014 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,187	582	154	78	331	2,333
\$10,000 to \$19,999	1,317	475	366	129	254	2,541
\$20,000 to \$29,999	1,327	334	381	493	130	2,665
\$30,000 to \$39,999	553	428	214	180	212	1,587
\$40,000 to \$49,999	334	278	137	92	101	942
\$50,000 to \$59,999	239	141	72	15	129	595
\$60,000 to \$74,999	82	221	158	95	156	713
\$75,000 to \$99,999	57	109	155	73	81	475
\$100,000 to \$124,999	40	55	25	23	18	162
\$125,000 to \$149,999	27	14	8	12	24	86
\$150,000 to \$199,999	27	10	23	5	3	69
\$200,000 & Over	20	7	8	18	7	61
Total	5,211	2,653	1,704	1,213	1,447	12,228

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2019 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	1,172	551	151	81	314	2,270
\$10,000 to \$19,999	1,303	411	335	127	235	2,410
\$20,000 to \$29,999	1,284	316	360	479	119	2,559
\$30,000 to \$39,999	562	428	208	182	208	1,588
\$40,000 to \$49,999	368	282	145	112	102	1,009
\$50,000 to \$59,999	276	146	73	16	116	627
\$60,000 to \$74,999	90	229	165	91	147	722
\$75,000 to \$99,999	71	129	175	75	90	540
\$100,000 to \$124,999	51	57	26	22	23	179
\$125,000 to \$149,999	58	17	12	9	32	127
\$150,000 to \$199,999	32	4	27	9	10	81
\$200,000 & Over	37	7	7	22	3	78
Total	5,305	2,577	1,684	1,224	1,399	12,189

Source: Ribbon Demographics; ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

**D. 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 95.0% of all jurisdictions nationwide with a coverage rate of 97.0% 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 (197) for the Site PMA is above the national average with an overall personal crime index of 155 and a property crime index of 184. Total crime risk (114) for Racine County is above the national average with indexes for personal and property crime of 84 and 112, respectively.

	Crime Risk Index	
	Site PMA	Racine County
<b>Total Crime</b>	<b>197</b>	<b>114</b>
<b>Personal Crime</b>	<b>155</b>	<b>84</b>
Murder	168	91
Rape	127	78
Robbery	254	126
Assault	128	72
<b>Property Crime</b>	<b>184</b>	<b>112</b>
Burglary	174	104
Larceny	179	119
Motor Vehicle Theft	125	69

Source: Applied Geographic Solutions



The modern safety features within the proposed development, with units featuring modern safety standards, will provide a residential option that should minimize crime risk at the site. The crime risk for the area, however, could impact the project's marketability and management should be prepared to address this issue in marketing, emphasizing the project's safety features. The crime index for the Site PMA is well above the national average of 100 and also much higher than overall Racine County. Note, however, that since most residents at the site will originate from the Site PMA, they will be familiar with the traits of the area.







The site's layout and security features will give confidence to potential residents who could be deterred by the high incidence of crime within the Site PMA.

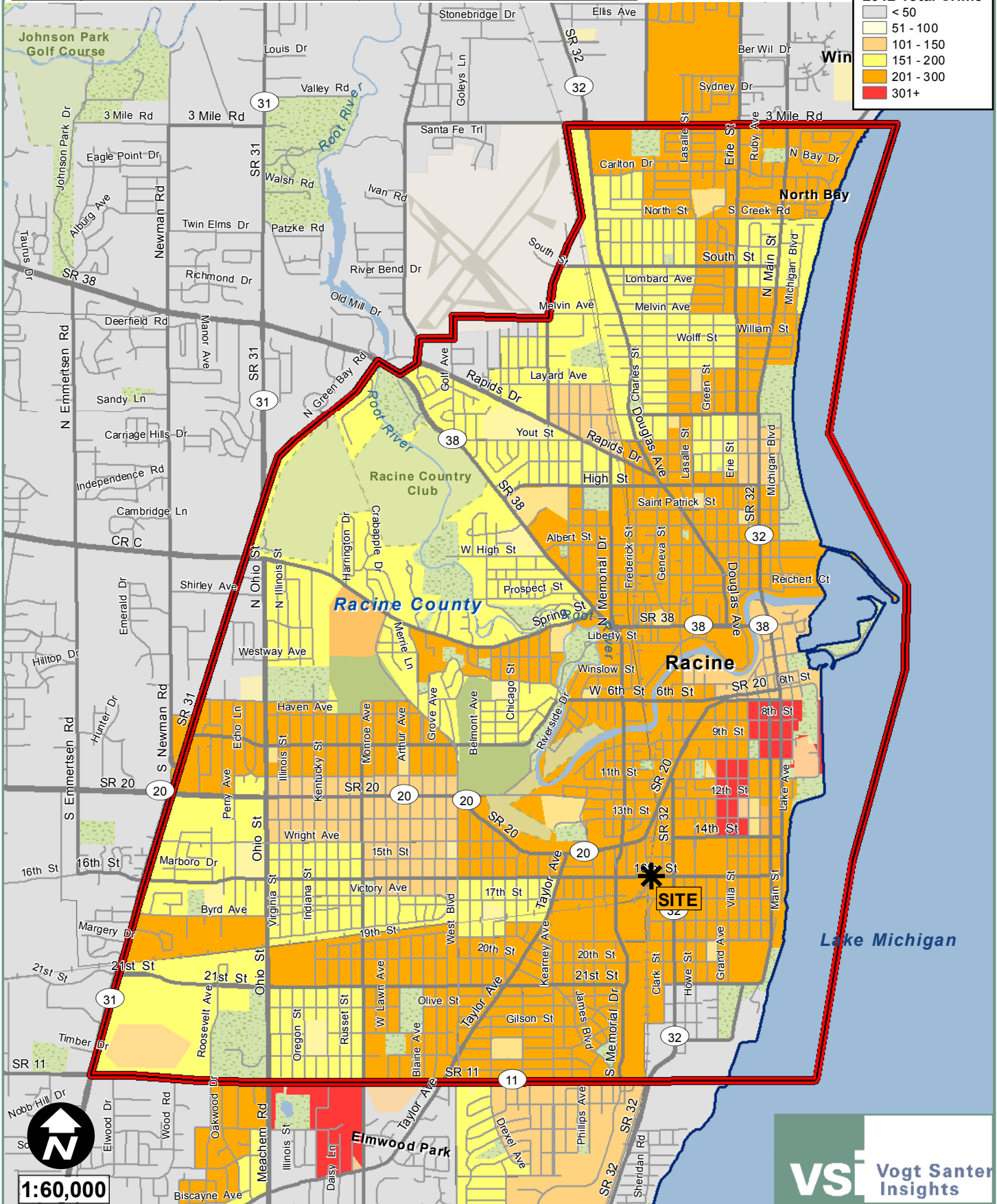
A map illustrating the location of area crime risk by Census Tract follows.

# Racine, WI 2012 Crime Risk

**Legend**

-  Project Site
-  PMA
- Block Groups**
- 2012 Total Crime**

	< 50
	51 - 100
	101 - 150
	151 - 200
	201 - 300
	301+




**1:60,000**

## VII. Economic Conditions and Trends

The following sections provide an overview of economic trends affecting the subject site as proposed. The site is located in the city of Racine, which is located in Racine County which is coterminous with the Racine, WI Metropolitan Statistical Area (Racine MSA). We have included both county and MSA statistics since they source different data. This section includes an analysis of employment within this geography and the Racine Site Primary Market Area (PMA). This also includes an analysis of the employment of residents and unemployment rate trends. Major employers in the region are also listed. Finally, we comment on the trends impacting the subject site.

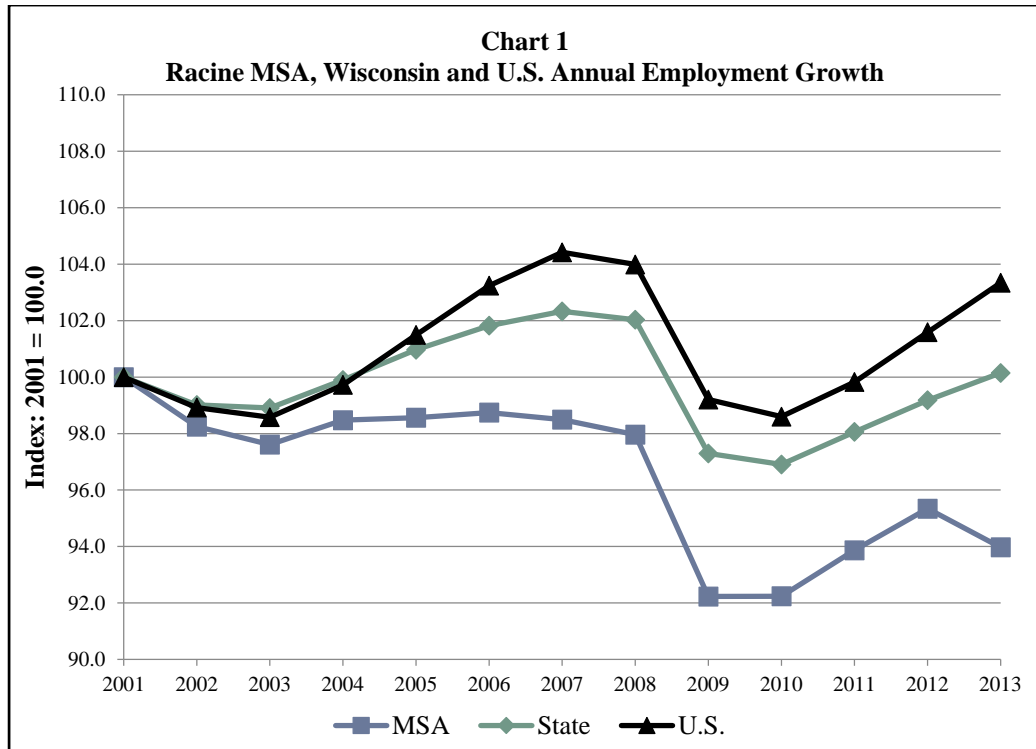
### A. Metropolitan Employment

The trend and distribution of MSA-level employment is important to understand because MSAs are defined by the federal government based on the commuting patterns of workers. Consequently, the MSA is an economic unit from the standpoint of labor markets and it represents the nature and growth of jobs that workers in the PMA have available to them and are likely to fill. It must be emphasized, however, that some of these jobs will be filled by workers living outside the MSA, while some MSA residents may work outside the MSA. The former are counted here, but the latter are not. We consider first the overall, long-term and near-term employment growth trends and then the distribution of jobs in terms of both industries (where people work) and occupations (what they do).

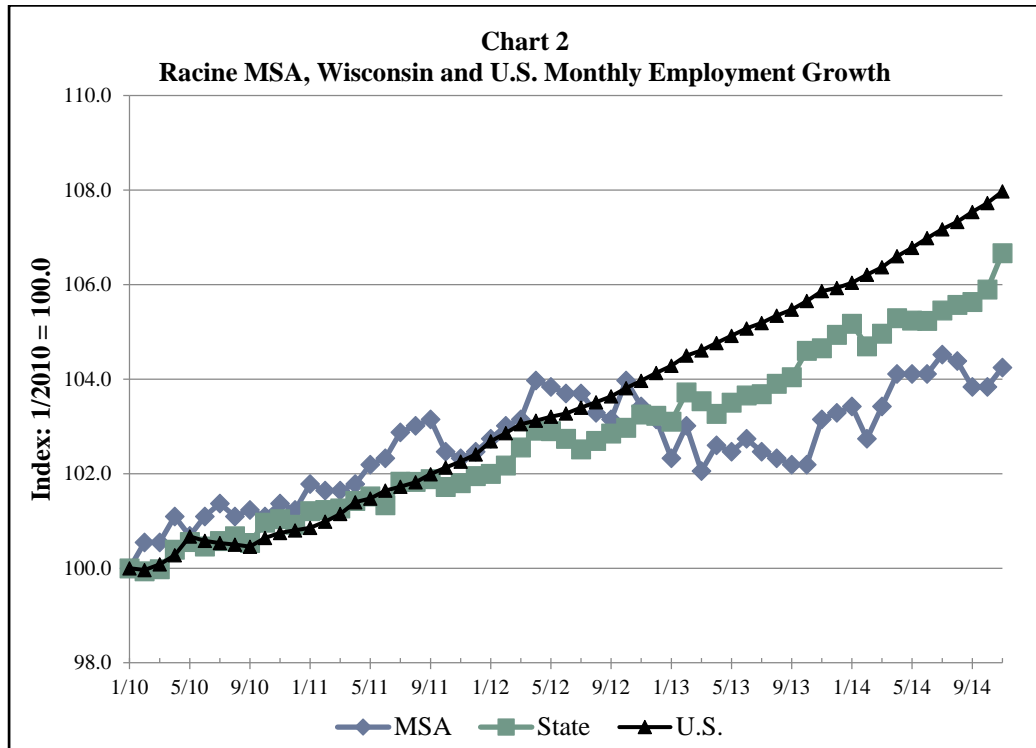
#### 1. Jobs in the MSA by Industry

Charts 1 and 2 on the next page compare the trend of total payroll employment in the Racine MSA to U.S. and statewide averages. Chart 1 illustrates the annual trend from 2001 through 2013, while Chart 2 shows the monthly employment trend since labor market growth resumed in January 2010. Employment growth is measured on an index basis, with all employment totals in 2001 or January 2010 set to 100.0; thus, the charts show cumulative percentage growth since those dates.

Chart 1 illustrates that, while the change in U.S. employment from 2001 to 2013 was 3.3%, the change in Wisconsin employment was 0.1% and the change in Racine MSA employment was -6.0%. As Chart 2 shows, the change in MSA employment was 4.2% between January 2010 and November 2014, compared to 6.7% for Wisconsin and 8.0% for the U.S.



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages



Source: U.S. Bureau of Labor Statistics, Current Employment Statistics

Table 1 points out the annual average number of jobs by industry within the MSA during 2013 using the North American Industry Classification System (NAICS). A detailed description of NAICS sectors can be viewed on our website at [VSInsights.com/terminology.php](http://VSInsights.com/terminology.php).

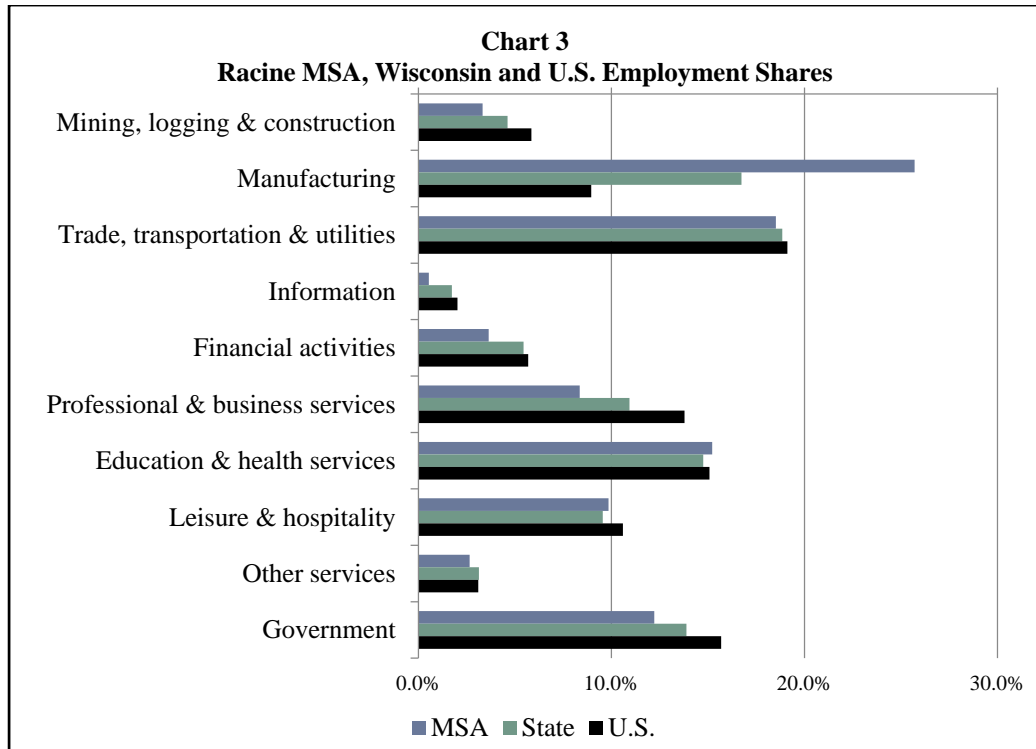
Along with the employment totals and percentages for the MSA, the location quotient for each sector is also presented. This is calculated as the percentage of MSA employment in the sector (as shown in the table) divided by the percentage of U.S. employment in that sector times 100. Thus, a location quotient greater than 100 implies that the sector has a larger-than-average concentration in the MSA – in other words, that employment is higher than expected in an economy of this size. The most heavily concentrated private sectors (compared to the U.S.) are Manufacturing and Educational and Health Services. Chart 3 compares employment shares at the MSA, state and national levels graphically.

Table 1 Sector Employment Distribution, Racine MSA, 2013				
NAICS Sector	Employment		Location Quotient*	
	Number	Percent	vs. Wisconsin	vs. U.S.
<b>Private Sector</b>				
Mining, Logging and Construction	2,407	3.3%	72.0	56.8
Manufacturing	18,616	25.7%	153.6	287.1
Trade, Transportation and Utilities	13,410	18.5%	98.2	96.9
Information	386	0.5%	30.9	26.4
Financial Activities	2,635	3.6%	66.8	64.0
Professional and Business Services	6,049	8.4%	76.4	60.6
Education and Health Services	11,019	15.2%	103.1	100.9
Leisure and Hospitality	7,128	9.8%	103.0	92.9
Other Services	1,919	2.6%	84.7	85.6
<b>Total Private Sector</b>	<b>63,568</b>	<b>87.8%</b>	<b>101.9</b>	<b>104.1</b>
<b>Total Government</b>	<b>8,849</b>	<b>12.2%</b>	<b>88.0</b>	<b>77.9</b>
<b>Total Payroll Employment</b>	<b>72,417</b>	<b>100.0%</b>	<b>100.0</b>	<b>100.0</b>

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

\*Location quotient of 100.0 is the standard for the specific area. Quotients above 100.0 indicate higher than standard shares, while quotients below 100.0 indicate lower than standard shares.





Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

## 2. Jobs in the MSA by Occupation

The preceding section analyzed employment within the Racine MSA by industry – where people work regardless of what they do. This section presents estimates of employment by occupation – what people do regardless of where they work. Occupational employment estimates are available only for May; the latest are from May 2013. Occupational employment is categorized using the Standard Occupational Classification (SOC) system.

Table 2 on the following page presents MSA occupational employment by major group. Because jobs here are classified by activity rather than place of employment, the occupational group totals include both private and public sector workers. As with industry employment, location quotients are presented along with employment totals. These have the same interpretation here that they do in Table 1.

**Table 2  
Occupational Employment Distribution, Racine MSA, May 2013**

SOC Major Occupational Group	Employment		Location Quotient*	
	Number	Percent	vs. Wisconsin	vs. U.S.
Management	2,900	3.9%	88.4	79.1
Business and Financial Operations	2,200	3.0%	65.0	59.0
Computer and Mathematical Science	550	0.7%	32.2	26.6
Architecture and Engineering	1,190	1.6%	92.2	89.3
Life, Physical and Social Science	300	0.4%	52.9	47.2
Community and Social Services	860	1.2%	95.7	80.8
Legal	280	0.4%	80.1	48.0
Education, Training and Library	3,980	5.4%	94.0	84.6
Arts, Design, Entertainment, Sports and Media	640	0.9%	69.9	65.0
Health Care Practitioner and Technical	4,010	5.4%	94.1	92.3
Health Care Support	2,580	3.5%	117.0	117.4
Protective Service	1,950	2.6%	138.2	106.9
Food Preparation and Servicing	6,180	8.3%	98.1	92.6
Building and Grounds Cleaning and Maintenance	2,620	3.5%	116.0	109.0
Personal Care and Service	3,160	4.3%	106.0	141.5
Sales and Related	6,830	9.2%	93.4	86.7
Office and Administrative Support	10,520	14.2%	91.5	87.6
Farming, Fishing and Forestry	0	0.0%	0.0	0.0
Construction and Extraction	1,760	2.4%	75.0	61.8
Installation, Maintenance and Repair	3,080	4.1%	111.2	107.0
Production	12,230	16.5%	145.0	249.2
Transportation and Material Moving	6,270	8.4%	109.5	124.3
<b>All Occupations</b>	<b>74,250</b>	<b>100.0%</b>	<b>100.0</b>	<b>100.0</b>

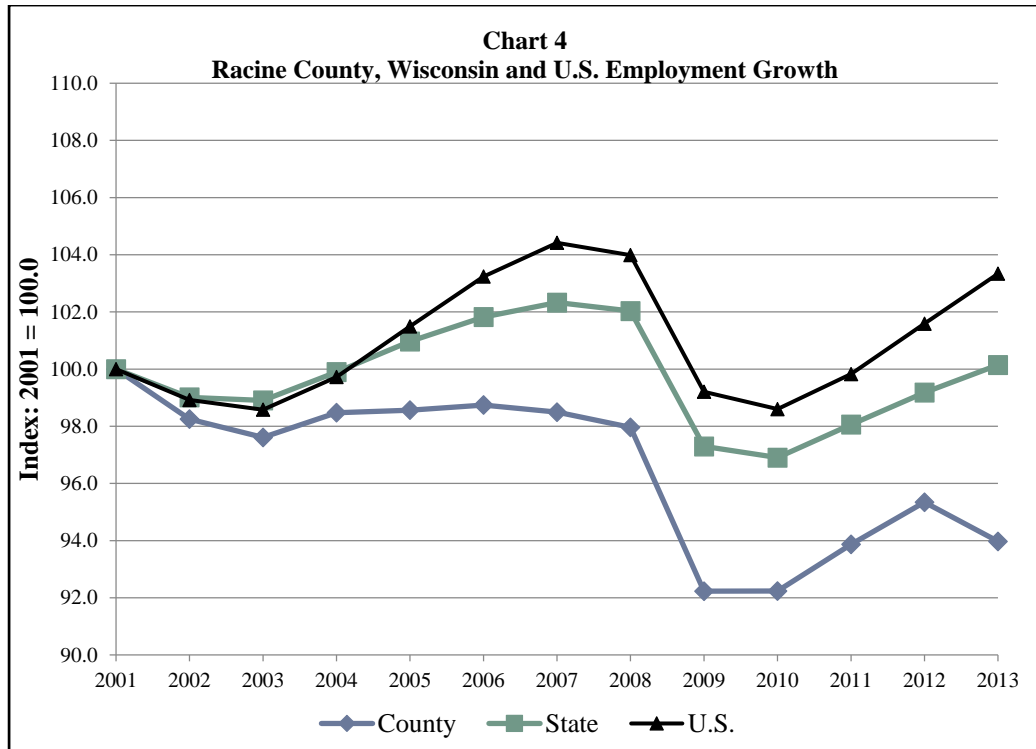
Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics

\*Location quotient of 100.0 is the standard for the specific area. Quotients above 100.0 indicate higher than standard shares, while quotients below 100.0 indicate lower than standard shares.

## **B. County Employment and Wages**

### **1. Jobs in the Site County**

The following charts and tables analyze employment over time and by sector in Racine County, Wisconsin. They are analogous to those for the MSA in the previous section, although the source dataset is different and not as current. Chart 4 and Table 3 present the trend of Racine County employment from 2001 through 2013. The multiyear percentage changes at the bottom of Table 3 represent periods of expansion and contraction at the national level. Racine County underperformed both the state and nation during each period between 2001 and 2013. As a result, the net employment loss in Racine County was 4.7%, much greater than the Wisconsin decline of 0.8%.



Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

**Table 3**  
**Racine County, Wisconsin and U.S. Employment, 2001-2013**

Year	Racine County		Wisconsin		United States	
	Total	Percent Change	Total (000)	Percent Change	Total (000)	Percent Change
2001	77,063		2,718		129,636	
2002	75,714	-1.8%	2,691	-1.0%	128,234	-1.1%
2003	75,221	-0.7%	2,688	-0.1%	127,796	-0.3%
2004	75,887	0.9%	2,715	1.0%	129,278	1.2%
2005	75,956	0.1%	2,744	1.1%	131,572	1.8%
2006	76,095	0.2%	2,767	0.8%	133,834	1.7%
2007	75,902	-0.3%	2,781	0.5%	135,366	1.1%
2008	75,492	-0.5%	2,773	-0.3%	134,806	-0.4%
2009	71,076	-5.8%	2,644	-4.6%	128,608	-4.6%
2010	71,081	0.0%	2,634	-0.4%	127,820	-0.6%
2011	72,338	1.8%	2,665	1.2%	129,411	1.2%
2012	73,473	1.6%	2,695	1.1%	131,696	1.8%
2013	72,417	-1.4%	2,722	1.0%	133,965	1.7%
<b>Change</b>						
2001-13	-3,590	-4.7%	-22	-0.8%	2,061	1.6%
2001-03	-1,842	-2.4%	-30	-1.1%	-1,840	-1.4%
2003-07	681	0.9%	93	3.5%	7,570	5.9%
2007-13	-3,485	-4.6%	-86	-3.1%	-3,670	-2.7%

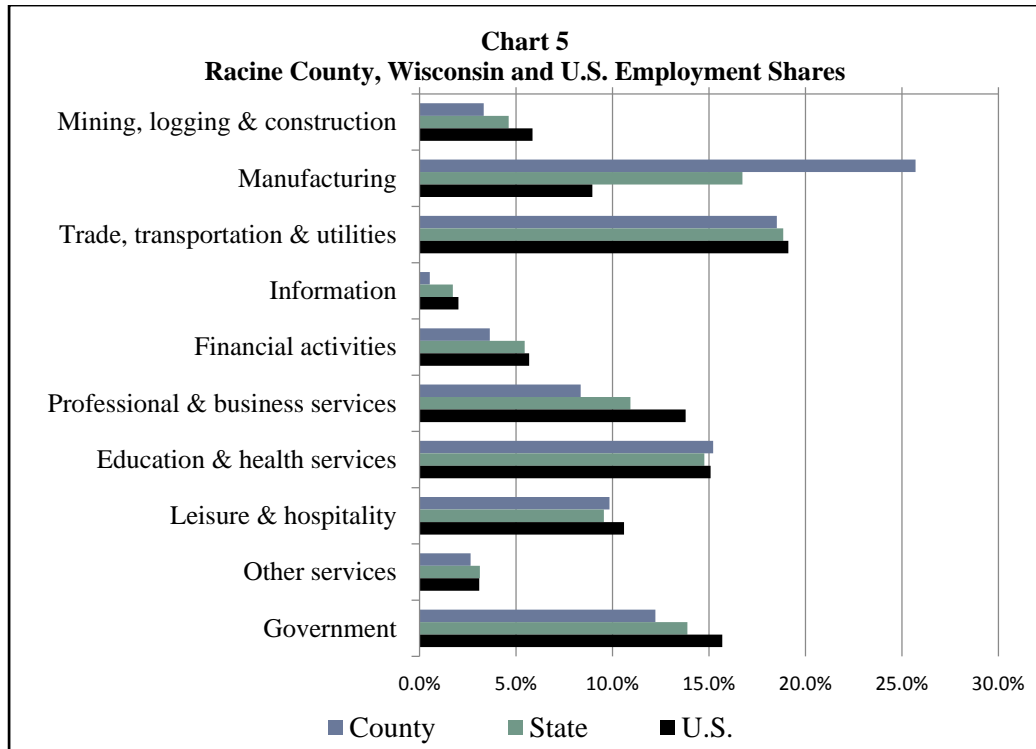
Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

Table 4 presents Racine County’s average employment distribution by sector, together with associated location quotients. In general, the relative concentrations measured by the location quotients are highly stable over time, so the current composition of employment is probably quite similar to that shown here. Chart 5 compares these employment shares to state and national averages.

Table 4 Sector Employment Distribution, Racine County, 2013				
NAICS Sector	Employment		Location Quotient*	
	Number	Percent	vs. Wisconsin	vs. U.S.
<b>Private Sector</b>				
Mining, Logging and Construction	2,407	3.3%	72.0	56.8
Manufacturing	18,616	25.7%	153.6	287.1
Trade, Transportation and Utilities	13,410	18.5%	98.2	96.9
Information	386	0.5%	30.9	26.4
Financial Activities	2,635	3.6%	66.8	64.0
Professional and Business Services	6,049	8.4%	76.4	60.6
Education and Health Services	11,019	15.2%	103.1	100.9
Leisure and Hospitality	7,128	9.8%	103.0	92.9
Other Services	1,919	2.6%	84.7	85.6
<b>Total Private Sector</b>	<b>63,568</b>	<b>87.8%</b>	<b>101.9</b>	<b>104.1</b>
<b>Total Government</b>	<b>8,849</b>	<b>12.2%</b>	<b>88.0</b>	<b>77.9</b>
<b>Total Payroll Employment</b>	<b>72,417</b>	<b>100.0%</b>	<b>100.0</b>	<b>100.0</b>

Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

\*Location quotient of 100.0 is the standard for the specific area. Quotients above 100.0 indicate higher than standard shares, while quotients below 100.0 indicate lower than standard shares.

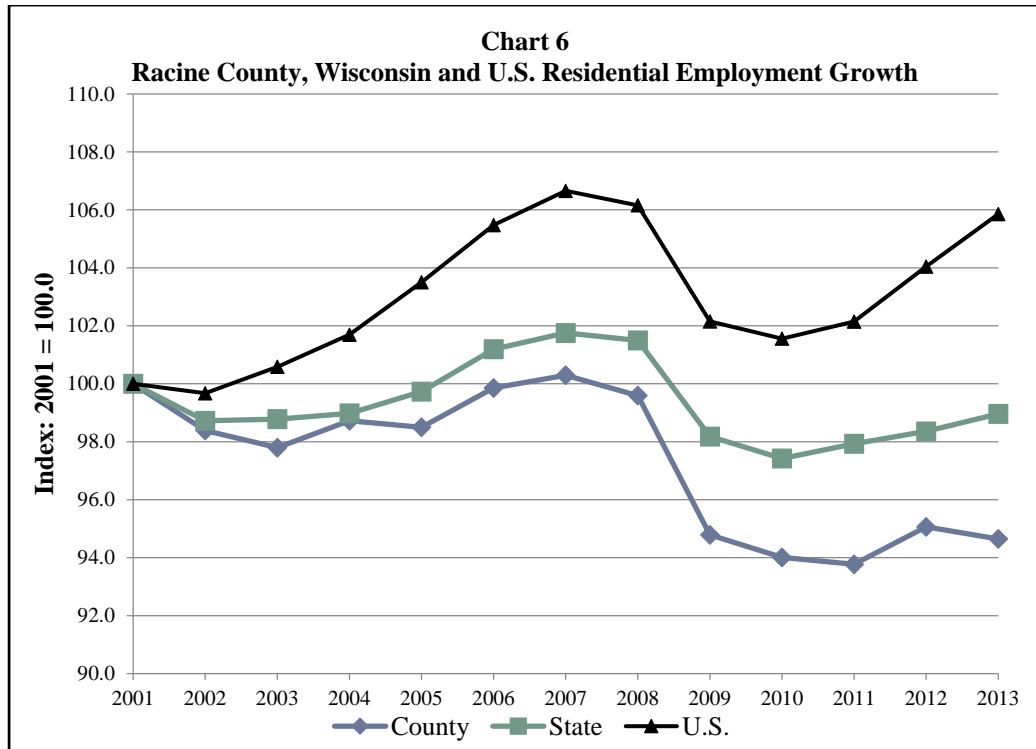


Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages

## 2. Employment and Unemployment of Site County Residents

The preceding section analyzed the employment base within Racine County. Some of these jobs may be filled by residents of other counties; conversely, some workers living in Racine County may be employed outside the county. Both the employment base and residential employment are important: the local employment base creates indirect economic impacts and jobs, while the earnings of county residents, regardless of where they are employed, sustain the demand for housing and other goods and services within the county.

Chart 6 and Table 5 on the following page show the trend in county employment since 2001. Although the presentation is analogous to that of employment growth and year-by-year totals in the previous section, it is important to keep in mind that the two measures are fundamentally different. The earlier analysis focused on the number of jobs in Racine County; this one considers the number of Racine County residents who are working. The multiyear percentage changes at the bottom of Table 5 represent periods of employment expansion and contraction at the national level.



Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, Current Population Survey

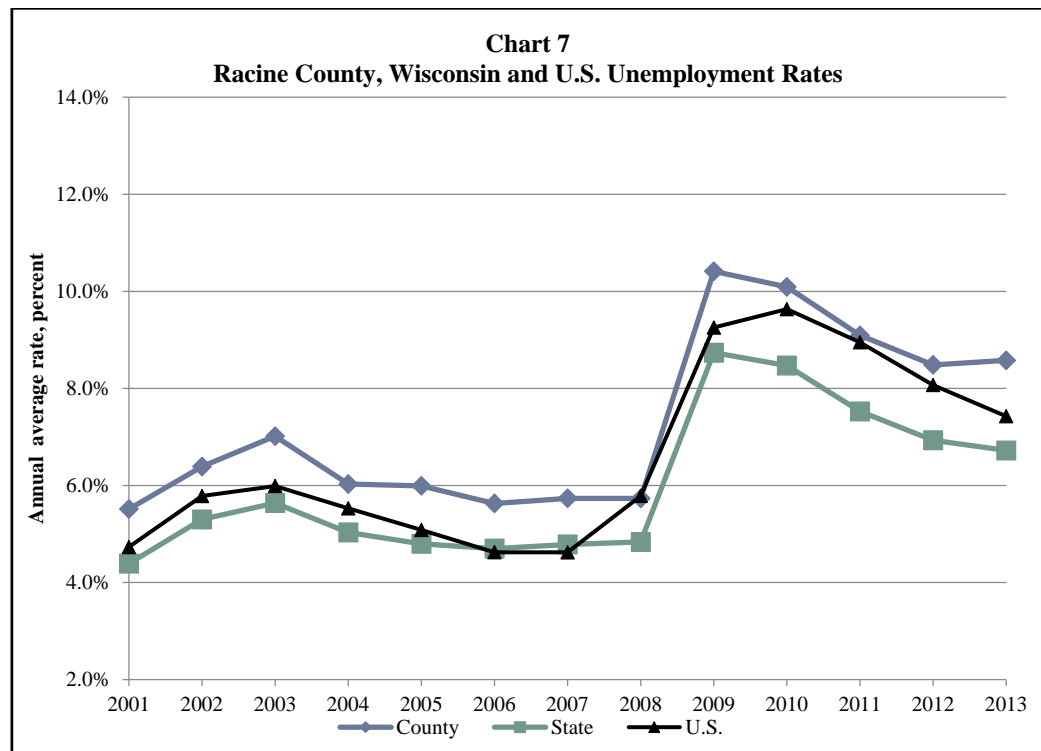
**Table 5**  
**Racine County, Wisconsin and U.S. Residential Employment, 2001-2013**

Year	Racine County		Wisconsin		United States	
	Total	Percent Change	Total (000)	Percent Change	Total (000)	Percent Change
2001	94,493		2,898		136,933	
2002	92,969	-1.6%	2,861	-1.3%	136,485	-0.3%
2003	92,409	-0.6%	2,863	0.1%	137,736	0.9%
2004	93,286	0.9%	2,868	0.2%	139,252	1.1%
2005	93,074	-0.2%	2,890	0.8%	141,730	1.8%
2006	94,354	1.4%	2,932	1.5%	144,427	1.9%
2007	94,769	0.4%	2,949	0.6%	146,047	1.1%
2008	94,108	-0.7%	2,941	-0.3%	145,362	-0.5%
2009	89,567	-4.8%	2,845	-3.3%	139,878	-3.8%
2010	88,832	-0.8%	2,823	-0.8%	139,064	-0.6%
2011	88,608	-0.3%	2,838	0.5%	139,869	0.6%
2012	89,828	1.4%	2,850	0.4%	142,469	1.9%
2013	89,433	-0.4%	2,868	0.6%	144,950	1.7%
<b>Change</b>						
2001-13	-5,060	-5.4%	-30	-1.0%	8,017	5.9%
2001-03	-2,084	-2.2%	-35	-1.2%	803	0.6%
2003-07	2,360	2.6%	86	3.0%	8,311	6.0%
2007-10	-5,937	-6.3%	-125	-4.3%	-6,983	-4.8%
2010-13	601	0.7%	45	1.6%	5,886	4.2%

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, Current Population Survey

As is true of employment within Racine County, the number of employed county residents declined at a faster rate than at the state and national levels. Between 2001 and 2013, Racine County fared worse than Wisconsin and the U.S. in terms of residential employment growth, recording a 5.4% decline over the reporting period. Between 2010 and 2013, residential employment grew by 0.7%, compared to greater employment gains experienced at the state (1.6%) and national (4.2%) levels.

