

December 28, 2022

Mr. Edward A Blazel  
Assembly Chief Clerk  
17 West Main Street, Room 401  
Madison, WI 53707

Dear Mr. Assembly Chief Clerk,

Wisconsin is in a housing crisis. Housing is unaffordable for too many families and individuals, due in part to a lack of affordable rentals and single-family homes. Access to safe, affordable shelter is fundamental to the sustainability of our communities because housing provides a foundation for public health, economic well-being, and environmental stewardship. If Wisconsin is to thrive, communities require effective tools and support to develop affordable workforce housing.

The Federal and State Housing Tax Credit (HTC) program is one tool to support the development of affordable workforce housing. HTCs are a financing tool used by developers to ease costs of construction of rental housing. WHEDA has been the sole allocator and administrator of the Federal HTC in Wisconsin since the program started in 1986. In 2018, Wisconsin Legislators created the State HTC program to encourage additional multifamily development to meet the growing need for new rental stock.

The State HTC Program has been and continues to be one of the most effective and efficient tools to address the affordable housing shortage in Wisconsin. Since its inception, this program has awarded 53 projects with credits, to create 4,516 units. Of those projects, 19 developments have received their credit allocation certificate, adding or preserving 1,727 units to the state's housing stock.

The projects that have received credit allocation certificates this year were awarded the credits mainly in the 2019 Allocation Cycle, before changes were made to give preference to projects in rural communities. In 2021, WHEDA established a 25% set-aside for rural projects in the State HTC program. This category has seen the greatest increase in awards, with a third of the State HTCs awarded to two rural projects in 2021, for the creation of 124 rural units, and more than a third of the State HTCs awarded to three rural projects in 2022, for the creation of 142 rural units.

More multifamily housing projects in rural communities are being awarded credits due to the implementation of these changes. Still, gaps in access are large and greater financial resources are needed to address the challenges of multifamily housing in rural communities than WHEDA alone can provide.



In 2022, WHEDA allocated a total of \$7,247,920 in State HTCs. Combined with an additional \$7,077,719 in Federal HTCs, this will result in 658 new or preserved units added to the development pipeline. Projects that received credit awards in 2022 are anticipated to receive credit allocation certificates in 2024.

This 2022 Annual Report on the State HTC Program demonstrates the impact tax credits have on the development of rental stock. None of the following projects would have received funding or been built without this financing tool. By leveraging other funds, including federal dollars, State HTCs help projects cross the financial finish line and get built.

Sincerely,

A handwritten signature in blue ink, appearing to read "Emily Francis", with a stylized flourish at the end.

Emily Francis  
Tax Credit Program Manager  
Wisconsin Housing & Economic Development Authority

## State of Wisconsin Housing Tax Credit Program 2022 Annual Report

Wisconsin Housing and Economic Development Authority (WHEDA) was designated as the authority to administer the State of Wisconsin Low Income Housing Tax Credit in 2017 Wisconsin Act 176. Section 234.45(6) of the Wisconsin Statutes requires WHEDA to submit a report to the legislature containing specific information on the developments for which WHEDA issued allocation certificates that year. Projects are awarded reservations of housing tax credit allocations for the year in which they apply and are issued allocation certificates after the project has been placed in service and verified to meet all program requirements. The average timeline for this process to be completed is approximately two to three years.

### 2022 Wisconsin Housing Credit Allocation Certificates

In 2022, housing credit allocation certificates were issued to nine (9) developments that created or preserved 710 units of affordable rental housing. A total of \$5,441,181 in annual credits issued to these nine projects were leveraged to fund \$164,517,741 in total development costs. A full list of all awards and allocation certificates issued since the program's inception is included as Appendix 3.

#### Allocation Certificates Issued in 2022

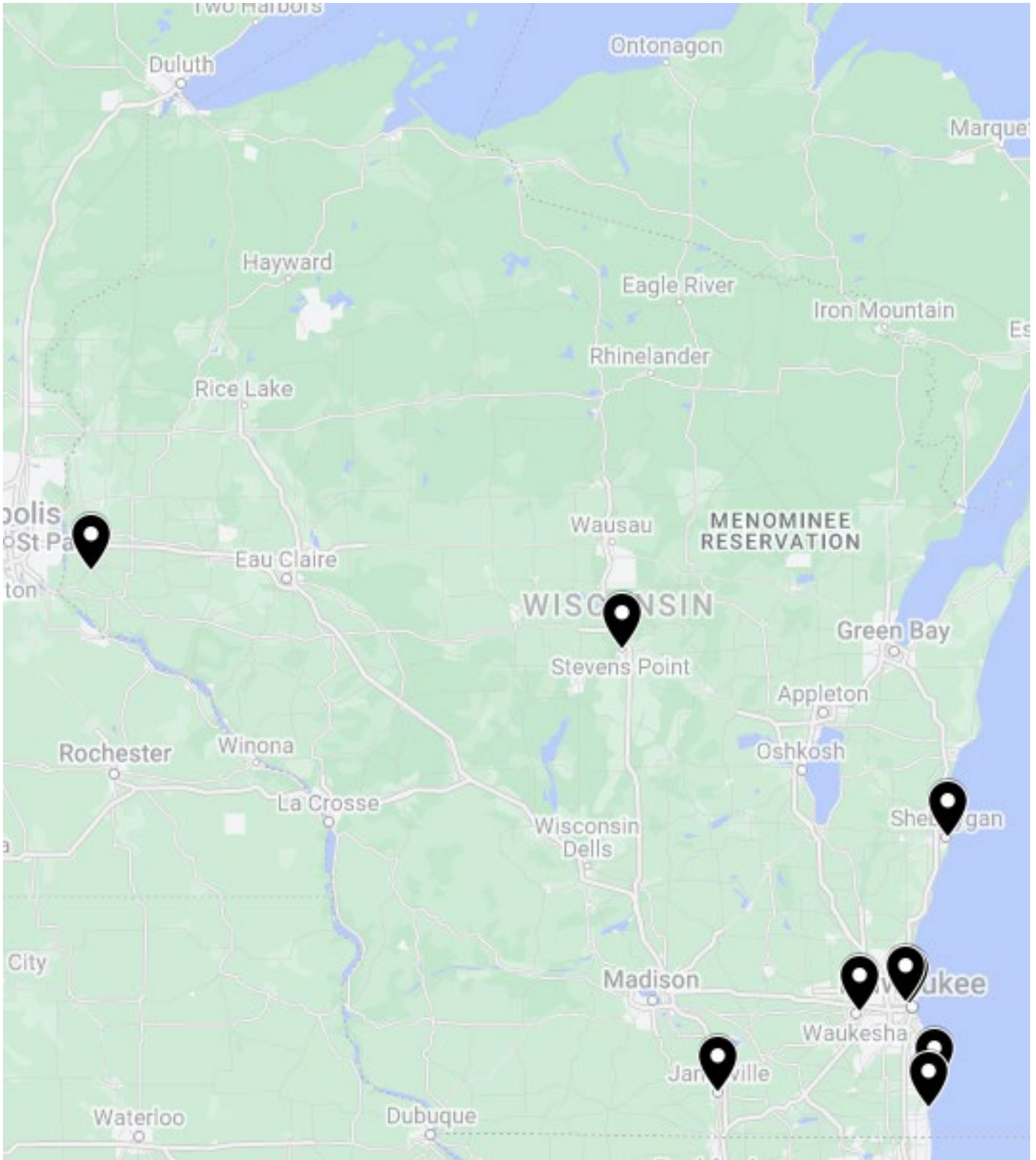
Award Year	Allocation Certificate Issued	Project Name	City	Total Units	Household Type	Annual Credit Allocation	Total Development Cost
2018	2022	Badger State Lofts	Sheboygan	118	Family	\$994,303	\$35,510,853
2019	2022	Ajax II	Racine	54	Family	\$405,088	\$11,175,834
2019	2022	Berkshire Stevens Point	Stevens Point	88	Elderly	\$756,034	\$19,657,169
2019	2022	Frame Park Commons	Waukesha	72	Family	\$448,446	\$16,619,128
2019	2022	Meadow Village Apartments	Milwaukee	90	Family	\$542,880	\$19,708,320
2019	2022	Milwaukee Scattered Sites No. 2	Milwaukee	50	Family	\$358,532	\$9,077,523
2019	2022	Parkview Commons	Somers	96	Elderly	\$793,724	\$21,177,345
2019	2022	River Flats	Janesville	92	Family	\$743,547	\$19,985,415
2019	2022	The 1300	River Falls	50	Family	\$398,627	\$11,606,154
			<b>TOTAL:</b>	<b>710</b>		<b>\$5,441,181</b>	<b>\$164,517,741</b>

#### Summary: 2018-2022 State HTC Awards and Credit Allocation Certificates Issued

	# Awards	# Allocation Certificates Issued	Units Created or Preserved	Annual State HTCs Allocated	Total Development Costs
<b>2018</b>	9	---	---	---	---
<b>2019</b>	11	---	---	---	---
<b>2020</b>	11	2	218	\$735,715	\$24,293,009
<b>2021</b>	13	8	799	\$5,285,181	\$167,731,363
<b>2022</b>	10	9	710	\$5,441,181	\$164,517,741
<b>TOTAL</b>	<b>54</b>	<b>19</b>	<b>1,727</b>	<b>\$11,462,296</b>	<b>\$356,545,113</b>

Source: Wisconsin Low-Income Housing Credit Allocation Certificates; Application 3 multi-family applications

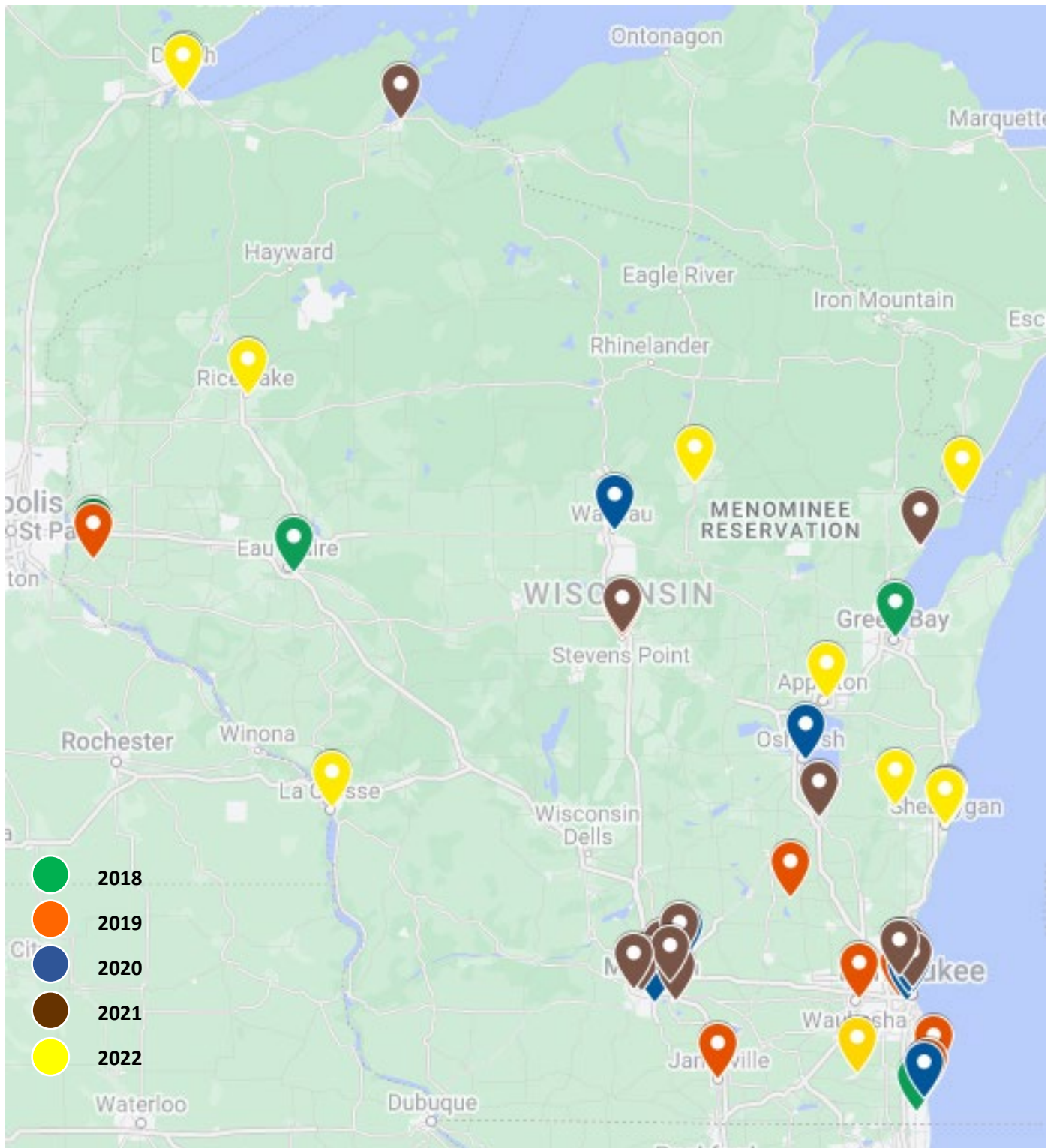
Each of the projects that received housing credit allocation certificates in 2022 are detailed in the enclosed project summaries. The distribution across the state of housing credit allocation certificates issued in 2022 are shown in the map below.





## State HTC Awards and Allocation Certificates

Since the program's inception, 54 projects have received awards of State HTCs for a total of 4,596 units that have been completed or are under development. Of the 54 total awards, 19 developments have received housing credit allocation certificates, accounting for a total 1,727 units. A map of State HTC awards to date is below, and a list of all awards is included as Appendix 3.



## **Project Summaries**

To be eligible for the State of Wisconsin Housing Tax Credit Program, projects must submit a Market Study Analysis conforming to WHEDA standards. The following project summaries consist of highlights from the WHEDA compliant Market Studies for the proposed projects. Provided as appendices to the report are the Wisconsin Low-Income Housing Credit Allocation Certificates issued in 2022 as well as excerpts from each of the market studies that contain detailed analyses for each project. Full copies of the market studies are available upon request.

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#### **3. State HTC Awards and Credit Allocation Certificates Issued – Full List**

## **1.1 WHEDA Project #6476: Ajax II**

### **Project Description**

Ajax II is a 54-unit new construction development located at 1520 Clark Street in Racine, Wisconsin. The project was awarded in the 2019 cycle of the State HTC program and serves families with incomes between 30%-80% of Racine County Median Income.



### **Market Area Analysis**

The Primary Market Area (PMA) from which the property is expected to draw the majority of its residents is defined by approximately 30 census tracts, generally located in the City of Racine, other communities in Racine and Kenosha counties.

### **Demographic Information of Residents Served**

Overall population in the PMA is projected to increase by 1,646 between 2018-2023, and households are expected to increase by 633. At the time of the market study, the percentage of renter occupied households within the PMA was nearly 37%, projected to decrease slightly to 36% by 2023.

### **Income Level of Residents and Rents of Set-Asides Authorized**

<b>Proposed Rent Schedule</b>					
<b>Unit Type</b>	<b>Avg. Unit Size (SF)</b>	<b># of Units</b>	<b>Proposed Rent (\$/Mo.)</b>	<b>Proposed Rent \$/SF</b>	<b>Max. Tax Credit Rent</b>
1BR / 1BA - 30% CMI	620	5	\$372	\$0.60	\$421
1BR / 1BA - 50% CMI	620	20	\$654	\$1.05	\$703
1BR / 1BA - 80% CMI	620	13	\$765	\$1.23	\$1,125
2BR / 1.5BA - 50% CMI	920	8	\$777	\$0.84	\$843
2BR / 1.5BA - 80% CMI	920	8	\$1,035	\$1.13	\$1,350
<b>Total</b>		<b>54</b>			

### **Need for Affordable Housing and Remaining Disparities**

The market study estimates a total of 7,564 renter-only income qualified households as potential residents of the development by 2023. With 54 family units being added to the market, the project would need to capture 0.71% of income qualified households to fill the units. The low "capture rate" is due to the lack of affordable housing options within the market as well as the smaller size of the proposed development.

## **1.2 WHEDA Project #6364 Badger State Lofts**

### **Project Description**

Badger State Lofts is a 118-unit adaptive reuse development located at 1031 Maryland Avenue in Sheboygan, Wisconsin. The project was awarded in the 2018 cycle of the State HTC program and serves families with incomes between 50% - 70% of Sheboygan County Median Income.



### **Market Area Analysis**

The Primary Market Area (PMA) from which the property is expected to draw the majority of its residents is defined as being generally bounded by Playbird Road to the north; Lake Michigan to the east; Wisconsin Highway 28 to the south, and Rangeline Road to the west.

### **Demographic Information of Residents Served**

Overall population in the PMA was projected to increase by 57 people per year for the five years ending in 2022, for a total gain of 0.5% from 2017-2022. Households were estimated to increase by 34 per year, for a total of 172 – a gain of 0.7%. Renter occupied housing units were projected to increase by 0.8% from 2017-2022.

### **Income Level of Residents and Rents of Set-Asides Authorized**

<b>Badger State Lofts Proposed Unit Matrix</b>							
<b># of Units</b>	<b>Unit Type</b>	<b>% of AMI</b>	<b>Net Rent \$/Mo.</b>	<b>Utility Allowance*</b>	<b>Gross Rents</b>	<b>2018 Sheboygan County Maximum Rent</b>	<b>Ratio of Proposed Gross Rents to Program Rents</b>
20	1 BR/1 BA	50%	\$609	\$56	\$665	\$700	95.0%
23	1 BR/1 BA	60%	\$694	\$56	\$750	\$840	89.3%
15	2 BR/1-2 BA	50%	\$730	\$70	\$800	\$841	95.1%
19	2 BR/1-2 BA	60%	\$805	\$70	\$875	\$1,009	86.7%
28	2 BR/1-2 BA	70%	\$990	\$70	\$1,060	\$1,178	90.0%
5	3 BR/2 BA	60%	\$953	\$86	\$1,039	\$1,165	89.2%
7	3 BR/2 BA	70%	\$1,137	\$86	\$1,223	\$1,360	89.9%
1	4 BR/2.5 BA	60%	\$1,069	\$101	\$1,170	\$1,300	90.0%
<b>118</b>	<b>Total</b>						

### **Need for Affordable Housing and Remaining Disparities**

The market study estimates 2,504 renter-only income households as potential residents of the development. With 118 units being added to the market, the project would need to capture 4.7% of income qualified households to fill the units.



### **1.3 WHEDA Project #6490: Berkshire Stevens Point**

#### **Project Description**

Berkshire Stevens Point is an 88-unit new construction development located at 1443 Water Street in Stevens Point, Wisconsin. The project was awarded in the 2019 cycle of the State HTC program and serves seniors (age 65 and older) with incomes between 30% - 80% of Portage County Median Income.



#### **Market Area Analysis**

The Primary Market Area (PMA) from which the property is expected to draw the majority of its residents is defined as zip code areas 54423, 54467, 54481 and 54482 which encompass the city of Stevens Point, the villages of Plover, Park Ridge, and Whiting, and all or part of the towns of Carson, Dewey, Hull, Linwood, Plover, Sharon and Stockton.

#### **Demographic Information of Residents Served**

Overall population in the PMA increased by 3,593 from 2000-2019, resulting in an overall gain of 7%. Meanwhile, households were estimated to increase by about 464 from 2019-2024 for an overall gain of nearly 2%.

#### **Income Level of Residents and Rents of Set-Asides Authorized**

<b>Rent Summary</b>						
Proposed Rents & Maximum Allowed Tax Credit Rents						
Unit Type	Square Feet	No. of Units	Proposed Rent	Utility Allowance	Total Gross Rent <sup>(1)</sup>	Maximum Tax Credit Rent <sup>(1)</sup>
1 BR/1 BA - 30% AMI	702	5	\$379	\$52	\$431	\$431
1 BR/1 BA - 50% AMI	702	42	\$666	\$52	\$718	\$718
1 BR/1 BA - 60% AMI	702	3	\$767	\$52	\$819	\$862
1 BR/1 BA - 80% AMI	702	20	\$896	\$52	\$948	\$1,150
2 BR/2 BA - 50% AMI	915	7	\$800	\$62	\$862	\$862
2 BR/2 BA - 80% AMI	915	11	\$1,125	\$62	\$1,187	\$1,380

#### **Need for Affordable Housing and Remaining Disparities**

The market study estimates 1,119 renter-only income qualified senior households as potential residents of the development, projected to increase to 1,256 by 2024. With 88 senior units being added to the market, the project would need to capture 6.9% of income qualified senior households to fill the units.

## 1.4 WHEDA Project #6482: Frame Park

### Project Description

Frame Park is a 72-unit new construction development located at 1421 and 1430 White Rock Avenue in Waukesha, Wisconsin. The project was awarded in the 2020 cycle of the State HTC program and serves families with incomes between 30% - 80% of Waukesha County Median Income.



### Market Area Analysis

The Primary Market Area (PMA) from which the property is expected to draw the majority of its residents includes the City and Town of Waukesha, and is defined as being generally bounded by Townline Road on the west, Barker Road and Guthrie to the east, Townline Road to the south and Interstate 94 to the north.

### Demographic Information of Residents Served

Overall population in the PMA is projected to increase by approximately 380 people per year from 2018-2023, resulting in an overall gain of 2.3%. Households are estimated to increase by about 177 per year for a total gain of 2.7%. Renter occupied housing units are estimated to make up 39.8% of total households in the PMA by 2023.

### Income Level of Residents and Rents of Set-Asides Authorized

Frame Park Commons Apartments Proposed Development Unit Mix							
# of Units	Unit Type	% of AMI	Net Rents	Utility Allowance	Gross Rents	2018 Waukesha County Maximum Rent	Size (SF)
3	1 BR/1 BA	30%	\$363	\$72	\$435	\$435	700
18	1 BR/1 BA	50%	\$653	\$72	\$725	\$725	700
3	1 BR/1 BA	70%	\$890	\$72	\$962	\$1,015	700
9	1 BR/1 BA	80%	\$905	\$72	\$977	\$1,160	700
1	2 BR/2 BA	30%	\$436	\$86	\$522	\$522	1,040
14	2 BR/2 BA	50%	\$784	\$86	\$870	\$870	1,040
1	2 BR/2 BA	70%	\$1,060	\$86	\$1,146	\$1,218	1,040
11	2 BR/2 BA	80%	\$1,065	\$86	\$1,151	\$1,392	1,040
8	3 BR/2 BA	50%	\$908	\$97	\$1,005	\$1,005	1,325
4	3 BR/2 BA	80%	\$1,195	\$97	\$1,292	\$1,608	1,325
72	Total						

### Need for Affordable Housing and Remaining Disparities

The market study estimates 4,033 renter-only income qualified households as potential residents of the development. With 72 family units being added to the market, the project would need to capture 1.8% of income qualified households to fill the units.



## 1.5 WHEDA Project #6483: Parkview Commons

### Project Description

Parkview Commons is a 96-unit new construction development located at 2215 and 2219 Sheridan Road in Somers, Wisconsin. The project was awarded in the 2019 cycle of the State HTC program and serves seniors (55 or older) and families with incomes between 30% - 80% of Kenosha County Median Income.



