

# LIHTC Advisors

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## EXCLUSIVE OFFERING



### Village at Kearney Apartments

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37 Units • 88 La Crosse Drive • Kearney, NE 68845

\$1,600,000

# VILLAGE AT KEARNEY APARTMENTS

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# VILLAGE AT KEARNEY APARTMENTS

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# VILLAGE AT KEARNEY APARTMENTS

## Property Description



Village at Kearney Apartments is a 37-unit affordable housing community located in Kearney, NE. The property was built and placed into service in 2004 under the Section 42 Low-Income Housing Tax Credit (LIHTC) program. Village at Kearney is conveniently located near public schools, parks, shopping, and restaurants.

There is an existing regulatory agreement in place which requires all units to be rented to income qualifying residents earning no more than 60% of Area Medium Income (AMI) limits, which are provided by the Nebraska Investment Finance Authority. The property is still within the initial tax credit compliance period. Please see the Tax Credit Property Income and Rent Limits page in the Financial Analysis section for further details. A qualified purchaser can be a non-profit or for-profit entity that agrees to maintain the affordable housing units and to fulfill all requirements of an existing regulatory agreement.

Village at Kearney offers one, two, and three bedroom floorplans featuring a fully equipped kitchen, plentiful storage, patios, w/d hook-ups, playground, and fitness facility.

## HIGHLIGHTS

***Located Close to Schools, Restaurants, and Retail***

***Built & Placed into Service in 2004***

***1.4 Miles to University of Nebraska Kearney***

***Kearney Unemployment Rate at 2.2% as of April 2016***

# VILLAGE AT KEARNEY APARTMENTS

## Area Highlights



Kearney is a city in and the county seat of Buffalo County, Nebraska, and has a population of 30,392. Strategically located on I-80 with convenient access to major markets like Omaha-Lincoln, Denver, Kansas City, Des Moines, Wichita, and Cheyenne, Kearney is at the center of a 7-state region and 20 million people.

University of Nebraska at Kearney (UNK) is located in the city. The campus is a 235-acre residential campus with more than 37 buildings, 1,000 staff, and a student enrollment of 6,747.

Companies headquartered in Kearney include Citizens Telecommunications Company of Nebraska and Buckle.

According to Buffalo County Economic Development, the top employers in the city are:

| EMPLOYER                          | # OF EMPLOYEES |
|-----------------------------------|----------------|
| Good Samaritan Hospital           | 1,000+         |
| University of Nebraska at Kearney | 1,000+         |
| Kearney Public Schools            | 750-1,000      |
| Baldwin Filters                   | 750-1,000      |
| Buckle                            | 500-750        |
| Walmart                           | 500-750        |
| Eaton                             | 250-500        |
| West Pharmaceutical Services      | 250-500        |
| Cabela's                          | 250-500        |

Kearney is home to several museums, many of which reflect its location of being on the Oregon, California Trails, the Pony Express, and the Lincoln Highway. These include the Great Platte River Road Archway Monument, which spans Interstate 80 at mile marker 274. The structure contains exhibits that traces the history of the Great Platte River Road from the Oregon Trail days to the present. Kearney is also home to the Museum of Nebraska Art, the state's official art collection, which houses artworks spanning 175 years, from the 19th century to the present. The Robert M. Merryman Performing Arts Center, located in the city's Central Elementary School, is a 750-seat theatre completed in 2006. The 5,500 seat Viaero Event Center, hosts concerts, events and performances, and is home to the Tri-City Storm, a hockey team that plays in the United States Hockey League.

# VILLAGE AT KEARNEY APARTMENTS

## Property Summary

### NAME & LOCATION

|                  |                                         |
|------------------|-----------------------------------------|
| Property Name    | Village at Kearney Apartments           |
| Property Address | 88 La Crosse Drive<br>Kearney, NE 68845 |

### SECTION 42 LIHTC RESTRICTIONS

|                                  |                                                                                             |
|----------------------------------|---------------------------------------------------------------------------------------------|
| Placed in Service                | 2004                                                                                        |
| End of Initial Compliance Period | 12/31/2018 & 12/31/2019 (Elected to wait a year before receiving credits on some buildings) |
| End of Extended Use              | 12/31/2048 & 12/31/2049                                                                     |

### SITE INFORMATION

|                          |                               |
|--------------------------|-------------------------------|
| Assessor's Parcel Number | 606071202                     |
| Number of Units          | 37                            |
| Number of Buildings      | 7                             |
| Number of Stories        | 2                             |
| Rentable Square Feet     | 31,771                        |
| Year Built               | 2004                          |
| Type of Ownership        | Fee Simple                    |
| Landscaping              | Mature Trees, Shrubs, & Grass |
| Topography               | Relatively Flat               |

### UTILITIES

|          |                                |
|----------|--------------------------------|
| Water    | City of Kearney                |
| Electric | Nebraska Public Power District |
| Gas      | Northwestern Energy            |

### CONSTRUCTION

|                 |                   |
|-----------------|-------------------|
| Foundation      | Concrete Pad      |
| Exterior        | Vinyl Siding      |
| Parking Surface | Asphalt           |
| Roof            | Composite Shingle |

