



Market Study of
Proposed Draper Commons Apartments
South of East Fountain Boulevard at intersection
with South Wahsatch Avenue
Colorado Springs, El Paso County, Colorado 80903

Prepared for

BCR Management, Inc.
3145 Electra Drive
Colorado Springs, Colorado 80906

As of

March 31, 2021

By

Stephen E. Ross, Market Analyst
William M. James, MAI, CCIM, MBA

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REAL ESTATE DECISION SUPPORT

March 31, 2021

BCR Management, Inc.
3145 Electra Drive
Colorado Springs, Colorado 80906

Attention: Mr. Thomas B. Gennett III, President

SUBJECT PROPERTY: Proposed Draper Commons Apartments
South of East Fountain Boulevard at intersection with South Wahsatch Avenue
Colorado Springs, El Paso County, Colorado 80903
JRES File No. 2021-009 RS

Ladies and Gentlemen:

At your request, we have prepared a market study of the referenced real property in accordance with the methodology outlined in the Colorado Housing and Finance Authority's 2021 Market Study Guide. The real estate was inspected on March 16, 2021 and other dates, and is current as of the date of this report, is accurate and can be relied upon to present a comprehensive assessment of the local market for the subject project.

The date of this report represents the market study completion date. Per CHFA requirements, this report is assignable to "lenders and/or syndicators that are parties to the development's financial structure." In addition, the market study may be shared with the Department of Housing and Urban Development as part of HUD's assistance to CHFA in the analysis of this market study. Otherwise, this market study may not be used or relied upon for any purpose whatsoever by anyone other than the addressee of this letter, CHFA, HUD, and parties directly related to the intended use described herein, without our express written consent.

We certify that we have no present or contemplated future interest in the real property beyond this market study.

Respectfully submitted,

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Attachments: Market Study Report

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ADDENDA

- A. Comparable Property Photos
- B. Qualifications of Market Analysts and Company Profile





LOOKING SOUTH AT SUBJECT FROM NORTH BOUNDARY OF SITE NEAR FOUNTAIN BOULEVARD



LOOKING NORTHEAST AT SUBJECT FROM NEAR SOUTHWEST CORNER OF SITE
EAST FOUNTAIN BOULEVARD IS IN DISTANCE

SUBJECT PHOTOGRAPHS



LOOKING SOUTHWEST AT SUBJECT FROM NEAR INTERSECTION OF EAST FOUNTAIN BOULEVARD AND SOUTH WAHSATCH AVENUE



LOOKING SOUTHEAST AT PUBLIC PARK ADJACENT TO INTERSECTION OF EAST FOUNTAIN BOULEVARD AND SOUTH WEBER STREET
SUBJECT SITE IS IN DISTANCE AT LEFT

SUBJECT PHOTOGRAPHS



LOOKING WEST ACROSS SOUTH WEBER STREET AT ADJACENT PROPERTIES



LOOKING EAST FROM NEAR NORTHEAST CORNER OF THE SUBJECT AT ADJACENT PROPERTIES AND EAST FOUNTAIN BOULEVARD
SOUTH WAHSATCH AVENUE IS AT FAR LEFT

SUBJECT PHOTOGRAPHS



LOOKING WEST ALONG EAST FOUNTAIN BOULEVARD
SUBJECT SITE IS AT LEFT



LOOKING EAST ALONG EAST FOUNTAIN BOULEVARD
SUBJECT SITE IS AT RIGHT



LOOKING SOUTH ALONG SOUTH WEBER STREET
SUBJECT SITE IS IN DISTANCE AT LEFT



LOOKING NORTH ALONG SOUTH WEBER STREET
SUBJECT SITE IS IN DISTANCE AT RIGHT

SUBJECT PHOTOGRAPHS



LOOKING WEST ALONG WRITERS WAY
SUBJECT SITE IS IN DISTANCE AT REAR



LOOKING NORTH ALONG SOUTH WAHSATCH AVENUE AT
INTERSECTION WITH EAST FOUNTAIN BOULEVARD
SUBJECT SITE IS AT REAR



EXAMPLE OF POTENTIAL VIEWS FROM SUBJECT SITE

SUBJECT PHOTOGRAPHS

MARKET STUDY SYNOPSIS

Project Description

The subject property is an apartment complex planned for a 6.64-acre site along the south side of East Fountain Boulevard adjacent to its intersection with the terminus of South Wahsatch Avenue in the City of Colorado Springs, Colorado. The development at this site is anticipated to include approximately 280 affordable multifamily units in two buildings. A site plan, stacking plan, building exterior renderings, and floorplans are located within this report on the following pages.

The subject property is planned to include 14 studio/efficiency units, 210 one-bedroom/one-bath units, and 56 two-bedroom/one-bath units. The apartments will be heated and cooled via high efficiency split HVAC systems. Apartments will include a refrigerator, stove/oven, dishwasher, garbage disposal, and microwave oven. Balconies, pantries, and walk-in closets are also anticipated to be included in some floorplans apartments. Unit finishes are anticipated (and budgeted) to be average to slightly above average for income-restricted units in this market.

Subject Unit Summary

	20% AMI	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	Market Units	Total	Size (SF)	Type
Studio Units	0	1	0	3	7	3	0	0	14	411 SF	Flat
1 Bedroom Units	0	12	0	18	168	12	0	0	210	474 SF	Flat
2 Bedroom/1 Bath Units	0	2	0	13	37	4	0	0	56	575 SF	Flat
2 Bedroom/2 Bath Units											
3 Bedroom/2 Bath Units											
4 Bedroom/1.5 Bath Units											
4 Bedroom/2 Bath Units											
Total	0	15	0	34	212	19	0	0	280		
% of Total	0%	5%	0%	12%	76%	7%	0%		100%		

As per CHFA guidelines, the subject rents will target the 30%, 50%, 60%, and 70% AMI levels. The targeted resident AMI levels by floorplan of nearby properties are listed below.

Rent Comparison

<i>Rent per Unit</i>	Subject Property	Hillside Pointe Apartments	Homewood Point	Plaza on Platte	Grand View	333 ECO
Studio Units						
20% AMI						
30% AMI	\$375					
40% AMI				\$612		
50% AMI	\$661					
60% AMI	\$804					
70% AMI	\$947					
80% AMI						
Market Rent						\$1,275-\$1,360
1 Bedroom Units						
20% AMI						
30% AMI	\$399	\$347				
40% AMI			\$476			
50% AMI	\$705	\$653	\$629			
60% AMI	\$858		\$782			
70% AMI	\$1,011					
80% AMI						
Market Rent					\$1,260	\$1,340-\$2,325
2 Bedroom/1 Bath Units						
20% AMI						
30% AMI	\$477					
40% AMI						
50% AMI	\$844					
60% AMI	\$1,028					
70% AMI	\$1,212					
80% AMI						
Market Rent					\$1,295	
2 Bedroom/2 Bath Units						
20% AMI						
30% AMI		\$411				
40% AMI			\$573			
50% AMI		\$778	\$756			
60% AMI		\$790	\$940			
70% AMI						
80% AMI						
Market Rent					\$1,340	\$1,995-\$2,645

<i>Rent per Unit</i>	Subject Property	Hillside Pointe Apartments	Homewood Point	Plaza on Platte	Grand View	333 ECO
3 Bedroom/2 Bath Units						
20% AMI						
30% AMI		\$472				
40% AMI						
50% AMI		\$897				
60% AMI						
70% AMI						
80% AMI						
Market Rent						

All rents are net rents excluding concessions, utilities allowances or market rate utility adjustments.

Comparability Analysis

The subject property is rated in comparison to key attributes of the market comparables as follows:

	Hillside Pointe Apartments	Homewood Point	Plaza on Platte	Grand View	333 ECO
Rents	\$347-\$897	\$476-\$940	\$612	\$1,260-\$1,340	\$1,275-\$2,645
Unit Size	+	+	+	+	+
Unit Mix	+	+	-	=	+
Quality	-	=	-	=	+
Amenities	-	-	-	+	+
Location	-	-	-	-	=

Scale: - (Inferior to Subject); = (Equal to Subject); + (Superior to Subject)

Demand and Capture Rate

	20% AMI	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	Total
= Income Qualifying HH In Market Area	912	1,541	2,235	2,682	2,740	2,920	2,635	15,664
+ In-migration of HH (If Any)	0	0	0	0	0	0	0	0
= Total Qualifying HH (Demand)	912	1,541	2,235	2,682	2,740	2,920	2,635	15,664
Existing Units	0	0	81	89	13	0	0	183
Capture Rate - Existing	0.0%	0.0%	3.6%	3.3%	0.5%	0.0%	0.0%	1.2%
Under Construction/Planned Units								
Proposed projects (Village at Solid Rock)	0	8	4	27	27	0	11	77
Subject Units (Proposed)	0	15	0	34	212	19	0	280
Total Existing & Under Construction Units	0	23	85	150	252	19	11	540
Capture Rate	0.0%	1.5%	3.8%	5.6%	9.2%	0.7%	0.4%	3.4%
Demand Less Existing & Proposed Units	912	1,518	2,150	2,532	2,488	2,901	2,624	15,124

Project Strengths and Weaknesses

Strengths

- An attractive location southeast of downtown Colorado Springs, and just east of the South Nevada Avenue commercial corridor, with views of Pikes Peak and the Front Range.
- Centered between employment opportunities in downtown Colorado Springs and the established southern part of town that is home to Peterson Air Force Base and the Colorado Springs airport as well as Fort Carson to the south.
- Future subject residents will have easy access to neighborhood schools, area shopping, and major transportation corridors.
- The subject property has a well-balanced unit mix that matches well with the anticipated tenant profile.
- Strong affordable unit demand across all AMI levels and unit floor plan sizes.
- Limited competition for the subject units in the Primary Market Area, and not much more family/workforce housing in the overall Colorado Springs area.
- Innovative community amenities, like the proposed ArtWalk and EV charging stations, will help to set the subject property apart in the market area.
- The subject project is NGBS "Silver Certified" and will be powered by a 200+ kilowatt photovoltaic solar array
- The subject property is located in an area of special need for Colorado Springs as outlined by the Home COS master plan for housing and 100% of subject units will be built using "Universal Design" for seniors and people with disabilities.

Weaknesses

- Somewhat low Walk Score although still significantly higher than Colorado Springs overall.

Recommendations and Conclusions

Market Demand	5
Project Location	5
Proposed Unit Mix	4
Proposed Unit Sizes	4
Proposed Rents	5
Overall Marketability (as proposed)	4
Marketability with Recommendations:	5

Scale: 1 (not strong) to 5 (very strong)

- The subject site has an attractive location in terms of access to the property, proximity to employment, and mountain views.
- Market data supports strong demand across all unit types, as evidenced by low vacancies at most peer group property.
- Currently Capture Rates for the 30% thru 80% AMI levels are extremely low, even after the proposed subject units are included.
- The subject should have no problem leasing its units due to strong demand and consistent market absorption in the Colorado Springs apartment market.
- The rents levels at the subject are in line with both the peer group and the market and should be supported by the project's new construction status, its location, and the strong AMI demand.
- A second full bathroom in the two-bedroom floorplans at the subject would help it compete more effectively with most of its competitors.
- Unit sizes at the subject are somewhat smaller than other LIHTC and market-rate projects in the PMA, but that should not significantly impact demand.
- The slightly higher per square foot rents levels at the subject should be supported by the project's new construction status and by its excellent location and views.
- It would be beneficial to provide washer and dryer units within each of the subject apartments, or at least W/D connections, as this is becoming more of a standard with new multifamily developments throughout the Front Range region; however, the unit sizes may prevent adding W/Ds.

FACTUAL DESCRIPTIONS

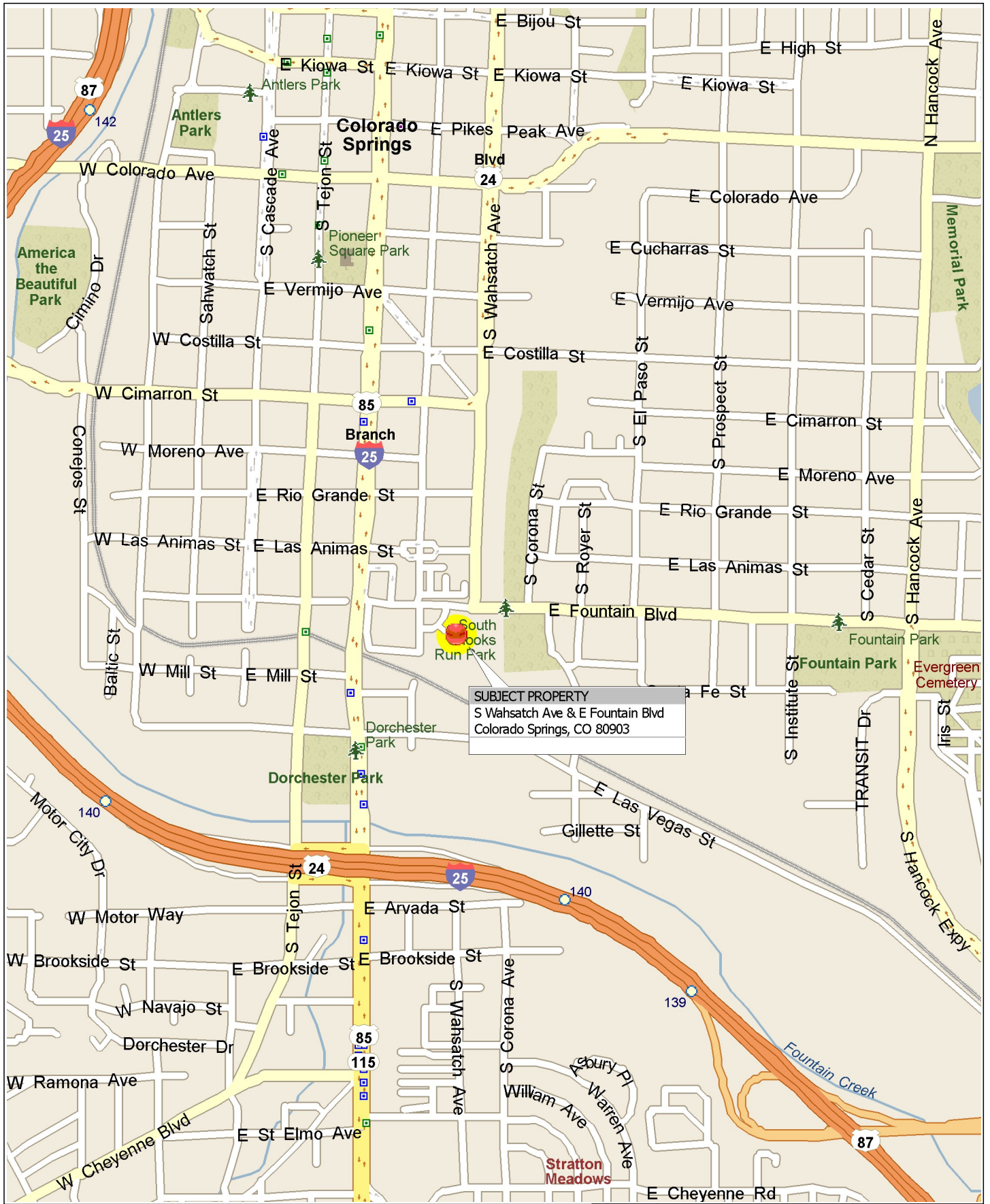
COLORADO SPRINGS AREA MAP

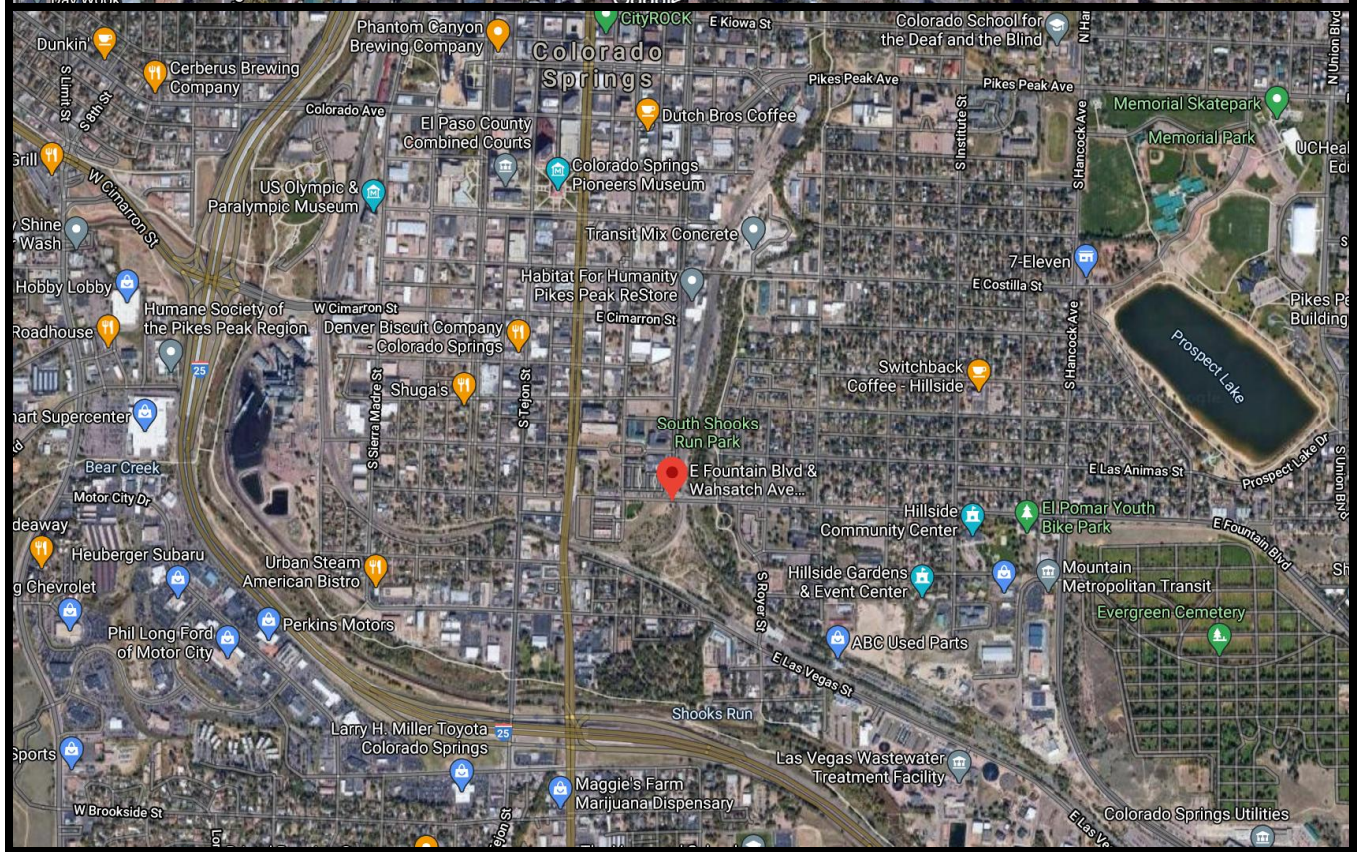
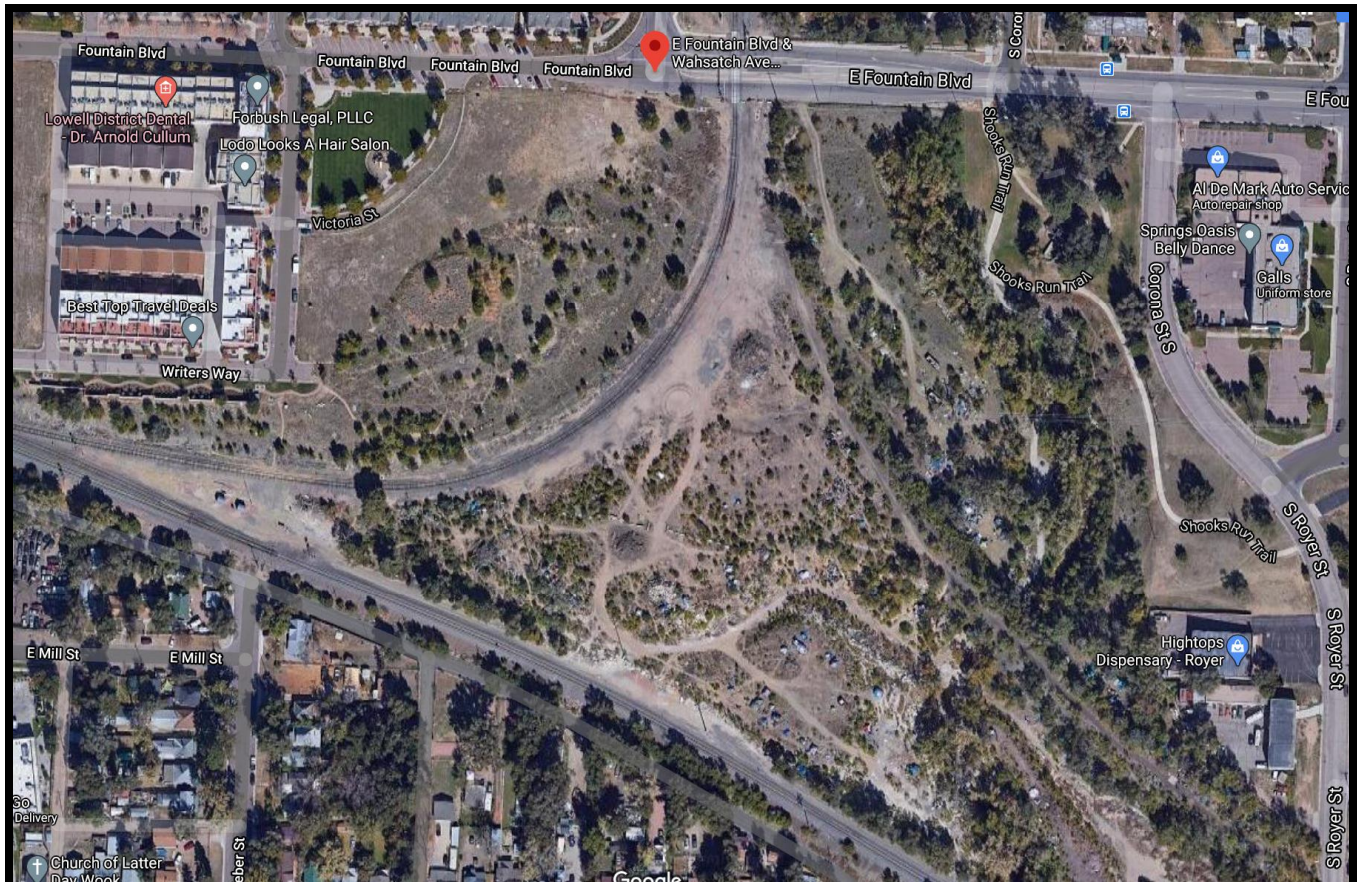


SUBJECT PROPERTY
S Wahsatch Ave & E Fountain Blvd
Colorado Springs, CO 80903

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Certain mapping and direction data © 2012 NAVTEQ. All rights reserved. The Data for areas of Canada includes information taken with permission from Canadian authorities, including: © Her Majesty the Queen in Right of Canada, © Queen's Printer for Ontario. NAVTEQ and NAVTEQ ON BOARD are trademarks of NAVTEQ. © 2012 Tele Atlas North America, Inc. All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of TeleAtlas, Inc. © 2012 by Applied Geographic Solutions. All rights reserved. Portions © Copyright 2012 by Woodall Publications Corp. All rights reserved.