Chart 7 and Table 6 (on the following page) present Racine County, state and U.S. unemployment rates over the past decade. The table also shows the Racine County labor force, resident employment (from Table 5) and the number of unemployed (i.e., those not working who have actively sought employment over the previous month). Racine County's unemployment rate has been generally higher than both the state and national averages since 2001. Unemployment in Racine County peaked 10.4% in 2009, and has fallen by 180 basis points since. The most recent unofficial, not seasonally adjusted unemployment rate for Racine County is 6.0% as of November 2014.



**Table 6  
Racine County Labor Force Statistics and Comparative Unemployment Rates**

Year	Racine County			Unemployment Rates		
	Labor Force	Employment	Unemployment	Racine County	Wisconsin	U.S.
2001	100,007	94,493	5,514	5.5%	4.4%	4.7%
2002	99,314	92,969	6,345	6.4%	5.3%	5.8%
2003	99,381	92,409	6,972	7.0%	5.6%	6.0%
2004	99,273	93,286	5,987	6.0%	5.0%	5.5%
2005	99,006	93,074	5,932	6.0%	4.8%	5.1%
2006	99,983	94,354	5,629	5.6%	4.7%	4.6%
2007	100,534	94,769	5,765	5.7%	4.8%	4.6%
2008	99,832	94,108	5,724	5.7%	4.8%	5.8%
2009	99,979	89,567	10,412	10.4%	8.7%	9.3%
2010	98,803	88,832	9,971	10.1%	8.5%	9.6%
2011	97,471	88,608	8,863	9.1%	7.5%	8.9%
2012	98,156	89,828	8,328	8.5%	6.9%	8.1%
2013	97,826	89,433	8,393	8.6%	6.7%	7.4%

Source: U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, Current Population Survey

### **3. Occupational Wages in the Site County**

Table 7 on the next page compares typical wages by primary SOC occupational group in the Racine MSA with those of Wisconsin and the U.S. Although comparable statistics are unavailable at the county level (except for single-county MSAs), MSAs are defined on the basis of commuting patterns, and wages should be fairly consistent across the MSA. These wage estimates are also subject to potentially large margins of error, therefore what may seem to be a wage difference may not be statistically significant. Thus, the table also indicates whether the local area’s wage is significantly different than the national average wages. Note that error margins are smaller for states than they are for regions within those states. As a result, it is possible for a state wage that is lower than the U.S. average to be significant, while a local wage that is even lower than the state is insignificant.



Table 7 Median Occupational Wages, Racine MSA, May 2013			
SOC Major Occupational Group	Racine MSA	Wisconsin	U.S.
Management	\$41.33	\$41.74	\$45.96
Business and Financial Operations	\$27.09	\$26.67	\$30.67
Computer and Mathematical Science	\$31.68	\$32.30	\$37.43
Architecture and Engineering	\$32.57	\$30.44	\$35.83
Life, Physical and Social Science	\$26.78	\$25.55	\$29.26
Community and Social Services	\$20.91	\$19.80	\$19.62
Legal	\$27.33	\$28.32	\$36.59
Education, Training and Library	\$21.02	\$22.04	\$22.19
Arts, Design, Entertainment, Sports and Media	\$19.04	\$18.28	\$21.45
Health Care Practitioner and Technical	\$28.70	\$28.74	\$29.38
Health Care Support	\$12.93	\$13.11	\$12.54
Protective Service	\$19.99	\$17.96	\$17.68
Food Preparation and Servicing	\$8.91	\$8.94	\$9.15
Building and Grounds Cleaning and Maintenance	\$10.43	\$11.08	\$11.04
Personal Care and Service	\$10.20	\$10.25	\$10.10
Sales and Related	\$10.83	\$11.77	\$12.10
Office and Administrative Support	\$14.68	\$15.27	\$15.39
Farming, Fishing and Forestry	\$13.19	\$13.91	\$9.32
Construction and Extraction	\$25.82	\$21.99	\$19.55
Installation, Maintenance and Repair	\$21.92	\$20.00	\$19.92
Production	\$15.73	\$15.91	\$15.03
Transportation and Material Moving	\$13.57	\$14.13	\$13.99
<b>All Occupations</b>	<b>\$15.61</b>	<b>\$16.32</b>	<b>\$16.87</b>

Source: U.S. Bureau of Labor Statistics, Occupational Employment Statistics

#### 4. Employment of Site County Residents by Industry and Occupation

Limited data are available regarding the employment of Racine County residents by industry and occupation based on aggregated NAICS sectors and SOC occupational groups. These are five-year averages covering the 2008-2012 American Community Survey (ACS), but as in the analyses above, they can be compared to statewide and national averages to gain insight into how the county differs from these larger areas.

Employment by industry is shown in Table 8 on the next page. Although the sectors in general are consistent with those in earlier tables, one major difference is that Government employment does not appear, but Public Administration does. These are core government functions, but do not include employment in government establishments such as schools and hospitals. Those were included in Government in the earlier tables, but here are grouped with private firms in sectors such as Educational and Health Services. Occupational employment is shown in Table 9. These categories are more highly aggregated versions of those in Tables 4 and 8. Note that total industry employment equals total occupational employment, as it must.

The same is theoretically true of the MSA-level industry and occupational employment totals in Tables 1 and 2 as well; these differ because they are reported for different time periods.

Table 8 Sector Employment Distribution Racine County Residents, 2008-2012 Average				
NAICS Sector	Employment		Location Quotient*	
	Number	Percent	vs. Wisconsin	vs. U.S.
Agriculture, Natural Resources and Mining	1,208	1.3%	54.0	69.5
Construction	5,692	6.2%	111.6	95.9
Manufacturing	20,099	22.0%	119.8	207.1
Wholesale Trade	2,306	2.5%	91.3	89.2
Retail Trade	9,842	10.8%	94.6	93.1
Transportation and Utilities	4,955	5.4%	121.4	108.5
Information	1,352	1.5%	82.0	66.9
Financial Activities	4,496	4.9%	78.7	73.0
Professional and Business Services	7,795	8.5%	108.3	80.0
Educational and Health Services	19,212	21.0%	91.9	91.8
Leisure and Hospitality	7,106	7.8%	91.4	84.7
Other Services, Except Public Administration	3,690	4.0%	97.9	81.6
Public Administration	3,624	4.0%	111.7	80.2
<b>Total Employment</b>	<b>91,377</b>	<b>100.0%</b>	<b>100.0</b>	<b>100.0</b>

Source: U.S. Census Bureau, American Community Survey

\*Location quotient of 100.0 is the standard for the specific area. Quotients above 100.0 indicate higher than standard shares, while quotients below 100.0 indicate lower than standard shares.

Table 9 Occupational Employment Distribution Racine County Residents, 2008-2012 Average				
SOC Major Group	Employment		Location Quotient*	
	Number	Percent	vs. Wisconsin	vs. U.S.
Management, Business, Science and Arts	29,149	31.9%	94.7	88.9
Service	14,803	16.2%	97.6	91.0
Sales and Office	22,205	24.3%	101.7	97.6
Natural Resources, Construction and Maintenance	8,955	9.8%	111.4	105.4
Production, Transportation and Material Moving	16,265	17.8%	104.7	147.1
<b>Total Employment</b>	<b>91,377</b>	<b>100.0%</b>	<b>100.0</b>	<b>100.0</b>

Source: U.S. Census Bureau, American Community Survey

\*Location quotient of 100.0 is the standard for the specific area. Quotients above 100.0 indicate higher than standard shares, while quotients below 100.0 indicate lower than standard shares.

One would expect the sector location quotients in Table 8 to be relatively similar to those in Table 4, aside from the reporting of government employment in other sectors in Table 8. If a sector's location quotient in Table 4 is far higher than that in Table 8, it suggests that many jobs in the sector within Racine County are filled by workers from other counties, while a location quotient that is far higher in Table 8 suggests that many workers living in Racine County commute out to these jobs in other counties.

## 5. Largest Employers

Table 10 lists the 10 largest employers in Racine County. Together, these employ more than 15,400, approximately 21% of the 2013 county total.

Table 10 Largest Employers in Racine County		
Employer	Industry	Employment
All Saints Health Care System	Health Care	2,661
S.C. Johnson & Son	Cleaning Products	2,600
CNH America	Manufacturing	2,500
Racine Unified School District	Education	2,500
Diversey/Sealed Air	Cleaning Products	1,200
InSinkErator/Emerson Electric	Manufacturing	1,000
Aurora Healthcare Hospital	Health Care	970
City of Racine	Government	940
Ruud Lighting	Manufacturing	618
Nestle	Food Production	500
<b>Total</b>		<b>15,489</b>

Source: Racine County Economic Development Corp., Retrieved 1/2015

Other establishments with over 500 employees include Walmart, the Department of Corrections and Racine County.

Business and industry in Racine include manufacturing, specialty chemical production, education, medical and other services. The county has a large manufacturing base, and the manufacturing industry in general was particularly hard-hit during the recession. Most of the employment loss from 2008 to 2010 is attributed to the national economic recession, however total employment in the county has been on downward trajectory since 2001. As a result, the net employment loss since 2001 of 4.7% in Racine County was much greater than the Wisconsin decline of 0.8%.

Wisconsin Worknet has received no Worker Adjustment and Retraining Notifications (WARN) in Racine County during the past 12 months. However, local media sources have reported several large layoffs in 2014 which affected workers at several of the largest employers in the county: In July, Diversey announced it will be shifting 300 jobs to a North Carolina facility over the course of the next three years. CNH Industrial shut down second-shift tractor assembly in December, laying off about 150 workers. In November 2013, SC Johnson announced plans to cut 100-200 local jobs as part of global restructuring efforts. By February 2014 the company had cut as many as 400 jobs.

Company expansions that are recently completed or underway represent millions of investment dollars into the county as well as creating new jobs over the next few years. These projects include:

- United Natural Foods opened its new distribution center in Sturtevant in July 2014. The 425,000 square-foot facility represents a \$38 million investment and created 220 new jobs.
- Marlo, Inc. will add 43 jobs over three years as a result of increasing demand for its water treatment systems. A 26,000-square-foot addition of manufacturing and office space in Racine is being constructed.
- Vinyl product manufacturer Altus Vinyl will relocate and expand operations to a new site in Racine. The company expects to add 12 employees over the next few years.
- In May 2014, InSinkErator announced it will be investing \$65 million in an expansion project that includes modernizing its existing plant in Racine, and building new production lines in an empty building in neighboring Kenosha. About 165 new jobs will be created.
- Lavelle Industries will be undergoing an expansion of equipment at its Burlington headquarters to meet increasing sales demand. The company is also expanding its Whitewater plant in neighboring Walworth County which should be completed by summer 2015. The \$15 million investment will create up to 90 jobs over the next three years.

## C. Primary Market Area

This section analyzes employment and economic factors within the Site PMA.

### 1. Employment in the PMA

Employment by sector within the Racine Site PMA is shown in Table 11. These totals represent jobs within the PMA, not industry of employment of residents.<sup>1</sup> Racine County employment is shown for comparison. Also shown is a “location quotient” for PMA employment. Although this is interpreted in the same way as those in previous tables, this location quotient is calculated relative to county, not U.S. employment. Compared to Racine County, employment within the Site PMA is heavily concentrated in Utilities, Health Care and Social Assistance, Educational Services and Arts, Entertainment and Recreation.

NAICS Sector	Employment		PMA Percent of Total	Location Quotient*
	PMA	County		
Agriculture, Forestry, Fishing and Hunting	29	601	0.1%	14.0
Mining	0	58	0.0%	0.0
Utilities	296	434	1.1%	198.2
Construction	899	3,990	3.4%	65.5
Manufacturing	3,410	12,255	13.0%	80.8
Wholesale Trade	624	3,654	2.4%	49.6
Retail Trade	2,775	8,977	10.6%	89.8
Transportation and Warehousing	650	2,720	2.5%	69.4
Information	372	907	1.4%	119.2
Finance and Insurance	483	2,355	1.8%	59.6
Real Estate and Rental and Leasing	448	1,476	1.7%	88.2
Professional, Scientific and Technical Services	896	3,389	3.4%	76.8
Management of Companies and Enterprises	25	66	0.1%	110.1
Administrative, Support, Waste Management and Remediation Services	1,335	4,401	5.1%	88.1
Educational Services	2,893	5,868	11.0%	143.2
Health Care and Social Assistance	4,995	8,436	19.1%	172.0
Arts, Entertainment and Recreation	663	1,337	2.5%	144.1
Accommodation and Food Services	1,684	4,924	6.4%	99.4
Other Services (Except Public Administration)	1,843	4,279	7.0%	125.1
Public Administration	1,545	4,924	5.9%	91.2
Non-classifiable	350	1,117	1.3%	91.0
<b>Total</b>	<b>26,215</b>	<b>76,168</b>	<b>100.0%</b>	<b>100.0</b>

Source: 2010 Census; ESRI; Vogt Santer Insights

\*Location quotient of 100.0 is the standard for the specific area. Quotients above 100.0 indicate higher than standard shares, while quotients below 100.0 indicate lower than standard shares.

<sup>1</sup> County employment totals here differ from those in Table 4 because the data is obtained from a different source and because government employment is not reported separately, aside from the public administration component.

## 2. Business Establishments in the PMA

Table 12 shows the number of business establishments in the PMA and the county. A business establishment is a single site where business is conducted; a company or organization can have multiple establishments. Establishments in the PMA are generally similar in size to the county averages. Education Services and Utilities sector employers are larger than average, while Public Administration and Manufacturing are smaller.

**Table 12**  
**Business Establishments, Racine Site PMA**  
**and Racine County, 2014**

NAICS Sector	Establishments		Employees Per Establishment	
	PMA	County	PMA	County
Agriculture, Forestry, Fishing and Hunting	13	265	2.2	2.3
Mining	0	3	0.0	19.3
Utilities	6	13	49.3	33.4
Construction	237	1,041	3.8	3.8
Manufacturing	210	540	16.2	22.7
Wholesale Trade	92	412	6.8	8.9
Retail Trade	354	1,069	7.8	8.4
Transportation and Warehousing	64	327	10.2	8.3
Information	44	144	8.5	6.3
Finance and Insurance	110	396	4.4	5.9
Real Estate and Rental and Leasing	139	468	3.2	3.2
Professional, Scientific and Technical Services	311	1,012	2.9	3.3
Management of Companies and Enterprises	11	33	2.3	2.0
Administrative, Support, Waste Management and Remediation Services	419	1,618	3.2	2.7
Educational Services	83	204	34.9	28.8
Health Care and Social Assistance	291	668	17.2	12.6
Arts, Entertainment and Recreation	59	182	11.2	7.3
Accommodation and Food Services	177	483	9.5	10.2
Other Services (Except Public Administration)	426	1,067	4.3	4.0
Public Administration	43	120	35.9	41.0
<b>Total</b>	<b>3,089</b>	<b>10,065</b>	<b>8.5</b>	<b>7.6</b>

Source: 2010 Census; ESRI; Vogt Santer Insights

### 3. Commuting Modes of Site PMA Workers

Table 13 presents a distribution of commuting modes for Site PMA and Racine County workers age 16 and older in 2010. The largest share (80.3%) of Site PMA workers drove alone, and 11.1% carpooled.

Table 13 Commuting Patterns, Racine Site PMA and Racine County, 2010				
Travel Mode	PMA		County	
	Number	Percent	Number	Percent
Drove Alone	25,165	80.3%	77,279	85.1%
Carpooled	3,489	11.1%	7,444	8.2%
Public Transit	1,028	3.3%	1,330	1.5%
Walked	605	1.9%	1,638	1.8%
Other Means	558	1.8%	970	1.1%
Worked at Home	474	1.5%	2,175	2.4%
<b>Total</b>	<b>31,319</b>	<b>100.0%</b>	<b>90,836</b>	<b>100.0%</b>

Source: American Community Survey (2006-2010); ESRI

Table 14 below compares travel times to work for the PMA and the county. Nearly three-quarters of Site PMA workers commute less than 30 minutes, with 40.2% of those commuting 15 minutes or less. The proposed 1520 is within a 10-minute drive of many large area employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.

Table 14 Travel Time to Work, Racine Site PMA and Racine County, 2010				
Travel Time	PMA		County	
	Number	Percent	Number	Percent
Less Than 15 Minutes	12,593	40.2%	30,739	33.8%
15 – 29 Minutes	10,481	33.5%	31,044	34.2%
30 – 44 Minutes	3,855	12.3%	15,182	16.7%
45 – 59 Minutes	2,409	7.7%	7,342	8.1%
60 or More Minutes	1,507	4.8%	4,354	4.8%
Worked at Home	474	1.5%	2,175	2.4%
<b>Total</b>	<b>31,319</b>	<b>100.0%</b>	<b>90,836</b>	<b>100.0%</b>

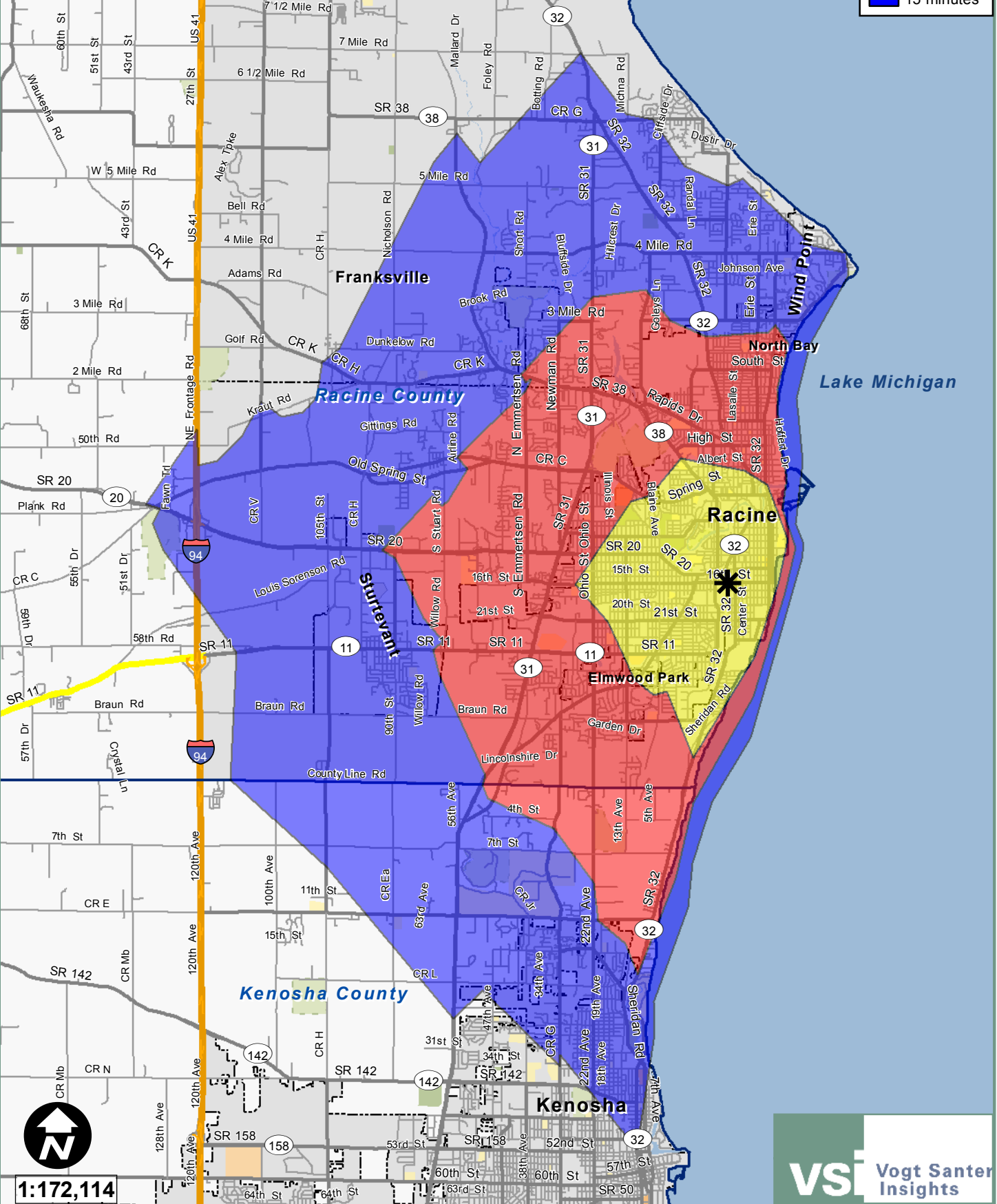
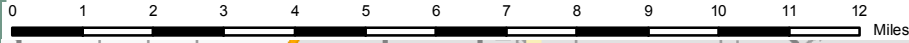
Source: American Community Survey (2006-2010); ESRI

# Racine, WI

## Drive Time from Site

**Legend**

- Project Site
- 5 minutes
- 10 minutes
- 15 minutes





#### **D. Economic Summary**

The residential employment figures for Racine County indicate that some growth, though minimal, occurred between 2010 and 2013, and through year-end 2013 unemployment had declined by 180 basis points from the 2009 peak of 10.4%. The most recent, unofficial, not seasonally adjusted unemployment rate in Racine County of 6.0% as of November 2014 is similar to pre-recession levels. A variety of development and expansion projects citywide, including expansions at several local manufacturers, including Marlo, Inc., Altus Vinyl and InSinkErator, should encourage further economic development in the area. The expansion and relocation projects are anticipated to create more than 500 local jobs.

Employees at manufacturers typically have qualifying incomes to reside at LIHTC housing. Demand for affordable housing in the Site PMA remains strong, with a strong source of lower-wage jobs that will continue to create demand for affordable housing near employment centers. The projected household growth in the Site PMA is concentrated among higher-earning households that will support the proposed market-rate housing.

## VIII. Rental Housing Supply

### A. Overview of Rental Housing

The distributions of the area housing stock within the Racine Site PMA in 2010, 2014 (estimated) and 2019 (projected) are summarized in the following table:

Housing Status	2010 (Census)		2014 (Estimated)		2019 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Total-Occupied	28,268	89.6%	28,008	88.0%	27,856	87.0%
Owner-Occupied	16,453	58.2%	15,780	56.3%	15,667	56.2%
Renter-Occupied	11,815	41.8%	12,228	43.7%	12,189	43.8%
Vacant	3,291	10.4%	3,802	12.0%	4,167	13.0%
Total	31,559	100.0%	31,810	100.0%	32,023	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Vogt Santer Insights

Based on a 2014 update of the 2010 Census, of the 31,810 total housing units in the market, 12.0% were vacant. Much of the vacant housing is characterized as functionally obsolete. In 2014, it was estimated that homeowner households occupied 56.3% of all occupied housing units, while renter households occupied the remaining 43.7%. The more than 12,000 renter households represent an excellent base of potential support for the proposed development.

Residential building activity within the city of Racine has decreased over the past 10 years, similar to many areas of the Midwest. Building activity declined dramatically during the recession.

The following table illustrates the distribution of residential units for which building permits were issued within the city of Racine between 2004 and 2013:

Unit Type	Residential Units Permitted by Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Single-family	28	29	12	13	13	8	4	6	11	5
Multifamily	4	2	167	40	0	0	72	2	0	0
Total Units	32	31	179	53	13	8	76	8	11	5

Source: SOCDS Building Permits Database

As the preceding table illustrates, 129 single-family units were permitted for development in the city of Racine between 2004 and 2014. Nearly three-quarters of these permits were issued prior to 2009. Similarly, the majority of multifamily permit activity occurred prior to the recession. Only 74 permits have been issued since the beginning of 2010.

The 2010 permit activity for multifamily units was the first to occur in the city since 2007.

Conventional Non-Subsidized Apartments

We identified and personally surveyed 25 conventional housing projects containing a total of 2,149 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 97.0%, a high rate for rental housing. Typically, markets should have about a 5% vacancy factor to allow for adequate renter mobility and turnover.

The following table summarizes the breakdown of conventional housing units surveyed within the Site PMA.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate	Under Construction
Market-rate	6	727	23	96.8%	0
Market-rate/Tax Credit	6	543	22	95.9%	0
Market-rate/Tax Credit/Government-Subsidized	1	120	9	92.5%	0
Tax Credit	3	136	5	96.3%	0
Government-Subsidized	9	623	6	99.0%	0
Total	25	2,149	65	97.0%	0

The mixed-income market-rate/Tax Credit/government-subsidized segment of the rental housing market has the highest vacancy rate of 7.5%, and is resultant of nine (9) vacant senior Tax Credit units at Lincoln Manor (Map ID 18). All other segments of the rental housing market have high occupancy rates ranging from 95.9% to 99.0%.

In addition to the properties included in the field survey, we also identified several facilities that offer transitional and Permanent Supportive Housing (PSH) units for homeless and low-income veterans, many with disabilities, including mental, physical and emotional, as well as substance abuse issues. These properties include the 15-unit College Avenue Apartments run by the Center for Veterans Issues (CVI) that consists of one-bedroom units, and 38 units in Union Grove run by the Veterans Assistance Foundation (VAF), including 30 one-bedroom transitional and eight (8) PSH, single-room occupancy (SRO) units. Additionally, 35 Veterans Administration Supportive Housing (VASH) Vouchers are issued within Racine County.

The existing veteran set-aside units generally operate with subsidy enabling tenants to pay income-based rents equal to 30% of their adjusted gross incomes.

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

Market-rate						
Bedrooms	Baths	Units	Distribution	Vacant Units	Vacancy Rate	Median Gross Rent
Studio	1.0	16	1.7%	0	0.0%	\$546
One-Bedroom	1.0	387	41.9%	9	2.3%	\$751
One-Bedroom	1.5	8	0.9%	1	12.5%	\$607
Two-Bedroom	1.0	262	28.4%	10	3.8%	\$820
Two-Bedroom	1.5	82	8.9%	6	7.3%	\$982
Two-Bedroom	2.0	125	13.5%	6	4.8%	\$1,053
Three-Bedroom	2.0	44	4.8%	0	0.0%	\$998
<b>Total Market-rate</b>		<b>924</b>	<b>100%</b>	<b>32</b>	<b>3.5%</b>	<b>-</b>
Non-Subsidized Tax Credit						
Bedrooms	Baths	Units	Distribution	Vacant Units	Vacancy Rate	Median Gross Rent
Studio	1.0	4	0.7%	0	0.0%	\$461
One-Bedroom	1.0	286	49.5%	15	5.2%	\$619
One-Bedroom	1.5	14	2.4%	1	7.1%	\$837
Two-Bedroom	1.0	216	37.4%	11	5.1%	\$871
Two-Bedroom	2.0	10	1.7%	0	0.0%	\$893
Three-Bedroom	2.0	48	8.3%	0	0.0%	\$1,053
<b>Total Tax Credit</b>		<b>578</b>	<b>100%</b>	<b>27</b>	<b>4.7%</b>	<b>-</b>

Of these 1,502 non-subsidized units surveyed, 96.1% were occupied. More specifically, the market-rate units were 96.5% occupied and the non-subsidized Tax Credit units were 95.3% occupied.

According to area apartment managers, and based on our previous surveys of this market, the Racine area average annual rents for conventional rentals have increased minimally (approximately 0.5% to 0.8%) over the past couple of years.

The following table summarizes the occupancies by bedroom type and targeted AMHI level for all non-subsidized Tax Credit units surveyed within the Site PMA.

Summary of Occupancies by Bedroom Type and AMHI Level												
AMHI Level	Studio			One-Bedroom			Two-Bedroom			Three-Bedroom		
	Units	Vacant	Occ. Rate	Units	Vacant	Occ. Rate	Units	Vacant	Occ. Rate	Units	Vacant	Occ. Rate
30%	1	0	100.0%	4	0	100.0%	1	0	100.0%	-	-	-
40%	1	0	100.0%	9	2	77.8%	-	-	-	-	-	-
50%	2	0	100.0%	85	0	100.0%	37	2	94.6%	14	0	100.0%
60%	-	-	-	202	14	93.1%	188	9	95.2%	34	0	100.0%
Total	4	0	100.0%	300	16	94.7%	226	11	95.1%	48	0	100.0%

Occ. - Occupancy

Overall Summary			
AMHI Level	Units	Vacant	Occ. Rate
30%	6	0	100.0%
40%	10	2	80.0%
50%	138	2	98.6%
60%	424	23	94.6%
Total	578	27	95.3%

Occ. - Occupancy

As illustrated above, the Tax Credit units in the market targeting households with incomes of 30%, 40% and 50% are well occupied, with just four vacant units among these income levels. The vacancies in this market are concentrated in the units targeting households with incomes up to 60% of AMHI. It is notable that all 23 60% AMHI vacancies are at senior-restricted properties.

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

Year Opened	Projects	Units	Vacancy Rate
Before 1970	3	213	3.3%
1970 to 1979	3	346	5.5%
1980 to 1989	1	104	1.9%
1990 to 1999	4	517	2.7%
2000 to 2004	2	178	2.2%
2005	0	0	-
2006	1	84	9.5%
2007	1	24	4.2%
2008	0	0	-
2009	0	0	-
2010	0	0	-
2011	0	0	-
2012	0	0	-
2013	0	0	-
2014*	1	36	11.1%
Total	16	1,502	3.9%

\*As of December

More than 37.2% of all non-subsidized apartments surveyed were built prior to 1980. These older apartments have a vacancy rate of 4.7%, higher than the overall market. Based on our field survey of conventional rental properties, 377 units at six (6) properties are adaptive reuse projects similar to the proposed 1520. The adaptive reuse properties have a combined overall occupancy rate of 97.9%. One additional adaptive reuse project is in the development pipeline in the Site PMA. This project is discussed later in this section on page VIII-8.

An additional 11% of the non-subsidized units surveyed have been renovated since 2006. This suggests reinvestment in established multifamily projects in the area.

The Racine apartment market offers a fairly 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	\$850-MR	\$671	\$410 - \$1,072	113 (16.3%)
	\$386-30%			695 (100.0%)
	\$741-60%			293 (42.2%)
Two-Bedroom	\$1,060-MR	\$871	\$500 - \$1,383	78 (11.2%)
	\$463-30%			695 (100.0%)
	\$772-50%			663 (95.4%)
Three-Bedroom	\$891-50%	\$1,053	\$939 - \$1,247	314 (45.2%)
	\$1,028-60%			92 (100.0%)
				47 (51.1%)

MR – Market-rate

The proposed subject 30% and 50% AMHI gross rents are priced below the majority of gross non-subsidized rents currently being achieved in the Site PMA, which will enable these rents to be perceived as a value in the market.

Although the proposed 60% AMHI and market-rate rents are in the upper third of those being achieved for non-subsidized product in this market, given the units will be among the newest in the market, and will offer modern unit finishes and comprehensive amenities, it is our opinion the proposed 60% AMHI rents and market-rate rents will also represent a value in this market.

The appropriateness of the proposed rents is evaluated in detail in the Achievable Market Rent Analysis section of this report beginning on page X-1.

We rated each property surveyed on a scale of A through F based on quality and overall appearance (i.e. aesthetic appeal, building appearance, landscaping and grounds appearance). Our rating system is described as follows, with + and - variations assigned according to variances from the following general descriptions:

- A – Upscale/high quality property
- B – Good condition and quality
- C – Fair condition, in need of minor improvements
- D – Poor condition
- F – Serious disrepair, dilapidated

Following is a distribution of non-subsidized projects by quality rating, units and vacancies.

Market-rate			
Quality Rating	Projects	Total Units	Vacancy Rate
A-	1	20	10.0%
B+	3	43	0.0%
B	4	629	3.5%
B-	2	132	5.3%
C+	1	7	0.0%
C	2	93	1.1%

Non-Subsidized Tax Credit			
Quality Rating	Projects	Total Units	Vacancy Rate
A-	1	64	9.4%
B+	4	258	3.1%
B	1	55	0.0%
B-	2	88	3.4%
C+	2	113	8.8%

The increased vacancy rates among A- product are due to two vacant market-rate and six vacant affordable units at Harbor at State and Main (Map ID 14). The manager at the property indicated the occupancy rate is typical and can be attributed to difficulty qualifying senior age 55 and older households at 60% AMHI. The remaining market-rate vacancies are concentrated among properties within the B range, though the vacancies within this range are 5.3% or less.

The non-subsidized Tax Credit properties with C+ ratings have the next highest vacancy rate of 8.8%. The B range properties have low vacancy rates of 3.4% or less. The proposed 1520 Clark Street will have a high quality rating of at least B+. This high quality rating should enhance the subject project's marketability.

Government-subsidized

The 10 projects with government-subsidized units within the Site PMA operate under the HUD Section 8, HUD Section 236 and HUD Section 202 programs. Generally, these properties have few amenities, are older and offer small unit sizes (square footage).



The government-subsidized units in the Site PMA are summarized as follows.

Government-Subsidized					
Bedroom	Baths	Units	Distribution	Vacant Units	Vacancy Rate
Studio	1.0	26	4.0%	0	0.0%
One-Bedroom	1.0	514	79.4%	6	1.2%
Two-Bedroom	1.0	83	12.8%	0	0.0%
Three-Bedroom	1.0	24	3.7%	0	0.0%
<b>Total Subsidized</b>		<b>647</b>	<b>100%</b>	<b>6</b>	<b>0.9%</b>

The vacancy rate among the government-subsidized projects is very low (0.9%) in the Site PMA. Management at seven of the subsidized properties indicated they maintain a waiting list. The high occupancy and waiting lists indicate strong demand for very low-income housing.