# VILLAGE AT KEARNEY APARTMENTS

## Property Features



## AMENITIES

*Playground*

*Full Appliance Package*

*Fitness Facility*

*Community Center*

*W/D Hook-Ups*

*Patios*

PROPERTY OVERVIEW



# VILLAGE AT KEARNEY APARTMENTS

## Property Photos

PROPERTY OVERVIEW



# VILLAGE AT KEARNEY APARTMENTS

## Property Photos

### PROPERTY OVERVIEW



# VILLAGE AT KEARNEY APARTMENTS

## Property Photos

### PROPERTY OVERVIEW



# VILLAGE AT KEARNEY APARTMENTS

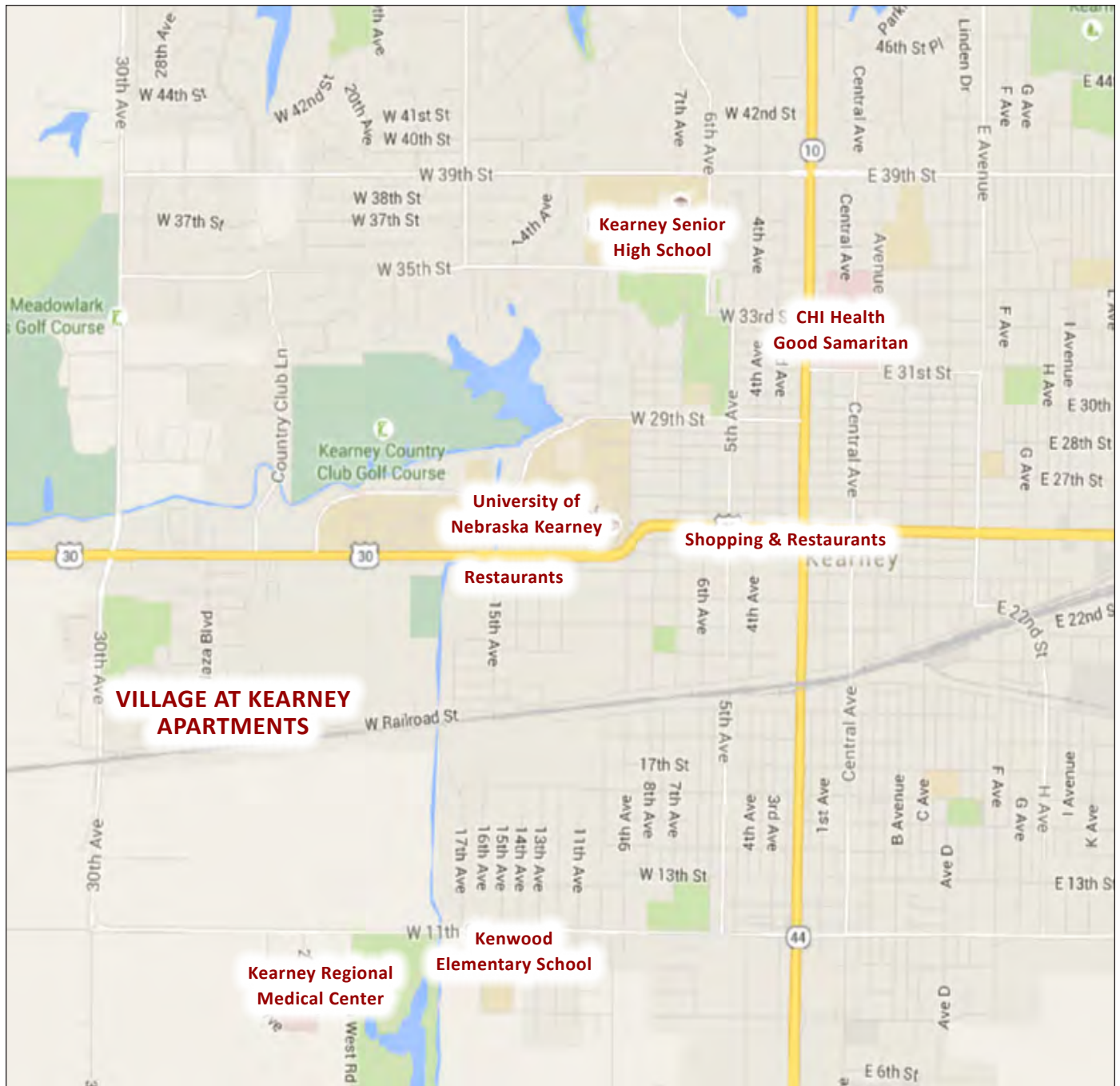
## Aerial Neighborhood Map



PROPERTY OVERVIEW

# VILLAGE AT KEARNEY APARTMENTS

## Local Map



# VILLAGE AT KEARNEY APARTMENTS

## Regional Map



# VILLAGE AT KEARNEY APARTMENTS

## Financial Summary

### PRICING FIGURES

|                                         |                    |
|-----------------------------------------|--------------------|
| <b>Broker's Opinion of Value</b>        | <b>\$1,600,000</b> |
| Price per Unit                          | \$43,243           |
| Price per SF                            | \$50.36            |
| <b>PROFORMA 10-Year Leveraged IRR%*</b> | <b>17.54%</b>      |

#### NOTES\*

Leveraged IRR Analysis assumes a 8.0% Exit Cap, 2.0% Acquisition Cost, \$1,000 per unit Capital Expense, and 5.0% Cost of Sale.

### PROFORMA- VITAL DATA

|                                  |           |
|----------------------------------|-----------|
| CAP Rate                         | 7.56%     |
| NOI                              | \$121,022 |
| Debt Service                     | \$73,391  |
| Net Cash Flow After Debt Service | \$47,631  |
| Cash on Cash %                   | 11.91%    |

## Financing

### PROPOSED NEW FINANCING

|                              |              |
|------------------------------|--------------|
| Loan Amount                  | \$1,200,000  |
| Down Payment                 | \$400,000    |
| Interest Rate                | 4.55%        |
| Amortization Period          | 360          |
| Loan Term                    | 10 Years     |
| Annual Debt Service          | \$73,391     |
| Loan to Value %              | 75%          |
| PROFORMA Debt Coverage Ratio | 1.65         |
| Program                      | CONVENTIONAL |

# VILLAGE AT KEARNEY APARTMENTS

## Income & Expenses

| OPERATIONAL ANALYSIS                |            | PROFORMA         | PER UNIT       |
|-------------------------------------|------------|------------------|----------------|
| <b>INCOME</b>                       |            |                  |                |
| Gross Potential Rent                |            | \$288,048        | \$7,785        |
| Loss to Lease                       | 1.00%      | (\$2,880)        | (\$78)         |
| POTENTIAL RENTAL INCOME             |            | \$285,168        | \$7,707        |
| Other Rental Income                 |            |                  |                |
| Pet Rent                            |            | \$3,267          | \$88           |
| Late Fees                           |            | \$1,193          | \$32           |
| Misc. Other Income                  |            | \$7,561          | \$204          |
| Total Other Rental Income           |            | \$12,021         | \$325          |
| GROSS POTENTIAL INCOME              |            | \$297,188        | \$8,032        |
| Economic Loss                       |            |                  |                |
| Vacancy Loss                        | 6.00%      | (\$17,110)       | (\$462)        |
| Bad Debt                            | 0.00%      | \$0              | \$0            |
| Concessions                         | 0.00%      | \$0              | \$0            |
| Total Economic Loss                 | 6.00%      | (\$17,110)       | (\$462)        |
| <b>EFFECTIVE GROSS INCOME</b>       |            | <b>\$280,078</b> | <b>\$7,570</b> |
| <b>EXPENSES</b>                     |            |                  |                |
| <b>FIXED OPERATIONAL EXPENSE</b>    |            |                  |                |
| Total Real Estate Property Taxes    | 3%         | \$7,948          | \$215 (1)      |
| Total Property Insurance Expense    | 4%         | \$9,977          | \$270          |
| Total Property Utility Expense      | 8%         | \$22,434         | \$606          |
| TOTAL FIXED OPERATIONAL EXP         | 14%        | \$40,359         | \$1,091        |
| <b>VARIABLE OPERATIONAL EXPENSE</b> |            |                  |                |
| Total Maint. Contract Services      | 4%         | \$12,025         | \$325 (2)      |
| Total Repairs & Maintenance         | 5%         | \$14,800         | \$400 (3)      |
| Total Administrative Expenses       | 8%         | \$23,266         | \$629 (4)      |
| Total Leasing & Marketing           | 1%         | \$1,589          | \$43           |
| Total Payroll and Salary Expenses   | 15%        | \$41,913         | \$1,133        |
| Property Management Fee             | 5.00%      | \$14,004         | \$378 (5)      |
| TOTAL VARIABLE OPERATIONAL EXP      | 38%        | \$107,597        | \$2,908        |
| TOTAL FIXED & VARIABLE EXPENSES     | 53%        | \$147,956        | \$3,999        |
| Reserves & Replacements             |            | \$11,100         | \$300          |
| <b>TOTAL OPERATING EXPENSES</b>     | <b>57%</b> | <b>\$159,056</b> | <b>\$4,299</b> |
| <b>NET OPERATING INCOME</b>         |            | <b>\$121,022</b> | <b>\$3,271</b> |

**\*NOTES:**

- Administrative Expense is higher than typically seen in affordable properties partially due the NIFA compliance fees, which are 2% of the Allocation of Low-Income Housing Tax Credit Dollars and will continue through Year 15 of the property.

