SECOND COMMUNITY MEETING REPORT

Petitioner: Pedcor Investments
Rezoning Petition No. 2017-164

This Second Community Meeting Report is being filed with the Office of the City Clerk and the Charlotte-Mecklenburg Planning Commission pursuant to the provisions of the City of Charlotte Zoning Ordinance.

PERSONS AND ORGANIZATIONS CONTACTED WITH DATE AND EXPLANATION OF HOW CONTACTED:

A representative of the Petitioner mailed a written notice of the date, time and location of the Second Community Meeting to the individuals and organizations set out on Exhibit A-1 attached hereto by depositing such notice in the U.S. mail on December 22, 2017. A copy of the written notice is attached hereto as Exhibit A-2.

DATE, TIME AND LOCATION OF MEETING:

The Second Community Meeting was held on Thursday, January 4, 2018 at 6:30 PM at The CORE Church of Charlotte located at 2300 Alleghany Street in Charlotte, North Carolina.

PERSONS IN ATTENDANCE AT MEETING (see attached copy of sign-in sheet):

The Second Community Meeting was attended by those individuals identified on the sign-in sheet attached hereto as Exhibit B. The Petitioner’s representatives at the Second Community Meeting were Mike Byron, Kara Strickland and Margie Williamson of Pedcor Investments, Matt Edwards and McKenzie Publicover of Kimley Horn and John Carmichael of Robinson Bradshaw & Hinson, P.A.

SUMMARY OF ISSUES DISCUSSED:

The Petitioner’s representatives utilized a power point presentation during the Second Community Meeting, a copy of which is attached hereto as Exhibit C.

John Carmichael welcomed the attendees to the Second Community Meeting and introduced himself and the Petitioner’s representatives. John Carmichael stated that this is the second Community Meeting relating to Rezoning Petition No. 2017-164. The first Community Meeting was held on December 4, 2018. Pedcor Investments is the Petitioner. John Carmichael stated that the first Community Meeting was held on the night of a City Council Meeting, and he apologized for having scheduled the first Community Meeting on the night of a City Council Meeting.

John Carmichael then shared the agenda for the Community Meeting.

John Carmichael provided the current schedule of events relating to this rezoning request. He stated that the Public Hearing is scheduled for Monday, February 19, 2018 at 5:30 PM at the Charlotte-Mecklenburg Government Center. The Zoning Committee Work Session is scheduled for Tuesday, March 6, 2018 at 5:30 PM at the Charlotte-Mecklenburg Government Center, and City Council is scheduled to render a decision on this rezoning request on Monday, March 19, 2018 at 5:30 PM at the Charlotte-Mecklenburg Government Center.

Utilizing an aerial photograph of the site subject to this rezoning request, John Carmichael stated that the approximately 17.268 acre site is located on the north side of Alleghany Street across from Harding University High School. John Carmichael stated that the site is currently zoned I-1

10233526v2 25871.00011
Airport Overlay district, and the Petitioner is requesting that the site be rezoned to the R-12 MF (CD) Airport Overlay district to accommodate the development of a residential community on the site that would contain up to 198 dwelling units for families at or below 60% of the area median income. The overall density would be 11.5 dwelling units per acre.

John Carmichael stated that this is a conditional rezoning request. Therefore, if this rezoning request is approved, the site would have to be developed in accordance with the approved conditional rezoning plan, and the buildings would have to look like the approved building elevations.

Mike Byron then addressed the meeting.

Mike Byron stated that he is the Vice President of Development for Pedcor Investments, and he has been with Pedcor Investments for 10 years. Pedcor Investments is located in suburban Indianapolis. Pedcor Investments has been in business since 1987 and its primary business is the development of affordable rental workforce housing.

Pedcor has developed over 21,000 residential units in 122 communities located in 19 states. Mike Byron shared a map that depicts the states in which Pedcor Investments currently operates. Mike Byron discussed some of Pedcor Investments’ projects in North Carolina, including its Granite Pointe apartment community that will be located at Arrowood Road and Nations Ford Road in Charlotte. The construction of the Granite Pointe development will begin in March of 2018.

Mike Byron stated that Pedcor develops a nice product, and Pedcor does an excellent job of maintaining its communities.