Additional information regarding the Racine Site PMA apartment market is found in Addendum A of this report.

**B. Planned Multifamily Development**

Based on our interviews with local building and planning representatives, including principal planner with the city of Racine, Mr. Matthew G. Sadowski, it was determined that one multifamily housing property is in the development pipeline in the Site PMA. This project is detailed in the following table:

Project Name	Developer	Project Type	Total Units	Project Specifics	Development Status	Anticipated Opening Date
Machinery Row 900 Water St. 1.1 miles north	Financial District Properties	Adaptive reuse; Mixed-use; Market-rate	160-180	20-acre riverfront parcel; ~100 loft units	Preliminary Planning	N/A

If developed, the market-rate loft units planned for Machinery Row will target market-rate renters and will compete with the nine (9) market-rate units at the site. The majority of the proposed units at 1520 Clark Street, however, will not compete with this project because a different tenant profile is targeted for residency.

**C. Buy Versus Rent Analysis**

According to ESRI, the median home value within the Site PMA was \$112,338. At an estimated interest rate of 5.0% and a 30-year term (and 95% LTV), the monthly mortgage for a median priced area home is \$783, including estimated taxes and insurance. This is illustrated in the following table.

Buy Versus Rent Analysis	
	Overall
Median Home Price	\$112,338
Mortgaged Value = 95% of Median Home Price	\$106,721
Interest Rate - Bankrate.com	5.0%
Term	30
Monthly Principal & Interest	\$573
Estimated Taxes & Insurance*	\$143
Estimated Private Mortgage Insurance**	\$67
Estimated Monthly Mortgage Payment	\$783

\*Estimated at 25% of principal and interest  
\*\*Estimated at 0.75% of mortgaged amount

In comparison, the proposed collected rents for the 60% AMHI units range from \$634 to \$842 per month, and are comparable to the estimated mortgage payment for a typical home in the area. The proposed market-rate rents of \$900 and \$1,100 are higher than the estimated mortgage payment.

The following are examples of homes within the Site PMA that are priced near the necessary price point to be competitive with the subject project:

- Address: 1628 Park Avenue, Racine, WI 53403
- Asking Price: \$114,900
- Size/Baths: Three-bedroom/1.5-bath, 1,964 square feet
- Year built: 1919
- Source: Trulia.com



Address: 2014 Webster Street, Racine, WI 53403

Asking Price: \$104,900

Size/Baths: Three-bedroom/1.5-bath, 1,692 square feet

Year built: 1947

Source: Trulia.com



While it is possible that some tenants of the 60% AMHI and market-rate units at the site may be able to afford a mortgage payment, the number with an adequate down payment and qualifying credit score is not as high. There are definitely opportunities for home ownership in the market area at the \$110,000 price point, though homes in this price range are typically older and require ongoing maintenance and upkeep costs. Additionally, homes in this price range do not offer the comprehensive amenities and features planned for the project. This supports our conclusion that there will not be any notable adverse impact on or from the homebuyer market at this time. However, as lending requirements are lessened, we would expect the loss of some tenants as their economic position improves.

## IX. Comparable Tax Credit Analysis

### Survey of Comparable Properties

We identified four Low-Income Housing Tax Credit (LIHTC) properties within the Racine Site PMA that are adaptive reuse developments similar to that proposed for the site. These properties are also similar to the proposed 1520 Clark Street in that they are mixed-income, offering both non-subsidized Tax Credit units targeted to households with incomes of up to 60% of AMHI, and market-rate units that operate without rent or income limitations.

The four selected LIHTC properties and the subject development as proposed are summarized as follows (Information regarding property address, phone number, contact name and utility responsibility is included in the one-page profiles found in this section).

Map I.D.	Project Name	Year Opened/ Renovated	Total Units	Occupancy Rate	Distance To Site	Waiting List	Target Market
Site	<b>1520 Clark Street</b>	<b>2016</b>	<b>65*</b>	-	-	-	<b>Families; 30%, 50% &amp; 60% AMHI</b>
7	Mitchell Wagon Factory Lofts	2003	88*	97.7%	0.9 Miles	None	Families; 50% & 60% AMHI
8	Wilmanor Apts.	1995 / 2014	24*	87.5%	1.1 Miles	None	Families; 30%, 40% & 50% AMHI
12	Arcade Apts. (Main Lake)	1996	60*	100.0%	1.6 Miles	25 H.H.	Families; 60% AMHI
15	Belle Harbor Lofts/Historic Olson Building Lofts	2000	62*	96.8%	1.7 Miles	None	Families; 30%, 50% & 60% AMHI

H.H. – Households

\*Market-rate units not included

The four LIHTC projects have a combined total of 234 units with an overall occupancy rate of 97.0%. Three projects have high occupancies of 96.8% or higher. Only Wilmanor Apartments (Map ID 8) has a higher than typical vacancy rate. Note the increased rate is due to just three vacant units and is not reflective of market softness. According to Ron with S&M Management, the vacancies can be attributed to recent renovations, noting that the three vacancies are units in which renovations were recently completed.

The Arcade Apartments (Map ID 12) is fully occupied with a 25-household waiting list. The strong performance of the comparable projects indicates strong demand for non-subsidized, general occupancy Tax Credit product.

The following table summarizes physical occupancy rates per Wisconsin Housing and Economic Development Authority (WHEDA) as of Y2014-Q3 (the most recent data available online) for LIHTC and other affordable (including subsidized) projects.

Physical Occupancy Milwaukee County WHEDA LIHTC and Subsidized Projects					
Number of Projects	Type and Number of Units	Y2014 – Q3	Y2014 – Q2	Y2014 – Q1	Y2013 – Q4
25	All Elderly – 1,514 Units	93.8%	94.8%	94.4%	93.3%
6	All Family – 386 Units	98.4%	98.4%	97.3%	95.6%
1	All Supportive Housing Projects – 34 Units	88.2%	97.1%	97.1%	91.2%
4	Majority Elderly Projects – 480 Units	96.2%	96.4%	94.9%	94.9%
4	Majority Family Projects – 351 Units	93.3%	96.2%	96.2%	96.1%
Total – 39	2,765	94.4%	95.6%	95.1%	94.0%

Source: WHEDA, Management Agents, December 2014

Within Racine County, a total of 39 properties are on WHEDA’s Tax Credit and subsidized property list. These properties include 2,765 total units. The occupancy rate for the family/general occupancy units is over 98% and has ranged from 95.6% to the current 98.4% over the past year.

Based on our field survey of 1,225 existing affordable rental units in late December 2014 and early January 2015, the subsidized rental market is reporting overall occupancy of 99.1%, while the non-subsidized Tax Credit market is reporting overall occupancy of 95.3%. Note that our field survey is specific to the Primary Market Area determined for the subject project, while the preceding table represents all of Racine County. Overall, the affordable rental market within the Site PMA is performing at a higher level than in Racine County.

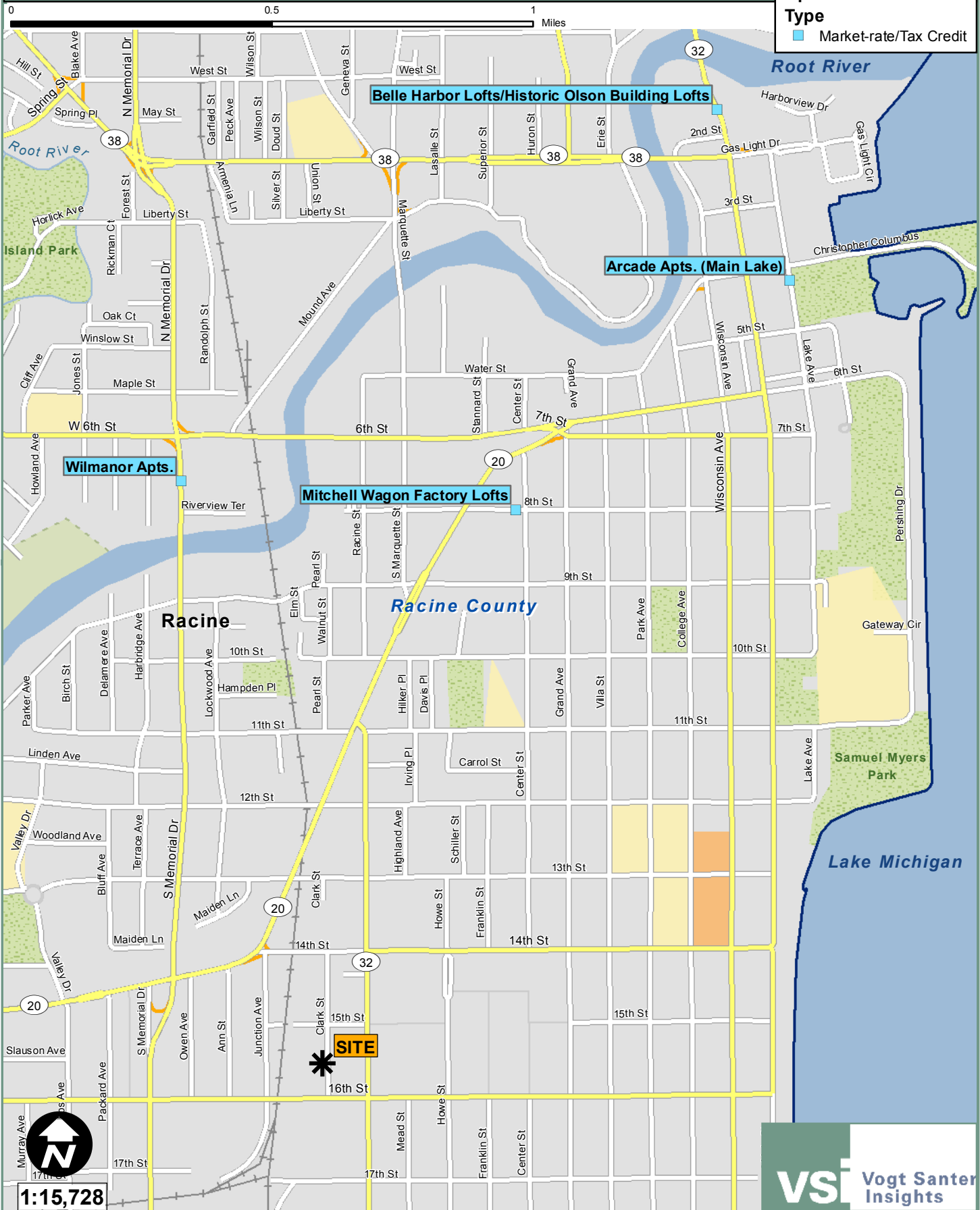
The following map illustrates the subject site location relative to the locations of the comparable Tax Credit properties. Following the comparable properties locations map are one-page profiles of the selected comparable Tax Credit projects.

# Racine, WI

## Comparable LIHTC Property Locations

### Legend

-  Project Site
- Apartments**
- Type**
-  Market-rate/Tax Credit



**7 Mitchell Wagon Factory Lofts** 1.0 miles to site



<b>Address</b>	815 8th St. Racine, WI 53405	<b>Phone</b>	(262) 619-9956	
		<b>Contact</b>	Seline	
<b>Project Type</b>	Market-Rate & Tax Credit			
<b>Total Units</b>	100	<b>Vacancies</b>	2	
		<b>Percent Occupied</b>	98.0%	
		<b>Floors</b>	3	
<b>Year Open</b>	2003			
<b>Ratings:</b>	<b>Quality</b>	B+	<b>Neighborhood</b>	B+
<b>Waiting List</b>	None		<b>Age Restrictions</b>	None
<b>Concessions</b>	No Rent Specials			
<b>Remarks</b>	Market-rate (12 units); 50% & 60% AMHI (88 units); Accepts HCV (12 units); Unit mix estimated; Adaptive reuse of a building constructed in the early 1900s			



Features and Utilities	
<b>Utilities</b>	Landlord pays Water, Sewer, Trash; Tenant pays Electric, Gas Heat, Gas Hot Water, Gas for Cooking
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Window AC, Carpet, Washer & Dryer, Washer/Dryer Hook-Ups, Patio/Deck/Balcony, Blinds
<b>Project Amenities</b>	On-site Management, Activity Room, Elevator, Social Services/Activities

**Unit Configuration**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1	T	4	0	1,210	\$860	\$0.71	\$964	
1	1	T	15	0	1,210	\$572	\$0.47	\$676	50%
1	1	T	15	1	1,210	\$706	\$0.58	\$810	60%
2	1	T	4	0	2,000	\$1,105	\$0.55	\$1,245	
2	1	T	15	0	2,000	\$674	\$0.34	\$814	50%
2	1	T	15	1	2,000	\$834	\$0.42	\$974	60%
3	2	T	4	0	2,200	\$1,075	\$0.49	\$1,247	
3	2	T	14	0	2,200	\$767	\$0.35	\$939	50%
3	2	T	14	0	2,200	\$952	\$0.43	\$1,124	60%

**1520 Clark Street (Site)**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1	G	3		807	\$850	\$1.05	\$850	
1	1	G	10		807	\$243	\$0.30	\$386	30%
1	1	G	7		807	\$598	\$0.74	\$741	60%
2	2	G	6		932 - 993	\$1,060	\$1.07 - \$1.14	\$1,060	
2	2	G	9		932 - 993	\$275	\$0.28 - \$0.30	\$463	30%
2	2	G	8		932 - 993	\$584	\$0.59 - \$0.63	\$772	50%
2	2	G	1		932 - 993	\$702	\$0.71 - \$0.75	\$890	60%
3	2	G	16		1,127	\$661	\$0.59	\$891	50%
3	2	G	14		1,127	\$798	\$0.71	\$1,028	60%

- S - Site
- C - Mitchell Wagon Factory Lofts

**8 Wilmanor Apts.** 1.1 miles to site



<b>Address</b>	255 N. Memorial Dr. Racine, WI 53404		<b>Phone</b>	(262) 271-1703	
			<b>Contact</b>	Ron	
<b>Project Type</b>	Market-Rate & Tax Credit				
<b>Total Units</b>	36	<b>Vacancies</b>	4	<b>Percent Occupied</b>	88.9%
		<b>Floors</b>	3.5		
<b>Year Open</b>	1995		<b>Year Renovated</b>	2014	
<b>Ratings:</b>	<b>Quality</b>	B-	<b>Neighborhood</b>	B-	
<b>Waiting List</b>	None		<b>Age Restrictions</b>	None	
<b>Concessions</b>	No Rent Specials				
<b>Remarks</b>	Market-rate (12); 30%, 40% & 50% AMHI (24); Accepts HCV (5); Unit mix estimated; Lower rents at higher AMHI are long-time residents; Ongoing renovations as units turnover; 1 2-br manager unit excluded from total; Adaptive reuse of building built 1927				

Features and Utilities	
<b>Utilities</b>	Landlord pays Gas Heat, Gas Hot Water, Water, Sewer, Trash; Tenant pays Electric, Electric for Cooking
<b>Unit Amenities</b>	Refrigerator, Range, Carpet, Blinds, Wood Floors
<b>Project Amenities</b>	On-site Management, Laundry Facility, Activity Room, Playground

**Unit Configuration**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
0	1	G	1	0	460	\$425	\$0.92	\$471	
0	1	G	1	0	460	\$385	\$0.84	\$431	30%
0	1	G	1	0	460	\$415	\$0.90	\$461	40%
0	1	G	2	0	460	\$425	\$0.92	\$471	50%
1	1	G	4	0	580	\$425	\$0.73	\$482	
1	1.5	G	5	1	800	\$550	\$0.69	\$607	
1	1	G	2	0	580	\$400	\$0.69	\$457	30%
1	1.5	G	1	1	800	\$425	\$0.53	\$482	40%
1	1	G	2	1	580	\$425	\$0.73	\$482	40%
1	1	G	2	0	580	\$450	\$0.78	\$507	50%
2	1.5	G	2	0	925	\$600	\$0.65	\$675	
2	1	G	1	0	812	\$425	\$0.52	\$500	30%
2	1	G	12	1	812	\$425	\$0.52	\$500	50%

**1520 Clark Street (Site)**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1	G	3		807	\$850	\$1.05	\$850	
1	1	G	10		807	\$243	\$0.30	\$386	30%
1	1	G	7		807	\$598	\$0.74	\$741	60%
2	2	G	6		932 - 993	\$1,060	\$1.07 - \$1.14	\$1,060	
2	2	G	9		932 - 993	\$275	\$0.28 - \$0.30	\$463	30%
2	2	G	8		932 - 993	\$584	\$0.59 - \$0.63	\$772	50%
2	2	G	1		932 - 993	\$702	\$0.71 - \$0.75	\$890	60%
3	2	G	16		1,127	\$661	\$0.59	\$891	50%
3	2	G	14		1,127	\$798	\$0.71	\$1,028	60%

- S - Site
- C - Wilmanor Apts.





**12** Arcade Apts. (Main Lake) 1.6 miles to site



<b>Address</b>	424 Lake Ave. Racine, WI 53403	<b>Phone</b>	(262) 632-4173	
		<b>Contact</b>	Tony	
<b>Project Type</b>	Market-Rate & Tax Credit			
<b>Total Units</b>	75	<b>Vacancies</b>	0	
		<b>Percent Occupied</b>	100.0%	
		<b>Floors</b>	3,4	
<b>Year Open</b>	1996			
<b>Ratings:</b>	<b>Quality</b>	B+	<b>Neighborhood</b>	B+
<b>Waiting List</b>	25 households		<b>Age Restrictions</b>	None
<b>Concessions</b>	No Rent Specials			
<b>Remarks</b>	Market-rate (15 units); 60% AMHI (60 units); Accepts HCV (8 units); Adaptive reuse of the 1923-built Arcade Building			

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash; Tenant pays Electric, Electric Heat, Electric Hot Water, Electric for Cooking
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Blinds
<b>Project Amenities</b>	On-site Management, Laundry Facility, Lounge/Gathering Area

**Unit Configuration**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1 to 1.5	G	6	0	775 - 995	\$700 - \$850	\$0.85 - \$0.90	\$837 - \$987	
1	1 to 1.5	G	26	0	775 - 995	\$500 - \$700	\$0.65 - \$0.70	\$637 - \$837	60%
2	1	G	9	0	1,246 - 1,258	\$850 - \$1,200	\$0.68 - \$0.95	\$1,033 - \$1,383	
2	1	G	34	0	1,246 - 1,258	\$650 - \$850	\$0.52 - \$0.68	\$833 - \$1,033	60%

**1520 Clark Street (Site)**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1	G	3		807	\$850	\$1.05	\$850	
1	1	G	10		807	\$243	\$0.30	\$386	30%
1	1	G	7		807	\$598	\$0.74	\$741	60%
2	2	G	6		932 - 993	\$1,060	\$1.07 - \$1.14	\$1,060	
2	2	G	9		932 - 993	\$275	\$0.28 - \$0.30	\$463	30%
2	2	G	8		932 - 993	\$584	\$0.59 - \$0.63	\$772	50%
2	2	G	1		932 - 993	\$702	\$0.71 - \$0.75	\$890	60%
3	2	G	16		1,127	\$661	\$0.59	\$891	50%
3	2	G	14		1,127	\$798	\$0.71	\$1,028	60%

- S - Site
- C - Arcade Apts. (Main Lake)

**15** Belle Harbor Lofts/Historic Olson Building Lofts 1.7 miles to site



<b>Address</b>	134 Main St. Racine, WI 55403	<b>Phone</b>	(262) 619-4050
		<b>Contact</b>	Maria
<b>Project Type</b>	Market-Rate & Tax Credit		
<b>Total Units</b>	78	<b>Vacancies</b>	2
		<b>Percent Occupied</b>	97.4%
		<b>Floors</b>	2,4
<b>Year Open</b>	2000		
<b>Ratings:</b>	<b>Quality</b>	B+	<b>Neighborhood</b> B+
<b>Waiting List</b>	None		<b>Age Restrictions</b> None
<b>Concessions</b>	No Rent Specials		
<b>Remarks</b>	Market-rate (16 units); 30%, 50% & 60% AMHI (62 units); Accepts HCV (25 units); Unit mix estimated by manager; Adaptive reuse of the Thomas Driver & Sons Manufacturing Company building originally constructed in late 1800s		

Features and Utilities	
<b>Utilities</b>	Landlord pays Hot Water, Water, Sewer, Trash; Tenant pays Electric, Gas Heat, Electric for Cooking
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook-Ups, Blinds
<b>Project Amenities</b>	On-site Management, Lounge/Gathering Area, Fitness Center, Computer/Business Center, Picnic Area, Theater Room

**Unit Configuration**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1	G	6	0	557 - 850	\$710 - \$735	\$0.86 - \$1.27	\$814 - \$839	
1	1	G	2	0	557	\$306	\$0.55	\$410	30%
1	1	G	2	0	814	\$572	\$0.70	\$676	50%
1	1	G	18	1	557 - 850	\$610 - \$635	\$0.75 - \$1.10	\$714 - \$739	60%
2	1 to 2	G	5	0	820 - 1,111	\$890	\$0.80 - \$1.09	\$1,028	
2	1 to 2	G	20	1	820 - 1,111	\$710 - \$755	\$0.68 - \$0.87	\$848 - \$893	60%
3	2	G	5	0	1,111 - 1,321	\$1,005	\$0.76 - \$0.90	\$1,173	
3	2	G	20	0	1,111 - 1,321	\$885 - \$920	\$0.70 - \$0.80	\$1,053 - \$1,088	60%

**1520 Clark Street (Site)**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1	G	3		807	\$850	\$1.05	\$850	
1	1	G	10		807	\$243	\$0.30	\$386	30%
1	1	G	7		807	\$598	\$0.74	\$741	60%
2	2	G	6		932 - 993	\$1,060	\$1.07 - \$1.14	\$1,060	
2	2	G	9		932 - 993	\$275	\$0.28 - \$0.30	\$463	30%
2	2	G	8		932 - 993	\$584	\$0.59 - \$0.63	\$772	50%
2	2	G	1		932 - 993	\$702	\$0.71 - \$0.75	\$890	60%
3	2	G	16		1,127	\$661	\$0.59	\$891	50%
3	2	G	14		1,127	\$798	\$0.71	\$1,028	60%

- S - Site
- C - Belle Harbor Lofts/Historic Olson Building Lofts



The following table details the gross Tax Credit rents proposed for the site, the gross rents currently being charged for the four selected comparable LIHTC projects and the 2014 maximum allowable rents for the Racine MSA. It is notable that several comparable properties currently charge rents that are higher than the 2014 maximum allowable rent levels. This can be attributed to several factors, including utility allowance differences, as well as the fact that rent and income limits for each property are determined based on placed-in-service dates and financing options.

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Units)			Rent Specials/Concessions
		One-Br.	Two-Br.	Three-Br.	
Site	<b>1520 Clark Street</b>	<b>\$386/30% (10)</b> <b>\$741/60% (7)</b>	<b>\$463/30% (9)</b> <b>\$772/50% (8)</b> <b>\$890/60% (1)</b>	<b>\$891/50% (16)</b> <b>\$1,028/60% (14)</b>	<b>None</b>
7	Mitchell Wagon Factory Lofts	\$676/50% (15) \$810/60% (15)	\$814/50% (15) \$974/60% (15)	\$939/50% (14) \$1,124/60% (14)	None
8	Wilmanor Apts.	\$457/30% (2) \$482/40% (2) \$482/40% (1) \$507/50% (2)	\$500/30% (1) \$500/50% (12)	-	None
12	Arcade Apts. (Main Lake)	\$637-\$837/60% (26)	\$833-\$1,033/60% (34)	-	None
15	Belle Harbor Lofts/Historic Olson Building Lofts	\$410/30% (2) \$676/50% (2) \$714-\$739/60% (18)	\$848-\$893/60% (20)	\$1,053-\$1,088/60% (20)	None
	Maximum Allowable Rents – Racine, Wisconsin MSA (2014)	\$386/30% \$515/40% \$643/50% \$772/60%	\$463/30% \$618/40% \$772/50% \$927/60%	\$535/30% \$713/40% \$891/50% \$1,070/60%	None

Studio units not included in table

The proposed gross rents for the 30%, 50% and 60% AMHI units are within the range of those currently being achieved for similar income level units at the comparable properties. The proposed 60% AMHI rents are most competitive with those at Belle Harbor Lofts/Historic Olson Building Lofts and are generally lower than those being charged at Arcade Apartments and Mitchell Wagon Factory Lofts. Given the full occupancy at Mitchell Wagon Factory Lofts and the full occupancy and 25-household waiting list at Arcade Apartments, the proposed rents are appropriate and achievable in this market.

Given the value of the proposed rents relative to those being charged at the comparable adaptive reuse projects, the newness of the site and the comprehensive amenities planned, it is our opinion the proposed rents are appropriate and will represent a value in this market.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered at the comparable properties and the subject project as proposed are illustrated in the following tables:

Map I.D.	Project Name	Square Footage			
		Studio	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>1520 Clark Street</b>	-	<b>807</b>	<b>932 / 993</b>	<b>1,127</b>
7	Mitchell Wagon Factory Lofts	-	1,250	2,000	2,200
8	Wilmanor Apts.	460	580 - 800	812	-
12	Arcade Apts. (Main Lake)	-	775 - 995	1,246 - 1,258	-
15	Belle Harbor Lofts/Historic Olson Building Lofts	-	557 - 850	820 - 1,111	1,111 - 1,321

Map I.D.	Project Name	Square Footage			
		Studio	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>1520 Clark Street</b>	-	<b>1.0</b>	<b>2.0</b>	<b>2.0</b>
7	Mitchell Wagon Factory Lofts	-	1.0	1.0	2.0
8	Wilmanor Apts.	1.0	1.0 - 1.5	1.0	-
12	Arcade Apts. (Main Lake)	-	1.0 - 1.5	1.0	-
15	Belle Harbor Lofts/Historic Olson Building Lofts	-	1.0	1.0 - 2.0	2.0

The subject development as proposed will compare well with the existing LIHTC projects in the market based on unit size (square footage) and the number of baths offered. The proposed unit sizes are within the range of those offered at the comparable properties and the units offer a commensurate number of bathrooms. Only the units at Mitchell Wagon Factory Lofts and select units at Arcade Apartments are significantly larger than those proposed for the site. We expect the units will be marketable as proposed.

The following tables compare the appliances and the unit and project amenities of the subject site with existing Tax Credit properties in the market.

# Comparable Properties Amenities - Racine, Wisconsin

Map ID	Appliances										Unit Amenities													
	Range	Refrigerator	Icemaker	Dishwasher	Disposal	Microwave	Pantry	Appliance Type	Central AC	Window AC	Floor Covering	Washer and Dryer	Washer/Dryer Hook-Ups	Patio/Deck/Balcony	Ceiling Fan	Basement	Intercom	Security	Window Treatments	E-Call Buttons	Storage	Walk-In Closets	Parking	Other
Site	X	X		X				X		C	X	X		X				B			S	S	G(o)	
7	X	X	X	X	X				X	C	X	X	X					B				S		
8	X	X								C								B				S	Wood Floors	
12	X	X		X	X			X		C			S					B				S		
15	X	X		X	X			X		C	O	X						B				S		

Map ID	Project Amenities																	Other							
	Pool	On-Site Management	Laundry	Club House	Community Space	Fitness Center	Jacuzzi/Sauna	Playground	Business/Computer Center	Sports Court(s)	Storage	Water Feature(s)	Elevator	Security Gate	Car Wash Area	Picnic Area	Social Services/Activities		Library/DVD Library	Walk/Bike Trail					
Site		X			A	X		X			X		X					X							Kitchenette Media/Theater Room Medical Exam Room Chapel, Craft Room
7		X			A								X				X								
8		X	X		A		X																		
12		X	X		L																				
15		X			L	X		X								X									Theater Room

◆ 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

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

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
C - Bocce Ball
S - Soccer
R - Racquetball
F - Shuffleboard
X - Multiple

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

X - All Units
S - Some Units
O - Optional

Window Treatments
B - Blinds
SH - Shades
D - Drapes

Appliance Type
B - Black
SS - Stainless Steel
W - White

Once construction is complete, the subject amenities will be competitive with other Tax Credit projects in the market and surrounding area. The subject site, with comprehensive amenities, will be appealing to income-qualified renters.

The type of parking offered and the utilities included in the rent at each comparable property is summarized in the following table:

Map I.D.	Project Name	Parking Type Offered	Utilities Included in Rent
<b>Site</b>	<b>1520 Clark Street</b>	<b>Surface Parking (\$0) Parking Garage (\$40)</b>	<b>Trash</b>
7	Mitchell Wagon Factory Lofts	Surface Parking (\$0)	Water, Sewer, Trash
8	Wilmanor Apts.	Surface Parking (\$0)	Gas Heat, Gas Hot Water, Water, Sewer, Trash
12	Arcade Apts.	Surface Parking (\$0)	Water, Sewer, Trash
15	Belle Harbor Lofts/Historic Olson Building Lofts	Surface Parking (\$0)	Boiler Hot Water, Water, Sewer, Trash

The subject site will offer open surface lot parking at no additional cost, in addition to parking garage spaces for \$40 per month. All of the comparable properties offer free surface parking. Only the site will offer optional covered parking. Based on our field survey of conventional rental properties found in Addendum A of this report, the cost for detached parking options range from \$29 to \$45 in this market. It is our opinion the proposed \$40 garage rental charge is appropriate and will be well received in this market.

Based on our analysis of the unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the market, it is our opinion that the subject development as proposed will be competitive. This is considered in our absorption projections.

## X. Achievable Market Rent and Tax Credit Rent Analysis

We conduct two achievable rent analyses. The first rent analysis establishes the market rent the subject project as proposed could achieve without the limitations of the Tax Credit program. The second rent analysis is the achievable Tax Credit rent. This is the Tax Credit rent the subject site could charge based upon the Tax Credit rents currently being achieved at existing comparable Tax Credit properties in the market. Note that we only compare the proposed Tax Credit rents at those properties considered most comparable to the subject site with regard to unit types and Area Median Household Income (AMHI) limitation.

### A. Market Rent

We identified six market-rate properties within the Racine Site PMA that we consider comparable in terms of unit and project amenities to the subject development as proposed. Four are most similar to the site in that they are mixed-income adaptive reuse projects similar to the site that include a mix of non-subsidized Tax Credit and market-rate units. Similar to the proposed project, the four mixed-income comparables are apartments converted from historic structures built in the late 1800s/early 1900s. Because only two of the aforementioned properties include three-bedroom units, the following analysis also considers two conventional rental properties of 1960s and 1970s vintage that offer three-bedroom units.

The selected properties are used to derive market rent for the subject development and establish the subject property's market advantage. 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 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, midrise, 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 subject project does not have a washer and dryer and a selected property does, then 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 subject project as proposed.

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 Vogt Santer Insights' prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The subject development as proposed and the six selected market-rate properties include the following:

Map I.D.	Project Name	Year Opened/ Renovated	Total Units	Occupancy Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
<b>Site</b>	<b>1520 Clark Street</b>	<b>2016</b>	<b>9*</b>	<b>-</b>	<b>-</b>	<b>3*</b>	<b>6*</b>	<b>-</b>
7	Mitchell Wagon Factory Lofts**	2003	12*	100.0%	-	4 (100.0%)	4 (100.0%)	4 (100.0%)
8	Wilmanor Apts.**	1995 / 2014	12*	91.7%	1 (100.0%)	9 (88.9%)	2 (100.0%)	-
12	Arcade Apts. (Main Lake)**	1996	15*	100.0%	-	6 (100.0%)	9 (100.0%)	-
13	Graceland Gardens	1968	120	95.0%	-	36 (100.0%)	80 (92.5%)	4 (100.0%)
15	Belle Harbor Lofts/Historic Olson Building Lofts**	2000	16*	100.0%	-	6 (100.0%)	5 (100.0%)	5 (100.0%)
20	Douglas Terrace Apts.	1970 / 1996	202	97.0%	8 (100.0%)	106 (96.2%)	72 (97.2%)	16 (100.0%)

\*Market-rate units only

\*\*Mixed-income, adaptive reuse



The six selected market-rate projects have a combined total of 377 units with an overall occupancy rate of 96.6%. Five properties have stable to high occupancy rates of 95.0% or higher. While Wilmanor Apartments vacancy rate is 8.3%, the increased rate is due to just one vacant unit.

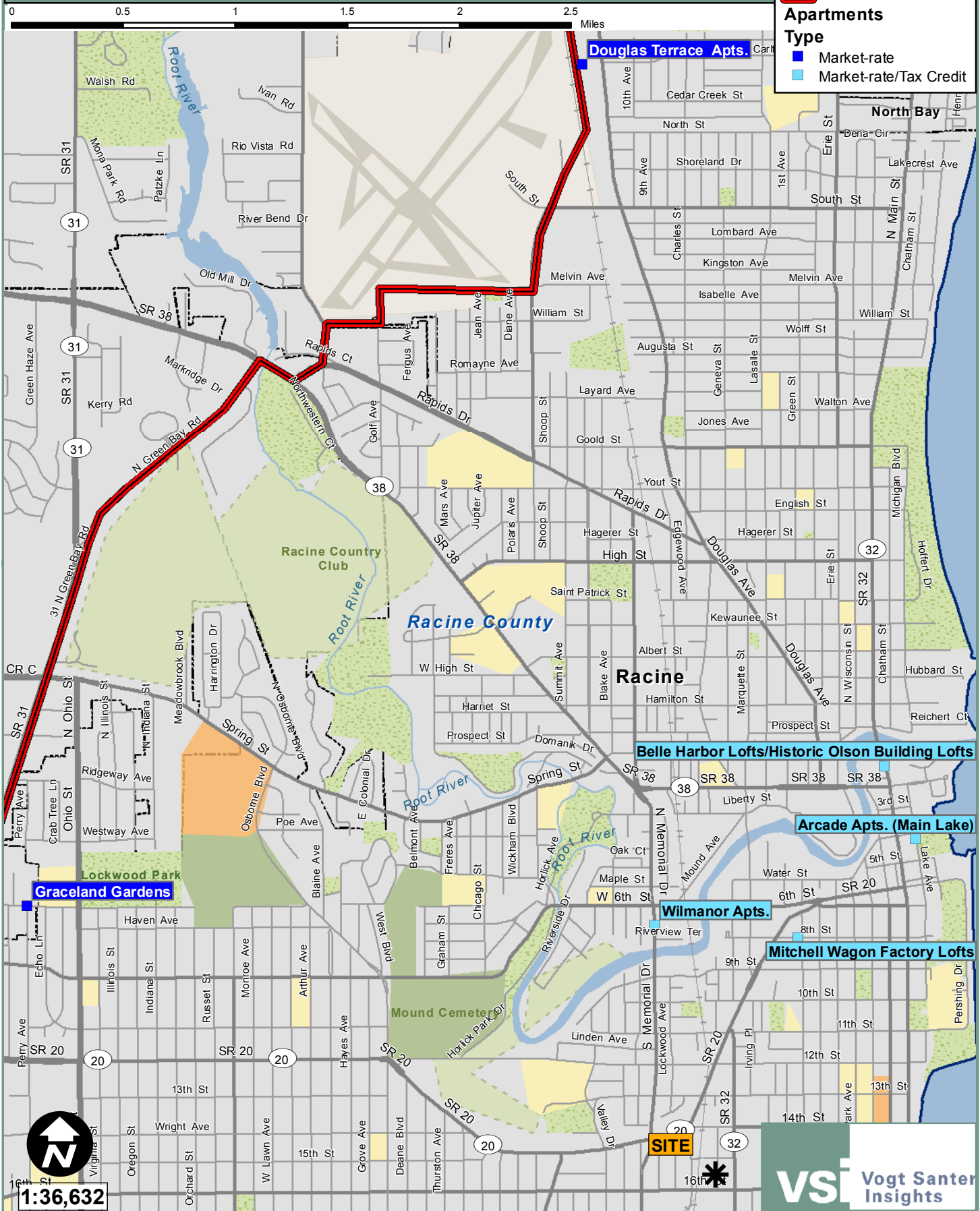
The following map illustrates the subject site location relative to the locations of the comparable market-rate properties. Following the comparable properties locations map are one-page profiles and the Rent Comparability Grids. These grids show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the subject development.