# VILLAGE AT KEARNEY APARTMENTS

## Comments to Income & Expenses

- (1) **Property Tax Expense:** Analysis assumes the 2015 levy rate with the 2016 Value. The State of Nebraska gives the property a tax credit of \$94.09 for every \$100,000 of Total Value. All information collected from Buffalo County.

| Year       | 2015        | 2016        |
|------------|-------------|-------------|
| Assessed   | \$1,590,980 | \$456,905   |
| Levy       | 1.833573    | 1.833573*   |
| Tax Credit | \$1,496.95  | \$429.90    |
| Taxes      | \$27,674.83 | \$7,947.78* |

\*Estimated

- (2) **Contract Services Expense:** Analysis assumes a reduction to \$325 based on expenses observed at comparable LIHTC Properties.
- (3) **Repairs & Maintenance Expense:** Analysis assumes a reduction to \$400 based on expenses observed at comparable LIHTC Properties.
- (4) **Administrative Expense:** Analysis assumes the removal of \$10,233 of Audit Expense since it will not be required of new ownership.
- (5) **Property Management Fee:** Analysis assumes reduction based on expenses observed at comparable LIHTC properties.

## VILLAGE AT KEARNEY APARTMENTS

## Cash Flow Summary

| PROPERTY CASH FLOW ANALYSIS                                                                                           |                   |            |                                 |            |                         |            |                         |            |                         |            |                         |  |
|-----------------------------------------------------------------------------------------------------------------------|-------------------|------------|---------------------------------|------------|-------------------------|------------|-------------------------|------------|-------------------------|------------|-------------------------|--|
| Utilize YE, YTD or PROFORMA OPERATIONS<br>Assumed Annual Income Growth Rate %<br>Assumed Annual Expense Growth Rate % | Proforma<br>2.00% |            | Vac. %<br>Bad Debt:<br>Concess: |            | 6.00%<br>0.00%<br>0.00% |            | 6.00%<br>0.00%<br>0.00% |            | 6.00%<br>0.00%<br>0.00% |            | 6.00%<br>0.00%<br>0.00% |  |
|                                                                                                                       | 1                 | 2          | 3                               | 4          | 5                       | 6          | 7                       | 8          | 9                       | 10         |                         |  |
|                                                                                                                       | CASH FLOW SUMMARY |            |                                 |            |                         |            |                         |            |                         |            |                         |  |
| <b>INCOME</b>                                                                                                         |                   |            |                                 |            |                         |            |                         |            |                         |            |                         |  |
| POTENTIAL RENTAL INCOME                                                                                               | \$285,168         | \$290,871  | \$296,688                       | \$302,622  | \$308,674               | \$314,848  | \$321,145               | \$327,568  | \$334,119               | \$340,802  |                         |  |
| Total Other Rental Income                                                                                             | \$12,021          | \$12,261   | \$12,506                        | \$12,756   | \$13,012                | \$13,272   | \$13,537                | \$13,808   | \$14,084                | \$14,366   |                         |  |
| GROSS POTENTIAL INCOME                                                                                                | \$297,188         | \$303,132  | \$309,195                       | \$315,378  | \$321,686               | \$328,120  | \$334,682               | \$341,376  | \$348,203               | \$355,167  |                         |  |
| Economic Operational Loss                                                                                             |                   |            |                                 |            |                         |            |                         |            |                         |            |                         |  |
| Vacancy Loss                                                                                                          | 6.00%             | (\$17,110) | (\$17,801)                      | (\$18,157) | (\$18,520)              | (\$18,891) | (\$19,269)              | (\$19,654) | (\$20,047)              | (\$20,448) |                         |  |
| Bad Debt                                                                                                              | 0.00%             | \$0        | \$0                             | \$0        | \$0                     | \$0        | \$0                     | \$0        | \$0                     | \$0        |                         |  |
| Concessions                                                                                                           | 0.00%             | \$0        | \$0                             | \$0        | \$0                     | \$0        | \$0                     | \$0        | \$0                     | \$0        |                         |  |
| Total Operational Loss                                                                                                | 6.00%             | (\$17,110) | (\$17,801)                      | (\$18,157) | (\$18,520)              | (\$18,891) | (\$19,269)              | (\$19,654) | (\$20,047)              | (\$20,448) |                         |  |
| EFFECTIVE GROSS INCOME                                                                                                |                   | \$280,078  | \$291,393                       | \$297,221  | \$303,166               | \$309,229  | \$315,413               | \$321,722  | \$328,156               | \$334,719  |                         |  |
| <b>OPERATIONAL EXPENSES</b>                                                                                           |                   |            |                                 |            |                         |            |                         |            |                         |            |                         |  |
| <b>FIXED OPERATIONAL EXPENSE</b>                                                                                      |                   |            |                                 |            |                         |            |                         |            |                         |            |                         |  |
| Total Real Estate Property Taxes                                                                                      |                   | \$7,948    | \$8,269                         | \$8,434    | \$8,603                 | \$8,775    | \$8,950                 | \$9,130    | \$9,312                 | \$9,498    |                         |  |
| Total Property Insurance Expense                                                                                      |                   | \$9,977    | \$10,380                        | \$10,588   | \$10,800                | \$11,016   | \$11,236                | \$11,461   | \$11,690                | \$11,924   |                         |  |
| Total Property Utility Expense                                                                                        |                   | \$22,434   | \$23,340                        | \$23,807   | \$24,283                | \$24,769   | \$25,264                | \$25,770   | \$26,285                | \$26,811   |                         |  |
| TOTAL FIXED OPERATIONAL EXP                                                                                           |                   | \$40,359   | \$41,990                        | \$42,829   | \$43,686                | \$44,560   | \$45,451                | \$46,360   | \$47,287                | \$48,233   |                         |  |
| <b>VARIABLE OPERATIONAL EXPENSE</b>                                                                                   |                   |            |                                 |            |                         |            |                         |            |                         |            |                         |  |
| Total Maint. Contract Services                                                                                        |                   | \$12,025   | \$12,266                        | \$12,761   | \$13,016                | \$13,277   | \$13,542                | \$13,813   | \$14,089                | \$14,371   |                         |  |
| Total Repairs & Maintenance                                                                                           |                   | \$14,800   | \$15,096                        | \$15,706   | \$16,020                | \$16,340   | \$16,667                | \$17,001   | \$17,341                | \$17,687   |                         |  |
| Total Administrative Expenses                                                                                         |                   | \$23,266   | \$23,601                        | \$23,943   | \$24,283                | \$24,769   | \$25,264                | \$25,770   | \$26,285                | \$26,811   |                         |  |
| Total Leasing & Marketing                                                                                             |                   | \$1,589    | \$1,621                         | \$1,686    | \$1,720                 | \$1,755    | \$1,790                 | \$1,825    | \$1,862                 | \$1,899    |                         |  |
| Total Payroll and Salary Expenses                                                                                     |                   | \$41,913   | \$42,751                        | \$43,606   | \$44,478                | \$45,368   | \$46,275                | \$47,201   | \$48,145                | \$49,108   |                         |  |
| Property Management Fee                                                                                               | 5.00%             | \$14,004   | \$14,284                        | \$14,570   | \$14,861                | \$15,158   | \$15,461                | \$15,771   | \$16,086                | \$16,736   |                         |  |
| TOTAL VARIABLE OPERATIONAL EXP                                                                                        |                   | \$107,597  | \$109,619                       | \$111,681  | \$113,729               | \$115,799  | \$117,871               | \$119,939  | \$122,006               | \$124,074  |                         |  |
| TOTAL FIXED & VARIABLE EXPENSE                                                                                        |                   | \$147,956  | \$150,785                       | \$153,671  | \$156,609               | \$159,549  | \$162,489               | \$165,429  | \$168,369               | \$171,309  |                         |  |
| Replacement & Reserve Deposits                                                                                        | \$300/Unit        | \$11,100   | \$11,100                        | \$11,100   | \$11,100                | \$11,100   | \$11,100                | \$11,100   | \$11,100                | \$11,100   |                         |  |
| TOTAL OPERATING EXPENSES                                                                                              |                   | \$159,056  | \$161,885                       | \$164,771  | \$167,710               | \$170,649  | \$173,589               | \$176,529  | \$179,469               | \$182,409  |                         |  |
| <b>PROPERTY NET OPERATING INCOME</b>                                                                                  |                   |            |                                 |            |                         |            |                         |            |                         |            |                         |  |
| TOTAL 1ST MTG DEBT SERVICE                                                                                            |                   | \$73,391   | \$73,391                        | \$73,391   | \$73,391                | \$73,391   | \$73,391                | \$73,391   | \$73,391                | \$73,391   |                         |  |
| DEBT SERVICE COVERAGE RATIO                                                                                           | 1.65              | 1.69       | 1.73                            | 1.84       | 1.88                    | 1.92       | 1.96                    | 2.01       | 2.05                    | 2.09       |                         |  |
| INDICATED CAPITALIZATION RATE                                                                                         | 7.56%             | 7.74%      | 7.91%                           | 8.45%      | 8.63%                   | 8.82%      | 9.01%                   | 9.20%      | 9.40%                   | 9.60%      |                         |  |
| CASH FLOW AFTER DEBT SERVICE                                                                                          |                   | \$47,631   | \$50,403                        | \$53,231   | \$56,146                | \$59,146   | \$62,242                | \$65,336   | \$68,427                | \$71,515   |                         |  |

