

Tab 4 - Market Study/Housing Needs Assessment

If the Market Study/Needs Assessment is not completed by the appropriate party or is not in the Agency's format, the Application may be rejected and returned to the applicant.

A comprehensive Market Study/Housing Needs Assessment ("MS/HNA"), completed within 12 months of the Application date, of the housing needs of low-income individuals in the area to be served by the development must be submitted at the time of application. Waived from this requirement are developments with a reservation of Tax Credits from a previous year in which a MS/HNA was submitted at the time of the original reservation.

If an applicant is applying only for PennHOMES funds and the development is either serving special needs residents in 100 percent of the units, or is a preservation proposal which has a stable occupancy, a waiting list of at least 10 percent of the units and is not converting to market rate housing, then the applicant has the option of completing the Market Study/Housing Needs Assessment report using an independent market analyst or his/her own resources and data.

The MS/HNA consists of four parts: 1) the Market Study/Housing Needs Assessment Form; 2) the PHFA Housing Inventory Request Form; 3) the Housing Providers Needs Assessment Form; and, (4) the Comparable Housing Survey Form. The MS/HNA must be performed and completed by an independent, experienced market analyst specifically qualified in affordable rental markets of Pennsylvania. If the MS/HNA is not completed by the appropriate party or is not in the Agency's format, the Application may be rejected by the Agency.

The assumptions used in the MS/HNA (e.g. number of units, housing type, unit mix, projected rents, income targeting) must precisely reflect the information contained in the development's Application. Proposals that include a MS/HNA that is inconsistent with or does not accurately reflect the information submitted in the Application will be rejected.

In all instances, the Agency reserves the right to order its own or an additional MS/HNA on any development. Applications may be rejected if the proposed development is not supported by an independent MS/HNA acceptable to the Agency or if Agency staff determines that there will be an adverse impact on the marketability of existing affordable housing developments or initiatives in the area. The MS/HNA shall become the property of the Agency and may be subject to public dissemination.

All Applications must include a map showing the proposed site and the surrounding area.

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

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

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

MARKET STUDY/HOUSING NEEDS ASSESSMENT

Proposed Development Name

Street Address

City County (ZIP)

Housing Type: _____ Elderly 62+ _____ General Occupancy
_____ Elderly 55+ _____ Other (describe)

Total Number of Rental Units: _____

Additional Development Information: _____

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

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

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

2. Provide photographs of the site from a minimum of two perspectives. The photographs must be either originals or color copies and should be dated. For multiple sites, the photographs must identify the site address. All photographs must be clear and show the detail of any buildings. (Attach photos on a separate page.)
3. The Market Analysts should determine whether the proposed development is located in an urban, suburban, or rural area and explain the methodology for their determination.

_____ Urban _____ Suburban _____ Rural

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

2010 _____ 5-year Projection from current date _____
Data Source:

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

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

The total number of units proposed _____ divided by the number of age and income qualified households _____ equals a capture rate of _____%.

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

The total number of units _____ divided by the number of age and income qualified households equals an overall capture rate of _____%.

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

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

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

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

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

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

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

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

<u>Unit Size</u>	<u>Rent</u>		<u>Tenant Paid</u>		<u>Adjusted</u>
			<u>Utilities</u>		<u>Market Rent</u>
One-bedroom	\$ _____	+	\$ _____	=	\$ _____
Two-bedroom	\$ _____	+	\$ _____	=	\$ _____
Three-bedroom	\$ _____	+	\$ _____	=	\$ _____
Four-bedroom	\$ _____	+	\$ _____	=	\$ _____

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

<u>Unit Size</u>	<u>Subject Rent</u>		<u>Adjusted</u>		<u>Pricing</u>
			<u>Market Rent</u>		<u>Advantage*</u>
One-bedroom	\$ _____		\$ _____		_____ %
Two-bedroom	\$ _____		\$ _____		_____ %
Three-bedroom	\$ _____		\$ _____		_____ %
Four-bedroom	\$ _____		\$ _____		_____ %

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

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

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

Submitted by:

<hr/> Date	<hr/> Name (type or print)
	<hr/> Title
	<hr/> Firm
	<hr/> Address
	<hr/> Phone Number
	<hr/> FAX Number
	<hr/> Email

PHFA HOUSING INVENTORY REQUEST FORM

Date: _____

Person Requesting Information _____

Company Name _____

Address _____

City _____

State _____ Zip Code _____

Telephone _____ FAX _____

E-mail Address _____

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

Development Name (if known) _____

Exact Site Location/Address _____

Requesting Information For

Exact Site Municipality _____

County _____

Zip Code(s)

Census Tract(s)

Additional Information and/or Comments

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

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

HOUSING PROVIDERS NEEDS ASSESSMENT

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

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

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

Development Name: _____

Location: _____

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

Zip Code(s)

Census Tract(s)

Occupancy Type: Elderly _____ General _____

Unit Type(s):	Bdrm Type	Quantity	Sq. Ft.	Rent
	SRO			
	EFF			
	1 Bdrm			
	2 Bdrm			
	3 Bdrm			
	4 Bdrm			
	5 Bdrm			

Expected date of completion: _____

Resident's Income Range: _____

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Completed by:

Date

Name (Type or Print)

Executive Director Signature

Name of Public Housing Authority

Rev.7/01/05

COMPARABLE HOUSING SURVEY FORM

Date: _____

Name of Property: _____

City: _____ Zip Code: _____

Address: _____

Distance From Subject Property: _____

Yes No

Is it within Primary Market Area: _____

Building Type: _____ Walk-up _____ Row/Townhouse _____ Elevator

Age of the property: _____

Contact: _____

Telephone No. of Contact: _____

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

Number of Units	Number of Bdrm/Bath	Square Feet	Rent	Occupancy or Vacancy (%)	Number on Waiting List
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Identify any special characteristics or amenities of the comparables:

Attach **Color** Photos Here