

## THDA Market Study Guidelines

All applicants must provide a Market Study in accordance with the THDA Market Study Standards listed below:

1. A Market Study (the "Market Study"), performed by an independent third party selected from THDA Approved Market Study Listing on the [THOMAS](#) Documents page and prepared in accordance with the requirements of **these THDA Market Study Guidelines**, must be submitted with the Initial Application for all proposed developments.
2. Approved Market Study Analyst should use the Table of Contents provided below when preparing the Market Study.
3. The Market Study and Shape Files, in a form and with content acceptable to THDA, in its sole discretion, must support the need and demand for the proposed development.
4. The Market Study must be less than six months old at the time of submission.
5. THDA will not accept a Market Study performed by an analyst or firm not listed in the THDA Approved Market Study Listing. This includes any Market Study performed on behalf of an analyst or firm listed in the THDA Approved Market Study Listing by an analyst or firm not listed in in the THDA Approved Market Study Listing (i.e. a "subcontracted" Market Study).
6. Based on the information and analysis presented in the Market Study, and based on other information available to THDA, THDA may determine that market demand is not sufficient to support the proposed development.
7. *The determinations of the market analyst as reflected in the Market Study are determinative as to eligibility.*

## New Construction 9% Competitive Developments

This section is applicable to New Construction developments competing in the New Construction Pools in the 2019-2020 Competitive cycle only. The distance tiebreaker will be found in Section 15-F-1-b.

### **Background Information on Distance**

The tie breaker found at Section 15-f-1-b of the QAP is the distance between the proposed development and the nearest housing credit development as determined by THDA, in its sole discretion. THDA will post a list of Development Location Points (DLPs) for each existing property (Active), as well as those currently in development (Coming Soon), expressed as latitude-longitude coordinates in decimal degrees.

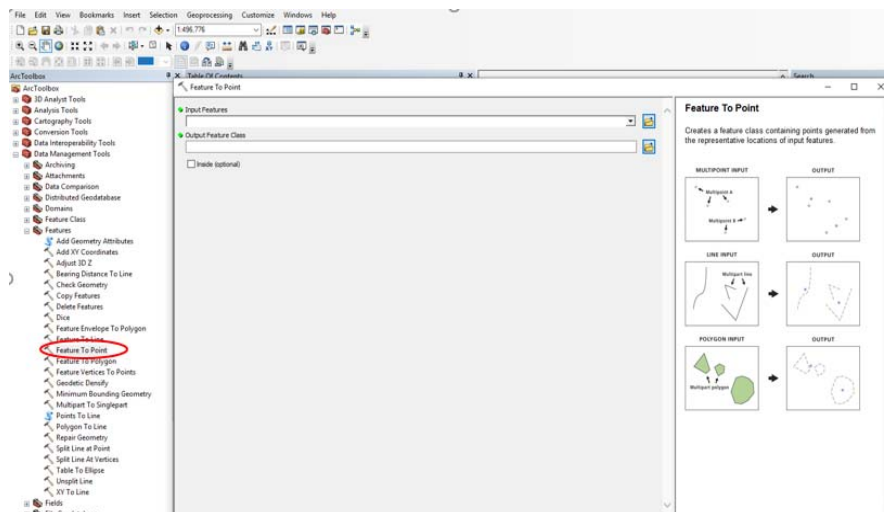
*Distance*, for the purpose of implementing the tie-breaker, is defined as the point to point planar measurement between the DLP of the existing LIHC property and the centroid of the proposed property. Applicants shall submit a shapefile for the entire parcel comprising the proposed development, as well as the centroid of the parcel as determined using the Feature to Point tool in ESRI ArcGIS software.