(1) Administrative Expense: After Year 15, the NIFA compliance fees are reduced from 2% of the Allocation of Low-Income Tax Credit Dollars to \$20 per unit per year.

# LIGHT C

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## Advisors

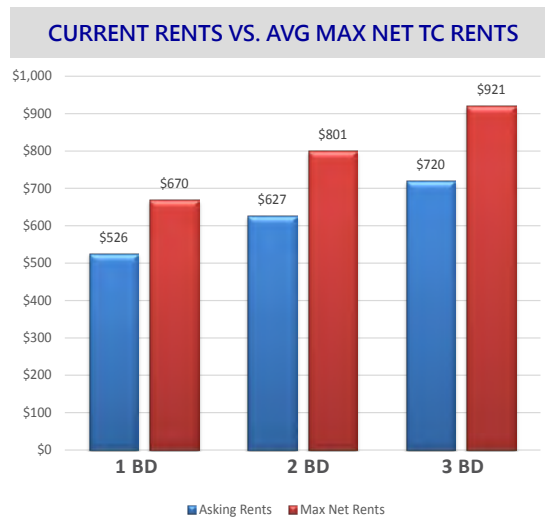
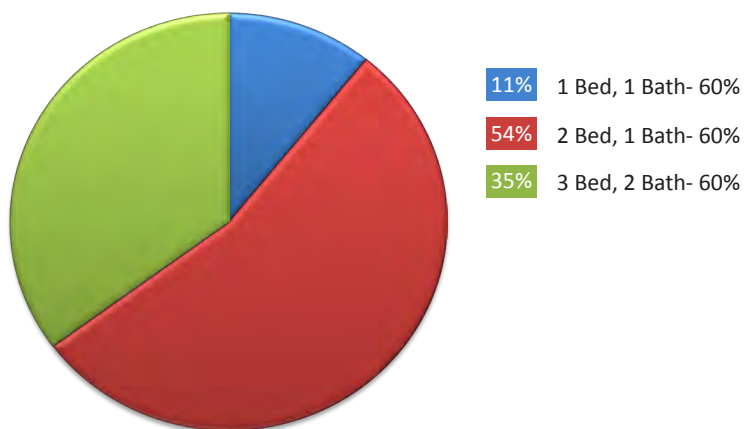
## FINANCIAL ANALYSIS

# VILLAGE AT KEARNEY APARTMENTS

## Unit Mix

| UNIT TYPE (SET-ASIDE)          | NUMBER OF UNITS | UNIT SIZE (RSF) | ASKING RENT     | RENT PER RSF  | MAX RENT        | CURRENT UA | MAX NET TC RENT |
|--------------------------------|-----------------|-----------------|-----------------|---------------|-----------------|------------|-----------------|
| 1 BD 1 BTH- 60%                | 4               | 689             | \$526           | \$0.76        | \$774           | \$104      | \$670           |
| <b>1 BD 1 BTH UNIT TOTAL</b>   | <b>4</b>        | <b>2,756</b>    | <b>\$2,104</b>  |               | <b>\$3,096</b>  |            | <b>\$2,680</b>  |
| <b>1 BD 1 BTH UNIT AVERAGE</b> |                 | <b>689</b>      | <b>\$526</b>    | <b>\$0.76</b> | <b>\$774</b>    |            | <b>\$670</b>    |
| 2 BD 1 BTH- 60%                | 20              | 778             | \$627           | \$0.81        | \$930           | \$129      | \$801           |
| <b>2 BD 1 BTH UNIT TOTAL</b>   | <b>20</b>       | <b>15,560</b>   | <b>\$12,540</b> |               | <b>\$18,600</b> |            | <b>\$16,020</b> |
| <b>2 BD 1 BTH UNIT AVERAGE</b> |                 | <b>778</b>      | <b>\$627</b>    | <b>\$0.81</b> | <b>\$930</b>    |            | <b>\$801</b>    |
| 3 BD 2 BTH- 60%                | 13              | 1,035           | \$720           | \$0.70        | \$1,074         | \$153      | \$921           |
| <b>3 BD 2 BTH UNIT TOTAL</b>   | <b>13</b>       | <b>13,455</b>   | <b>\$9,360</b>  |               | <b>\$13,962</b> |            | <b>\$11,973</b> |
| <b>3 BD 2 BTH UNIT AVERAGE</b> |                 | <b>1,035</b>    | <b>\$720</b>    | <b>\$0.70</b> | <b>\$1,074</b>  |            | <b>\$921</b>    |
| <b>TOTAL POTENTIAL</b>         | <b>37</b>       | <b>31,771</b>   | <b>\$24,004</b> |               | <b>\$35,658</b> |            | <b>\$30,673</b> |
| <b>AVERAGE</b>                 |                 | <b>859</b>      | <b>\$649</b>    | <b>\$0.76</b> | <b>\$964</b>    |            | <b>\$829</b>    |

\*NOTE: Per the LURA, the average tenant paid portion of rent (not including subsidies, pet rent, etc.) plus the utility allowance has to be at or below 46.12% of the applicable area median income. As of 10/31/2016 rent roll, the current paid portion plus the utility allowances of the occupied units are at 35.53% of the AMI.



# VILLAGE AT KEARNEY APARTMENTS

## Tax Credit Property Income & Rent Limits

Village at Kearney Apartments is a Section 42 LIHTC property which means that federal tax credits were given to help finance the property. The property currently is required to hold the maximum rent charged at or below a level considered appropriate for the households that have incomes at or below 60% of the local Area Median Income (AMI) for the Nebraska Investment Finance Authority.