Mike Byron stated that Pedcor Investments acquires, entitles and develops each of its properties. Pedcor Investments has an in-house general contracting company that builds its projects, and Pedcor Investments manages its communities.

Mike Byron stated that Pedcor Investments is a long term owner of its residential communities. Mike Byron stated that Pedcor still owns 83% of the residential units that it has developed over the years (workforce and market rate). Pedcor still owns 91% of the workforce residential units that it has developed.

Mike Byron then shared the site plan for the proposed development. Mike Byron stated that at this time, the site plan does not show any vehicular connectivity to Alleghany Street because this site does not actually abut Alleghany Street. CMS owns a strip of land between the site and Alleghany Street. However, CDOT continues to ask us to make a vehicular connection to Alleghany Street and to obtain an easement or acquire property from CMS to allow a vehicular connection.

There would be vehicular access to and from the site from Scott Futrell Drive.

Mike Byron stated that there would be 11 buildings on the site that would contain residential units, and each building would contain 18 residential units.

The community would have a clubhouse, and the community would be fully amenitized. The amenities would include a clubhouse, swimming pool, tot lot and fitness center.

Mike Byron stated that Pedcor is looking at this development project because of the growth of Charlotte. Mike Byron stated that there is a demand for this type of residential community in Charlotte.
Mike Byron then shared a slide that depicts the unit mix for this proposed community. There would be 48 one bedroom units, 108 two bedroom units and 42 three bedroom units. Mike Byron stated that one bedroom units would rent for $718 per month, two bedroom units would rent for $855 per month and three bedroom units would rent for $981 per month.

Mike Byron then described the Federal Tax Credit Program. This program is a financial incentive to developers to develop workforce housing.

Mike Byron discussed the incomes of the individuals and families who would qualify to rent a unit in this community, and he shared a slide that contains this information.

Resident income would be limited to 60% of the annual area median income in the Charlotte area, which is $42,420 for a family of four.

Mike Byron stated that 40% of renters in Charlotte are rent burdened, meaning they spend too much on monthly rent for their income.

Mike Byron shared a slide that provides the types of jobs that generate incomes that would qualify for this proposed residential community.

Mike Byron shared elevations of the buildings proposed for this residential community. The buildings would be three stories. The bottom two stories would be brick, and the top story would be cementitious siding.

Mike Byron discussed the impact of this proposed residential community on area schools. According to CMS, this community would generate an additional 89 students (53 elementary, 21 middle school and 15 high school students). Mike Byron stated that according to Pedcor’s analysis, this community would generate an additional 49 students.

Mike Byron shared pictures of some of Pedcor’s other residential communities that it has developed.

Mike Byron stated that this project would be vetted by HUD and its equity partner, SunTrust.

Mike Byron stated that there would be up to 28 garages on the site for tenants.

Mike Byron stated that the clubhouse would contain a fitness facility and a business center for the tenants.

Mike Byron briefly reviewed the City of Charlotte’s affordable housing locational policy. Mike Byron pointed out that the site is located in a challenged area, and that Pedcor would be seeking a waiver of the City’s affordable housing locational policy for this site. New affordable housing developments in the yellow and red areas on the affordable housing locational policy map must obtain a waiver.

The Second Community Meeting was then devoted to a question, answer and comment session. Set out below is a summary of the responses to the questions as well as the comments and concerns that were expressed at the meeting.

* An attendee stated that she is concerned that this residential community would bring more crime to the area. She stated that low income developments increase crime. Mike Byron stated that this development would have tenants with different levels of income. Margie Williamson stated that Pedcor has numerous workforce and market rate developments and she does not see a crime difference between the workforce developments and the market rate developments.
developments. Margie Williamson stated that Pedcor does its best to monitor issues at its communities and Pedcor’s goal is always to provide clean and safe housing to its tenants.

