

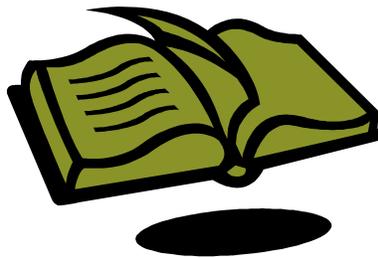


Portland Housing Bureau

Asset Management Guidelines: Version III

July 2010

visit: www.pdc.us/assetmanagement for more information



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10.0 BORROWER'S ASSET MANAGEMENT GUIDELINES (PROJECT COMPLIANCE, MONITORING AND REPORTING)

Mission and Goal: It is a strategic goal of the City to support and deliver affordable housing that best meets the needs and priorities of the local area. Portland Housing Bureau (PHB) participates in attaining this goal by providing financial assistance to local Borrowers. The development of the City's affordable housing inventory/stock has many phases; in general it can be delineated as follows:

- Project application, determination of eligibility, and underwriting/loan processing phase
- Construction Completion Phase
- Lease-up/Occupancy Ongoing Monitoring and Compliance phase (including initial rent/occupancy review/annual reporting)

The Asset Management Program was developed and implemented at the Portland Development Commission (PDC) in 2002. The Program is Section 10 of the Housing Department's Financial Products Manual. The Asset Management Program monitors and enforces the compliance, reporting and performance terms tied to the financial assistance provided for the development or rehabilitation of housing. The goals of the Program are to ensure that projects financed perform as projected, benefit intended populations, remain assets in the community, achieve long-term sustainability and repay the City's investment. This Program is staffed to ensure quality compliance and monitoring. Effective July 1, 2010, the PDC Asset Management Program will be transferred to the Portland Housing Bureau and will be continued using the same tools and processes.

The Borrower's Asset Management process with PHB begins with the preparation and submission of an Asset and Property Management Plan for the property during the initial, underwriting/loan processing phase and ends with the expiration of any PHB regulatory agreement. The Borrower is required to submit annual reports to assure ongoing compliance.

10.1 MONITORING AND EVALUATING PROJECT OPERATIONS

During the loan processing phase, Borrowers receiving PHB funding sign loan documents and regulatory agreement(s) outlining compliance and reporting requirements for the project. Under the terms of the Regulatory Agreement(s), Borrowers are required to submit or cause to be submitted, annual reports to demonstrate compliance with issued loan documents and agreements. The Borrower's reports, in partnership with PHB's asset management review, allows for a standard process to proactively identify specific and unique situations affecting the projects and ultimately the Borrower's portfolio. Additionally, this important reporting process allows PHB to protect and assure PHB's compliance to the various funding sources for the affordable housing industry.

This Borrower's Asset Management Guidelines manual is intended to summarize the general requirements during the lease-up and occupancy phases of the Project. The Borrower's

obligations to comply with conditions of Asset Management Guidelines remain in effect for the applicable project affordability period.

While the specific requirements of loan and regulatory agreements vary from project to project; each project will be monitored and evaluated on the following basic areas for Asset Management monitoring and evaluation:

- A. Regulatory Agreement Compliance
- B. Loan and Project Performance
- C. Affirmative Fair Housing Marketing Plan
- D. Management Practices
- E. Physical Project Inspections
- F. Physical Tenant File Inspections

In the case where specific loan documents may conflict with the more general information in this Manual, the requirements outlined in the Project's signed loan documents and Regulatory Agreement supersede the language in this Manual.

Participating Lender Roles

Ongoing project monitoring roles of participating lenders will be coordinated during deal structuring as it relates to senior lender liens. Any agreement as to roles and sharing of information will be used as a guide in implementing PHB's Asset Management program. If no formal agreement is reached, PHB will make an effort to share and coordinate monitoring and compliance information with other funders, as possible, in order to lessen the reporting and monitoring burden on all parties, while protecting PHB's interests.

A. Regulatory Agreement Compliance:

Required evaluation will be made by Asset Management to assure project/Borrower compliance to the specific restrictions of the written agreement(s); number of units to be restricted and appropriate identification, target population, MFI income and rent levels (as well as their annual recertification), utility and subsidy allowances. Required data is submitted on an Electronic Tenant Survey (ETS) form as detailed in Section 10.2.3 Annual Reporting Documentation.