Buffalo County Effective Year: 2016  
Four Person Area Median Income: \$68,800

| INCOME LIMITS | 60%      |
|---------------|----------|
| 1 Person      | \$28,920 |
| 2 Person      | \$33,060 |
| 3 Person      | \$37,200 |
| 4 Person      | \$41,280 |
| 5 Person      | \$44,640 |
| 6 Person      | \$47,940 |
| 7 Person      | \$51,240 |
| 8 Person      | \$54,540 |

## Tax Credit Maximum Allowable Rents

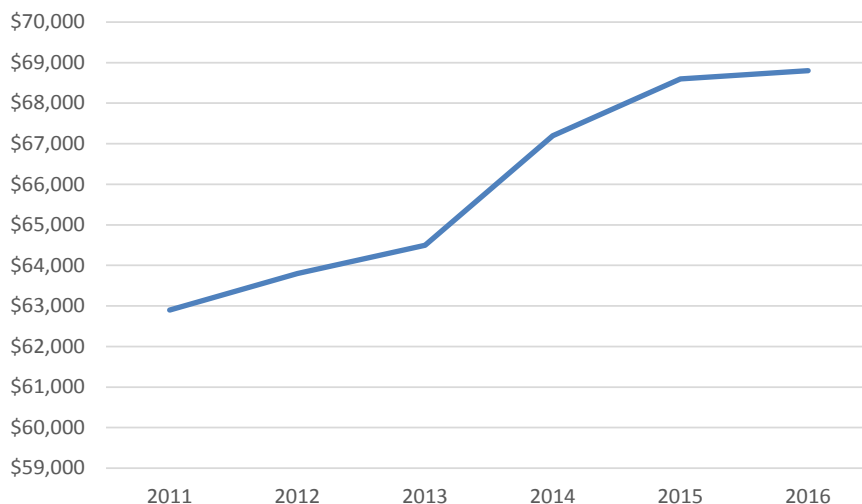
| Set Aside  | 60%   |       |         |
|------------|-------|-------|---------|
| Unit Type  | 1 BD  | 2 BD  | 3 BD    |
| # of Units | 4     | 20    | 13      |
| Maximum    | \$774 | \$930 | \$1,074 |
| UA         | \$104 | \$129 | \$153   |
| Net Rent   | \$670 | \$801 | \$921   |

# VILLAGE AT KEARNEY APARTMENTS

## Historical AMI & MAX Rent

### AMI Growth Rate

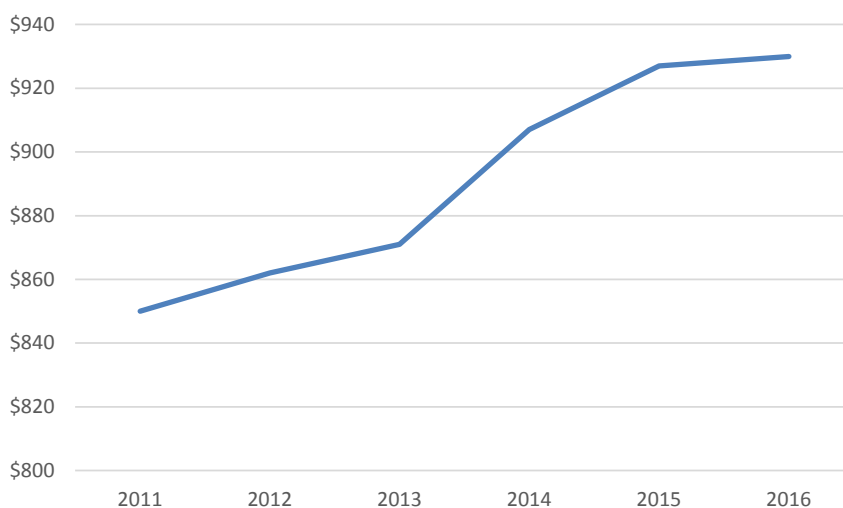
| Year            | AMI      | % Change     |
|-----------------|----------|--------------|
| 2011            | \$62,900 | -            |
| 2012            | \$63,800 | 1.43%        |
| 2013            | \$64,500 | 1.10%        |
| 2014            | \$67,200 | 4.19%        |
| 2015            | \$68,600 | 2.08%        |
| 2016            | \$68,800 | 0.29%        |
| <b>3 Yr Avg</b> |          | <b>2.19%</b> |
| <b>5 Yr Avg</b> |          | <b>1.82%</b> |



FINANCIAL ANALYSIS

### Max Allowable LIHTC Rent Growth- 2BD/ 60%

| Year            | Rent  | % Change     |
|-----------------|-------|--------------|
| 2011            | \$850 | -            |
| 2012            | \$862 | 1.41%        |
| 2013            | \$871 | 1.04%        |
| 2014            | \$907 | 4.13%        |
| 2015            | \$927 | 2.21%        |
| 2016            | \$930 | 0.32%        |
| <b>3 Yr Avg</b> |       | <b>2.22%</b> |
| <b>5 Yr Avg</b> |       | <b>1.82%</b> |



Source: Novoco.com

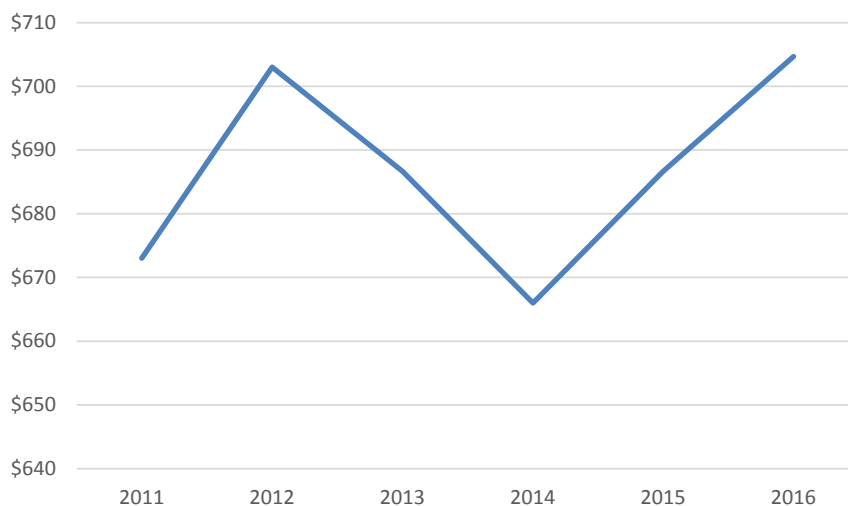


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# VILLAGE AT KEARNEY APARTMENTS

## Historical FMR

| Fair Market Rent- Averages |                 |              |
|----------------------------|-----------------|--------------|
| Year                       | FMR Avg         | % Change     |
| 2011                       | \$673           | -            |
| 2012                       | \$703           | 4.46%        |
| 2013                       | \$687           | (2.32%)      |
| 2014                       | \$666           | (3.01%)      |
| 2015                       | \$687           | 3.10%        |
| 2016                       | \$705           | 2.62%        |
|                            | <b>3 Yr Avg</b> | <b>0.90%</b> |
|                            | <b>5 Yr Avg</b> | <b>0.97%</b> |