- The same attendee stated that she does not want any problems in the area.
- An attendee asked if this proposed development would have a negative impact on area property values. Mike Byron stated that he does not think that this development would have a negative impact on area property values, and he offered to share studies or information regarding the impact of workforce housing on property values.
- An attendee reiterated her concerns regarding crime. A discussion then ensued regarding the differences between workforce housing and developments where all of the tenants are at 30% or below the annual area median income. In other words, developments with concentrated poverty. This development would not be that type of development.
- An attendee stated that you would not be able to drive by this proposed development and tell whether it is a workforce development or a market rate development.
- An attendee stated that the rents that would be charged at this development are more than some of our mortgages.
- An attendee stated that there is a need for this type of residential community in the area. She stated that there are teachers at her school who could live in this community.
- An attendee stated that he understands that property values in this area will increase in general. He asked if this development would cause properties in the area to not increase in value at the same rate as other properties.
- An attendee reiterated that the rents that would be charged at this community are more than some of our mortgages.
- Margie Williamson described the screening process that Pedcor employs at its communities. Pedcor looks at a potential tenant’s credit history, criminal history, payment history and income. Margie Williamson stated that the paper work that must be completed to apply to live at a Pedcor workforce housing development is significant, and you really have to want to live there to complete the paper work. Margie Williamson reiterated that Pedcor’s goal is to provide clean and safe housing. Margie Williamson stated that Pedcor owns its developments for a long time, so they need to maintain their developments in a proper fashion in order to keep them nice. There would be on-site management and an on-site maintenance staff at this development. The on-site staff is trained by Pedcor. Margie Williamson stated that they inspect the units to be sure the tenants are maintaining the units.
- An attendee asked about noise generated by the airport and its impact on this residential community. Mike Byron stated that this site is located outside of the 65 decibel level area.
- An attendee stated that there is a significant need for this type of residential community, and that his church serves the population who would qualify to live in this residential community.
- In response to a question, Mike Byron stated that if this project receives the required approvals, tenants could move into the development sometime in 2020.
- An attendee stated that 34,000 affordable housing units are needed in Charlotte. He stated that he appreciates Pedcor’s stringent requirements, but what about people with less than a perfect credit rating? Margie Williamson stated that Pedcor looks at how people have paid their
rent, and that the credit requirement is not as stringent as some of the other requirements. There is some level of forgiveness. Pedcor can ask for an additional deposit or require a co-signer on the lease.

- An attendee stated that he is a young single father, and he thinks that this proposed residential community is wonderful. He stated that this model fits his group. This attendee stated that he wishes that this development had been around a couple of years ago.

- In response to a question, Mike Byron stated that if this residential community is developed, Pedcor will have a 30 year commitment to this development per the North Carolina Financing Agency.

Mike Byron stated that they would email the slides shown at the meeting to the attendees who have provided their email addresses as well as information on the impact of workforce housing on property values.

The Petitioner’s representatives thanked the attendees for attending the meeting, and the Second Community Meeting was adjourned.

**CHANGES MADE TO THE PETITION AS A RESULT OF THE SECOND COMMUNITY MEETING AS OF THE DATE HEREOF:**

No changes have been made to the Conditional Rezoning Plan or to the Rezoning Petition as of the date of this Second Community Meeting Report solely as a result of the Second Community Meeting.

Respectfully submitted, this 16th day of January, 2018.

**Pedcor Investments, Petitioner**

cc: Mr. Richard Hobbs, Charlotte-Mecklenburg Planning Department (via email)
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<td>Rob Jones</td>
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<td>20401 Staghorn Ct</td>
<td>Cornelius</td>
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NOTICE TO INTERESTED PARTIES
OF SECOND COMMUNITY MEETING

Subject: Second Community Meeting -- Rezoning Petition No. 2017-164 filed by Pedcor Investments to request the rezoning of an approximately 17.268 acre site located on the north side of Alleghany Street, across Alleghany Street from Harding University High School, from the I-1 zoning district to the R-12 MF (CD) zoning district

Date and Time of Meeting: Thursday, January 4, 2018 at 6:30 p.m.

Place of Meeting: The CORE Church of Charlotte
2300 Alleghany Street
Charlotte, NC 28208

We are assisting Pedcor Investments (the “Petitioner”) in connection with a Rezoning Petition it has filed with the Charlotte-Mecklenburg Planning Department requesting the rezoning of an approximately 17.268 acre site located on the north side of Alleghany Street, across Alleghany Street from Harding University High School, from the I-1 zoning district to the R-12 MF (CD) zoning district. The purpose of this rezoning request is to accommodate the development of a multi-family residential community on the site that could contain up to 198 dwelling units. This residential community would provide high quality workforce housing for families at or below 60% of the area median income.