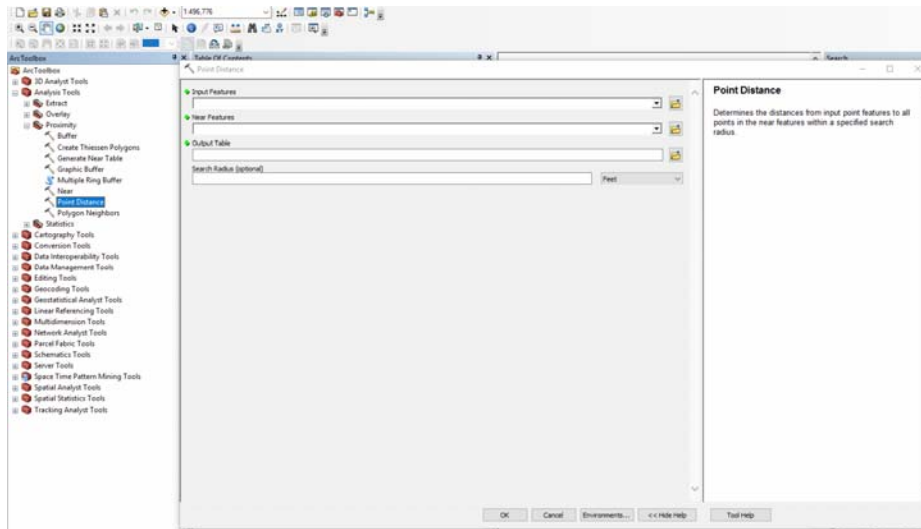
- THDA measures the planar distance between the DLP of each Active and Coming Soon property and the parcel centroid associated with each proposed development.
  - THDA will provide the DLPs of Active and Coming Soon properties as a Comma Separated Values (CSV) file.
  - Distance between existing and proposed properties is without regard to the demographic served by the proposed developments, (e.g. special populations, elderly, family, etc.).
  - THDA will post the Active LIHC Table on the THOMAS Documents Page. The list includes both Active and Coming Soon properties. All properties should be taken into account for distance measurement. Analysts that have questions regarding this map should contact [kmccarthy@thda.org](mailto:kmccarthy@thda.org) or [fhamilton@thda.org](mailto:fhamilton@thda.org)
  - In 2020, THDA staff will determine the distance for the tiebreaker using the method described below. Prospective applicants and market analysts are advised to perform this procedure as part of their own due diligence and analysis.

### **Guidance for Competitive New Construction Market Studies**

- Add x,y data from the Active and Coming Soon CSV provided by THDA;
- Add the parcel shapefile associated with the proposed development;
- Project all data layers into NAD\_1983\_2011\_StatePlane\_Tennessee;
- Set the data frame to the same projected coordinate system;
- Confirm that the data frame measurement unit is US feet and set the display unit to either feet or miles;
- Use Feature to Point tool to derive the centroid point from the polygon;
- Use the Point Distance tool to calculate the distance between the proposed property and the features in the Active and Coming Soon table (the *near* feature);
- In the output table(s):
  - Sort ascending;
  - Identify near feature ID in near table; and
  - Convert feet to miles (there are 5,280 feet in a mile) and round to the nearest one-hundredth a mile.
- The measurements should be in miles and should be exact.

THDA will use the process described above to measure the tiebreaker distance and establish the preliminary ranking.





OBJECTID*	INPUT_FID	NEAR_FID	DISTANCE
466	1	157	38631.3
585	1	425	41510.1
482	1	236	41776.6
448	1	672	44411.8
480	1	546	45259.3
444	1	728	45515.4
467	1	145	46370.1
583	1	577	47077.0
584	1	565	47858.1
478	1	8	47900.8
445	1	715	49057.6
469	1	129	49293.1
472	1	68	49722.7
455	1	379	51188.6
456	1	378	51331.6
475	1	20	51577.2
470	1	90	51852.315074
634	1	727	51862.094334
481	1	283	51985.347631
468	1	141	52063.078348
474	1	45	52132.57409
454	1	384	52276.03959
450	1	548	52280.012224
447	1	688	52335.823338
462	1	244	52376.148508
465	1	175	53956.184719
464	1	223	54001.71948
460	1	309	54975.889669
449	1	549	55362.430834
453	1	410	55397.760225
473	1	67	55870.931666
451	1	545	56111.310335
452	1	414	56879.244652
477	1	10	56917.845688
461	1	293	57119.585428