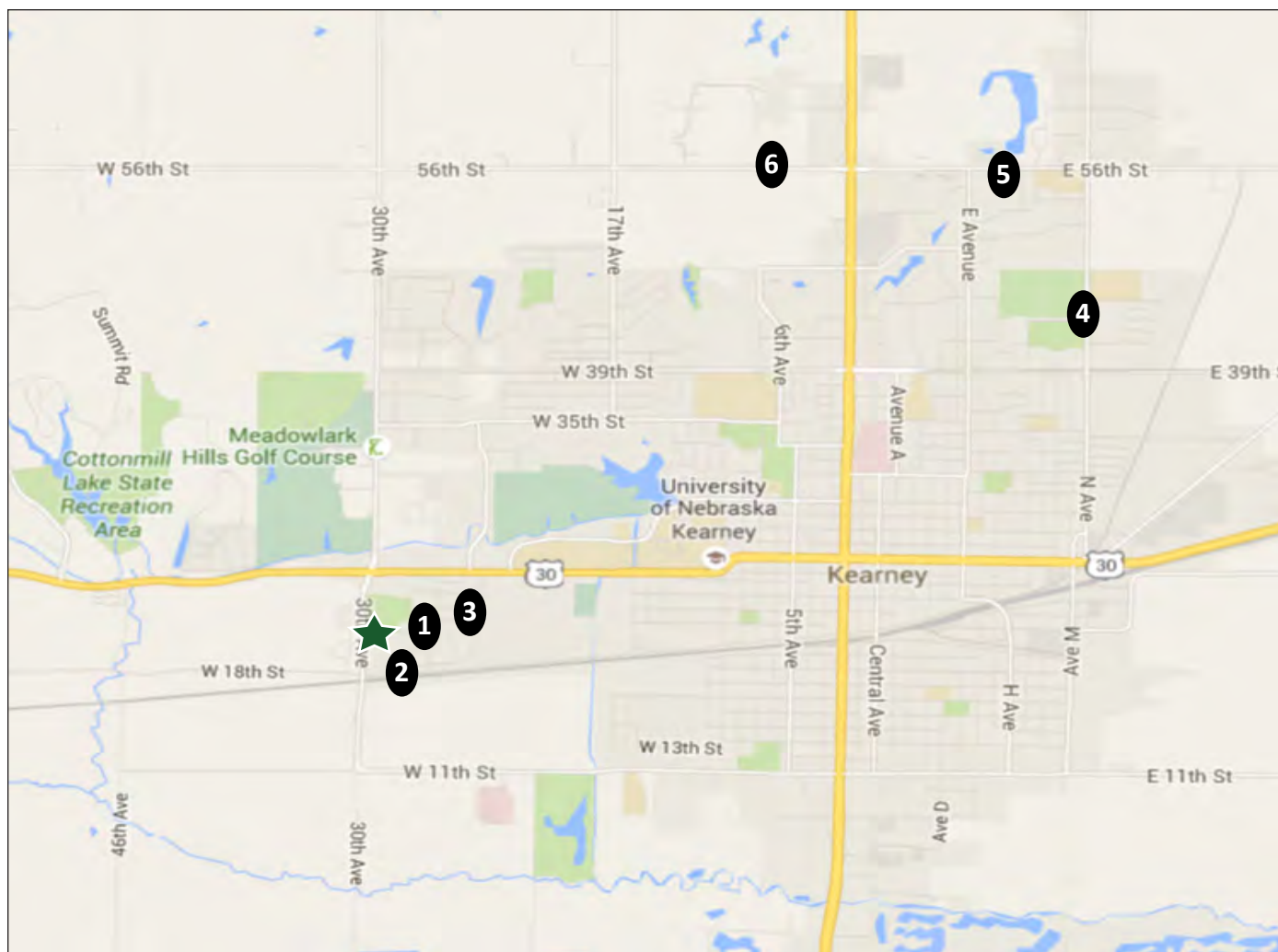


| Fair Market Rents |       |       |       |
|-------------------|-------|-------|-------|
| Year              | 1 BD  | 2 BD  | 3 BD  |
| 2011              | \$492 | \$647 | \$880 |
| 2012              | \$514 | \$676 | \$919 |
| 2013              | \$493 | \$667 | \$900 |
| 2014              | \$478 | \$647 | \$873 |
| 2015              | \$493 | \$667 | \$900 |
| 2016              | \$511 | \$684 | \$919 |

Source: Novoco.com

# VILLAGE AT KEARNEY APARTMENTS

## Rent Comparables Map



★ Village at Kearney Apts.

1 Kearney Plaza Homes

2 Village Plaza Homes

3 Kearney Plaza Townhomes

4 Grandview Apts.

5 Stoneridge Apts.

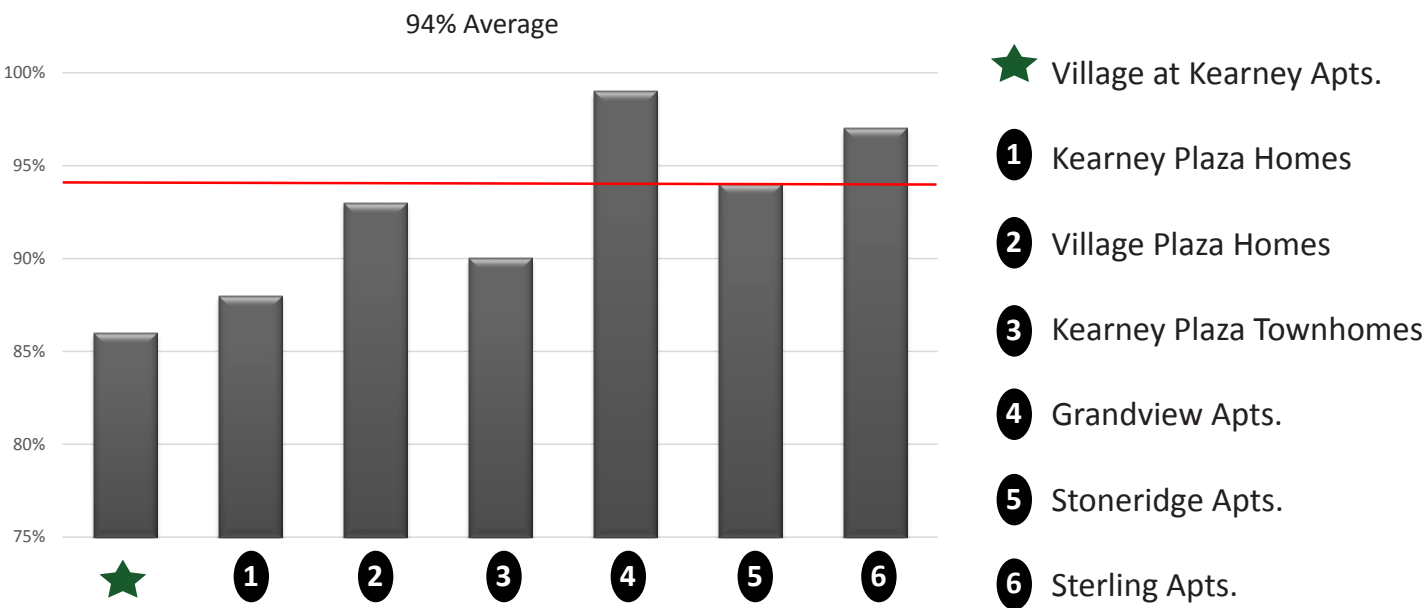
6 Sterling Apts.