# Racine, WI

## Comparable Market-rate Property Locations

**Legend**

- Project Site
- PMA
- Apartments Type**
- Market-rate
- Market-rate/Tax Credit



1:36,632

**7** Mitchell Wagon Factory Lofts 1.0 miles to site



<b>Address</b>	815 8th St. Racine, WI 53405	<b>Phone</b>	(262) 619-9956	
		<b>Contact</b>	Seline	
<b>Project Type</b>	Market-Rate & Tax Credit			
<b>Total Units</b>	100	<b>Vacancies</b>	2	
		<b>Percent Occupied</b>	98.0%	
		<b>Floors</b>	3	
<b>Year Open</b>	2003			
<b>Ratings:</b>	<b>Quality</b>	B+	<b>Neighborhood</b>	B+
<b>Waiting List</b>	None		<b>Age Restrictions</b>	None
<b>Concessions</b>	No Rent Specials			
<b>Remarks</b>	Market-rate (12 units); 50% & 60% AMHI (88 units); Accepts HCV (12 units); Unit mix estimated; Adaptive reuse of a building constructed in the early 1900s			



Features and Utilities	
<b>Utilities</b>	Landlord pays Water, Sewer, Trash; Tenant pays Electric, Gas Heat, Gas Hot Water, Gas for Cooking
<b>Unit Amenities</b>	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Window AC, Carpet, Washer & Dryer, Washer/Dryer Hook-Ups, Patio/Deck/Balcony, Blinds
<b>Project Amenities</b>	On-site Management, Activity Room, Elevator, Social Services/Activities

**Unit Configuration**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1	T	4	0	1,210	\$860	\$0.71	\$964	
1	1	T	15	0	1,210	\$572	\$0.47	\$676	50%
1	1	T	15	1	1,210	\$706	\$0.58	\$810	60%
2	1	T	4	0	2,000	\$1,105	\$0.55	\$1,245	
2	1	T	15	0	2,000	\$674	\$0.34	\$814	50%
2	1	T	15	1	2,000	\$834	\$0.42	\$974	60%
3	2	T	4	0	2,200	\$1,075	\$0.49	\$1,247	
3	2	T	14	0	2,200	\$767	\$0.35	\$939	50%
3	2	T	14	0	2,200	\$952	\$0.43	\$1,124	60%

**1520 Clark Street (Site)**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1	G	3		807	\$850	\$1.05	\$850	
1	1	G	10		807	\$243	\$0.30	\$386	30%
1	1	G	7		807	\$598	\$0.74	\$741	60%
2	2	G	6		932 - 993	\$1,060	\$1.07 - \$1.14	\$1,060	
2	2	G	9		932 - 993	\$275	\$0.28 - \$0.30	\$463	30%
2	2	G	8		932 - 993	\$584	\$0.59 - \$0.63	\$772	50%
2	2	G	1		932 - 993	\$702	\$0.71 - \$0.75	\$890	60%
3	2	G	16		1,127	\$661	\$0.59	\$891	50%
3	2	G	14		1,127	\$798	\$0.71	\$1,028	60%

- S - Site
- C - Mitchell Wagon Factory Lofts

**8 Wilmanor Apts.** 1.1 miles to site



<b>Address</b>	255 N. Memorial Dr. Racine, WI 53404			<b>Phone</b>	(262) 271-1703
				<b>Contact</b>	Ron
<b>Project Type</b>	Market-Rate & Tax Credit				
<b>Total Units</b>	36	<b>Vacancies</b>	4	<b>Percent Occupied</b>	88.9%
				<b>Floors</b>	3.5
<b>Year Open</b>	1995		<b>Year Renovated</b>	2014	
<b>Ratings:</b>	<b>Quality</b>	B-	<b>Neighborhood</b>	B-	
<b>Waiting List</b>	None		<b>Age Restrictions</b>	None	
<b>Concessions</b>	No Rent Specials				
<b>Remarks</b>	Market-rate (12); 30%, 40% & 50% AMHI (24); Accepts HCV (5); Unit mix estimated; Lower rents at higher AMHI are long-time residents; Ongoing renovations as units turnover; 1 2-br manager unit excluded from total; Adaptive reuse of building built 1927				

**Features and Utilities**

<b>Utilities</b>	Landlord pays Gas Heat, Gas Hot Water, Water, Sewer, Trash; Tenant pays Electric, Electric for Cooking
<b>Unit Amenities</b>	Refrigerator, Range, Carpet, Blinds, Wood Floors
<b>Project Amenities</b>	On-site Management, Laundry Facility, Activity Room, Playground

**Unit Configuration**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$ / Square Foot		
0	1	G	1	0	460	\$425	\$0.92	\$471	
0	1	G	1	0	460	\$385	\$0.84	\$431	30%
0	1	G	1	0	460	\$415	\$0.90	\$461	40%
0	1	G	2	0	460	\$425	\$0.92	\$471	50%
1	1	G	4	0	580	\$425	\$0.73	\$482	
1	1.5	G	5	1	800	\$550	\$0.69	\$607	
1	1	G	2	0	580	\$400	\$0.69	\$457	30%
1	1.5	G	1	1	800	\$425	\$0.53	\$482	40%
1	1	G	2	1	580	\$425	\$0.73	\$482	40%
1	1	G	2	0	580	\$450	\$0.78	\$507	50%
2	1.5	G	2	0	925	\$600	\$0.65	\$675	
2	1	G	1	0	812	\$425	\$0.52	\$500	30%
2	1	G	12	1	812	\$425	\$0.52	\$500	50%

**1520 Clark Street (Site)**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$ / Square Foot		
1	1	G	3		807	\$850	\$1.05	\$850	
1	1	G	10		807	\$243	\$0.30	\$386	30%
1	1	G	7		807	\$598	\$0.74	\$741	60%
2	2	G	6		932 - 993	\$1,060	\$1.07 - \$1.14	\$1,060	
2	2	G	9		932 - 993	\$275	\$0.28 - \$0.30	\$463	30%
2	2	G	8		932 - 993	\$584	\$0.59 - \$0.63	\$772	50%
2	2	G	1		932 - 993	\$702	\$0.71 - \$0.75	\$890	60%
3	2	G	16		1,127	\$661	\$0.59	\$891	50%
3	2	G	14		1,127	\$798	\$0.71	\$1,028	60%

- S - Site
- C - Wilmanor Apts.



**12** Arcade Apts. (Main Lake) 1.6 miles to site



<b>Address</b>	424 Lake Ave. Racine, WI 53403	<b>Phone</b>	(262) 632-4173	
		<b>Contact</b>	Tony	
<b>Project Type</b>	Market-Rate & Tax Credit			
<b>Total Units</b>	75	<b>Vacancies</b>	0	
		<b>Percent Occupied</b>	100.0%	
		<b>Floors</b>	3,4	
<b>Year Open</b>	1996			
<b>Ratings:</b>	<b>Quality</b>	B+	<b>Neighborhood</b>	B+
<b>Waiting List</b>	25 households		<b>Age Restrictions</b>	None
<b>Concessions</b>	No Rent Specials			
<b>Remarks</b>	Market-rate (15 units); 60% AMHI (60 units); Accepts HCV (8 units); Adaptive reuse of the 1923-built Arcade Building			

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash; Tenant pays Electric, Electric Heat, Electric Hot Water, Electric for Cooking
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Blinds
<b>Project Amenities</b>	On-site Management, Laundry Facility, Lounge/Gathering Area

**Unit Configuration**

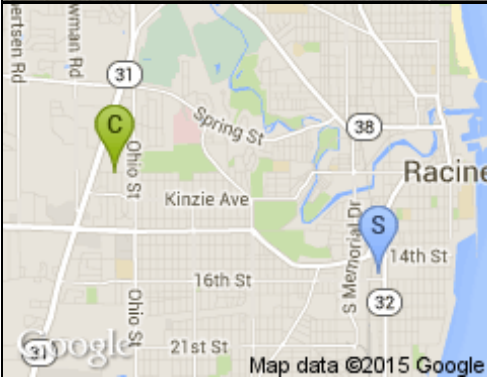
BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1 to 1.5	G	6	0	775 - 995	\$700 - \$850	\$0.85 - \$0.90	\$837 - \$987	
1	1 to 1.5	G	26	0	775 - 995	\$500 - \$700	\$0.65 - \$0.70	\$637 - \$837	60%
2	1	G	9	0	1,246 - 1,258	\$850 - \$1,200	\$0.68 - \$0.95	\$1,033 - \$1,383	
2	1	G	34	0	1,246 - 1,258	\$650 - \$850	\$0.52 - \$0.68	\$833 - \$1,033	60%

**1520 Clark Street (Site)**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1	G	3		807	\$850	\$1.05	\$850	
1	1	G	10		807	\$243	\$0.30	\$386	30%
1	1	G	7		807	\$598	\$0.74	\$741	60%
2	2	G	6		932 - 993	\$1,060	\$1.07 - \$1.14	\$1,060	
2	2	G	9		932 - 993	\$275	\$0.28 - \$0.30	\$463	30%
2	2	G	8		932 - 993	\$584	\$0.59 - \$0.63	\$772	50%
2	2	G	1		932 - 993	\$702	\$0.71 - \$0.75	\$890	60%
3	2	G	16		1,127	\$661	\$0.59	\$891	50%
3	2	G	14		1,127	\$798	\$0.71	\$1,028	60%

- S - Site
- C - Arcade Apts. (Main Lake)

**13** Graceland Gardens 2.9 miles to site



<b>Address</b>	5000 Graceland Blvd. Racine, WI 53406	<b>Phone Contact</b>	(262) 634-8919 Kelly
<b>Project Type</b>	Market-Rate		
<b>Total Units</b>	120	<b>Vacancies</b>	6
<b>Percent Occupied</b>	95.0%	<b>Floors</b>	2,3
<b>Year Open</b>	1968		
<b>Ratings:</b>	<b>Quality</b>	B-	<b>Neighborhood</b> B
<b>Waiting List</b>	None	<b>Age Restrictions</b>	None
<b>Concessions</b>	No Rent Specials		
<b>Remarks</b>	Does not accept HCV; Formerly known as The Imperial		

**Features and Utilities**

<b>Utilities</b>	Landlord pays Water, Sewer, Trash; Tenant pays Electric, Electric Heat, Electric Hot Water, Electric for Cooking
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Window AC, Carpet, Patio/Deck/Balcony, Blinds
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Club House, Lounge/Gathering Area, Fitness Center, Elevator, Computer/Business Center, Social Services/Activities, Guest Apt. (\$45/day)

**Unit Configuration**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent
						Unit	\$ / Square Foot	
1	1	G	36	0	750	\$614	\$0.82	\$751
2	1.5	G	80	6	950	\$799	\$0.84	\$982
3	2	G	4	0	1,200	\$915	\$0.76	\$1,139

**1520 Clark Street (Site)**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$ / Square Foot		
1	1	G	3		807	\$850	\$1.05	\$850	
1	1	G	10		807	\$243	\$0.30	\$386	30%
1	1	G	7		807	\$598	\$0.74	\$741	60%
2	2	G	6		932 - 993	\$1,060	\$1.07 - \$1.14	\$1,060	
2	2	G	9		932 - 993	\$275	\$0.28 - \$0.30	\$463	30%
2	2	G	8		932 - 993	\$584	\$0.59 - \$0.63	\$772	50%
2	2	G	1		932 - 993	\$702	\$0.71 - \$0.75	\$890	60%
3	2	G	16		1,127	\$661	\$0.59	\$891	50%
3	2	G	14		1,127	\$798	\$0.71	\$1,028	60%

- S - Site
- C - Graceland Gardens

Survey Date: December 2014



**15** Belle Harbor Lofts/Historic Olson Building Lofts 1.7 miles to site



<b>Address</b>	134 Main St. Racine, WI 55403	<b>Phone</b>	(262) 619-4050
		<b>Contact</b>	Maria
<b>Project Type</b>	Market-Rate & Tax Credit		
<b>Total Units</b>	78	<b>Vacancies</b>	2
		<b>Percent Occupied</b>	97.4%
		<b>Floors</b>	2,4
<b>Year Open</b>	2000		
<b>Ratings:</b>	<b>Quality</b>	B+	<b>Neighborhood</b> B+
<b>Waiting List</b>	None		<b>Age Restrictions</b> None
<b>Concessions</b>	No Rent Specials		
<b>Remarks</b>	Market-rate (16 units); 30%, 50% & 60% AMHI (62 units); Accepts HCV (25 units); Unit mix estimated by manager; Adaptive reuse of the Thomas Driver & Sons Manufacturing Company building originally constructed in late 1800s		

Features and Utilities	
<b>Utilities</b>	Landlord pays Hot Water, Water, Sewer, Trash; Tenant pays Electric, Gas Heat, Electric for Cooking
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook-Ups, Blinds
<b>Project Amenities</b>	On-site Management, Lounge/Gathering Area, Fitness Center, Computer/Business Center, Picnic Area, Theater Room

**Unit Configuration**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1	G	6	0	557 - 850	\$710 - \$735	\$0.86 - \$1.27	\$814 - \$839	
1	1	G	2	0	557	\$306	\$0.55	\$410	30%
1	1	G	2	0	814	\$572	\$0.70	\$676	50%
1	1	G	18	1	557 - 850	\$610 - \$635	\$0.75 - \$1.10	\$714 - \$739	60%
2	1 to 2	G	5	0	820 - 1,111	\$890	\$0.80 - \$1.09	\$1,028	
2	1 to 2	G	20	1	820 - 1,111	\$710 - \$755	\$0.68 - \$0.87	\$848 - \$893	60%
3	2	G	5	0	1,111 - 1,321	\$1,005	\$0.76 - \$0.90	\$1,173	
3	2	G	20	0	1,111 - 1,321	\$885 - \$920	\$0.70 - \$0.80	\$1,053 - \$1,088	60%

**1520 Clark Street (Site)**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$/ Square Foot		
1	1	G	3		807	\$850	\$1.05	\$850	
1	1	G	10		807	\$243	\$0.30	\$386	30%
1	1	G	7		807	\$598	\$0.74	\$741	60%
2	2	G	6		932 - 993	\$1,060	\$1.07 - \$1.14	\$1,060	
2	2	G	9		932 - 993	\$275	\$0.28 - \$0.30	\$463	30%
2	2	G	8		932 - 993	\$584	\$0.59 - \$0.63	\$772	50%
2	2	G	1		932 - 993	\$702	\$0.71 - \$0.75	\$890	60%
3	2	G	16		1,127	\$661	\$0.59	\$891	50%
3	2	G	14		1,127	\$798	\$0.71	\$1,028	60%

- S - Site
- C - Belle Harbor Lofts/Historic Olson Building Lofts



**20** Douglas Terrace Apts. 3.9 miles to site



<b>Address</b>	3706 Douglas Ave. Racine, WI 43402	<b>Phone</b>	(262) 681-3880
		<b>Contact</b>	Jo
<b>Project Type</b>	Market-Rate		
<b>Total Units</b>	202	<b>Vacancies</b>	6
		<b>Percent Occupied</b>	97.0%
		<b>Floors</b>	2
<b>Year Open</b>	1970	<b>Year Renovated</b>	1996
<b>Ratings:</b>	<b>Quality</b> B	<b>Neighborhood</b>	B
<b>Waiting List</b>	None	<b>Age Restrictions</b>	None
<b>Concessions</b>	No Rent Specials		

**Remarks**

Features and Utilities	
<b>Utilities</b>	Landlord pays Gas Heat, Gas for Cooking, Water, Sewer, Trash; Tenant pays Electric, Electric Hot Water
<b>Unit Amenities</b>	Refrigerator, Range, Dishwasher, Disposal, Pantry, Window AC, Carpet, Patio/Deck/Balcony, Ceiling Fan, Intercom, Blinds, Walk-in Closets
<b>Project Amenities</b>	Swimming Pool, On-site Management, Laundry Facility, Playground, Picnic Area, Walking/Bike Trail

**Unit Configuration**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent
						Unit	\$ / Square Foot	
0	1	G	8	0	480	\$499	\$1.04	\$548
1	1	G	106	4	683 - 692	\$610	\$0.88 - \$0.89	\$671
2	1	G	72	2	779 - 992	\$699 - \$739	\$0.75 - \$0.90	\$780 - \$820
3	2	G	16	0	1,185	\$859 - \$899	\$0.72 - \$0.76	\$958 - \$998

**1520 Clark Street (Site)**

BRs	Baths	Type	Units	Vacant	Square Feet	Collected Rent		Gross Rent	AMHI
						Unit	\$ / Square Foot		
1	1	G	3		807	\$850	\$1.05	\$850	
1	1	G	10		807	\$243	\$0.30	\$386	30%
1	1	G	7		807	\$598	\$0.74	\$741	60%
2	2	G	6		932 - 993	\$1,060	\$1.07 - \$1.14	\$1,060	
2	2	G	9		932 - 993	\$275	\$0.28 - \$0.30	\$463	30%
2	2	G	8		932 - 993	\$584	\$0.59 - \$0.63	\$772	50%
2	2	G	1		932 - 993	\$702	\$0.71 - \$0.75	\$890	60%
3	2	G	16		1,127	\$661	\$0.59	\$891	50%
3	2	G	14		1,127	\$798	\$0.71	\$1,028	60%

- S - Site
- C - Douglas Terrace Apts.



## One-Bedroom Market-Rate Comparability Grid

Subject		Comp #1		Comp #2		Comp #3	
1520 Clark St.		Mitchell Wagon Factory Lofts		Arcade Apts. (Main Lake)		Belle Harbor Lofts/Historic Olson Building Lofts	
1520 Clark St.		815 8th St.		424 Lake Ave.		134 Main St.	
Racine, WI		Racine, WI		Racine, WI		Racine, WI	
<b>A.</b>	<b>Rents Charged</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
1	\$ Last Rent/Restricted?	\$860		\$850		\$710	
3	Rent Concessions	NONE		NONE		NONE	
4	Occupancy for Unit Type	100%		100%		100%	
5	Effective Rent & Rent/Sq. Ft.	\$860	\$0.71	\$850	\$0.85	\$710	\$1.27
<b>B.</b>	<b>Design, Location, Condition</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
6	Structure/Stories	EE/1,2,3		WU/3,4		WU/2,4	
7	Year Built/Year Renovated	2016	\$13	1996	\$20	2000	\$16
8	Condition/Street Appeal	G		G		G	
9	Neighborhood	G		G		G	
10	Same Market? Miles to Subj	Y/1.0		Y/1.6		Y/1.7	
<b>C.</b>	<b>Unit Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
11	# Bedrooms	1		1		1	
12	# Baths	1		1		1	
13	Unit Interior Sq. Ft.	807	(\$69)	995	(\$32)	557	\$42
14	Balcony/Patio	N	(\$5)	N		N	
15	AC: Central/Wall	C	\$10	C		C	
16	Range/Refrigerator	R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		N/Y		N/Y	
18	Washer/Dryer	W/D		L	\$35	HU	\$35
19	Floor Coverings	C		C		C	
20	Window Treatments	B		B		B	
21	Ceiling Fan	Y	\$10	N	\$10	N	\$10
22	Intercom	N		N		N	
23	Cable	T		T		T	
<b>D</b>	<b>Site Equipment/ Amenities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y	
26	Security	N		N		N	
27	Clubhouse/Meeting Rooms	AR/MR/CR	\$10	L	\$10	L	\$10
28	Pool/Recreation Areas	F	\$10	N	\$10	F	
29	Extra Storage	Y	\$5	N	\$5	N	\$5
30	Business Center	Y	\$7	N	\$7	Y	
31	Library/DVD Library	Y	\$3	N	\$3	N	\$3
32	Social Services/Activities	N	(\$10)	N		N	
<b>E.</b>	<b>Utilities</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>	<b>Data</b>	<b>\$ Adj</b>
33	Heat (in rent?/type)	N/G		N/E	\$18	N/G	
34	Cooling (in rent?/type)	N/E		N/E		N/E	
35	Cooking (in rent?/type)	N/G		N/E	\$5	N/E	\$5
36	Hot Water (in rent?/type)	N/G		N/E	\$7	Y/Boiler	(\$8)
37	Other Electric	N		N		N	
38	Cold Water/Sewer	N/N	(\$44)	Y/Y	(\$44)	Y/Y	(\$44)
39	Trash/Recycling	Y/N		Y/N		Y/N	
<b>F.</b>	<b>Adjustments Recap</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>	<b>Pos</b>	<b>Neg</b>
40	# Adjustments B to D	8	3	8	1	7	0
41	Sum Adjustments B to D	\$68	(\$84)	\$100	(\$32)	\$121	\$0
42	Sum Utility Adjustments	\$0	(\$44)	\$30	(\$44)	\$5	(\$52)
		<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>	<b>Net</b>	<b>Gross</b>
43	Net/Gross Adjmts B to E	(\$60)	\$196	\$54	\$206	\$74	\$178
<b>G.</b>	<b>Adjusted &amp; Market Rents</b>	<b>Adj. Rent</b>		<b>Adj. Rent</b>		<b>Adj. Rent</b>	
44	Adjusted Rent (5+ 43)	\$800		\$904		\$784	
45	Adj. Rent/Last Rent		93%		106%		110%
46	Estimated Market Rent	\$850	\$1.05	Estimated Market Rent/Sq. Ft.			

## Two-Bedroom Market-Rate Comparability Grid

Subject		Comp #1		Comp #2		Comp #3		
	1520 Clark St.		Mitchell Wagon Factory Lofts		Arcade Apts. (Main Lake)		Belle Harbor Lofts/Historic Olson Building Lofts	
	1520 Clark St.	Data on	815 8th St.		424 Lake Ave.		134 Main St.	
	Racine, WI	Subject	Racine, WI		Racine, WI		Racine, WI	
<b>A.</b>	<b>Rents Charged</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent/Restricted?		\$1,105		\$1,025		\$890	
3	Rent Concessions		NONE		NONE		NONE	
4	Occupancy for Unit Type		100%		100%		100%	
5	Effective Rent & Rent/Sq. Ft.	▼	\$1,105	\$0.55	\$1,025	\$0.81	\$890	\$0.80
<b>B.</b>	<b>Design, Location, Condition</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure/Stories	EE/1,2,3	EE/3		WU/3,4		WU/2,4	
7	Year Built/Year Renovated	2016	2003	\$13	1996	\$20	2000	\$16
8	Condition/Street Appeal	G	G		G		G	
9	Neighborhood	G	G		G		G	
10	Same Market? Miles to Subj		Y/1.0		Y/1.6		Y/1.7	
<b>C.</b>	<b>Unit Equipment/ Amenities</b>		Data	Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2	2		2		2	
12	# Baths	2	1	\$30	1	\$30	2	
13	Unit Interior Sq. Ft.	993	2000	(\$140)	1258	(\$37)	1111	(\$17)
14	Balcony/Patio	N	Y	(\$5)	N		N	
15	AC: Central/Wall	C	W	\$10	C		C	
16	Range/Refrigerator	R/F	R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y	N/Y		N/Y		N/Y	
18	Washer/Dryer	W/D	W/D		L	\$35	HU	\$35
19	Floor Coverings	C	C		C		C	
20	Window Treatments	B	B		B		B	
21	Ceiling Fan	Y	N	\$10	N	\$10	N	\$10
22	Intercom	N	N		N		N	
23	Cable	T	T		T		T	
<b>D.</b>	<b>Site Equipment/ Amenities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking ( \$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	Y		Y		Y	
26	Security	N	N		N		N	
27	Clubhouse/Meeting Rooms	AR/MR/CR	AR	\$10	L	\$10	L	\$10
28	Pool/Recreation Areas	F	N	\$10	N	\$10	F	
29	Extra Storage	Y	N	\$5	N	\$5	N	\$5
30	Business Center	Y	N	\$7	N	\$7	Y	
31	Library/DVD Library	Y	N	\$3	N	\$3	N	\$3
32	Social Services/Activities	N	Y	(\$10)	N		N	
<b>E.</b>	<b>Utilities</b>		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/type)	N/G	N/G		N/E	\$24	N/G	
34	Cooling (in rent?/type)	N/E	N/E		N/E		N/E	
35	Cooking (in rent?/type)	N/G	N/G		N/E	\$6	N/E	\$6
36	Hot Water (in rent?/type)	N/G	N/G		N/E	\$10	Y/Boiler	(\$11)
37	Other Electric	N	N		N		N	
38	Cold Water/Sewer	N/N	Y/Y	(\$54)	Y/Y	(\$54)	Y/Y	(\$54)
39	Trash/Recycling	Y/N	Y/N		Y/N		Y/N	
<b>F.</b>	<b>Adjustments Recap</b>		Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D		9	3	9	1	6	1
41	Sum Adjustments B to D		\$98	(\$155)	\$130	(\$37)	\$79	(\$17)
42	Sum Utility Adjustments		\$0	(\$54)	\$40	(\$54)	\$6	(\$65)
			Net	Gross	Net	Gross	Net	Gross
43	Net/Gross Adjmts B to E		(\$111)	\$307	\$79	\$261	\$3	\$167
<b>G.</b>	<b>Adjusted &amp; Market Rents</b>		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)		\$994		\$1,104		\$893	
45	Adj. Rent/Last Rent			90%		108%		100%
46	Estimated Market Rent	\$1,060	\$1.07	Estimated Market Rent/Sq. Ft.				

### Three-Bedroom Market-Rate Comparability Grid

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
1520 Clark St.		Mitchell Wagon Factory Lofts		Belle Harbor Lofts/Historic Olson Building Lofts		Graceland Gardens		Douglas Terrace Apts.		Arcade Apts. (Main Lake)	
1520 Clark St. Racine, WI		815 8th St. Racine, WI		134 Main St. Racine, WI		5000 Graceland Blvd. Racine, WI		3706 Douglas Ave. Racine, WI		424 Lake Ave. Racine, WI	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent/Restricted?	\$1,105		\$1,005		\$915		\$879		\$1,200	
3	Rent Concessions	NONE		NONE		NONE		NONE		NONE	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/Sq. Ft.	\$1,105	\$0.55	\$1,005	\$0.76	\$915	\$0.76	\$879	\$0.74	\$1,200	\$0.96
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure/Stories	EE/1,2,3		WU/2,4		EE/2,3		WU/2		WU/3,4	
7	Year Built/Year Renovated	2016		2000	\$16	1968	\$48	1970/1996	\$33	1996	\$20
8	Condition/Street Appeal	G		G		G		G		G	
9	Neighborhood	G		G		G		G		G	
10	Same Market? Miles to Subj	Y/1.0		Y/1.7		Y/2.9		Y/3.9		Y/1.6	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	3	\$60	3		3		3		2	\$60
12	# Baths	2		2		2		2		1	\$30
13	Unit Interior Sq. Ft.	1127		1321	(\$27)	1200	(\$10)	1185	(\$8)	1246	
14	Balcony/Patio	N	(\$5)	N		Y	(\$5)	Y	(\$5)	N	
15	AC: Central/Wall	C	\$10	C		W	\$10	W	\$10	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		HU	\$35	L	\$35	L	\$35	L	\$35
19	Floor Coverings	C		C		C		C		C	
20	Window Treatments	B		B		B		B		B	
21	Ceiling Fan	Y	\$10	N	\$10	N	\$10	Y		N	\$10
22	Intercom	N		N		N		Y	(\$5)	N	
23	Cable	T		T		T		T		T	
D. Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y		Y		Y	
26	Security	N		N		N		N		N	
27	Clubhouse/Meeting Rooms	AR/MR/CR	\$10	L	\$10	CH/L	\$5	N	\$10	L	\$10
28	Pool/Recreation Areas	F	\$10	F		P/F	(\$10)	P	(\$10)	N	\$10
29	Extra Storage	Y	\$5	N	\$5	N	\$5	N	\$5	N	\$5
30	Business Center	Y	\$7	Y		Y		N	\$7	N	\$4
31	Library/DVD Library	Y	\$3	N	\$3	N	\$3	N	\$3	N	\$3
32	Social Services/Activities	N	(\$10)	N		Y	(\$10)	N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/type)	N/G	(\$2)	N/G		N/E	\$30	Y/G	(\$77)	N/E	\$10
34	Cooling (in rent?/type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/type)	N/G		N/E	\$7	N/E	\$7	Y/G	(\$11)	N/E	\$4
36	Hot Water (in rent?/type)	N/G		Y/Boiler	(\$13)	N/E	\$13	N/E	\$13	N/E	\$8
37	Other Electric	N		N		N		N		N	
38	Cold Water/Sewer	N/N	(\$66)	Y/Y	(\$66)	Y/Y	(\$66)	Y/Y	(\$66)	Y/Y	(\$54)
39	Trash/Recycling	Y/N		Y/N		Y/N		Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	9	2	6	1	7	4	7	4	10	0
41	Sum Adjustments B to D	\$128	(\$15)	\$79	(\$27)	\$116	(\$35)	\$103	(\$28)	\$187	\$0
42	Sum Utility Adjustments	\$0	(\$68)	\$7	(\$79)	\$50	(\$66)	\$13	(\$154)	\$22	(\$54)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/Gross Adjmts B to E	\$45	\$211	(\$20)	\$192	\$65	\$267	(\$66)	\$298	\$155	\$263
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$1,150		\$985		\$980		\$813		\$1,355	
45	Adj. Rent/Last Rent		104%		98%		107%		92%		113%
46	Estimated Market Rent	\$1,145	\$1.02	Estimated Market Rent/Sq. Ft.							

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used 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.

Given the site will offer the newest, most modern units in this market and will feature modern unit finishes and comprehensive amenities, it is our opinion the proposed 1520 can achieve rents at the top of the market. The units at Wagon Factory Lofts, Arcade Apartments and Belle Harbor Lofts/Historic Olson Building are considered the most comparable and are given the most weight in determining achievable market rents.

Based on the preceding Rent Comparability Grids, it was determined that the present-day achievable market rents for units similar to the subject development as proposed are \$850 for a one-bedroom unit, \$1,060 for a two-bedroom unit and \$1,145 for a three-bedroom unit, which are illustrated as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent	Proposed Rent as Share of Market
One-Bedroom	\$243/30%	\$850	28.6%
	\$598/60%		70.4%
	\$850/MR		100.0%
Two-Bedroom	\$275/30%	\$1,060	25.9%
	\$584/50%		55.1%
	\$702/60%		66.2%
	\$1,060/MR		100.0%
Three-Bedroom	\$661/50%	\$1,145	57.7%
	\$798/60%		69.7%

MR – Market-rate

The proposed collected rents Tax Credit rents are 25.9% to 70.4% of the achievable market rents, and as such, should represent very good to excellent values for the local market. Typically, Tax Credit rents are set 10% or more below achievable market rents to ensure that the project will have an adequate flow of tenants. Given the value of the proposed rents relative to market, with market rent advantages of at least 29.6%, we expect the proposed Tax Credit rents will be perceived as considerable values in this market.

Given 1520 Clark Street will represent the most modern rental housing choice in this market and will offer comprehensive unit features and community amenities, we expect the nine (9) market-rate units will be marketable at the proposed rents that are equal to the achievable market rents. The proposed market-rate rents are within the range of those currently being achieved for comparable units at the adaptive reuse properties that range from \$710 to \$860 for one-bedroom units and \$890 to \$1,105 for two-bedroom units.



It is our opinion that the proposed rents are appropriate for the nine units at 1520 and will be marketable in the Racine Site PMA, and will represent a value given the newness of the project and the comprehensive amenities proposed for the project.

**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.
  
7. Upon completion of construction/rehabilitation, the proposed 1520 will have a high quality rating of at least a B+. Four of the comparable properties are adaptive reuse properties that similar to the proposed project involved the conversion of historic factory buildings into apartments. Two properties, however, are older 1960s and 1970s vintage properties. Given all properties are considered to be of good quality, adjustments equal to \$1 per year of age difference reflect the effective age of the property relative to those of the comparable properties.
  
12. The number of bathrooms offered at each of the selected properties varies. Adjustments of \$15 per half bathroom (\$30 per full bath) reflect the difference in the number of bathrooms offered at the site as 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 20% of the average for this adjustment.

23. The subject project as proposed will offer modern unit finishes and comprehensive amenities, including central air conditioning, a range, refrigerator, dishwasher, in-unit washer and dryer, carpet, window blinds and ceiling fans. Adjustments to the comparable properties reflect the value of features lacking at the selected properties, and in some cases, the adjustments reflect the value of features the subject property does not offer.

24.-32. The subject project as proposed offers comprehensive community amenities, including on-site management, an activity room with a kitchenette, a media/theater room, a craft room, fitness center, resident storage, a computer center and a library. Additionally, there will be several courtyards with outdoor seating. Adjustments reflect community feature differences between the proposed 1520 and the selected properties' project amenities.

33.-39. Adjustments reflect the differences in utility responsibility at each selected property. The utility adjustments are based on the local housing authority's utility cost estimates.

**B. Tax Credit**

We also prepared an achievable Tax Credit rent analysis to evaluate the appropriateness of the proposed rents compared to existing Tax Credit rental alternatives. The properties used in this analysis are detailed in the Survey of Comparable Tax Credit Properties found and discussed in greater detail in Section IX of this report. The proposed subject development and the four selected properties include the following:

Map I.D.	Project Name	Year Opened/ Renovated	Total Units	Occupancy Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	1520 Clark Street	2016	65*	-	-	17*	18*	30
7	Mitchell Wagon Factory Lofts	2003	88*	97.7%	-	30 (96.7%)	30 (96.7%)	28 (100.0%)
8	Wilmanor Apts.	1995 / 2014	24*	87.5%	4 (100.0%)	7 (71.4%)	13 (92.3%)	-
12	Arcade Apts. (Main Lake)	1996	60*	100.0%	-	26 (100.0%)	34 (100.0%)	-
15	Belle Harbor Lofts/Historic Olson Building Lofts	2000	62*	96.8%	-	22 (95.5%)	20 (95.0%)	20 (100.0%)

\*Market-rate units not included

The four LIHTC projects have a combined occupancy rate of 97.0%, indicating a very strong demand for non-subsidized affordable housing in the market. One project, Arcade Apartments, has a waiting list of 25 households for the next available unit.