The Petitioner previously held a Community Meeting regarding this Rezoning Petition on December 4, 2017. The Petitioner will hold a Second Community Meeting prior to the Public Hearing on this Rezoning Petition for the purpose of sharing its revised rezoning plan and otherwise discussing this rezoning proposal with nearby property owners and organizations. The Charlotte-Mecklenburg Planning Department’s records indicate that you are either a representative of a registered neighborhood organization or an owner of property that adjoins, is located across the street from, or is near the site.

Accordingly, on behalf of the Petitioner, we give you notice that representatives of the Petitioner will hold a Second Community Meeting regarding this Rezoning Petition on Thursday, January 4, 2018 at 6:30 p.m. at The CORE Church of Charlotte located at 2300 Alleghany Street. Representatives of the Petitioner look forward to discussing this rezoning proposal with you and to answering your questions.

In the meantime, should you have any questions or comments, please call John Carmichael at (704) 377-8341.

Robinson, Bradshaw & Hinson, P.A.

cc: Ms. LaWana Mayfield, Charlotte City Council District 3 (via email)
    Ms. Tammie Keplinger, Charlotte-Mecklenburg Planning Department (via email)
    Ms. Claire Lyte-Graham, Charlotte-Mecklenburg Planning Department (via email)
    Mr. Richard Hobbs, Charlotte-Mecklenburg Planning Department (via email)

Date Mailed: December 22, 2017
### Second Community Meeting Sign-in Sheet

**The CORE Church of Charlotte**  
2300 Alleghany Street  
Charlotte, NC 28208  

**Thursday, January 4, 2018**  
6:30 P.M.

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<th>ADDRESS</th>
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<tr>
<td>1. Cynthia Littlejohn</td>
<td>2332 Heywood Ave</td>
<td>704-788-0411</td>
<td><a href="mailto:Cynthia.mcbeth@yahoo.com">Cynthia.mcbeth@yahoo.com</a></td>
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<tr>
<td>2. Babak Eshari</td>
<td>725 Clement Ave</td>
<td>704-408-1647</td>
<td><a href="mailto:BabakProv@gmail.com">BabakProv@gmail.com</a></td>
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<td>3. Ruth McCullough</td>
<td>833 Alleghany St</td>
<td>704-394-0017</td>
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<tr>
<td>4. Bolley Shirley</td>
<td>2639 Alleghany St</td>
<td>704-394-7853</td>
<td>NONE</td>
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<tr>
<td>5. Todd Reynolds</td>
<td>PO Box 500, High Point</td>
<td>336-889-4684</td>
<td><a href="mailto:toddncwco@yahoo.com">toddncwco@yahoo.com</a></td>
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<td>6. Kevin Alston</td>
<td>8436 Concord Mills Blvd</td>
<td>704-433-6210</td>
<td><a href="mailto:k1alston@gmail.com">k1alston@gmail.com</a></td>
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<td>7. Darrell Williams</td>
<td>2300 Alleghany St</td>
<td>(704) 807-8693</td>
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<td>8. Regina Meeks</td>
<td>2701 Alleghany St</td>
<td>704-392-1138</td>
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<td>9. Baby Carell</td>
<td>2126 North Carolina St</td>
<td>704-933-1142</td>
<td><a href="mailto:barryhsk@yahoo.com">barryhsk@yahoo.com</a></td>
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<td>10. Lefon Green</td>
<td>2323 Terell St</td>
<td>704-394-5442</td>
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<td>11. Gloria Dukes</td>
<td>3632 Kempton Pk</td>
<td>704-277-5236</td>
<td><a href="mailto:GloriaDukes@BellSouth.Net">GloriaDukes@BellSouth.Net</a></td>
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Rezoning Petition No. 2017-164

Pedcor Investments, Petitioner

Second Community Meeting

January 4, 2018
Rezoning Team

- Mike Byron, Pedcor Investments
- Margie Williamson, Pedcor Investments
- Kara Strickland, Pedcor Investments
- Matt Edwards, Kimley Horn
- McKenzie Publicover, Kimley Horn
- John Carmichael, Robinson Bradshaw & Hinson
Agenda