LOCAL AREA MAP





AERIAL PHOTOGRAPH

Project Description

Design & Site Plan

The proposed subject property is anticipated to be a 280-unit, four-story mid-rise affordable multifamily development on a site located on the along the south side of East Fountain Boulevard adjacent to the intersection where South Wahsatch Avenue ends, and on the south end of the central downtown area of Colorado Springs. The subject property will consist of 14 studio/efficiency units, 210 one-bedroom/one-bath units, and 56 two-bedroom/one-bath units as well as a community room with a kitchenette, a business center, multiple laundry rooms, a mail room, a leasing office, and a rooftop deck. Most of the common area amenities will be on the first or second floors of each building and the upper three floors will consist primarily of residential units. The project is NGBS "Silver Certified" and will be powered by a 200+ kilowatt photovoltaic solar array.

The 6.64-acre subject site consists of five platted parcels and is zoned PUD UV (Planned Unit Development) by the City of Colorado Springs. Multifamily development is an allowed use under the current zoning. The current site plan includes 2 four-story buildings. The Sumner House will be built closest to East Fountain Boulevard, and an existing community park, on the northwest portion of the subject site and will comprise 95 units. The Bristow House will contain 185 units and be built on the southeast portion of the site, roughly equidistant from East Fountain Boulevard to the north and South Weber Street to the west. This part of Colorado Springs is an area of special need as outlined by the Home COS master plan for housing and 100% of subject units will be built using "Universal Design" for seniors and people with disabilities. Vehicle access to the site is anticipated to be primarily from East Fountain Boulevard after completion of the project, with secondary access from South Weber Street. A detailed site plan, stacking plan, and the proposed floor plans are below.

Project Units

Studio units are anticipated to be 411 SF in size, one-bedroom units will be 474 SF, and two-bedroom/one-bath units will be 575 SF at the subject when constructed. All units are anticipated to be accessible from internal hallways and the Sumner House building will have one elevator while the Bristow House building will have two elevators. Apartments will include a refrigerator, stove/oven, dishwasher, in-sink disposal, and a built-in microwave oven. Some units will also include pantries and walk-in closets as well as balconies, which will enable them to take advantage of the spectacular views of Pikes Peak and the southern Front Range. Unit finishes are anticipated to be average to slightly above average for income-restricted units in this market and include laminate counters and floors in kitchen and bathrooms, six-panel doors, and Energy Star-rated appliances.

Unit Rent and AMI Targets

As mentioned, the project will be utilizing income averaging and its units will be targeting residents with incomes at the 30%, 50%, 60%, and 70% AMI levels. Studio units will be 411 SF and have rents of \$375 at the 30% AMI level, \$661 at 50% AMI, \$804 at 60% AMI and \$947 at 70% AMI. One-bedroom units, which average 474 SF, have projected rents of \$399 (30% AMI), \$705 (50% AMI), \$858 (60% AMI) and \$1,011 (70% AMI). Two-bedroom/one-bath units, which will be 575 SF in size, have projected rents of \$477 (30% AMI), \$844 (50% AMI), \$1,028 (60% AMI) and \$1,212 (70% AMI). Minimum and maximum incomes needed at the various AMI levels to afford the proposed rents assuming that 40% of income goes toward rent are as follows:

	1-person		2-person		3-person	
	Min	Max	Min	Max	Min	Max
20% AMI	\$9,180	\$11,440	\$9,180	\$13,060	\$11,010	\$14,700
30% AMI	\$13,770	\$17,160	\$13,770	\$19,590	\$16,530	\$22,050
40% AMI	\$18,360	\$22,880	\$18,360	\$26,120	\$22,050	\$29,400
50% AMI	\$22,950	\$28,600	\$22,950	\$32,650	\$27,540	\$36,750
60% AMI	\$27,540	\$34,320	\$27,540	\$39,180	\$33,060	\$44,100
70% AMI	\$32,130	\$40,040	\$32,130	\$45,710	\$38,580	\$51,450
80% AMI	\$36,750	\$45,760	\$36,750	\$52,240	\$44,100	\$58,800

Amenities

At this time, project amenities at the subject are close to being finalized, but are currently anticipated to consist of several community spaces within the building and an exterior picnic/BBQ area. Community spaces will be built out as a Community Room with a kitchenette, smaller 'Life' rooms, 4 laundry rooms, a business center, a mail room in each building, a leasing office, and a rooftop deck. An exercise/workout room and on-site covered bike storage will be available at Bristow House.

Another anticipated community amenity is an Arts Walk planned for an existing railroad right-of-way that crosses the subject site. A federal grant has been secured to transform the 50-foot-wide RR right-of-way, once it's abandoned, into a two-mile-long arts walk, similar to the existing four-mile-long ArtLine walking and biking arts experience in west central Lakewood, Colorado. The property is also planning to have 29 electric-vehicle-ready (EV) charging stations, and a bike share program. Finally, the subject development has existing community parks adjacent to the northwest corner of the site by Sumner House and another larger park along the east side of the property, and the Legacy Loop Trail System, that encircles downtown Colorado Springs, passes on the east side of the property.

Parking & Utilities

Parking will be primarily surface spaces, with approximately 29 EV-ready spaces and 92 tuck-under spaces around the Bristow House building. The covered spaces will be free to residents. Total parking is anticipated to be 0.98/spaces per units with an additional 29 shared spaces.

In-unit appliances, heating and air conditioning will be powered by electricity and natural gas, which are landlord-paid utilities. Water, sewer, and trash at the subject will also be paid by the landlord.

Development Timeline

The developer has not made available a detailed development timeline but anticipates construction to commence this summer with completion of the first building in mid-2022 and completion of the second building in late 2022.

DRAPER COMMONS

BUILDING AREA SUMMARY TABLE
ANSI/BOMA 265.4 Method A, Gross SF

Colorado Springs, CO
1/19/2021

	Net Rentable Area	Common Area	Total Gross Area
Sumner			
Level 1	11,407 sf	3,851 sf	15,258 sf
Level 2	11,818 sf	2,847 sf	14,665 sf
Level 3	11,818 sf	2,847 sf	14,665 sf
Level 4	11,818 sf	2,358 sf	14,176 sf
Roof	0 sf	0 sf	0 sf
Total	46,861 sf	11,903 sf	58,764 sf
Bristow			
Level 1	22,113 sf	7,130 sf	29,243 sf
Level 2	22,524 sf	6,520 sf	29,044 sf
Level 3	22,998 sf	5,398 sf	28,396 sf
Level 4	22,998 sf	4,555 sf	27,553 sf
Roof	0 sf	0 sf	0 sf
Total	90,633 sf	23,603 sf	114,236 sf
TOTALS	137,494 sf	35,506 sf	173,000 sf

Unit Matrix

	studio 411 sf	1 Bdrm 474 sf	2 bdrm 575 sf	Total per Level
Sumner				
level 1	0	18	5	23
level 2	1	18	5	24
level 3	1	18	5	24
level 4	1	18	5	24
total	3	72	20	95
Bristow				
level 1	2	34	9	45
level 2	3	34	9	46
level 3	3	35	9	47
level 4	3	35	9	47
total	11	138	36	185
TOTALS	14	210	56	280

SUMNER HOUSE SITE (PLATTED):

1.54 ACRES
STUDIO (411 SF): 3 UNITS
1 BED (474 SF) : 72 UNITS
2 BED (575 SF): 20 UNITS
TOTAL UNITS: 95
TOTAL SOCIAL SF: 3,491 SF
ROOF DECK: 559 SF

SUMNER HOUSE SITE PARKING:

REQUIRED - 145 PARKING SPACES
REQUIRED* - 91 PARKING SPACES
PROVIDED - 86 PARKING SPACES
(INCLUDING 11 EV READY SPACES)
*WITH 9% REDUCTION W/ LOWELL
PUD VARIANCE - 5% REDUCTION FOR
BIKE ROUTE WITHIN 400' OF THE
PROPERTY, 20% REDUCTION FOR
LOWELL SHARED PARKING.
ADMINISTRATIVE RELIEF FOR 5
SPACES (PENDING).

BRISTOW HOUSE SITE (NON PLATTED):

5.10 ACRES
STUDIO (411 SF): 11
1 BED (474 SF): 138
2 BED (575 SF): 36
TOTAL UNITS: 185
TOTAL SOCIAL SF: 8,121 SF
ROOF DECK: 370 SF

BRISTOW HOUSE SITE PARKING:

REQUIRED - 280 PARKING SPACES
REQUIRED* - 252 PARKING SPACES
PROVIDED - 275 PARKING SPACES
(INCLUDING 18 EV READY SPACES)
*WITH 10% REDUCTION FOR BIKE AND BUS

DRAPER COMMONS TOTALS:

6.64 ACRES
STUDIO (411 SF): 14
1 BED (474 SF) : 210
2 BED (575 SF): 56
TOTAL UNITS: 280
TOTAL SOCIAL SF: 11,612 SF
DECK SPACE: 929 SF

TOTAL SITE PARKING:

REQUIRED - 343 PARKING SPACES
PROVIDED - 366 PARKING SPACES
(INCLUDING 29 EV READY SPACES)
(WITH REDUCTIONS FOR BIKE LANE &
BUS STOP & LOWELL PUD VARIANCE)

● INDICATES ELECTRIC VEHICLE READY SPACE



1 SCHEMATIC SITE PLAN
1" = 60'-0"

SITE PLAN

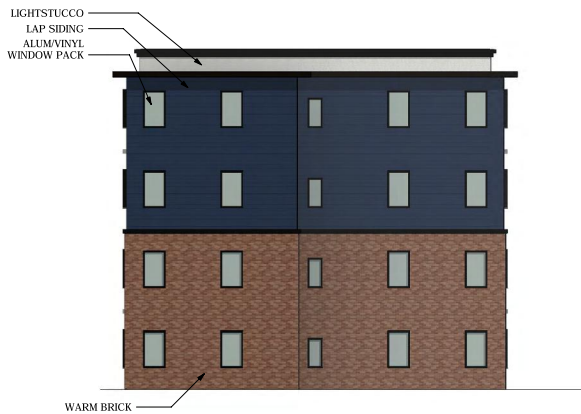
TDG Architecture
20 E. La Plata Street, Suite 103
CO 80903 (719) 622-6444

DRAPER COMMONS

01/19/2021
335 Victoria Street, Colorado
Springs, Colorado 80903



① NORTH ELEVATION
1/8" = 1'-0"



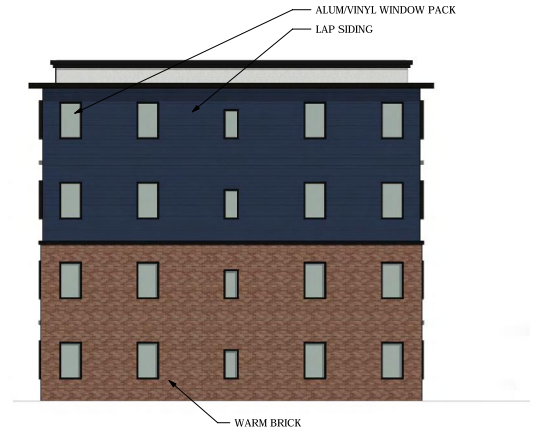
② EAST ELEVATION A
1/8" = 1'-0"



③ SOUTH ELEVATION A
1/8" = 1'-0"



1 CHFA - EAST ELEVATION B
1/8" = 1'-0"



2 CHFA - SOUTH ELEVATION B
1/8" = 1'-0"



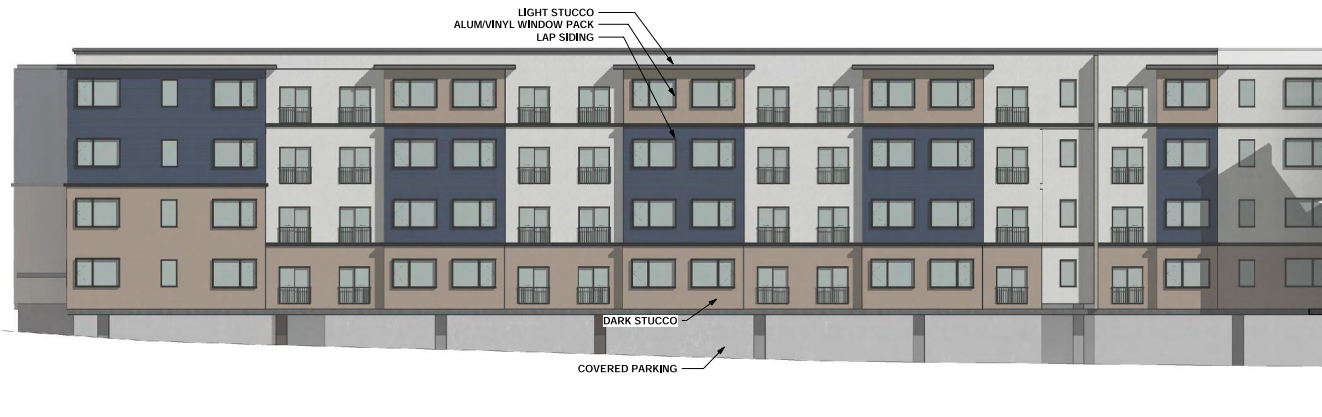
3 CHFA - WEST ELEVATION
1/8" = 1'-0"



1 CHAFA 2 - EAST ELEVATION A
 3/32" = 1'-0"



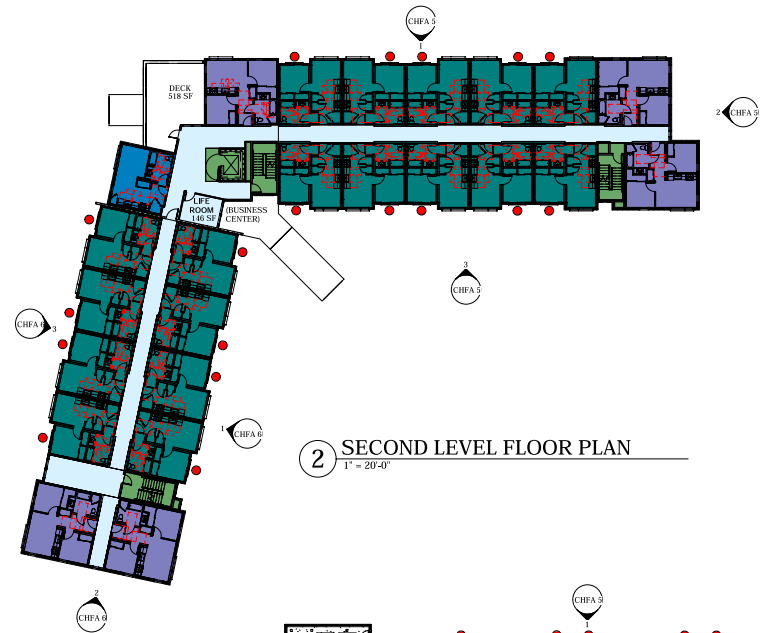
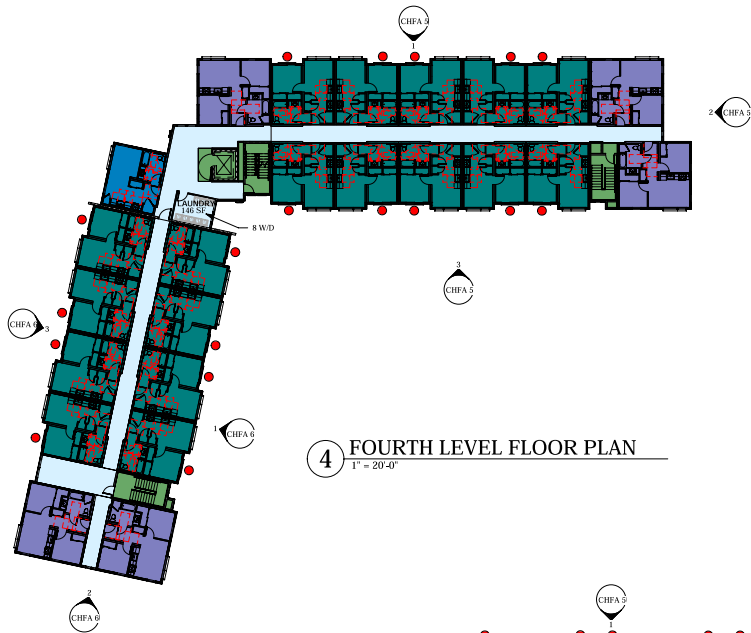
2 CHAFA 2 - WEST ELEVATION A
 3/32" = 1'-0"



1 CHAFA 3 - EAST ELEVATION B
3/32" = 1'-0"



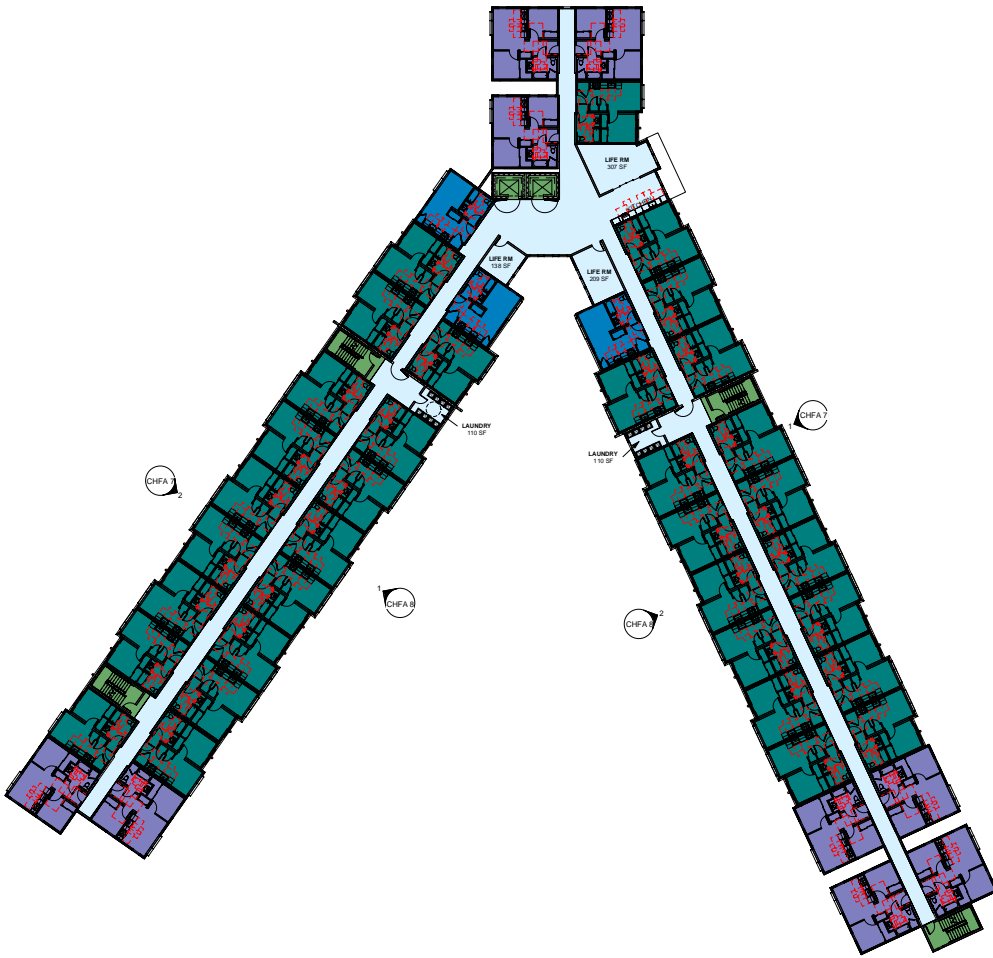
2 CHAFA 3 - WEST ELEVATION B
3/32" = 1'-0"