Note the following analysis is completed to determine the achievable Tax Credit rents for the highest income level units proposed for the site. In this case, the rent comparability grids consider the 60% AMHI units at the comparables. Because Wilmanor Apartments does not offer 60% AMHI units, it is excluded from the following achievable rent analysis.

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

## One-Bedroom Garden @ 60% Comparability Grid

Subject		Comp #1		Comp #2		Comp #3	
1520 Clark St.		Mitchell Wagon Factory Lofts		Arcade Apts. (Main Lake)		Belle Harbor Lofts/Historic Olson Building Lofts	
1520 Clark St.		815 8th St.		424 Lake Ave.		134 Main St.	
Racine, WI		Racine, WI		Racine, WI		Racine, WI	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent/Restricted?	\$746		\$700		\$623	
3	Rent Concessions	NONE		NONE		NONE	
4	Occupancy for Unit Type	93%		100%		100%	
5	Effective Rent & Rent/Sq. Ft.	\$746	\$0.62	\$700	\$0.70	\$623	\$1.12
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure/Stories	EE/1,2,3		WU/3,4		WU/2,4	
7	Year Built/Year Renovated	2016	\$13	1996	\$20	2000	\$16
8	Condition/Street Appeal	G		G		G	
9	Neighborhood	G		G		G	
10	Same Market? Miles to Subj	Y/1.0		Y/1.6		Y/1.7	
C.	Unit Equipment/ Amenities	Data	Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1		1		1	
12	# Baths	1		1		1	
13	Unit Interior Sq. Ft.	807	(\$75)	995	(\$35)	557	\$47
14	Balcony/Patio	N	(\$5)	N		N	
15	AC: Central/Wall	C	\$10	C		C	
16	Range/Refrigerator	R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		N/Y		N/Y	
18	Washer/Dryer	W/D		L	\$35	HU	\$35
19	Floor Coverings	C		C		C	
20	Window Treatments	B		B		B	
21	Ceiling Fan	Y	\$10	N	\$10	N	\$10
22	Intercom	N		N		N	
23	Cable	T		T		T	
D	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y	
26	Security	N		N		N	
27	Clubhouse/Meeting Rooms	AR/MR/CR	\$10	L	\$10	L	\$10
28	Pool/Recreation Areas	F	\$10	N	\$10	F	
29	Extra Storage	Y	\$5	N	\$5	N	\$5
30	Business Center	Y	\$7	N	\$7	Y	
31	Library/DVD Library	Y	\$3	N	\$3	N	\$3
32	Social Services/Activities	N	(\$10)	N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/type)	N/G		N/E	\$18	N/G	
34	Cooling (in rent?/type)	N/E		N/E		N/E	
35	Cooking (in rent?/type)	N/G		N/E	\$5	N/E	\$5
36	Hot Water (in rent?/type)	N/G		N/E	\$7	Y/Boiler	(\$8)
37	Other Electric	N		N		N	
38	Cold Water/Sewer	N/N	(\$44)	Y/Y	(\$44)	Y/Y	(\$44)
39	Trash/Recycling	Y/N		Y/N		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	8	3	8	1	7	0
41	Sum Adjustments B to D	\$68	(\$90)	\$100	(\$35)	\$126	\$0
42	Sum Utility Adjustments	\$0	(\$44)	\$30	(\$44)	\$5	(\$52)
		Net	Gross	Net	Gross	Net	Gross
43	Net/Gross Adjmts B to E	(\$66)	\$202	\$51	\$209	\$79	\$183
G.	Adjusted Rents	Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$680		\$751		\$702	
45	Adj. Rent/Last Rent		91%		107%		113%
46	Estimated Rent	\$700	\$0.87	Estimated Rent/Sq. Ft.			



## Two-Bedroom Garden @ 60% Comparability Grid

Subject		Comp #1		Comp #2		Comp #3	
1520 Clark St.		Mitchell Wagon Factory Lofts		Arcade Apts. (Main Lake)		Belle Harbor Lofts/Historic Olson Building Lofts	
1520 Clark St.		815 8th St.		424 Lake Ave.		134 Main St.	
Racine, WI		Racine, WI		Racine, WI		Racine, WI	
A.	Rents Charged	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent/Restricted?	\$874		\$850		\$755	
3	Rent Concessions	NONE		NONE		NONE	
4	Occupancy for Unit Type	93%		100%		95%	
5	Effective Rent & Rent/Sq. Ft.	\$874	\$0.44	\$850	\$0.68	\$755	\$0.68
B.	Design, Location, Condition	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure/Stories	EE/1,2,3		WU/3,4		WU/2,4	
7	Year Built/Year Renovated	2016	\$13	1996	\$20	2000	\$16
8	Condition/Street Appeal	G		G		G	
9	Neighborhood	G		G		G	
10	Same Market? Miles to Subj	Y/1.0		Y/1.6		Y/1.7	
C.	Unit Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	2		2		2	
12	# Baths	2	\$30	1	\$30	2	
13	Unit Interior Sq. Ft.	993	(\$143)	1258	(\$38)	1111	(\$17)
14	Balcony/Patio	N	(\$5)	N		N	
15	AC: Central/Wall	C	\$10	C		C	
16	Range/Refrigerator	R/F		R/F		R/F	
17	Microwave/Dishwasher	N/Y		N/Y		N/Y	
18	Washer/Dryer	W/D		L	\$35	HU	\$35
19	Floor Coverings	C		C		C	
20	Window Treatments	B		B		B	
21	Ceiling Fan	Y	\$10	N	\$10	N	\$10
22	Intercom	N		N		N	
23	Cable	T		T		T	
D	Site Equipment/ Amenities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking ( \$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		Y		Y	
26	Security	N		N		N	
27	Clubhouse/Meeting Rooms	AR/MR/CR	\$10	L	\$10	L	\$10
28	Pool/Recreation Areas	F	\$10	N	\$10	F	
29	Extra Storage	Y	\$5	N	\$5	N	\$5
30	Business Center	Y	\$7	N	\$7	Y	
31	Library/DVD Library	Y	\$3	N	\$3	N	\$3
32	Social Services/Activities	N	(\$10)	N		N	
E.	Utilities	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/type)	N/G	(\$3)	N/E	\$24	N/G	
34	Cooling (in rent?/type)	N/E		N/E		N/E	
35	Cooking (in rent?/type)	N/G		N/E	\$6	N/E	\$6
36	Hot Water (in rent?/type)	N/G		N/E	\$10	Y/Boiler	(\$11)
37	Other Electric	N		N		N	
38	Cold Water/Sewer	N/N	(\$54)	Y/Y	(\$54)	Y/Y	(\$54)
39	Trash/Recycling	Y/N		Y/N		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	9	3	9	1	6	1
41	Sum Adjustments B to D	\$98	(\$158)	\$130	(\$38)	\$79	(\$17)
42	Sum Utility Adjustments	\$0	(\$57)	\$40	(\$54)	\$6	(\$65)
		Net	Gross	Net	Gross	Net	Gross
43	Net/Gross Adjmts B to E	(\$117)	\$313	\$78	\$262	\$3	\$167
G.	Adjusted Rents	Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$757		\$928		\$758	
45	Adj. Rent/Last Rent		87%		109%		100%
46	Estimated Rent	\$775	\$0.78	Estimated Rent/Sq. Ft.			

## Three-Bedroom Garden @ 60% Comparability Grid

Subject		Comp #1		Comp #2	
	1520 Clark St.		Mitchell Wagon Factory Lofts	Belle Harbor Lofts/Historic Olson Building Lofts	
	1520 Clark St.	<b>Data on Subject</b>	815 8th St.	134 Main St.	
	Racine, WI		Racine, WI	Racine, WI	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj
1	<b>\$ Last Rent/Restricted?</b>	<b>\$952</b>		<b>\$920</b>	
3	<b>Rent Concessions</b>	NONE		NONE	
4	<b>Occupancy for Unit Type</b>	100%		100%	
5	<b>Effective Rent &amp; Rent/Sq. Ft.</b>	<b>\$952</b>	\$0.43	<b>\$920</b>	\$0.70
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj
6	<b>Structure/Stories</b>	EE/1,2,3	EE/3	WU/2,4	
7	<b>Year Built/Year Renovated</b>	2016	2003 \$13	2000	\$16
8	<b>Condition/Street Appeal</b>	G	G	G	
9	<b>Neighborhood</b>	G	G	G	
10	<b>Same Market? Miles to Subj</b>		Y/1.0	Y/1.7	
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj
11	<b># Bedrooms</b>	3	3	3	
12	<b># Baths</b>	2	2	2	
13	<b>Unit Interior Sq. Ft.</b>	1127	2200 (\$143)	1321	(\$26)
14	<b>Balcony/Patio</b>	N	Y (\$5)	N	
15	<b>AC: Central/Wall</b>	C	W \$10	C	
16	<b>Range/Refrigerator</b>	R/F	R/F	R/F	
17	<b>Microwave/Dishwasher</b>	N/Y	N/Y	N/Y	
18	<b>Washer/Dryer</b>	W/D	W/D	HU	\$35
19	<b>Floor Coverings</b>	C	C	C	
20	<b>Window Treatments</b>	B	B	B	
21	<b>Ceiling Fan</b>	Y	N \$10	N	\$10
22	<b>Intercom</b>	N	N	N	
23	<b>Cable</b>	T	T	T	
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj
24	<b>Parking ( \$ Fee)</b>	LOT/\$0	LOT/\$0	LOT/\$0	
25	<b>On-Site Management</b>	Y	Y	Y	
26	<b>Security</b>	N	N	N	
27	<b>Clubhouse/Meeting Rooms</b>	AR/MR/CR	AR \$10	L	\$10
28	<b>Pool/Recreation Areas</b>	F	N \$10	F	
29	<b>Extra Storage</b>	Y	N \$5	N	\$5
30	<b>Business Center</b>	Y	N \$7	Y	
31	<b>Library/DVD Library</b>	Y	N \$3	N	\$3
32	<b>Social Services/Activities</b>	N	Y (\$10)	N	
E. Utilities		Data	\$ Adj	Data	\$ Adj
33	<b>Heat (in rent?/type)</b>	N/G	N/G	N/G	(\$14)
34	<b>Cooling (in rent?/type)</b>	N/E	N/E	N/E	
35	<b>Cooking (in rent?/type)</b>	N/G	N/G	N/E	\$4
36	<b>Hot Water (in rent?/type)</b>	N/G	N/G	Y/Boiler	(\$13)
37	<b>Other Electric</b>	N	N	N	
38	<b>Cold Water/Sewer</b>	N/N	Y/Y (\$66)	Y/Y	(\$54)
39	<b>Trash/Recycling</b>	Y/N	Y/N	Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg
40	<b># Adjustments B to D</b>	8	3	6	1
41	<b>Sum Adjustments B to D</b>	\$68	(\$158)	\$79	(\$26)
42	<b>Sum Utility Adjustments</b>	\$0	(\$66)	\$4	(\$81)
		Net	Gross	Net	Gross
43	<i>Net/Gross Adjmts B to E</i>	(\$156)	\$292	(\$24)	\$190
G. Adjusted Rents		Adj. Rent		Adj. Rent	
44	<b>Adjusted Rent (5+ 43)</b>	<b>\$796</b>		<b>\$896</b>	
45	Adj. Rent/Last Rent		84%		97%
46	<b>Estimated Rent</b>	<b>\$845</b>	<b>\$0.75</b>	<b>Estimated Rent/Sq. Ft.</b>	

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used to derive an achievable Tax Credit rent for one-, two- and three-bedroom units. 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 the present-day achievable 60% AMHI Tax Credit rents for units similar to those proposed for 1520 are \$700 for a one-bedroom unit, \$775 for a two-bedroom unit and \$845 for a three-bedroom unit.

The following table compares the proposed collected rent at the subject site with current achievable Tax Credit rent for the subject units.

Bedroom Type	Proposed Collected 60% AMHI Rent	Achievable 60% AMHI Tax Credit Rent	Proposed Rent as Share of Achievable Tax Credit Rent
One-Bedroom	\$598	\$700	85.4%
Two-Bedroom	\$702	\$775	90.6%
Three-Bedroom	\$798	\$845	94.4%

The proposed collected 60% AMHI rents are 85.4% to 94.4% of the achievable 60% AMHI Tax Credit rents and are considered appropriate for the market. Note that the achievable 60% AMHI rents are higher than the current maximum level. As noted in the Comparable Tax Credit Analysis in Section IX, several properties are charging rents that are higher than current maximum levels due to HUD Hold Harmless policies that protect property owners from declining median incomes/declining rents. Based on the preceding rent comparability grids and comparable rent analysis in Section IX, rents higher than current maximum are achievable in the Site PMA. It is our opinion the proposed maximum allowable 60% AMHI rents are appropriate and achievable in this market.

Adjustments made to the comparable Tax Credit properties were similar to those made to the comparable market-rate properties. As described in the discussion of adjustments to comparable market-rate properties, we consider the specific adjustments made in our analysis to be appropriate in the Racine area rental market at this time.

## XI. Capture Rate Analysis

### A. Determination of Income Eligibility

The number of income-eligible and size-appropriate households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential.

Under the Low-Income Housing Tax Credit program (LIHTC), 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 Racine, Wisconsin Metropolitan Statistical Area (MSA), which has a four-person median household income of \$68,600 for 2014. The following table illustrates the HUD median four-person household income estimates for the past five years.

Year	HUD Median Four-Person Household Income	
	Income	Percent Change
2010	\$67,900	
2011	\$68,700	1.2%
2012	\$69,700	1.5%
2013	\$66,100	-5.2%
2014	\$68,600	3.8%

Following an increase in the HUD median four-person household income between 2010 and 2012, the four-person median household income in the Racine MSA declined by 5.2% in 2013. The 2014 median income of \$68,600 is an increase of 3.8% over 2013 and is 0.9% higher than in 2010.

The subject property's Tax Credit units will be restricted to households with incomes of up to 30%, 50% and 60% of AMHI. The table on the following page summarizes the maximum allowable income by household size for the Racine MSA at the targeted income levels.

2014 HUD Income Limits - Racine, WI MSA			
Household Size	30%	50%	60%
One-person	\$14,450	\$24,050	\$28,860
Two-person	\$16,500	\$27,450	\$32,940
Three-person	\$18,550	\$30,900	\$37,080
Four-person	\$20,600	\$34,300	\$41,160
Five-person	\$22,250	\$37,050	\$44,460
Six-Person	\$23,900	\$39,800	\$47,760
2014 HUD Four-person Median Income: \$68,600			

### 1. Maximum Income Limits

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income for a Tax Credit unit at the subject site is \$44,460 at 60% AMHI.

While the market-rate units will have no maximum income limitation, to be conservative, we capped the income level for our demand analysis at \$60,000. Most renters with high incomes would not opt for a property that offers primarily affordable housing.

### 2. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Generally, market-rate properties require a lower rent-to-income ratio, while the appropriate rent-to-income ratio according to WHEDA market study guidelines for low-income family households is 35% and for seniors is 40%. We utilize a 35% rent-to-income ratio for the proposed general occupancy Tax Credit units.

The proposed LIHTC units will have a lowest gross rent of \$386 for a one-bedroom unit at 30% AMHI. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$4,632. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement of \$13,234.

The market-rate units will have a lowest collected rent of \$850 for a one-bedroom unit. Assuming management will qualify households using a 27% to 33% rent-to-income ratio for market-rate units, the minimum annual income requirement for the market-rate units is approximately \$36,000.

### 3. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate ranges required to live in a Tax Credit unit at the proposed 1520 are \$13,234 to \$18,550 for 30% AMHI units and \$26,469 to \$44,460 for the 50% and 60% AMHI units. The income range for the market-rate units is \$36,000 to \$60,000. The income-appropriate ranges required to live at the subject site are illustrated in the following table.

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited to 30% AMHI)	\$13,234	\$18,550*
Tax Credit (Limited to 50% AMHI)	\$26,469	\$37,050**
Tax Credit (Limited to 60% AMHI)	\$26,469	\$44,460**
Overall Tax Credit	\$13,234 - \$18,550 & \$26,469 - \$44,460	
Market-Rate	\$36,000	\$60,000

\*Three-person maximum income

\*\*Five-person maximum income

### B. Capture Rate Calculations

The subject site is expected to be complete in December 2016. Based on the household projections found in the Demographic Characteristics and Trends section of this report, an estimated 4,284 renter households within the Site PMA in 2016 will have incomes within the ranges of \$13,234 and \$18,550 (30% AMHI units) and \$26,469 to \$44,460 (50% and 60% AMHI units), and will be income-eligible to reside in a Tax Credit unit at the proposed 1520. The 65 units at the subject site represent a required basic Tax Credit capture rate of 1.6%.

Households with incomes between \$36,000 and \$60,000 will qualify to reside in a market-rate unit at 1520. It is projected an estimated 2,257 renter households with eligible incomes will reside in the Site PMA in 2016. The nine (9) market-rate units represent a basic capture rate of 0.4%.

These calculations, as well as the basic capture rates by AMHI level, are summarized in the table on the following page. Note that the 30% AMHI units will have a preference for supportive housing need individuals and households that are income eligible to occupy the 30% AMHI units. The following capture rate calculations below, unless otherwise noted, include all income-qualified renter households.

	Basic Capture Rate				
	30% AMHI* \$13,234- \$18,550	50% AMHI \$26,469- \$37,050	60% AMHI \$26,469- \$44,460	Market-Rate \$36,000- \$60,000	Overall Tax Credit \$13,234 - \$18,550 & \$26,469-\$44,460)
Number of Proposed Units	19	24	22	9	65
Income-Eligible Renter Households – 2016	/ 1,334	/ 2,051	/ 2,946	/ 2,257	/ 4,284
Basic Renter Capture Rate	= 1.4%	= 1.2%	= 0.7%	= 0.4%	= 1.6%

\*Includes all income-qualified renter households

The basic capture rates for the non-subsidized Tax Credit and market-rate units are all both considered excellent and easily achievable at 0.4% for market-rate units and 1.6% for the Tax Credit units. The basic capture rates by AMHI level are also excellent at 1.4% or less. The low basic capture rates are positive indications of the demographic support potential in the Racine Site PMA.

The following unit-specific overall capture rates are limited by specific income-appropriate and household size requirements. This allows us to refine the capture rate by only considering those households who also have an appropriate household size to occupy a unit. For example, a one-person household will not qualify for a three-bedroom Tax Credit unit. The simple capture rate, already discussed, includes all qualified households. This refined calculation only includes households most likely to occupy the specific unit.

### **Overall Tax Credit Capture Rate Analysis**

Household Size	Minimum Size Bedroom Preference
1-Person	1-Bedroom
2-Person	1-Bedroom
3-Person	2-Bedroom
4-Person	3-Bedroom
5-Person+	3-Bedroom

Bedroom Type	Overall Site Unit Preference Estimates				
	1-Person	2-Person	3-Person	4-Person	5-Person+
Studio	-	-	-	-	-
One-Bedroom	75%	50%	-	-	-
Two-Bedroom	25%	50%	60%	-	-
Three-Bedroom	-	-	40%	90%	45%
Four-Bedroom	-	-	-	10%	55%

**Overall Capture Rate Calculation (2016 Site Opening)**

Persons per Household	1-Person		2-Person		3-Person		4-Person		5-Person		Total
	Qual. Income Range		Qual. Income Range		Qual. Income Range		Qual. Income Range		Qual. Income Range		
	\$13,234-\$14,450 & \$26,469-\$28,860		\$13,234-\$16,500 & \$26,469-\$32,940		\$15,874-\$18,550 & \$26,469-\$37,080		\$30,549 - \$41,160		\$30,549 - \$44,460		
	Tot.	Qual.	Tot.	Qual.	Tot.	Qual.	Tot.	Qual.	Tot.	Qual.	
\$0-\$10,000	1,184	-	576	-	154	-	79	-	327	-	-
\$10,000-\$20,000	1,315	160	462	151	359	96	128	-	250	-	407
\$20,000-\$30,000	1,318	315	330	116	377	133	490	-	128	-	564
\$30,000-\$40,000	554	-	428	126	213	151	180	170	211	199	646
\$40,000-\$50,000	341	-	279	-	139	-	96	11	102	45	56
\$50,000-\$60,000	246	-	142	-	72	-	15	-	126	-	-
\$60,000-\$75,000	84	-	222	-	160	-	94	-	155	-	-
\$75,000-\$100,000	60	-	113	-	159	-	73	-	83	-	-
\$100,000-\$125,000	42	-	55	-	25	-	23	-	19	-	-
\$125,000-\$150,000	33	-	14	-	9	-	11	-	26	-	-
\$150,000-\$200,000	28	-	8	-	24	-	6	-	4	-	-
\$200,000+	24	-	7	-	8	-	19	-	7	-	-
<b>Total</b>	<b>5,229</b>	<b>475</b>	<b>2,636</b>	<b>393</b>	<b>1,699</b>	<b>380</b>	<b>1,214</b>	<b>181</b>	<b>1,438</b>	<b>244</b>	<b>1,673</b>
<b>Proposed Subject Units</b>											<b>65</b>
<b>Overall Renter Capture Rate</b>											<b>3.9%</b>
<b>Overall Conventional Renter Income-Qualified Households (\$13,234 - \$18,550 &amp; \$26,469 - \$44,460)</b>											<b>4,284</b>
<b>Basic Renter Capture Rate</b>											<b>1.6%</b>

Tot. – Total  
Qual. – Qualified

**Overall Capture Rate by Bedroom Preference (2016 Site Opening)**

Bedroom Preference	Qual. Income Range	%	Studio	One-Br.	Two-Br.	Three-Br.	Four-Br.	Total
			Tot. Qual.					
1-Person	\$13,234-\$14,450 & \$26,469-\$28,860		-	75.0%	25.0%	-	-	100.0%
			-	356	119	-	-	475
2-Person	\$13,234-\$16,500 & \$26,469-\$32,940		-	50.0%	50.0%	-	-	100.0%
			-	197	197	-	-	393
3-Person	\$15,874-\$18,550 & \$26,469-\$37,080		-	-	60.0%	40.0%	-	100.0%
			-	-	228	152	-	380
4-Person	\$15,874 - \$41,160		-	-	-	90.0%	10.0%	90.0%
			-	-	-	162	19	162
5-Person	\$30,549 - \$44,460		-	-	-	45.0%	55.0%	45.0%
			-	-	-	110	134	110
<b>Total</b>			-	553	544	424	207	1,520
<b>Proposed Units</b>			-	17	18	30	-	65
<b>Renter Capture Rate by Bedroom Preference</b>			-	3.1%	3.3%	7.1%	-	4.3%

Tot. – Total  
Qual. – Qualified  
Gray shaded cells represent support for unit types offered at the site



## Market-rate Capture Rate Analysis

Bedroom Type	Market-rate Site Unit Preference Estimates				
	1-Person	2-Person	3-Person	4-Person	5-Person+
Studio	-	-	-	-	-
One-Br.	75%	50%	-	-	-
Two-Br.	25%	50%	60%	-	-
Three-Br.	-	-	40%	90%	45%
Four-Br.	-	-	-	10%	55%

### Market-rate Capture Rate Calculation (2016 Site Opening)

Persons per Household	1-Person		2-Person		3-Person		4-Person		5-Person		Total
	\$36,000 - \$60,000		\$44,000 - \$60,000		\$44,000 - \$60,000		-		-		
Qualified Income Range	Tot.	Qual.	Tot.	Qual.	Tot.	Qual.	Tot.	Qual.	Tot.	Qual.	
\$0-\$10,000	1,184	-	576	-	154	-	79	-	327	-	-
\$10,000-\$20,000	1,315	-	462	-	359	-	128	-	250	-	-
\$20,000-\$30,000	1,318	-	330	-	377	-	490	-	128	-	-
\$30,000-\$40,000	554	<b>222</b>	428	-	213	-	180	-	211	-	<b>222</b>
\$40,000-\$50,000	341	<b>341</b>	279	<b>167</b>	139	<b>83</b>	96	-	102	-	<b>591</b>
\$50,000-\$60,000	246	<b>246</b>	142	<b>142</b>	72	<b>72</b>	15	-	126	-	<b>460</b>
\$60,000-\$75,000	84	-	222	-	160	-	94	-	155	-	-
\$75,000-\$100,000	60	-	113	-	159	-	73	-	83	-	-
\$100,000-\$125,000	42	-	55	-	25	-	23	-	19	-	-
\$125,000-\$150,000	33	-	14	-	9	-	11	-	26	-	-
\$150,000-\$200,000	28	-	8	-	24	-	6	-	4	-	-
\$200,000+	24	<b>24</b>	7	<b>7</b>	8	<b>8</b>	19	-	7	-	<b>39</b>
Total	5,229	<b>833</b>	2,636	<b>316</b>	1,699	<b>163</b>	1,214	-	1,438	-	<b>1,312</b>
<b>Proposed Subject Units</b>											<b>9</b>
<b>Market-rate Renter Capture Rate</b>											<b>0.7%</b>
<b>Market-rate Conventional Renter Income-Qualified Households (\$36,000 - \$60,000)</b>											<b>2,257</b>
<b>Basic Renter Capture Rate</b>											<b>0.4%</b>

Tot. – Total  
Qual. – Qualified

### Market-rate Capture Rate by Bedroom Preference (2016 Site Opening)

Bedroom Preference		Studio	One-Br.	Two-Br.	Three-Br.	Four-Br.	Total
1-Person	\$36,000 - \$60,000	-	75.0%	25.0%	-	-	100.0%
	Tot. Qual.	-	625	208	-	-	833
2-Person	\$44,000 - \$60,000	-	50.0%	50.0%	-	-	100.0%
	Tot. Qual.	-	158	158	-	-	316
3-Person	\$44,000 - \$60,000	-	-	60.0%	40.0%	-	60.0%
	Tot. Qual.	-	-	98	65	-	98
4-Person	-	-	-	-	-	-	-
	Tot. Qual.	-	-	-	-	-	-
5-Person	-	-	-	-	-	-	-
	Tot. Qual.	-	-	-	-	-	-
Total		-	783	464	-	-	1,247
Proposed Units		-	3	6	-	-	9
Renter Capture Rate by Bedroom Preference		-	0.4%	1.3%	-	-	0.7%

Tot. – Total  
Qual. – Qualified  
Gray shaded cells represent support for unit types offered at the site



The individual and overall Tax Credit capture ratios, limited to income- and size-appropriate households, are good to excellent, ranging from 3.1% for one-bedroom units to 7.1% for three-bedroom units. The overall capture rate limited to size, bedroom preference and income-eligibility is very good at 4.3%.

The individual capture ratios for the market-rate units are excellent for both one- and two-bedroom units at 0.4% and 1.3%, respectively. The overall capture ratio for the nine (9) market-rate units of 0.7% indicates there is more than ample demographic support among size- and income-eligible households in the Site PMA.

### **Estimates of Support from Veterans in need of Supportive Services**

According to information from the National Coalition for Homeless Veterans, more than 150,000 veterans are homeless on any given night in the U.S. Nearly twice as many experience homelessness at some point during the year. In addition, veterans with families are a growing segment of the homeless population, increasing 5% per year for the past three years.

The number of homeless Vietnam-era veterans is now greater than the number of service men and women who died during that war, and an estimated 47% of homeless veterans served during the Vietnam Era. More than 67% served for at least three years and 33% were stationed in a war zone.

In general, one in three men living on the streets is a veteran. More than 25% of soldiers returning from Iraq and Afghanistan are showing acute symptoms of Post-Traumatic Stress Disorder—a significant factor in the high rate of homelessness for veterans.

Approximately 90% of homeless veterans were honorably discharged from military service and more than one-third specifically served in a combat zone during their military service.

The U.S. Department of Veterans Affairs (VA) estimates the nation's homeless veterans are mostly males (approximately 4% are females), the vast majority are single and most come from poor, disadvantaged communities. The Veterans Administration estimates approximately 60% to 70% of homeless veterans have alcohol or drug dependency issues and another 30% to 40% have mental health disorders or both.

In the male category, statistics suggest high levels of disability, mental health or chemical dependency and physical disability. Among homeless veterans, post-traumatic stress is also an issue.

Approximately 40% of the current Veterans in Progress (VIP) population are chronically homeless veterans, reflecting a cycling in and out of homelessness due to relapses and the lack of affordable housing. The proposed development will provide a safe and affordable supported environment enabling homeless veterans to permanently end homelessness.

The 19 30% AMHI units at the subject project will target general occupancy individuals and households with a preference for veterans. For the purpose of the following demand analysis, we will forecast the demographic support base for the 19 30% AMHI units assuming they are to be supported by the veteran cohort.

According to 2009-2013 ACS data, the veteran population for the city of Racine was 5,237 and for Racine County, was 14,054. These represent 9.3% and 9.5% shares of the total populations for these respective geographies. Given the limited data provided for veteran households by income, for our demand analysis, we apply the Racine city ratio of 9.3% to the number of income-eligible renter households to estimate the potential veteran renter demographic depth in the market.

The proposed 30% of AMHI one- and two-bedroom units will target households with incomes from \$13,234 to \$14,450 and \$15,874 to \$18,550, respectively. In 2016, there will be an estimated 2,136 income- and size-eligible (one- through three-person) renter households within the Site PMA. Applying the 9.3% ratio to the size- and income-eligible renter households yields an estimated 199 income-eligible veteran renter households within the Site PMA in 2016. The proposed 19 units with a veteran preference would represent a basic veteran renter capture rate of 9.5%, which is considered a good capture ratio.

We believe most of the units will be filled by referrals from local advocacy groups. Within the Site PMA there are several facilities that offer transitional and Permanent Supportive Housing (PSH) units for homeless and low-income veterans, include the 15-unit College Avenue Apartments run by the Center for Veterans Issues (CVI) that consists of one-bedroom units, and 38 units in Union Grove run by the Veterans Assistance Foundation (VAF), including 30 one-bedroom transitional and eight (8) PSH, single-room occupancy (SRO) units. Additionally, 35 Veterans Administration Supportive Housing (VASH) Vouchers are issued within Racine County.

The proposed project will include both one- and two-bedroom units, allowing it to serve a broader base of renters. The subject site will clearly serve an unmet need within the Site PMA with 19 veteran designated units at 30% AMHI.

Given the limited available rental alternatives for the special needs set-aside and excellent rent value for the proposed 30% AMHI units, it is our opinion the 9.5% capture rate is easily achievable.

**C. Penetration Rate Calculations**

The 578 existing Tax Credit units in the market must also be considered when evaluating the achievable capture 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 Tax Credit units is \$12,994 to \$44,460 (based on the lowest gross one-bedroom rent of \$379 at Belle Harbor Lofts/Historic Olson Building Lofts and a five-person 60% AMHI maximum income).

Based on the Demographic Characteristics and Trends of household incomes for the Site PMA, an estimated 6,417 renter households will have eligible incomes in 2016. The 643 existing and proposed Tax Credit units represent a penetration rate of 10.0% of the 6,417 income-eligible renter households, which is summarized in the following table.

	Tax Credit Penetration Rate (\$12,994 - \$44,460)
Number of LIHTC Units (Proposed and Existing)	643
Income-Eligible Renter Households – 2016	/ 6,417
Overall Market Penetration Rate	= 10.0%

It is our opinion that the 10.0% penetration rate for the LIHTC units, both existing and proposed, is achievable, particularly when considering the strong occupancy of the existing 578 units that are 95.3% occupied, with just 27 vacant units.

**D. Support from Housing Choice Voucher Holders**

According to Ms. Sue Lenart with the Housing Authority of Racine County, 1,539 Housing Choice Vouchers have been issued in the county, and more than 3,000 households are currently on the waiting list for additional Vouchers. Mr. Lenart noted the waiting list is currently closed. This reflects the continuing need for housing assistance in the Racine area.

If the rents do not exceed the local housing authority Payment Standards, households with Housing Choice Vouchers may be eligible to reside at a LIHTC project. The 2014 Payment Standards for Racine County, and the subject’s proposed gross rents, are summarized in the table on the following page:

Bedroom Type	Fair Market Rents	Proposed Tax Credit Gross Rents
One-Bedroom	\$565	\$386/30% \$741/60% \$850/MR
Two-Bedroom	\$735	\$463/30% \$772/50% \$890/60% \$1,060/MR
Three-Bedroom	\$910	\$891/50% \$1,028/60%

MR – Market-rate

As the preceding table illustrates, the proposed gross rents for the 30% AMHI and three-bedroom 50% AMHI units are below current Payment Standards, and as such those who hold Housing Choice Vouchers will be eligible to reside in one of these lower income level units at the proposed 1520 Clark Street.

The gross rents for the remaining units are all higher than the Payment Standards and will not be available for Voucher holders, unless the tenant is willing and able to pay the rent differential.

Given the significant demographic support for the project, as evidenced by the good to excellent capture rates, and the achievable 10% overall Tax Credit penetration rate, we do not expect the inability to house Voucher holders will negatively impact the marketability or absorption of the project.

**E. Absorption Projections and Stabilized Occupancy**

Considering the facts contained in the market study, as well as the preceding factors, and comparing them with other projects with similar characteristics in other markets, we established absorption projections for the subject development as proposed.

The strong performance exhibited by the existing Tax Credit product in this market and the value of the proposed maximum allowable Tax Credit rents relative to market and those being achieved at the comparable Tax Credit projects are considered when formulating our absorption projections for the proposed 1520 Clark Street.

Given the significant demographic support base among area renter households, it is our opinion the 65 proposed Tax Credit units will reach a stabilized occupancy rate of 95% (5% vacancy factor) within five to six months. This is based on an average monthly absorption of up to 13 units.

Given the market-rate capture rates, limited to size, bedroom preference and income-eligibility are 1.3% or less among renter households with incomes between \$36,000 and \$60,000, it is our opinion the nine (9) market-rate units will lease within two months of opening.

These absorption projections assume a December 2016 completion date. A later opening may have a slowing impact on the absorption potential for the subject project. 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 market the project a few months in advance of its opening and continue to monitor market conditions during the project's initial lease-up period.

#### **F. Risks, Unusual Conditions and Mitigating Circumstances**

The proposed adaptive reuse development will provide an affordable housing option similar to some very successful adaptive reuse, mixed-income projects that already exist in the Site PMA as well as supporting the underserved veteran population. It is our opinion, given the strong performance of the general occupancy Tax Credit properties within the Site PMA, and the existing 25-household waiting list at Arcade Apartments, the development of the proposed project will not negatively impact the existing affordable housing developments in the Site PMA. The low 10.0% overall Tax Credit penetration rate indicates there is more than ample demographic support for non-subsidized affordable housing in this market.

While the number of area households is projected to decline through 2019, renter households will continue to account for a considerable share of all households, 43.87% (12,000+ households) in 2019. The high share of renters is typical of an urban market similar to the Site PMA. The base of more than 12,000 renter households represents an excellent source of potential support for the proposed project.