Tax Credit or Federally-Funded Projects:

Projects funded with Low Income Housing Tax Credits (LIHTC), Oregon Affordable Housing Tax Credits (OAHTC), HOME or CDBG funds must follow regulations established by those funding sources for dealing with incomes rising in place.

HOME Projects:

In addition, projects funded with HOME Program funds (delivered by HUD allocations), must follow certain federal provisions and/or Program regulations regarding the following:

- Identification of HOME units as floating or fixed
- Maintenance of appropriate rent restrictions or guidelines addressing the use of HIGH HOME rents and/or LOW HOME rents
- Compliance with HOME Program Tenant Protections/ Notices

It is essential that all regulations and guidelines of the HOME Program be followed in order to assure continued Project compliance and qualification under the HOME Program. Non-compliance with the HOME Program requirements may necessitate HUD demanding repayment of HOME funds by the Borrower.

B. Loan and Project Performance:

PHB monitors the Project's financial condition to assure compliance with loan payment requirements (including ability of the Project to support cash-flow contingent payments to PHB as may be required). In addition, PHB monitors Projects to assure compliance with reserve requirements, including accounts balances, funding and uses of reserves. Finally, PHB monitors the financial performance of the Project to assure that the public investment (collateral) is not at risk. Borrowers are required to submit the standard Asset Management forms as detailed in "Section 10.2 Documentation" to facilitate this evaluation process.

C. Affirmative Fair Housing Marketing Plan (AFHMP)

Projects with five (5) or more units are required to submit and comply with the PHB affirmative marketing requirements, including but not limited to the following in soliciting tenants or purchasers.

- Practice non-discrimination practices,
- Take steps to ensure that all tenants and prospective tenants (or home purchasers) receive consistent treatment, and
- Utilize media likely to reach persons least likely to apply,
- If advertising is used, the Borrower must display the Equal Housing Opportunity logo, slogan or statement and must display a Fair Housing Poster or sign.
- **HOME** funded Projects: within 30 days of execution of HOME Restrictive Agreement, Borrower shall comply with 24 CFR 92.351(b) *Minority Outreach*. Compliance is required for the entire restriction and/or term.

D. Management Practices:

Projects are to be professionally managed at all times, by a property management entity acceptable to PHB. Property shall be operated and maintained in compliance with all applicable laws and regulations in a manner to ensure maximum benefits intended by the public investment. A copy of the current management agreement shall be provided to PHB upon request. Any change in property manager shall be approved by PHB, whose approval will not be unreasonably withheld.

Unit Rents

Rents should be periodically reviewed to ensure that the intended target population is being served, the Project operating costs and debt service obligations are covered and reserves funded, all within the terms of the Regulatory Agreement.

Rent levels will be monitored against final Project Operating Pro Forma projections attached to the PHB documents at loan closing. Rents must not exceed MFI levels agreed to in the regulatory agreement and referenced against HUD periodic rent schedule adjustments. It is expected that Borrowers will make a best effort to keep Project in line with escalations projected in the Project Operating Pro Forma. However, in order to prevent high vacancy to the project, PHB will consider market constraints for the Project's given market. Borrowers must provide explanation for unusual negative variation in Net Operating Income from the agreed upon final Pro Forma.

Projects performing with a significantly lower Net Operating Income than projected or targeting rents at a population significantly different than those proposed in the Borrower's Asset Management Plan that result in jeopardizing financial viability of the project, will be asked to formulate a Corrective Action Plan acceptable to PHB to correct the cause(s). Details of Project Performance Ratings and Non-Compliance are referenced in Sections 10.4 and 10.5.

Unit Rent Increases as Tenant Incomes Rise (“Incomes Rising in Place”)

In order to preserve the affordable units for occupancy by the intended population, Borrowers are encouraged to increase unit rents when the tenant income increases above the maximum allowable income. Inability to comply in a manner which demonstrates a good faith effort to implement the ‘Incomes Rising in Place’ standard must be reported in writing to PHB.

PHB's ‘Incomes Rising in Place’ standard is defined as supporting the continued occupancy of units by families within incomes originally designated, particularly the units designated for families at 0-30% of median income. Borrowers are encouraged to adopt and implement rent increase policies that will preserve units for the intended targeted populations, provide incentives and/or assistance to families that do have increases in income to move up to less subsidized units, and fairly protect families with increased incomes that would be disproportionately harmed by displacement.