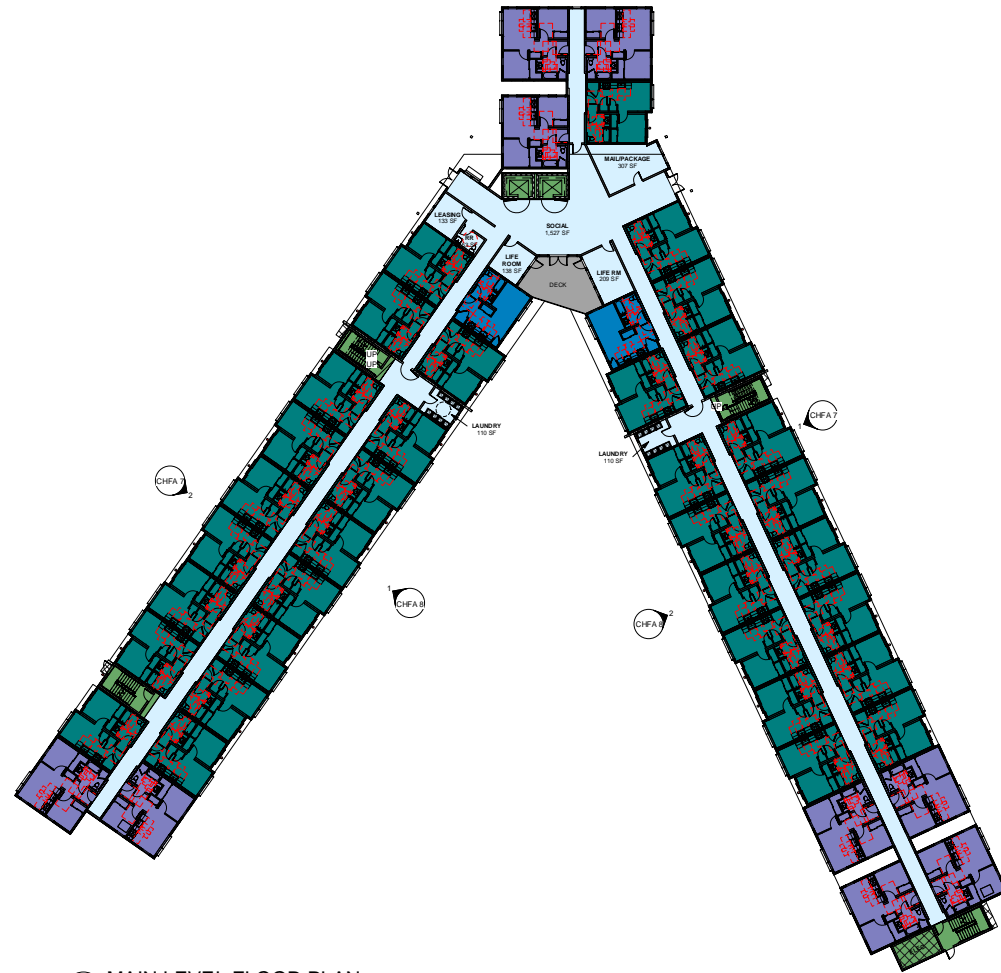
LEGEND

- COMMON SPACE
- CIRCULATION & MECHANICAL
- STUDIO
- 1 BDRM
- 2 BDRM

● INDICATES JULIET BALCONY
 NOTE: SK (6) WASHER/DRYERS PROVIDED



2 SECOND LEVEL FLOOR PLAN
1" = 20'-0"

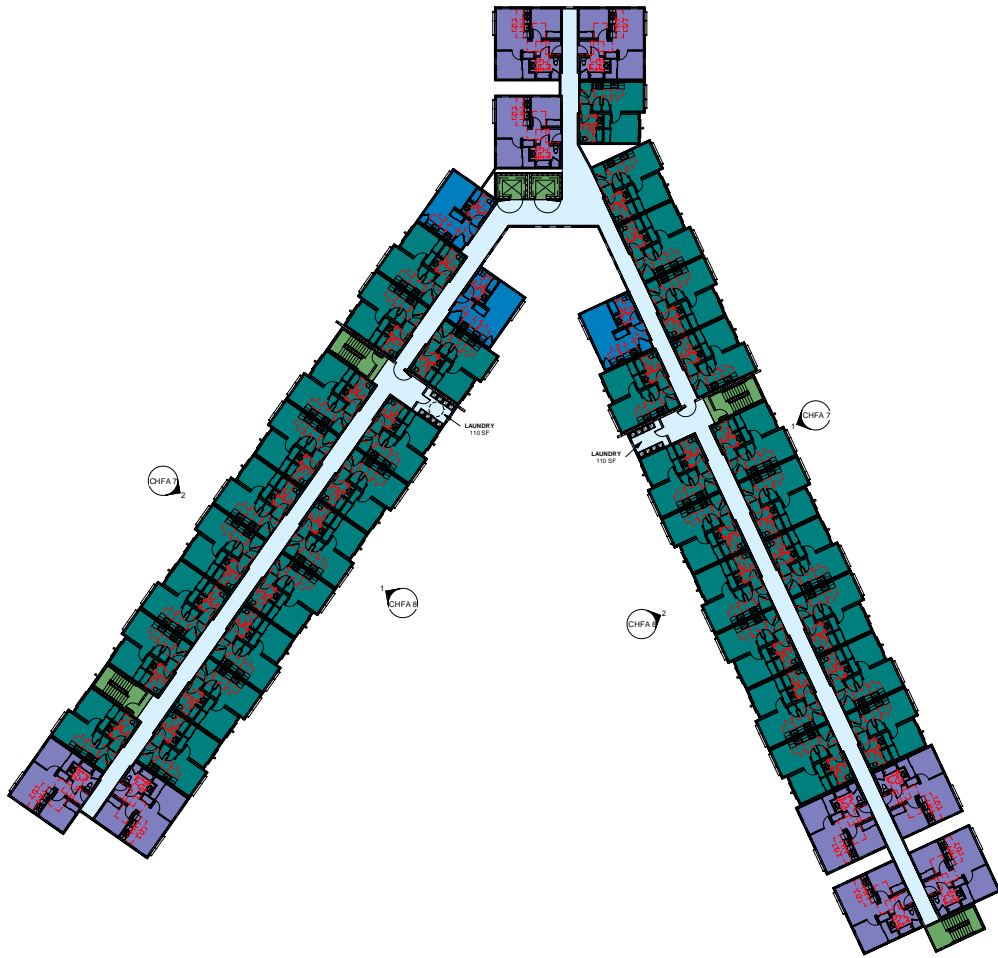


1 MAIN LEVEL FLOOR PLAN
1" = 20'-0"

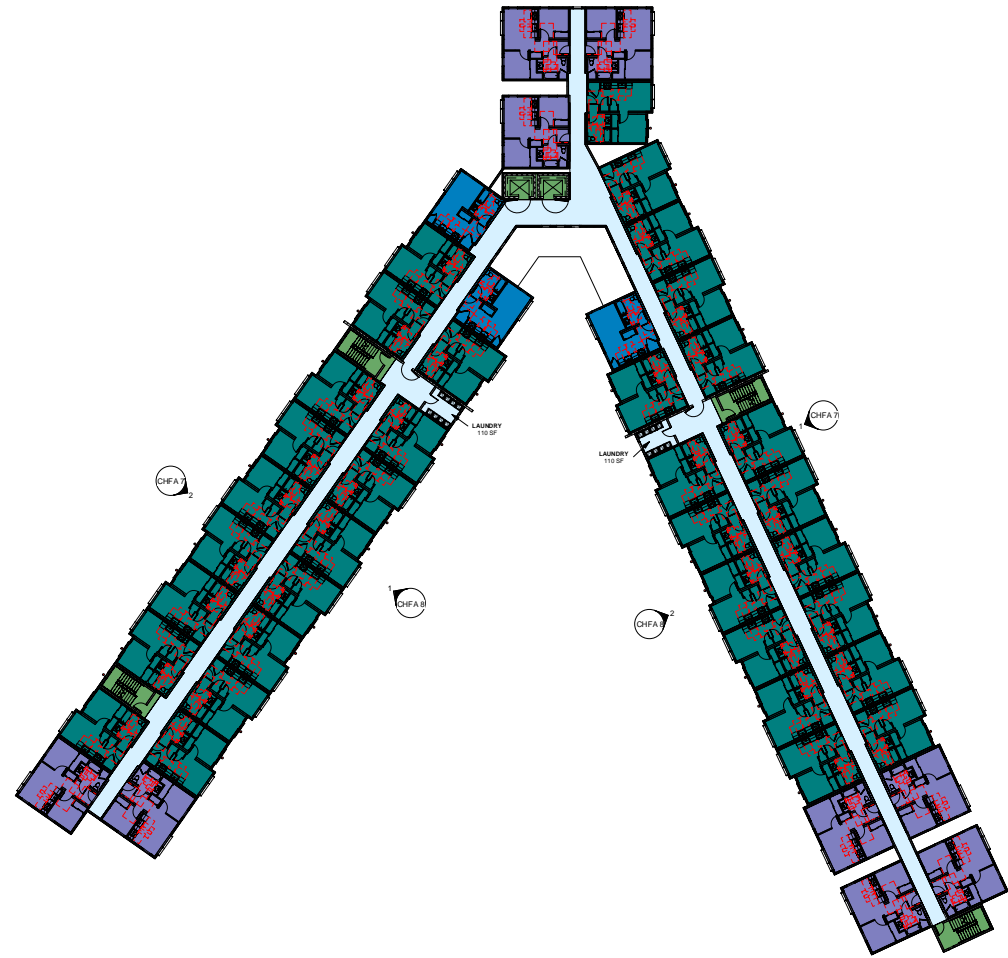
LEGEND

- COMMON SPACE
- CIRCULATION & MECHANICAL
- STUDIO
- 1 BDRM
- 2 BDRM
- INDICATES JULIET BALCONY

NOTE: NINE (9) WASHER/DRYERS PROVIDED



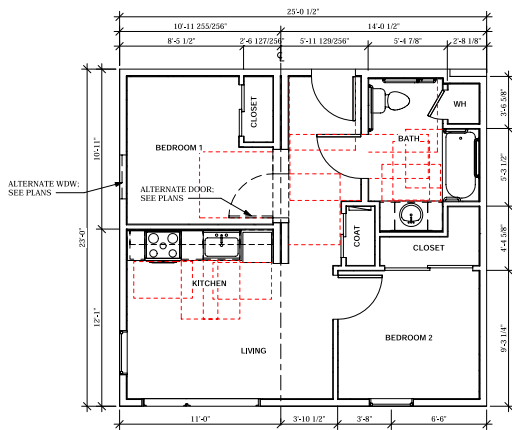
② FOURTH LEVEL FLOOR PLAN
1" = 20'-0"



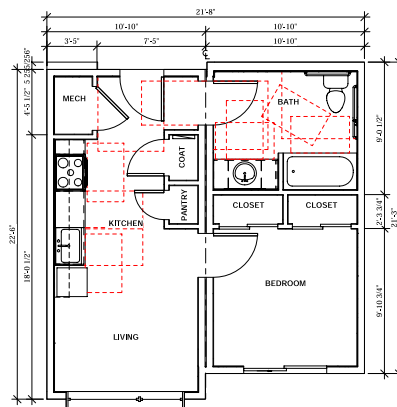
① THIRD LEVEL FLOOR PLAN
1" = 20'-0"

LEGEND

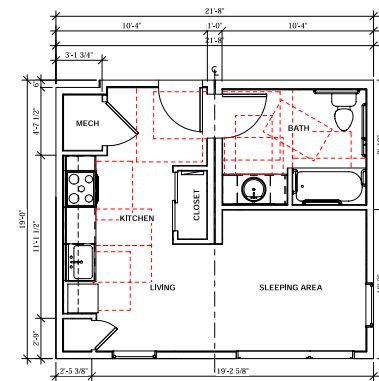
- COMMON SPACE
- CIRCULATION & MECHANICAL
- STUDIO
- 1 BDRM
- 2 BDRM
- INDICATES JULIET BALCONY



③ 2 BEDROOM FLOOR PLAN
1/4" = 1'-0"



② 1 BEDROOM FLOOR PLAN
1/4" = 1'-0"



① STUDIO FLOOR PLAN
1/4" = 1'-0"

ANALYSIS OF DATA AND OPINIONS OF MARKET ANALYST

Location Analysis

Project Location

The subject property is a proposed affordable apartment complex along the south side of East Fountain Boulevard adjacent to its intersection with South Wahsatch Avenue in the City of Colorado Springs, Colorado. The subject is located on the southeastern edge of the downtown area, about a mile or so from the center of the central business district of the City of Colorado Springs, Colorado. The Denver metropolitan area, about a 45-minute drive to the north on Interstate 25, is the largest in the state. With a population of 478,000, the City of Colorado Springs compares to the Denver metro area population of 3.3 million and the Colorado population of 5.8 million.

The subject is located adjacent to a 100-year flood hazard area (1% risk of flood) as identified by the Federal Emergency Management Agency (FEMA) Flood Insurance Rate Map Community Panel No. 08041C0729G dated December 7, 2018, which can be seen on the following page.

Location Amenities

Affordable properties tend to be enhanced by the availability of support services. Occupants of apartment properties tend to desire proximity to employment, retail/shopping, services, schools, churches, transit alternatives, and recreation. The property is just on the southeastern edge of the central downtown area of Colorado Springs. It is eight blocks south of East Colorado Avenue, which serves as a major east-west arterial through the cities of Colorado Springs and Manitou Springs, and just two blocks east of South Nevada Avenue, which is a major north-south arterial in the downtown area and south to Fort Carson. Zoning along Nevada Avenue is mostly commercial, and retail and office uses line each side of this major street north and south of the subject site.

Future residents of the subject development will be able to walk to the post office, a library, two grocery stores and a drug store, all within a mile of the subject site. The subject property is within two miles of several neighborhood elementary schools, a middle school and a high school as well as UCHealth Memorial Hospital Central. The Pikes Peak Community College Downtown Campus specializes in creative industry studies as well as core courses. The campus, located adjacent to Penrose Library, is especially convenient to downtown-area workers and residents who can walk to classes from their home and/or place of employment. A summary of local area amenities near the subject site are as follows:

Local Amenities	Distance from Subject (miles)
Grocery Store – Natural Grocers	0.9
Grocery Store – Safeway	1.0
Elementary School – Columbia Elementary School	1.5
Elementary School – Vanguard Elementary School	1.5
Middle School – North	1.9
High School – Palmer	1.2
Hospital/Medical Center – Memorial Hospital Central	1.6
Police Department – Colorado Springs Police	0.4
Library – Penrose Public Library	1.0
Drug Store – Walgreens	1.0
Shopping – Walmart	1.1

The downtown Colorado Springs area is a rapidly redeveloping area. Since 2013, projects totaling nearly a billion and a half dollars have been announced, have broken ground or have been completed; a total that has tripled in just that last four years. Of this total investment, the third largest area of investment in the downtown area has been the New South End district where the subject site is located. Downtown Colorado Springs is a designated federal Opportunity Zone, a tool that has driven investment by providing certain tax incentives. This designation, coupled with positive real estate fundamentals, has attracted investors from across the United States. An estimated \$250 million in projects Downtown are leveraging Qualified Opportunity Funds as part of their capital sources.

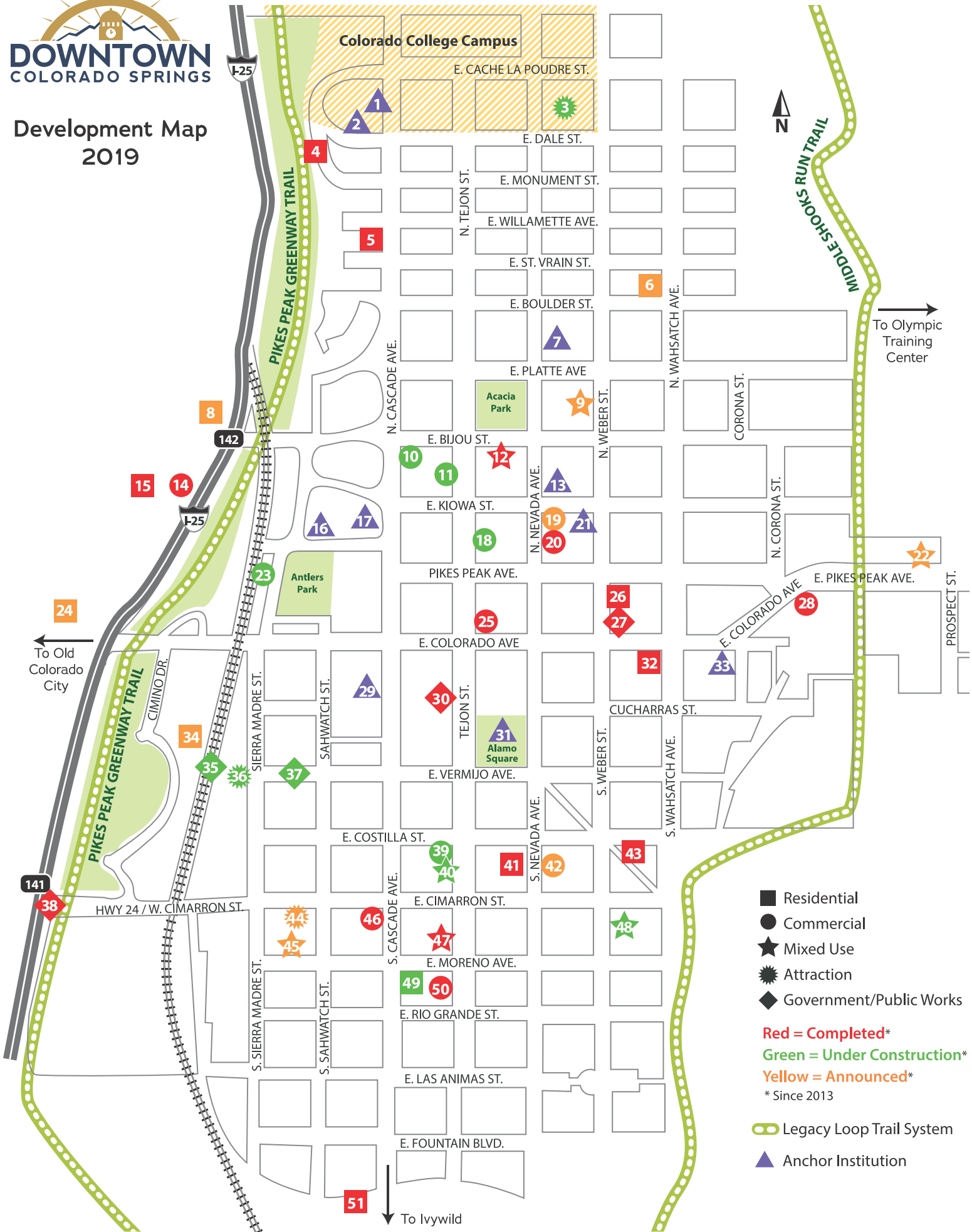
In 2019, the most recent period data is available, 699 building permits were issued in the 80903 zip code, which includes the subject site, with a total plan-check valuation of \$125 million. This represents a 21% increase in building permits issued over 2018, and nearly 20 percent of plan-check value citywide for that year. During that same year, 48 land-use permits and approvals were issued for 33 individual projects, driven by several large-scale projects. This represents a five-year high in land-use permitting activity in the downtown area. A development map illustrating recently completed, under construction, and announced projects in the downtown area is below.

LOCAL AMENITIES MAP



0 mi 0.5 1 1.5

Development Map
2019



- Residential
- Commercial
- ★ Mixed Use
- ☀ Attraction
- ◆ Government/Public Works

Red = Completed*
Green = Under Construction*
Yellow = Announced*
 * Since 2013

- Legacy Loop Trail System
- ▲ Anchor Institution



DowntownCSDevelopment.com
DowntownCS.com
719-886-0088

With nearly \$1 billion in recent investment, Downtown Colorado Springs boasts a workforce of 29,000, hundreds of new residents, and the largest concentration of locally owned restaurants in Southern Colorado.

- Federal Opportunity Zone
- Pikes Peak Enterprise Zone
- Downtown Development Authority, with TIF

This development map represents new construction or significant renovation projects of \$500,000 or greater since 2013; also indicated are Anchor Institutions such as museums and educational facilities.