It is important to consider that the site is in an evolving neighborhood, where some former industrial land uses are gradually becoming housing or commercial developments. The site neighborhood as it currently exists is not likely as appealing as we foresee the neighborhood will be a decade from now, as redevelopment continues. The opening of the site, and other projects like it, will spur on the entrance of more restaurants and retailers into the area.

## XII. Qualifications

### A. The Company

Vogt Santer Insights is a real estate research firm established to provide accurate and insightful market forecasts for a broad range client base. The principals of the firm, Robert Vogt and Chip Santer, have more than 60 years of combined real estate and market feasibility experience throughout the United States.

Serving real estate developers, syndicators, lenders, state housing finance agencies and the U.S. Department of Housing and Urban Development (HUD), the firm provides market feasibility studies for affordable housing, market-rate apartments, condominiums, senior housing, student housing and single-family developments.

### B. The Staff

**Robert Vogt** has conducted and reviewed more than 7,000 market analyses over the past 30 years for market-rate and Low-Income Housing Tax Credit apartments as well as studies for single-family, golf course/residential, office, retail and elderly housing throughout the United States. Mr. Vogt is a founding member and the past chairman of the National Council of Housing Market Analysts (formerly known as the National Council of Affordable Housing Market Analysts), a group formed to bring standards and professional practices to market feasibility. He is a frequent speaker at many real estate and state housing conferences. Mr. Vogt has a bachelor's degree in finance, real estate and urban land economics from The Ohio State University.

**Chip Santer** has served as President and Chief Executive Officer of local, state and national entities involved in multifamily and single-family housing development, syndication, regulation and brokerage in both the for profit and not-for-profit sectors. As president and CEO of National Affordable Housing Trust, Mr. Santer led a turn-around operation affiliated with National Church Residences, Retirement Housing Foundation and Volunteers of America that developed and financed more than 3,000 units of housing throughout the United States with corporate and private funds, including a public fund with 1,100 investors. He was a former Superintendent and CEO of the Ohio Real Estate Commission, and serves on several boards and commissions. Mr. Santer is a graduate of Ohio University.

**Andrew W. Mazak** has more than 11 years of experience in the real estate market research field. He has personally written more than 1,100 market feasibility studies in numerous markets throughout the United States, Canada and Puerto Rico. These studies include the analysis of Low-Income Housing Tax Credit, market-rate and government-subsidized apartments, student housing developments, farmworker housing projects, condominium communities, single-family subdivisions and senior-living developments, as well as overall community, city, county and statewide housing needs assessments. Mr. Mazak has a bachelor's degree in Business Management and Marketing from Capital University in Columbus, Ohio.

**Nancy Patzer** has 20 years of experience in community development research, including securing grant financing for local governments and organizations, and providing planning direction and motivation through research for United Way of Central Ohio and the city of Columbus. As a project director and Vice President of Senior Residential Care for Vogt Santer Insights, Ms. Patzer has assisted clients in the development of geriatric care housing and health care facilities over the past decade. She also specializes in special needs housing for disabled, veterans, homeless populations and farmworker housing, as well as commercial studies. Ms. Patzer has conducted comprehensive planning and redevelopment strategies for local governments, including the city of Gahanna, Ohio, the Columbus, Ohio, Parsons Avenue corridor, Prairie Township, Franklin County, Ohio, and the city of Erie, Pennsylvania, among others. Ms. Patzer has extensive experience working with state and federal finance and community development agencies, both for-profit and non-profit. She holds a Bachelor of Science in Journalism from the E.W. Scripps School of Journalism, Ohio University.

**Jim Beery** has more than 25 years' experience in the real estate market feasibility profession. He has written market studies for a variety of development projects, including multifamily apartments (market-rate, affordable housing, and government-subsidized), residential condominiums, hotels, office developments, retail centers, recreational facilities, commercial developments, single-family developments and assisted living properties for older adults. Other consulting assignments include numerous community redevelopment and commercial revitalization projects. In 2009, he attended the HUD MAP Training for industry partners in Washington, D.C., and received continuing education certification from the Lender Qualification and Monitoring Division. Mr. Beery has a bachelor's degree in Business Administration (Finance major) from The Ohio State University.



**Jennifer Tristano** has been involved in the production of more than 2,000 market feasibility studies during the last several years. While working as an editor, Ms. Tristano became well acquainted with the market study guidelines and requirements of state finance agencies as well as various U.S. Department of Housing and Urban Development programs. In addition, Ms. Tristano has researched market conditions for a variety of project types, including apartments (Tax Credit, subsidized and market-rate), senior residential care, student housing and condominium communities. Ms. Tristano graduated *summa cum laude* from The Ohio State University.

**Nathan Young** has more than 10 years of experience in the real estate profession. He has conducted field research and written market studies in hundreds of rural and urban markets throughout the United States. Mr. Young's real estate experience includes analysis of apartment (subsidized, Tax Credit and market-rate), senior housing (i.e. nursing homes, assisted living, etc.), student housing, condominium, retail, office, self-storage facilities and repositioning of assets to optimize feasibility. Mr. Young has experience in working with the U.S. Department of Housing and Urban Development and has attended FHA LEAN program training. Mr. Young has a bachelor's degree in Engineering (Civil) from The Ohio State University.

**Jimmy Beery** has analyzed real estate markets in more than 35 states over the past seven years. In this time, Mr. Beery has conducted a broad range of studies, including Low-Income Housing Tax Credit apartments, luxury market-rate apartments, student housing analysis, rent comparability studies, condominium and single-family home communities, mixed-use developments, lodging, retail and commercial space. Mr. Beery has a bachelor's degree in Human Ecology from The Ohio State University.

**Chuck Ewing** has analyzed over 200 real estate markets in over 35 states since 2009. Mr. Ewing has conducted a broad range of studies, including Low-Income Housing Tax Credit, homeless supportive housing analysis, student housing analysis, rent comparability studies, condominium and single-family home communities, mixed-use developments, lodging, citywide analysis and workforce housing analysis. Mr. Ewing has a bachelor's degree in Economics from The Ohio State University.

**Matt Parker** has analyzed housing market conditions since 2010. Mr. Parker has evaluated market conditions in over 200 markets in 35 states, as well as Puerto Rico and Washington, D.C., for a variety of project types, including apartments (Tax Credit, subsidized and market-rate), senior residential care facilities, student housing developments and condominium communities. Mr. Parker holds a Bachelor of Science in Industrial Technology from Ohio University.

**Field Staff** – Vogt Santer Insights maintains a field staff of professionals experienced at collecting critical on-site real estate data. Each member has been fully trained to evaluate site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development.

## A. Field Survey of Conventional Rentals: Racine, Wisconsin

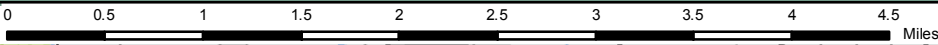
The following section is a field survey of conventional rental properties identified through a variety of sources, including area apartment guides, government agencies and our own field inspection. The intent of the field survey is to evaluate the overall strength of the existing rental market, identify trends impacting future development and to identify those properties considered most comparable to the subject site. The field survey has been organized by project type; properties are color coded to reflect this and designated as market-rate, Tax Credit, government-subsidized or a combination of these three property types. The field survey is assembled as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Properties surveyed by name, address, telephone number, project type, key amenities, 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.
- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type and bedroom.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- The distribution of market-rate and non-subsidized Tax Credit units are provided by quality rating, unit type and number of bedrooms. The median rent by quality ratings and bedrooms is also reported. Note that rents are adjusted to reflect common utility responsibility.
- 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.
- 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.

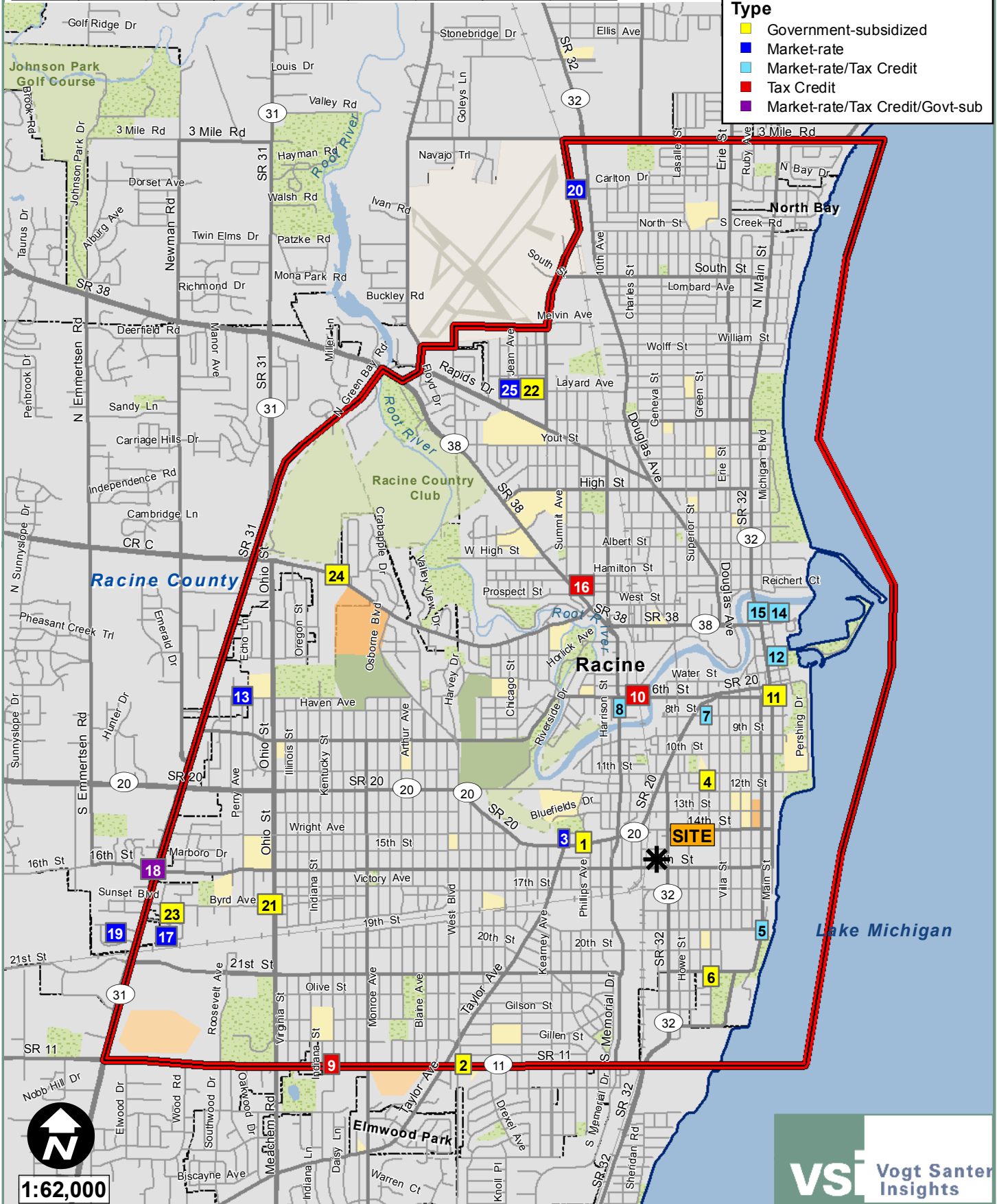


# Racine, WI Apartment Locations



## Legend

- Project Site
- PMA
- Apartments1 Type**
- Government-subsidized
- Market-rate
- Market-rate/Tax Credit
- Tax Credit
- Market-rate/Tax Credit/Govt-sub



# Map Identification List - Racine, Wisconsin

Map ID	Project Name	Project Type	QR	Year Built/Renovated	Total Units	Vacant	Occupancy Rate	DTS
1	Washington Apts.	GSS	B-	1972	40	0	100.0%	0.6
2	Durand Plaza Apts.	GSS	B-	1978	72	2	97.2%	1.8
3	Park View Manor	MRR	C	1964	53	0	100.0%	0.7
4	St. Paul Garden	GSS	B	1984 / 2014	33	0	100.0%	0.7
5	Lake Oaks	MRT	B	1990	170	6	96.5%	1.0
6	Trinity Terrace	GSS	B	1992	39	0	100.0%	0.9
7	Mitchell Wagon Factory Lofts	MRT	B+	2003	100	2	98.0%	1.0
8	Wilmanor Apts.	MRT	B-	1995 / 2014	36	4	88.9%	1.1
9	Central Park	TAX	B+	1976 / 2014	48	4	91.7%	2.5
10	Riverview Manor	TAX	C+	2007	24	1	95.8%	1.2
11	McMynn Tower Apts.	GSS	C+	1979	123	0	100.0%	1.4
12	Arcade Apts. (Main Lake)	MRT	B+	1996	75	0	100.0%	1.6
13	Graceland Gardens	MRR	B-	1968	120	6	95.0%	2.9
14	Harbor at State & Main	MRT	A-	2006	84	8	90.5%	1.7
15	Belle Harbor Lofts/Historic Olson Building	MRT	B+	2000	78	2	97.4%	1.7
16	Lincoln School Historic Apts.	TAX	B-	1991	64	0	100.0%	1.8
17	Orchard Springs	MRR	B	1984	104	2	98.1%	3.4
18	Lincoln Manor	TMG	C+	1972 / 2006	120	9	92.5%	2.8
19	Greenbay Meadows Apts.	MRR	B	1993	208	8	96.2%	3.3
20	Douglas Terrace Apts.	MRR	B	1970 / 1996	202	6	97.0%	3.9
21	Oakview Manor	GSS	C+	1980	79	4	94.9%	2.3
22	Mount Pleasant Manor	GSS	C	1972	79	0	100.0%	3.1
23	Sunset Terrace Apt. Homes	GSS	C	1972	118	0	100.0%	3.4
24	Marian Housing Center	GSS	B	1988	40	0	100.0%	2.9
25	JST Investments Inc.	MRR	C	1966	40	1	97.5%	3.1

Project Type	Projects Surveyed	Total Units	Vacant	Occupancy Rate	U/C
MRR	6	727	23	96.8%	0
MRT	6	543	22	95.9%	0
TMG	1	120	9	92.5%	0
TAX	3	136	5	96.3%	0
GSS	9	623	6	99.0%	0

◆	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

QR - Quality Rating


DTS - Drive Distance To Site (Miles)





## Distribution of Units - Racine, Wisconsin


Market-Rate						
Bedrooms	Baths	Units	Distribution	Vacant	Vacancy Rate	Median Gross Rent
0	1	16	1.7%	0	0.0%	\$546
1	1	387	41.9%	9	2.3%	\$751
1	1.5	8	0.9%	1	12.5%	\$607
2	1	262	28.4%	10	3.8%	\$820
2	1.5	82	8.9%	6	7.3%	\$982
2	2	125	13.5%	6	4.8%	\$1,053
3	2	44	4.8%	0	0.0%	\$998
<b>TOTAL</b>		<b>924</b>	<b>100.0%</b>	<b>32</b>	<b>3.5%</b>	
Tax Credit, Non-Subsidized						
Bedrooms	Baths	Units	Distribution	Vacant	Vacancy Rate	Median Gross Rent
0	1	4	0.7%	0	0.0%	\$461
1	1	286	49.5%	15	5.2%	\$619
1	1.5	14	2.4%	1	7.1%	\$837
2	1	216	37.4%	11	5.1%	\$871
2	2	10	1.7%	0	0.0%	\$893
3	2	48	8.3%	0	0.0%	\$1,053
<b>TOTAL</b>		<b>578</b>	<b>100.0%</b>	<b>27</b>	<b>4.7%</b>	
Government-Subsidized						
Bedrooms	Baths	Units	Distribution	Vacant	Vacancy Rate	Median Gross Rent
0	1	26	4.0%	0	0.0%	N.A.
1	1	514	79.4%	6	1.2%	N.A.
2	1	83	12.8%	0	0.0%	N.A.
3	1	24	3.7%	0	0.0%	N.A.
<b>TOTAL</b>		<b>647</b>	<b>100.0%</b>	<b>6</b>	<b>0.9%</b>	
<b>Grand Total</b>		<b>2,149</b>	<b>-</b>	<b>65</b>	<b>3.0%</b>	

# Survey of Properties - Racine, Wisconsin

1 Washington Apts.			
	<b>Address</b> 2000 Washington Ave. Racine, WI 53403 <b>Year Built</b> 1972 <b>Comments</b> HUD Section 8; Square footage estimated; HUD-insured	<b>Phone</b> (262) 898-8000 (Contact in person) <b>Contact</b> Becky	<b>Total Units</b> 40 <b>Vacancies</b> 0 <b>Occupancy Rate</b> 100.0% <b>Floors</b> 3 <b>Quality Rating</b> B- <b>Waiting List</b> None <b>Senior Restricted (55+)</b>
	<b>Key Appliances &amp; Amenities</b> <input checked="" type="checkbox"/> Range <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Dishwasher <input type="checkbox"/> Microwave <input type="checkbox"/> Garage(Att) <input type="checkbox"/> Garage(Det) <input type="checkbox"/> Parking Garage <input type="checkbox"/> Carport <input type="checkbox"/> Central AC <input type="checkbox"/> Window AC <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> W/D Hook-up <input type="checkbox"/> Pool <input checked="" type="checkbox"/> On-Site Mgmt <input checked="" type="checkbox"/> Laundry Room <input type="checkbox"/> Clubhouse <input checked="" type="checkbox"/> Elevator <input type="checkbox"/> Computer Center		

2 Durand Plaza Apts.			
	<b>Address</b> 3003 Durand Ave. Racine, WI 53403 <b>Year Built</b> 1978 <b>Comments</b> HUD Section 8; Also serves disabled	<b>Phone</b> (262) 554-1250 (Contact in person) <b>Contact</b> Pam	<b>Total Units</b> 72 <b>Vacancies</b> 2 <b>Occupancy Rate</b> 97.2% <b>Floors</b> 2.5 <b>Quality Rating</b> B- <b>Waiting List</b> None <b>Senior Restricted (62+)</b>
	<b>Key Appliances &amp; Amenities</b> <input checked="" type="checkbox"/> Range <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Dishwasher <input type="checkbox"/> Microwave <input type="checkbox"/> Garage(Att) <input type="checkbox"/> Garage(Det) <input type="checkbox"/> Parking Garage <input type="checkbox"/> Carport <input type="checkbox"/> Central AC <input type="checkbox"/> Window AC <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> W/D Hook-up <input type="checkbox"/> Pool <input checked="" type="checkbox"/> On-Site Mgmt <input checked="" type="checkbox"/> Laundry Room <input type="checkbox"/> Clubhouse <input type="checkbox"/> Elevator <input type="checkbox"/> Computer Center		

3 Park View Manor			
	<b>Address</b> 2200 Washington Ave. Racine, WI 53405 <b>Year Built</b> 1964 <b>Comments</b> Unit mix estimated	<b>Phone</b> (262) 898-3953 (Contact in person) <b>Contact</b> Debbie	<b>Total Units</b> 53 <b>Vacancies</b> 0 <b>Occupancy Rate</b> 100.0% <b>Floors</b> 2,3 <b>Quality Rating</b> C <b>Waiting List</b> None
	<b>Key Appliances &amp; Amenities</b> <input checked="" type="checkbox"/> Range <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Dishwasher <input type="checkbox"/> Microwave <input type="checkbox"/> Garage(Att) <input type="checkbox"/> Garage(Det) <input type="checkbox"/> Parking Garage <input type="checkbox"/> Carport <input type="checkbox"/> Central AC <input checked="" type="checkbox"/> Window AC <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> W/D Hook-up <input type="checkbox"/> Pool <input checked="" type="checkbox"/> On-Site Mgmt <input checked="" type="checkbox"/> Laundry Room <input type="checkbox"/> Clubhouse <input checked="" type="checkbox"/> Elevator <input type="checkbox"/> Computer Center		

4 St. Paul Garden			
	<b>Address</b> 1120 Center St. Racine, WI 53403 <b>Year Built</b> 1984 <b>Renovated</b> 2014 <b>Comments</b> HUD Section 202; Square footage and year built estimated	<b>Phone</b> (262) 632-6086 (Contact in person) <b>Contact</b> Shawn	<b>Total Units</b> 33 <b>Vacancies</b> 0 <b>Occupancy Rate</b> 100.0% <b>Floors</b> 2,3 <b>Quality Rating</b> B <b>Waiting List</b> 5 households <b>Senior Restricted (62+)</b>
	<b>Key Appliances &amp; Amenities</b> <input checked="" type="checkbox"/> Range <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Dishwasher <input type="checkbox"/> Microwave <input type="checkbox"/> Garage(Att) <input type="checkbox"/> Garage(Det) <input type="checkbox"/> Parking Garage <input type="checkbox"/> Carport <input type="checkbox"/> Central AC <input checked="" type="checkbox"/> Window AC <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> W/D Hook-up <input type="checkbox"/> Pool <input checked="" type="checkbox"/> On-Site Mgmt <input checked="" type="checkbox"/> Laundry Room <input type="checkbox"/> Clubhouse <input checked="" type="checkbox"/> Elevator <input type="checkbox"/> Computer Center		

**Project Type**

<span style="color: blue;">■</span> Market-rate
<span style="color: cyan;">■</span> Market-rate/Tax Credit
<span style="color: pink;">■</span> Market-rate/Government-subsidized
<span style="color: purple;">■</span> Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span> Tax Credit
<span style="color: orange;">■</span> Tax Credit/Government-subsidized
<span style="color: yellow;">■</span> Government-subsidized

Survey Date: December 2014





# Survey of Properties - Racine, Wisconsin


5		Lake Oaks	
	<b>Address</b>	1916 Wisconsin Ave. Racine, WI 53405	<b>Phone</b> (262) 633-8438 (Contact in person)
	<b>Year Built</b>	1990	<b>Contact</b> Janine
	<b>Comments</b>	Market-rate (115 units); 60% AMHI (55 units); Accepts HCV (2 units); Phase II opened in 1996; Unit mix estimated by manager	
	<b>Total Units</b>	170	<b>Vacancies</b> 6
	<b>Occupancy Rate</b>	96.5%	<b>Floors</b> 2,3
	<b>Quality Rating</b>	B	<b>Waiting List</b> None
			<b>Senior Restricted (55+)</b>
<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Dishwasher	<input type="checkbox"/> Microwave <input type="checkbox"/> Garage(Att) <input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Parking Garage <input type="checkbox"/> Carport <input checked="" type="checkbox"/> Central AC
		<input type="checkbox"/> Window AC <input type="checkbox"/> Washer/Dryer <input checked="" type="checkbox"/> W/D Hook-up	<input type="checkbox"/> Pool <input checked="" type="checkbox"/> On-Site Mgmt <input checked="" type="checkbox"/> Laundry Room
			<input type="checkbox"/> Clubhouse <input checked="" type="checkbox"/> Elevator <input type="checkbox"/> Computer Center
6		Trinity Terrace	
	<b>Address</b>	2132 Center St. Racine, WI 53403	<b>Phone</b> (262) 634-1426 (Contact in person)
	<b>Year Built</b>	1992	<b>Contact</b> Joann
	<b>Comments</b>	HUD Section 8	
	<b>Total Units</b>	39	<b>Vacancies</b> 0
	<b>Occupancy Rate</b>	100.0%	<b>Floors</b> 2
	<b>Quality Rating</b>	B	<b>Waiting List</b> 8 households
			<b>Senior Restricted (62+)</b>
<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Dishwasher	<input type="checkbox"/> Microwave <input type="checkbox"/> Garage(Att) <input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Parking Garage <input type="checkbox"/> Carport <input type="checkbox"/> Central AC
		<input type="checkbox"/> Window AC <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> W/D Hook-up	<input type="checkbox"/> Pool <input checked="" type="checkbox"/> On-Site Mgmt <input checked="" type="checkbox"/> Laundry Room
			<input type="checkbox"/> Clubhouse <input checked="" type="checkbox"/> Elevator <input type="checkbox"/> Computer Center
7		Mitchell Wagon Factory Lofts	
	<b>Address</b>	815 8th St. Racine, WI 53405	<b>Phone</b> (262) 619-9956 (Contact in person)
	<b>Year Built</b>	2003	<b>Contact</b> Seline
	<b>Comments</b>	Market-rate (12 units); 50% & 60% AMHI (88 units); Accepts HCV (12 units); Unit mix estimated; Adaptive reuse of a building constructed in the early 1900s	
	<b>Total Units</b>	100	<b>Vacancies</b> 2
	<b>Occupancy Rate</b>	98.0%	<b>Floors</b> 3
	<b>Quality Rating</b>	B+	<b>Waiting List</b> None
<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Microwave <input type="checkbox"/> Garage(Att) <input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Parking Garage <input type="checkbox"/> Carport <input type="checkbox"/> Central AC
		<input checked="" type="checkbox"/> Window AC <input checked="" type="checkbox"/> Washer/Dryer <input checked="" type="checkbox"/> W/D Hook-up	<input type="checkbox"/> Pool <input checked="" type="checkbox"/> On-Site Mgmt <input type="checkbox"/> Laundry Room
			<input type="checkbox"/> Clubhouse <input checked="" type="checkbox"/> Elevator <input type="checkbox"/> Computer Center
8		Wilmanor Apts.	
	<b>Address</b>	255 N. Memorial Dr. Racine, WI 53404	<b>Phone</b> (262) 271-1703 (Contact in person)
	<b>Year Built</b>	1995	<b>Renovated</b> 2014
	<b>Comments</b>	Market-rate (12); 30%, 40% & 50% AMHI (24); Accepts HCV (5); Unit mix estimated; Lower rents at higher AMHI are long-time residents; Ongoing renovations as units turnover; 1 2-br manager unit excluded from total; Adaptive reuse of building built 1927	
	<b>Total Units</b>	36	<b>Vacancies</b> 4
	<b>Occupancy Rate</b>	88.9%	<b>Floors</b> 3.5
	<b>Quality Rating</b>	B-	<b>Waiting List</b> None
<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range <input checked="" type="checkbox"/> Refrigerator <input type="checkbox"/> Dishwasher	<input type="checkbox"/> Microwave <input type="checkbox"/> Garage(Att) <input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Parking Garage <input type="checkbox"/> Carport <input type="checkbox"/> Central AC
		<input type="checkbox"/> Window AC <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> W/D Hook-up	<input type="checkbox"/> Pool <input checked="" type="checkbox"/> On-Site Mgmt <input checked="" type="checkbox"/> Laundry Room
			<input type="checkbox"/> Clubhouse <input type="checkbox"/> Elevator <input type="checkbox"/> Computer Center


### Project Type


<span style="color: blue;">■</span> Market-rate
<span style="color: cyan;">■</span> Market-rate/Tax Credit
<span style="color: pink;">■</span> Market-rate/Government-subsidized
<span style="color: purple;">■</span> Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span> Tax Credit
<span style="color: orange;">■</span> Tax Credit/Government-subsidized
<span style="color: yellow;">■</span> Government-subsidized


Survey Date: December 2014

# Survey of Properties - Racine, Wisconsin

9 Central Park																		
	<p><b>Address</b> 4215-17-19-25 Durand Ave. Racine, WI 53405</p> <p><b>Year Built</b> 1976      <b>Renovated</b> 2014</p> <p><b>Comments</b> 60% AMHI</p>	<p><b>Phone</b> (262) 554-9092 (Contact in person)</p> <p><b>Contact</b> Kim</p>	<p><b>Total Units</b> 48</p> <p><b>Vacancies</b> 4</p> <p><b>Occupancy Rate</b> 91.7%</p> <p><b>Floors</b> 2</p> <p><b>Quality Rating</b> B+</p> <p><b>Waiting List</b> None</p>															
	<table border="0"> <tr> <td><input checked="" type="checkbox"/> Range</td> <td><input type="checkbox"/> Microwave</td> <td><input type="checkbox"/> Parking Garage</td> <td><input checked="" type="checkbox"/> Window AC</td> <td><input type="checkbox"/> Pool</td> <td><input type="checkbox"/> Clubhouse</td> </tr> <tr> <td><input checked="" type="checkbox"/> Refrigerator</td> <td><input type="checkbox"/> Garage(Att)</td> <td><input type="checkbox"/> Carport</td> <td><input type="checkbox"/> Washer/Dryer</td> <td><input checked="" type="checkbox"/> On-Site Mgmt</td> <td><input type="checkbox"/> Elevator</td> </tr> <tr> <td><input type="checkbox"/> Dishwasher</td> <td><input checked="" type="checkbox"/> Garage(Det)</td> <td><input type="checkbox"/> Central AC</td> <td><input type="checkbox"/> W/D Hook-up</td> <td><input checked="" type="checkbox"/> Laundry Room</td> <td><input type="checkbox"/> Computer Center</td> </tr> </table>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input checked="" type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input type="checkbox"/> Elevator	<input type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC	<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room
<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input checked="" type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse													
<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input type="checkbox"/> Elevator													
<input type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC	<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room	<input type="checkbox"/> Computer Center													

10 Riverview Manor																		
	<p><b>Address</b> 1403 W. 6th St. Racine, WI 53404</p> <p><b>Year Built</b> 2007</p> <p><b>Comments</b> 60% AMHI; Originally built in early 1900s</p>	<p><b>Phone</b> (262) 634-1403 (Contact in person)</p> <p><b>Contact</b> Ruth</p>	<p><b>Total Units</b> 24</p> <p><b>Vacancies</b> 1</p> <p><b>Occupancy Rate</b> 95.8%</p> <p><b>Floors</b> 2</p> <p><b>Quality Rating</b> C+</p> <p><b>Waiting List</b> None</p> <p><b>Senior Restricted (55+)</b></p>															
	<table border="0"> <tr> <td><input checked="" type="checkbox"/> Range</td> <td><input type="checkbox"/> Microwave</td> <td><input type="checkbox"/> Parking Garage</td> <td><input checked="" type="checkbox"/> Window AC</td> <td><input type="checkbox"/> Pool</td> <td><input type="checkbox"/> Clubhouse</td> </tr> <tr> <td><input checked="" type="checkbox"/> Refrigerator</td> <td><input type="checkbox"/> Garage(Att)</td> <td><input type="checkbox"/> Carport</td> <td><input type="checkbox"/> Washer/Dryer</td> <td><input checked="" type="checkbox"/> On-Site Mgmt</td> <td><input type="checkbox"/> Elevator</td> </tr> <tr> <td><input type="checkbox"/> Dishwasher</td> <td><input type="checkbox"/> Garage(Det)</td> <td><input type="checkbox"/> Central AC</td> <td><input type="checkbox"/> W/D Hook-up</td> <td><input checked="" type="checkbox"/> Laundry Room</td> <td><input type="checkbox"/> Computer Center</td> </tr> </table>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input checked="" type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input type="checkbox"/> Elevator	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC	<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room
<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input checked="" type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse													
<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input type="checkbox"/> Elevator													
<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC	<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room	<input type="checkbox"/> Computer Center													

11 McMynn Tower Apts.																		
	<p><b>Address</b> 624 Lake Ave. Racine, WI 53403</p> <p><b>Year Built</b> 1979</p> <p><b>Comments</b> HUD Section 8; Square footage estimated</p>	<p><b>Phone</b> (262) 632-5566 (Contact in person)</p> <p><b>Contact</b> Angel</p>	<p><b>Total Units</b> 123</p> <p><b>Vacancies</b> 0</p> <p><b>Occupancy Rate</b> 100.0%</p> <p><b>Floors</b> 10</p> <p><b>Quality Rating</b> C+</p> <p><b>Waiting List</b> 6 months</p> <p><b>Senior Restricted (55+)</b></p>															
	<table border="0"> <tr> <td><input checked="" type="checkbox"/> Range</td> <td><input type="checkbox"/> Microwave</td> <td><input checked="" type="checkbox"/> Parking Garage</td> <td><input checked="" type="checkbox"/> Window AC</td> <td><input type="checkbox"/> Pool</td> <td><input type="checkbox"/> Clubhouse</td> </tr> <tr> <td><input checked="" type="checkbox"/> Refrigerator</td> <td><input type="checkbox"/> Garage(Att)</td> <td><input type="checkbox"/> Carport</td> <td><input type="checkbox"/> Washer/Dryer</td> <td><input checked="" type="checkbox"/> On-Site Mgmt</td> <td><input checked="" type="checkbox"/> Elevator</td> </tr> <tr> <td><input type="checkbox"/> Dishwasher</td> <td><input type="checkbox"/> Garage(Det)</td> <td><input type="checkbox"/> Central AC</td> <td><input type="checkbox"/> W/D Hook-up</td> <td><input checked="" type="checkbox"/> Laundry Room</td> <td><input type="checkbox"/> Computer Center</td> </tr> </table>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Parking Garage	<input checked="" type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input checked="" type="checkbox"/> Elevator	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC	<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room
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12 Arcade Apts. (Main Lake)																		
	<p><b>Address</b> 424 Lake Ave. Racine, WI 53403</p> <p><b>Year Built</b> 1996</p> <p><b>Comments</b> Market-rate (15 units); 60% AMHI (60 units); Accepts HCV (8 units); Adaptive reuse of the 1923-built Arcade Building</p>	<p><b>Phone</b> (262) 632-4173 (Contact in person)</p> <p><b>Contact</b> Tony</p>	<p><b>Total Units</b> 75</p> <p><b>Vacancies</b> 0</p> <p><b>Occupancy Rate</b> 100.0%</p> <p><b>Floors</b> 3,4</p> <p><b>Quality Rating</b> B+</p> <p><b>Waiting List</b> 25 households</p>															
	<table border="0"> <tr> <td><input checked="" type="checkbox"/> Range</td> <td><input type="checkbox"/> Microwave</td> <td><input type="checkbox"/> Parking Garage</td> <td><input type="checkbox"/> Window AC</td> <td><input type="checkbox"/> Pool</td> <td><input type="checkbox"/> Clubhouse</td> </tr> <tr> <td><input checked="" type="checkbox"/> Refrigerator</td> <td><input type="checkbox"/> Garage(Att)</td> <td><input type="checkbox"/> Carport</td> <td><input type="checkbox"/> Washer/Dryer</td> <td><input checked="" type="checkbox"/> On-Site Mgmt</td> <td><input type="checkbox"/> Elevator</td> </tr> <tr> <td><input checked="" type="checkbox"/> Dishwasher</td> <td><input type="checkbox"/> Garage(Det)</td> <td><input checked="" type="checkbox"/> Central AC</td> <td><input type="checkbox"/> W/D Hook-up</td> <td><input checked="" type="checkbox"/> Laundry Room</td> <td><input type="checkbox"/> Computer Center</td> </tr> </table>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input type="checkbox"/> Elevator	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input checked="" type="checkbox"/> Central AC	<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room
<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse													
<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input type="checkbox"/> Elevator													
<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input checked="" type="checkbox"/> Central AC	<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room	<input type="checkbox"/> Computer Center													

### Project Type


<span style="color: blue;">■</span> Market-rate
<span style="color: cyan;">■</span> Market-rate/Tax Credit
<span style="color: pink;">■</span> Market-rate/Government-subsidized
<span style="color: purple;">■</span> Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span> Tax Credit
<span style="color: orange;">■</span> Tax Credit/Government-subsidized
<span style="color: yellow;">■</span> Government-subsidized