### Market Area Analysis

The Primary Market Area (PMA) from which the property is expected to draw the majority of its residents is defined as being generally bounded by the Racine/Kenosha County border to the north, I-94 to the west, Hwy 50 to the south and Lake Michigan to the east.

### Demographic Information of Residents Served

Overall population in the PMA is projected to increase by approximately 289 people per year from 2018-2023, resulting in an overall gain of 1.6%. Households are estimated to increase by about 97 or 1.4% per year. From 2018-2023, population ages 25-44 are projected to increase annually at an average of 152, while the 55+ population is estimated to increase by an average of 384 annually. Senior households are estimated to make up 41.7% of total households in the PMA by 2023.

### Income Level of Residents and Rents of Set-Asides Authorized

Parkview Proposed Unit Matrix							
# of Units	Unit Type	% of AMI	Net Rent \$/Mo.	Utility Allowance	Gross Rents	2018 Kenosha County Maximum Rent	Ratio of Proposed Gross Rents to Program Rents
<b>Senior</b>							
4	1 BR/1 BA	30%	\$372	\$46	\$418	\$418	100.0%
28	1 BR/1 BA	50%	\$651	\$46	\$697	\$697	100.0%
4	1 BR/1 BA	70%	\$850	\$46	\$896	\$976	91.8%
16	1 BR/1 BA	80%	\$875	\$46	\$921	\$1,115	82.6%
2	2 BR/2 BA	30%	\$438	\$63	\$501	\$501	100.0%
13	2 BR/2 BA	50%	\$773	\$63	\$836	\$836	100.0%
2	2 BR/2 BA	70%	\$1,000	\$63	\$1,063	\$1,170	90.9%
11	2 BR/2 BA	80%	\$1,030	\$63	\$1,093	\$1,338	81.7%
<b>Multifamily</b>							
11	3 BR/2 BA	50%	\$785	\$181	\$966	\$966	100.0%
5	3 BR/2 BA	80%	\$1,285	\$181	\$1,466	\$1,546	94.9%

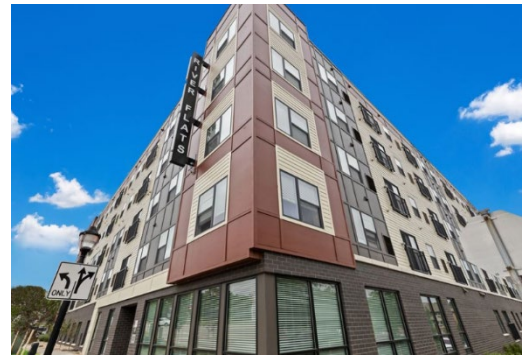
### Need for Affordable Housing and Remaining Disparities

The market study estimates 1,696 renter-only income qualified senior households and 1,680 renter-only income qualified family households as potential residents of the development. With 80 senior units and 16 family units being added to the market, the project would need to capture 4.7% of income qualified senior households and 1.0% of income qualified households under age 65 to fill the units.

**1.6 WHEDA Project # 6493: River Flats**

**Project Description**

River Flats is a 92-unit new construction development located at 200 North Jackson Street in Janesville, Wisconsin. The project was awarded in the 2018 cycle of the State HTC program and serves families with incomes between 30% - 80% of Rock County Median Income.



**Market Area Analysis**

The Primary Market Area (PMA) from which the property is expected to draw the majority of its residents from the city of Janesville and the area immediately surrounding it, defined as being generally bounded by F-J Townline Road and E M-H Town Line Road to the north, Milton Shopiere Road to the east, W B-R Townline Road and E L-T Townline Road to the south, and N County Road H and S. Johnson Road to the west.

**Demographic Information of Residents Served**

Overall population in the PMA is projected to increase by approximately 5,931 people from 2000-2024, resulting in an overall gain of 8.5%. Housing units are estimated to increase by 530 from 2019-2024 for an increase of 1.6%.

**Income Level of Residents and Rents of Set-Asides Authorized**

Rent Summary							
Proposed Rents & Maximum Allowed Tax Credit Rents							
Unit Type	Square Feet	Count	Proposed Rent	Utility Allowance	Total Gross Rent <sup>(1)</sup>	Maximum Tax Credit Rent <sup>(1)</sup>	
2 BR/1 BA - 30% AMI	850	19	\$385	\$73	\$458	\$458	
2 BR/1 BA - 50% AMI	850	22	\$690	\$73	\$763	\$763	
2 BR/1 BA - 60% AMI	850	15	\$785	\$73	\$858	\$916	
2 BR/1 BA - 80% AMI	850	27	\$975	\$73	\$1,048	\$1,221	
3 BR/2 BA - 80% AMI	1,100	9	\$1,095	\$87	\$1,182	\$1,410	

(1) Includes utilities

**Total Units: 92**

**Need for Affordable Housing and Remaining Disparities**

The market study estimates 2,988 renter-only income qualified households as potential residents of the development, projected to decrease to 2,845 by 2024. With 92 family units being added to the market, the project would need to capture 3.1% of income qualified households to fill the units.

**1.6 WHEDA Project #6484: Meadow Village**

**Project Description**

Meadow Village is a 90-unit acquisition and rehabilitation development located at 1400-1500 North 17<sup>th</sup> Street in Milwaukee, Wisconsin. The project was awarded in the 2019 cycle of the State HTC program and serves families with incomes at or below 60% of Milwaukee County Median Income.



**Market Area Analysis**

The Primary Market Area (PMA) from which the property is expected to draw the majority of its residents is defined as Milwaukee zip codes 53205 and 53233.

**Demographic Information of Residents Served**

Overall population in the PMA is estimated to increase by approximately 671 people from 2000-2018, resulting in an overall gain of 2.6%. Total households are projected to increase by 336 from 2000-2023, for an increase of 3.8%. Of the total 9,030 housing units in the PMA, an above average percentage are estimated to be renter-occupied at 86%.

**Income Level of Residents and Rents of Set-Asides Authorized**

<b><u>MEADOW VILLAGE TOWNHOUSES</u></b>						
<b><u>Contract Rents, Affordable Tax Credit Rents &amp; Market Rents</u></b>						
<u>Unit Type</u>	<u>Size</u>	<u>Count</u>	<u>Current Contract Rent</u>	<u>Affordable Tax Credit Rent</u>	<u>Market Rent</u>	
1 BR/1 BA 60% AMI	754	1	\$717	\$745	\$750	
3 BR/1.5 BA 50% AMI	1,001	49	\$1,000	\$825	\$1,100	
3 BR/1.5 BA 60% AMI	1,001	20	\$1,000	\$825	\$1,100	
4 BR/1.5 BA 50% AMI	1,256	14	\$1,095	\$925	\$1,200	
4 BR/1.5 BA 60% AMI	1,256	6	\$1,095	\$925	\$1,200	
Total		90				

**Need for Affordable Housing and Remaining Disparities**

The market study estimates 5,689 renter-only income qualified households as potential residents of the development, which was expected to fall slightly to 5,619 by 2023. With 90 family units being added to the market, the project would need to capture 1.6% of income qualified households to fill the units.

## **1.8 WHEDA Project #6496: Milwaukee Scattered Sites No. 2**

### **Project Description**

Milwaukee Scattered Sites No. 2 is a 50-unit acquisition and rehabilitation development of single family homes and duplexes at multiple locations in Milwaukee, Wisconsin. The project was awarded in the 2019 cycle of the State HTC program and serves families with incomes between 50% - 80% of Milwaukee County Median Income.

### **Market Area Analysis**

The Primary Market Area (PMA) from which the property is expected to draw the majority of its residents is defined as being generally bounded by West Townsend Street to the north, West Vliet Street to the south, North Sherman Boulevard to the west, and North 20<sup>th</sup> Street to the east.

### **Demographic Information of Residents Served**

Overall population in the PMA is projected to decrease by approximately 180 people per year from 2018-2023, resulting in an overall loss of 1.0%. In the same time period, households are estimated to decrease by about 76 per year, for a decline of 1.2%. Renter occupied housing units are projected to make up approximately 74.5% of total households in the PMA.

### **Income Level of Residents and Rents of Set-Asides Authorized**

<b>Milwaukee Scattered Sites No. 2 Proposed Unit Matrix</b>							
<b># of Units</b>	<b>Unit Type</b>	<b>% of AMI</b>	<b>Net Rent \$/Mo.</b>	<b>Utility Allowance</b>	<b>Gross Rents</b>	<b>2018 Milwaukee County Maximum Rent</b>	<b>Size (SF)</b>
2	1 BR/1 BA Duplex	50%	\$550	\$153	\$703	\$725	750
7	2 BR/1 BA Duplex	50%	\$660	\$184	\$844	\$870	1,250
1	2 BR/1 BA SF	50%	\$660	\$187	\$847	\$870	1,250
15	3 BR/2 BA Duplex	50%	\$750	\$219	\$969	\$1,005	1,500
4	3 BR/2 BA SF	50%	\$750	\$223	\$973	\$1,005	1,550
10	3 BR/2 BA SF	60%	\$750	\$223	\$973	\$1,206	1,550
5	4 BR/2 BA SF	50%	\$835	\$243	\$1,078	\$1,121	1,800
5	4 BR/2 BA SF	60%	\$835	\$243	\$1,078	\$1,345	1,800
1	5 BR/2 BA SF	50%	\$925	\$265	\$1,190	\$1,237	1,950
<b>50</b>	<b>Total</b>						

### **Need for Affordable Housing and Remaining Disparities**

The market study estimates 4,476 renter-only income qualified family households as potential residents of the development. With 50 family units being added to the market, the project would need to capture 1.1% of income qualified households to fill the units.



## 1.9 WHEDA Project # 6497: The 1300

### Project Description

The 1300 is a 50-unit new construction development located at 1300 S. Main Street in River Falls, Wisconsin. The project was awarded in the 2019 cycle of the State HTC program and serves families with incomes between 30% - 80% of Pierce County Median Income.



### Market Area Analysis

The Primary Market Area (PMA) from which the property is expected to draw the majority of its residents is defined as zip code area 54022, comprised of the City of River Falls and all or portions of the townships surrounding the city.

### Demographic Information of Residents Served

Overall population in the PMA is projected to increase by approximately 3,438 from 2000-2018, resulting in an overall gain of 17.7%, with a gain of about 487 in the five years from 2018-2023. Housing units are estimated to increase by about 1,996 or 29.6% from 2000-2018, with about 313 projected to be added in the period from 2018-2023.

### Income Level of Residents and Rents of Set-Asides Authorized

Rent Summary						
Proposed Rents & Maximum Allowed Tax Credit Rents						
Unit Type	Square Feet	No. of Units	Proposed Rent	Utility Allowance	Total Gross Rent <sup>(1)</sup>	Maximum Tax Credit Rent <sup>(1)</sup>
1 BR/1 BA - 30% AMI	760	10	\$515	\$0	\$515	\$531
1 BR/1 BA - 50% AMI	760	5	\$805	\$0	\$805	\$885
1 BR/1 BA - 80% AMI	760	5	\$1,008	\$0	\$1,008	\$1,348
2 BR/1 BA - 50% AMI	1,065	7	\$980	\$0	\$980	\$1,061
2 BR/1 BA - 60% AMI	1,065	4	\$1,055	\$0	\$1,055	\$1,273
2 BR/1 BA - 80% AMI	1,065	8	\$1,138	\$0	\$1,138	\$1,618
3 BR/2 BA - 50% AMI	1,369	8	\$1,130	\$0	\$1,130	\$1,226
3 BR/2 BA - 80% AMI	1,369	3	\$1,435	\$0	\$1,435	\$1,870

(1) Includes utilities

**Total Units: 50**

### Need for Affordable Housing and Remaining Disparities

The market study estimates 1,061 renter-only income qualified family households as potential residents of the development, projected to decrease to 1,032 by 2023. With 50 family units being added to the market, the project would need to capture 4.7% of income qualified households to fill the units.

## Appendix 2.1: Ajax II



### Wisconsin Low-Income Housing Credit Allocation Certificate

**\*Include with your Wisconsin income/franchise tax return\***

Claimant's Legal Business Name: CCM-RACINE AJAX II, LLC	FEIN: 84-3572297
Street Address or PO Box Number: 901 S 70TH STREET	Project Number: 6476
City: WEST ALLIS	Placed in Service Date: 2/10/2021
State: WISCONSIN	Certificate Issue Date: 8/5/2022
Zip: 53214	Taxable Year End:
Tax Year 1 Credit Amount: \$405,088	Tax Year 4 Credit Amount: \$405,088
Tax Year 2 Credit Amount: \$405,088	Tax Year 5 Credit Amount: \$405,088
Tax Year 3 Credit Amount: \$405,088	Tax Year 6 Credit Amount: \$405,088

- Include this certificate with your Wisconsin income/franchise tax return for each taxable year you claim the low-income housing credit.
- For additional information regarding low-income housing projects, contact WHEDA at 1-800-334-6873 or [info@wheda.com](mailto:info@wheda.com).
- For additional information regarding claiming the tax credit on your income/franchise tax return, contact the Wisconsin Department of Revenue at 608-266-2772 or [DORIncome@wisconsin.gov](mailto:DORIncome@wisconsin.gov).

*Special Instruction regarding the Taxable Year End field: It is the responsibility of the Claimant to update this field on an annual basis as part of the Wisconsin income/franchise tax return submission process.*

WHEDA Authorization:

Date: 8/5/2022

Shreedhar Ranabhat  
Manager, Commercial Lending



## **DEFINITION OF PRIMARY MARKET AREA**

The subject's market area is defined as the geographic area from which the subject will attract most of its tenants, and is the area from which the subject will compete with existing and proposed affordable multi-family developments. In general, households within a particular geographic market area tend to retain their residence within that area, even when moving from one specific property to another.

In order to determine the logical Primary Market Area (PMA), we researched housing and demographic patterns within the area. The subject property is located in the City of Racine, in Racine County, Wisconsin, which is an urban community within southeastern Wisconsin. In general, drive times of 15 to 30 minutes are considered the maximum. In rural areas, this may be up to 30 miles; however, in suburban areas with increased densities, the distance may be three to 10 miles. In densely developed urban areas, the distance may be one to two miles, or less. In the case of the subject, the area is characterized as an urban area.

From a location standpoint, the subject competes with properties within Racine and with properties located within other communities in Racine County, and to a certain extent Kenosha County. The subject's location does not directly compete with properties located within Milwaukee County. The downtown and suburban lifestyles are different enough lifestyles that prospective tenants usually do not find themselves considering suburban *and* downtown properties when choosing where to live; rather, the prospective tenants first decide if they wish to reside within a downtown *or* a suburban community, and then narrow the search from there.

While it is possible that the subject could theoretically draw residents from a larger geographic area than what we have delineated as the subject's PMA (shown on the following page), *most* urban residents tend to stay close and do not commute long distances. The subject does feature good linkages to the local highway and interstate system and other major thoroughfares, and this could be an attractive attribute for a couple wherein one individual works in one location and the other works in the opposite direction (Milwaukee and Kenosha, for example). Interstate 94 is within a 20 minute drive of the subject site, as is most of northeastern Racine County and all of southeastern Racine County.

Please refer to the **Primary Market Area Map** on the following page for an illustration of our selected PMA. Demographic information for the PMA is included following the PMA Map.

Census tracts included within the subject's PMA are 551010001.00, 551010002.00, 551010003.00, 551010004.00, 551010005.00, 551010006.00, 551010007.00, 551010008.00, 551010009.01, 551010009.03, 551010009.04, 551010010.01, 551010010.02, 551010010.03, 551010011.00, 551010012.01, 551010012.02, 551010013.01, 551010013.02, 551010014.00, 551010015.01, 551010015.02, 551010015.04, 551010015.05, 551010016.01, 551010016.02, 551010017.01, 551010017.02, 551010017.03, 551010017.05, and 551010017.06.

### Primary Market Area Map



### Site Map

Eastern Racine County  
Area: 113.48 square miles

Prepared by Esri



## DEMAND ANALYSIS

Pertinent demographic statistics from the PMA that will be utilized to supplement our demand analysis are summarized below. Given the subject will appeal to a mix of tenants, including both income-restricted and market tenants, we have presented demographic information on both of these segments.

### Total Demographic & Income Profile

As shown, the total population is expected to increase by 1,646 over the next five years and the percentage of renter occupied households within the PMA is 36.99 percent. The percentage of renter occupied households within the PMA is anticipated to decrease, albeit slightly, over the next five years (35.96 percent).

<b>Summary</b>	<b>Census 2010</b>	<b>2018</b>	<b>2023</b>		
Population	139,317	140,408	142,054		
Households	54,457	54,869	55,502		
Families	35,990	35,810	36,050		
Average Household Size	2.49	2.49	2.49		
Owner Occupied Housing Units	36,478	34,575	35,544		
Renter Occupied Housing Units	17,979	20,294	19,958		
Median Age	37.7	39.0	39.7		
<b>Trends: 2018 - 2023 Annual Rate</b>	<b>Area</b>	<b>State</b>	<b>National</b>		
Population	0.23%	0.39%	0.83%		
Households	0.23%	0.43%	0.79%		
Families	0.13%	0.33%	0.71%		
Owner HHs	0.55%	0.73%	1.16%		
Median Household Income	1.28%	1.71%	2.50%		
		<b>2018</b>	<b>2023</b>		
<b>Households by Income</b>		<b>Number</b>	<b>Percent</b>	<b>Number</b>	<b>Percent</b>
<\$15,000		6,041	11.0%	5,564	10.0%
\$15,000 - \$24,999		5,471	10.0%	5,017	9.0%
\$25,000 - \$34,999		5,694	10.4%	5,554	10.0%
\$35,000 - \$49,999		7,549	13.8%	7,289	13.1%
\$50,000 - \$74,999		10,760	19.6%	10,454	18.8%
\$75,000 - \$99,999		7,100	12.9%	7,401	13.3%
\$100,000 - \$149,999		7,702	14.0%	8,632	15.6%
\$150,000 - \$199,999		2,436	4.4%	2,856	5.1%
\$200,000+		2,115	3.9%	2,735	4.9%
Median Household Income		\$54,460		\$58,032	
Average Household Income		\$72,474		\$81,075	
Per Capita Income		\$28,789		\$32,139	

### Age Qualifying Households

The proposed subject is 100 percent family, income-restricted development. Therefore, there is no minimum age requirement.

### Income Qualifying Households

The subject's proposed unit mix and rates are shown below for reference. We have previously determined that the developer's proposed rates are reasonable.

<b>Proposed Rent Schedule</b>					
<b>Unit Type</b>	<b>Avg. Unit Size (SF)</b>	<b># of Units</b>	<b>Proposed Rent (\$/Mo.)</b>	<b>Proposed Rent \$/SF</b>	<b>Max. Tax Credit Rent</b>
1BR / 1BA - 30% CMI	620	5	\$372	\$0.60	\$421
1BR / 1BA - 50% CMI	620	20	\$654	\$1.05	\$703
1BR / 1BA - 80% CMI	620	13	\$765	\$1.23	\$1,125
2BR / 1.5BA - 50% CMI	920	8	\$777	\$0.84	\$843
2BR / 1.5BA - 80% CMI	920	8	\$1,035	\$1.13	\$1,350
<b>Total</b>		<b>54</b>			

#### **Income Qualifying Households –30% CMI Units**

The proposed subject will include five units restricted to tenants earning incomes of at or below 30 percent of the CMI. The target market for these units is the portion of income qualified renter households in the Primary Market Area that are able to afford the subject's proposed rents. For family units, rents in excess of 35 percent of household income are generally not considered affordable for tenants. Therefore, the target market is limited to those households that earn above a lower limit that would allow payment of the proposed rents without exceeding 35 percent of household income. The subject's one-bedroom 30 percent CMI units have a proposed rental rate of \$372 per month, therefore, the lower limit is set at \$12,754. The upper limit is set by WHEDA (effective date of April 1, 2018). Assuming 1.5 persons per household for the subject's units, a one person household in Racine County has a maximum income limit of \$18,000 for the 30 percent CMI levels. A summary of the income-eligible, renter-occupied households is included below.

<b>Income Eligible Renter Population - 30% CMI -Primary Market Area-</b>		
<b>Year</b>	<b>2018</b>	<b>2023</b>
<b>Total Population</b>	140,408	142,054
<b>Households Total</b>	54,869	55,502
<b>Renter-Occupied Households</b>	20,294	19,958
<b>Renter-Occupied %</b>	36.99%	35.96%
<b><u>Income Brackets</u></b>	<b><u>Total Households</u></b>	<b><u>Total Households</u></b>
\$12,754 - \$14,999	905	833
<u>\$15,000 - \$18,000</u>	1,641	1,505
<b>Total</b>	<b>2,546</b>	<b>2,338</b>
Mult. By Renter-Occupied %	<u>36.99%</u>	<u>35.96%</u>
<b>Renter Income-Eligible</b>	<b>942</b>	<b>841</b>

Source: Bureau of the Census, 2010 Census of Population and Housing, ESRI forecasts for 2018 and 2023.

#### **Income Qualifying Households –50% CMI Units**

The proposed subject will include 28 units restricted to tenants earning incomes of at or below 50 percent of the CMI. The target market for these units is the portion of income qualified renter households in the Primary Market Area that are able to afford the subject's proposed rents. For family units, rents in excess of 35 percent of household income are generally not considered affordable for tenants. Therefore, the target market is

limited to those households that earn above a lower limit that would allow payment of the proposed rents without exceeding 35 percent of household income. The subject's one-bedroom 50 percent CMI units have a proposed rental rate of \$654 per month, therefore, the lower limit is set at \$22,423. The upper limit is set by WHEDA (effective date of April 1, 2018). Assuming 1.5 persons per household for the subject's units, a three person household in Racine County has a maximum income limit of \$33,750 for the 50 percent CMI levels. A summary of the income-eligible, renter-occupied households is included on the following page.

<b>Income Eligible Renter Population - 50% CMI -Primary Market Area-</b>		
<b>Year</b>	<b>2018</b>	<b>2023</b>
<b>Total Population</b>	140,408	142,054
<b>Households Total</b>	54,869	55,502
<b>Renter-Occupied Households</b>	20,294	19,958
<b>Renter-Occupied %</b>	36.99%	35.96%
<b>Income Brackets</b>	<b>Total Households</b>	<b>Total Households</b>
\$22,423 - \$24,999	4,062	3,725
\$25,000 - \$34,999	5,694	5,554
\$35,000 - \$40,500	2,768	2,673
<b>Total</b>	<b>12,524</b>	<b>11,952</b>
Mult. By Renter-Occupied %	36.99%	35.96%
<b>Renter Income-Eligible</b>	<b>4,632</b>	<b>4,298</b>

*Source: Bureau of the Census, 2010 Census of Population and Housing, ESRI forecasts for 2018 and 2023.*

#### **Income Qualifying Households –80% CMI Units**

The proposed subject will include 21 units restricted to tenants earning incomes of at or below 80 percent of the CMI. The target market for these units is the portion of income qualified renter households in the Primary Market Area that are able to afford the subject's proposed rents. For family units, rents in excess of 35 percent of household income are generally not considered affordable for tenants. Therefore, the target market is limited to those households that earn above a lower limit that would allow payment of the proposed rents without exceeding 35 percent of household income. The subject's one-bedroom 80 percent CMI units have a proposed rental rate of \$765 per month, therefore, the lower limit is set at \$26,229. The upper limit is set by WHEDA (effective date of April 1, 2018). Assuming 1.5 persons per household for the subject's units, a three person household in Racine County has a maximum income limit of \$54,000 for the 80 percent CMI levels. A summary of the income-eligible, renter-occupied households is included below.