Residential ■

- 4** Park Manor East Apartments: 20 rental units for persons 55+
- 5** Hearthstone Apartments: 25 rental units in restored historic property
- 6** Lisa's Way: 16 market-rate apartments with up to 4 affordable units
- 8** The Bijou Condos: Up to 100 affordable/workforce condos
- 15** 22 Spruce: 48 rental units
- 24** 532 West Colorado: 54 rental units
- 26** 9 S Weber: Three rental loft-style apartments
- 32** 333 ECO: 171 rental units with amenities
- 34** Parkside Apartments: 300-unit rental and condo complex
- 41** Blue Dot Place: 33 rental units
- 43** 210 Pueblo: Five rental units
- 49** The Cascade Apartments: 184 rental units plus amenities
- 51** Greenway Flats: 65-unit permanent supportive housing

Mixed Use ★

- 9** Downtown YMCA: Renovation and expansion of fitness center plus new amenities and residential
- 12** Bijou Lofts: 9 loft condos built above ground-floor retail
- 22** Pikes Peak Plaza Apartments: 203 rental units plus ground-level commercial
- 40** Casa Mundi Apartments: 27 rental units with 3,700 sqf of ground-floor commercial
- 45** Stadium Apartments: Up to 200 rental units with ground-floor commercial
- 47** Trolley Block: Over 30,000 sqf of renovated restaurant and retail space with second-floor office
- 48** SPRING Life + Work: 60,000 sqf office, food & beverage and event space

Commercial ●

- 10** Hilton Garden Inn: 165-room hotel with over 8,000 sqf of ground-floor commercial
- 11** 112 N Tejon: 14,000 sqf renovated retail space to include bar, boutique and restaurant
- 14** Bank of the San Juans Office Complex: 30,000 sqf remodeled Class A office
- 18** 19 N Tejon: 47,000 sqf renovated Class A office space with co-working component and food hall concept
- 19** Hyatt Place: 120-room hotel
- 20** Mountain Chalet: 13,000 sqf renovated retail space for outdoor retailer
- 23** Old Depot Square: Renovation of historic train depot to include three new restaurant concepts
- 25** USA Basketball: Renovation of state-of-the-art street-level office for USA Basketball headquarters
- 28** Catalyst Campus: Renovated 40,000 sqf historic train depot into a modern office hub for aerospace and defense focused companies
- 39** Marriott Spring Hill Suites and Element hotels: 259-room dual branded hotel with ground-floor commercial and rooftop bar and restaurant
- 42** Kinship Landing: 80-bed boutique hotel with private rooms, suites, and shared dorms
- 46** ANB Bank: 5,600 sqf building with ground-floor retail (bank) and second-floor office
- 50** Coquette's Bistro: 6,000 sqf office renovation into restaurant

Attraction ☀

- 3** Robson Arena: 3,376-seat hockey arena at Colorado College, home to CC Tiger Hockey
- 36** U.S. Olympic and Paralympic Museum: 60,000 sqf state-of-the-art museum celebrating the U.S. Olympic and Paralympic movements, restaurant and gift shop
- 44** Downtown Stadium: 8,000-seat multi-use soccer stadium, home to Switchbacks FC, with restaurant and amenities

Government/Public Works ◆

- 27** Colorado Springs Fire Department Station 1: Extensive renovation of Colorado Springs' first fire station
- 30** UCCS Downtown: 7,500 sqf classroom and meeting space
- 35** America the Beautiful Pedestrian Bridge: Connecting park to Southwest Downtown
- 37** Vermijo Streetscape: Redevelopment to create new pedestrian amenities and public spaces
- 38** Cimarron/I-25 Interchange: Reconstruction included extensive improvements to surrounding trails and parkland

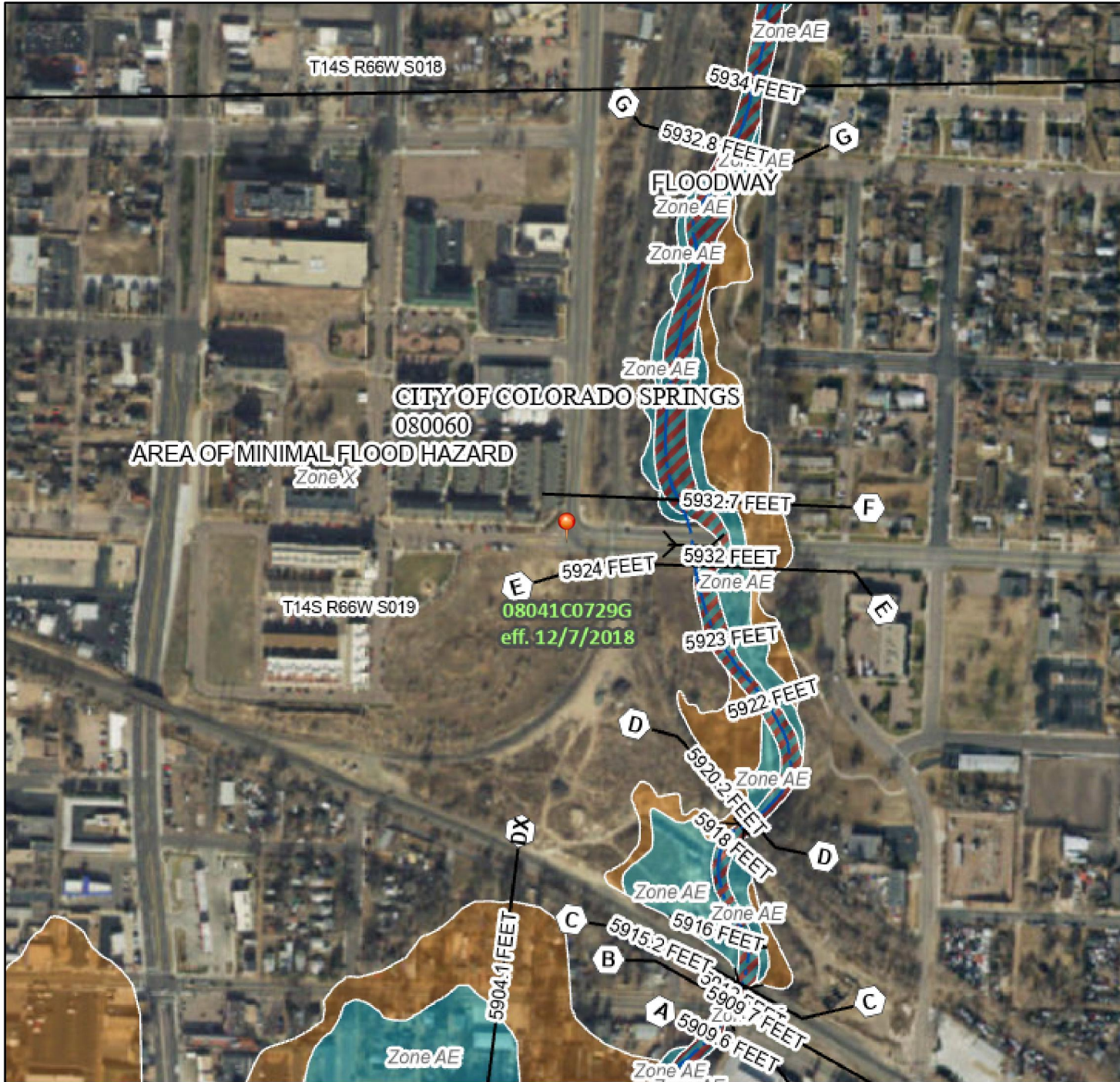
Anchor Institution ▲

- 1** American Numismatic Association Money Museum
- 2** Colorado Springs Fine Arts Center at Colorado College
- 7** Palmer High School
- 13** City Hall
- 16** Pikes Peak Community College
- 17** Pikes Peak Library District Penrose Library
- 21** City Auditorium
- 29** Pikes Peak Center for the Performing Arts
- 31** Colorado Springs Pioneers Museum
- 33** Cottonwood Center for the Arts

National Flood Hazard Layer FIRMMette



104°49'26"W 38°49'32"N



Basemap: USGS National Map: Orthoimagery: Data refreshed October, 2020

Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS		Without Base Flood Elevation (BFE) Zone A, V, A99
		With BFE or Depth Zone AE, AO, AH, VE, AR
		Regulatory Floodway
OTHER AREAS OF FLOOD HAZARD		0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
		Future Conditions 1% Annual Chance Flood Hazard Zone X
		Area with Reduced Flood Risk due to Levee. See Notes. Zone X
		Area with Flood Risk due to Levee Zone D
OTHER AREAS		NO SCREEN Area of Minimal Flood Hazard Zone X
		Effective LOMRs
GENERAL STRUCTURES		Area of Undetermined Flood Hazard Zone D
		Channel, Culvert, or Storm Sewer
OTHER FEATURES		Levee, Dike, or Floodwall
		20.2 Cross Sections with 1% Annual Chance Water Surface Elevation
MAP PANELS		17.5 Cross Sections with 1% Annual Chance Water Surface Elevation
		8 Coastal Transect
		Base Flood Elevation Line (BFE)
		Limit of Study
		Jurisdiction Boundary
		Coastal Transect Baseline
		Profile Baseline
		Hydrographic Feature
		Digital Data Available
		No Digital Data Available
		Unmapped



The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

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

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 3/23/2021 at 6:44 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

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

Surrounding Land Use

As noted above, the 6.64-acre subject site consists of five platted parcels and is zoned PUD UV (Planned Unit Development). The immediate surroundings of the subject include multifamily units to the north, a public park to the east, open space, a railroad corridor and a residential neighborhood to the south, and commercial/residential mixed-use buildings and a small neighborhood park to the west. All of the surrounding properties are compatible with the permitted uses at the subject. The subject neighborhood is approximately 90% developed and the market area is approximately 75% developed.

Infrastructure Improvements

While there is some resurfacing and railroad bridge work along South Nevada Avenue a few blocks west of the subject site, no significant infrastructure improvements are planned for the area around the subject site in the near future according to information and representatives from the City of Colorado Springs Public Works Department.

Proximity to Jobs

The subject property is well located in terms of the local employment base. Due to its location just adjacent to the Colorado Springs CBD, the property has good access to a large number of employers. There are additional employment opportunities with businesses located on South Nevada Avenue just south of the subject site, along Highway 24 northwest of the proposed subject development, and on South Academy Boulevard a few miles east of the subject site.

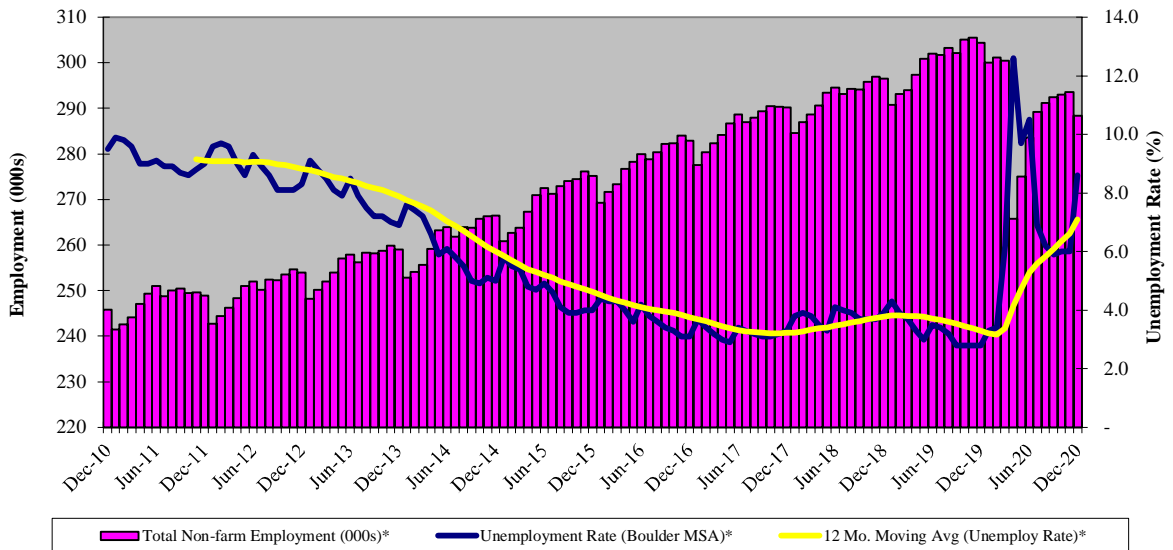
The Colorado Springs MSA experienced generally positive employment trends over much of the last 20 years with the brief exceptions being during the worldwide financial crisis in late 2008 and the economic downturn following the events of September 11, 2001. More recently, net annual job totals, measured monthly, averaged 7,500-9,000 new positions in the months prior to the outbreak of the pandemic at the end of the first quarter of 2020. Overall job growth during the 12 months ending in the 4th quarter of 2020 in the Colorado Springs MSA was down 5.3%. Total employment of 288,000 jobs as of 4th quarter, 2020 is down from the previous high of 305,500 achieved in November of 2019.

The unemployment rate in the Colorado Springs MSA fell fairly consistently from mid-2003 until mid-2007 when it achieved a low of 3.7%. Economic conditions following this period, including the collapsing housing sector and the international financial crisis, caused unemployment to increase steadily over the next four years until the unemployment rate peaked at 9.8% in January 2011. The unemployment rate has edged lower since then but has followed an indirect path. As of the end of the 4th quarter, 2020, the Colorado Springs area unemployment rate stood at 8.6%, down from 12.6% at the beginning of the pandemic in April of last year.

Of the top 10 industry sectors in the Fort Collins MSA, three sectors have experienced positive job growth and two remain largely unchanged from the prior year ending in December 2020. The sectors that expanded over the 12 months ending in the 4th quarter of 2020 were Trade, Transportation, & Utilities, Professional & Business Services, and Education & Health Services. As of the 4th quarter, 2020, Trade, Transportation & Utilities was the fastest growing job sector over the previous 12 months with 1.8% annual growth. Professional & Business Services and Education & Health Services grew at annual rates of 0.8% and 0.5%, respectively, as the 2nd and 3rd fastest growing employment sectors. Mining, Logging & Construction, while only the third smallest employment sector in the Colorado Springs MSA, has been one of the fastest growing job sectors recently due to oil and gas development in Colorado in general and, more recently, along the Front Range specifically. This sector and Financial Activities have largely maintained their pre-pandemic levels, only down 1% since the end of 2019.

Colorado Springs is host to a large number of government jobs between local, county and state workers as well as the presence of the Peterson Air Force Base, the U.S. Air Force Academy, and the nearby 137,000-acre Fort Carson Army Base just south of town. Government employment is the largest job sector in the Colorado Springs area, had generally been growing at a steady clip recently and was stable during the last recession, but has contracted 6.0% during the pandemic. After Government employment, the largest employment sector in the Colorado Springs MSA is Professional & Business Services followed by Trade, Transportation & Utilities. It's not surprising that Leisure and Hospitality has contracted the most over the past year during pandemic shutdowns, with 30% less jobs than at the end of last year. Current and historical employment trends can be seen in the below graphs:

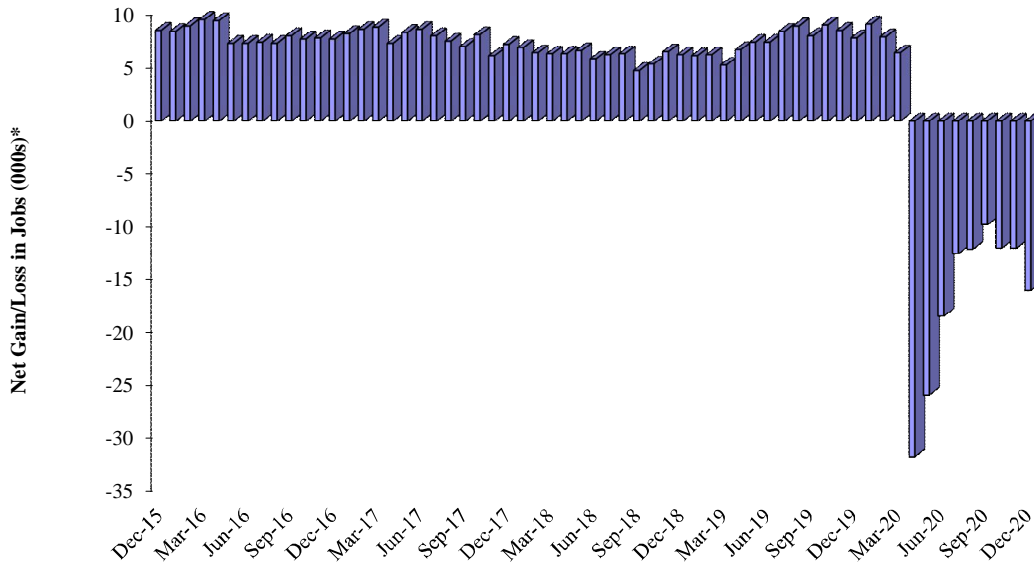
Colorado Springs Ten-Year Employment Trends Total Jobs vs. Unemployment



Source: U.S. Bureau of Labor Statistics & RealEstateAnalysis.us

* Not-seasonally adjusted

Colorado Springs Net Annual Employment Change Month over Month



Source: U.S. Bureau of Labor Statistics & RealEstateAnalysis.us

* Not-seasonally adjusted

The development in early 2020 of the coronavirus pandemic created sufficient reduction in economic activity worldwide to precipitate an economic recession. While it remains too early to clearly assess the long-term the effects of this development on employment and real estate markets, the short-term impacts on the local job market are clear in the data above.

As for the pandemic's impact on the apartment market sector in Colorado and many comparable markets have been observed as follows. Vacancy rates rose as demand fell due to job losses, offset by low home mortgage interest rates that allowed many renters to buy single-family houses or condominiums. In some locales, additional competition from newly completed apartment communities also softened the market, especially for Class A properties, causing rental concessions to become the norm. Federal, state and local restrictions prevented evictions, but many residents who became unable to pay rent will ultimately have to be pay or move. So far, the expected large number of distressed properties has not materialized but owners are concerned, especially in the Class A and Class B categories. More detailed information on the local apartment market trends are included in the Market Conditions section later in this report.

Marketability

The marketability of an affordable development at this site should be solid based its location, the unit mix of the property, the significant demand for affordable units, and the overall stability of the Colorado Springs apartment market. It has an excellent location adjacent to the central business district of Colorado Springs in a quickly redeveloping area. It has good access to major employers in downtown Colorado Springs, along the South Nevada Boulevard corridor south of the subject property and along the Academy Boulevard corridor east of the subject site. The site is within walking distances of two grocery stores, a drug store, a large Walmart, a library, and a post office as well as area schools and parks.

The proposed project has a unit mix that should attract broad market demand. Also, the Colorado Springs apartment market has performed consistently over the last 10 years at absorbing new units and maintaining a stable, and relatively low, vacancy rate. Furthermore, similar properties with income-restricted units in the subject property's peer group all have very low vacancy levels and the Capture Rate in the Primary Market Area is extremely low.

Walk Score & Transit Score

As part of CHFA’s market study guidelines, a Walk Score and Transit Score is required as part of the market study. As noted in the QAP, “Walk Score is the first large-scale, public access walkability index and can be calculated at www.walkscore.com. The website ranks site locations and communities nationwide based on a site’s proximity to job centers, services, parks, medical facilities, schools and other common destinations.” Similarly, “Transit Score is a measure of how well a location is served by public transit and can also calculated at www.walkscore.com. Transit Score is based on data released in a standard format by public transit agencies. This score is calculated based on a sites proximity to nearby transit routes based on the frequency, type of route (rail, bus, etc.), and distance to the nearest stop on the route.” The scores of both measurements are rated by a whole number between 0-100. Below are the scores for the subject site compared to the same score for the entire city.

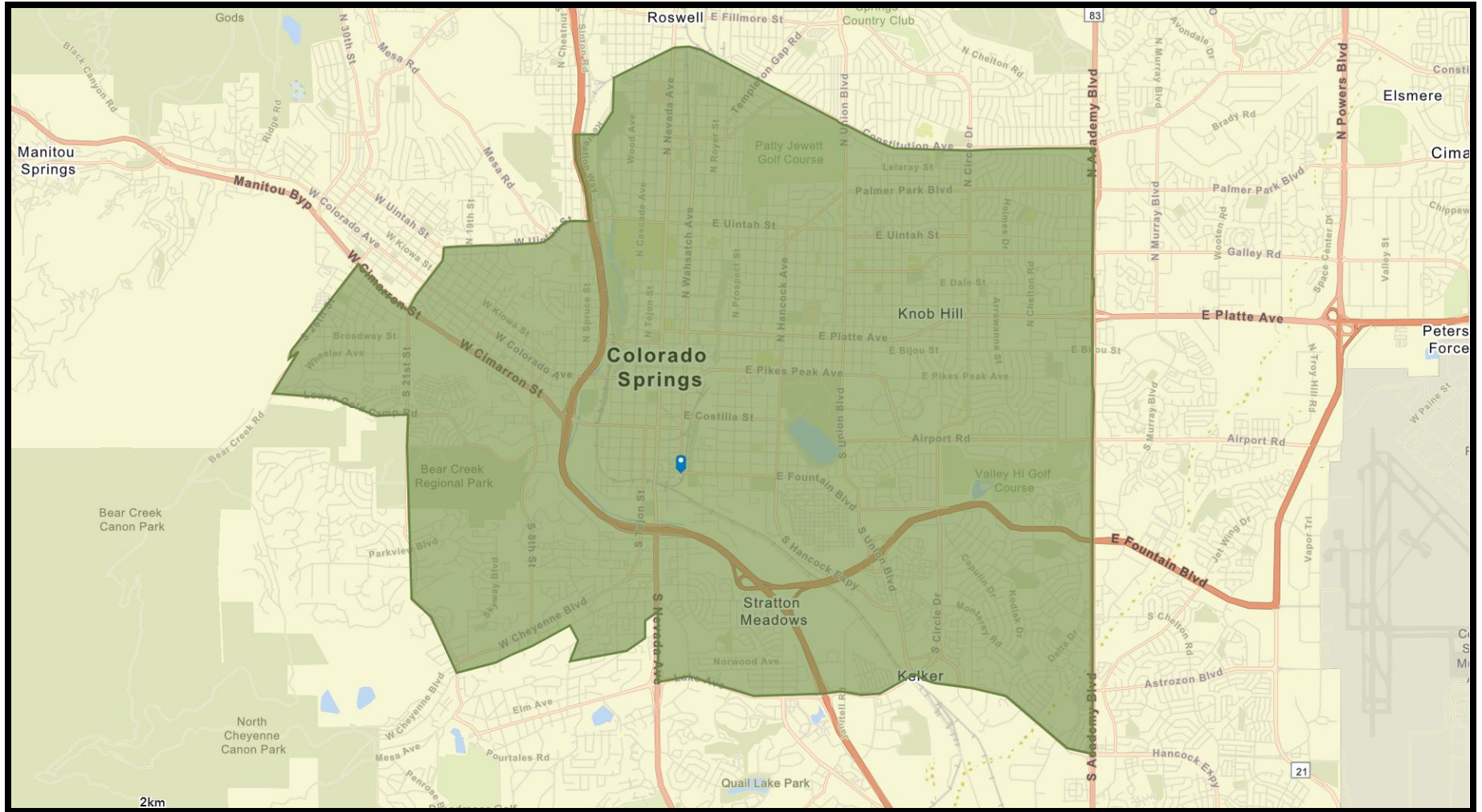
	Walk Score	Transit Score	Average	Score category
Draper Commons	48	37	43	25-49: Car-Dependent – Most errands require a car 25-49: Some Transit – A few nearby public transportation options
Colorado Springs	35	19	27	25-49: Car-Dependent – Most errands require a car 0-24: Minimal Transit – It is possible to get on a bus

Market Boundaries

The subject property's market area consists of the central portion of the City of Colorado Springs. This area is a redeveloping, in-fill market that encompasses the CBD and nearby surrounding areas. The market area that best corresponds with the population and employment base of the subject site includes the following 26 Census Tracts:

Census Tracts	
08041000500	08041002102
08041000700	08041002200
08041000800	08041002300
08041000900	08041002400
08041001000	08041002502
08041001400	08041002700
08041001500	08041002800
08041001600	08041002900
08041001700	08041003000
08041001800	08041005201
08041001900	08041005202
08041002000	08041005300
08041002101	08041005400

The boundaries are roughly equivalent to Constitution Avenue and West Uintah Street to the north, South 26th Street and Cresta Road to the west, Lake Avenue and Hancock Expressway to the south, and Academy Boulevard to the east. A graphic representation of the market area can be reviewed on the Market Boundary Map on the next page.