Survey Date: December 2014


# Survey of Properties - Racine, Wisconsin

13 Graceland Gardens		
	<b>Address</b> 5000 Graceland Blvd. Racine, WI 53406 <b>Phone</b> (262) 634-8919 (Contact in person) <b>Year Built</b> 1968 <b>Contact</b> Kelly <b>Comments</b> Does not accept HCV; Formerly known as The Imperial	<b>Total Units</b> 120 <b>Vacancies</b> 6 <b>Occupancy Rate</b> 95.0% <b>Floors</b> 2,3 <b>Quality Rating</b> B- <b>Waiting List</b> None


<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input checked="" type="checkbox"/> Window AC	<input checked="" type="checkbox"/> Pool	<input checked="" type="checkbox"/> Clubhouse
	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input checked="" type="checkbox"/> Elevator
	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC	<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room	<input checked="" type="checkbox"/> Computer Center

14 Harbor at State & Main		
	<b>Address</b> 141 Main St. Racine, WI 53403 <b>Phone</b> (262) 632-3308 (Contact in person) <b>Year Built</b> 2006 <b>Contact</b> Tammy <b>Comments</b> Market-rate (20 units); 50% & 60% AMHI (64 units); Mixed-use: commercial 1st floor & condos 4th floor; Unit mix by AMHI estimated; Accepts HCV (24 units)	<b>Total Units</b> 84 <b>Vacancies</b> 8 <b>Occupancy Rate</b> 90.5% <b>Floors</b> 4 <b>Quality Rating</b> A- <b>Waiting List</b> None <b>Senior Restricted (55+)</b>

<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input checked="" type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse
	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input checked="" type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input checked="" type="checkbox"/> Elevator
	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input checked="" type="checkbox"/> Central AC	<input checked="" type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room	<input checked="" type="checkbox"/> Computer Center

15 Belle Harbor Lofts/Historic Olson Building Lofts		
	<b>Address</b> 134 Main St. Racine, WI 53403 <b>Phone</b> (262) 619-4050 (Contact in person) <b>Year Built</b> 2000 <b>Contact</b> Maria <b>Comments</b> Market-rate (16 units); 30%, 50% & 60% AMHI (62 units); Accepts HCV (25 units); Unit mix estimated by manager; Adaptive reuse of the Thomas Driver & Sons Manufacturing Company building originally constructed in late 1800s	<b>Total Units</b> 78 <b>Vacancies</b> 2 <b>Occupancy Rate</b> 97.4% <b>Floors</b> 2,4 <b>Quality Rating</b> B+ <b>Waiting List</b> None

<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse
	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input type="checkbox"/> Elevator
	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input checked="" type="checkbox"/> Central AC	<input checked="" type="checkbox"/> W/D Hook-up	<input type="checkbox"/> Laundry Room	<input checked="" type="checkbox"/> Computer Center

16 Lincoln School Historic Apts.		
	<b>Address</b> 1130 Carlisle Ave. Racine, WI 53404 <b>Phone</b> (262) 633-9355 (Contact in person) <b>Year Built</b> 1991 <b>Contact</b> Carey <b>Comments</b> 50% & 60% AMHI; Boiler heat; Originally built 1890	<b>Total Units</b> 64 <b>Vacancies</b> 0 <b>Occupancy Rate</b> 100.0% <b>Floors</b> 3,4 <b>Quality Rating</b> B- <b>Waiting List</b> 3-4 households <b>Senior Restricted (55+)</b>

<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input checked="" type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse
	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input checked="" type="checkbox"/> Elevator
	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC	<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room	<input type="checkbox"/> Computer Center


**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: December 2014




# Survey of Properties - Racine, Wisconsin

17 Orchard Springs			
	<b>Address</b> 5612 Castle Ct. Racine, WI 53406 <b>Year Built</b> 1984 <b>Comments</b>	<b>Phone</b> (262) 637-7677 (Contact in person) <b>Contact</b> Sue	<b>Total Units</b> 104 <b>Vacancies</b> 2 <b>Occupancy Rate</b> 98.1% <b>Floors</b> 2 <b>Quality Rating</b> B <b>Waiting List</b> None


<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input checked="" type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse
	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input checked="" type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input type="checkbox"/> Elevator
	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC	<input checked="" type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room	<input type="checkbox"/> Computer Center

18 Lincoln Manor			
	<b>Address</b> 5801 16th St. Mt. Pleasant, WI 53406 <b>Year Built</b> 1972 <b>Renovated</b> 2006 <b>Comments</b> Market-rate (7 units); 40%, 50% & 60% AMHI (89 units); HUD Section 8 (24 units); Accepts HCV (30 units)	<b>Phone</b> (262) 634-1426 (Contact in person) <b>Contact</b> Joann	<b>Total Units</b> 120 <b>Vacancies</b> 9 <b>Occupancy Rate</b> 92.5% <b>Floors</b> 2 <b>Quality Rating</b> C+ <b>Waiting List</b> Sec. 8: 2 households <b>Senior Restricted (55+)</b>

<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input checked="" type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse
	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input checked="" type="checkbox"/> Elevator
	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC	<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room	<input checked="" type="checkbox"/> Computer Center

19 Greenbay Meadows Apts.			
	<b>Address</b> 5841 Joanne Dr. Racine, WI 53406 <b>Year Built</b> 1993 <b>Comments</b> Higher priced units have washer/dryer & attached garage; Year built 1982-2003; Unit mix & square footage estimated	<b>Phone</b> (262) 634-2689 (Contact in person) <b>Contact</b> Kyle	<b>Total Units</b> 208 <b>Vacancies</b> 8 <b>Occupancy Rate</b> 96.2% <b>Floors</b> 2 <b>Quality Rating</b> B <b>Waiting List</b> None

<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input type="checkbox"/> Window AC	<input type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse
	<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input checked="" type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input type="checkbox"/> Elevator
	<input checked="" type="checkbox"/> Dishwasher	<input checked="" type="checkbox"/> Garage(Det)	<input checked="" type="checkbox"/> Central AC	<input checked="" type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room	<input type="checkbox"/> Computer Center

20 Douglas Terrace Apts.			
	<b>Address</b> 3706 Douglas Ave. Racine, WI 43402 <b>Year Built</b> 1970 <b>Renovated</b> 1996 <b>Comments</b>	<b>Phone</b> (262) 681-3880 (Contact in person) <b>Contact</b> Jo	<b>Total Units</b> 202 <b>Vacancies</b> 6 <b>Occupancy Rate</b> 97.0% <b>Floors</b> 2 <b>Quality Rating</b> B <b>Waiting List</b> None

<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage	<input checked="" type="checkbox"/> Window AC	<input checked="" type="checkbox"/> Pool	<input type="checkbox"/> Clubhouse
	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport	<input type="checkbox"/> Washer/Dryer	<input checked="" type="checkbox"/> On-Site Mgmt	<input type="checkbox"/> Elevator
	<input checked="" type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC	<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Laundry Room	<input type="checkbox"/> Computer Center


**Project Type**


<span style="color: blue;">■</span> Market-rate
<span style="color: cyan;">■</span> Market-rate/Tax Credit
<span style="color: pink;">■</span> Market-rate/Government-subsidized
<span style="color: purple;">■</span> Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span> Tax Credit
<span style="color: orange;">■</span> Tax Credit/Government-subsidized
<span style="color: yellow;">■</span> Government-subsidized


Survey Date: December 2014




# Survey of Properties - Racine, Wisconsin

21		Oakview Manor	
	<b>Address</b> 4720 Byrd Ave. Racine, WI 53406	<b>Phone</b> (414) 271-4116 (Contact in person)	<b>Total Units</b> 79
	<b>Year Built</b> 1980	<b>Contact</b> Brett	<b>Vacancies</b> 4
<b>Comments</b> HUD Section 8; Square footage & year built estimated			<b>Occupancy Rate</b> 94.9%
			<b>Floors</b> 3
			<b>Quality Rating</b> C+
			<b>Waiting List</b> None
			<b>Senior Restricted (62+)</b>
<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage
	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input checked="" type="checkbox"/> Window AC
	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Carport
		<input type="checkbox"/> Central AC	<input checked="" type="checkbox"/> Washer/Dryer
			<input checked="" type="checkbox"/> W/D Hook-up
			<input type="checkbox"/> Pool
			<input checked="" type="checkbox"/> On-Site Mgmt
			<input checked="" type="checkbox"/> Laundry Room
			<input type="checkbox"/> Clubhouse
			<input checked="" type="checkbox"/> Elevator
			<input type="checkbox"/> Computer Center

22		Mount Pleasant Manor	
	<b>Address</b> 2250 Layard Ave. Racine, WI 53404	<b>Phone</b> (262) 632-0863 (Contact in person)	<b>Total Units</b> 79
	<b>Year Built</b> 1972	<b>Contact</b> Diane	<b>Vacancies</b> 0
<b>Comments</b> HUD Section 236; Boiler Heat; \$63 fee for A/C use seasonally			<b>Occupancy Rate</b> 100.0%
			<b>Floors</b> 3
			<b>Quality Rating</b> C
			<b>Waiting List</b> 3 months
			<b>Senior Restricted (55+)</b>
<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage
	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport
	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC
		<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Window AC
			<input type="checkbox"/> Washer/Dryer
			<input checked="" type="checkbox"/> On-Site Mgmt
			<input checked="" type="checkbox"/> Laundry Room
			<input type="checkbox"/> Pool
			<input type="checkbox"/> Clubhouse
			<input checked="" type="checkbox"/> Elevator
			<input checked="" type="checkbox"/> Computer Center

23		Sunset Terrace Apt. Homes	
	<b>Address</b> 5539 Byrd Ave. Racine, WI 53406	<b>Phone</b> (262) 632-5433 (Contact in person)	<b>Total Units</b> 118
	<b>Year Built</b> 1972	<b>Contact</b> Julie	<b>Vacancies</b> 0
<b>Comments</b> HUD Section 8; Waitlist: 1-br/24 months & 2- & 3-br/18 months; Twnhms. have washer/dryer hookups; Two 1-br manager units not included in total			<b>Occupancy Rate</b> 100.0%
			<b>Floors</b> 2
			<b>Quality Rating</b> C
			<b>Waiting List</b> 18-24 months
<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage
	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport
	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC
		<input checked="" type="checkbox"/> W/D Hook-up	<input type="checkbox"/> Window AC
			<input type="checkbox"/> Washer/Dryer
			<input checked="" type="checkbox"/> On-Site Mgmt
			<input checked="" type="checkbox"/> Laundry Room
			<input type="checkbox"/> Pool
			<input type="checkbox"/> Clubhouse
			<input type="checkbox"/> Elevator
			<input type="checkbox"/> Computer Center


24		Marian Housing Center	
	<b>Address</b> 4105 Spring St. Racine, WI 53405	<b>Phone</b> (262) 633-5700 (Contact in person)	<b>Total Units</b> 40
	<b>Year Built</b> 1988	<b>Contact</b> Joline	<b>Vacancies</b> 0
<b>Comments</b> HUD Section 8			<b>Occupancy Rate</b> 100.0%
			<b>Floors</b> 3
			<b>Quality Rating</b> B
			<b>Waiting List</b> 6-12 months
			<b>Senior Restricted (62+)</b>
<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input type="checkbox"/> Parking Garage
	<input checked="" type="checkbox"/> Refrigerator	<input type="checkbox"/> Garage(Att)	<input type="checkbox"/> Carport
	<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Garage(Det)	<input type="checkbox"/> Central AC
		<input type="checkbox"/> W/D Hook-up	<input checked="" type="checkbox"/> Window AC
			<input type="checkbox"/> Washer/Dryer
			<input checked="" type="checkbox"/> On-Site Mgmt
			<input checked="" type="checkbox"/> Laundry Room
			<input type="checkbox"/> Pool
			<input type="checkbox"/> Clubhouse
			<input checked="" type="checkbox"/> Elevator
			<input type="checkbox"/> Computer Center

### Project Type

<span style="color: blue;">■</span> Market-rate
<span style="color: cyan;">■</span> Market-rate/Tax Credit
<span style="color: pink;">■</span> Market-rate/Government-subsidized
<span style="color: purple;">■</span> Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span> Tax Credit
<span style="color: orange;">■</span> Tax Credit/Government-subsidized
<span style="color: yellow;">■</span> Government-subsidized

Survey Date: December 2014

# Survey of Properties - Racine, Wisconsin

25		JST Investments Inc.										
		<b>Address</b> 2225 Layard Ave. Racine, WI 53404		<b>Phone</b> (262) 308-6840 (Contact in person)		<b>Total Units</b> 40		<b>Vacancies</b> 1		<b>Occupancy Rate</b> 97.5%		
		<b>Year Built</b> 1966		<b>Contact</b> Joy		<b>Floors</b> 2		<b>Quality Rating</b> C		<b>Waiting List</b> None		
<b>Comments</b> Unit mix & square footage estimated; Formerly known as Column Apts.												
<b>Key Appliances &amp; Amenities</b>	<input checked="" type="checkbox"/>	<b>Range</b>	<input type="checkbox"/>	<b>Microwave</b>	<input type="checkbox"/>	<b>Parking Garage</b>	<input checked="" type="checkbox"/>	<b>Window AC</b>	<input type="checkbox"/>	<b>Pool</b>	<input type="checkbox"/>	<b>Clubhouse</b>
	<input checked="" type="checkbox"/>	<b>Refrigerator</b>	<input type="checkbox"/>	<b>Garage(Att)</b>	<input type="checkbox"/>	<b>Carport</b>	<input type="checkbox"/>	<b>Washer/Dryer</b>	<input type="checkbox"/>	<b>On-Site Mgmt</b>	<input type="checkbox"/>	<b>Elevator</b>
	<input type="checkbox"/>	<b>Dishwasher</b>	<input type="checkbox"/>	<b>Garage(Det)</b>	<input type="checkbox"/>	<b>Central AC</b>	<input type="checkbox"/>	<b>W/D Hook-up</b>	<input checked="" type="checkbox"/>	<b>Laundry Room</b>	<input type="checkbox"/>	<b>Computer Center</b>

### Project Type

<span style="color: blue;">■</span>	Market-rate
<span style="color: cyan;">■</span>	Market-rate/Tax Credit
<span style="color: pink;">■</span>	Market-rate/Government-subsidized
<span style="color: purple;">■</span>	Market-rate/Tax Credit/Government-subsidized
<span style="color: red;">■</span>	Tax Credit
<span style="color: orange;">■</span>	Tax Credit/Government-subsidized
<span style="color: yellow;">■</span>	Government-subsidized

Survey Date: December 2014

## Collected Rents - Racine, Wisconsin

Map ID	Garden Units					Townhouse Units			
	Studio	1-Br	2-Br	3-Br	4 Br+	1-Br	2-Br	3-Br	4 Br+
3	\$500	\$590	\$710						
5		\$680 - \$935	\$820 - \$1,180						
7						\$572 - \$860	\$674 - \$1,105	\$767 - \$1,075	
8	\$385 - \$425	\$400 - \$550	\$425 - \$600						
9			\$775						
10		\$592	\$615						
12		\$500 - \$850	\$650 - \$1,200						
13		\$614	\$799	\$915					
14		\$665 - \$950	\$785 - \$1,050						
15		\$306 - \$735	\$710 - \$890	\$885 - \$1,005					
16		\$475	\$650						
17		\$670	\$619 - \$670	\$745 - \$775					
18		\$504 - \$632	\$572						
19		\$635 - \$780	\$685 - \$870						
20	\$499	\$610	\$699 - \$739	\$859 - \$899					
25		\$500	\$550						

◆	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: December 2014

# Price Per Square Foot - Racine, Wisconsin

Studio Units					
Map ID	Project Name	Baths	Unit Size	Gross Rent	\$ / Square Foot
3	Park View Manor	1	465 - 495	\$546	\$1.10 - \$1.17
8	Wilmanor Apts.	1	460	\$431 - \$471	\$0.94 - \$1.02
20	Douglas Terrace Apts.	1	480	\$548	\$1.14
One-Bedroom Units					
Map ID	Project Name	Baths	Unit Size	Gross Rent	\$ / Square Foot
3	Park View Manor	1	685 - 700	\$647	\$0.92 - \$0.94
5	Lake Oaks	1	624 - 910	\$817 - \$1,072	\$1.18 - \$1.31
7	Mitchell Wagon Factory Lofts	1	1,210	\$676 - \$964	\$0.56 - \$0.80
8	Wilmanor Apts.	1	580	\$457	\$0.79
		1	580	\$482 - \$507	\$0.83 - \$0.87
		1.5	800	\$482 - \$607	\$0.60 - \$0.76
10	Riverview Manor	1	725	\$729	\$1.01
12	Arcade Apts. (Main Lake)	1 to 1.5	775 - 995	\$637 - \$987	\$0.82 - \$0.99
13	Graceland Gardens	1	750	\$751	\$1.00
14	Harbor at State & Main	1	620 - 897	\$737	\$0.82 - \$1.19
		1	620 - 897	\$827 - \$1,022	\$1.14 - \$1.33
15	Belle Harbor Lofts/Historic Olson Building Lofts	1	557 - 814	\$410 - \$676	\$0.74 - \$0.83
		1	557 - 850	\$714 - \$839	\$0.99 - \$1.28
16	Lincoln School Historic Apts.	1	600	\$594	\$0.99
17	Orchard Springs	1	600	\$807	\$1.35
18	Lincoln Manor	1	559	\$504 - \$632	\$0.90 - \$1.13
19	Greenbay Meadows Apts.	1	675 - 725	\$772 - \$917	\$1.14 - \$1.26
20	Douglas Terrace Apts.	1	683 - 692	\$671	\$0.97 - \$0.98
25	JST Investments Inc.	1	600	\$557	\$0.93
Two-Bedroom Units					
Map ID	Project Name	Baths	Unit Size	Gross Rent	\$ / Square Foot
3	Park View Manor	2	820 - 917	\$785	\$0.86 - \$0.96
5	Lake Oaks	1	851 - 891	\$1,003	\$1.13 - \$1.18
		2	946 - 1,225	\$1,130 - \$1,363	\$1.11 - \$1.19
7	Mitchell Wagon Factory Lofts	1	2,000	\$814 - \$1,245	\$0.41 - \$0.62
8	Wilmanor Apts.	1	812	\$500	\$0.62
		1.5	925	\$675	\$0.73
9	Central Park	1	950	\$871	\$0.92
10	Riverview Manor	1	925 - 1,000	\$798	\$0.80 - \$0.86
12	Arcade Apts. (Main Lake)	1	1,246 - 1,258	\$833 - \$1,383	\$0.67 - \$1.10

◆	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: December 2014





## Price Per Square Foot - Racine, Wisconsin

Two-Bedroom Units					
Map ID	Project Name	Baths	Unit Size	Gross Rent	\$ / Square Foot
13	Graceland Gardens	1.5	950	\$982	\$1.03
◆ 14	Harbor at State & Main	1	792 - 1,302	\$881	\$0.68 - \$1.11
◆		1	792 - 1,305	\$956 - \$1,146	\$0.88 - \$1.21
15	Belle Harbor Lofts/Historic Olson Building Lofts	1 to 2	820 - 1,111	\$848 - \$1,028	\$0.93 - \$1.03
◆ 16	Lincoln School Historic Apts.	1	750	\$809	\$1.08
17	Orchard Springs	1	825	\$802 - \$853	\$0.97 - \$1.03
◆ 18	Lincoln Manor	1	959	\$572	\$0.60
19	Greenbay Meadows Apts.	1	750	\$868	\$1.16
		2	850 - 1,000	\$943 - \$1,053	\$1.05 - \$1.11
20	Douglas Terrace Apts.	1	779 - 992	\$780 - \$820	\$0.83 - \$1.00
25	JST Investments Inc.	1	675	\$625	\$0.93
Three-Bedroom Units					
Map ID	Project Name	Baths	Unit Size	Gross Rent	\$ / Square Foot
7	Mitchell Wagon Factory Lofts	2	2,200	\$939 - \$1,247	\$0.43 - \$0.57
13	Graceland Gardens	2	1,200	\$1,139	\$0.95
15	Belle Harbor Lofts/Historic Olson Building Lofts	2	1,111 - 1,321	\$1,053 - \$1,173	\$0.89 - \$0.95
17	Orchard Springs	2	950	\$969 - \$999	\$1.02 - \$1.05
20	Douglas Terrace Apts.	2	1,185	\$958 - \$998	\$0.81 - \$0.84

◆	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: December 2014

## Average Gross Rent Per Square Foot - Racine, Wisconsin

Market-Rate			
Unit Type	One-Br	Two-Br	Three-Br
Garden	\$1.09	\$1.05	\$0.93
Townhouse	\$0.80	\$0.62	\$0.57

Tax Credit (Non-Subsidized)			
Unit Type	One-Br	Two-Br	Three-Br
Garden	\$1.04	\$0.90	\$0.89
Townhouse	\$0.61	\$0.45	\$0.47

Combined			
Unit Type	One-Br	Two-Br	Three-Br
Garden	\$1.07	\$1.00	\$0.92
Townhouse	\$0.64	\$0.47	\$0.48

## Tax Credit Units - Racine, Wisconsin

Studio Units						
Map ID	Project Name	Units	Square Feet	Baths	% AMHI	Collected Rent
8	Wilmanor Apts.	1	460	1	30%	\$385
8	Wilmanor Apts.	1	460	1	40%	\$415
8	Wilmanor Apts.	2	460	1	50%	\$425
One-Bedroom Units						
Map ID	Project Name	Units	Square Feet	Baths	% AMHI	Collected Rent
15	Belle Harbor Lofts/Historic Olson Building Lofts	2	557	1	30%	\$306
8	Wilmanor Apts.	2	580	1	30%	\$400
8	Wilmanor Apts.	2	580	1	40%	\$425
8	Wilmanor Apts.	1	800	1.5	40%	\$425
8	Wilmanor Apts.	2	580	1	50%	\$450
◆ 16	Lincoln School Historic Apts.	47	600	1	60%	\$475
◆ 16	Lincoln School Historic Apts.	15	600	1	50%	\$475
12	Arcade Apts. (Main Lake)	26	775 - 995	1 - 1.5	60%	\$500 - \$700
◆ 18	Lincoln Manor	6	559	1	40%	\$504
15	Belle Harbor Lofts/Historic Olson Building Lofts	2	814	1	50%	\$572
◆ 18	Lincoln Manor	44	559	1	50%	\$572 - \$619
7	Mitchell Wagon Factory Lofts	15	1,210	1	50%	\$572
◆ 10	Riverview Manor	12	725	1	60%	\$592
15	Belle Harbor Lofts/Historic Olson Building Lofts	18	557 - 850	1	60%	\$610 - \$635
◆ 18	Lincoln Manor	38	559	1	60%	\$619
◆ 14	Harbor at State & Main	7	620 - 897	1	50%	\$665
◆ 5	Lake Oaks	28	624 - 644	1	60%	\$680
7	Mitchell Wagon Factory Lofts	15	1,210	1	60%	\$706
◆ 14	Harbor at State & Main	18	620 - 897	1	60%	\$755

◆ - Senior Restricted

## Tax Credit Units - Racine, Wisconsin

Two-Bedroom Units						
Map ID	Project Name	Units	Square Feet	Baths	% AMHI	Collected Rent
8	Wilmanor Apts.	1	812	1	30%	\$425
8	Wilmanor Apts.	12	812	1	50%	\$425
◆ 18	Lincoln Manor	1	959	1	50%	\$572
◆ 10	Riverview Manor	12	925 - 1,000	1	60%	\$615
12	Arcade Apts. (Main Lake)	34	1,246 - 1,258	1	60%	\$650 - \$850
◆ 16	Lincoln School Historic Apts.	2	750	1	60%	\$650
7	Mitchell Wagon Factory Lofts	15	2,000	1	50%	\$674
15	Belle Harbor Lofts/Historic Olson Building Lofts	20	820 - 1,111	1 - 2	60%	\$710 - \$755
9	Central Park	48	950	1	60%	\$775
◆ 14	Harbor at State & Main	9	792 - 1,302	1	50%	\$785
◆ 5	Lake Oaks	27	851 - 891	1	60%	\$820
7	Mitchell Wagon Factory Lofts	15	2,000	1	60%	\$834
◆ 14	Harbor at State & Main	30	792 - 1,305	1	60%	\$860
Three-Bedroom						
Map ID	Project Name	Units	Square Feet	Baths	% AMHI	Collected Rent
7	Mitchell Wagon Factory Lofts	14	2,200	2	50%	\$767
15	Belle Harbor Lofts/Historic Olson Building Lofts	20	1,111 - 1,321	2	60%	\$885 - \$920
7	Mitchell Wagon Factory Lofts	14	2,200	2	60%	\$952

Summary of Occupancies By Bedroom Type and AMHI Level																		
AMHI Level	Studio			One-Bedroom			Two-Bedroom			Three-Bedroom			Four-Bedroom			Total		
	Units	Vacant	Occ Rate	Units	Vacant	Occ Rate	Units	Vacant	Occ Rate	Units	Vacant	Occ Rate	Units	Vacant	Occ Rate	Units	Vacant	Occ Rate
30%	1	0	100.0%	4	0	100.0%	1	0	100.0%							6	0	100.0%
40%	1	0	100.0%	9	2	77.8%			0.0%							10	2	80.0%
50%	2	0	100.0%	85	0	100.0%	37	2	94.6%	14	0	100.0%				138	2	98.6%
60%				202	14	93.1%	188	9	95.2%	34	0	100.0%				424	23	94.6%
<b>Total</b>	<b>4</b>	<b>0</b>	<b>100.0%</b>	<b>300</b>	<b>16</b>	<b>94.7%</b>	<b>226</b>	<b>11</b>	<b>95.1%</b>	<b>48</b>	<b>0</b>	<b>100.0%</b>				<b>578</b>	<b>27</b>	<b>95.3%</b>

◆ - Senior Restricted



## Quality Rating - Racine, Wisconsin

Market-Rate Projects and Units								
Quality Rating	Projects	Total Units	Vacancy Rate	Median Gross Rent				
				Studios	One-Br	Two-Br	Three-Br	Four-Br
A-	1	20	10.0%		\$1,022	\$1,146		
B+	3	43	0.0%		\$839	\$1,033	\$1,173	
B	4	629	3.5%	\$548	\$772	\$868	\$969	
B-	2	132	5.3%	\$471	\$751	\$982	\$1,139	
C+	1	7	0.0%		\$632			
C	2	93	1.1%	\$546	\$647	\$625		

Market-Rate Units by Bedroom, Type and Quality Rating									
Quality Rating	Garden Style Units					Townhome Units			
	Studios	One-Br	Two-Br	Three-Br	Four-Br	One-Br	Two-Br	Three-Br	Four-Br
A-		10	10						
B+		12	14	5		4	4	4	
B	8	263	327	31					
B-	1	45	82	4					
C+		7							
C	7	54	32						

## Quality Rating - Racine, Wisconsin

Tax Credit Projects and Units								
Quality Rating	Projects	Total Units	Vacancy Rate	MEDIAN GROSS RENT				
				Studios	One-Br	Two-Br	Three-Br	Four-Br
A-	1	64	9.4%		\$827	\$956		
B+	4	258	3.1%		\$714	\$871	\$1,053	
B	1	55	0.0%		\$817	\$1,003		
B-	2	88	3.4%	\$461	\$594	\$500		
C+	2	113	8.8%		\$619	\$798		

Tax Credit Units by Bedroom, Type and Quality Rating									
Quality Rating	Garden Style Units					Townhome Units			
	Studios	One-Br	Two-Br	Three-Br	Four-Br	One-Br	Two-Br	Three-Br	Four-Br
A-		25	39						
B+		48	102	20		30	30	28	
B		28	27						
B-	4	69	15						
C+		100	13						

## Year Built - Racine, Wisconsin

Market-rate and Non-Subsidized Tax Credit						
Year Range	Projects	Units	Vacant	Vacancy Rate	Total Units	Distribution
Before 1970	3	213	7	3.3%	213	14.2%
1970 to 1979	3	346	19	5.5%	559	23.0%
1980 to 1989	1	104	2	1.9%	663	6.9%
1990 to 1999	5	553	18	3.3%	1,216	36.8%
2000 to 2004	2	178	4	2.2%	1,394	11.9%
2005 to 2009	2	108	9	8.3%	1,502	7.2%
2010	0	0	0	0.0%	1,502	0.0%
2011	0	0	0	0.0%	1,502	0.0%
2012	0	0	0	0.0%	1,502	0.0%
2013	0	0	0	0.0%	1,502	0.0%
2014	0	0	0	0.0%	1,502	0.0%
2015*	0	0	0	0.0%	1,502	0.0%
<b>Total</b>	<b>16</b>	<b>1,502</b>	<b>59</b>	<b>3.9%</b>	<b>1,502</b>	<b>100.0 %</b>

## Year Renovated - Racine, Wisconsin

Market-rate and Non-Subsidized Tax Credit						
Year Range	Projects	Units	Vacant	Vacancy Rate	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	202	6	3.0%	202	52.9%
2000 to 2004	0	0	0	0.0%	202	0.0%
2005 to 2009	1	96	9	9.4%	298	25.1%
2010	0	0	0	0.0%	298	0.0%
2011	0	0	0	0.0%	298	0.0%
2012	0	0	0	0.0%	298	0.0%
2013	0	0	0	0.0%	298	0.0%
2014	2	84	8	9.5%	382	22.0%
2015*	0	0	0	0.0%	382	0.0%
<b>Total</b>	<b>4</b>	<b>382</b>	<b>23</b>	<b>6.0%</b>	<b>382</b>	<b>100.0 %</b>

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

\* As of December 2014



## Appliances and Unit Amenities - Racine, Wisconsin

Appliances			
Appliance	Projects	Percent	Units*
Range	16	100.0%	1,502
Refrigerator	16	100.0%	1,502
Icemaker	1	6.3%	100
Dishwasher	8	50.0%	971
Disposal	9	56.3%	952
Microwave	0	0.0%	
Pantry	1	6.3%	202
Unit Amenities			
Amenity	Projects	Percent	Units*
AC - Central	5	31.3%	615
AC - Window	11	68.8%	935
Floor Covering	16	100.0%	1,502
Washer/Dryer	4	25.0%	496
Washer/Dryer Hook-Up	6	37.5%	744
Patio/Deck/Balcony	7	43.8%	957
Ceiling Fan	5	31.3%	471
Fireplace	0	0.0%	
Basement	0	0.0%	
Intercom System	6	37.5%	647
Security System	0	0.0%	
Window Treatments	16	100.0%	1,502
Furnished Units	0	0.0%	
E-Call Button	0	0.0%	
Storage	3	18.8%	359
Walk-In Closets	1	6.3%	202

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



## Project Amenities - Racine, Wisconsin

Project Amenities			
Amenity	Projects	Percent	Units
Pool	2	12.5%	322
On-Site Mangement	15	93.8%	1,462
Laundry	14	87.5%	1,324
Club House	1	6.3%	120
Community Space	9	56.3%	677
Fitness Center	3	18.8%	282
Jacuzzi/Sauna	0	0.0%	
Playground	2	12.5%	238
Computer/Business Center	4	25.0%	378
Sports Court(s)	0	0.0%	
Storage	0	0.0%	
Water Features	0	0.0%	
Elevator	7	43.8%	687
Security Gate	0	0.0%	
Car Wash Area	0	0.0%	
Picnic Area	4	25.0%	460
Social Services/Activities	3	18.8%	316
Library/DVD Library	0	0.0%	
Walking/Bike Trail	1	6.3%	202

## Distribution of Utilities - Racine, Wisconsin

Utility (Responsibility)	Number of Projects	Number of Units	Distribution of Units
<b>Heat</b>			
Landlord			
Electric	1	40	1.9%
Gas	11	813	37.8%
Tenant			
Electric	10	1,054	49.0%
Gas	3	242	11.3%
			100.0%
<b>Cooking Fuel</b>			
Landlord			
Electric	4	278	12.9%
Gas	2	274	12.8%
Tenant			
Electric	18	1,497	69.7%
Gas	1	100	4.7%
			100.0%
<b>Hot Water</b>			
Landlord			
Electric	2	119	5.5%
Gas	7	400	18.6%
Other	1	78	3.6%
Tenant			
Electric	14	1,452	67.6%
Gas	1	100	4.7%
			100.0%
<b>Electric</b>			
Landlord	5	350	16.3%
Tenant	20	1,799	83.7%
			100.0%
<b>Water</b>			
Landlord	25	2,149	100.0%
			100.0%
<b>Sewer</b>			
Landlord	25	2,149	100.0%
			100.0%
<b>Trash Pick-Up</b>			
Landlord	25	2,149	100.0%
			100.0%

## Utility Allowance - Racine, WI

Br	Unit Type	Heating				Hot Water		Cooking		Electric	Water	Sewer	Trash	Cable
		Gas	Electric	Steam	Other	Gas	Electric	Gas	Electric					
0	Garden	\$36	\$49		\$97	\$6	\$12	\$5	\$9	\$37	\$17	\$18	\$15	\$20
1	Garden	\$47	\$65		\$127	\$8	\$15	\$6	\$11	\$46	\$21	\$23	\$15	\$20
1	Townhouse	\$44	\$61		\$119	\$8	\$15	\$6	\$11	\$46	\$21	\$23	\$15	\$20
2	Garden	\$63	\$87		\$169	\$11	\$21	\$9	\$15	\$60	\$26	\$28	\$15	\$20
2	Townhouse	\$60	\$83		\$162	\$11	\$21	\$9	\$15	\$60	\$26	\$28	\$15	\$20
3	Garden	\$77	\$107		\$209	\$13	\$26	\$11	\$18	\$73	\$31	\$35	\$15	\$20
3	Townhouse	\$75	\$103		\$201	\$13	\$26	\$11	\$18	\$73	\$31	\$35	\$15	\$20
4	Garden	\$93	\$129		\$252	\$16	\$32	\$13	\$22	\$89	\$35	\$39	\$15	\$20
4	Townhouse	\$90	\$125		\$244	\$16	\$32	\$13	\$22	\$89	\$35	\$39	\$15	\$20

WI-Racine (1/2015)