Income Eligible Renter Population - 80% CMI -Primary Market Area-		
Year	2018	2023
<b>Total Population</b>	140,408	142,054
<b>Households Total</b>	54,869	55,502
<b>Renter-Occupied Households</b>	20,294	19,958
<b>Renter-Occupied %</b>	36.99%	35.96%
<b>Income Brackets</b>	<b>Total Households</b>	<b>Total Households</b>
\$26,229 - \$34,999	5,694	5,554
\$35,000 - \$49,999	7,549	7,289
\$50,000 - \$54,000	1,722	1,673
<b>Total</b>	<b>14,965</b>	<b>14,516</b>
Mult. By Renter-Occupied %	36.99%	35.96%
<b>Renter &amp; Income-Eligible</b>	<b>5,535</b>	<b>5,220</b>

*Source: Bureau of the Census, 2010 Census of Population and Housing, ESRI forecasts for 2018 and 2023.*

The following table summarizes the existing supply, pending supply, and demand and incorporates the subject property to derive projected capture rates and penetration rates.

Capture & Penetration Rates Ajax II				
	30% CMI Units	50% CMI Units	80% CMI Units	Total Units
Subject Units	5	28	21	54
Minimum Gross Rent	\$425	\$610	\$710	\$425
Assumed Household Size	1-2 Persons	1-3 Persons	1-3 Persons	1-3 Persons
Lower Income Limit	\$12,754	\$22,423	\$26,229	\$12,754
Upper Income Limit	\$18,000	\$40,500	\$54,000	\$54,000
Income Qualified Households 2018	2,546	12,524	14,965	
Rent %	36.99%	36.99%	36.99%	
Target Market Households 2018	942	4,632	5,535	8,151
Income Qualified Households 2023	2,338	11,952	14,516	
Rent %	35.96%	35.96%	35.96%	
Target Market Households 2023	841	4,298	5,220	7,564
Existing Competitive Supply	312	0	222	534
Proposed Competitive Supply	0	17	65	82
Unmet Potential Demand 2018	630	4,632	5,313	7,617
Unmet Potential Demand 2023	529	4,281	4,933	6,948
<b>Capture Rate 2018</b>	0.53%	0.60%	0.38%	<b>0.66%</b>
<b>Capture Rate 2023</b>	0.59%	0.65%	0.40%	<b>0.71%</b>
<b>Penetration Rate 2018</b>	33.66%	0.60%	4.39%	<b>7.21%</b>
<b>Penetration Rate 2023</b>	37.71%	1.05%	5.90%	<b>8.86%</b>



## Appendix 2.2: Badger State Lofts



### Wisconsin Low-Income Housing Credit Allocation Certificate

**\*Include with your Wisconsin income/franchise tax return\***

Claimant's Legal Business Name: <b>BADGER STATE LOFTS, LP</b>	FEIN: <b>82-5480571</b>
Street Address or PO Box Number: <b>9311 N MERIDIAN STREET SUITE 100</b>	Project Number: <b>6364</b>
City: <b>INDIANAPOLIS</b>	Placed in Service Date: <b>10/28/2020</b>
State: <b>INDIANA</b>	Certificate Issue Date: <b>2/24/2022</b>
Zip: <b>46260</b>	Taxable Year End:
Tax Year 1 Credit Amount: <b>\$994,303</b>	Tax Year 4 Credit Amount: <b>\$994,303</b>
Tax Year 2 Credit Amount: <b>\$994,303</b>	Tax Year 5 Credit Amount: <b>\$994,303</b>
Tax Year 3 Credit Amount: <b>\$994,303</b>	Tax Year 6 Credit Amount: <b>\$994,303</b>

- Include this certificate with your Wisconsin income/franchise tax return for each taxable year you claim the low-income housing credit.
- For additional information regarding low-income housing projects, contact WHEDA at 1-800-334-6873 or [info@wheda.com](mailto:info@wheda.com).
- For additional information regarding claiming the tax credit on your income/franchise tax return, contact the Wisconsin Department of Revenue at 608-266-2772 or [DORIncome@wisconsin.gov](mailto:DORIncome@wisconsin.gov).

*Special Instruction regarding the Taxable Year End field: It is the responsibility of the Claimant to update this field on an annual basis as part of the Wisconsin income/franchise tax return submission process.*

WHEDA Authorization:

Date: 2/24/2022

Shreedhar Ranabhat  
Manager, Commercial Lending

## Location and Market Area Definition

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### Primary Market Area (“PMA”)

The PMA is defined as a geographic area from which a property is expected to draw the majority of its residents. Additionally, the PMA is the area in which similar properties compete with the subject property for tenants. The PMA for the proposed development must first be established before the influences of supply and demand can be assessed.

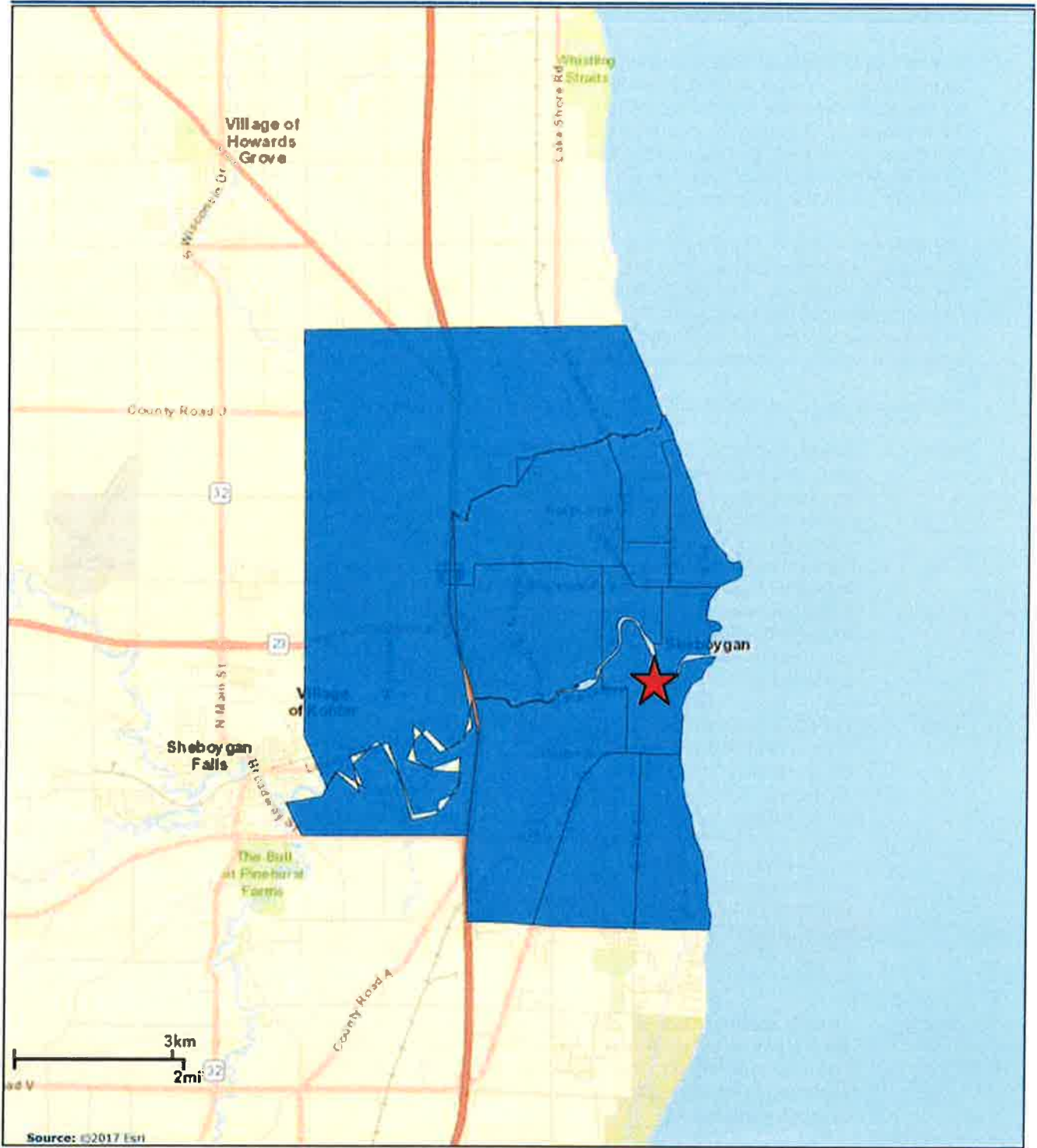
The subject site is located on the south-central side of the City of Sheboygan, Wisconsin, just southwest of the main downtown area. The City of Sheboygan is located in the eastern part of Sheboygan County and is approximately twenty-three miles north of downtown Milwaukee, Wisconsin. The subject site is bounded by Maryland Avenue, South 11<sup>th</sup> Street, Illinois Avenue and South 10<sup>th</sup> Street. More specifically, the subject site is located at 1031 Maryland Avenue, Sheboygan, WI 53081.

Interviews were conducted with property managers of potentially competing properties, the City of Sheboygan’s Planning Department, and other city and county officials. A consensus among those interviewed indicated that a predominant target market for the development exists. In addition to the consensus among those interviewed, a review of existing comparables, a review of the transportation linkages for the surrounding area, a review of the health care providers, and a driving tour of the surrounding area establish a factual basis for determining the PMA boundaries.

These factors indicate that the PMA is generally bounded by Playbird Road to the north; Lake Michigan to the east; Wisconsin Highway 28 to the south, and Rangeline Road to the west. More specifically, the PMA is made up of the following 2010 U.S. Census tracts: 1, 2.01, 2.02, 3, 4, 5, 8, 9, 10, 11, 107 and 114.

Based on the interviews conducted, it is likely that 20 to 25 percent of the residents that ultimately rent from the proposed development will originate from outside the PMA (most likely from other areas of Sheboygan County). However, as a conservative approach, only the residents under the age of 65 from within the PMA will be considered in the capture and penetration rate analysis as determined in the Demand Analysis Section of this report.

A map of the PMA is included on the following page.



Population and Households

Overall Demographic Analysis Summary

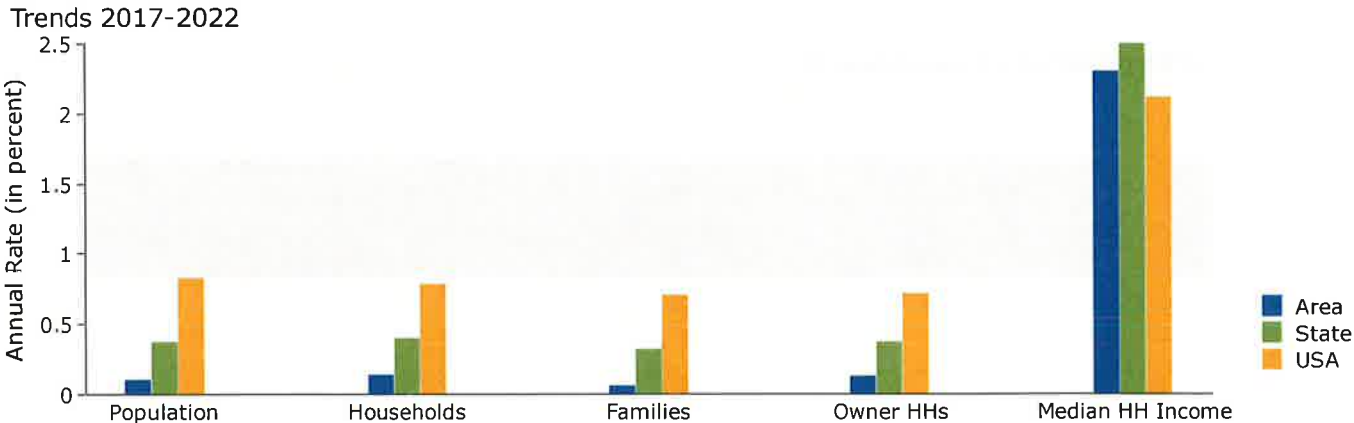
The following table provides a summary of the demographic makeup of the people residing within the PMA. According to the US Census Bureau and the ESRI BIS actual 2010 and forecasted 2017 and 2022 demographic data sets, the overall population is projected to increase by approximately 57 people per year for the five years ending in 2022, resulting in an overall gain of 0.5 percent. The number of households is projected to increase at a rate of about 34 per year for a gain of 0.7 percent. A greater increase is projected in renter occupied units than in owner occupied units.

Demographic Summary					
Description	2010 US Census	2017 ESRI Forecasts	2022 ESRI Forecasts	% Change 2017-2022	Annual Change 2017-2022
Population	58,500	58,382	58,666	0.5%	56.8
Households	24,017	24,073	24,245	0.7%	34.4
Families	14,904	14,790	14,834	0.3%	8.8
Average Household Size	2.40	2.39	2.38	-	-
Owner Occupied Housing Units	15,553	14,827	14,923	0.6%	19.2
Renter Occupied Housing Units	8,464	9,246	9,322	0.8%	15.2
Median Age	38	39	40	-	-

Source: U.S. Census Bureau, Census 2010 Summary File 1. ESRI Forecasts for 2017 and 2022.

Trends: 2017-2022 Annual Rate			
Description	Area	State	National
Population	0.10%	0.37%	0.83%
Households	0.14%	0.40%	0.79%
Families	0.06%	0.32%	0.71%
Owner Occupied HHs	0.13%	0.37%	0.72%
Median Household Income	2.30%	2.51%	2.12%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2017 and 2022.



**Proposed Rental Rate Comparisons**

For additional support relating to the proposed 30, 50, and 60 percent unit rents, we have also compared proposed rents to program and market rents to determine whether the proposed rents are reasonable and at a level that is at or below the prevailing income restricted comparable properties.

<b>Badger State Lofts Proposed Unit Matrix</b>							
# of Units	Unit Type	% of AMI	Net Rent \$/Mo.	Utility Allowance*	Gross Rents	2018 Sheboygan County Maximum Rent	Ratio of Proposed Gross Rents to Program Rents
20	1 BR/1 BA	50%	\$609	\$56	\$665	\$700	95.0%
23	1 BR/1 BA	60%	\$694	\$56	\$750	\$840	89.3%
15	2 BR/1-2 BA	50%	\$730	\$70	\$800	\$841	95.1%
19	2 BR/1-2 BA	60%	\$805	\$70	\$875	\$1,009	86.7%
28	2 BR/1-2 BA	70%	\$990	\$70	\$1,060	\$1,178	90.0%
5	3 BR/2 BA	60%	\$953	\$86	\$1,039	\$1,165	89.2%
7	3 BR/2 BA	70%	\$1,137	\$86	\$1,223	\$1,360	89.9%
1	4 BR/2.5 BA	60%	\$1,069	\$101	\$1,170	\$1,300	90.0%
<b>118</b>	<b>Total</b>						

<b>Proposed Badger State Lofts Rents versus Estimated Achievable Market Rents</b>					
# of Units	Unit Type	% of AMI	Net Rent \$/Mo.	Estimated Achievable Market Rents	Ratio of Proposed Net Rents to Estimated Achievable Market Rents
20	1 BR/1 BA	50%	\$609	\$900	67.7%
23	1 BR/1 BA	60%	\$694	\$900	77.1%
15	2 BR/1-2 BA	50%	\$730	\$1,165	62.7%
19	2 BR/1-2 BA	60%	\$805	\$1,165	69.1%
28	2 BR/1-2 BA	70%	\$990	\$1,165	85.0%
5	3 BR/2 BA	60%	\$953	\$1,265	75.3%
7	3 BR/2 BA	70%	\$1,137	\$1,265	89.9%
1	4 BR/2.5 BA	60%	\$1,069	\$1,340	79.8%
<b>118</b>	<b>Total</b>				

**Note:** Water, sewer, and trash removal will be included in the rental rate. Residents will be responsible for their own unit electric for cooking, air conditioning and lighting as well as gas for heating and hot water.

\*Utility allowance is based on a HUD Utility Schedule Model provided by the developer.

Our analysis suggests that all units are at or below allowable tax credit rent limits. The proposed set aside rents are 86.7 to 95.0 percent of the 2018 Sheboygan County Maximum Rent (program rents). In addition, the proposed set side rents are 62.7 to 89.9 percent of estimated achievable market rents representing much greater than a 10 percent discount to market rate rental rates in the PMA.



**Capture Rates**

**Capture Rate by Set-Aside**

<b>Tax Credit Capture Rate Chart</b>				
<b>Min Income*</b>	\$22,800			
<b>Max Income</b>	\$56,490			
<b>Households Assumed</b>	Under the Age of 65			
<b>Number of Households</b>		<b>Income Qualified Households</b>	<b>Renter Percentage</b>	<b>Renter Qualified for Project</b>
Less Than \$15,000	1,256	-	-	-
\$15,000 to \$24,999	1,495	329	62.5%	206
\$25,000 to \$34,999	2,190	2,190	62.5%	1,369
\$35,000 to \$49,999	2,865	2,865	23.7%	679
\$50,000 to \$74,999	4,064	1,055	23.7%	250
\$75,000 to \$99,999	2,759	-	-	-
\$100,000 to \$149,999	2,153	-	-	-
\$150,000 to \$199,999	708	-	-	-
Over \$200,000	395	-	-	-
<b>Total Households</b>	<b>17,885</b>	<b>6,439</b>	<b>38.9%</b>	<b>2,504</b>
<b>Income Qualified Renter HHs</b>				<b>2,504</b>
<b>Rental Units in Project</b>				118
<b>Capture Rate**</b>				<b>4.7%</b>

\*Based on rents proposed by project Developer (utilities included), represents 35 percent of gross household income

\*\*Number of proposed units divided by number of income eligible households



## Appendix 2.3: Berkshire Stevens Point



### Wisconsin Low-Income Housing Credit Allocation Certificate

**\*Include with your Wisconsin income/franchise tax return\***

Claimant's Legal Business Name: GENCAP STEVENS POINT 88, LLC	FEIN: 83-4324985
Street Address or PO Box Number: 6938 N. SANTA MONICA BLVD.	Project Number: 6490
City: FOX POINT	Placed in Service Date: 3/31/2021
State: WISCONSIN	Certificate Issue Date: 7/25/2022
Zip: 53217	Taxable Year End:
Tax Year 1 Credit Amount: \$756,034	Tax Year 4 Credit Amount: \$756,034
Tax Year 2 Credit Amount: \$756,034	Tax Year 5 Credit Amount: \$756,034
Tax Year 3 Credit Amount: \$756,034	Tax Year 6 Credit Amount: \$756,034

- Include this certificate with your Wisconsin income/franchise tax return for each taxable year you claim the low-income housing credit.
- For additional information regarding low-income housing projects, contact WHEDA at 1-800-334-6873 or [info@wheda.com](mailto:info@wheda.com).
- For additional information regarding claiming the tax credit on your income/franchise tax return, contact the Wisconsin Department of Revenue at 608-266-2772 or [DORIncome@wisconsin.gov](mailto:DORIncome@wisconsin.gov).

*Special Instruction regarding the Taxable Year End field: It is the responsibility of the Claimant to update this field on an annual basis as part of the Wisconsin income/franchise tax return submission process.*

WHEDA Authorization:

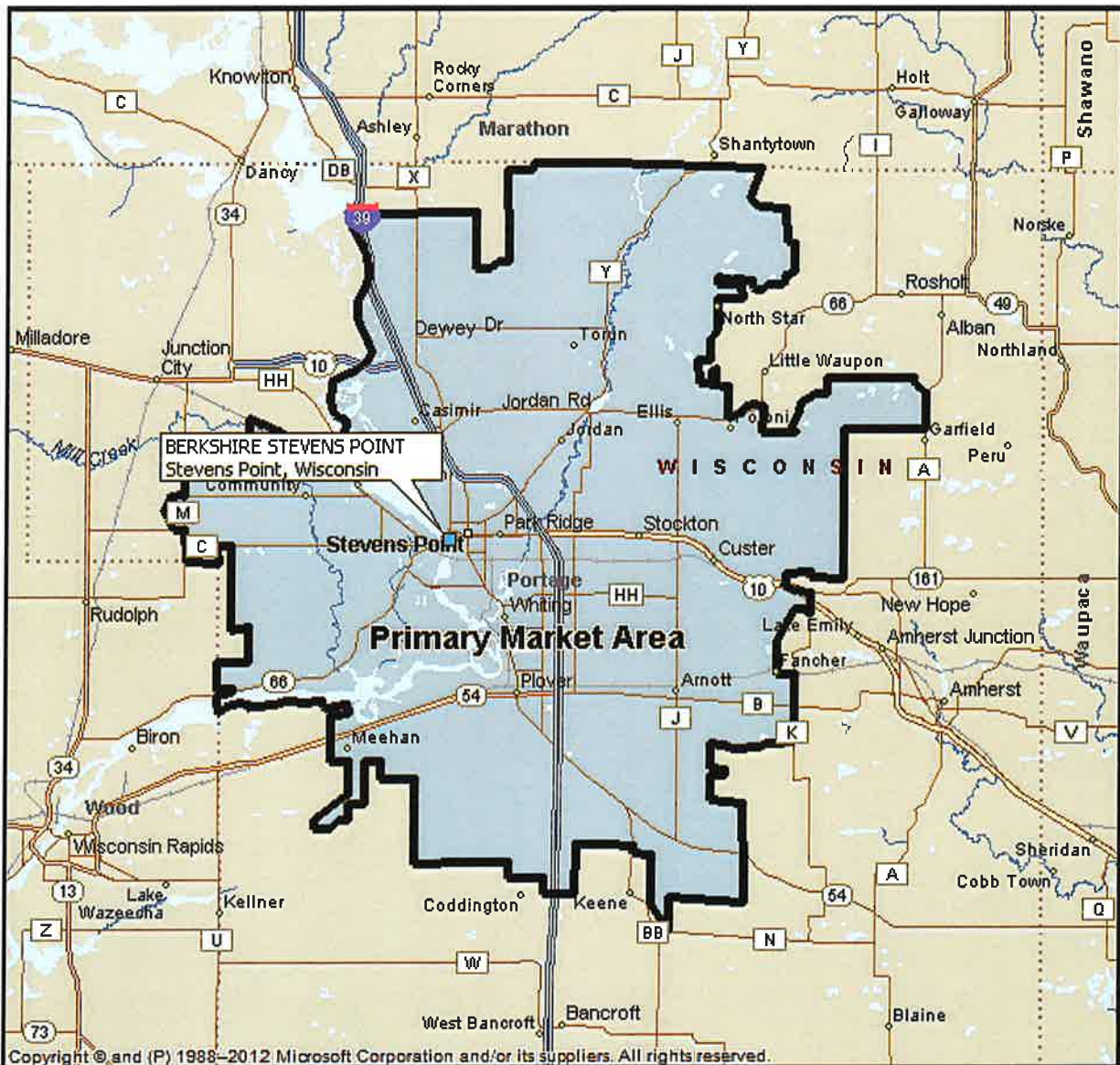
Date: 7/25/2022

Shreedhar Ranabhat  
Manager, Commercial Lending

# MARKET AREA ANALYSIS

## PRIMARY MARKET AREA DEFINITION

The subject's primary market area is defined by the geographic boundaries from which the subject will attract most of its residents and in which the subject will compete with existing and proposed family multi-family developments. Households within a market area tend to retain residence within that area. Stevens Point is part of the larger Stevens Point metro area, which is comprised of the city of Stevens Point and the neighboring villages of Plover, Park Ridge, and Whiting. The Stevens Point metro area is the major center of employment, retail activity, governmental services and medical care in Portage County. The subject is expected to draw tenants not only from Stevens Point, but also from the other municipalities that comprise the Stevens Point metro area. In addition, due to the lack of market rate independent senior rental housing in surrounding unincorporated townships, we expect the subject to also draw tenants from the unincorporated townships immediately adjacent to the Stevens Point metro area. Thus, the subject market area is defined as zip code areas 54423, 54467, 54481 and 54482, which encompass the city of Stevens Point, the villages of Plover, Park Ridge, and Whiting, and all or part of the towns of Carson, Dewey, Hull, Linwood, Plover, Sharon and Stockton.