MARKET BOUNDARY MAP

Market Conditions

Per CHFA Market Study Guidelines, the Colorado Division of Housing’s Colorado Springs Apartment Vacancy and Rent Survey was referenced for historical rent and vacancy information for the market area. The subject market area boundaries do not match up exactly with any of the predefined market areas in the Colorado Springs Vacancy and Rent Survey report; however, a large portion of the “Central” submarket is encompassed in the subject market area as defined in this market study and covers much of the subject market area. Therefore, the Central submarket data is used here to give an overview of multifamily market conditions in the market area. It’s also important to note that due to the COVID-19 pandemic, the State of Colorado has ended funding for this report, so no survey data is available beyond 2nd quarter 2020.

As of 2nd Quarter, 2020, the Central submarket area had an overall multifamily vacancy rate of 5.9%, compared to a 4.5% vacancy rate for the entire Colorado Springs Market area. Apartment buildings containing 200-349 units in metro Colorado Springs had a 4.3% vacancy rate. Rent by unit type in the overall Colorado Springs market and the Central submarket, respectively were \$880 and \$794 for studio units, \$1,108 and \$1,062 for one-bedroom units, \$1,109 and \$1,113 for two-bedroom/one-bath units, and as of 2nd Quarter, 2020.

Historical multifamily vacancy rates for the Central submarket since 2006 are as follows:

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Central	5.8	4.3	8.0	5.6	6.8	5.0	7.8	4.1	5.7	4.5	5.9

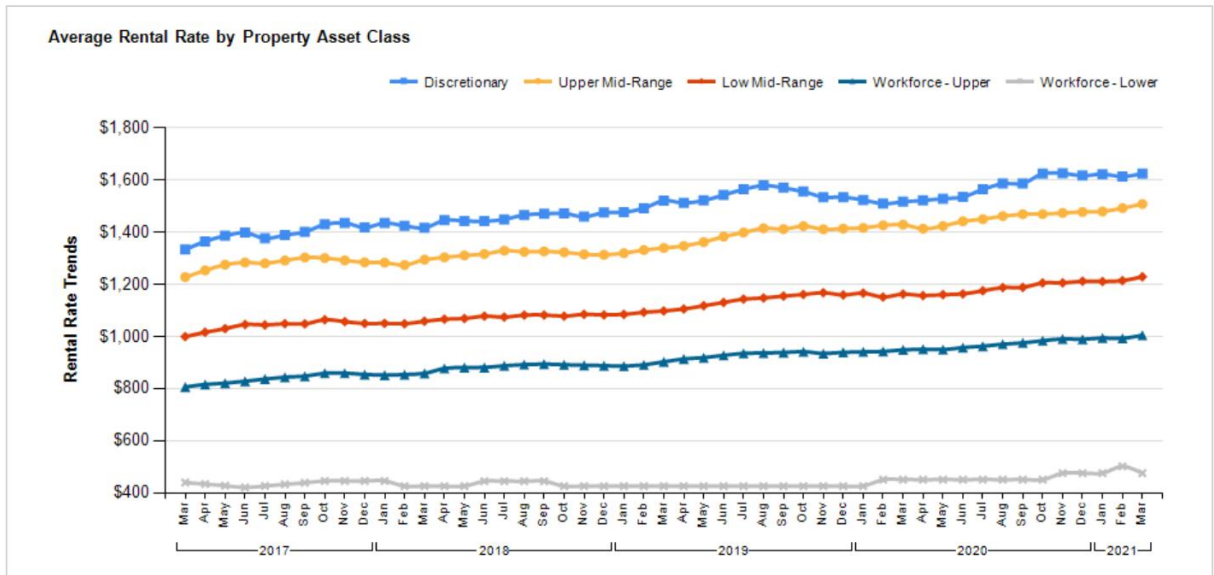
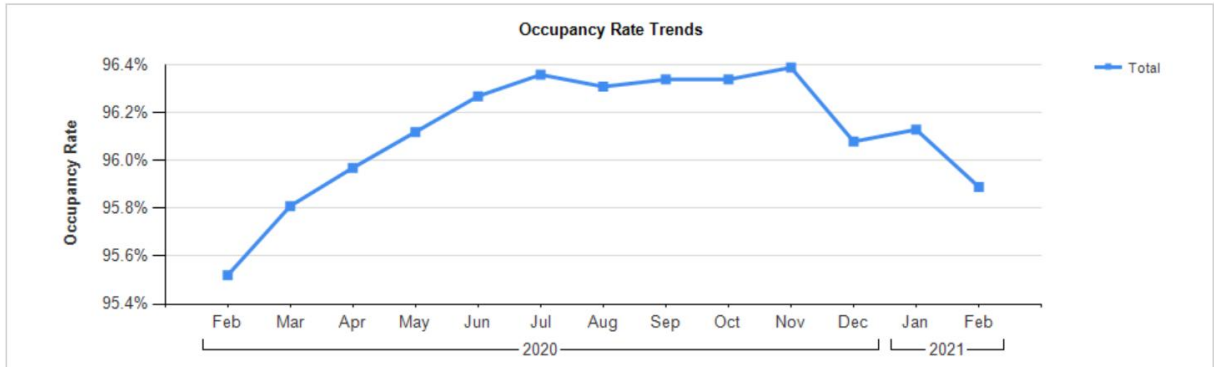
Note: All vacancy rates as of 2nd Quarter of each year, except 3rd quarter of 2010.

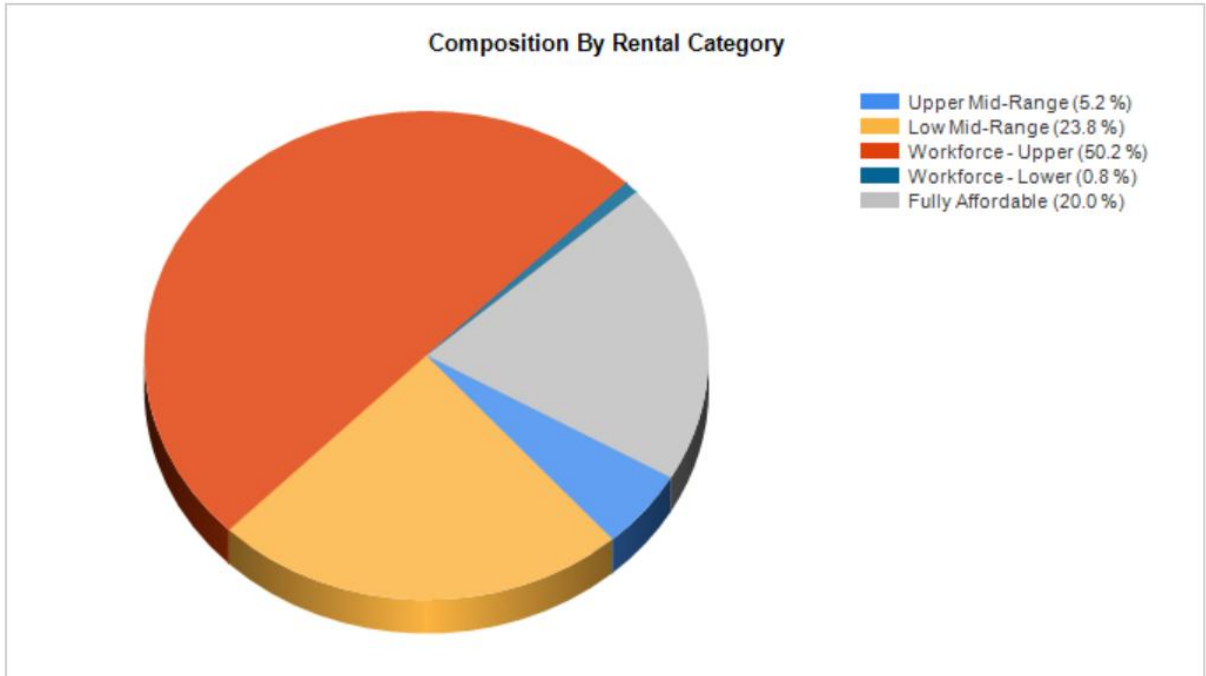
Historical median rental rates for the Central submarket over the most recent five quarters that data is available are as follows:

	2Q '19	3Q '19	4Q '19	1Q '20	2Q '20	Annual Rent Growth
Central	\$1,137	\$1,185	\$1,122	\$1,128	\$1,170	2.9%

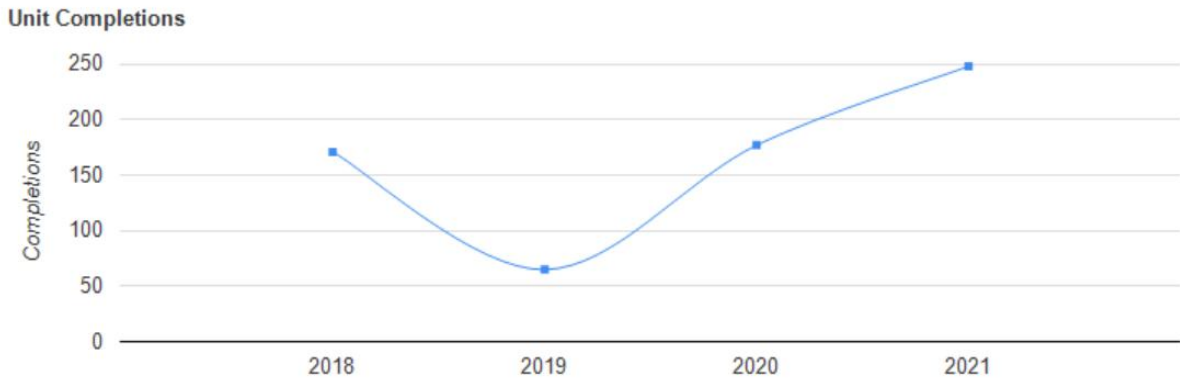
Yardi-Matrix apartment market data are referenced here for historical apartment market information for the primary market area and to supplement the Colorado Division of Housing’s Colorado Springs Apartment Vacancy and Rent Survey since it does not have data beyond last summer.

As of February 2020, the subject’s PMA has an overall multifamily vacancy rate of 4.1%, and total overall average rents of \$1,061/month. Apartment trend data for the subject’s PMA is as follows:





Apartment construction data for the overall Primary Market Area are shown below and illustrate the infill nature of the PMA:



Comparability Analysis

Inventory

In the PMA there are approximately 70 complexes with at least 50 apartments comprising nearly 8,500 total units, but since the PMA is comprised of older infill neighborhoods, there are also many smaller apartment projects in and around the downtown area. Between 20%-30% of the larger complexes are either affordable or age-restricted.

Only slightly more than three dozen affordable LIHTC apartment complexes reside in El Paso County, and about a 20% of those are not exclusively LIHTC developments as they consist of both income-restricted and market rate units in the same project. Of course, of those approximately 40 projects only about half of them are marketed as family/workforce housing. The affordable “family” tax-credit projects located in and around the market area are listed below along with a notation if they are excluded from the market area analysis.

Name	Address	City	Units	
Cottonwood Park	3955 E. Bijou Dr.	Co. Sprgs	90	OMA
Eldorado Apartments	3963 Bijou Dr.	Co. Sprgs	119	Sec 8
Garden Apartments	Scattered Sites	Co. Sprgs	85	Sec 8
Greenway Flats PSH	31 West Las Vegas Street	Co. Sprgs	65	Sec 8
Hampton Village Apartments	1605 Hampton South	Co. Sprgs	118	Sec 8
Hillside Pointe Apartments	1045 South Institute Street	Co. Sprgs	60	
Homewood Point	925 Homewood Point	Co. Sprgs	104	
Plaza on the Platte	2508 E. Platte Ave.	Co. Sprgs	31	
Point of the Pines Gardens	330 Elkton Drive	Co. Sprgs	108	Senior
Residences at Skyway Park	886 Arcturus Drive	Co. Sprgs	22	Senior
The Ridge	4375 Broadmoor Bluffs Dr.	Co. Sprgs	60	OMA
Tamarac Senior Apartments	700 East Cheyenne Road	Co. Sprgs	50	Senior
Village at Homewood Point	907 East Colorado Avenue	Co. Sprgs	70	Senior
Village at Solid Rock	2520 Arlington Drive	Co. Sprgs	77	Proposed
Villas in Southgate	1810 South Corona Avenue	Co. Sprgs	100	Senior
Westmeadow Peaks	1472 Meadow Peak View	Co. Sprgs	215	OMA
Whitney Young Manor	2129 Delta Drive	Co. Sprgs	198	Sec 8
Wyndam Place Senior Residences	725 South Weber St.	Co. Sprgs	72	Senior
Wyndam Place Sr Residences II	350 E. Las Animas	Co. Sprgs	48	Senior

Excluded due to: OMA = Outside Market Area; Senior = Senior Housing; Sec 8 = Section 8 Housing; UM = Unit Mix

The comparable affordable LIHTC projects in the market area identified in the table above are broken down by AMI level in the below unit summary table. Projects that were excluded above because they differed substantially from the subject project based on unit mix may be included below. In these cases, only the unit configurations that directly compete with the subject development (i.e. studio, one-, and two-bedroom floor plans) are included in the unit summary table below.

There are 19 LIHTC complexes in the market area that could potentially compete with the subject. Of these, seven complexes were excluded because they are marketed for seniors and five complexes were excluded since they are comprised exclusively of Section 8 units. Another three projects were determined to lie outside of the market area boundaries. Finally, one complexes was concluded to be proposed, so it is included later in the demand analysis. The totals from the below table are used in the Demand Analysis at the end of this market study report.

Name	20% AMI	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI
Hillside Pointe Apartments	0	0	5	39	4	0	0
Homewood Point	0	0	45	50	9	0	0
Plaza on the Platte	0	0	31	0	0	0	0
TOTAL UNITS BY AMI	0	0	81	89	13	0	0

Selection of Comparables

The remaining three affordable, tax-credit complexes throughout the market area were selected as the most comparable to the subject property based on their design, location, amenities, age and unit mix, and are included here along with two market-rent projects as market comparables.

Hillside Pointe Apartments was built in 2004 and is in average condition. The property includes mostly two-bedroom/two-bath units with an equal number of one-bedroom and three-bedroom/two-bath units. Each flat-style apartment in this garden-style project contains a refrigerator, oven/stove, dishwasher, patio/balcony area that includes exterior storage, and washer-dryer units. Property amenities consist of only a single playground at this complex and on-site leasing/management. According to the property manager, Hillside Pointe currently has no vacant units, although 1 two-bedroom unit has given notice and is already pre-leased. Hillside Pointe has 60-100 families on floorplan size/configuration-specific waiting lists.

Homewood Point is a tax-credit property owned by Hendricks Communities and managed by Terra Management Group. This 104-unit garden-style complex contains twice as many two-bedroom/two-bath units as one-bedroom/one-bath floorplans and all are flat-style units. Each apartment contains a refrigerator, stove/oven, dishwasher, patio/balcony, exterior storage, and washer-dryer units. Units do

not have microwave ovens, patio/balconies, or exterior storage. Built in 2006, Homewood Point is in good condition. Property amenities include a clubhouse with a fitness room and on-site management. Currently, Homewood Point has one vacant two-bedroom unit, and 200+ families on a non-unit-size-specific waiting list.

Plaza on Platte is a 32-unit former motel that was built in 1962. Located just east of downtown Colorado Springs, this project is in fair condition and has limited amenities. Except for 1 one-bedroom floorplan, all of the units at Plaza on Platte are studio units that range from 204 SF to 303 SF. The property is managed by Greccio Housing, but no manager was present at the property and representatives from Greccio would not return calls so no information about the specific unit or property amenities as well as vacancy and rent information was available. According to CHFA, all 31 studio units are restricted to 40% AMI rents.

Grand View is a 268-unit garden-style market-rate complex just east of the Colorado Springs CBD that is owned and managed by Weidner Investments. Built in 1984, this project is average condition and comprised of one-bedroom/one-bath, two-bedroom/one-bath, and two-bedroom/two-bath units. Apartments include a refrigerator, stove/oven, dishwasher, patio/balcony with exterior storage and washer/dryer units. Some units also include a built-in microwave oven. Property amenities include a clubhouse with an on-site leasing office and a fitness room, a sand volleyball court, a swimming pool, and a hot tub/spa. The property is gated and residents each get access to one carport per apartment with additional unassigned surface parking available. The property currently has three vacant one-bedroom units and three vacant two-bedroom/two-bath units with two people on the waiting list for two-bedroom/one-bath floorplans.

333 ECO is 169-unit market-rent mid-rise apartment building located within the downtown area of Colorado Springs that is owned by Nor'Wood Development and managed by Griffis/Blessing. Built in 2018 and in excellent condition, 333 ECO consists of a wide variety of studio, one-bedroom, two-bedroom/two-bath units. Most floorplans are flats with a few one-bedroom/1.5-bath loft units spread through the unit mix, and all have central air and are heated via AquaTherm units. Apartments include a refrigerator, stove/oven, dishwasher, microwave oven, washer/dryer units, and some floorplans have a balcony. Exterior storage space is available for \$50/month. The property has an onsite leasing office with a leasing and management staff. This property's common area amenities include a community room, elevators, a fitness center, a pool and a hot tub/spa. Residents can rent spaces in garage parking for \$65-\$125/month. This property currently has one vacant studio unit and one vacant one-bedroom unit, and two people on a waiting list for specific floorplans.

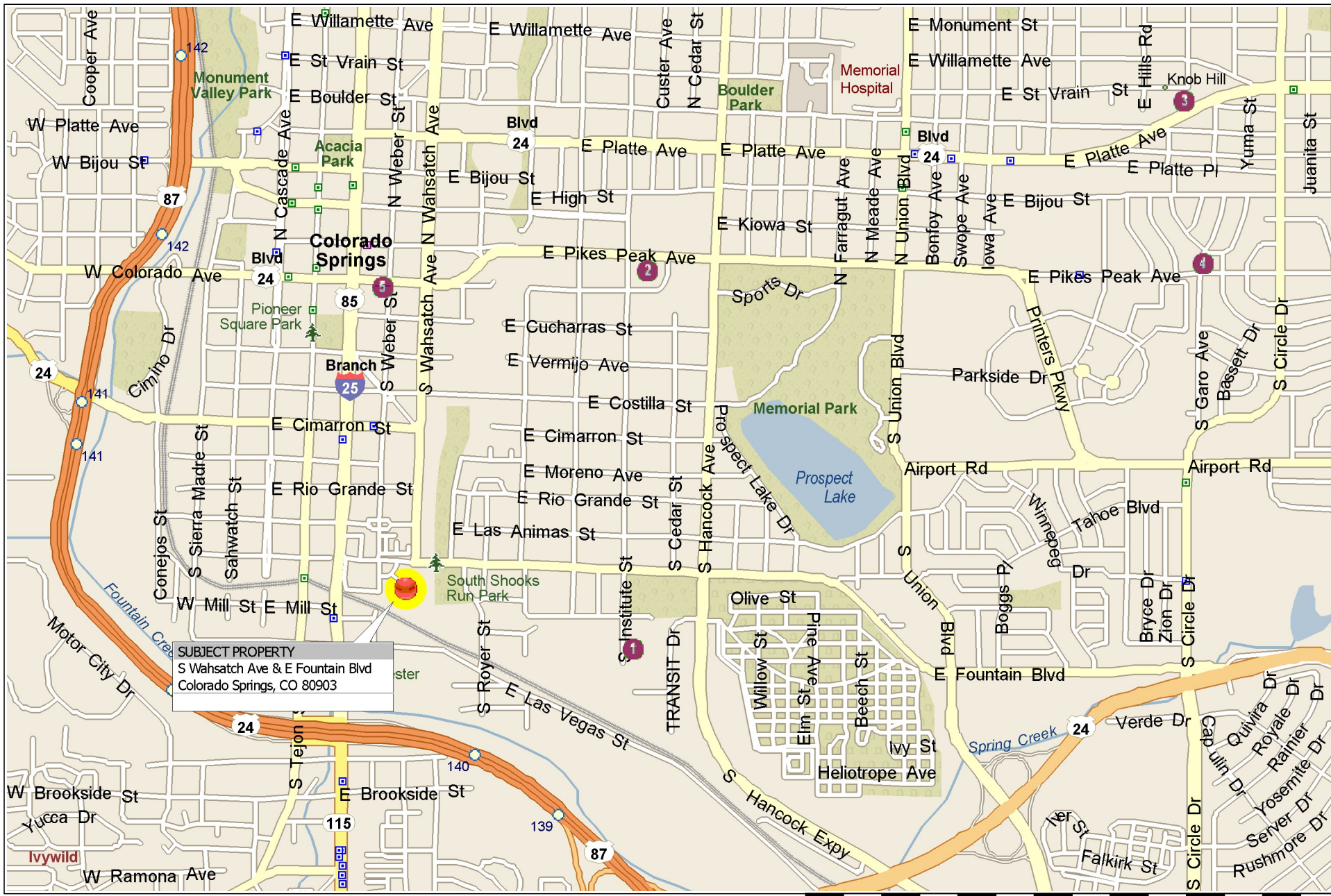
Walk Score & Transit Score of Comparables

As part of CHFA’s market study guidelines, Walk and Transit Scores for each of the Comparables are required as part of the market study. The explanation and discussion of Walk and Transit Score calculations that appear in the Location Analysis section above apply here as well. Below are the scores for the subject site compared to the same score for the selected comparables as calculated at www.walkscore.com.