RENT COMPARABLES

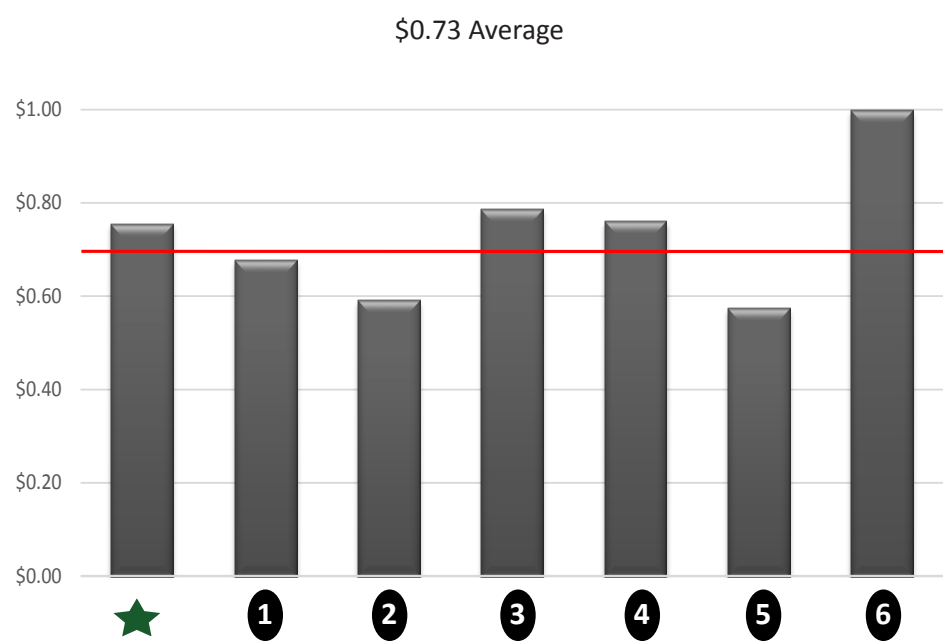
# VILLAGE AT KEARNEY APARTMENTS

## Occupancy & Average Rent per SF

### OCCUPANCY



### RENT PER SF



RENT COMPARABLES

# VILLAGE AT KEARNEY APARTMENTS

## Rent Comparable Details



# OF UNITS: 37  
Occupancy: 86%  
Year Built: 2004

### VILLAGE AT KEARNEY APARTMENTS

88 La Crosse Drive  
Kearney, NE 68845

| UNIT TYPE          | # OF UNITS | RENT         | SF         | RENT PER SF   |
|--------------------|------------|--------------|------------|---------------|
| 1BD 1BTH- 60%      | 4          | \$526        | 689        | \$0.76        |
| 2BD 1BTH- 60%      | 20         | \$627        | 778        | \$0.81        |
| 3BD 2BTH- 60%      | 13         | \$720        | 1,035      | \$0.70        |
| <b>TOTALS/AVG.</b> | <b>37</b>  | <b>\$649</b> | <b>859</b> | <b>\$0.76</b> |

1



# OF UNITS: 16  
Occupancy: 88%  
Year Built: 2006  
Distance to Subject: 0.4 miles

### KEARNEY PLAZA HOMES

2815 West La Platte Road  
Kearney, NE 68845

| UNIT TYPE          | # OF UNITS | RENT         | SF           | RENT PER SF   |
|--------------------|------------|--------------|--------------|---------------|
| 3BD 2 BTH- 60%     | 16         | \$813        | 1,200        | \$0.68        |
| <b>TOTALS/AVG.</b> | <b>16</b>  | <b>\$813</b> | <b>1,200</b> | <b>\$0.68</b> |

2



# OF UNITS: 30  
Occupancy: 93%  
Year Built: 2005  
Distance to Subject: 0.01 miles

### VILLAGE PLAZA HOMES

2730 West La Platte Road  
Kearney, NE 68845

| UNIT TYPE          | # OF UNITS | RENT         | SF           | RENT PER SF   |
|--------------------|------------|--------------|--------------|---------------|
| 2BD 1BTH- 60%      | 10         | \$650        | 1,112        | \$0.58        |
| 3BD 2BTH- 60%      | 20         | \$745        | 1,255        | \$0.59        |
| <b>TOTALS/AVG.</b> | <b>30</b>  | <b>\$713</b> | <b>1,207</b> | <b>\$0.59</b> |

RENT COMPARABLES

# VILLAGE AT KEARNEY APARTMENTS

## Rent Comparable Details

3



# OF UNITS: 50  
Occupancy: 90%  
Year Built: 1985  
Distance to Subject: 0.4 miles

### KEARNEY PLAZA TOWNHOMES

65 Villa Drive  
Kearney, NE 68845

| UNIT TYPE          | # OF UNITS | RENT         | SF         | RENT PER SF   |
|--------------------|------------|--------------|------------|---------------|
| 2BD 1BTH           | 35         | \$643        | 833        | \$0.77        |
| 3BD 2BTH           | 15         | \$827        | 1,019      | \$0.81        |
| <b>TOTALS/AVG.</b> | <b>50</b>  | <b>\$698</b> | <b>889</b> | <b>\$0.79</b> |

4



# OF UNITS: 320  
Occupancy: 99%  
Year Built: 1996  
Distance to Subject: 4.2 miles

### GRANDVIEW APARTMENTS

1319 East 45th Street  
Kearney, NE 68845

| UNIT TYPE          | # OF UNITS | RENT         | SF         | RENT PER SF   |
|--------------------|------------|--------------|------------|---------------|
| 1BD 1BTH           | 72         | \$570        | 600        | \$0.95        |
| 2BD 1BTH           | 128        | \$650        | 905        | \$0.72        |
| 2BD 1.5BTH         | 32         | \$665        | 1,008      | \$0.66        |
| 3BD 2BTH           | 24         | \$740        | 1,125      | \$0.66        |
| 3BD 2BTH           | 64         | \$770        | 1,300      | \$0.59        |
| <b>TOTALS/AVG.</b> | <b>320</b> | <b>\$455</b> | <b>598</b> | <b>\$0.76</b> |

5



# OF UNITS: 104  
Occupancy: 94%  
Year Built: 2006  
Distance to Subject: 4.8 miles

### STONERIDGE APARTMENTS

716 East 56th Street  
Kearney, NE 68845

| UNIT TYPE          | # OF UNITS | RENT         | SF           | RENT PER SF   |
|--------------------|------------|--------------|--------------|---------------|
| 1BD 1BTH           | 32         | \$500        | 790          | \$0.63        |
| 2BD 2BTH           | 44         | \$615        | 1,085        | \$0.57        |
| 3BD 2BTH           | 28         | \$725        | 1,337        | \$0.54        |
| <b>TOTALS/AVG.</b> | <b>104</b> | <b>\$609</b> | <b>1,062</b> | <b>\$0.57</b> |

RENT COMPARABLES

# VILLAGE AT KEARNEY APARTMENTS

## Rent Comparable Details

6



# OF UNITS: 150  
 Occupancy: 97%  
 Year Built: 2015  
 Distance to Subject: 3.9 miles

### STERLING APARTMENTS

820 West 56th Street  
 Kearney, NE 68845

| UNIT TYPE          | # OF UNITS | RENT         | SF         | RENT PER SF   |
|--------------------|------------|--------------|------------|---------------|
| STUDIO             | 35         | \$650        | 570        | \$1.14        |
| 1BD 1BTH           | 70         | \$720        | 799        | \$0.90        |
| 2BD 2BTH           | 30         | \$1,050      | 1,029      | \$1.02        |
| 3BD 2BTH           | 15         | \$1,245      | 1,121      | \$1.11        |
| <b>TOTALS/AVG.</b> | <b>150</b> | <b>\$822</b> | <b>824</b> | <b>\$1.00</b> |