## PRIMARY MARKET AREA METRICS

The following is an overview of demographic data for the primary market area and comparable geographies.

Population					
Geography	2000	2010	2019	2024	2000-2019 % Change
Primary Market Area <sup>(1)</sup>	51,335	54,194	54,928	55,565	7.0%
City of Stevens Point <sup>(1)</sup>	26,349	26,717	26,880	26,954	2.0%
Portage County <sup>(1)</sup>	67,182	70,019	70,591	71,245	5.1%
State of Wisconsin <sup>(1)</sup>	5,363,678	5,686,986	5,820,174	5,907,668	8.5%
Employment					
Geography	2000	2010	2019	2024	2000-2019 % Change
Primary Market Area <sup>(1)</sup>	N/A	N/A	28,962	N/A	N/A
City of Stevens Point <sup>(2)</sup>	12,547	13,795	14,568	N/A	16.1%
Portage County <sup>(2)</sup>	35,677	36,395	37,086	N/A	3.9%
State of Wisconsin <sup>(3)</sup>	2,868,382	2,814,393	2,974,705	N/A	3.7%
Median Household Income					
Geography	2000	2010	2019	2024	2000-2019 % Change
Primary Market Area <sup>(1)</sup>	N/A	N/A	\$59,369	\$64,286	N/A
City of Stevens Point <sup>(2)</sup>	\$33,176	\$40,115	\$52,425	\$56,926	58.0%
Portage County <sup>(2)</sup>	\$43,487	\$51,456	\$60,848	\$66,005	39.9%
State of Wisconsin <sup>(3)</sup>	\$44,503	\$48,974	\$61,626	\$67,372	38.5%
Housing Units					
Geography	2000	2010	2019	2024	2000-2019 % Change
Primary Market Area <sup>(1)</sup>	N/A	N/A	23,651	24,115	N/A
City of Stevens Point <sup>(2)</sup>	9,749	11,220	11,467	11,609	17.6%
Portage County <sup>(2)</sup>	26,589	30,054	31,033	31,568	16.7%
State of Wisconsin <sup>(3)</sup>	2,321,157	2,624,358	2,731,415	2,785,082	17.7%

1. Per Environics Segmentation & Market Solutions

N/A = Not Available

2. Per US Census Bureau 2000 & 2010 data, 2019 & 2024 per Environics data

3. Per Wisconsin Department of Workforce Development 2000 & 2010 data, 2019 & 2024 per Environics data

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# DEMAND ANALYSIS

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The source of demand for the subject's units consists primarily of its target market. Our demand analysis first entailed defining the subject's target market. Second, the target market was quantified in terms of households.

## TARGET MARKET DEFINITION

The subject's target market consists of age and income-qualified households. The subject will serve senior tenants which we define as households with a head of household above the age of 65. Only those households having appropriate income levels will be considered among the pool of potential tenants. A current upper income limit of \$49,050 has been set as the maximum for the subject's 80% AMI units based on limits imposed by the tax credit program for two-person households in Portage County. The low end of the relevant income ranges were determined by calculating the income required for payment of the subject's rents plus utility allowances while not exceeding 40% of the household's income. Given these age and income parameters, the target market consists of independent senior households with incomes between \$12,930 and \$49,050 for the subject's income-restricted units.

Census data indicates 25.4% of 65+ households in the primary market area with incomes between \$12,930 and \$49,050 are one- or two-person households that rented rather than owned their housing units.

This analysis restricts the target market to include renter households plus 35% of homeowners for the subject's units. Based on our analysis of existing independent senior, elevator-style, primarily income-restricted, rental properties we have found that on average approximately 38% of tenants in these properties were homeowners that sold their house to move into a senior elevator property. Thus, we have projected 35% of the subject's new tenants to be homeowners for the subject's units. A modified renter percentage of 51.5%  $(.254 + ((1-.254) \times .35))$  was calculated for the subject's income-restricted units by including 35% of the area's owner households.

## TARGET MARKET DEMOGRAPHIC TRENDS

Given the above target market definition, the universe of potential tenants for the subject's income-restricted units is currently 1,119 households and is projected to increase to 1,256 households by 2024.

Target market data is presented on the following page.



MARKET PERFORMANCE MEASURES						
Berkshire Stevens Point						
	30% AMI Units		50% AMI Units	60% AMI Units	80% AMI Units	Total Units
Subject Units	5		49	3	31	88
Minimum Gross Rent	\$431		\$718	\$819	\$948	\$431
Assumed Household Size	1-2 Persons		1-2 Persons	1-2 Persons	1-2 Persons	1-2 Persons
Lower Income Limit	\$12,930		\$21,540	\$24,570	\$28,440	\$12,930
Upper Income Limit	\$18,390		\$30,650	\$36,780	\$49,050	\$49,050
Income Qualified Households	455		701	842	1,191	2,172
Renter Percentage	65.7%		55.1%	52.9%	52.9%	58.9%
Target Market Households	299		386	445	630	1,280
Comparable Units - Existing (1)	30		51	50	40	171
Comparable Units - Proposed	<u>0</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unmet Potential Demand	269		335	395	590	1,109
<b>Demand and Supply Ratios</b>						
Capture Rate (2)	1.7%		12.7%	0.7%	4.9%	6.9%
Penetration Rate (3)	11.7%		25.9%	11.9%	11.3%	20.2%
<p>(1) Ten percent of the primary market area's subsidized independent senior apartment units and all of the primary market area's income-restricted tax credit and market rate independent senior apartment units are considered to be competitive with the subject.</p> <p>(2) The percentage of target market required for subject full occupancy - Subject units divided by target market households.</p> <p>(3) The percentage of target market that the subject and its existing and future competition must share - Subject units plus existing competitive units plus proposed competitive units divided by target market households.</p>						

## MARKET VACANCY

The seven stabilized primary market rent comparables used in our rent analysis, with a total of 320 apartment units, have a weighted-average vacancy rate of only 3.4%. The primary market area's three existing independent senior tax credit properties, with a total of 106 apartment units, have a weighted-average vacancy rate of 2.8% and a wait list at two properties. The market area's only market rate independent senior housing development, Whitetail Run, has a vacancy rate of 2.5%.

Based on this data, use of a stabilized vacancy rate of 5% for the subject is reasonable for underwriting purposes.



## Appendix 2.4: Frame Park



### Wisconsin Low-Income Housing Credit Allocation Certificate

**\*Include with your Wisconsin income/franchise tax return\***

Claimant's Legal Business Name: WHITE ROCK MF, LLC	FEIN: 83-2431590
Street Address or PO Box Number: 4011 80TH STREET	Project Number: 6482
City: KENOSHA	Placed in Service Date: 12/22/2020
State: WISCONSIN	Certificate Issue Date: 3/11/2022
Zip: 53142	Taxable Year End:
Tax Year 1 Credit Amount: \$448,446	Tax Year 4 Credit Amount: \$448,446
Tax Year 2 Credit Amount: \$448,446	Tax Year 5 Credit Amount: \$448,446
Tax Year 3 Credit Amount: \$448,446	Tax Year 6 Credit Amount: \$448,446

- Include this certificate with your Wisconsin income/franchise tax return for each taxable year you claim the low-income housing credit.
- For additional information regarding low-income housing projects, contact WHEDA at 1-800-334-6873 or [info@wheda.com](mailto:info@wheda.com).
- For additional information regarding claiming the tax credit on your income/franchise tax return, contact the Wisconsin Department of Revenue at 608-266-2772 or [DORIncome@wisconsin.gov](mailto:DORIncome@wisconsin.gov).

*Special Instruction regarding the Taxable Year End field: It is the responsibility of the Claimant to update this field on an annual basis as part of the Wisconsin income/franchise tax return submission process.*

WHEDA Authorization:

Date: 3/31/2022

Shreedhar Ranabhat  
Manager, Commercial Lending

## Location and Market Area Definition

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### Primary Market Area (“PMA”)

The PMA is defined as a geographic area from which a property is expected to draw the majority of its residents. Additionally, the PMA is the area in which similar properties compete with the subject property for tenants. The PMA for the proposed development must first be established before the influences of supply and demand can be assessed.

The proposed subject site is centrally located in the City of Waukesha, Wisconsin. More specifically, the subject site is comprised of two parcels located just south of the intersection of White Rock Avenue and East Moreland Boulevard at 1430 and 1431 White Rock Avenue. Interviews were conducted with property managers or potentially competing developments, the Waukesha planning department and other city and county officials. A consensus among those interviewed indicated that a predominant primary market for the development exists.

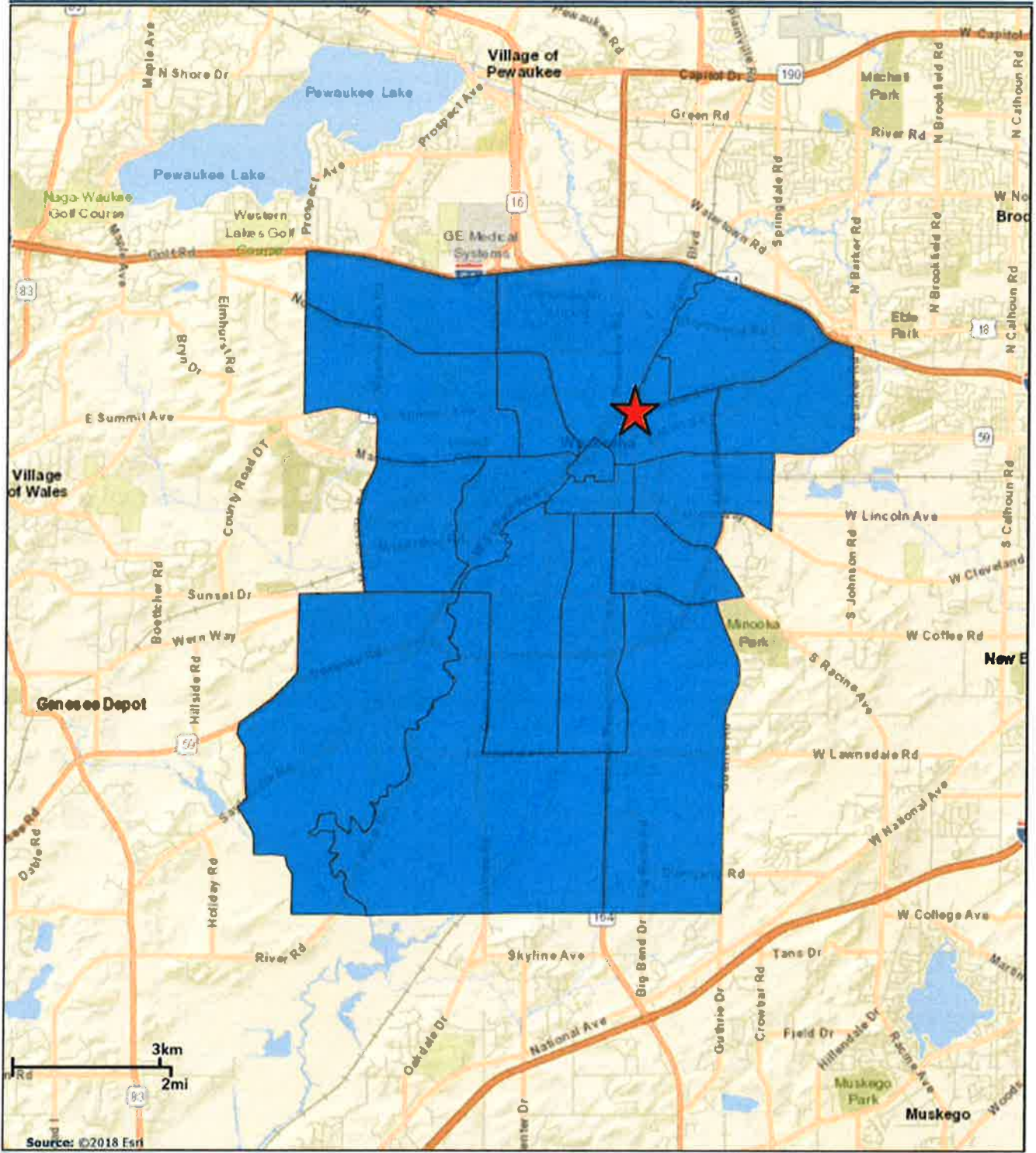
The strongest potential demand for housing associated with the development is anticipated to originate from within the PMA. A consensus among those persons interviewed, a review of the retail shopping patterns, a review of the commuting and transportation linkages for the surrounding area, a review of the employment base within the community, and a driving tour of the surrounding area indicate that the predominant PMA for the housing proposed for the Subject Property includes the City and Town of Waukesha. This area is generally bounded by Townline Road on the west, Barker Road and Guthrie to the east, Townline Road to the south and Interstate 94 to the north. More specifically, the PMA includes the following 2010 census tracts: 21.01, 21.02, 21.03, 22.01, 22.02, 23.01, 23.02, 24-28, 29.01, 29.02, 30, 31.01, 31.02, and 31.03.

Based on the site’s pedestrian linkages, convenient access to major thoroughfares, proximity to numerous major employers, and discussions with property managers of potentially competing developments, it is likely that 20 to 25 percent of the residents that ultimately rent from the proposed development will originate from outside the PMA (most likely from other areas of Waukesha County). However, as a conservative approach, only the residents from within the PMA will be considered in the capture and penetration rate analysis as determined in the Demand Analysis Section of this report.

A map of the PMA is included on the following page.



PMA Map



## Population and Households

### Overall Demographic Analysis Summary

The following table provides a summary of the demographic makeup of the people residing within the PMA. According to the US Census Bureau and the ESRI BIS actual 2010 and forecasted 2018 and 2023 demographic data sets, the overall population is projected to increase by approximately 380 people per year for the five years ending in 2023, resulting in an overall gain of 2.3 percent. The number of households is projected to increase at a rate of about 177 per year for a gain of 2.7 percent. A greater increase is projected in owner occupied units than in renter occupied units.

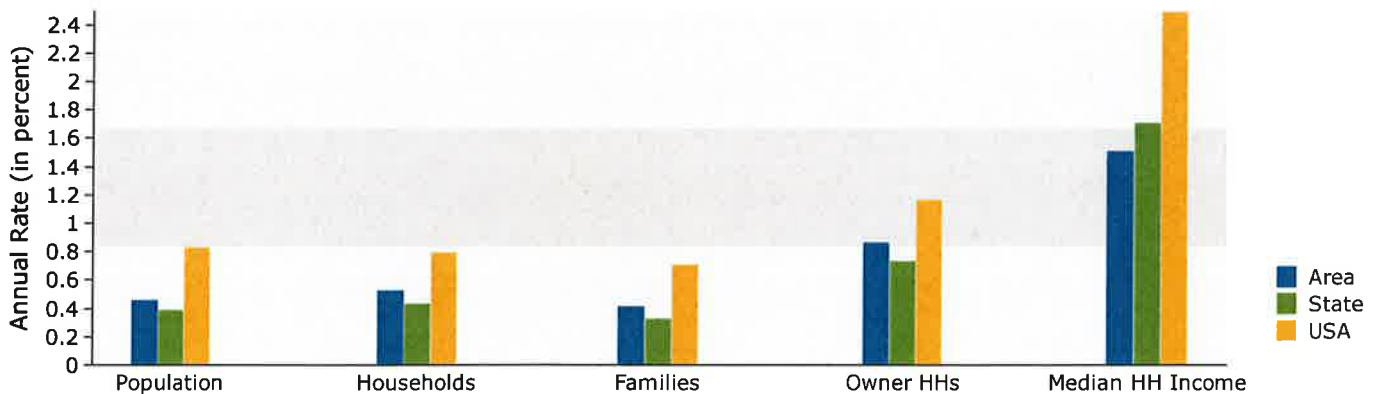
Demographic Summary					
Description	2010 US Census	2018 ESRI Forecasts	2023 ESRI Forecasts	% Change 2018-2023	Annual Change 2018-2023
Population	80,223	82,150	84,048	2.3%	379.6
Households	31,971	33,048	33,935	2.7%	177.4
Families	20,418	20,824	21,254	2.1%	86
Average Household Size	2.42	2.40	2.40	-	-
Owner Occupied Housing Units	19,684	19,584	20,441	4.4%	171.4
Renter Occupied Housing Units	12,287	13,464	13,494	0.2%	6
Median Age	36	37	38	-	-

Source: U.S. Census Bureau, Census 2010 Summary File 1. ESRI Forecasts for 2018 and 2023.

Trends: 2018-2023 Annual Rate			
Description	Area	State	National
Population	0.46%	0.39%	0.83%
Households	0.53%	0.43%	0.79%
Families	0.41%	0.33%	0.71%
Owner Occupied HHs	0.86%	0.73%	1.16%
Median Household Income	1.51%	1.71%	2.50%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

Trends 2018-2023





**Development Overview**

The Developer is proposing to construct Frame Park Commons Apartments, a newly constructed seventy-two unit LIHTC multifamily rental housing development centrally located in the City of Waukesha, Wisconsin. The proposed development will consist of the new construction of 3, two-story garden style buildings and 1, two-story townhome style building containing a mix of 33, one-bedroom units (700 square feet), 27, two-bedroom units (1,040 square feet), and 12, three-bedroom units (1,325 square feet) for a total of seventy-two rental units.

Unit water, sewer, and trash removal will be included in the rent. Residents will be responsible for their own unit gas for heat and hot water as well as electric for cooking, lighting, and air conditioning. Based upon estimates provided to the Developer, unit utilities are estimated to be an additional \$72 to \$97 per month. The projected rents are indicated in the following table along with the most recent (2018) Waukesha County maximum rents allowed by WHEDA.

Frame Park Commons Apartments Proposed Development Unit Mix							
# of Units	Unit Type	% of AMI	Net Rents	Utility Allowance	Gross Rents	2018 Waukesha County Maximum Rent	Size (SF)
3	1 BR/1 BA	30%	\$363	\$72	\$435	\$435	700
18	1 BR/1 BA	50%	\$653	\$72	\$725	\$725	700
3	1 BR/1 BA	70%	\$890	\$72	\$962	\$1,015	700
9	1 BR/1 BA	80%	\$905	\$72	\$977	\$1,160	700
1	2 BR/2 BA	30%	\$436	\$86	\$522	\$522	1,040
14	2 BR/2 BA	50%	\$784	\$86	\$870	\$870	1,040
1	2 BR/2 BA	70%	\$1,060	\$86	\$1,146	\$1,218	1,040
11	2 BR/2 BA	80%	\$1,065	\$86	\$1,151	\$1,392	1,040
8	3 BR/2 BA	50%	\$908	\$97	\$1,005	\$1,005	1,325
4	3 BR/2 BA	80%	\$1,195	\$97	\$1,292	\$1,608	1,325
<b>72</b>	<b>Total</b>						

**Note:** Unit water, sewer, and trash removal will be included in the rent. Residents will be responsible for their own unit gas for heat and hot water as well as electric for cooking, lighting, and air conditioning.



As displayed in the previous chart, the percentage of renter households is much higher amongst households with lower incomes. Therefore a renter percentage of 71.6 percent will be applied to the number of households within incomes levels below \$34,999 and a renter percentage of 29.2 percent will be applied to the number of households within incomes levels above \$35,000.

PMA Household Income Distribution Under the Age of 65 (2020 Interpolated) Renters Only					
Number of Households	Under \$15,000	\$15,000 to \$24,999	\$25,000 to \$34,999	\$35,000 to \$49,999	\$50,000 to \$74,999
<b>Total Households Under the Age of 65</b>	1,704	1,375	1,809	2,718	4,855
<b>Renter Occupied Factor**</b>	71.6%	71.6%	71.6%	29.2%	29.2%
<b>Total Income Qualified in the PMA Under the Age of 65</b>	1,221	985	1,296	793	1,417

Source: ESRI BIS

\*\*Estimated % renters for all ages in the PMA (ESRI BIS)

Using the Household Income by Age table from the Socio-Demographic Analysis, the number of income-eligible households within the PMA for each income cohort can be determined. Since the 2020 ESRI BIS interpolated estimates provide income cohorts in \$5,000 to \$10,000 increments, some additional interpolation is necessary to determine the estimated number of households that fall partially within an income cohort. It is assumed that the households are equally distributed within each income range, so a divisional factor is applied to the cohort to arrive at the total number of eligible households.