Projects funded with Low Income Housing Tax Credits or HOME funds must follow regulations established in those funding sources for dealing with incomes rising in place.

HOME Program Units: HUD reviews and adjusts fair market rents and HOME rent limits annually. Borrowers are to review the new schedules so that rents may be adjusted (not to exceed the maximum HOME rent limits). Changes in fair market rents and in median income over time should be sufficient to maintain the financial viability of a project within the HOME rent limits. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment.

Any increase in rents for HOME-assisted units is subject to the provisions of outstanding leases, and in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.

Over-income tenants. HOME-assisted units continue to qualify as affordable housing despite a temporary noncompliance caused by tenant income increases. Borrowers must take all possible actions to ensure that vacancies are filled in accordance with the HOME requirements and population mixes stated in the project documentation.

Tenants who no longer qualify as low-income families must pay as rent the lesser of the amount payable by the tenant under State or local law or 30 percent of the family's adjusted income, except that tenants of HOME-assisted units that have been allocated low-income housing tax credits must pay rent governed by section 42 of the Internal Revenue Code of 1986. Tenants under this section are not required to pay as rent an amount that exceeds the market rent for comparable, unassisted units in the neighborhood.

E. Physical Project Inspections:

PHB will monitor the physical condition to assure that the housing meets required local and federal conditions, and to assure that the long term collateral for the loan is maintained. Project physical site inspections will be conducted by Asset Management staff according to the schedule outlined in the attached "REPORTING AND MONITORING MATRIX". PHB will provide a written report of any findings and request Borrower's to correct violations within 30 days or for larger issues, prepare a Corrective Action Plan.

F. Physical Tenant File Inspections:

PHB reviews tenant files to assure that Borrower's are complying with income certification requirements, Fair Housing requirements, and, if applicable, HOME or other federal requirements. Tenant File inspections will be conducted (when applicable) according to the schedule detailed in the "REPORTING AND MONITORING MATRIX".

10.2 DOCUMENTATION: "Closing", "Initial " and "Annual Reporting"

The Asset Management program will monitor project operations for compliance based on Project specific terms agreed to in the following closing documents. In order to encourage successful project compliance and monitoring, it is advisable for Borrower to meet with PHB underwriter, asset management, and loan servicing staff to review the compliance and monitoring documentation at time of closing.

10.2.1 Closing Documentation

- **Loan Agreement(s)**

- **Borrower Compliance & Reporting Reference Sheet** prepared by PHB Asset Management and presented to Borrower at closing to serve as guiding principles of Borrower’s relationship with PHB as the lender. **See Appendix 11.17, Housing Development Financial Products Manual**.
- **Regulatory Agreement** – The Regulatory Agreement governs terms such as length of affordability period, unit affordability mix and is a City of Portland ordinance requirement. There may be multiple Regulatory Agreements with differing terms. The most restrictive terms prevail. These Regulatory Agreements are recorded and run with the land.
- **Asset and Property Management Plan, prepared by the Borrower**, defines the Borrower’s goals for the Project, and their policies and procedures for overseeing the property to best achieve their long-term ownership goals and meet compliance requirements. A copy of this Asset and Property Management Plan format (template) is included in the Appendix. Borrowers are required to submit this Plan as part of the due diligence to receive loan commitment, and it is subsequently used to compare management over time with the initial Plan. This Plan may be revised from time to time with the written consent of PHB and the Borrower. **See Appendix 11.16, Housing Development Financial Products Manual**
- **Final Project Operating Pro Forma** which is the financial schedule that includes a rent schedule, inclusion of all revenue sources, anticipated operating expenses, debt service, vacancy rates, and all other information pertinent to the operation of the property. The Final Pro Forma issued at Closing is dated, signed and designated as “Final”. The Final Pro Forma may be revised from time to time with the written consent of PHB and the Borrower.
- **Affirmative Fair Housing Marketing Plan (AFHMP) [initial and annual]** Initial plan is submitted by Borrower at loan closing. This plan is recertified annually by Borrower using the AFHMP form found on the PHB Web site; www.pdc.us/assetmanagement. See Section 10.1.C for plan details.
- **Replacement Cost and Capital Improvement Reserve Agreement** is required for all Borrowers on every Project. This document outlines required initial and annual contributions to reserves, minimum balances and approval process to withdraw funds from the reserve. This Replacement Cost and Capital Reserve Agreement shall run with the land for the applicable PHB affordability term.