If a tie remains at one one-hundredth of a mile, THDA will proceed to the tie breaker described at 15-F-1-c

## 2020 THDA Market Study Table of Contents

All applicants will submit a market study performed by an approved independent third party selected from the THDA Approved Market Study Vendor Listing. The market study must be prepared in accordance with the Version 3.0 of the Model Content Standards on January 14, 2013 published by NCHMA. Introduction: Members of the National Council of Housing Market Analysts provide the following checklist referencing various components necessary to conduct a comprehensive market study for rental housing. By completing the following checklist, the NCHMA Analyst certifies that he or she has performed all necessary work to support the conclusions included within the comprehensive market study. By completion of this checklist, the analyst asserts that he/she has completed all required items per section. Analyst must disclose the page number where the information may be found in the report.

		Page Number(s)
<b>Executive Summary</b>		
1	Executive Summary	
<b>Scope of Work</b>		
2	Scope of Work	
<b>Project Description</b>		
3	Unit mix including bedrooms, bathrooms, square footage, rents, and income targeting	
4	Utilities (and utility sources) included in rent	
5	Target market/population description	
6	Project description including unit features and community amenities	
7	Date of construction/preliminary completion	
8	If rehabilitation, scope of work, existing rents, and existing vacancies	
<b>Location</b>		
9	Concise description of the site and adjacent parcels	
10	Site photos/maps	
11	Map of community services	
12	Site evaluation/neighborhood including visibility, accessibility, and crime	
<b>Market Area</b>		
13	PMA description	
14	PMA Map	
<b>Employment and Economy</b>		
15	At-Place employment trends	
16	Employment by sector	
17	Unemployment rates	
18	Area major employers/employment centers and proximity to site	
19	Recent or planned employment expansions/reductions	

<b>Demographic Characteristics</b>		
20	Population and household estimates and projections	
21	Area building permits	
22	Population and household characteristics including income, tenure, and size	
23	For senior or special needs projects, provide data specific to target market	
<b>Competitive Environment</b>		
24	Comparable property profiles and photos	
25	Map of comparable properties	
26	Existing rental housing evaluation including vacancy and rents	
27	Comparison of subject property to comparable properties	
28	Discussion of availability and cost of other affordable housing options including homeownership, if applicable	
29	Rental communities under construction, approved, or proposed	
30	For senior or special needs populations, provide data specific to target market	
<b>Affordability, Demand, and Penetration Rate Analysis</b>		
31	Estimate of demand ( <b>specify each set-aside the project will serve as a percentage of AMI i.e 20% 30%, 40%, 50%, 60%, 70%, 80% of AMI</b> )	
32	Affordability analysis with capture rate	
33	Penetration rate analysis with capture rate	
<b>Analysis/Conclusions</b>		
34	Absorption rate and estimated stabilized occupancy for subject	
35	Evaluation of proposed rent levels including estimate of market/achievable rents.	
36	Precise statement of key conclusions	
37	Market strengths and weaknesses impacting project	
38	Product recommendations and/or suggested modifications to subject	
39	Discussion of subject property's impact on existing housing	
40	Discussion of risks or other mitigating circumstances impacting subject	
41	Interviews with area housing stakeholders	
<b>Other Requirements</b>		
42	Certifications	
43	Statement of qualifications	
44	Sources of data not otherwise identified	