### Captures Rates

#### Capture Rate by Set-Aside

Tax Credit Capture Rate Chart				
Min Income*	\$14,914			
Max Income	\$66,800			
Households Assumed	Under the Age of 65			
Number of Households	Income Qualified Households	Renter Percentage	Renter Qualified for Project	
Less Than \$15,000	1,704	10	71.6%	7
\$15,000 to \$24,999	1,375	1,375	71.6%	985
\$25,000 to \$34,999	1,809	1,809	71.6%	1,295
\$35,000 to \$49,999	2,718	2,718	29.2%	794
\$50,000 to \$74,999	4,855	3,263	29.2%	953
\$75,000 to \$99,999	4,014	-	-	-
\$100,000 to \$149,999	5,029	-	-	-
\$150,000 to \$199,999	1,841	-	-	-
Over \$200,000	1,371	-	-	-
<b>Total Households</b>	<b>24,716</b>	<b>9,175</b>	<b>44.0%</b>	<b>4,033</b>
<b>Income Qualified Renter HHs</b>				<b>4,033</b>
<b>Rental Units in Project</b>				<b>72</b>
<b>Capture Rate**</b>				<b>1.8%</b>

\*Based on rents proposed by project Developer (utilities included), represents 35 percent of gross household income

\*\*Number of proposed units divided by number of income eligible households

## Appendix 2.5: Parkview Commons



### Wisconsin Low-Income Housing Credit Allocation Certificate

**\*Include with your Wisconsin income/franchise tax return\***

Claimant's Legal Business Name: <b>PARKVIEW MF, LLC</b>	FEIN: <b>83-4514343</b>
Street Address or PO Box Number: <b>4011 80TH STREET</b>	Project Number: <b>6483</b>
City: <b>KENOSHA</b>	Placed in Service Date: <b>12/30/2020</b>
State: <b>WISCONSIN</b>	Certificate Issue Date: <b>7/25/2022</b>
Zip: <b>53142</b>	Taxable Year End:
Tax Year 1 Credit Amount: <b>\$793,724</b>	Tax Year 4 Credit Amount: <b>\$793,724</b>
Tax Year 2 Credit Amount: <b>\$793,724</b>	Tax Year 5 Credit Amount: <b>\$793,724</b>
Tax Year 3 Credit Amount: <b>\$793,724</b>	Tax Year 6 Credit Amount: <b>\$793,724</b>

- Include this certificate with your Wisconsin income/franchise tax return for each taxable year you claim the low-income housing credit.
- For additional information regarding low-income housing projects, contact WHEDA at 1-800-334-6873 or [info@wheda.com](mailto:info@wheda.com).
- For additional information regarding claiming the tax credit on your income/franchise tax return, contact the Wisconsin Department of Revenue at 608-266-2772 or [DORIncome@wisconsin.gov](mailto:DORIncome@wisconsin.gov).

*Special Instruction regarding the Taxable Year End field: It is the responsibility of the Claimant to update this field on an annual basis as part of the Wisconsin income/franchise tax return submission process.*

WHEDA Authorization:

Date: 7/25/2022

Shreedhar Ranabhat  
Manager, Commercial Lending

## Market Area Definition

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### Primary Market Area (“PMA”)

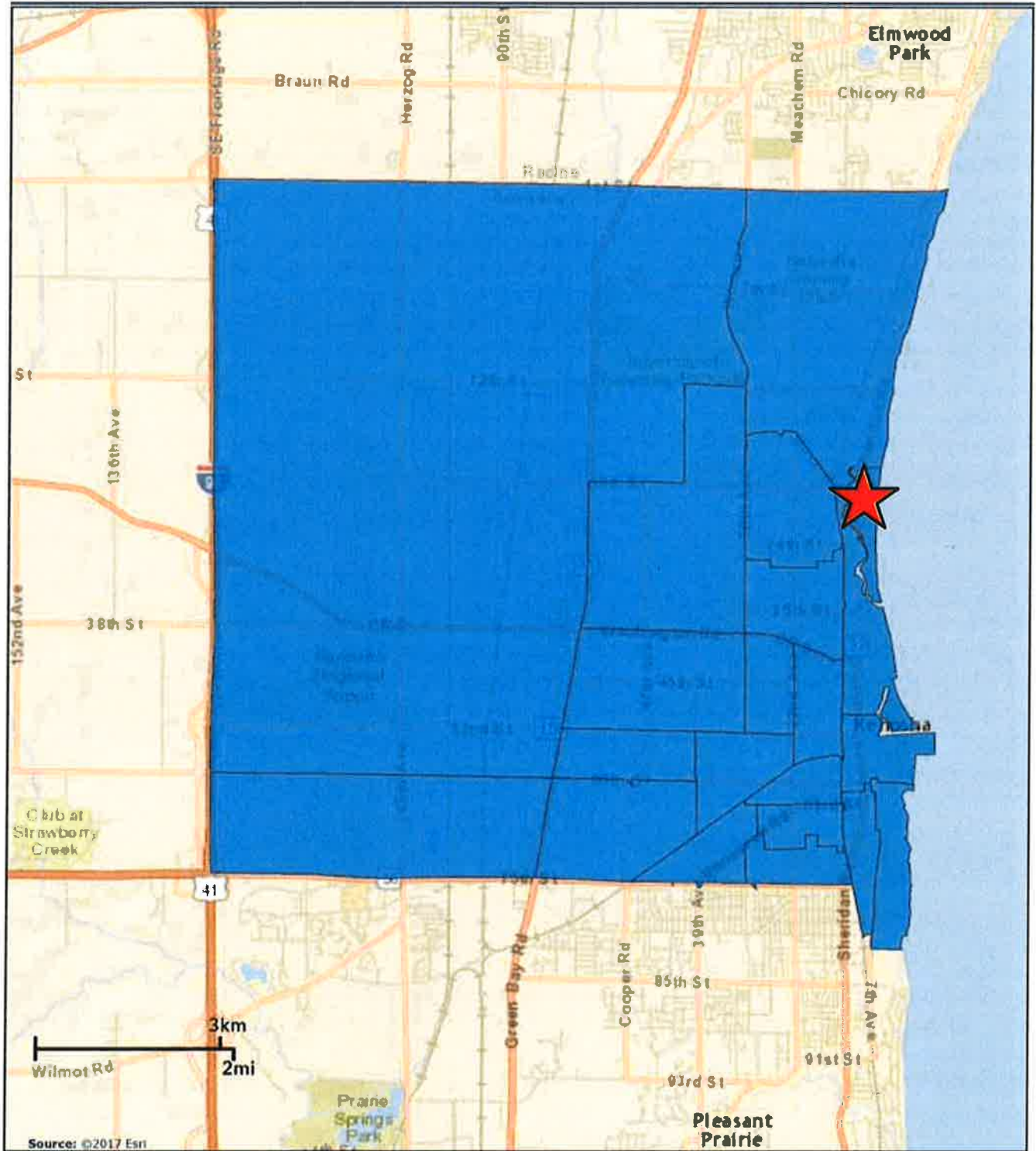
The PMA is defined as a geographic area from which a property is expected to draw the majority of its residents. Additionally, the PMA is the area in which similar properties compete with the subject property for tenants. The PMA for the proposed development must first be established before the influences of supply and demand can be assessed.

The site is located on the far east side of the City of Somers, WI. Interviews were conducted with property managers or potentially competing developments, the Somers and Kenosha planning department and other city and county officials. A consensus among those interviewed indicated that a predominant primary market for the development exists.

The strongest potential demand for housing associated with the development is anticipated to originate from within the PMA. A consensus among those persons interviewed, a review of the retail shopping patterns, a review of the commuting and transportation linkages for the surrounding area, a review of the employment base within the community, and a driving tour of the surrounding area indicate that the predominant PMA for the housing proposed for the Subject Property is bounded by the following 2010 U.S. Census Tracts: 1, 3, 4, 5, 6.01, 6.02, 7-19 and 26.01. The area is generally bounded by the Racine/Kenosha County border to the north, Interstate-94 to the west, Highway-50 to the south and Lake Michigan to the east.

Based on the site's pedestrian linkages, convenient access to major thoroughfares, proximity to numerous major employers, and discussions with property managers of potentially competing developments, it is likely that 20 to 25 percent of the residents that ultimately rent from the proposed development will originate from outside the PMA (most likely from other areas of Kenosha County). However, as a conservative approach, only the population from within the PMA will be analyzed in this study.

A map of the PMA is included on the following page.



## Population and Households

### Overall Demographic Analysis Summary

The following table provides a summary of the demographic makeup of the people residing within the PMA. According to the US Census Bureau and the ESRI BIS actual 2010 and forecasted 2018 and 2023 demographic data sets, the overall population is projected to increase by approximately 289 people per year for the five years ending in 2023, resulting in an overall gain of 1.6 percent. The number of households is projected to increase at a rate of about 97 per year for a gain of 1.4 percent. Owner occupied households are projected to increase while renter occupied households are projected to decrease.

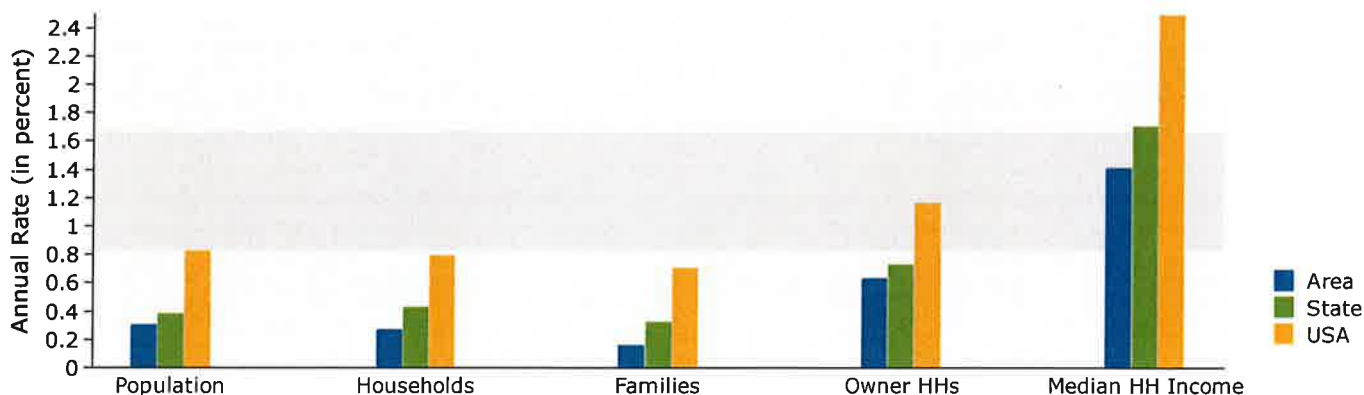
Demographic Summary					
Description	2010 US Census	2018 ESRI Forecasts	2023 ESRI Forecasts	% Change 2018-2023	Annual Change 2018-2023
Population	90,498	91,833	93,277	1.6%	288.8
Households	33,707	34,039	34,525	1.4%	97.2
Families	21,523	21,407	21,582	0.8%	35
Average Household Size	2.56	2.58	2.59	-	-
Owner Occupied Housing Units	19,585	17,820	18,396	3.2%	115.2
Renter Occupied Housing Units	14,122	16,219	16,129	-0.6%	-18
Median Age	33	34	35	-	-

Source: U.S. Census Bureau, Census 2010 Summary File 1. ESRI Forecasts for 2018 and 2023.

Trends: 2018-2023 Annual Rate			
Description	Area	State	National
Population	0.31%	0.39%	0.83%
Households	0.28%	0.43%	0.79%
Families	0.16%	0.33%	0.71%
Owner Occupied HHs	0.64%	0.73%	1.16%
Median Household Income	1.41%	1.71%	2.50%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

### Trends 2018-2023





Demographic Summary (continued)					
Demographic Summary	2010 US Census	2018 ESRI Forecasts	2023 ESRI Forecasts	Change 2018 to 2023	2018 to 2023 Annual Rate
Total Population	90,498	91,833	93,277	1,444	0.3%
Population 50+	23,694	27,645	29,192	1,547	1.1%
Median Age	33	34	35.0	0.7	0.4%
Households	33,707	34,039	34,525	486	0.3%
% Householders 55+	33.7%	39.5%	41.7%	2.2	1.1%
Owner/Renter Ratio	19,585.0	17,820.0	18,396.0	576	0.6%
Median Home Value	-	\$174,576	\$189,663	\$15,087	1.7%
Average Home Value	-	\$199,617	\$218,919	\$19,302	1.9%
Median Household Income	-	\$53,195	\$57,039	\$3,844	1.4%
Median Household Income for Householder 55+	-	\$43,879	\$47,174	\$3,295	1.5%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023

PMA Detailed Population/Age Distribution 2018 and 2023 ESRI Forecasted Annual Change			
Age Group	2018	2023	Average Annual Increase 2018 to 2023
Total	91,833	93,277	288.8
0-4	6,296	6,418	24.4
5-9	6,166	6,085	-16.2
10-14	6,126	5,949	-35.4
15-19	6,990	6,855	-27
20-24	7,411	7,180	-46.2
25-34	13,853	14,199	69.2
35-44	11,616	12,030	82.8
45-54	11,465	10,733	-146.4
55-59	5,751	5,302	-89.8
60-64	4,789	5,207	83.6
65-69	3,798	4,337	107.8
70-74	2,781	3,417	127.2
75-79	1,892	2,398	101.2
80-84	1,314	1,582	53.6
85+	1,585	1,585	0
Total Age 0-54	69,923	69,449	-94.8
Total Age 55+	21,910	23,828	383.6
Total Age 75+	4,791	5,565	154.8

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.

### Proposed Rental Rate Comparisons

For additional support relating to the proposed 30, 50, and 60 percent unit rents, we have also compared proposed rents to program and market rents to determine whether the proposed rents are reasonable and at a level that is at or below the prevailing income restricted comparable properties.

Parkview Proposed Unit Matrix							
# of Units	Unit Type	% of AMI	Net Rent \$/Mo.	Utility Allowance	Gross Rents	2018 Kenosha County Maximum Rent	Ratio of Proposed Gross Rents to Program Rents
<b>Senior</b>							
4	1 BR/1 BA	30%	\$372	\$46	\$418	\$418	100.0%
28	1 BR/1 BA	50%	\$651	\$46	\$697	\$697	100.0%
4	1 BR/1 BA	70%	\$850	\$46	\$896	\$976	91.8%
16	1 BR/1 BA	80%	\$875	\$46	\$921	\$1,115	82.6%
2	2 BR/2 BA	30%	\$438	\$63	\$501	\$501	100.0%
13	2 BR/2 BA	50%	\$773	\$63	\$836	\$836	100.0%
2	2 BR/2 BA	70%	\$1,000	\$63	\$1,063	\$1,170	90.9%
11	2 BR/2 BA	80%	\$1,030	\$63	\$1,093	\$1,338	81.7%
<b>Multifamily</b>							
11	3 BR/2 BA	50%	\$785	\$181	\$966	\$966	100.0%
5	3 BR/2 BA	80%	\$1,285	\$181	\$1,466	\$1,546	94.9%

Proposed Parkview Net Rents versus Estimated Achievable Market Rents					
# of Units	Unit Type	% of AMI	Net Rent \$/Mo.	Estimated Achievable Market Rents	Ratio of Proposed Net Rents to Estimated Achievable Market Rents
<b>Senior</b>					
4	1 BR/1 BA	30%	\$372	\$985	37.8%
28	1 BR/1 BA	50%	\$651	\$985	66.1%
4	1 BR/1 BA	70%	\$850	\$985	86.3%
16	1 BR/1 BA	80%	\$875	\$985	88.8%
2	2 BR/2 BA	30%	\$438	\$1,160	37.8%
13	2 BR/2 BA	50%	\$773	\$1,160	66.6%
2	2 BR/2 BA	70%	\$1,000	\$1,160	86.2%
11	2 BR/2 BA	80%	\$1,030	\$1,160	88.8%
<b>Multifamily</b>					
11	3 BR/2 BA	50%	\$785	\$1,475	53.2%
5	3 BR/2 BA	80%	\$1,285	\$1,475	87.1%

**Note:** Unit water, sewer, trash removal, hot water, and heat will be included in the rent for senior units. Unit water, sewer, and trash removal will be included in the rent for family units.

Our analysis suggests that all units are equal to or below allowable tax credit rent limits. The proposed rents are 81.7 to 100 percent of the 2018 Kenosha County Maximum Rent (program rents) and are therefore compliant with Kenosha County maximum rent levels. In addition, all of the proposed set side rents are 37.8 to 88.8 percent of estimated achievable market rents representing greater than a 10 percent discount to market rate rental rates in the PMA.

**Senior Capture Rate by Set-Aside**

<b>Tax Credit Capture Rate Chart</b>				
<b>Min Income*</b>	\$12,540			
<b>Max Income</b>	\$47,600			
<b>Households Assumed</b>	Over the Age of 65			
<b>Number of Households</b>		<b>Income Qualified Households</b>	<b>Renter Percentage</b>	<b>Renter Qualified for Project</b>
Less Than \$15,000	1,267	208	47.6%	99
\$15,000 to \$24,999	1,384	1,384	47.6%	659
\$25,000 to \$34,999	992	992	47.6%	472
\$35,000 to \$49,999	1,164	978	47.6%	466
\$50,000 to \$74,999	1,078	-	-	-
\$75,000 to \$99,999	703	-	-	-
\$100,000 to \$149,999	671	-	-	-
\$150,000 to \$199,999	189	-	-	-
Over \$200,000	200	-	-	-
<b>Total Households</b>	<b>7,648</b>	<b>3,562</b>	<b>47.6%</b>	<b>1,696</b>
<b>Income Qualified Renter HHs</b>				<b>1,696</b>
<b>Rental Units in Project</b>				80
<b>Capture Rate**</b>				<b>4.7%</b>

\*Based on rents proposed by project Developer (utilities included), represents 40 percent of gross household income

\*\*Number of proposed units divided by number of income eligible households

**Multifamily Capture Rate by Set-Aside**

<b>Tax Credit Capture Rate Chart</b>				
<b>Min Income*</b>	\$33,120			
<b>Max Income</b>	\$64,250			
<b>Households Assumed</b>	Households Under the Age of 65			
<b>Number of Households</b>	<b>Income Qualified Households</b>	<b>Renter Percentage</b>	<b>Renters Qualified for Project</b>	
Less Than \$15,000	2,661	-	-	-
\$15,000 to \$24,999	2,178	-	-	-
\$25,000 to \$34,999	2,599	488	60.9%	297
\$35,000 to \$49,999	3,391	3,391	22.6%	766
\$50,000 to \$74,999	4,786	2,728	22.6%	617
\$75,000 to \$99,999	3,755	-	-	-
\$100,000 to \$149,999	4,710	-	-	-
\$150,000 to \$199,999	1,371	-	-	-
Over \$200,000	1,135	-	-	-
<b>Total Households</b>	<b>26,586</b>	<b>6,607</b>	<b>25.4%</b>	<b>1,680</b>
<b>Income Qualified Renter HHS</b>				<b>1,680</b>
<b>Rental Units in Project</b>				16
<b>Capture Rate**</b>				<b>1.0%</b>

\*Based on rents proposed by project Developer (utilities included), represents 35 percent of gross household income

\*\*Number of proposed units divided by number of income eligible households

## Appendix 2.6: River Flats



**WHEDA**

Wisconsin Housing and Economic  
Development Authority

## Wisconsin Low-Income Housing Credit Allocation Certificate

**\*Include with your Wisconsin income/franchise tax return\***

Claimant's Legal Business Name: <b>RIVER FLATS APARTMENTS, LLC</b>	FEIN: <b>84-1925059</b>
Street Address or PO Box Number: <b>24 S BROOKE STREET</b>	Project Number: <b>6493</b>
City: <b>FOND DU LAC</b>	Placed in Service Date: <b>4/29/2021</b>
State: <b>WISCONSIN</b>	Certificate Issue Date: <b>9/15/2022</b>
Zip: <b>54935</b>	Taxable Year End:
Tax Year 1 Credit Amount: <b>\$743,547</b>	Tax Year 4 Credit Amount: <b>\$743,547</b>
Tax Year 2 Credit Amount: <b>\$743,547</b>	Tax Year 5 Credit Amount: <b>\$743,547</b>
Tax Year 3 Credit Amount: <b>\$743,547</b>	Tax Year 6 Credit Amount: <b>\$743,547</b>

- Include this certificate with your Wisconsin income/franchise tax return for each taxable year you claim the low-income housing credit.
- For additional information regarding low-income housing projects, contact WHEDA at 1-800-334-6873 or [info@wheda.com](mailto:info@wheda.com).
- For additional information regarding claiming the tax credit on your income/franchise tax return, contact the Wisconsin Department of Revenue at 608-266-2772 or [DORIncome@wisconsin.gov](mailto:DORIncome@wisconsin.gov).

*Special Instruction regarding the Taxable Year End field: It is the responsibility of the Claimant to update this field on an annual basis as part of the Wisconsin income/franchise tax return submission process.*

WHEDA Authorization:

Date: **9/15/2022**

Shreedhar Ranabhat  
Manager, Commercial Lending

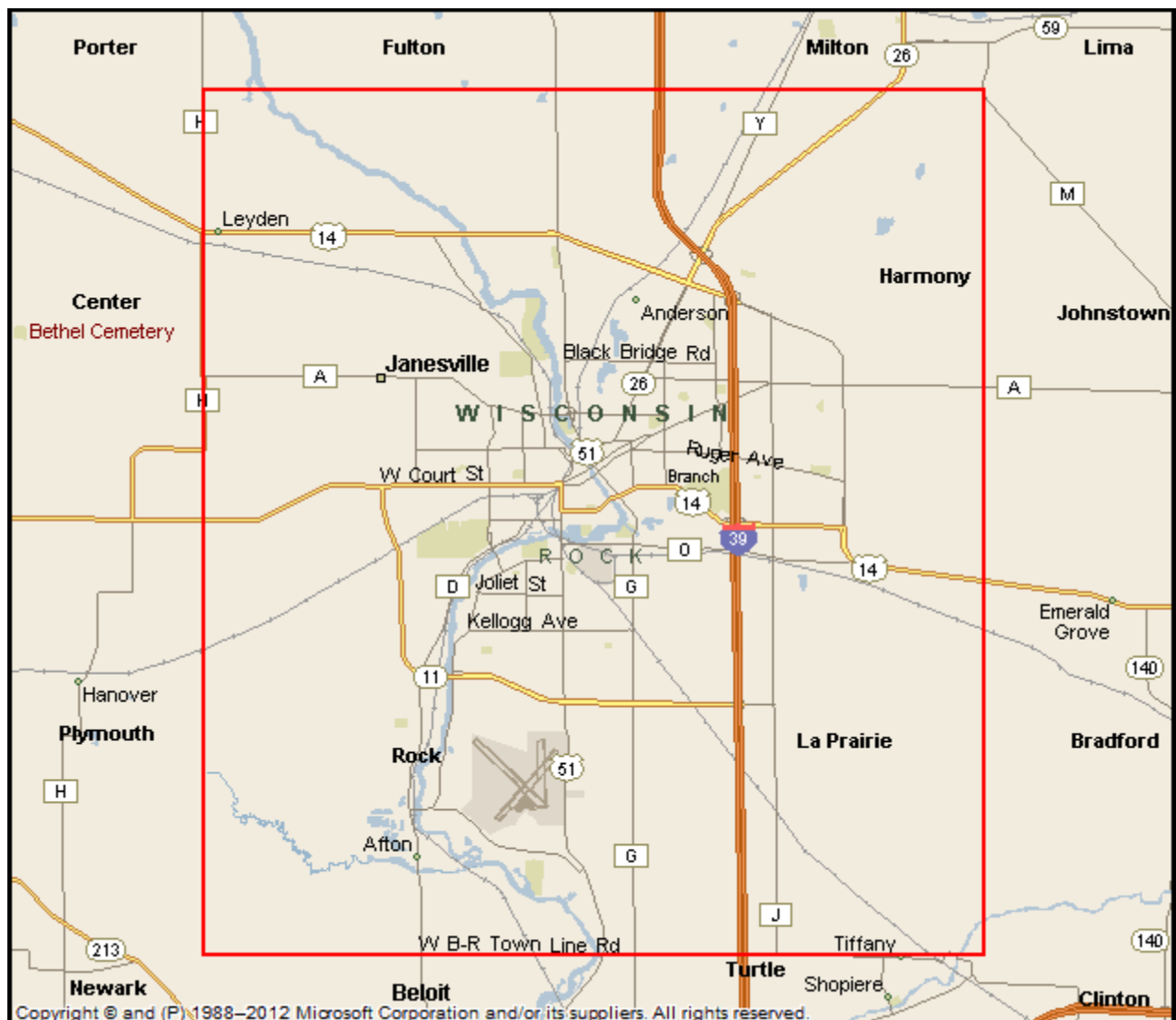


# MARKET AREA ANALYSIS

## PRIMARY MARKET AREA DEFINITION

The subject's primary market area is defined by the geographic boundaries from which the subject will attract most of its residents and in which the subject will compete with existing and proposed family multifamily developments. Households within a market area tend to retain residence within that area. The subject site is located in the City of Janesville, in Rock County in central southern Wisconsin. Rock County is part of the Madison-Baraboo Combined Statistical Area. Considering the size of Janesville and the subject's downtown location, we expect the subject will draw residents from throughout the city and the area immediately surrounding it. Thus, the subject market area is defined by the following area:

Market Area Borders	
North	F-J Town Line Road, E M-H Town Line Road
East	Milton Shopiere Road
South	W B-R Town Line Road, E L-T Town Line Road
West	N County Road H, S. Johnson Road



## **PRIMARY MARKET AREA METRICS**

The following is an overview of demographic data for the primary market area and comparable geographies.