Any account maintained by Borrower with or at the request of the Senior Permanent Lender for replacement or capital items or extraordinary repairs or maintenance shall serve as, and satisfy the requirements for, the Reserve Account required by the PHB Reserve Agreement. Borrower shall furnish PHB with reports on account status and account activities upon request. Once the Senior Permanent Lender’s loan is repaid, Borrower shall comply with the requirements of the PHB Reserve Agreement for the remaining applicable affordability period.

- **Operating Reserve Agreement**, if applicable to the Borrower’s project. Follow the same procedures for verification of the status of this account as those applicable to the Replacement Cost and Capital Improvement Reserve account.

10.2.2 Initial Reporting

- **Project Leasing and Tenant Screening Package:** The Borrower is required to verify that all screening criteria, leasing documentation (as identified in Borrower’s Asset and Project Management Plan) are current and submitted to PHB’s Asset Management staff *prior* to commencement of project “lease-up” to assure proper rent targeting. When the Project reaches stabilized occupancy (95% or more) or as otherwise specified in Borrower’s Loan documents, Borrowers are required to submit an ETS showing initial Occupancy and tenant income and rent levels.
- **Initial Rent Schedule and Utility Allowance form:** The Borrower is required to complete and submit to PHB this form prior to commencing project leasing activities. A copy of this form is available on the PHB webpage; www.pdc.us/assetmanagement, Rent Schedule and Utility Allowance form.

10.2.3 Annual Reporting Documentation

Project performance reports are due annually starting with the first fiscal year in which the certificate of occupancy is issued and lease-up period begins. The project performance reports will be one factor used by PHB to determine Borrower’s compliance with the terms of the loan. All completed forms should be submitted to the “PORTAL”. Access to the Portal is issued USER PASSWORDS only. For access please contact Louise K. Lauman directly. The required annual reports include:

- **Forecasted Annual Budget** for the next fiscal year. This is the Borrower’s estimated annual operating budget for the project identifying by line item: forecasted revenues (with estimated vacancy loss), forecasted operating expenses, reserve account funding and capital improvements. Borrower is to provide annually a forecasted project budget summary of capital improvements completed and/or paid for in the reporting year and a projection of planned capital expenditures for the next year. (i.e., Will these expenditures be funded via annual project cash flow, Project’s Reserve Accounts, a combination thereof, or other funds?)
- **Electronic Tenant Survey (ETS)** is a template for the Borrower to complete and submit which captures multiple data points as it relates to the project and its tenants. This form allows PHB to make calculations as it relates to MFI rents and income levels for each unit and tenant. PHB’s Asset Management Section provides the Borrower with the previous year’s form, updated to include current form modifications and MFI and rent updates, for the Borrower’s use. Blank forms are available on the PHB Web site, www.pdc.us/assetmanagement.

- **Electronic Operating Statement (EOS).** This form summarizes the income and expense statement for the previous year, and is used by PHB to evaluate cash flow contingent payments and conformance to loan requirements. PHB provides a template of the EOS on the PHB Web site, www.pdc.us/assetmanagement. This form includes space for the Borrower to provide explanations to line items such as cash flow sharing (when appropriate) and annual reserve funding, to explain any large expenditures, accruals, deviations from the Pro Forma agreement, or how losses are being funded. The completed EOS form should be submitted electronically to assetmanagement@pdc.us. In addition to the EOS, Borrower shall submit (by mail) copies of the following:
 1. Audited financial statements for the Limited Partnership or Limited Liability Company, as applicable. **Please footnote all accrual items and any variance between the property management statements and the LP/LLC statements.** [When audited financial statements are required they shall be provided to PHB within four months of Borrower’s fiscal year end.]
 2. Property management’s Project financial statements, including balance sheet, year-to-date profit and loss variance and rent roll (smaller projects that do not typically produce a balance sheet will not have to provide one for PHB)
 - **Affirmative Fair Housing Marketing Plan (AFHMP)** is recertified annually. The form is available at, www.pdc.us/assetmanagement.
 - **Replacement Cost and Capital Improvement Reserve Account detail** should be submitted annually, along with cash flow statements that account for annual funding and address items specifically identified above or in the actual document. Borrower is to provide a copy of bank statement(s) and details of annual funding. Reserve verification (Replacement and/or Operating, as appropriate) is via either audited financial statement and/or supporting bank account statement for year end indicating reserve account balance and annual account activities.
 - **Operating Reserves** are required for some projects. If required, Borrower must provide a copy of bank statement(s) for the reserve, and details of annual funding to PHB on an annual basis. Reserve verification (Replacement and/or Operating, as appropriate) may be provided through audited financial statement and/or supporting bank account statement for year end indicating reserve account balance and annual account activities.
- If the Replacement Reserve account includes more than one project, provide a reserve account ledger showing individual project activity.
- **PHB Physical Project Inspections** are required according to the schedule identified in the “Reporting and Monitoring Matrix”. In some cases, Borrower may submit “3rd-party” inspection reports to satisfy this requirement. (However, HOME-funding requires that PHB complete inspections to meet that funding-source requirement.)
 - **Copy of reviews and physical project inspection summary reports performed by other lenders** shall be provided to PHB, along with any response required by owner. Positive reviews by other lenders may lead to less frequent monitoring by PHB.