RENT COMPARABLES

# VILLAGE AT KEARNEY APARTMENTS

## Demographic Analysis

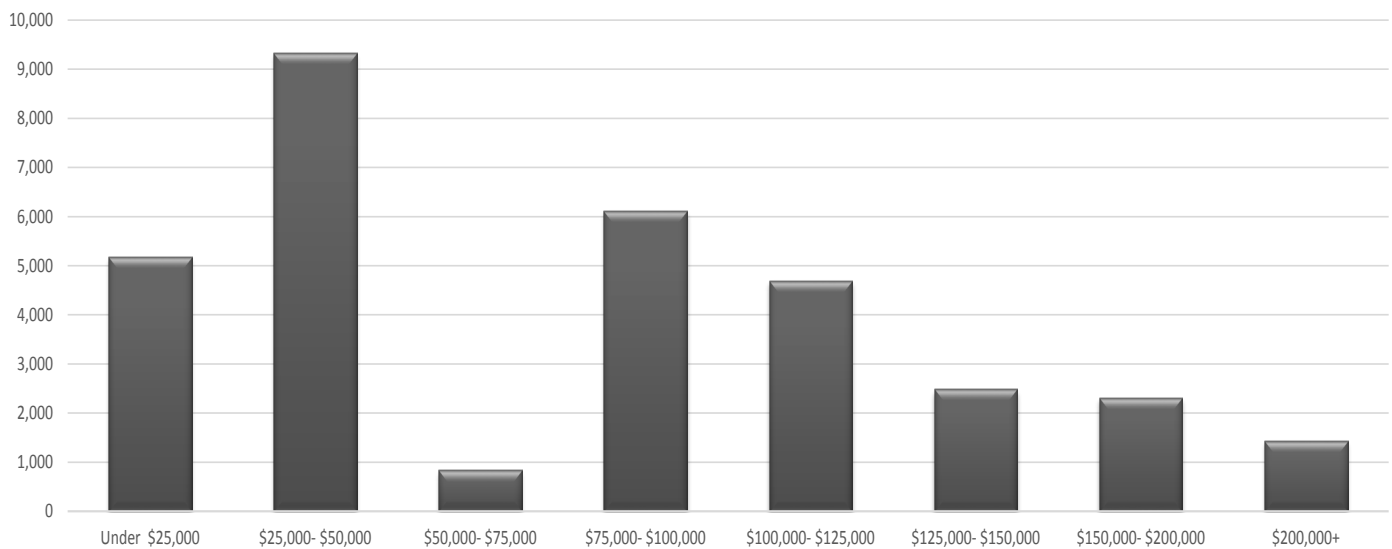
### HOUSING

The median home value in Kearney is \$192,000. Home appreciation the last year has been 5.10 percent. The median rent price in Kearney is \$660.

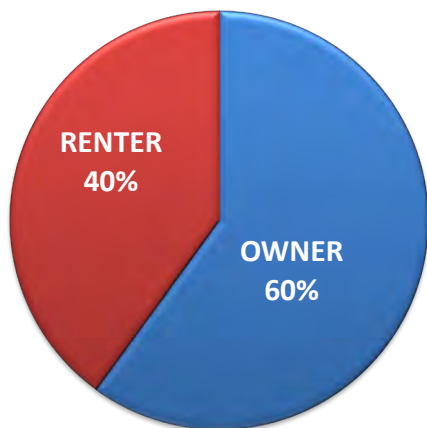
### EMPLOYMENT

The unemployment rate in Kearney is 2.20 percent as of April 2016. Recent job growth is negative. Kearney jobs have decreased by 1.91 percent. The most common employment industries are manufacturing, retail and trade, and health-care.

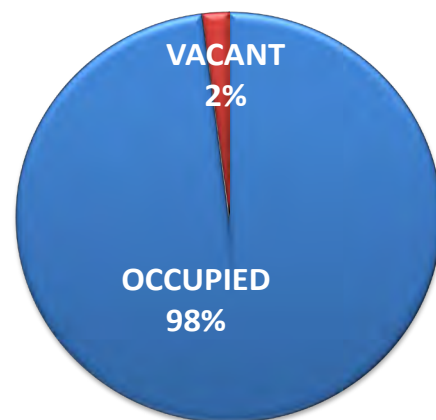
### HOUSEHOLD INCOME LEVELS



### OWNER & RENTER OCCUPIED HOUSING



### RENTAL OCCUPANCY RATES



Source: CoStar

# VILLAGE AT KEARNEY APARTMENTS

## Demographic Report

| POPULATION                                    | 1 Mile   | 3 Miles  | 5 Miles  |
|-----------------------------------------------|----------|----------|----------|
| 2015 Total Population                         | 2,182    | 27,110   | 34,511   |
| Population Change 2000-2015                   | 42       | 588      | 849      |
| Population Change 2010-2015                   | 122      | 1,162    | 1,916    |
| 2015 Male Population                          | 1,092    | 13,362   | 16,996   |
| 2015 Female Population                        | 1,090    | 13,748   | 17,515   |
| HOUSEHOLDS                                    | 1 Mile   | 3 Miles  | 5 Miles  |
| 2015 Households                               | 805      | 10,422   | 13,343   |
| Household Change 2000-2015                    | -4       | 44       | 95       |
| Household Change 2010-2015                    | 122      | 1,162    | 1,916    |
| INCOME                                        | 1 Mile   | 3 Miles  | 5 Miles  |
| 2015 Household Income: Median                 | \$30,859 | \$47,376 | \$48,273 |
| 2015 Household Income: Average                | \$37,612 | \$57,937 | \$59,452 |
| 2015 Per Capita Income                        | \$15,927 | \$24,259 | \$24,610 |
| 2015 Household income: Less than \$10,000     | 139      | 758      | 882      |
| 2015 Household income: \$10,000 to \$14,999   | 7        | 742      | 896      |
| 2015 Household income: \$15,000 to \$19,999   | 64       | 718      | 833      |
| 2015 Household income: \$20,000 to \$24,999   | 89       | 501      | 703      |
| 2015 Household income: \$25,000 to \$29,999   | 82       | 809      | 930      |
| 2015 Household income: \$30,000 to \$34,999   | 125      | 579      | 778      |
| 2015 Household income: \$35,000 to \$39,999   | 59       | 506      | 746      |
| 2015 Household income: \$40,000 to \$44,999   | 40       | 376      | 529      |
| 2015 Household income: \$45,000 to \$49,999   | 8        | 467      | 572      |
| 2015 Household income: \$50,000 to \$59,999   | 39       | 840      | 1,067    |
| 2015 Household income: \$60,000 to \$74,999   | 61       | 1,372    | 1,693    |
| 2015 Household income: \$75,000 to \$99,999   | 46       | 1,254    | 1,588    |
| 2015 Household income: \$100,000 to \$124,999 | 34       | 715      | 1,061    |
| 2015 Household income: \$125,000 to \$149,999 | 12       | 335      | 470      |
| 2015 Household income: \$150,000 to \$199,999 | n/a      | 251      | 345      |
| 2015 Household income: \$200,000 or more      | n/a      | 199      | 250      |

Source: LoopNet.com

# VILLAGE AT KEARNEY APARTMENTS

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## Contact Information

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