<b>Population</b>					
<b>Geography</b>	<b>2000</b>	<b>2010</b>	<b>2019</b>	<b>2024</b>	<b>2000-2019 % Change</b>
Primary Market Area <sup>(1)</sup>	69,584	73,282	74,452	75,515	7.0%
City of Janesville <sup>(1)</sup>	61,481	63,575	64,270	65,002	4.5%
Rock County <sup>(1)</sup>	152,309	160,331	163,069	165,523	7.1%
Madison-Baraboo CSA <sup>(1)</sup>	687,729	765,766	827,749	856,816	20.4%
State of Wisconsin <sup>(1)</sup>	5,363,678	5,686,986	5,820,174	5,907,668	8.5%
<b>Employment</b>					
<b>Geography</b>	<b>2000</b>	<b>2010</b>	<b>2019</b>	<b>2024</b>	<b>2000-2019 % Change</b>
Primary Market Area <sup>(1)</sup>	N/A	N/A	36,835	N/A	N/A
City of Janesville <sup>(2)</sup>	30,438	30,221	31,572	N/A	3.7%
Rock County <sup>(2)</sup>	76,336	77,427	78,660	N/A	3.0%
Madison-Baraboo CSA <sup>(1)</sup>	N/A	N/A	452,829	N/A	N/A
State of Wisconsin <sup>(3)</sup>	2,868,382	2,814,393	2,974,705	N/A	3.7%
<b>Median Household Income</b>					
<b>Geography</b>	<b>2000</b>	<b>2010</b>	<b>2019</b>	<b>2024</b>	<b>2000-2019 % Change</b>
Primary Market Area <sup>(1)</sup>	N/A	N/A	\$56,768	\$60,867	N/A
City of Janesville <sup>(2)</sup>	\$45,961	\$48,752	\$53,998	\$57,792	17.5%
Rock County <sup>(2)</sup>	\$45,517	\$49,716	\$55,435	\$59,246	21.8%
Madison-Baraboo CSA <sup>(1)</sup>	N/A	N/A	\$70,429	\$78,527	N/A
State of Wisconsin <sup>(3)</sup>	\$44,503	\$48,974	\$61,626	\$67,372	38.5%
<b>Housing Units</b>					
<b>Geography</b>	<b>2000</b>	<b>2010</b>	<b>2019</b>	<b>2024</b>	<b>2000-2019 % Change</b>
Primary Market Area <sup>(1)</sup>	N/A	N/A	32,778	33,308	N/A
City of Janesville <sup>(2)</sup>	25,083	27,996	28,787	29,189	14.8%
Rock County <sup>(2)</sup>	62,187	68,422	70,505	71,781	13.4%
Madison-Baraboo CSA <sup>(1)</sup>	N/A	N/A	368,057	382,070	N/A
State of Wisconsin <sup>(3)</sup>	2,321,157	2,624,358	2,731,415	2,785,082	17.7%

1. Per Environics Segmentation & Market Solutions

N/A = Not Available

2. Per US Census Bureau 2000 & 2010 data, 2019 & 2024 per Environics data

3. Per Wisconsin Department of Workforce Development 2000 & 2010 data, 2019 & 2024 per Environics data

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# DEMAND ANALYSIS

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The source of demand for the subject's units consists primarily of its target market. Our demand analysis first entailed defining the subject's target market. Second, the target market was quantified in terms of households.

## **TARGET MARKET DEFINITION**

The subject's target market consists of age and income-qualified households. The subject will serve family tenants which we define as households with a head of household below the age of 65. Only those households having appropriate income levels will be considered among the pool of potential tenants. A current upper income limit of \$58,600 has been set as the maximum for the subject's 80% AMI units based on limits imposed by the tax credit program for five person households in Rock County. The low end of the relevant income ranges were determined by calculating the income required for payment of the subject's rents plus utility allowances while not exceeding 35% of the household's income. Given these age and income parameters, the target market consists of family households with incomes between \$15,700 and \$58,600 for the subject's income-restricted units.

This analysis restricts the target market to include only renter households. Tenure projections based on census data indicates 41.4% of one- to five-person, below age 65 households in the defined market with incomes between \$15,700 and \$58,600 rented rather than owned their housing unit.

## **TARGET MARKET DEMOGRAPHIC TRENDS**

Given the above target market definition, the universe of potential tenants for the subject's income-restricted units is currently 2,988 households and is projected to decrease to 2,845 households by 2024. The number of households are estimated to decrease between 2019 and 2024 within the primary market area for the subject's income-restricted target market cohorts due to the general aging of the primary market area population, and a projected increase in over age 65 households.

Target market data is presented on the following page.

TARGET MARKET DATA				
River Flats				
Population <sup>(1)</sup>	2000	2010	2019	2024
Total Population - Census & Environics Analytics (1)	69,584	73,282	74,452	75,515
Under Age 65		63,144	61,826	61,001
Age 65 and over		10,137	12,625	14,514
% Change In Population (from previous period)		5.3%	1.6%	1.4%
% Change In Population <65			-2.1%	-1.3%
% Change In Population 65+			24.5%	15.0%
Households - Per Census & Environics Analytics (1)	27,362	29,506	30,227	30,729
Percentage Change in Households (from pervious)		7.8%	2.4%	1.7%
Average Household Size (1)			2.43	2.43
Household Income <sup>(2)</sup>	<Age 65 Households		2019	2024
\$0-\$9,999			732	624
\$10,000-\$14,999			928	791
\$15,000-\$19,999			1,032	893
\$20,000-\$24,999			1,053	910
\$25,000-\$29,999			1,190	1,065
\$30,000-\$34,999			952	851
\$35,000-\$39,999			810	731
\$40,000-\$49,999			1,764	1,592
\$50,000-\$74,999			4,278	4,025
\$75,000-\$99,999			3,400	3,298
\$100,000-\$149,999			3,781	4,135
\$150,000-\$199,999			1,074	1,259
\$200,000+			1,066	1,288
			<b>Total &lt;Age 65 Households</b>	<b>22,060</b>
				<b>21,462</b>

Estimate of Target Market Households		
	Income-Restricted Households <sup>(3)</sup>	
	2019	2024
2019 Age <65 HH's, 29% to 80% AMI - \$15,700 to \$58,600 HH Income	7,218	
2024 Age <65 HH's, 24% to 60% AMI - \$15,090 to \$50,740 HH Income		6,871
Age 18 to 64 Household Renter Percentage <sup>(4)</sup>	41.4%	41.4%
Age 18 to 64 Target Market Households	2,988	2,845
<p>(1) Source: 2000 &amp; 2010 US Census, Projections from Environics Analytics</p> <p>(2) Source: Environics Analytics - <i>Household Income By Age of Householder</i></p> <p>(3) 2024 Income Range calculated by increasing 2019 target market income range by 7.2% based upon Environics Analytics' projected increase in market area median household income between 2019 and 2024.</p> <p>(4) Source: Projected from 2010 Census data</p>		

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# RECONCILIATION OF SUPPLY AND DEMAND

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In reconciling supply and demand in the primary market area for the subject's units, we have examined measures of market performance with respect to the subject proposal as well as vacancy and absorption.

## **MARKET PERFORMANCE MEASURES**

Measures of the primary market area's ability to support the subject's development are discussed below.

### **Capture Rate**

Capture rate is a measure of the proportion of the target market required for full occupancy. A capture rate is calculated by dividing the proposed number of subject units by the estimated number of target market households as of 2019. A resulting rate of 3.1% is calculated for the subject's units. This capture rate indicates that the primary market area appears to include a sufficiently large target market to absorb the subject's units.

### **Penetration Rate**

Penetration rate considers the subject's proposed units along with existing and proposed similar comparable properties in relation to market demand. The sum of the subject's proposed units, plus existing comparable units and proposed comparable units, is divided by estimated target market households as of 2019. As a result, a penetration rate of 9.3% is calculated for the subject's units. This rate means that the subject and its most direct competitors must attract approximately 9% of all potentially qualifying target market households to achieve full occupancy which leaves the remaining 91% of qualifying target market households to be satisfied by less directly competitive forms of rental housing.

Full penetration of the market with supply would occur at a one-to-one ratio of target market households to appropriate supply, or penetration of 100%. We consider the market's 9.1% penetration rate, assuming development of the subject, as evidence that the primary market area is not overbuilt with affordable general occupancy/family rental housing and there is an unmet need for affordable family rental housing in the primary market area.

A summary of these market performance measures is shown on the following page.



<b>MARKET PERFORMANCE MEASURES</b>					
<b>River Flats</b>					
	<b>30% AMI Units</b>	<b>50% AMI Units</b>	<b>60% AMI Units</b>	<b>80% AMI Units</b>	<b>Total Units</b>
Subject Units	19	22	15	36	<b>92</b>
Minimum Gross Rent	\$458	\$763	\$858	\$1,048	<b>\$458</b>
Assumed Household Size	1-5 Person	1-5 Person	1-5 Person	1-5 Person	<b>1-5 Person</b>
Lower Income Limit	\$15,700	\$26,160	\$29,420	\$35,930	<b>\$15,700</b>
Upper Income Limit	\$21,990	\$36,650	\$43,980	\$58,600	<b>\$58,600</b>
Income Qualified Households	1,307	2,133	2,602	3,895	<b>7,218</b>
Renter Percentage	67.3%	46.4%	38.3%	27.9%	<b>41.4%</b>
Target Market Households	879	990	997	1,087	<b>2,988</b>
Comparable Units - Existing (1)	20	71	72	22	<b>185</b>
Comparable Units - Proposed	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<b>0</b>
Unmet Potential Demand	859	919	925	1,065	<b>2,803</b>
<b>Demand and Supply Ratios</b>					
Capture Rate (2)	2.2%	2.2%	1.5%	3.3%	<b>3.1%</b>
Penetration Rate (3)	4.5%	9.4%	8.7%	5.3%	<b>9.3%</b>
<p>(1) Twenty percent of the market area's subsidized family apartment units, and all the income-restricted and market rate apartment units with the primary market area's tax credit affordable family apartment properties are considered to be competitive with the subject property.</p> <p>(2) The percentage of target market required for subject full occupancy - Subject units divided by target market households.</p> <p>(3) The percentage of target market that the subject and its existing and future competition must share - Subject units plus existing competitive units plus proposed competitive units divided by target market households.</p>					

## **MARKET VACANCY**

The three primary market area family tax credit developments, with a total of 117 family apartment units, have a weighted-average vacancy rate of 0.9%. The seven primary market area rent comparables used in our rent analysis that responded to our occupancy survey, with a total of 561 apartment units, have a weighted-average vacancy rate of 3.4%. Considering the primary market area vacancy data we have collected, we estimate a 5% stabilized vacancy rate for the subject property for underwriting purposes.

## **ABSORPTION ANALYSIS**

Absorption results of Wisconsin family tax credit apartment properties are summarized on the following page.

## Appendix 2.7: Meadow Village



### Wisconsin Low-Income Housing Credit Allocation Certificate

**\*Include with your Wisconsin income/franchise tax return\***

Claimant's Legal Business Name: CB MEADOW VILLAGE, LLC	FEIN: 84-3056927
Street Address or PO Box Number: 1080 MONTREAL AVE	Project Number: 6484
City: ST PAUL	Placed in Service Date: 7/14/2020
State: MINNESOTA	Certificate Issue Date: 6/17/2022
Zip: 55116	Taxable Year End:
Tax Year 1 Credit Amount: \$542,880	Tax Year 4 Credit Amount: \$542,880
Tax Year 2 Credit Amount: \$542,880	Tax Year 5 Credit Amount: \$542,880
Tax Year 3 Credit Amount: \$542,880	Tax Year 6 Credit Amount: \$542,880

- Include this certificate with your Wisconsin income/franchise tax return for each taxable year you claim the low-income housing credit.
- For additional information regarding low-income housing projects, contact WHEDA at 1-800-334-6873 or [info@wheda.com](mailto:info@wheda.com).
- For additional information regarding claiming the tax credit on your income/franchise tax return, contact the Wisconsin Department of Revenue at 608-266-2772 or [DORIncome@wisconsin.gov](mailto:DORIncome@wisconsin.gov).

*Special Instruction regarding the Taxable Year End field: It is the responsibility of the Claimant to update this field on an annual basis as part of the Wisconsin income/franchise tax return submission process.*

WHEDA Authorization:

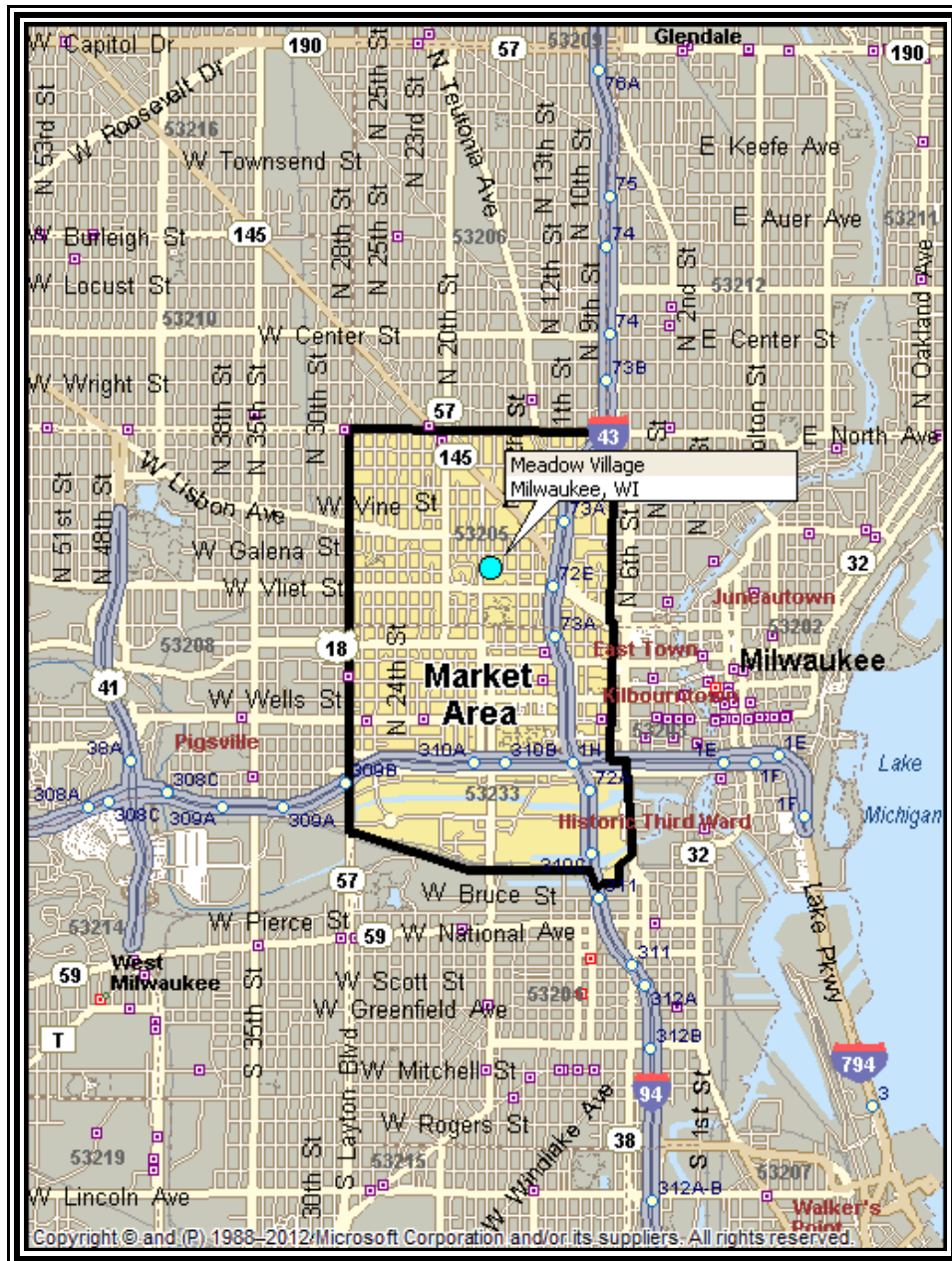
Date: 6/17/2022

Shreedhar Ranabhat  
Manager, Commercial Lending

## MARKET AREA DESCRIPTION

### MARKET AREA DEFINITION

The subject's market area is defined by the geographic boundaries from which the subject will attract most of its residents and in which the subject will compete with existing and proposed multi-family developments. For purposes of comparing demand and supply of similar housing, we have defined the subject's market area as Milwaukee Zip Codes 53205 and 53233 as shown below.



## MARKET AREA OVERVIEW

Following is a brief review of the social and economic forces that influence the area.

### POPULATION (1)

	<u>2000</u>	<u>2010</u>	<u>2018 (2)</u>	<u>% Change</u>
Market Area (3)	25,864	26,503	26,535	2.6%
Milwaukee	596,974	594,833	595,555	-0.2%
Milwaukee County	940,164	947,735	950,381	1.1%
Wisconsin	5,363,715	5,686,986	5,816,231	8.4%

### EMPLOYMENT (4)

	<u>2000</u>	<u>2010</u>	<u>2017</u>	<u>% Change</u>
Milwaukee	265,981	251,680	268,452	0.9%
Milwaukee County	453,896	428,834	458,982	1.1%
Wisconsin	2,868,382	2,814,393	3,049,195	6.3%

### UNEMPLOYMENT (4)

	<u>2000</u>	<u>2010</u>	<u>2017</u>	<u>% Change</u>
Milwaukee	5.5%	11.9%	4.6%	-16.4%
Milwaukee County	4.4%	10.0%	4.0%	-9.1%
Wisconsin	3.5%	8.7%	3.3%	-5.7%

### MEDIAN HOUSEHOLD INCOME (1)

	<u>2018 (3)</u>	<u>% of State</u>
Market Area	\$19,456	32.7%
Milwaukee	\$40,301	67.8%
Milwaukee County	\$48,832	82.1%
Wisconsin	\$59,457	

### 2018 HOUSING UNITS (3)

	<u>Median House Value</u>	<u>Median Year Built</u>	<u>Percent Renters</u>
Market Area	85,380	1942	86.0%
Milwaukee	128,186	1951	56.6%
Milwaukee County	165,161	1955	48.9%
Wisconsin	179,147	1974	32.0%

## DEMAND ANALYSIS

The source of demand for the subject's units consists primarily of its target market. We first defined the subject's target market. Second, the target market was quantified in terms of households.

### TARGET MARKET DEFINITION

The subject's target market consists of age and income-qualified renter households. Although the subject's units will not be age-restricted, we have excluded seniors (age 65+) from consideration due to the significant amount of senior housing development in Milwaukee and surrounding areas that provides specifically targeted alternative housing options to this age group. Demand for the subject's units with Section 8 rental assistance was based on <65 renter households with incomes under approximately \$41,750 (the 50% CMI income level for a five-person household). No lower income limit was used since the subject's rents will be subsidized according to tenant income levels.

We consider demand for the subject's subsidized units to derive nearly entirely from renter households. As of the 2010 Census, approximately 94% of the market area's <62 households with incomes under \$40,000 were renters. Therefore, we have included 94% of otherwise age and income qualified households as representing primary demand for the subject.

### TARGET MARKET DEMOGRAPHIC TRENDS

Given the above target market definition, the universe of potential tenants for the subject's subsidized units has been estimated at 5,689 households as of 2018 which is expected to fall slightly to 5,619 as of 2023.

Target market data is presented below.

### TARGET MARKET DATA Zip Codes 53205 & 53233

<u>Households - Per Nielson Claritas (1)</u>	<u>2000</u>	<u>2018</u>	<u>2023</u>
Under 65	7,554	7,867	7,740
65 and over	1,223	1,163	1,373
Total Households	8,777	9,030	9,113
Percentage Change Households <65		4.1%	-1.6%
Percentage Change Households 65+		-4.9%	18.1%
<u>Household Income (2)</u>		<u>&lt;65 Households</u>	
Under \$14,999		3,324	3,049
\$15,000-\$24,999		1,308	1,253
\$25,000-\$34,999		988	1,021
\$35,000-\$49,999		960	922
\$50,000-\$74,999		704	784
\$75,000-\$99,999		253	301
\$100,000-\$124,999		118	151
\$125,000-\$149,999		78	91
\$150,000-\$199,999		61	73
Over \$200,000		73	95
Total		7,867	7,740



**Estimate of Target Market Households**

	<u>2018</u>	<u>2023</u>
2018 <65 Under \$41,750	6,052	
2023 <65 Under \$45,660 (3)		5,978
Renter Percentage (4)	<u>94.0%</u>	<u>94.0%</u>
 Target Market Households	 5,689	 5,619

(1) Source: Nielson Claritas

(2) Source: Nielson Claritas

(3) 2023 Income Range calculated by increasing 2018 target market income range by 9.37%, the increase in med household income projected for the market area from 2018 to 2023.

(4) Source: 2010 Census; Ribbon Demographics/Claritas

**TARGET MARKET DEMOGRAPHIC TRENDS - Without Section 8 Subsidy**

Without Section 8 rent subsidy, demand for the subject would be based on a different income range with 60% AMI upper income limits and *affordable* lower income limits; lower limits are based on the lowest monthly achievable tax credit rent plus utility allowance divided by 35% for family units with the results being multiplied by 12 to annualized monthly incomes. Given these modifications and assuming no rent subsidy, the universe of potential tenants for the subject’s family units has been estimated at 891 as of 2018. Demand for subsidized units is significantly greater than for non-subsidized units. Target market data is presented below.