## Shapefile Submission

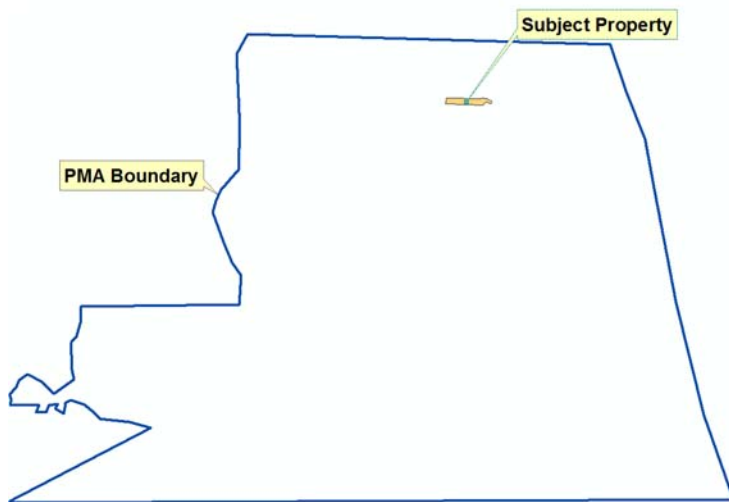
Three complete shapefiles should accompany each competitive LIHC application:

- Primary Market Area (PMA), a polygon;
- Subject property, a polygon; and
- Subject property centroid, a point.

The PMA shapefile must accurately illustrate the boundaries of the primary market area and should depict the influence of natural and anthropogenic barriers. Please draw and submit one PMA polygon for each shapefile submission.

Please confirm the accuracy and completeness of the shapefile before sending. The shape of the submitted parcel(s) should broadly conform to the parcel geometry of the records of the applicable County Assessor and/or the Tennessee Comptroller. Applicants may assemble parcels and parts of parcels, and propose the creation of new parcels out of larger existing properties. However, when overlaid on an existing cadastral map, the subject property polygon should not bisect existing buildings, encroach upon public rights of way, or cross existing parcels in a manner that, in the assessment of THDA staff, appears to represent an unlikely assemblage of land. If the shape of submitted parcels differ meaningfully from the county assessor's parcel data, THDA staff will fail the submission upon initial review. In such a situation, the market study analyst will have an opportunity to make a timely cure to their shapefile and address discrepancies in parcel shape.

**Figure One -Illustrates the shapefile of the PMA and the shapefile of the subject property.**



**Figure 1 PMA Boundary and Subject Property**

As shown in Figure 1, both the PMA and the subject property should be polygons. Additionally, each application should also include a subject property centroid. The subject property polygon should accurately and completely depict the shape, size, and location of the parcel(s) comprising the proposed development location. This ensures that THDA will be able to verify the location of the proposed development site during the review process.

### Figure Two-Shapefile Table

The attribute tables associated with the PMA and subject shapefiles should consist of seven fields:

- TN Number
- Street Address (or description)
- City
- County
- Project Name
- Polygon Centroid Longitude
- Polygon Centroid Latitude

Shapefiles which are missing any of these attributes will be rejected as incomplete.

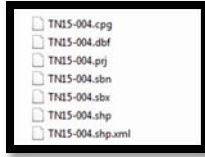
TN Number	20-000
Project_Name	Hipster Flats
Street	502 Deaderick St
City	Nashville
County	Davidson
Polygon Centroid Longitude	-86.782034
Polygon Centroid Latitude	36.165447

*Figure 2 Example of a Shapefile Table*

### Figure Three- Shapefile Extensions

When submitting a shapefile, be sure to include each file extension associated with the polygon or point feature. There have been several occasions where THDA staff could not open the shapefile. Figure 3 shows the elements of the shapefile. There are typically at least 6 or 7 extensions that make up 1 shapefile. The extensions .prj, .shp, .shx and .dbf must be included; the submission may also include the extensions .xml, .cpg, .sbn and .sbx.





**Figure 3 Shapefile Extensions**

**Please compress the shapefile into a Zip folder, rather than sending individual extensions. Figure 3 shows how one complete shapefile is packaged together. Compressing the data will save time when uploading.**

Review findings will be issued for missing or improperly submitted shapefiles.

### **Identity of Interests**

THDA will not accept cost certifications, market studies, physical needs assessments and appraisals prepared by parties THDA has determined are not independent.

Any questions regarding this guidance may be directed to [TNAllocation@thda.org](mailto:TNAllocation@thda.org)