	Walk Score	Transit Score	Average	Score category
Draper Commons	48	37	43	25-49: Car-Dependent – Most errands require a car 25-49: Some Transit – A few nearby public transportation options
Hillside Pointe Apts	24	30	27	0-24: Car-Dependent – Almost all errands require a car 25-49: Some Transit – A few nearby public transportation options
Homewood Point	51	39	45	50-69: Somewhat Walkable – Some services within walking distance 25-49: Some Transit – A few nearby public transportation options
Plaza on the Platte	59	42	51	50-69: Somewhat Walkable – Some services within walking distance 25-49: Some Transit – A few nearby public transportation options
Grand View	57	34	46	50-69: Somewhat Walkable – Some services within walking distance 25-49: Some Transit – A few nearby public transportation options
333 ECO	70	49	60	70-89: Very Walkable – Most errands can be accomplished on foot 25-49: Some Transit – A few nearby public transportation options
Draper Commons Market Area Averages	52	39	45	50-69: Somewhat Walkable – Some services within walking distance 25-49: Some Transit – A few nearby public transportation options

A location map of these market comparables can be found on the following page, followed by detailed listings of attributes and market data of the comparable properties. A photo of each comparable can be found at Addendum A.

MARKET COMPARABLES MAP



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Comparative Analysis

	Subject Property	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Name of Project	Draper Commons	Hillside Pointe Apartments	Homewood Point	Plaza on Platte	Grand View	333 ECO
Address	South of E. Fountain Blvd @ Wahsatch Ave, CO Springs	1045 South Institute St, Colorado Springs	925 Homewood Point, Colorado Springs	2508 E. Platte Ave., Colorado Springs	2505 E. Pikes Peak Ave, Colorado Springs	333 E. Colorado Ave, Colorado Springs
Property Type	Midrise	Garden	Garden	Garden	Garden	Mid-rise
Unit Type	Flats	Flats	Flats	Flats	Flats	Flats/TH
Year Built	Proposed	2004	2006	1962	1984	2018
# of Income Restricted Units	280	60	104	32	0	0
# of Market Rent Units	0	0	0	0	268	169
General Condition	Proposed	Average	Good	Fair	Average	Excellent
<i>Amenities</i>						
Utilities						
A/C	Split HVAC units	Central	Individual	NA	Wall units	Central
Gas	Landlord Paid	Tenant Paid	Tenant Paid	NA	Tenant Paid	Tenant Paid
Electric	Landlord Paid	Tenant Paid	Tenant Paid	NA	Tenant Paid	Tenant Paid
Heat Type	Split HVAC units	GFA	Aquatherm	NA	Electric	AquaTherm
Water	Landlord Paid	Landlord Paid	Landlord Paid	NA	Tenant Paid	Tenant Paid
Sewer	Landlord Paid	Landlord Paid	Landlord Paid	NA	Tenant Paid	Tenant Paid
Trash	Landlord Paid	Landlord Paid	Landlord Paid	NA	Tenant Paid	Tenant Paid

	Subject Property	Comp 1	Comp 2	Comp 3	Comp 4	Comp 5
Unit Amenities						
Balcony/Patio	Yes	Yes	Yes	No	Yes	Some units
Dishwashers	Yes	Yes	Yes	NA	Yes	Yes
Exterior Storage	No	On patio/balcony	Yes	NA	Yes	\$50/mo.
Microwave	Yes	No	No	NA	Some	Yes
W/D hook-ups/units	No	W/D units	W/D units	NA	W/D units	W/D units
Project Amenities						
Central laundry room	4	No	No	Yes	No	No
Sports Courts	No	No	No	1/2 Basketball	Sand Volleyball	No
Clubhouse	Community Rooms	No	Yes	NA	Yes	Yes
Elevators	3	No	No	No	No	Yes
Business Center	Yes	No	No	No	No	No
Exercise Equipment	No	No	Yes	No	Yes	Yes
Garage (\$ extra)	Surface/Tuck-under	No	No	No	Carports (1/apt)	Garage - \$65-\$125/mo
Hot tub	No	No	No	No	Yes	Yes
Swimming Pool	No	No	No	No	1	Yes
Playground	No	1	No	1	No	No
On-site Management	Yes	Yes	Yes	NA	Yes	Yes
Security system	Controlled access	No	No	No	Gated	Controlled access

Unit Size & Mix

<i>Unit Size (Square Feet)</i>	Subject Property	Hillside Pointe Apartments	Homewood Point	Plaza on Platte	Grand View	333 ECO
Studio Units	411			204-303		490/514
1 Bedroom Units	474	685	695		710	524-968
2 Bedroom/1 Bath Units	575				877	
2 Bedroom/2 Bath Units		877	965		915	1,016-1,221
3 Bedroom/1.5 Bath Units						
3 Bedroom/2 Bath Units		1,143				
4 Bedroom/1.5 Bath Units						
4 Bedroom/2 Bath Units						
Unit Mix						
Studio Units	14	0	0	31	0	12
Income Restricted Units	14	0	0	31	0	0
Market Rent Units	0	0	0	0	0	12
1 Bedroom Units	210	12	32	1	104	128
Income Restricted Units	210	12	32	1	0	0
Market Rent Units	0	0	0	0	104	128
2 Bedroom/1 Bath Units	56	1	0	0	24	0
Income Restricted Units	56	1	0	0	0	0
Market Rent Units	0	0	0	0	24	0
2 Bedroom/2 Bath Units	0	35	72	0	140	29
Income Restricted Units	0	35	72	0	0	0
Market Rent Units	0	0	0	0	140	29
3 Bedroom/2 Bath Units	0	12	0	0	0	0
Income Restricted Units	0	12	0	0	0	0
Market Rent Units	0	0	0	0	0	0

Rent Comparisons

<i>Rent per Unit</i>	Subject Property	Hillside Pointe Apartments	Homewood Point	Plaza on Platte	Grand View	333 ECO
Studio Units						
20% AMI						
30% AMI	\$375					
40% AMI				\$612		
50% AMI	\$661					
60% AMI	\$804					
70% AMI	\$947					
80% AMI						
Market Rent						\$1,275-\$1,360
1 Bedroom Units						
20% AMI						
30% AMI	\$399	\$347				
40% AMI			\$476			
50% AMI	\$705	\$653	\$629			
60% AMI	\$858		\$782			
70% AMI	\$1,011					
80% AMI						
Market Rent					\$1,260	\$1,340-\$2,325
2 Bedroom/1 Bath Units						
20% AMI						
30% AMI	\$477					
40% AMI						
50% AMI	\$844					
60% AMI	\$1,028					
70% AMI	\$1,212					
80% AMI						
Market Rent					\$1,295	
2 Bedroom/2 Bath Units						
20% AMI						
30% AMI		\$411				
40% AMI			\$573			
50% AMI		\$778	\$756			
60% AMI		\$790	\$940			
70% AMI						
80% AMI						
Market Rent					\$1,340	\$1,995-\$2,645

<i>Rent per Unit</i>	Subject Property	Hillside Pointe Apartments	Homewood Point	Plaza on Platte	Grand View	333 ECO
3 Bedroom/2 Bath Units						
20% AMI						
30% AMI		\$472				
40% AMI						
50% AMI		\$897				
60% AMI						
70% AMI						
80% AMI						
Market Rent						

All rents are net rents excluding concessions, utilities allowances or market rate utility adjustments.

<i>Rent per SF</i>	Subject Property	Hillside Pointe Apartments	Homewood Point	Plaza on Platte	Grand View	333 ECO
Studio Units						
20% AMI						
30% AMI	\$0.91					
40% AMI				\$2.02-\$3.00		
50% AMI	\$1.61					
60% AMI	\$1.96					
70% AMI	\$2.30					
80% AMI						
Market Rent					\$1.77	\$2.60-\$2.65
1 Bedroom Units						
20% AMI						
30% AMI	\$0.84	\$0.51				
40% AMI			\$0.68			
50% AMI	\$1.49	\$0.95	\$0.91			
60% AMI	\$1.81		\$1.13			
70% AMI	\$2.13					
80% AMI						
Market Rent					\$1.48	\$2.28-\$2.74
2 Bedroom/1 Bath Units						
20% AMI						
30% AMI	\$0.83					
40% AMI						
50% AMI	\$1.47					
60% AMI	\$1.79					
70% AMI	\$2.11					
80% AMI						
Market Rent					\$1.46	
2 Bedroom/2 Bath Units						
20% AMI						
30% AMI		\$0.47				
40% AMI			\$0.59			
50% AMI		\$0.89	\$0.78			
60% AMI		\$0.90	\$0.97			
70% AMI						
80% AMI						
Market Rent						\$1.96-\$2.21

<i>Rent per SF</i>	Subject Property	Hillside Pointe Apartments	Homewood Point	Plaza on Platte	Grand View	333 ECO
3 Bedroom/2 Bath Units						
20% AMI						
30% AMI		\$0.41				
40% AMI						
50% AMI		\$0.78				
60% AMI						
70% AMI						
80% AMI						
Market Rent						

Vacancies & Wait Lists

	Subject Property	Hillside Pointe Apartments	Homewood Point	Plaza on Platte	Grand View	333 ECO
Total Units	280	60	104	32	268	169
Vacant Units	NA	1	1	NA	6	0
% Vacant	NA	1.7%	1.0%	NA	2.2%	0.0%
Vacancy by Unit Type						
Studio Units	NA	0	0	NA	0	0
1 Bedroom Units	NA	0	0	NA	3	0
2 Bedroom/1 Bath Units	NA	0	0	NA	0	0
2 Bedroom/2 Bath Units	NA	1	1	NA	3	0
3 Bedroom/1.5 Bath Units	NA	0	0	NA	0	0
3 Bedroom/2 Bath Units	NA	0	0	NA	0	0
4 Bedroom/1.5 Bath Units	NA	0	0	NA	0	0
4 Bedroom/2 Bath Units	NA	0	0	NA	0	0
# of Wait List	NA	60-100	200+	NA	2	6

Absorption

Overall, absorption for the Colorado Springs market has been solid over the last 15+ years with apartment vacancies dropping from 13.1% at year-end 2004 to 4.5% as of the 2nd Quarter of 2020, the last quarter that data is available for. During that time, there were only four periods of annual negative net absorption. Positive net absorption has averaged 876 units per year since 2009, and over 1,400 annually since 2017. In fact, only 22 quarters out of the last 66 quarters, dating back to the start of 2004, have experienced negative net absorption for the overall Colorado Springs apartment market.

Vacancies are very low among the comparable properties, with the highest being 2.2%. All of the comparable properties that reported vacancy are significantly lower than the overall submarket vacancy rate of 4.1%, based on current data from Yardi-Matrix.

Upcoming Competition

Currently, the only proposed LIHTC property located in the Primary Market Area that has received CHFA approval, other than the subject property, is the 77-unit Village at Solid Rock, a Commonwealth Companies development in partnership with Solid Rock Community Development Corp. Village at Solid Rock was approved for tax credits in mid-2020 and will be family/workforce housing. It is anticipated to include 15 one-bedroom units, 33 two-bedroom units and 29 three-bedroom units and has been approved by CHFA for units in the 30%-60% and 80% AMI bands. Currently, the project has filed a zoning change application with the City of Colorado Springs. Plans call for construction to commence later this year with leasing and initial occupancy in mid-2022. Village at Solid Rock is included the Demand Model analysis below. No other new LIHTC family/workforce housing projects have been submitted or are approved within the subject's Primary Market Area.

DEMOGRAPHIC DATA AND DEMAND ANALYSIS

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Renter Households						
Age 15 to 54 Years						
Year 2021 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	1,138	314	278	128	84	1,942
\$10,000-20,000	1,201	331	223	190	126	2,071
\$20,000-30,000	1,602	650	371	227	192	3,042
\$30,000-40,000	1,298	548	351	121	83	2,401
\$40,000-50,000	664	502	439	374	220	2,199
\$50,000-60,000	449	402	86	191	186	1,314
\$60,000-75,000	350	746	362	197	71	1,726
\$75,000-100,000	289	877	234	166	140	1,706
\$100,000-125,000	36	198	305	147	58	744
\$125,000-150,000	147	142	60	23	16	388
\$150,000-200,000	122	121	55	32	22	352
\$200,000+	<u>127</u>	<u>71</u>	<u>88</u>	<u>18</u>	<u>19</u>	<u>323</u>
Total	7,423	4,902	2,852	1,814	1,217	18,208

Renter Households						
Aged 55+ Years						
Year 2021 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	966	118	21	4	12	1,121
\$10,000-20,000	1,941	169	44	5	31	2,190
\$20,000-30,000	1,118	208	77	21	1	1,425
\$30,000-40,000	613	85	37	6	4	745
\$40,000-50,000	417	180	10	6	32	645
\$50,000-60,000	381	128	50	4	10	573
\$60,000-75,000	278	145	6	12	18	459
\$75,000-100,000	304	185	20	2	3	514
\$100,000-125,000	260	70	19	7	10	366
\$125,000-150,000	215	44	18	7	6	290
\$150,000-200,000	206	24	8	1	11	250
\$200,000+	<u>153</u>	<u>23</u>	<u>34</u>	<u>6</u>	<u>6</u>	<u>222</u>
Total	6,852	1,379	344	81	144	8,800

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Renter Households						
Aged 62+ Years						
Year 2021 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	665	36	2	4	12	719
\$10,000-20,000	1,546	82	42	4	26	1,700
\$20,000-30,000	866	146	40	8	1	1,061
\$30,000-40,000	424	38	13	6	4	485
\$40,000-50,000	334	67	10	4	9	424
\$50,000-60,000	288	103	5	2	8	406
\$60,000-75,000	251	87	6	11	4	359
\$75,000-100,000	243	74	7	2	2	328
\$100,000-125,000	155	48	5	3	6	217
\$125,000-150,000	141	33	4	4	5	187
\$150,000-200,000	158	21	3	1	9	192
\$200,000+	<u>112</u>	<u>12</u>	<u>15</u>	<u>4</u>	<u>3</u>	<u>146</u>
Total	5,183	747	152	53	89	6,224

Renter Households						
All Age Groups						
Year 2021 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	2,104	432	299	132	96	3,063
\$10,000-20,000	3,142	500	267	195	157	4,261
\$20,000-30,000	2,720	858	448	248	193	4,467
\$30,000-40,000	1,911	633	388	127	87	3,146
\$40,000-50,000	1,081	682	449	380	252	2,844
\$50,000-60,000	830	530	136	195	196	1,887
\$60,000-75,000	628	891	368	209	89	2,185
\$75,000-100,000	593	1,062	254	168	143	2,220
\$100,000-125,000	296	268	324	154	68	1,110
\$125,000-150,000	362	186	78	30	22	678
\$150,000-200,000	328	145	63	33	33	602
\$200,000+	<u>280</u>	<u>94</u>	<u>122</u>	<u>24</u>	<u>25</u>	<u>545</u>
Total	14,275	6,281	3,196	1,895	1,361	27,008

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Percent Renter Households						
Age 15 to 54 Years						
Year 2021 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	6.3%	1.7%	1.5%	0.7%	0.5%	10.7%
\$10,000-20,000	6.6%	1.8%	1.2%	1.0%	0.7%	11.4%
\$20,000-30,000	8.8%	3.6%	2.0%	1.2%	1.1%	16.7%
\$30,000-40,000	7.1%	3.0%	1.9%	0.7%	0.5%	13.2%
\$40,000-50,000	3.6%	2.8%	2.4%	2.1%	1.2%	12.1%
\$50,000-60,000	2.5%	2.2%	0.5%	1.0%	1.0%	7.2%
\$60,000-75,000	1.9%	4.1%	2.0%	1.1%	0.4%	9.5%
\$75,000-100,000	1.6%	4.8%	1.3%	0.9%	0.8%	9.4%
\$100,000-125,000	0.2%	1.1%	1.7%	0.8%	0.3%	4.1%
\$125,000-150,000	0.8%	0.8%	0.3%	0.1%	0.1%	2.1%
\$150,000-200,000	0.7%	0.7%	0.3%	0.2%	0.1%	1.9%
\$200,000+	<u>0.7%</u>	<u>0.4%</u>	<u>0.5%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>1.8%</u>
Total	40.8%	26.9%	15.7%	10.0%	6.7%	100.0%

Percent Renter Households						
Aged 55+ Years						
Year 2021 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	11.0%	1.3%	0.2%	0.0%	0.1%	12.7%
\$10,000-20,000	22.1%	1.9%	0.5%	0.1%	0.4%	24.9%
\$20,000-30,000	12.7%	2.4%	0.9%	0.2%	0.0%	16.2%
\$30,000-40,000	7.0%	1.0%	0.4%	0.1%	0.0%	8.5%
\$40,000-50,000	4.7%	2.0%	0.1%	0.1%	0.4%	7.3%
\$50,000-60,000	4.3%	1.5%	0.6%	0.0%	0.1%	6.5%
\$60,000-75,000	3.2%	1.6%	0.1%	0.1%	0.2%	5.2%
\$75,000-100,000	3.5%	2.1%	0.2%	0.0%	0.0%	5.8%
\$100,000-125,000	3.0%	0.8%	0.2%	0.1%	0.1%	4.2%
\$125,000-150,000	2.4%	0.5%	0.2%	0.1%	0.1%	3.3%
\$150,000-200,000	2.3%	0.3%	0.1%	0.0%	0.1%	2.8%
\$200,000+	<u>1.7%</u>	<u>0.3%</u>	<u>0.4%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>2.5%</u>
Total	77.9%	15.7%	3.9%	0.9%	1.6%	100.0%

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Percent Renter Households						
Aged 62+ Years						
Year 2021 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	10.7%	0.6%	0.0%	0.1%	0.2%	11.6%
\$10,000-20,000	24.8%	1.3%	0.7%	0.1%	0.4%	27.3%
\$20,000-30,000	13.9%	2.3%	0.6%	0.1%	0.0%	17.0%
\$30,000-40,000	6.8%	0.6%	0.2%	0.1%	0.1%	7.8%
\$40,000-50,000	5.4%	1.1%	0.2%	0.1%	0.1%	6.8%
\$50,000-60,000	4.6%	1.7%	0.1%	0.0%	0.1%	6.5%
\$60,000-75,000	4.0%	1.4%	0.1%	0.2%	0.1%	5.8%
\$75,000-100,000	3.9%	1.2%	0.1%	0.0%	0.0%	5.3%
\$100,000-125,000	2.5%	0.8%	0.1%	0.0%	0.1%	3.5%
\$125,000-150,000	2.3%	0.5%	0.1%	0.1%	0.1%	3.0%
\$150,000-200,000	2.5%	0.3%	0.0%	0.0%	0.1%	3.1%
\$200,000+	<u>1.8%</u>	<u>0.2%</u>	<u>0.2%</u>	<u>0.1%</u>	<u>0.0%</u>	<u>2.3%</u>
Total	83.3%	12.0%	2.4%	0.9%	1.4%	100.0%

Percent Renter Households						
All Age Groups						
Year 2021 Estimates						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	7.8%	1.6%	1.1%	0.5%	0.4%	11.3%
\$10,000-20,000	11.6%	1.9%	1.0%	0.7%	0.6%	15.8%
\$20,000-30,000	10.1%	3.2%	1.7%	0.9%	0.7%	16.5%
\$30,000-40,000	7.1%	2.3%	1.4%	0.5%	0.3%	11.6%
\$40,000-50,000	4.0%	2.5%	1.7%	1.4%	0.9%	10.5%
\$50,000-60,000	3.1%	2.0%	0.5%	0.7%	0.7%	7.0%
\$60,000-75,000	2.3%	3.3%	1.4%	0.8%	0.3%	8.1%
\$75,000-100,000	2.2%	3.9%	0.9%	0.6%	0.5%	8.2%
\$100,000-125,000	1.1%	1.0%	1.2%	0.6%	0.3%	4.1%
\$125,000-150,000	1.3%	0.7%	0.3%	0.1%	0.1%	2.5%
\$150,000-200,000	1.2%	0.5%	0.2%	0.1%	0.1%	2.2%
\$200,000+	<u>1.0%</u>	<u>0.3%</u>	<u>0.5%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>2.0%</u>
Total	52.9%	23.3%	11.8%	7.0%	5.0%	100.0%