I. Introduction of Rezoning Team Members
II. Rezoning Schedule
III. Site/Existing Zoning/Rezoning Request
IV. Information on the Petitioner
V. Review and Discussion of the Site Plan/Architecture
VI. Question, Answer and Comment Session
Rezoning Schedule

- Public Hearing: Monday, February 19, 2018 at 5:30 PM at the Charlotte-Mecklenburg Government Center

- Zoning Committee: Tuesday, March 6, 2018 at 5:30 PM at the Charlotte-Mecklenburg Government Center

- City Council Decision: Monday, March 19, 2018 at 5:30 PM at the Charlotte-Mecklenburg Government Center
Rezoning Request

- Requesting the rezoning of this approximately 17.268 acre site from the I-1 AIR zoning district to the R-12 MF (CD) AIR zoning district to accommodate the development of a multi-family residential community on the site that would contain up to 198 dwelling units for families at or below 60% of the area median income.
The Pedcor Companies

Carmel, Indiana
Pedcor Investments was formed in 1987.

Primary business is the development of affordable rental workforce housing.

Over 21,000 units located in 122 communities throughout 19 states.

Other primary businesses include Pedcor Financial, Pedcor Capital, Pedcor City Center Development Company, Signature Construction, Pedcor Management Corporation and Pedcor Homes Corporation.
What makes the Pedcor Companies different from other apartment developers?

- Acquire, entitle and develop each property

- In-house General Contractor (Signature Construction)

- In-house Management Companies (Pedcor Management Corporation and Pedcor Homes Corporation)
  - Currently responsible for over 18,000 units that collect over $100 million in gross annual rents
  - Current occupancy of 93%+
  - Over 250 employees – marketing, administration and maintenance

- Long-term hold of each property
## Alleghany Street Apartments Unit Mix

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Affordable Housing

- Federal Tax Credit Program
  - A public-private partnership that provides tax credits to finance new construction of affordable rental housing with amenities comparable to a market rate community.

- Implementation of the program in the Charlotte-Concord-Gastonia, NC-SC HUD Metro Area (Mecklenburg, Gaston, Cabarrus and Union County, NC)
  - Resident household income will be limited to 60% of the Area Median Income (AMI) in the Metro Area, which is $42,420 for a family of four.
  - Tax credits are a benefit not only for the developer but for the community.
Affordable Housing

- Federal Tax Credit Program
  - Provides tax credits to finance the development and construction of affordable rental housing with amenities comparable to a market rate community.
  - Resident household income will be limited to 60% levels of the Area Median Income (AMI) in the Charlotte-Concord-Gastonia, NC-SC HUD Metro Area.
  - Rents will be structured consistent to the 60% AMI calculation.

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<th>60% AMI *</th>
<th>Unit Type</th>
<th>Heated Sq. Ft.</th>
<th>Maximum Rents at 60% AMI</th>
<th>Actual Rents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$29,700</td>
<td>1bd/1ba</td>
<td>699 sq. ft.</td>
<td>$795</td>
<td>$718</td>
</tr>
<tr>
<td>2</td>
<td>$33,960</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>$38,220</td>
<td>2bd/2ba</td>
<td>1,010 sq. ft.</td>
<td>$955</td>
<td>$855</td>
</tr>
<tr>
<td>4</td>
<td>$42,420</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>$45,840</td>
<td>3bd/2ba</td>
<td>1,258 sq. ft.</td>
<td>$1,100</td>
<td>$981</td>
</tr>
<tr>
<td>6</td>
<td>$49,260</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* The above AMI incomes are based at the 2017 Area Median Income levels.
Our residents are working families

- In the Charlotte-Concord-Gastonia, NC-SC HUD Metro Area, which includes Mecklenburg, Gaston, Cabarrus and Union Counties, Pedcor’s target residents will earn annual incomes ranging from $29,700 (individual) to $49,260 (family of six).