**TARGET MARKET DATA**  
**Zip Codes 53205 & 53233**

<u>Housedholds - Per Nielson Claritas (1)</u>	<u>2000</u>	<u>2018</u>	<u>2023</u>
Under 65	7,554	7,867	7,740
65 and over	1,223	1,163	1,373
 Total Households	 8,777	 9,030	 9,113
Percentage Change Households <65		4.1%	-1.6%
Percentage Change Households 65+		-4.9%	18.1%

Household Income (2)

<65 Households

Under \$14,999	3,324	3,049
\$15,000-\$24,999	1,308	1,253
\$25,000-\$34,999	988	1,021
\$35,000-\$49,999	960	922
\$50,000-\$74,999	704	784
\$75,000-\$99,999	253	301
\$100,000-\$124,999	118	151
\$125,000-\$149,999	78	91
\$150,000-\$199,999	61	73
Over \$200,000	73	95
 Total	 7,867	 7,740

## RECONCILIATION OF SUPPLY AND DEMAND

In reconciling supply and demand in the market area for the subject's units, we have examined several measures of market performance with respect to the subject proposal, as well as, vacancy rates.

### MARKET PERFORMANCE MEASURES

Several measures of the market area's ability to support the subject's development are discussed below.

#### Market Capture

Market capture is a measure of the proportion of the target market required for full occupancy. A capture rate was calculated by dividing the number of subject units by the estimated number of age-income-qualified renter households applicable to the subject's units as of 2018. A rate of 1.6% was calculated for all of the subject's units. The market area appears to include a very large base of target market households.

#### Market Penetration

Market penetration considers the subject's units along with existing and proposed similar comparable properties in relation to market demand. The sum of the subject's units plus existing comparable units plus proposed comparable units were divided by estimated target market households as of 2018. Six subsidized family projects containing 238 three and four bedroom units are located in the market area; these units were considered to directly compete with the subject's units. As a result, a penetration rate of 5.8% was calculated. This rate indicates that both the target market of lower income renter households is large and supply is also significant. We consider this penetration rate as a positive indication that the subject is capable of achieving high occupancy rates based on an ample target market served by a moderate supply of similar subsidized housing. A summary of these market performance measures is shown as follows.

### MARKET PERFORMANCE STATISTICS

#### Zip Codes 53205 & 53233

Subject Units	90
Lower Income Limit	\$0
Upper Income Limit	\$41,750
Target Market Households	5,689
Comparable Units - Subsidized (1)	238
Comparable Units - Tax Credit (1)	0
Comparable Units - Market Rate (1)	0
Total Comparable Units	238

#### Demand and Supply Ratios

Capture Rate - (2)	1.6%
Penetration Rate (3)	5.8%

(1) Includes 6 competing non-senior subsidized property in the market area.

(2) The percentage of target market required for subject full occupancy - Subject units divided by Target Market.

(3) The percentage of the target market required for the subject and its competition to maintain full occupancy - Subject units plus competitive units divided by Target Market.

## Appendix 2.8: Milwaukee Scattered Sites No. 2



### Wisconsin Low-Income Housing Credit Allocation Certificate

**\*Include with your Wisconsin income/franchise tax return\***

Claimant's Legal Business Name: <b>MILWAUKEE SCATTERED SITES NO. 2, LLC</b>	FEIN: <b>83-3359756</b>
Street Address or PO Box Number: <b>200 N. MAIN ST.</b>	Project Number: <b>6496</b>
City: <b>OREGON</b>	Placed in Service Date: <b>6/29/2020</b>
State: <b>WISCONSIN</b>	Certificate Issue Date: <b>8/3/2022</b>
Zip: <b>53575</b>	Taxable Year End:
Tax Year 1 Credit Amount: <b>\$358,532</b>	Tax Year 4 Credit Amount: <b>\$358,532</b>
Tax Year 2 Credit Amount: <b>\$358,532</b>	Tax Year 5 Credit Amount: <b>\$358,532</b>
Tax Year 3 Credit Amount: <b>\$358,532</b>	Tax Year 6 Credit Amount: <b>\$358,532</b>

- Include this certificate with your Wisconsin income/franchise tax return for each taxable year you claim the low-income housing credit.
- For additional information regarding low-income housing projects, contact WHEDA at 1-800-334-6873 or [info@wheda.com](mailto:info@wheda.com).
- For additional information regarding claiming the tax credit on your income/franchise tax return, contact the Wisconsin Department of Revenue at 608-266-2772 or [DORIncome@wisconsin.gov](mailto:DORIncome@wisconsin.gov).

*Special Instruction regarding the Taxable Year End field: It is the responsibility of the Claimant to update this field on an annual basis as part of the Wisconsin income/franchise tax return submission process.*

WHEDA Authorization:

Date: 8/3/2022

Shreedhar Ranabhat  
Manager, Commercial Lending

## Location and Market Area Definition

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### Primary Market Area (“PMA”)

The PMA is defined as a geographic area from which a property is expected to draw the majority of its residents. Additionally, the PMA is the area in which similar properties compete with the subject property for tenants. The PMA for the proposed development must first be established before the influences of supply and demand can be assessed.

The scattered sites are primarily located within the Sherman Park, Washington Park, Park West and Metcalfe Park neighborhoods in the City of Milwaukee, Wisconsin. The general boundaries of the scattered sites are: West Townsend Street to the north, West Vliet Street to the south, North Sherman Boulevard to the west, and North 20<sup>th</sup> Street to the east.

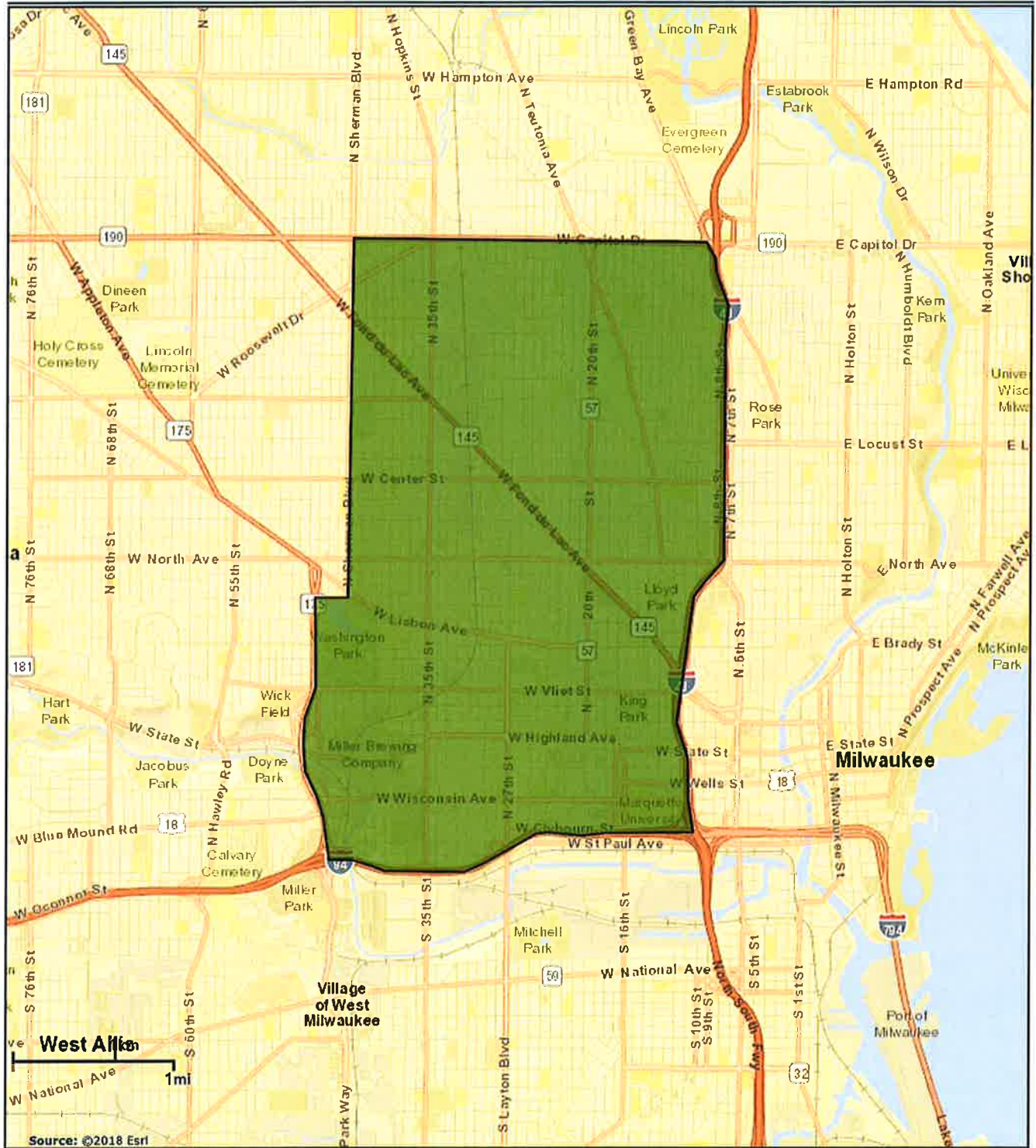
Interviews were conducted with property managers or potentially competing developments. A consensus among those interviewed indicated that a predominant primary market for the development exists. The strongest potential demand for housing associated with the development is anticipated to originate from within the PMA. A consensus among those persons interviewed, a review of the retail shopping patterns, a review of the commuting and transportation linkages for the surrounding area, a review of the employment base within the community, and a driving tour of the surrounding area indicate that the predominant PMA for the housing proposed for the Subject Property is bounded by Capitol Drive/HWY 57/90 to the north, Interstate 43 to the east, Interstate 94 to the south and Highway 175 and Sherman Boulevard to the west.

Based on the site’s pedestrian linkages, convenient access to major thoroughfares, proximity to numerous major employers, and discussions with property managers of potentially competing developments, it is likely that 20 to 25 percent of the residents that ultimately rent from the proposed development will originate from outside the PMA (most likely from other areas of Milwaukee County). However, as a conservative approach, only the population from within the PMA will be analyzed in this study.

A map of the PMA is included on the following page.



PMA Map





## Population and Households

### Overall Demographic Analysis Summary

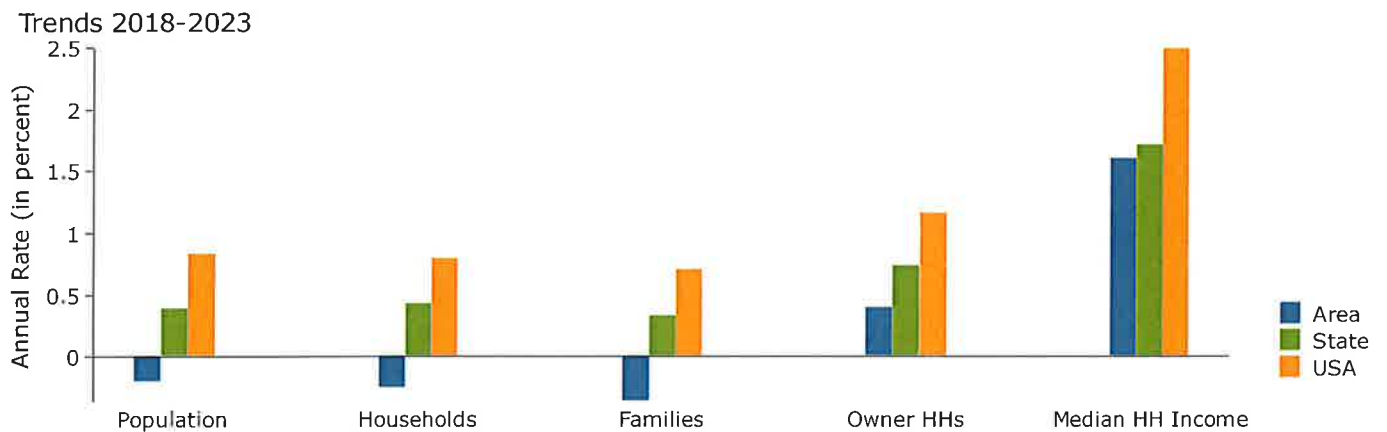
The following table provides a summary of the demographic makeup of the people residing within the PMA. According to the US Census Bureau and the ESRI BIS actual 2010 and forecasted 2018 and 2023 demographic data sets, the overall population is projected to decrease by approximately 179 people per year for the five years ending in 2023, resulting in an overall loss of 1.0 percent. The number of households is projected to decrease at a rate of about 76 per year for a loss of 1.2 percent. Owner occupied households are projected to increase while renter occupied households are projected to decrease.

Demographic Summary					
Description	2010 US Census	2018 ESRI Forecasts	2023 ESRI Forecasts	% Change 2018-2023	Annual Change 2018-2023
Population	89,384	87,916	87,019	-1.0%	-179.4
Households	31,326	30,831	30,450	-1.2%	-76.2
Families	17,695	17,116	16,814	-1.8%	-60.4
Average Household Size	2.69	2.69	2.70	-	-
Owner Occupied Housing Units	8,677	7,612	7,764	2.0%	30.4
Renter Occupied Housing Units	22,649	23,219	22,686	-2.3%	-106.6
Median Age	25	27	28	-	-

Source: U.S. Census Bureau, Census 2010 Summary File 1. ESRI Forecasts for 2018 and 2023.

Trends: 2018-2023 Annual Rate			
Description	Area	State	National
Population	-0.20%	0.39%	0.83%
Households	-0.25%	0.43%	0.79%
Families	-0.36%	0.33%	0.71%
Owner Occupied HHs	0.40%	0.73%	1.16%
Median Household Income	1.60%	1.71%	2.50%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2018 and 2023.



**Captures Rates**

Capture Rate by Set-Aside

<b>Tax Credit Capture Rate Chart</b>				
<b>Min Income*</b>	\$24,103			
<b>Max Income</b>	\$53,820			
<b>Households Assumed</b>	Under the Age of 65			
<b>Number of Households</b>	<b>Income Qualified Households</b>	<b>Renter Percentage</b>	<b>Renter Qualified for Project</b>	
Less Than \$15,000	8,756	-	-	-
\$15,000 to \$24,999	3,902	350	76.6%	268
\$25,000 to \$34,999	3,482	3,482	76.6%	2,667
\$35,000 to \$49,999	3,303	3,303	41.2%	1,361
\$50,000 to \$74,999	2,856	436	41.2%	180
\$75,000 to \$99,999	1,239	-	-	-
\$100,000 to \$149,999	1,017	-	-	-
\$150,000 to \$199,999	273	-	-	-
Over \$200,000	242	-	-	-
<b>Total Households</b>	<b>25,069</b>	<b>7,571</b>	<b>59.1%</b>	<b>4,476</b>
<b>Income Qualified Renter HHs</b>				<b>4,476</b>
<b>Rental Units in Project</b>				<b>50</b>
<b>Capture Rate**</b>				<b>1.1%</b>

\*Based on rents proposed by project Developer (utilities included), represents 35 percent of gross household income

\*\*Number of proposed units divided by number of income eligible households

## Appendix 2.9: The 1300



**WHEDA**

Wisconsin Housing and Economic  
Development Authority

## Wisconsin Low-Income Housing Credit Allocation Certificate

**\*Include with your Wisconsin income/franchise tax return\***

Claimant's Legal Business Name: 1300, LLC	FEIN: 32-0585375
Street Address or PO Box Number: 525 2ND STREET	Project Number: 6497
City: GLENWOOD CITY	Placed in Service Date: 5/25/2021
State: WISCONSIN	Certificate Issue Date: 3/22/2022
Zip: 54013	Taxable Year End:
Tax Year 1 Credit Amount: \$398,627	Tax Year 4 Credit Amount: \$398,627
Tax Year 2 Credit Amount: \$398,627	Tax Year 5 Credit Amount: \$398,627
Tax Year 3 Credit Amount: \$398,627	Tax Year 6 Credit Amount: \$398,627

- Include this certificate with your Wisconsin income/franchise tax return for each taxable year you claim the low-income housing credit.
- For additional information regarding low-income housing projects, contact WHEDA at 1-800-334-6873 or [info@wheda.com](mailto:info@wheda.com).
- For additional information regarding claiming the tax credit on your income/franchise tax return, contact the Wisconsin Department of Revenue at 608-266-2772 or [DORIncome@wisconsin.gov](mailto:DORIncome@wisconsin.gov).

*Special Instruction regarding the Taxable Year End field: It is the responsibility of the Claimant to update this field on an annual basis as part of the Wisconsin income/franchise tax return submission process.*

WHEDA Authorization:

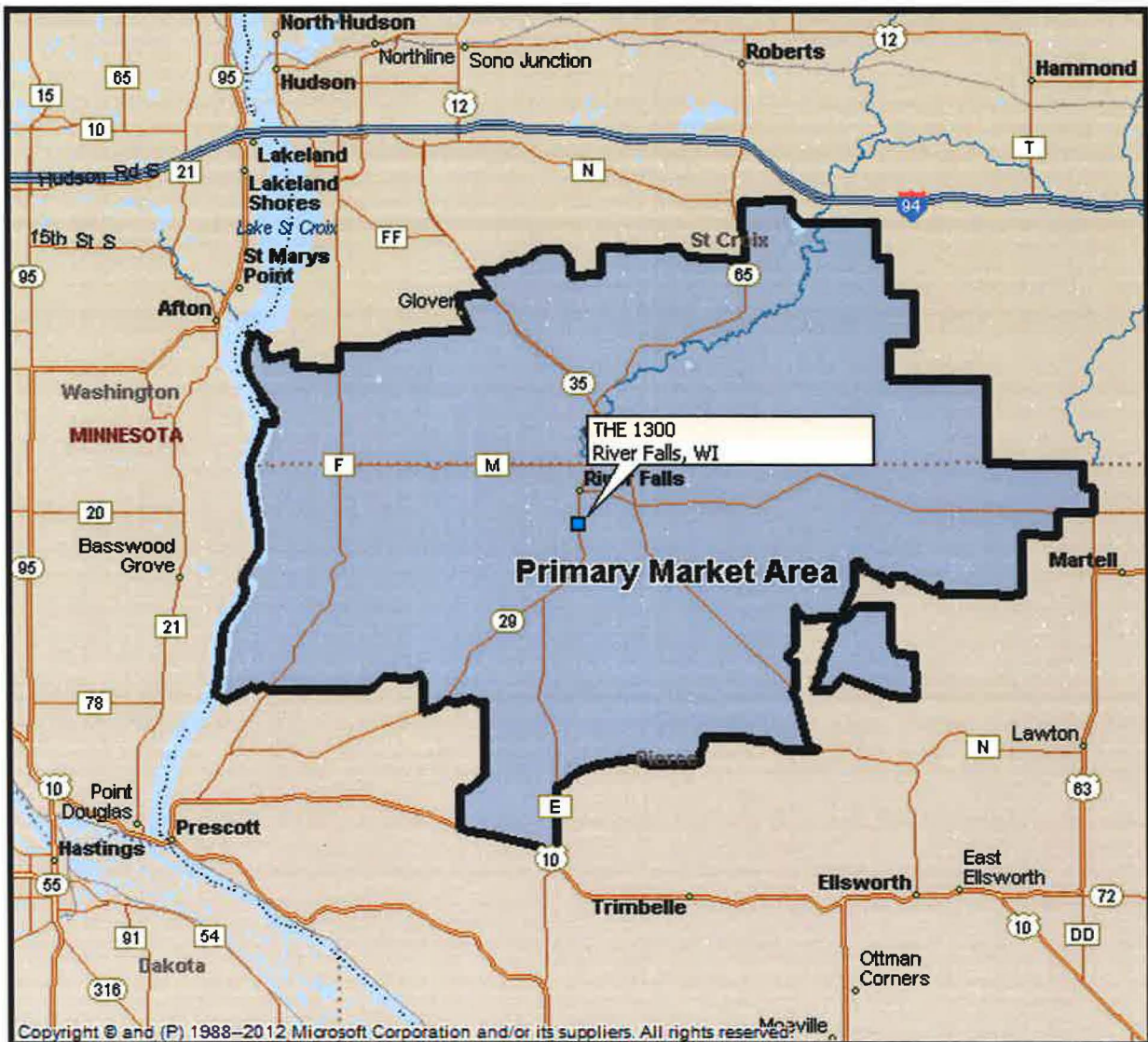
Date: 3/21/2022

Shreedhar Ranabhat  
Manager, Commercial Lending

# MARKET AREA ANALYSIS

## PRIMARY MARKET AREA DEFINITION

The subject's primary market area is defined by the geographic boundaries from which it will attract most of its residents and from which it will compete with existing and proposed general occupancy/family multifamily developments. Households within a market area tend to retain residence within that area. We have defined the subject's primary market area as Zip Code area 54022. This area is comprised of the City of River Falls and all or portions of the townships surrounding the city. River Falls is the largest employment, retail, medical services, and population center in the area. The following is a Market Area Map.





## MARKET AREA METRICS

The following is an overview of demographic data for the market area and comparable geographies.

Population					
Geography	2000	2010	2018	2023	2000-2018 % Change
Primary Market Area <sup>(1)</sup>	19,411	22,290	22,849	23,336	17.7%
City of River Falls <sup>(1)</sup>	12,990	15,000	15,736	15,993	21.1%
Pierce County <sup>(1)</sup>	36,804	41,019	41,476	42,106	12.7%
St. Croix County <sup>(1)</sup>	63,155	84,345	88,949	91,573	40.8%
Minneapolis/St. Paul MSA <sup>(1)</sup>	4,128,555	4,506,722	4,762,342	4,928,280	15.4%
State of Wisconsin <sup>(1)</sup>	5,363,678	5,686,986	5,797,217	5,873,988	8.1%
Employment					
Geography	2000	2010	2018	2023	2000-2018 % Change
Primary Market Area <sup>(1)</sup>	11,472	N/A	12,864	N/A	12.1%
City of River Falls <sup>(2)</sup>	7,774	8,798	8,788	N/A	13.0%
Pierce County <sup>(2)</sup>	21,095	23,202	23,325	N/A	10.6%
St. Croix County <sup>(2)</sup>	34,905	44,484	48,369	N/A	38.6%
Minneapolis/St. Paul MSA <sup>(2)</sup>	N/A	N/A	2,519,922	N/A	N/A
State of Wisconsin <sup>(3)</sup>	2,868,382	2,814,393	2,944,106	N/A	2.6%
Median Household Income					
Geography	2000	2010	2018	2023	2000-2018 % Change
Primary Market Area <sup>(1)(2)</sup>	\$50,652	N/A	\$69,411	\$73,655	37.0%
City of River Falls <sup>(1)(2)</sup>	\$41,184	\$47,627	\$60,658	\$64,286	47.3%
Pierce County <sup>(1)(2)</sup>	\$49,551	\$60,181	\$67,383	\$72,279	36.0%
St. Croix County <sup>(1)(2)</sup>	\$54,930	\$67,446	\$77,902	\$83,380	41.8%
Minneapolis/St. Paul MSA <sup>(2)</sup>	N/A	N/A	\$70,483	\$76,517	N/A
State of Wisconsin <sup>(3)</sup>	\$44,503	\$48,974	\$59,456	\$64,690	33.6%
Housing Units					
Geography	2000	2010	2018	2023	2000-2018 % Change
Primary Market Area <sup>(1)</sup>	6,748	8,281	8,744	9,057	29.6%
City of River Falls <sup>(2)</sup>	4,345	5,449	5,871	6,075	35.1%
Pierce County <sup>(2)</sup>	13,493	16,132	16,791	17,222	24.4%
St. Croix County <sup>(2)</sup>	24,265	33,983	36,081	37,220	48.7%
Minneapolis/St. Paul MSA <sup>(2)</sup>	N/A	N/A	2,097,577	2,175,137	N/A
State of Wisconsin <sup>(3)</sup>	2,321,157	2,624,358	2,719,252	2,770,470	17.2%

1. Per Environics Segmentation & Market Solutions

2. Per US Census Bureau 2000 & 2010 data, 2018 & 2023 per Environics data

3. Per Wisconsin Department of Workforce Development 2000 & 2010 data, 2018 & 2023 per Environics data

N/A = Not Available



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# DEMAND ANALYSIS

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The source of demand for the subject's units consists primarily of its target market. Our demand analysis first entailed defining the subject's target market. Second, the target market was quantified in terms of households.