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Renter Households						
Age 15 to 54 Years						
Year 2026 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	1,165	287	261	110	79	1,902
\$10,000-20,000	1,154	282	197	173	114	1,920
\$20,000-30,000	1,620	584	344	203	152	2,903
\$30,000-40,000	1,337	473	342	99	79	2,330
\$40,000-50,000	736	523	474	415	234	2,382
\$50,000-60,000	522	388	102	217	204	1,433
\$60,000-75,000	396	838	385	215	81	1,915
\$75,000-100,000	349	998	273	187	155	1,962
\$100,000-125,000	51	275	374	187	61	948
\$125,000-150,000	215	213	91	33	24	576
\$150,000-200,000	210	182	82	55	45	574
\$200,000+	<u>244</u>	<u>139</u>	<u>140</u>	<u>28</u>	<u>30</u>	<u>581</u>
Total	7,999	5,182	3,065	1,922	1,258	19,426

Renter Households						
Aged 55+ Years						
Year 2026 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	973	110	19	5	12	1,119
\$10,000-20,000	1,940	155	38	7	32	2,172
\$20,000-30,000	1,149	208	72	15	7	1,451
\$30,000-40,000	665	84	32	15	5	801
\$40,000-50,000	498	186	11	4	34	733
\$50,000-60,000	442	140	42	2	8	634
\$60,000-75,000	328	151	10	13	17	519
\$75,000-100,000	360	189	20	5	3	577
\$100,000-125,000	331	83	19	7	5	445
\$125,000-150,000	303	63	21	4	6	397
\$150,000-200,000	321	38	8	6	18	391
\$200,000+	<u>257</u>	<u>23</u>	<u>38</u>	<u>6</u>	<u>6</u>	<u>330</u>
Total	7,567	1,430	330	89	153	9,569

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Renter Households						
Aged 62+ Years						
Year 2026 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	704	38	6	4	12	764
\$10,000-20,000	1,632	84	36	5	27	1,784
\$20,000-30,000	925	156	36	5	6	1,128
\$30,000-40,000	494	44	14	13	4	569
\$40,000-50,000	409	73	9	4	9	504
\$50,000-60,000	354	115	3	2	5	479
\$60,000-75,000	303	99	8	12	3	425
\$75,000-100,000	298	84	7	3	1	393
\$100,000-125,000	222	56	5	3	4	290
\$125,000-150,000	216	51	5	3	5	280
\$150,000-200,000	251	30	2	5	16	304
\$200,000+	<u>199</u>	<u>13</u>	<u>16</u>	<u>5</u>	<u>4</u>	<u>237</u>
Total	6,007	843	147	64	96	7,157

Renter Households						
All Age Groups						
Year 2026 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	2,138	397	280	115	91	3,021
\$10,000-20,000	3,094	437	235	180	146	4,092
\$20,000-30,000	2,769	792	416	218	159	4,354
\$30,000-40,000	2,002	557	374	114	84	3,131
\$40,000-50,000	1,234	709	485	419	268	3,115
\$50,000-60,000	964	528	144	219	212	2,067
\$60,000-75,000	724	989	395	228	98	2,434
\$75,000-100,000	709	1,187	293	192	158	2,539
\$100,000-125,000	382	358	393	194	66	1,393
\$125,000-150,000	518	276	112	37	30	973
\$150,000-200,000	531	220	90	61	63	965
\$200,000+	<u>501</u>	<u>162</u>	<u>178</u>	<u>34</u>	<u>36</u>	<u>911</u>
Total	15,566	6,612	3,395	2,011	1,411	28,995

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Percent Renter Households						
Age 15 to 54 Years						
Year 2026 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	6.0%	1.5%	1.3%	0.6%	0.4%	9.8%
\$10,000-20,000	5.9%	1.5%	1.0%	0.9%	0.6%	9.9%
\$20,000-30,000	8.3%	3.0%	1.8%	1.0%	0.8%	14.9%
\$30,000-40,000	6.9%	2.4%	1.8%	0.5%	0.4%	12.0%
\$40,000-50,000	3.8%	2.7%	2.4%	2.1%	1.2%	12.3%
\$50,000-60,000	2.7%	2.0%	0.5%	1.1%	1.1%	7.4%
\$60,000-75,000	2.0%	4.3%	2.0%	1.1%	0.4%	9.9%
\$75,000-100,000	1.8%	5.1%	1.4%	1.0%	0.8%	10.1%
\$100,000-125,000	0.3%	1.4%	1.9%	1.0%	0.3%	4.9%
\$125,000-150,000	1.1%	1.1%	0.5%	0.2%	0.1%	3.0%
\$150,000-200,000	1.1%	0.9%	0.4%	0.3%	0.2%	3.0%
\$200,000+	<u>1.3%</u>	<u>0.7%</u>	<u>0.7%</u>	<u>0.1%</u>	<u>0.2%</u>	<u>3.0%</u>
Total	41.2%	26.7%	15.8%	9.9%	6.5%	100.0%

Percent Renter Households						
Aged 55+ Years						
Year 2026 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	10.2%	1.1%	0.2%	0.1%	0.1%	11.7%
\$10,000-20,000	20.3%	1.6%	0.4%	0.1%	0.3%	22.7%
\$20,000-30,000	12.0%	2.2%	0.8%	0.2%	0.1%	15.2%
\$30,000-40,000	6.9%	0.9%	0.3%	0.2%	0.1%	8.4%
\$40,000-50,000	5.2%	1.9%	0.1%	0.0%	0.4%	7.7%
\$50,000-60,000	4.6%	1.5%	0.4%	0.0%	0.1%	6.6%
\$60,000-75,000	3.4%	1.6%	0.1%	0.1%	0.2%	5.4%
\$75,000-100,000	3.8%	2.0%	0.2%	0.1%	0.0%	6.0%
\$100,000-125,000	3.5%	0.9%	0.2%	0.1%	0.1%	4.7%
\$125,000-150,000	3.2%	0.7%	0.2%	0.0%	0.1%	4.1%
\$150,000-200,000	3.4%	0.4%	0.1%	0.1%	0.2%	4.1%
\$200,000+	<u>2.7%</u>	<u>0.2%</u>	<u>0.4%</u>	<u>0.1%</u>	<u>0.1%</u>	<u>3.4%</u>
Total	79.1%	14.9%	3.4%	0.9%	1.6%	100.0%

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Percent Renter Households						
Aged 62+ Years						
Year 2026 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	9.8%	0.5%	0.1%	0.1%	0.2%	10.7%
\$10,000-20,000	22.8%	1.2%	0.5%	0.1%	0.4%	24.9%
\$20,000-30,000	12.9%	2.2%	0.5%	0.1%	0.1%	15.8%
\$30,000-40,000	6.9%	0.6%	0.2%	0.2%	0.1%	8.0%
\$40,000-50,000	5.7%	1.0%	0.1%	0.1%	0.1%	7.0%
\$50,000-60,000	4.9%	1.6%	0.0%	0.0%	0.1%	6.7%
\$60,000-75,000	4.2%	1.4%	0.1%	0.2%	0.0%	5.9%
\$75,000-100,000	4.2%	1.2%	0.1%	0.0%	0.0%	5.5%
\$100,000-125,000	3.1%	0.8%	0.1%	0.0%	0.1%	4.1%
\$125,000-150,000	3.0%	0.7%	0.1%	0.0%	0.1%	3.9%
\$150,000-200,000	3.5%	0.4%	0.0%	0.1%	0.2%	4.2%
\$200,000+	<u>2.8%</u>	<u>0.2%</u>	<u>0.2%</u>	<u>0.1%</u>	<u>0.1%</u>	3.3%
Total	83.9%	11.8%	2.1%	0.9%	1.3%	100.0%

Percent Renter Households						
All Age Groups						
Year 2026 Projections						
	1-Person Household	2-Person Household	3-Person Household	4-Person Household	5+-Person Household	Total
\$0-10,000	7.4%	1.4%	1.0%	0.4%	0.3%	10.4%
\$10,000-20,000	10.7%	1.5%	0.8%	0.6%	0.5%	14.1%
\$20,000-30,000	9.5%	2.7%	1.4%	0.8%	0.5%	15.0%
\$30,000-40,000	6.9%	1.9%	1.3%	0.4%	0.3%	10.8%
\$40,000-50,000	4.3%	2.4%	1.7%	1.4%	0.9%	10.7%
\$50,000-60,000	3.3%	1.8%	0.5%	0.8%	0.7%	7.1%
\$60,000-75,000	2.5%	3.4%	1.4%	0.8%	0.3%	8.4%
\$75,000-100,000	2.4%	4.1%	1.0%	0.7%	0.5%	8.8%
\$100,000-125,000	1.3%	1.2%	1.4%	0.7%	0.2%	4.8%
\$125,000-150,000	1.8%	1.0%	0.4%	0.1%	0.1%	3.4%
\$150,000-200,000	1.8%	0.8%	0.3%	0.2%	0.2%	3.3%
\$200,000+	<u>1.7%</u>	<u>0.6%</u>	<u>0.6%</u>	<u>0.1%</u>	<u>0.1%</u>	3.1%
Total	53.7%	22.8%	11.7%	6.9%	4.9%	100.0%

Demand Analysis

To determine renter household demand in the market area, the CHFA demand model was used to analyze the data previously presented in the Comparability Analysis section regarding available housing options. In addition to this primary market data, Census tract data was used to determine qualifying renter households and qualifying household demand. Special tabulated 2010 Census data, as developed by HUD and modeled by Ribbon Demographics, including current year forecasts, was analyzed for the market area to determine the income distribution of renters (as shown in the below tables):

Income Intervals by HH Subject Market Area	TOTAL	1-person	2-persons	3-persons	4-persons	5+ persons
Total Rental Households	27,008	14,275	6,281	3,196	1,895	1,361
Less than \$9,999	3,063	2,104	432	299	132	96
\$10,000 - \$19,999	4,261	3,142	500	267	195	157
\$20,000 - \$29,999	4,467	2,720	858	448	248	193
\$30,000 - \$39,999	3,146	1,911	633	388	127	87
\$40,000 - \$49,999	2,844	1,081	682	449	380	252
\$50,000 - \$59,999	1,887	830	530	136	195	196
\$60,000 - \$74,999	2,185	628	891	368	209	89
\$75,000 - \$99,000	2,220	593	1,062	254	168	143
\$100,000 or more	2,935	1,266	693	587	241	148

Source: Ribbon Demographics/Claritas

Income Intervals by HH Subject Market Area	TOTAL	1-person	2-persons	3-persons	4-persons	5+ persons
Total Rental Households	100.0%	52.9%	23.3%	11.8%	7.0%	5.0%
Less than \$9,999	11.3%	7.8%	1.6%	1.1%	0.5%	0.4%
\$10,000 - \$19,999	15.8%	11.6%	1.9%	1.0%	0.7%	0.6%
\$20,000 - \$29,999	16.5%	10.1%	3.2%	1.7%	0.9%	0.7%
\$30,000 - \$39,999	11.6%	7.1%	2.3%	1.4%	0.5%	0.3%
\$40,000 - \$49,999	10.5%	4.0%	2.5%	1.7%	1.4%	0.9%
\$50,000 - \$59,999	7.0%	3.1%	2.0%	0.5%	0.7%	0.7%
\$60,000 - \$74,999	8.1%	2.3%	3.3%	1.4%	0.8%	0.3%
\$75,000 - \$99,000	8.2%	2.2%	3.9%	0.9%	0.6%	0.5%
\$100,000 or more	10.9%	4.7%	2.6%	2.2%	0.9%	0.5%

Source: Ribbon Demographics/Claritas

	Ribbon Total	20% AMI	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	Eligible	Ineligible
1 person		\$9,180 - 11,440	\$13,770 - 17,160	\$18,360 - 22,880	\$22,950 - 28,600	\$27,540 - 34,320	\$32,130 - 40,040	\$36,750 - 45,760		
\$0 - 9,999	2,104	173	0	0	0	0	0	0	173	1,931
\$10,000 - 19,999	3,142	452	1,065	515	0	0	0	0	2,033	1,109
\$20,000 - 29,999	2,720	0	0	783	1,537	669	0	0	2,720	0
\$30,000 - 39,999	1,911	0	0	0	0	826	1,504	621	1,911	0
\$40,000 - 49,999	1,081	0	0	0	0	0	4	623	627	454
\$50,000 - 59,999	830	0	0	0	0	0	0	0	0	830
Subtotal	11,788	625	1,065	1,299	1,537	1,495	1,508	1,244	7,463	4,325
2 person		\$9,180 - 13,060	\$13,770 - 19,590	\$18,360 - 26,120	\$22,950 - 32,650	\$27,540 - 39,180	\$32,130 - 45,710	\$36,750 - 52,240		
\$0 - 9,999	432	35	0	0	0	0	0	0	35	397
\$10,000 - 19,999	500	153	291	82	0	0	0	0	500	0
\$20,000 - 29,999	858	0	0	525	605	211	0	0	858	0
\$30,000 - 39,999	633	0	0	0	168	581	498	206	633	0
\$40,000 - 49,999	682	0	0	0	0	0	389	682	682	0
\$50,000 - 59,999	530	0	0	0	0	0	0	119	119	411
Subtotal	3,635	188	291	607	773	792	888	1,006	2,827	808

3 person		\$11,010 - 14,700	\$16,530 - 22,050	\$22,050 - 29,400	\$27,540 - 36,750	\$33,060 - 44,100	\$38,580 - 51,450	\$44,100 - 58,800		
\$10,000 - 19,999	267	99	93	0	0	0	0	0	191	76
\$20,000 - 29,999	448	0	92	329	110	0	0	0	448	0
\$30,000 - 39,999	388	0	0	0	262	269	55	0	388	0
\$40,000 - 49,999	449	0	0	0	0	184	449	265	449	0
\$50,000 - 59,999	136	0	0	0	0	0	20	120	136	0
\$60,000 - 74,999	368	0	0	0	0	0	0	0	0	368
Subtotal	2,056	99	184	329	372	453	524	385	1,612	444
Total	17,479	912	1,541	2,235	2,682	2,740	2,920	2,635	11,903	5,576

*Rounding may cause variance.

From a total 2021 estimated renter household figure of 27,008, an analysis of renter households by income and household size, according to CHFA guidelines, drops this number by 66% to 11,903 eligible renter households. It should be noted, however, that the sum of the AMI level subtotals equal 15,664 households. This discrepancy is created due to the overlapping income bands in the above analysis and is unavoidable since aggregate demographics cannot precisely place individual renter households at specific values within each income band. In accordance with CHFA methodology, the AMI income band subtotals are used in the Demand Model below even though these subtotals slightly overestimate total eligible households. Existing units, and any proposed projects, were derived from the primary market research described in Comparability Analysis portion of this report. The total housing demand in the Market Area is presented in the Demand Model below.

	20% AMI	30% AMI	40% AMI	50% AMI	60% AMI	70% AMI	80% AMI	Total
= Income Qualifying HH In Market Area	912	1,541	2,235	2,682	2,740	2,920	2,635	15,664
+ In-migration of HH (If Any)	0	0	0	0	0	0	0	0
= Total Qualifying HH (Demand)	912	1,541	2,235	2,682	2,740	2,920	2,635	15,664
Existing Units	0	0	81	89	13	0	0	183
Capture Rate - Existing	0.0%	0.0%	3.6%	3.3%	0.5%	0.0%	0.0%	1.2%
Under Construction/Planned Units								
Proposed projects (Village at Solid Rock)	0	8	4	27	27	0	11	77
Subject Units (Proposed)	0	15	0	34	212	19	0	280
Total Existing & Under Construction Units	0	23	85	150	252	19	11	540
Capture Rate	0.0%	1.5%	3.8%	5.6%	9.2%	0.7%	0.4%	3.4%
Demand Less Existing & Proposed Units	912	1,518	2,150	2,532	2,488	2,901	2,624	15,124

Recommendations and Conclusions

The subject property will be one of approximately three dozen tax-credit developments in the Colorado Springs market. Its location adjacent to downtown Colorado Springs, in the New South End district, is excellent. The subject is located in an area of special need for Colorado Springs as outlined by the Home COS master plan for housing and 100% of the subject units will be built using "Universal Design" for seniors and people with disabilities. Residing adjacent to existing multifamily residential developments and the major employment center in the region and located near heavily-traveled commercial corridors, with views of Pikes Peak and the nearby mountains, the location of the proposed subject development is difficult to duplicate and should attract strong demand from potential residents.

Market data supports strong demand across all unit types, as evidenced by low vacancies at the peer group properties and throughout the local apartment submarket. The Central apartment submarket vacancy levels have remained strong over the recent past. Overall, the Colorado Springs apartment vacancy rate for multifamily projects in the 200-349-unit size range like the subject was 4.3% as of last summer, the most recent data available. Currently, the apartment vacancy rate in the PMA is only 4.1% according to Yardi-Matrix data. Among competing properties to the subject, the highest vacancy rate is 2.2%, and peer group vacancies at the other properties are all under 1.7%.

The development is anticipated to contain 280 affordable units in two mid-rise buildings, consisting of studios, one-bedroom and two-bedroom/one-bath units. Based on the findings of this market study, the recommended unit mix and the unit sizes of the proposed development are well-positioned for this market. The units are in line with the other affordable developments in the market and positioned to be competitive in the local area. This is supported by the fact that a full 88% of the households in the PMA consist of 3 people or less. Therefore, the subject property's unit mix which incorporates two-bedroom or smaller floorplans should match up well with market demand.

The unit sizes are smaller than most of the peer group competitors and other similar unit floorplans found in new construction along much of the Front Range; however, smaller units, and even micro units, are being developed with increasing frequency in downtown areas including nearby Denver. Rent levels at the subject units are in line with the market. Per square foot rents at the subject are slightly higher than the subject property's primary competition, although this is largely due to the property's slightly smaller floorplan sizes. It's important to note, however, that the project pays all utilities, so the subject's gross rents are being compared to net rents for competitors that have utility allowances. Subject rents should be supportable, and demand should be strong, since the project is new construction, is planning on average to slightly above average unit finishes for this area, and due to the property's unique amenities and spectacular views.

One-bath configurations in the two-bedroom units are a slight competitive disadvantage for the subject property, and consideration should be given to increasing the bathroom counts in the two-bedroom floorplans to two full bathrooms, or at least 1.75 baths. Although affordable developments often feature only one bathroom in their two-bedroom floorplans, two-bedroom/two-bath unit configurations are a little more common in new apartment construction, and they are more desirable to potential renters.

The community amenities at the property, while not extensive, are above average for restricted income projects, as most “affordable” developments often offer minimal or no significant property amenities. In-unit washer and dryer units are provided in all of the peer group properties that responded to market survey inquiries, as this is becoming a standard with new multifamily developments, whether restricted-income or market-rent projects. For these reasons, in-unit washers and dryers, or at least hook-ups, should be considered; however, the small floorplan sizes may limit the feasibility of this recommendation. Adding this popular unit amenity at the subject also frees up additional “community spaces” within the buildings that are no longer required for community laundry rooms and could become a fitness center, shared workspaces, or even rentable external storage spaces or bike storage for residents.

The subject units will rent in the 30%, 50% 60% and 70% AMI bands. Most of the PMA’s LIHTC units are targeted at the 40% and 50% AMI levels, and the 60% AMI level has been underserved. However, all of the AMI bands have remarkably low capture rates, even after factoring in the proposed subject units as well as an additional proposed LIHTC project. Even with the majority of the subject property’s units targeted for the 60% AMI renters, the remaining demand for units at 60% is still very strong. In fact, the subject property could adjust its AMI targets to nearly any income band from 30%-80% AMI and continue to enjoy extremely high demand levels.

Overall, the subject property is a well-conceived project in a solid location with strong market demand. It is well located close to downtown with easy access to stores, services, parks, and schools. It has a strong design and ample community amenities. The floorplans, reasonable rents, and appeal of new construction will attract renters to this complex. The project should be successful due to its location, unit mix, outstanding views, and the strong affordable unit demand in this area.