- What kinds of jobs will they have? For example:

<table>
<thead>
<tr>
<th>Positions in the Charlotte-Concord-Gastonia, NC-SC HUD Metro Area</th>
<th>Annual Mean Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmacy Technicians</td>
<td>$30,930</td>
</tr>
<tr>
<td>Sheet Metal Workers</td>
<td>$32,890</td>
</tr>
<tr>
<td>Firefighters</td>
<td>$35,840</td>
</tr>
<tr>
<td>Travel Agents</td>
<td>$38,840</td>
</tr>
<tr>
<td>Flight Attendants</td>
<td>$40,260</td>
</tr>
<tr>
<td>Dental Assistants</td>
<td>$42,130</td>
</tr>
<tr>
<td>Special Education Teachers, Secondary School</td>
<td>$46,320</td>
</tr>
<tr>
<td>Paralegals and Legal Assistants</td>
<td>$48,460</td>
</tr>
</tbody>
</table>

Pedcor Property Pictures
Greystone, Noblesville, IN– 236 Tax Credit Units / 216 Market Rate Units
Village Park, Waukegan, IL – 113 Tax Credit Units / 13 Market Rate Units
Village Park, Waukegan, IL – 113 Tax Credit Units / 13 Market Rate Units
Cimarron Terrace, La Vista, NE – 122 Tax Credit Units / 10 Market Rate Units
Steeples I
Building Front

The Steeples on Washington, Indianapolis, IN – 144 Tax Credit Units
Alleghany Street Apartments Elevations

Building Type 12A6B

Alleghany Street Apartments
2110 Alleghany Street, Charlotte, NC 28208

Exterior Material Legend:
- Composition Roof
- Brick Veneer
- Frame, Curtain Wall

Not For Construction
Alleghany Street Apartments Elevations

BUILDING TYPE 1286C

ALLEGHANY STREET APARTMENTS

2110 ALLEGHANY STREET,
CHARLOTTE, NC 28208

NOT FOR CONSTRUCTION

EXTERIOR MATERIAL LEGEND
CONCRETE/ROOF BRICK/TENDEY PLASTIC CASEMENT SCONC

1 1286C FRONT RENDERED ELEVATION
1/2" = 1'-0"

2 1286C LEFT RENDERED ELEVATION
1/2" = 1'-0"

3 1286C REAR RENDERED ELEVATION
1/2" = 1'-0"

4 1286C RIGHT RENDERED ELEVATION
1/2" = 1'-0"
Summary

- Pedcor is an experienced developer, builder, and manager with a proven track record.

- Pedcor provides quality construction and professional on-site management.

- Pedcor will protect its investment, maintain it, and manage it for a minimum of 15 years.

- Pedcor will be a good neighbor and responsible community member.
Questions?

Please contact:
Michael S. Byron
Vice President – Development

Pedcor Investments

(317) 218-2702
mbyron@pedcor.net
Pedcor's Residential Screen Criteria

Careful consistent application of standardized screening criteria upfront, makes for a wonderful community that can be enjoyed by all residents over the long run.

- **Criminal background** check (Recheck with each renewal)
- **Sex Offenders list** check (Recheck with each renewal)
- **No Tolerance Violence and Drug Policy**
- **Credit and Previous Landlord** checks
- **Independent 3rd Party Income Verification** (Employment)
  
  **(Residents must qualify with a source of income to pay a set rent. Rents are not subsidized and do not fluctuate with a resident's ability to pay nor level of income)**

- **Internal and Third Party Independent Asset Audits** — Files and Physical Asset
- **Community Care Guidelines** — Pedcor has specific rules and behavior expectations for the safe enjoyment of our communities by all residents of the development. The leases of any violators are not renewed; problem residents are asked to leave or are evicted. This provides a higher degree of community control than most residential single family neighborhoods.
Pedcor North Carolina Deals

The Bluffs at Walnut Creek
- South New Hope Road, Raleigh, North Carolina
- 198 Units
- Allocated 2014 Tax Credits from NCHFA
- Closed and started construction November, 2015
The Bluffs at Walnut Creek
Pedcor North Carolina Deals

**Briar Green Apartments**

- 500 Danube Lane, Durham, North Carolina
- 200 Units
- Allocated 2015 Tax Credits from NCHFA
- Construction to be completed in May, 2018
Pedcor North Carolina Deals

Granite Pointe Apartments
- 9101 Nations Ford Road, Charlotte, North Carolina
- 198 Units
- Allocated 2016 Tax Credits from NCHFA
- Planned to close and start construction first quarter of 2018