- **Other reports** as may be specified in individual loan documents or the Borrower's Compliance and Reporting Reference Sheet , **See Appendix 11.17, Housing Development Financial Products Manual**.

10.3 Asset Management Reporting Cycles

PHB has three general reporting cycles, March, June and December. Borrowers with a fiscal year ending other than March, June or December will be merged into the closest associated reporting cycle. Submissions are due to PHB Asset Management within 60 days of Borrower's fiscal year end. Borrowers will be requested to submit the various documentation (as detailed above) to demonstrate Borrower and individual project compliance and performance. ('Borrower's Compliance and Reporting Reference Sheet' to be provided to Borrower after loan closing (**See Appendix 11.17, Housing Development Financial Products Manual**)).

10.3.1 Reporting and Monitoring Matrix (located at the end of this section) delineates PHB's standards for monitoring projects, based on other funding source monitoring schedules and borrower/lender willingness to share audit or monitoring reports with PHB. Monitoring may be performed less frequently, based on Borrower's performance, or may be required more frequently per an approved Corrective Action Plan.

10.3.2 Project Site Inspections

Site inspections will be periodically performed on behalf of PHB to ascertain that the project is maintained in a decent, safe, sanitary (DSS) condition and in a manner to prolong the project's physical life, and/or for the purpose of inspection of project records to determine compliance with tenant and rent restrictions of the loan documents. Reasonable notice of the inspection will be given to owner, and/or its agent. Standards for periodic site visits can be found in the Reporting and Monitoring Matrix.

“Reporting and Monitoring Matrix”

<u>Funding in Project</u>	<u>State/Other Conducted Site Inspections</u>	<u>Site Inspections by PHB (includes building/unit inspection and tenant file review)</u>	<u>Unit Affordability and Compliance Desk Monitoring</u>	<u>Financial Desk Review</u>	<u>Management Interview</u>
9% LIHTC 4% LIHTC	Every 3 years (as of 1/1/01)	Every 3 years, with annual drive-by	Annual tenant survey (ETS) and affirmative marketing certification	Annual Financial Statements (EOS) Annual rent rolls for vacancy rate Annual Budget *	Every 5 years
Risk Share Bonds Elderly & Disabled Bonds	Annually	Every 3 years, with annual drive-by	Annual tenant survey (ETS) and affirmative marketing certification	Annual Financial Statements (EOS) Annual rent rolls for vacancy rate Annual Budget *	Every 5 years
Multifamily Housing Revenue Bonds		26+ units: annually 5-25 units: every 2 years 1-4 units: every 3 years	Annual tenant survey (ETS) and affirmative marketing certification	Annual Financial Statements(EOS) Annual rent rolls for vacancy rate Annual Budget *	Every 5 years
NOAH or Private Lender		26+ units: annually 5-25 units: every 2 years 1-4 units: every 3 years	Annual tenant survey (ETS) and affirmative marketing certification	Annual Financial Statements(EOS) Annual rent rolls for vacancy rate Annual Budget*	Every 5 years
<u>HUD Programs</u> <u>CDBG/HOME</u>		26+ units: annually 5-25 units: every 2 years 1-4 units: every 3 years	Annual tenant survey (ETS) and affirmative marketing certification	Annual Financial Statements(EOS) Annual rent rolls for vacancy rate Annual Budget*	Every 5 years
<u>PHB Only</u>		26+ units: annually 5-25 units: every 2 years 1-4 units: every 3 years	Annual tenant survey (ETS) and affirmative marketing certification	Annual Financial Statements(EOS) Annual rent rolls for vacancy rate Annual Budget*	Every 5 years

* Annual Budget should include capital expenses and reserve account funding/verification

NOTE: Borrowers may be required to report more frequently per their approved Corrective Action Plan.