Addendum A
Comparable Property Photos



COMPARABLE #1 – HILLSIDE POINTE APARTMENTS



COMPARABLE #2 – HOMEWOOD POINT

COMPARABLE PROPERTY PHOTOGRAPHS



COMPARABLE #3 – PLAZA ON THE PLATTE



COMPARABLE #4 – GRAND VIEW

COMPARABLE PROPERTY PHOTOGRAPHS



COMPARABLE #5 – 333 ECO

COMPARABLE PROPERTY PHOTOGRAPHS

Addendum B

Qualification of Market Analysts and Company Profile

**Qualifications
Of
STEPHEN E. ROSS**

MBA – California Polytechnic State University
College of Business Administration
Economics and International Business

BA – University of Denver, College of Business
Real Estate and Finance

Certified General Appraiser – State of Colorado
Approved Market Analyst – Colorado Housing and Finance Authority

Business Affiliations, Past/Present

SRC Enterprises, Inc. – Denver	James Real Estate Services, Inc. - Denver
Grubb & Ellis Co. – San Francisco	The Meyers Group – Encino, CA
Marcus & Millichap – San Francisco/Denver	

APPRAISAL AND CONSULTING EXPERIENCE

Property Types

Affordable Housing	Group Homes	Residential Land
Apartments	Industrial Buildings	Restaurants
Assisted Living Facilities	Land Lease	Retail
Athletic Clubs	Night Clubs	Sand Mines
Auto Sales/Service Centers	Office Buildings	Senior Housing
Churches	Office Condos	Shopping Centers
Commercial Land	Office/Industrial Flex	Student Housing
Condominiums	Open Space	Warehouses
Garden Centers	Public Housing	Water Storage/Lakes
Gravel Pits	Radio Towers	Wildlife Sanctuary

Assignment Types

Assignment Purposes

Assignment Locations

Appraisals	Acquisition	Colorado	New Jersey
Feasibility Studies	Disposition	Arizona	New Mexico
Market Studies	Eminent Domain	California	New York
Portfolio Analysis	Estate Taxes	Connecticut	North Carolina
Rent Studies	Financing	Florida	North Dakota
Rehabilitation/Repositioning	Foreclosure	Georgia	Ohio
Site Selection/Acquisition	Investment Analysis	Illinois	Oregon
	Litigation Support	Maryland	Texas
	Negotiation Support	Minnesota	Utah
		Missouri	Virginia
		Montana	Washington
			Wyoming

Representative Clients

Adams County Housing Authority	Fairfield Residential	NAI Shames Makovsky
AEGON USA	Federal Aviation Administration (FAA)	Pence Wealth Management
AIMCO	FirstBank	Planet Automotive
Allison Management	Foundation for Senior Living	Opportunity in Living
Blueline Development	General Services Administration	Pueblo Bank & Trust Company
Boulder County Housing Authority	GMAC Commercial Mortgage	Pueblo Housing Authority
Boulder Housing Partners	Goldstein Law Firm, LLC	RREEF Funds
Brunswick Bowling & Billiards	Gorman & Company	Rocky Mountain Metro Airport
Burgwyn Company	Grand Junction Housing Authority	Rothbart Development
Burg Simpson Eldredge Hersh Jardine	Great Western Bank	Sherman Associates
Busboom Group	Heartland Bank	Steele Street Bank & Trust
CarMax	Helena Housing Authority	Sterling Ranch
CARE Housing	Horizon Design Build Manage	SW Development Group
Church Ranch Properties	Housing Authority of the City of Aurora	St. Charles Town Company
Colorado Dept. of Transportation	Iron Point Partners	Taco Bell Corporation
Colorado Capital Bank	Jefferson County Housing Authority	Thistle Communities
Colorado Coalition for the Homeless	Jefferson County Open Space	Torti Gallas and Partners
Comerica Bank	Johnson Capital	UDR/United Dominion Realty Trust
Coors Brewing Company	Koelbel and Company	University of Denver
Daniels Fund	LaSalle Bank	Vectra Bank
Dayton Hudson Corp.	Marcus & Millichap	VeriGreen Residential Development
Denver Housing Authority	Michaels Development	Watt Development
Denver Regional Council of Gov	Mile High Development	Wells Fargo
Donahue Schriber	Molson Coors Brewing Company	Windsor Housing Authority
Draper and Kramer, Inc.	Monroe Group	Zampine Management
Element Communities	MW Development Enterprises	Zocalo Community Development

Qualifications of
WILLIAM M. JAMES

MAI - Member of the Appraisal Institute
CCIM - Commercial Investment Real Estate Institute
MBA - University of Denver, Daniels College of Business
Real Estate and Construction Management
BA - University of Washington, Foster School of Business
Urban Development

Certified General Appraiser - State of Colorado
Former Member of the Colorado State Board of Real Estate Appraisers
Licensed Real Estate Broker - State of Colorado

Business Affiliations, Past/Present

James Real Estate Services, Inc. - Denver	Ginther Wycoff Group - Denver
RACO Development Corp. - Englewood	Chase and Company - Denver
Shorett and Riely - Seattle/Anchorage	Federal Housing Administration – Denver
City of Seattle – Planning Commission	US Army – Facilities Division – Stuttgart

APPRAISAL AND ADVISORY EXPERIENCE

Property Types

Agricultural Land	Distribution Warehouses	Mortuaries
Airport Parking Facilities	Dog Day Care Facilities	Movie & Performance Theaters
Aircraft Hangars	Equestrian Facilities	Nurseries
Animal Hospitals	Event Centers	Office Buildings and Condos
Antenna Towers	Food Processing Facilities	Parking Facilities
Apartments	Family Entertainment Centers	Refrigerated Warehouses
Arenas	Gasoline Stations	Residential Care Facilities
Assisted Living Facilities	Golf Courses/Clubs	Research & Development
Athletic Clubs	Gravel Mines	Restaurants
Auto Sales/Service Centers	Group Homes	Retail
Bank Buildings	Hazardous Materials/Conditions	Schools
Bowling Centers	Health Clubs	Self Service Storage
Breweries & Brew Pubs	Historic Properties	Shopping Centers
Broadcast Facilities	Homeless Shelters	Single Family Residences
Car Washes	Hospitals	Subdivisions
Casinos	Hotel/Motel	Surgical Centers
Chemical Facilities	HUD Apartments	Truck Terminals
Condominium Units, Assemblages, Complexes and Conversions	Industrial	Truck Maintenance Facilities
Continuing Care Facilities	Kennels	University Facilities
Co-Working Facilities	Lakes	Urban Land
Day Care Centers	Laboratories	Vehicle Maintenance Facilities
Community Centers	Manufacturing Facilities	Warehouses
	Medical Offices	Wetlands
	Mobile Home Parks	Worship Facilities

Assignment Types

Appraisals including
Full and Fractional Interests
Construction Progress Inspections
Feasibility Studies
Highest & Best Use Studies
Market Studies
Project Management
Rent Studies
Reviews of Appraisals
Rezone Consultation
Portfolio Analysis
Site Selection/Acquisition

Assignment Purposes

Acquisition
Arbitration
Assessment Appeal
Disposition
Eminent Domain
Estate Taxes
Financing
Foreclosure
HUD Programs
Investment Analysis
Lease Renewal
Litigation Support
Negotiation Support

Assignment Locations

Alaska
Arizona
Colorado
Idaho
Kansas
Louisiana
Michigan
New Mexico
North Dakota
Oklahoma
South Dakota
Utah
Washington
Wyoming

Qualifications of
WILLIAM M. JAMES
(continued)

Representative Clients, Past/Present

AEGON USA
Adams Bank & Trust
Adams County School District No. 14
AIMCO
Advantage Bank
ARCS Commercial Mortgage Co.
ANB Bank
Amerisphere Mortgage Finance LLC
AMG National Trust Bank
Archon Group
AT&T Small Business Lending Corp.
Bank Financial
Bank of America
Bank of the West
Bank of Choice
Bank One
Bankers Bank of the West
Bellco Credit Union
Berenbaum Weinschick PC
Berkley Bank
BNSF Railway Company
BOK Financial
Brighton Housing Authority
Brothers Redevelopment, Inc.
Burg Simpson
Catholic Charities
CB Richard Ellis
Centura Health
Cherry Creek School District
Cheyenne Regional Medical Center
Church of Jesus Christ of Latter Day Saints
City of Arvada
City of Aurora
City of Brighton
City and County of Denver
City of Colorado Springs
City of Golden
City of Greenwood Village
City of Lakewood
Citywide Banks
Colorado Attorney General
Colorado Business Bank
Colorado Capital Bank
Colorado Coalition for the Homeless
Colorado Division of Gaming
Colorado Dept. of Transportation
Colorado East Bank and Trust
Colorado Health Facilities Authority
Colorado Housing/Finance Authority
Colorado National Bank
Colorado Savings Bank
Colorado State Bank & Trust
Colorado Board of Land Commissioners
Comerica Bank
Commerce Bank
Community First National Bank
Compass Bank
Coors Brewing Company
Coors Distributing Company
Davis, Graham and Stubbs
Denver Housing Authority
Denver Health Medical Center
Denver Public Schools
Denver Water
Douglas County Attorney
Douglas County School District
E-470 Highway Authority
Enterprise Community Loan Fund
Englewood Schools
Fairfield Residential
Federal Deposit Insurance Corp.
Federal National Finance Corp.
Firestone Tire and Rubber Co.
FirstBank
First National Banks/First Savings Bank
First Western Trust Bank
Fitzsimons Redevelopment Authority
Ford Leasing Development Co.
GE Capital Corporation
GMAC Commercial Mtg. Corp.
General American Life Insurance Co.
Gorsuch Kirgis LLP
Grand Junction Housing Authority
Great Western Bank
Greyhound Lines Inc.
Greystone USA
Grubb & Ellis Company
Guaranty Bank and Trust Co.
Guardian Life Insurance Co.
HealthOne
Heartland Bank
Heller Financial
Hope Communities
Huntoon Hastings Inc.
InnovAge
Jefferson County Open Space
Jefferson County Highways & Transportation
Johnson Capital
Jones Intercable, Inc.
JP Morgan Chase Bank
Judicial Arbitrator Group
Key Bank of Colorado
Koelbel and Company
Kutak Rock LLP
LaSalle Bank
Life Insurance Co. of Virginia
Mercy Housing
Mercy Medical Center
Merrill Lynch Business Financial Services
Metropolitan Life Insurance Co.
Metropolitan State College of Denver
Mile High Community Loan Fund.
MidFirst Bank
Molson Coors
Municipal Bond Investment Assurance Corp.
National Jewish Health
NHP Property Management, Inc.
North Valley Bank
Oakwood Homes
Patton Boggs LLP
Piper Capital Management
Platte Valley Medical Center
PorterCare Hospital
Prudential Bache
Pueblo Bank and Trust
Public Employees Retirement Assoc.
Real Estate Research Corp.
Red Mortgage Capital LLC
Redstone Agency Lending
Regional Transportation District
Resolution Trust Corporation
Rocky Mountain Communities
Ross Management Group
Safeway Stores, Inc.
Saint Joseph Hospital
Salvation Army
Service Corporation International
Sinclair Oil Company
Southwestern Life Insurance Co.
St. Charles Town Company
Standard Life Ins. of Portland
Stewart Title Guaranty Company
Taco Bell Corporation
Terrix Financial Corporation
Thistle Community Housing
Trammell Crow Company
TransAmerica Realty Services, Inc.
Transnation Title Insurance Co.
Travelers Insurance Company
Tri-State Bank
Trust for Public Land
Universal Lending Corp.
Union Bank & Trust
Union Colony Bank
Union Pacific Railroad
University of Denver
Urban Land Conservancy
US Bank
US Department of Agriculture
US Department of HUD
US Department of Veterans Affairs
US Federal Aviation Administration
US Foods
US General Services Administration
US Postal Service
US Small Business Administration
US West New Vector Group, Inc.
Ute Mountain Tribe
Valley Bank & Trust
Vectra Bank
Volunteers of America
Wabash Life Insurance Company
Washington National Insurance Co.
Wells Fargo Bank
Western Skies, Inc.
Western Pioneer Life Insurance Co.
White and Steele
WW Grainger Inc.
Young Americans Bank
Zocalo Community Development

Qualifications of
WILLIAM M. JAMES
(continued)

Accepted as Expert Witness

Superior Court - District Courts -	City of Seattle Jefferson County, City & County of Denver, Boulder County, Arapahoe County, Adams County, Salt Lake County, Utah
US Bankruptcy Court - US District Court - Circuit Court -	Districts of Colorado and Northern Oklahoma Colorado Florida, Hawaii
County Board of Equalization - Board of Assessment Appeals - American Arbitration Association	City and County of Denver, Arapahoe County State of Colorado Judicial Arbitrator Group

County Board of Equalization Hearing Officer/Arbitrator

City and County of Broomfield Douglas County Boulder County	City and County of Denver Jefferson County Adams County
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Professional Associations

Appraisal Institute
Member, Board of Directors
Chair, General Appraiser Council
Member, Appraisal Standards Council
Member – Admissions and Designations
Qualifications Committee
Chair, Admissions Appeals Board
Member, General Admissions Committee
Chair, General Experience Subcommittee
Vice Chair, Masters Degree Program
Subcommittee
Member, Regional Ethics and Counseling Panel
Director, Colorado Chapter
Chair, Education, Colorado Chapter
CCIM Institute
International Right of Way Association
National Association of Realtors
Colorado Association of Realtors
Denver Metro Commercial Association of Realtors
American Planning Association

Appraisal Instruction

Appraisal Institute
University of Denver - Adjunct Professor
University of Colorado
Colorado Association of Realtors
Denver Board of Realtors
Denver Metropolitan Commercial
Association of Realtors
Mesa County Association of Realtors
Community College of Aurora
Realtor's Commercial Industrial Society –
Colorado Springs
The CE Shop

Published Articles

Colorado Real Estate Journal
Valuation Insights and Perspectives
Journal of Property Management

Community Affairs Past and Present

Member, Board of Directors, Regional Transportation District, Denver Metro
Member, Board of Directors, Housing Colorado
Co-Chair – 16th Street Mall Steering Committee
Member – Downtown Denver Partnership Transportation and Development Council
Member – Radian | Placematters Advisory Committee
Member, Advisory Board, University of Denver, Franklin L. Burns School of Real Estate
Member, Cherry Creek Steering Committee
Member, Citizens Advisory Committee, Central Denver Transportation Study
Chair, Transportation Solutions Foundation Board of Directors
Member, Citizens Advisory Committee, Cherry Creek Parking Study
Director, Cherry Creek Chamber of Commerce
Member, Denver Cherry Creek Rotary
President, Denver Cherry Creek Rotary Foundation Board of Trustees



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REAL ESTATE DECISION SUPPORT

COMPANY PROFILE

James Real Estate Services, Inc., is a diversified real estate advisory firm with a foundation of commercial and residential appraisal, appraisal review, market analysis, brokerage and investment advisory services in Denver, Colorado since 1982. JRES assists clients with strategic direction and specific decisions for a wide variety of real estate situations.

As transportation or mobility-oriented development, apartments and affordable housing have become important segments of all real estate, JRES increasingly advises clients in these areas. As cooperation with the surrounding community becomes more important to real estate decisions JRES advises property owners, lenders, governments and community organizations with market and investment based real estate research and analysis.

Over the years, James Real Estate Services, Inc. (JRES) has conducted real estate appraisal and consulting assignments for a variety of institutional, governmental, developer, and corporate clients along the Colorado Front Range, in mountain resorts, on the western slope and the eastern plains, and occasionally in several other states. Appraisal and market study assignments include office buildings, apartment and condominium complexes, shopping centers, hospitality, industrial, mixed use, "green" buildings, single-family residences, residential and commercial subdivisions, and vacant land, both urban and rural. In addition to conventional types of real properties JRES is often asked to appraise or analyze unusual or special use properties.

Many assignments require extensive feasibility analysis of alternative uses or eminent domain analysis and consulting. Advisory services include assessed value appeals and arbitrations, mass appraisal consulting, market and feasibility studies, development opportunity research, entitlements consulting and management, development and redevelopment cash flow projections, and development project management. Appraisal and market study purposes include mortgage loan underwriting and foreclosure, transaction support, eminent domain, estate consulting, and litigation support for insurance and other types of dispute resolution including arbitration.

The Principals, Associates, and Affiliates of JRES offer in-depth experience at appraisal, review appraisal, site evaluation and selection, development analysis and implementation, economic and physical due diligence, project management, financing, marketing, transaction negotiation, and asset disposition. Brokerage services are concentrated in the single-family residential market in the Denver metropolitan area. Unusual property types appraised and analyzed include:

Residential subdivisions	Commercial subdivisions	Open space land
Mixed use properties	Transit oriented developments	Chemical distribution facilities
Refrigerated food processing facilities	Homeless shelters	Funeral homes
Automotive sales & service centers	Truck terminals	Bowling centers
Aircraft hangars	Car washes	Breweries
Family entertainment centers	Event centers	Worship facilities
Museums	Camp/retreat facilities	Theatre complexes
Health clubs	Educational facilities	Assisted living facilities
Correctional facilities	Golf courses	Restaurants
Hotels	Casinos	Bank branches
Self-storage complexes	Student apartments	HUD subsidized apartments
Executive suites office buildings	Medical office buildings	Hospitals
Mixed use properties	Music studios	Child care facilities
Ballet facilities	Animal sanctuaries	Equine hospitals
Fraternity/sorority houses	Pet boarding facilities	Self-storage complexes

Together, the Principals and staff of the firm offer a substantial base of diversified real estate appraisal, market analysis and investment consulting experience. From its core appraisal discipline, the firm serves a variety of needs of its clients in a changing real estate market place with a solid foundation of fundamental objectivity and sound analytical techniques, occasionally making use of its affiliation with qualified professionals in complementary areas of expertise.

Principals in the firm include:

William M. James, MAI, CCIM	President and Director, Valuation Advisory Services
Stephen E. Ross	Director, Market Analysis
Denise Moore	Director, Multifamily Valuation
Ann M. Del Nigro	Director, Brokerage Services
Eric Karnes	Director, Market Research
Tammy Summers	Office Manager

Bill James began his appraisal career in 1973 with the commercial and investment appraisal firm of Shorett and Riely in Seattle, Washington and opened the company's first branch office in Anchorage, Alaska. In Denver since 1976, he earned an MBA degree from the University of Denver in Real Estate and Construction Management in 1979. Over the years, while conducting appraisals and market studies on a wide variety of semi-rural, residential, general and special purpose commercial and investment properties, he has managed rezoning, development and redevelopment projects, and instructed appraisal courses.

Bill is a Certified General Appraiser (former member of the Colorado Appraiser Board) and a licensed Real Estate Broker in Colorado. He has been accepted as an expert witness in several jurisdictions and has performed appraisals and consulting assignments on a number of special purpose and narrow market properties, and under unique circumstances.

Bill has prepared and taught appraisal courses at the University of Denver, University of Colorado, Community College of Aurora, the Denver Metropolitan Commercial Association of Realtors, and the Colorado Association of Realtors. In the Appraisal Institute he has been Chair of the General Appraiser Council, the Admissions Appeals Board and the General Experience Subcommittee; a member of the Board of Directors, the Admissions Committee, the Regional Ethics and Counseling Panel, Appraisal Standards Council, the Master's Degree Program Subcommittee and a member of the Board of Directors of the Colorado Chapter. In 2008 he was publicly elected to the Board of Directors of the Regional Transportation District in the Denver metro area and in 2012 he was elected to the Board of Directors of Housing Colorado.

Steve Ross has over 25 years of experience in real estate analysis, consulting and appraisal. After earning his Bachelor of Science degree in Real Estate and Finance from the University of Denver and his Master of Business Administration from Cal Poly, San Luis Obispo, where he emphasized Economics and International Business, Steve began his real estate career as a commercial real estate consultant in 1989 with The Meyers Group in Southern California.

After moving to Grubb & Ellis in 1991, Steve held several positions in the Research Services Division including Regional Research Director for the Pacific Northwest Region and National Research Coordinator. In 1996, he joined Marcus & Millichap, as National Manager of the Research Services Division. Prior to joining James Real Estate Services in 2003, Steve started his own independent real estate consulting practice in 2001 where he provided real estate market analysis, consulting services, and market overviews, evaluations, and projections of office, industrial, retail, multi-family and hospitality markets on MSA, regional and national levels to corporate and institutional clients. Projects completed for pension fund advisors, REITs and major commercial real estate clients include asset/market analyses, acquisition studies, development analyses and rehabilitation/repositioning studies of apartment communities.

As an appraiser and market analyst with JRES, Steve has completed appraisals or market studies for office buildings, retail and single-tenant triple net lease properties, auto sales and service centers, industrial buildings, mixed-use developments, residential condominiums, public housing, sand and gravel mines, water storage reservoirs and residential and commercial land. Steve is a Certified General Appraiser in Colorado and is approved by the Colorado Housing and Finance Authority as a Low-Income Housing Tax Credit Market Analyst.

Denise Moore began her appraisal career in 1992 at Accredited Appraisers, Inc. as an assistant and then as Operations Manager. In 1994, she moved to James Real Estate Services and began to appraise single-family residences. Since 1996, she has primarily appraised apartment properties and condominium conversions with a growing emphasis on HUD related affordable housing including rent comparability studies and senior housing (assisted living) properties. She has appraised other property types but specializes in multifamily properties. Denise is a Certified General Appraiser in Colorado.

Ann Del Nigro began her real estate career with a major developer in the late 1980s and joined James Real Estate Services as office manager in 1988. Ann specializes in single-family residential brokerage and is a certified short sales and foreclosure resource in Colorado. Ann also conducts and manages residential inspections for FHA home improvement loans, and researches market data and conducts competitive market analyses for residential lenders. Ann is a licensed Real Estate Broker in Colorado.

Eric Karnes has researched and analyzed apartment, commercial, industrial and residential real estate markets since 1970. After developing, managing and selling Karnes Research Company, in Charlotte and Raleigh, North Carolina, Eric relocated to the Denver area and joined James Real Estate Services in 2000. Eric maintains the JRES library of real estate market information and prepares the Real Estate Perspective and Apartment Perspective email newsletters. He also consults for several national development and investment companies.

Jeff McGhie and Matt Hamstra are Associate Appraisers at JRES. With qualified assistance, the Principals and staff at JRES provide timely and accurate real estate appraisal services and market analysis to clients, relying on a wide variety of outside resources and an extensive in-house market data base.