Survey Date: December 2014

A-25

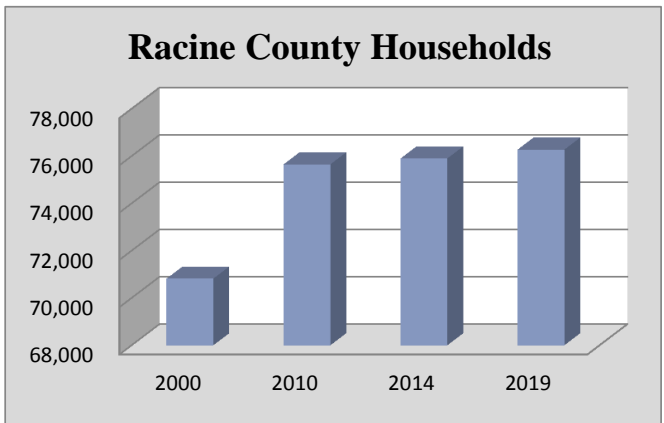
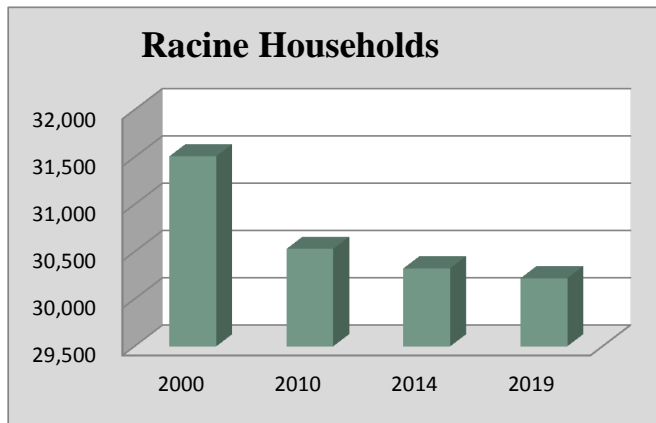
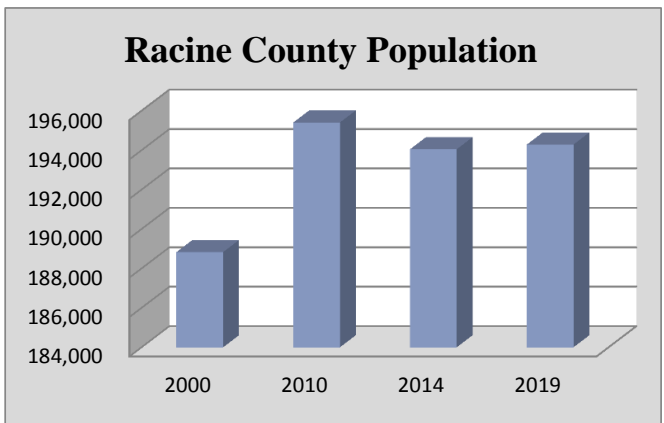
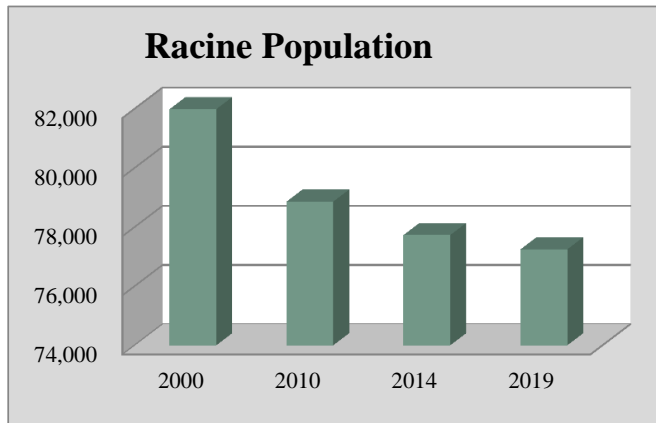


## Addendum B. Area Demographics

### A. Population and Household Overview

Racine		Year	Racine County	
Population	Households		Population	Households
81,988	31,510	2000 Census	188,831	70,819
78,860	30,530	2010 Census	195,408	75,651
-3.8%	-3.1%	% Change 2000-2010	3.5%	6.8%
-313	-98	Average Annual Change	658	483
77,729	30,325	2014 Estimate	194,050	75,902
77,247	30,220	2019 Projection	194,288	76,276
-0.6%	-0.3%	% Change 2014-2019	0.1%	0.5%
-96	-21	Average. Annual Change	48	75

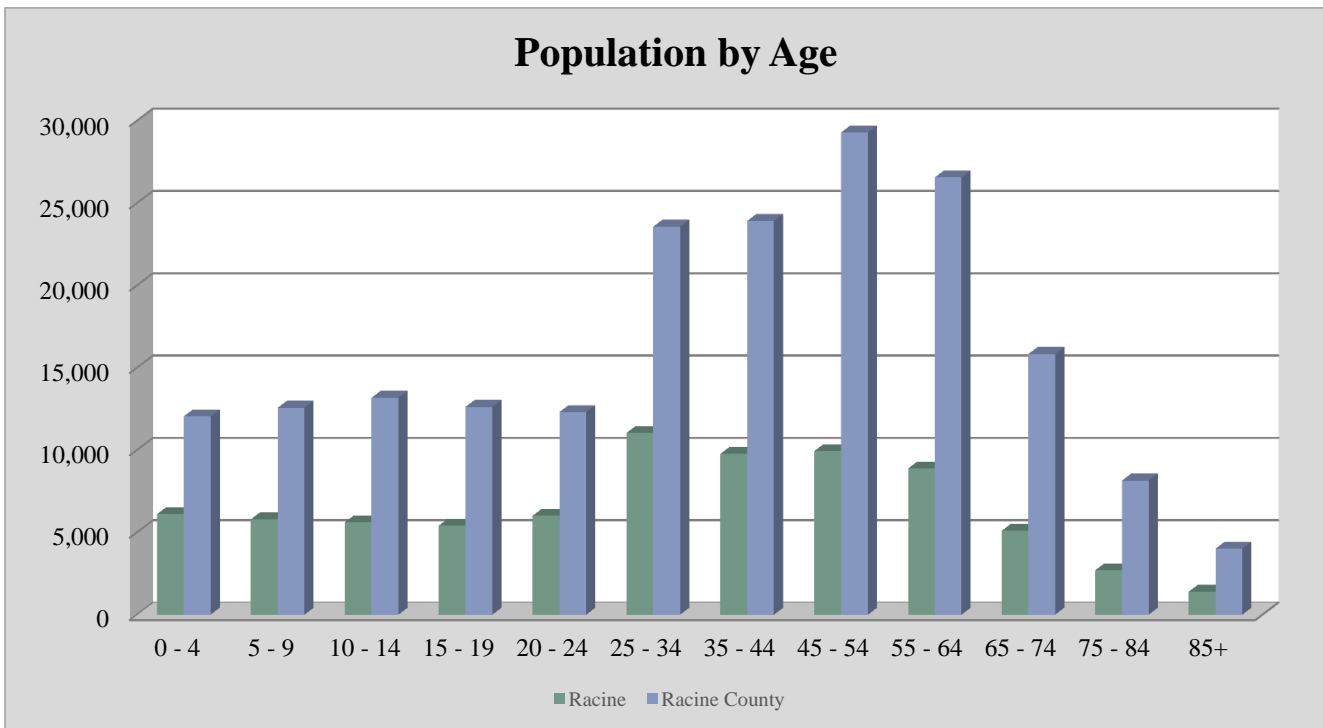
Source: 2000 Census, 2010 Census, ESRI



**B. Population Demographics**

Population by Age				
Racine		Age Range (2014)	Racine County	
Number	Percent		Number	Percent
6,106	7.9%	0 - 4	12,045	6.2%
5,793	7.5%	5 - 9	12,569	6.5%
5,607	7.2%	10 - 14	13,179	6.8%
5,406	7.0%	15 - 19	12,619	6.5%
6,006	7.7%	20 - 24	12,303	6.3%
11,037	14.2%	25 - 34	23,572	12.1%
9,768	12.6%	35 - 44	23,918	12.3%
9,932	12.8%	45 - 54	29,291	15.1%
8,881	11.4%	55 - 64	26,560	13.7%
5,094	6.6%	65 - 74	15,835	8.2%
2,697	3.5%	75 - 84	8,147	4.2%
1,401	1.8%	85+	4,012	2.1%
77,728	100.0%	Total	194,050	100.0%

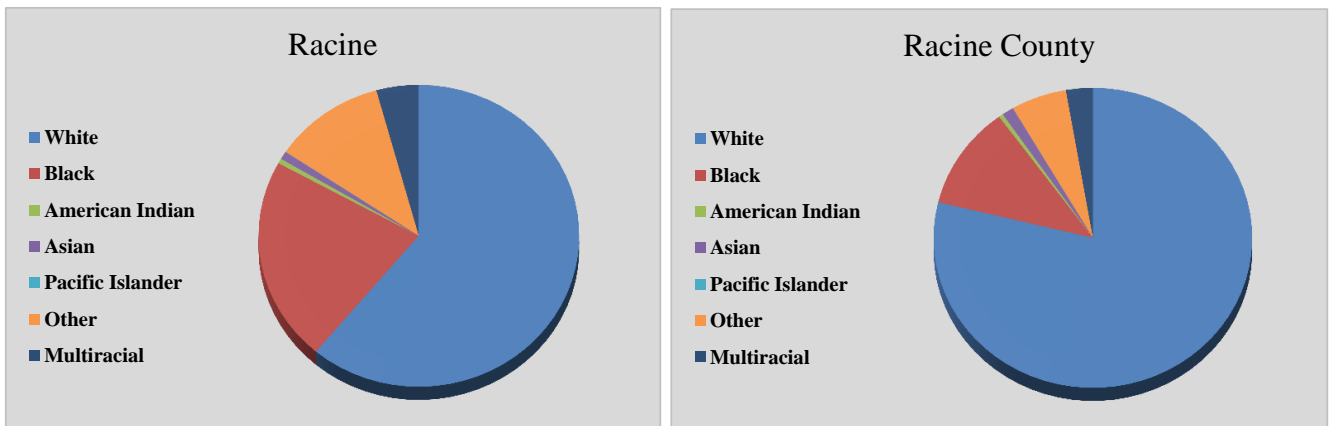
Source: 2010 Census, ESRI



Population by Single Race				
Race		Race (2014)	Race County	
Number	Percentage		Number	Percentage
47,482	61.1%	White	152,937	78.8%
17,023	21.9%	Black	21,638	11.2%
409	0.5%	American Indian	877	0.5%
657	0.8%	Asian	2,295	1.2%
25	0.0%	Pacific Islander	51	0.0%
8,811	11.3%	Other	10,962	5.6%
3,322	4.3%	Multiracial	5,290	2.7%
77,729	100.0%	Total	194,050	100.0%
17,528	22.6%	Hispanic *	24,656	12.7%

Source: 2010 Census, ESRI

\* Hispanic can refer to any race.



Population by Household Type				
Race		Composition (2010)	Race County	
Number	Percentage		Number	Percentage
60,912	77.2%	Family Households	156,324	80.0%
16,404	20.8%	Nonfamily Households	34,089	17.4%
1,544	2.0%	Group Qtrts	4,995	2.6%
78,860	100.0%	Total	195,408	100.0%

Source: 2010 Census, ESRI

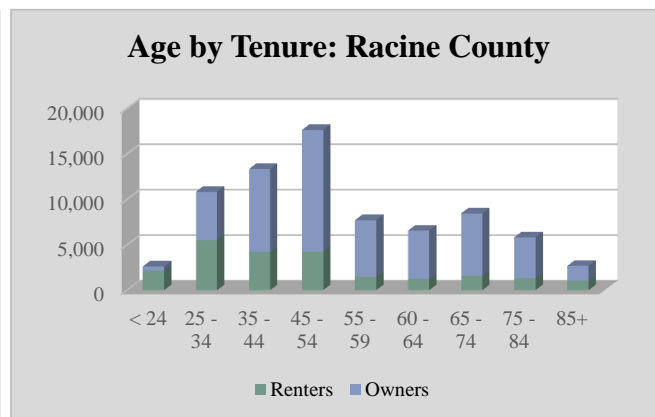
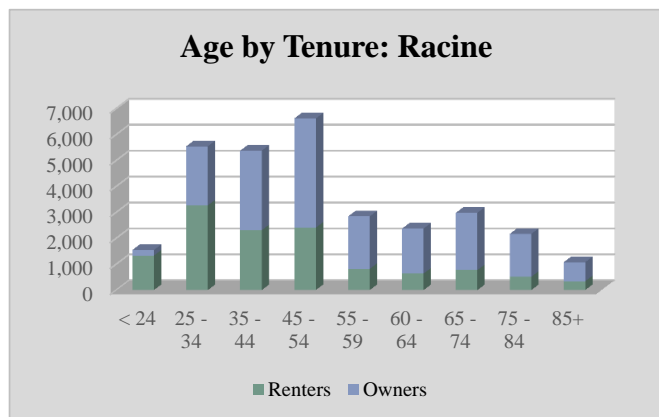
### C. Household Demographics

Age by Tenure: Renters				
Racine		Age Range (2010)	Racine County	
Number	Percentage		Number	Percentage
1,328	10.7%	< 24 Years	2,180	9.6%
3,266	26.4%	25 - 34 Years	5,545	24.3%
2,309	18.6%	35 - 44 Years	4,196	18.4%
2,406	19.4%	45 - 54 Years	4,269	18.7%
818	6.6%	55 - 59 Years	1,476	6.5%
638	5.1%	60 - 64 Years	1,222	5.4%
772	6.2%	65 - 74 Years	1,556	6.8%
512	4.1%	75 - 84 Years	1,317	5.8%
342	2.8%	85+ Years	1,038	4.6%
12,391	100.0%	Total	22,799	100.0%

Source: 2010 Census, ESRI

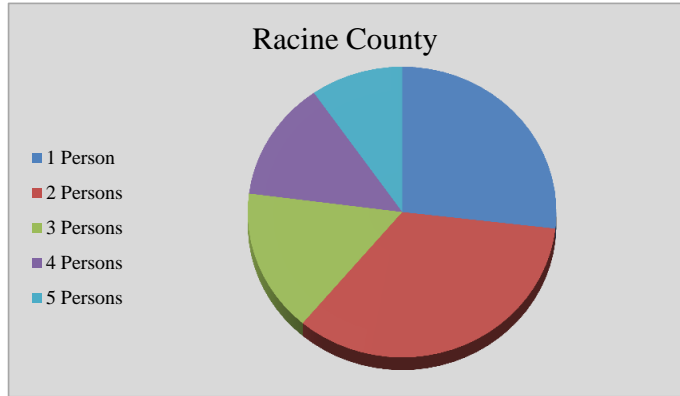
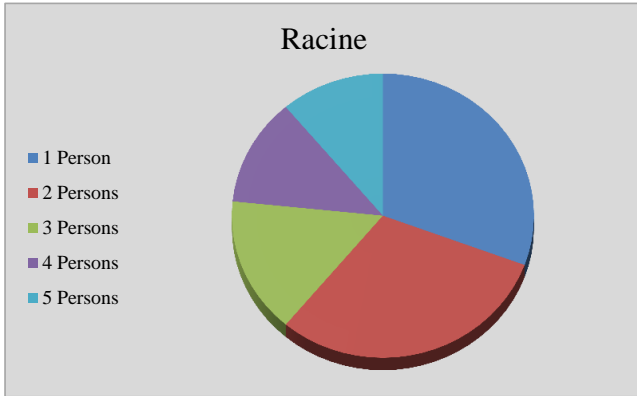
Age by Tenure: Owners				
Racine		Age Range (2010)	Racine County	
Number	Percentage		Number	Percentage
215	1.2%	< 24 Years	440	0.8%
2,280	12.6%	25 - 34 Years	5,288	10.0%
3,070	16.9%	35 - 44 Years	9,138	17.3%
4,212	23.2%	45 - 54 Years	13,371	25.3%
2,027	11.2%	55 - 59 Years	6,236	11.8%
1,734	9.6%	60 - 64 Years	5,337	10.1%
2,211	12.2%	65 - 74 Years	6,901	13.1%
1,657	9.1%	75 - 84 Years	4,504	8.5%
732	4.0%	85+ Years	1,637	3.1%
18,138	100.0%	Total	52,852	100.0%

Source: 2010 Census, ESRI



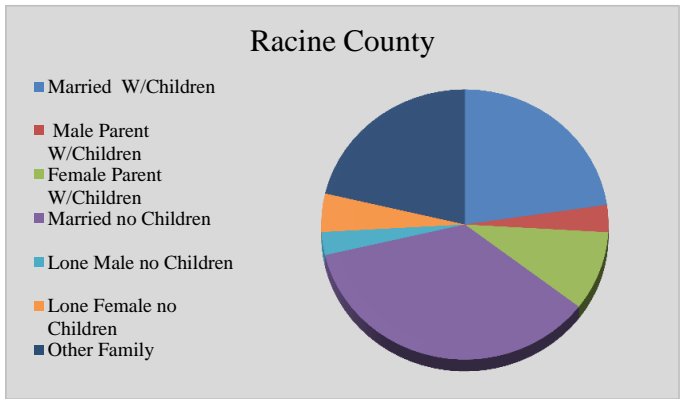
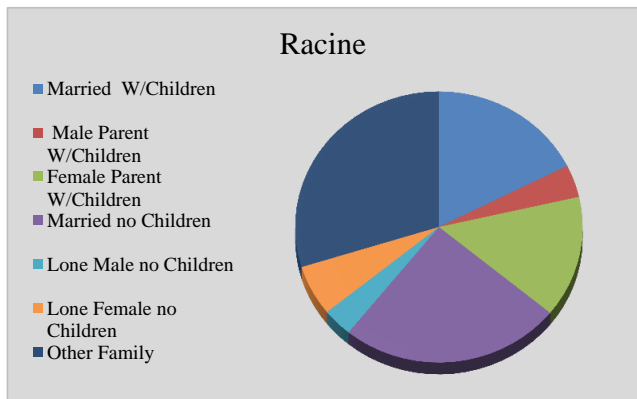
Household Size				
Racine		Size (2014)	Racine County	
Number	Percentage		Number	Percentage
9,312	30.6%	1 Person	20,381	26.8%
9,260	30.5%	2 Persons	26,083	34.3%
4,712	15.5%	3 Persons	12,074	15.9%
3,727	12.3%	4 Persons	10,086	13.3%
3,383	11.1%	5 Persons	7,368	9.7%
30,394	100.0%	Total	75,992	100.0%

Source: U.S. Census, Nielsen (Ribbon Demographics)



Household Composition				
Racine		Composition (2010)	Racine County	
Number	Percentage		Number	Percentage
4,668	17.5%	Married W/Children	14,580	22.7%
1,033	3.9%	Male Parent W/Children	2,090	3.2%
3,858	14.5%	Female Parent W/Children	6,106	9.5%
6,624	24.9%	Married no Children	23,115	35.9%
898	3.4%	Lone Male no Children	1,771	2.8%
1,603	6.0%	Lone Female no Children	2,948	4.6%
7,925	29.8%	Other Family	13,705	21.3%
26,609	100.0%	Total	64,315	100.0%

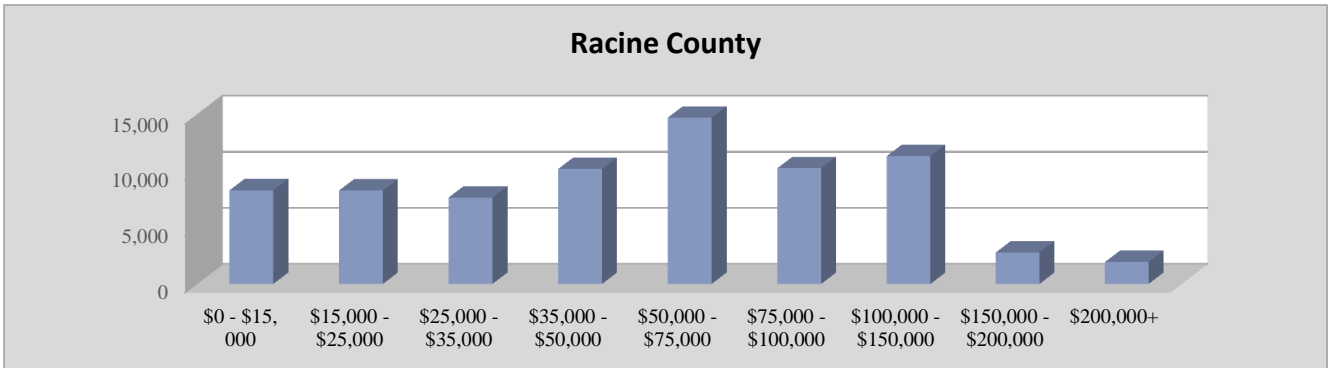
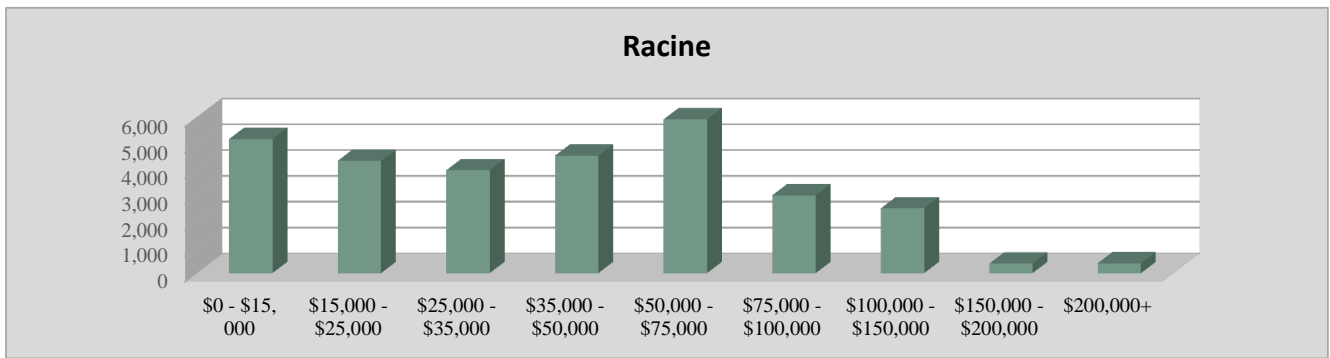
Source: 2010 Census, ESRI





Households by Income				
Racine		Income Range (2014)	Racine County	
Number	Percentage		Number	Percentage
5,193	17.1%	\$0 - \$15,000	8,339	11.0%
4,352	14.4%	\$15,000 - \$25,000	8,323	11.0%
3,989	13.2%	\$25,000 - \$35,000	7,701	10.1%
4,552	15.0%	\$35,000 - \$50,000	10,245	13.5%
5,961	19.7%	\$50,000 - \$75,000	14,814	19.5%
3,017	9.9%	\$75,000 - \$100,000	10,316	13.6%
2,512	8.3%	\$100,000 - \$150,000	11,400	15.0%
368	1.2%	\$150,000 - \$200,000	2,811	3.7%
380	1.3%	\$200,000+	1,953	2.6%
30,324	100.0%	Total	75,902	100.0%

Source: 2010 Census, ESRI, 2006-2010 ACS



## D. Housing Structure Data

Rented Households by Year Built				
Racine		Year Built (2006-2010 ACS)	Racine County	
Number	Percentage		Number	Percentage
179	1.4%	<b>Built 2005 or Later</b>	404	1.8%
246	2.0%	<b>Built 2000 - 2004</b>	1,005	4.4%
702	5.6%	<b>Built 1990 - 1999</b>	2,088	9.2%
576	4.6%	<b>Built 1980 - 1989</b>	2,023	8.9%
1,376	10.9%	<b>Built 1970 - 1979</b>	3,850	17.0%
1,794	14.2%	<b>Built 1960 - 1969</b>	3,223	14.2%
1,604	12.7%	<b>Built 1950 - 1959</b>	2,345	10.3%
1,416	11.2%	<b>Built 1940 - 1949</b>	1,914	8.4%
4,700	37.3%	<b>Built 1939 or Earlier</b>	5,861	25.8%
12,594	100.0%	<b>Total</b>	22,713	100.0%

Source: 2006-2010 ACS

Owned Households by Year Built				
Racine		Year Built (2006-2010 ACS)	Racine County	
Number	Percentage		Number	Percentage
137	0.7%	<b>Built 2005 or Later</b>	1,865	3.5%
349	1.9%	<b>Built 2000 - 2004</b>	3,716	7.0%
718	3.8%	<b>Built 1990 - 1999</b>	6,734	12.7%
421	2.2%	<b>Built 1980 - 1989</b>	3,482	6.6%
1,375	7.3%	<b>Built 1970 - 1979</b>	6,927	13.1%
2,712	14.5%	<b>Built 1960 - 1969</b>	7,120	13.5%
4,587	24.5%	<b>Built 1950 - 1959</b>	8,916	16.9%
2,173	11.6%	<b>Built 1940 - 1949</b>	3,617	6.8%
6,287	33.5%	<b>Built 1939 or Earlier</b>	10,456	19.8%
18,761	100.0%	<b>Total</b>	52,833	100.0%

Source: 2006-2010 ACS

Total Households by Year Built				
Racine		Year Built (2006-2010 ACS)	Racine County	
Number	Percentage		Number	Percentage
583	1.7%	<b>Built 2005 or Later</b>	2,002	2.8%
1,251	3.5%	<b>Built 2000 - 2004</b>	4,065	5.7%
2,790	7.9%	<b>Built 1990 - 1999</b>	7,452	10.4%
2,599	7.4%	<b>Built 1980 - 1989</b>	3,903	5.5%
5,226	14.8%	<b>Built 1970 - 1979</b>	8,302	11.6%
5,017	14.2%	<b>Built 1960 - 1969</b>	9,832	13.7%
3,949	11.2%	<b>Built 1950 - 1959</b>	13,503	18.9%
3,330	9.4%	<b>Built 1940 - 1949</b>	5,790	8.1%
10,561	29.9%	<b>Built 1939 or Earlier</b>	16,743	23.4%
35,307	100.0%	<b>Total</b>	71,594	100.0%

Source: 2006-2010 ACS

Rented Housing Units by Structure Type				
Racine		Structure (2006-2010 ACS)	Racine County	
Number	Percentage		Number	Percentage
3,045	24.2%	<b>1 Detached</b>	5,220	23.0%
683	5.4%	<b>1 Attached</b>	1,412	6.2%
3,543	28.1%	<b>2 Units</b>	4,749	20.9%
1,383	11.0%	<b>3 - 4 Units</b>	2,149	9.5%
938	7.4%	<b>5 - 9 Units</b>	2,857	12.6%
901	7.2%	<b>10 - 19 Units</b>	2,571	11.3%
1,230	9.8%	<b>20 - 49 Units</b>	2,066	9.1%
832	6.6%	<b>50+ Units</b>	1,550	6.8%
39	0.3%	<b>Mobile Home</b>	139	0.6%
0	0.0%	<b>Other</b>	0	0.0%
12,594	100.0%	<b>Total</b>	22,713	100.0%

Source: 2006-2010 ACS

Owned Housing Units by Structure Type				
Racine		Structure (2006-2010 ACS)	Racine County	
Number	Percentage		Number	Percentage
17,022	90.7%	<b>1 Detached</b>	47,174	89.3%
406	2.2%	<b>1 Attached</b>	1,698	3.2%
923	4.9%	<b>2 Units</b>	1,426	2.7%
119	0.6%	<b>3 - 4 Units</b>	351	0.7%
74	0.4%	<b>5 - 9 Units</b>	1,028	1.9%
69	0.4%	<b>10 - 19 Units</b>	481	0.9%
21	0.1%	<b>20 - 49 Units</b>	53	0.1%
70	0.4%	<b>50+ Units</b>	79	0.1%
57	0.3%	<b>Mobile Home</b>	543	1.0%
0	0.0%	<b>Other</b>	0	0.0%
18,761	100.0%	<b>Total</b>	52,833	100.0%

Source: 2006-2010 ACS

Total Housing Units by Structure Type				
Racine		Structure (2006-2010 ACS)	Racine County	
Number	Percentage		Number	Percentage
20,067	64.0%	<b>1 Detached</b>	52,394	69.4%
1,089	3.5%	<b>1 Attached</b>	3,110	4.1%
4,466	14.2%	<b>2 Units</b>	6,175	8.2%
1,502	4.8%	<b>3 - 4 Units</b>	2,500	3.3%
1,012	3.2%	<b>5 - 9 Units</b>	3,885	5.1%
970	3.1%	<b>10 - 19 Units</b>	3,052	4.0%
1,251	4.0%	<b>20 - 49 Units</b>	2,119	2.8%
901	2.9%	<b>50+ Units</b>	1,629	2.2%
96	0.3%	<b>Mobile Home</b>	682	0.9%
0	0.0%	<b>Other</b>	0	0.0%
31,355	100.0%	<b>Total</b>	75,546	100.0%

Source: 2006-2010 ACS

Year Moved-Into Renter-Occupied Household				
Racine		Year Moved-In (2006-2010 ACS)	Racine County	
Number	Percentage		Number	Percentage
8,301	65.9%	<b>2005 or Later</b>	14,236	62.7%
2,351	18.7%	<b>2000 - 2004</b>	4,762	21.0%
1,457	11.6%	<b>1990 - 1999</b>	2,736	12.0%
296	2.3%	<b>1980 - 1989</b>	599	2.6%
102	0.8%	<b>1970 - 1979</b>	202	0.9%
87	0.7%	<b>1969 or Earlier</b>	178	0.8%
12,594	100.0%	<b>Total</b>	22,713	100.0%

Source: 2006-2010 ACS

Year Moved Into Owner-Occupied Household				
Racine		Year Moved-In (2006-2010 ACS)	Racine County	
Number	Percentage		Number	Percentage
3,078	16.4%	<b>2005 or Later</b>	8,974	17.0%
4,348	23.2%	<b>2000 - 2004</b>	13,049	24.7%
4,550	24.3%	<b>1990 - 1999</b>	13,800	26.1%
1,956	10.4%	<b>1980 - 1989</b>	6,565	12.4%
2,173	11.6%	<b>1970 - 1979</b>	5,322	10.1%
2,656	14.2%	<b>1969 or Earlier</b>	5,123	9.7%
18,761	100.0%	<b>Total</b>	52,833	100.0%

Source: 2006-2010 ACS

Year Moved Into All Households				
Racine		Year Moved-In (2006-2010 ACS)	Racine County	
Number	Percentage		Number	Percentage
11,379	36.3%	<b>2005 or Later</b>	23,210	30.7%
6,698	21.4%	<b>2000 - 2004</b>	17,811	23.6%
6,007	19.2%	<b>1990 - 1999</b>	16,536	21.9%
2,252	7.2%	<b>1980 - 1989</b>	7,164	9.5%
2,275	7.3%	<b>1970 - 1979</b>	5,524	7.3%
2,743	8.7%	<b>1969 or Earlier</b>	5,301	7.0%
31,355	100.0%	<b>Total</b>	75,546	100.0%

Source: 2006-2010 ACS

Gross Rent Paid				
Racine		Gross Rent (2006-2010 ACS)	Racine County	
Number	Percentage		Number	Percentage
67	0.5%	<b>Less than \$200</b>	148	0.7%
410	3.3%	<b>\$200 - \$299</b>	635	2.8%
665	5.3%	<b>\$300 - \$399</b>	1,019	4.5%
1,263	10.0%	<b>\$400 - \$499</b>	1,791	7.9%
1,947	15.5%	<b>\$500 - \$599</b>	2,998	13.2%
2,054	16.3%	<b>\$600 - \$699</b>	3,911	17.2%
2,132	16.9%	<b>\$700 - \$799</b>	3,447	15.2%
1,331	10.6%	<b>\$800 - \$899</b>	2,236	9.8%
917	7.3%	<b>\$900 - \$999</b>	1,925	8.5%
908	7.2%	<b>\$1,000 - \$1,249</b>	2,389	10.5%
220	1.7%	<b>\$1,250 - \$1,499</b>	759	3.3%
77	0.6%	<b>\$1,500 - \$1,999</b>	206	0.9%
20	0.2%	<b>\$2,000+</b>	40	0.2%
585	4.6%	<b>No Cash Rent</b>	1,209	5.3%
12,594	100.0%	<b>Total</b>	22,713	100.0%
\$714		<b>Median Gross Rent</b>	\$778	

Source: 2006-2010 ACS

Building Permits for Housing Units: Racine			
Year	Single Family Structure	Mult-Family Units	Total
2004	28	4	32
2005	29	2	31
2006	12	167	179
2007	13	40	53
2008	13	0	13
2009	8	0	8
2010	4	72	76
2011	6	2	8
2012	11	0	11
2013	5	0	5

Source: SOCDs Building Permits Database

Building Permits for Housing Units: Racine County			
Year	Single Family Structure	Mult-Family Units	Total
2004	939	339	1,278
2005	810	196	1,006
2006	484	322	806
2007	508	124	632
2008	271	6	277
2009	194	149	343
2010	156	84	240
2011	99	8	107
2012	143	20	163
2013	182	28	210

Source: SOCDs Building Permits Database

### E. Total NAICS Business and Employment Statistics

Racine		Category (2014)	Racine County	
Business	Employees		Business	Employees
14	29	<b>11-Agriculture</b>	265	601
1	21	<b>21-Mining</b>	3	58
5	268	<b>22-Utilities</b>	13	434
258	934	<b>23-Construction</b>	1,041	3,990
216	3,785	<b>31-Manufacturing</b>	540	12,255
102	762	<b>42-Wholesale Trade</b>	412	3,654
384	3,173	<b>44-Retail Trade</b>	1,069	8,977
65	707	<b>48-Transportation</b>	327	2,720
49	401	<b>51-Information</b>	144	907
118	558	<b>52-Finance</b>	396	2,355
150	470	<b>53-Real Estate</b>	468	1,476
327	920	<b>54-Professional</b>	1,012	3,389
13	29	<b>55-Management</b>	33	66
453	1,436	<b>56-Administration</b>	1,618	4,401
88	2,902	<b>61-Educational Services</b>	204	5,868
301	4,924	<b>62-Health Care</b>	668	8,436
62	668	<b>71-Arts &amp; Entertainment</b>	182	1,337
187	1,820	<b>72-Accommodation &amp; Food</b>	483	4,924
444	1,910	<b>81-Other Services</b>	1,067	4,279
44	1,559	<b>92-Public Administration</b>	120	4,924
1	377	<b>99-Nonclassifiable</b>	2	1,117
3,282	27,653	<b>Total</b>	10,067	76,168

Source: InfoGroup USA

## Addendum C – Market Study Index Checklist

Note: Information on the National Council of Housing Market Analysts may be obtained by calling (202) 939-1750, or by visiting [www.housingonline.com/NationalCouncilofAffordableHousingMarketAnalysis.aspx](http://www.housingonline.com/NationalCouncilofAffordableHousingMarketAnalysis.aspx).

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

**Checklist (Continued)**

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



**Checklist (Continued)**

<b>Other Requirements</b>		<b>Section (s)</b>
54.	Preparation date of report	Title Page
55.	Date of Field Work	IV, Addendum A
56.	Certifications	Certification
57.	Statement of qualifications	XII
58.	Sources of data not otherwise identified	I
59.	Utility allowance schedule	Addendum A

# **Addendum D**

## **Local Utility Allowance Schedule**



# HUD Income Guideline 1/2015

Racine

MFI: 69700

<b>Income Limits</b>	<b>1 Person</b>	<b>2 Person</b>	<b>3 Person</b>	<b>4 Person</b>	<b>5 Person</b>	<b>6 Person</b>	<b>7 Person</b>	<b>8 Person</b>
<b>30% Limits</b>	14450	16500	18550	20600	22250	23900	25550	27200
<b>50% Limits</b>	24050	27450	30900	34300	37050	39800	42550	45300

# Bedrooms

0  
1  
2  
3  
4

Payment Standard

\$550.00  
\$565.00  
\$735.00  
\$910.00  
\$962.00

Effective January 2015