## **TARGET MARKET DEFINITION**

The subject's target market consists of age and income-qualified households. The subject will serve family tenants which we define as households with a head of household below the age of 65. Only those households having appropriate income levels will be considered among the pool of potential tenants. A current upper income limit of \$77,700 been set as the maximum for the subject's 80% AMI units based on limits imposed by the tax credit program for five-person households in Pierce County. The low end of the relevant income ranges were determined by calculating the income required for payment of the subject's rents plus utility allowances while not exceeding 35% of the household's income. Given these age and income parameters, the target market consists of family households with incomes between \$17,660 and \$77,700 for the subject's income-restricted tax credit units.

This analysis restricts the target market to include only renter households. Tenure projections based on Census data indicated 49.1% of one- to five-person, below age 65 households in the defined market with incomes between \$17,660 and \$77,700 rented rather than owned their housing unit. Census data indicates 45.1% of below age 65 households in the primary market area with incomes between \$17,660 and \$77,700 are one- to five-person households that rented rather than owned their housing units.

## **TARGET MARKET DEMOGRAPHIC TRENDS**

Given the above target market definition, the universe of potential tenants for the subject's income restricted tax credit units is currently 1,061 households and is projected to decrease to 1,032 households by 2023.

The number of target market households is estimated to decrease between 2018 and 2023 within the market area for both income-restricted tax credit and market rate target market cohorts due to the general aging of the market area population, and a projected increase in over age 65 households.

Target market data is presented on the following page.

TARGET MARKET DATA				
The 1300				
Population <sup>(1)</sup>	2000	2010	2018	2023
Total Population - Census & Envirionics Analytics (1)	19,411	22,290	22,849	23,336
Under Age 65		20,394	20,042	19,841
Age 65 and over		1,896	2,807	3,495
% Change In Population (from previous period)		14.8%	2.5%	2.1%
% Change In Population <65			-1.7%	-1.0%
% Change In Population 65+			48.0%	24.5%
Households - Per Census & Envirionics Analytics (1)	6,646	7,752	8,271	8,574
Percentage Change in Households (from pervious)		16.6%	6.7%	3.7%
Average Household Size (1)			2.49	2.47
Household Income <sup>(2)</sup>	<Age 65 Households		2018	2023
\$0-\$9,999			225	199
\$10,000-\$14,999			372	328
\$15,000-\$19,999			146	135
\$20,000-\$24,999			191	176
\$25,000-\$29,999			261	222
\$30,000-\$34,999			258	219
\$35,000-\$39,999			159	145
\$40,000-\$49,999			484	442
\$50,000-\$74,999			1,048	989
\$75,000-\$99,999			1,013	964
\$100,000-\$149,999			1,356	1,414
\$150,000-\$199,999			508	598
\$200,000+			477	588
			<b>Total &lt;Age 65 Households</b>	<b>6,498</b>
				<b>6,419</b>

Estimate of Target Market Households		
	Target Market Households* <sup>(3)</sup>	
	2018	2023
2018 Age <65 HH's, 23% to 80% AMI - \$17,660 to \$77,700 HH Income	2,353	
2023 Age <65 HH's, 23% to 80% AMI - \$18,740 to \$82,450 HH Income		2,288
Age 18 to 64 Household Renter Percentage <sup>(4)</sup>	45.1%	45.1%
Age 18 to 64 Target Market Households	1,061	1,032

(1) Source: 2000 & 2010 US Census, Projections from Envirionics Analytics  
(2) Source: Envirionics Analytics - Household Income By Age of Householder  
(3) 2023 Income Range calculated by increasing 2018 target market income range by 6.1% based upon Envirionics Analytics' projected increase in market area median household income between 2018 and 2023.  
(4) Source: Projected from 2010 Census data

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# RECONCILIATION OF SUPPLY AND DEMAND

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In reconciling supply and demand in the market area for the subject's units, we have examined measures of market performance with respect to the subject proposal, as well as, vacancy and absorption.

## MARKET PERFORMANCE MEASURES

Measures of the market area's ability to support the subject's development are discussed below.

### Capture Rate

Capture rate is a measure of the proportion of the target market required for full occupancy. A capture rate is calculated by dividing the proposed number of subject units by the estimated number of target market households as of 2018. A resulting rate of 4.7% is calculated for the subject's units. This capture rate indicates that the market area appears to include a sufficiently large target market to absorb the subject's units.

### Penetration Rate

Penetration rate considers the subject's proposed units along with existing and proposed similar comparable properties in relation to market demand. The sum of the subject's proposed units, plus existing comparable units and proposed comparable units, is divided by estimated target market households as of 2018. As a result, a penetration rate of 17.6% is calculated for the subject's units. This rate means that the subject and its most direct competitors must attract approximately 18% of all potentially qualifying target market households to achieve full occupancy which leaves the remaining 82% qualifying target market households to be satisfied by less directly competitive forms of rental housing.

Full penetration of the market with supply would occur at a one-to-one ratio of target market households to appropriate supply, or penetration of 100%. We consider the market's 17.6% penetration rate, assuming development of the subject, as strong evidence that the market area is not overbuilt with affordable family rental housing and there is a large unmet need for affordable family rental housing in the market area.

A summary of these market performance measures is shown on the following page.

MARKET PERFORMANCE MEASURES						
The 1300						
	30% AMI Units		50% AMI Units	60% AMI Units	80% AMI Units	Total Units
Subject Units	10		20	4	16	50
Minimum Gross Rent	\$515		\$805	\$1,055	\$1,008	\$515
Assumed Household Size	1-2 Persons		1-5 Persons	1-3 Persons	1-5 Persons	1-5 Person
Lower Income Limit	\$17,660		\$27,600	\$36,170	\$34,560	\$17,660
Upper Income Limit	\$22,650		\$50,950	\$50,940	\$77,700	\$77,700
Income Qualified Households	170		1,066	645	1,823	2,353
Renter Percentage	56.6%		52.7%	36.4%	33.5%	45.1%
Target Market Households	96		562	235	611	1,061
Comparable Units - Existing (1)	7		65	65	0	137
Comparable Units - Proposed	0		0	0	0	0
Unmet Potential Demand	89		497	170	611	924
<b>Demand and Supply Ratios</b>						
Capture Rate (2)	10.4%		3.6%	1.7%	2.6%	4.7%
Penetration Rate (3)	17.6%		15.1%	29.4%	2.6%	17.6%
<p>(1) Ten percent of the market area's subsidized family apartment units are considered to be competitive with the subject and all of the market area's affordable income-restricted and market rate family apartment units within family tax credit properties are considered to be competitive with the subject.</p> <p>(2) The percentage of target market required for subject full occupancy - Subject units divided by target market households.</p> <p>(3) The percentage of target market that the subject and its existing and future competition must share - Subject units plus existing competitive units plus proposed competitive units divided by target market households.</p>						

## MARKET VACANCY

The market area's three subsidized and public housing family apartment developments that responded to our vacancy survey, with a total of 69 housing units have a weighted-average vacancy rate 1.4% and with an extensive wait list for two properties. The market area's two family tax credit housing developments that responded to our survey, with a total of 82 income-restricted apartment units, are fully occupied. The nine rent comparables used in our rent analysis, with a total of 371 apartment units, have a weighted-average vacancy rate of 0.8%.

Based on the data present above, use of a stabilized vacancy rate of 5% for the subject is reasonable for underwriting purposes.

## ABSORPTION ANALYSIS

Absorption results of Wisconsin family tax credit apartment properties are summarized on the following page.

### Appendix 3. 2018-2022 State HTC Awards and Credit Allocation Certificates Issued

Award Year	Allocation Certificate Issued	Project Name	City	Total Units	Household Type	Annual Credit Allocation	Total Development Cost
2018	2021	Artisan Village	Scattered	169	Family	\$1,220,599	\$32,152,270
2018	2022	Badger State Lofts	Sheboygan	118	Family	\$994,303	\$35,510,853
2018	2021	Broadway Lofts	Green Bay	107	Family	\$764,627	\$22,894,882
2018	2021	Creekside Commons	Pleasant Prairie	140	Family	\$1,025,919	\$31,906,657
2018	2021	Fitchburg Senior Apartments	Fitchburg	160	Elderly	\$932,926	\$34,238,882
2018	2021	The Depot at 300 River Street	River Falls	50	Elderly	\$349,635	\$9,800,740
2018	2021	Wasserman Redevelopment, LLC	Sheboygan	105	Elderly	\$595,081	\$22,664,938
2018	2020	WHPC - EBHG Bond Pool	Scattered	60	Family	\$197,613	\$6,897,079
2018	2020	WHPC - Northwestern Bond Pool	Superior	158	Elderly	\$538,102	\$17,398,930
2019	2022	Ajax II	Racine	54	Family	\$405,088	\$11,175,834
2019	2022	Berkshire Stevens Point	Stevens Point	88	Elderly	\$756,034	\$19,657,169
2019	2022	Frame Park Commons	Waukesha	72	Family	\$448,446	\$16,619,128
2019	2021	Main Street Gardens & Cleveland Terrace	Milwaukee	48	Family	\$236,000	\$7,658,168
2019	2022	Meadow Village Apartments	Milwaukee	90	Family	\$542,880	\$19,708,320
2019	2022	Milwaukee Scattered Sites No. 2	Milwaukee	50	Family	\$358,532	\$9,077,523
2019	2021	Oak Grove Development, Phase 2, LLC	Horicon	20	Family	\$160,613	\$6,414,826
2019	2022	Parkview Commons	Somers	96	Elderly	\$793,724	\$21,177,345
2019	2022	River Flats	Janesville	92	Family	\$743,547	\$19,985,415
2019	2022	The 1300	River Falls	50	Family	\$398,627	\$11,606,154
2019		Westlawn Renaissance VI (aka Phase 4B)	Milwaukee	138	Family		
2020		Fourteen02 Park Apartments	Madison	150	Family		
2020		Bayview Townhouses	Madison	130	Family		
2020		Union Court Senior Apartments & Townhomes	Kenosha	111	Elderly		
2020		Historic Wausau Apartments	Wausau	94	Family		
2020		Sun Prairie Senior Apartments	Sun Prairie	100	Elderly		
2020		Chapel Garden Apartments	Milwaukee	63	Elderly		
2020		Washington Park Scattered Sites	Milwaukee	43	Family		
2020		Ella Apartments	Madison	135	Family		
2020		The Limerick	Fitchburg	125	Elderly		
2020		McKinley School Apartments	Milwaukee	35	Family		
2020		Cabrini School Lofts	Oshkosh	33	Elderly		
2021		Avenue Square Apartments	Madison	68	Family		
2021		Brooke Street Lofts	Fond du Lac	62	Family		
2021		Edison School Apartments	Milwaukee	75	Family		
2021		MLK Library Apartments	Milwaukee	93	Family		
2021		Oak Ridge at University Park	Madison	82	Elderly		
2021		Okato Manor	Oconto	74	Family		
2021		Pumpkin Patch Lot 1	Sun Prairie	173	Family		
2021		Superior View Cottages	Ashland	50	Family		
2021		The Grove Apartments	Stevens Point	102	Elderly		
2021		The Waterford	McFarland	49	Elderly		
2021		University Park Commons	Madison	68	Family		
2021		Uno's Madison	Madison	61	Family		
2021		Westlawn Renaissance VII	Milwaukee	97	Family		
2022		Bayview Apartments	Superior	64	Family		
2022		Berkshire Sheboygan Riverfront	Sheboygan	101	Elderly		
2022		Historic St. Joseph Apartments	Rice Lake	47	Family		
2022		Hogan Street Cottages and Townhomes	Antigo	45	Elderly		
2022		Maplewood Eco-Cottages	Menomonie	55	Elderly		
2022		Rise Apartments	Appleton	48	Family		
2022		St. Francis Friary	Burlington	80	Elderly		
2022		The Driftless	La Crosse	120	Elderly		
2022		Village Square Apartments at the Preserve	Elkhart Lake	50	Family		
2022		VUE 14 Apartments	Sheboygan	48	Family		
	<b>TOTAL</b>	<b>54</b>		<b>4,596</b>		<b>\$ 11,462,296</b>	<b>\$ 356,545,113</b>



# Appendix 3. 2018-2022 State HTC Awards and Credit Allocation Certificates Issued

2018-2022 State of Wisconsin Housing Tax Credit Award Lists

Award Year	Allocation Certificate Issued	App No	Project Name	City	County	Total Units	LI Units	Household Type	State Credits Award	Federal Credits Award	Constr Type	Final Total Development Cost
2018	2021	6378	Artisan Village	Scattered	Dane	169	169	Family	\$1,220,599	\$1,220,599	N Cons	\$32,152,270
2018	2022	6364	Badger State Lofts	Sheboygan	Sheboygan	118	118	Family	\$994,303	\$994,303	Adptv R	\$35,510,853
2018	2021	6373	Broadway Lofts	Green Bay	Brown	107	107	Family	\$764,627	\$764,627	N Cons	\$22,894,882
2018	2021	6382	Creekside Commons	Pleasant Prairie	Kenosha	140	140	Family	\$1,025,919	\$1,025,919	N Cons	\$31,906,657
2018	2021	6372	Fitchburg Senior Apartments	Fitchburg	Dane	160	160	Elderly	\$932,926	\$932,926	N Cons	\$34,238,882
2018	2021	6370	The Depot at 300 River Street	River Falls	Pierce	50	50	Elderly	\$351,824	\$351,824	N Cons	\$9,800,740
2018	2021	6374	Wasserman Redevelopment, LLC	Sheboygan	Sheboygan	105	105	Maj Eld	\$595,081	\$599,966	Acq Reh	\$22,664,938
2018	2020	6387	WHPC - EBHG Bond Pool	Scattered	La Crosse	60	59	Family	\$197,613	\$199,415	Acq Reh	\$6,897,079
2018	2020	6377	WHPC - Northwestern Bond Pool	Superior	Douglas	158	157	Elderly	\$538,102	\$543,008	Acq Reh	\$17,398,930
						<b>Subtotal:</b>	<b>1,067</b>	<b>1,065</b>	<b>\$6,620,994</b>	<b>\$6,632,587</b>		<b>\$213,465,231</b>

Award Year	App No	Project Name	City	County	Total Units	LI Units	Household Type	State Credit Award	Federal Credit Award	Constr Type	Final Total Development Cost	
2019	2022	6476	Ajax II	Racine	Racine	54	54	Family	\$405,088	\$405,088	N Cons	\$11,175,834
2019	2022	6490	Berkshire Stevens Point	Stevens Point	Portage	88	88	Maj Eld	\$756,034	\$756,034	N Cons	\$19,657,169
2019	2022	6482	Frame Park Commons	Waukesha	Waukesha	72	72	Maj Fam	\$448,446	\$448,446	N Cons	\$16,619,128
2019	2021	6489	Main Street Gardens & Cleveland Terrace	Milwaukee	Milwaukee	48	48	Family	\$236,000	\$236,000	Acq Reh	\$7,658,168
2019	2022	6484	Meadow Village Apartments	Milwaukee	Milwaukee	90	88	Family	\$542,880	\$542,880	Acq Reh	\$19,708,320
2019	2022	6496	Milwaukee Scattered Sites No. 2	Milwaukee	Milwaukee	50	50	Family	\$358,532	\$358,532	Acq Reh	\$9,077,523
2019	2021	6486	Oak Grove Development, Phase 2, LLC	Horicon	Dodge	20	20	Maj Fam	\$160,613	\$160,613	N Cons	\$6,414,826
2019	2022	6483	Parkview Commons	Somers	Kenosha	96	96	Maj Eld	\$793,724	\$793,724	N Cons	\$21,177,345
2019	2022	6493	River Flats	Janesville	Rock	92	92	Family	\$743,547	\$743,547	N Cons	\$19,985,415
2019	2022	6497	The 1300	River Falls	PIERCE	50	50	Maj Fam	\$398,627	\$398,627	N Cons	\$11,606,154
2019		6475	Westlawn Renaissance VI (aka Phase 4B)	Milwaukee	Milwaukee	138	138	Maj Fam	\$1,400,000	\$2,165,457	N Cons	
						<b>Subtotal:</b>	<b>798</b>	<b>796</b>	<b>\$6,243,491</b>	<b>\$7,008,948</b>		<b>\$143,079,882</b>

Award Year	App No	Project Name	City	County	Total Units	LI Units	Household Type	State Credit Award	Federal Credit Award	Constr Type
2020	6591	Fourteen02 Park Apartments	Madison	DANE	150	150	Family	\$936,444	\$936,444	N Cons
2020	6576	Bayview Townhouses	Madison	DANE	130	120	Family	\$1,314,920	\$1,314,920	N Cons
2020	6584	Union Court Senior Apartments & Townhomes	Kenosha	KENOSHA	111	111	Maj Eld	\$966,249	\$966,249	N Cons
2020	6582	Historic Wausau Apartments	Wausau	MARATHON	94	94	Family	\$665,110	\$665,110	Acq Reh
2020	6579	Sun Prairie Senior Apartments	Sun Prairie	DANE	100	100	Elderly	\$853,607	\$853,607	N Cons
2020	6590	Chapel Garden Apartments	Milwaukee	MILWAUKEE	63	63	Maj Eld	\$491,340	\$491,340	Adptv R
2020	6588	Washington Park Scattered Sites	Milwaukee	MILWAUKEE	43	43	Family	\$311,673	\$311,673	Acq Reh
2020	6585	Ella Apartments	Madison	DANE	135	135	Family	\$1,203,927	\$1,203,927	N Cons
2020	6594	The Limerick	Fitchburg	DANE	125	125	Maj Eld	\$722,161	\$722,161	N Cons
2020	6586	McKinley School Apartments	Milwaukee	MILWAUKEE	35	35	Family	\$320,510	\$320,510	Adptv R
2020	6593	Cabrini School Lofts	Oshkosh	WINNEBAGO	33	33	Maj Eld	\$161,503	\$172,902	Adptv R
					<b>Subtotal:</b>	<b>1,019</b>	<b>1,009</b>	<b>\$7,947,444</b>	<b>\$7,958,843</b>	

Award Year	App No	Project Name	City	County	Total Units	LI Units	Household Type	State Credit Award	Federal Credit Award	Construction Type
2021	2869	Avenue Square Apartments	Madison	Dane	68	68	Maj Fam	\$256,705	\$745,899	N Cons
2021	2877	Brooke Street Lofts	Fond du Lac	Fond du Lac	62	62	Maj Fam	\$230,983	\$660,570	Adptv R
2021	2895	Edison School Apartments	Milwaukee	Milwaukee	75	75	Maj Fam	\$271,887	\$795,494	Mixed
2021	2903	MLK Library Apartments	Milwaukee	Milwaukee	93	93	Maj Fam	\$502,206	\$1,462,124	N Cons
2021	2912	Oak Ridge at University Park	Madison	Dane	82	82	Maj Eld	\$238,778	\$693,808	N Cons
2021	2868	Okato Manor	Oconto	Oconto	74	71	Maj Fam	\$1,194,450	\$497,994	Adptv R
2021	2886	Pumpkin Patch Lot 1	Sun Prairie	Dane	173	173	Family	\$388,162	\$1,127,729	N Cons
2021	2875	Superior View Cottages	Ashland	Ashland	50	50	Maj Fam	\$1,124,292	\$452,999	N Cons
2021	2884	The Grove Apartments	Stevens Point	Portage	102	102	Maj Eld	\$321,812	\$907,970	Adptv R
2021	2887	The Waterford	McFarland	Dane	49	41	Maj Eld	\$490,149	\$374,223	N Cons
2021	2911	University Park Commons	Madison	Dane	68	68	Maj Fam	\$208,815	\$606,748	N Cons
2021	2888	Uno's Madison	Madison	Dane	61	61	Maj Fam	\$204,313	\$593,665	N Cons
2021	2898	Westlawn Renaissance VII	Milwaukee	Milwaukee	97	87	Maj Fam	\$470,967	\$1,773,300	N Cons
					<b>Subtotal:</b>	<b>1,054</b>	<b>1,033</b>	<b>\$5,903,519</b>	<b>\$10,692,523</b>	

Award Year	App No	Project Name	Proj City	County	Units	LI Units	Type	State Credit Award	Federal Credit Award	Constr Type
2022	2985	Bayview Apartments	Superior	Douglas	64	56	Family	\$ 475,481	\$ 614,317	Acq Reh
2022	3019	Berkshire Sheboygan Riverfront	Sheboygan	Sheboygan	101	101	Maj Eld	\$ 1,200,000	\$ 1,245,319	N Cons
2022	3004	Historic St. Joseph Apartments	Rice Lake	Barron	47	47	Family	\$ 760,251	\$ 380,126	N Cons/Adptv R
2022	3008	Hogan Street Cottages and Townhomes	Antigo	Langlade	45	45	Maj Eld	\$ 1,056,500	\$ 551,412	N Cons
2022	2981	Maplewood Eco-Cottages	Menomonie	Dunn	55	55	Maj Eld	\$ 312,535	\$ 598,260	N Cons
2022	2996	Rise Apartments	Appleton	Outagamie	48	43	Family	\$ 368,900	\$ 485,650	N Cons
2022	3013	The Drifless	La Crosse	La Crosse	120	120	Maj Eld	\$ 800,000	\$ 1,384,840	N Cons
2022	3020	Village Square Apartments at the Preserve	Elkhart Lake	Sheboygan	50	50	Family	\$ 1,001,149	\$ 500,575	N Cons
2022	3030	VUE 14 Apartments	Sheboygan	Sheboygan	48	40	Family	\$ 496,541	\$ 496,541	N Cons
					<b>578</b>	<b>557</b>		<b>\$ 6,471,357</b>	<b>\$ 6,257,040</b>	

# Awards	2018	2019	2020	2021	2022	total:
	9	11	11	13	9	53

Total	4,516	4,460
Family:	1,945	
Elderly:	468	
Majority Family:	928	2,873
Majority Elderly:	1,175	1,643

Total Credits Awarded	
State Credits	\$ 33,186,805
Fed. Credits	\$ 38,549,941
Grand Total	\$ 71,736,746

NC	35
Acq/Rehab	9
Adaptive Reu	7
NC/AR	1
Mixed	1
<b>Total</b>	<b>53</b>