10.4 PROJECT PERFORMANCE RATINGS

10.4.1 Rating Schedule: At the conclusion of a project review as described above, PHB will rate each project for compliance in the following areas:

More detailed information on the specific criteria being evaluated in each area is included in Section 10.4.3 below. A Rating score will be given to each of the five areas noted.

- Score: **GOOD** - **No significant findings** that would place; a) funding source, b) compliance to affordability requirements, c) repayment in conformance with documents, or d) project's ongoing sustainability at risk. Any findings noted can be corrected within Borrower capacity
- Score: **FAIR** - **Findings noted and if left uncorrected** would; a) funding source, b) compliance to affordability requirements, c) repayment in conformance with documents, or d) project's ongoing sustainability - **place the project at risk**
- Score: **POOR** – a) Project funding source, b) compliance to affordability requirements, c) repayment in conformance with documents, or d) ongoing sustainability **are deemed at risk**

10.4.2 Actions required by Borrower based on Ratings: If the Project receives an overall “Poor” rating, the project will be considered to be in non-compliance and the Borrower will be required to submit a Corrective Action Plan, “CAP” including a timeline and proposed actions to achieve full compliance and to retain/achieve project financial stability. Borrower should communicate to PHB what steps are being implemented to improve project performance. See Section 10.5.2 (See **Appendix 11.18, CAP (template)**). PHB will review and evaluate the submitted CAP, and take the appropriate steps to communicate to the Borrower and/or Loan Review Committee.

10.4.3 Specific Criteria for each performance area: The following information should assist the Borrower in understanding the PHB criteria.

- A. **Borrower and Project compliance to issued regulatory/affordability agreements.** **Electronic Tenant Survey (ETS)** is the form required to be submitted to facilitate evaluation and compliance. In general the evaluation throughout the reporting term shall answer the following questions:

Requirements:

- 1) Submission of ETS form
- 2) Are the appropriate MFI rents and tenant income restrictions met, taking ALL the issued Project regulatory agreements into consideration?

- 3) Are the proper number of units identified and reported?
- 4) If Project is HOME-assisted, were all certifications completed? (minor children identified, etc. Please refer to Regulatory Agreement for mandated reporting requirements.

Additional information requested:

PHB is requesting demographic information (in addition to required HOME or PHB Regulatory Agreement requirements) to assist PHB with comprehensive industry information about the affordable housing market. This additional information is collected via the ETS.

- B. Borrower compliance to issued Loan Agreements and Project operating performance. Electronic Operating Statement (EOS)** is the form required to be submitted to facilitate evaluation and compliance. Additionally, supporting financial documentation, and vacancy and turnover information is requested as follows:

Requirements:

- Submission of EOS form
- Performance of the project as compared with Final Pro Forma AND loan documentation will be reviewed and evaluated for the following:
- Project's operation within 5% of the agreed Project Pro Forma. Revenue and operating expenses are in line with underwriting projections, or significant variances are explained. Were deviations explained in writing or provided satisfactorily to PHB?
- Loan Payments and Cash Flow Payments are made to PHB as required by Borrower Loan Agreement/ project documentation. 1st lien position payments are made as required. Cash flow share calculation is submitted to PHB annually (as required)
- Submission of financial statements, reserve account details if applicable and projected annual budget for the upcoming year are submitted as outlined in Section 10.2.2.
- Reserve Account Payments are made as required by the Replacement Cost and Capital Improvement Reserve Agreements. Bank statements are submitted to evidence Reserve account balance. Replacement reserve account is sufficient to meet capital needs.
- DCR (Minimum debt service coverage ratio is met or NOI is within an acceptable variance)
- Project vacancy as reported in ETS is within underwriting projections or current market parameters.
- Unit turnover expenses as reported in the ETS are reasonable

- C. **Affirmative Marketing.** PHB has adopted for its use the HUD Affirmative Fair Marketing Plan form. Borrowers are required to complete this form prior to initial lease-up or upon signing loan documents for an existing project, to establish marketing/leasing activities in compliance with affirmative marketing regulations. (Blank forms are available on the Web site, www.pdc.us/assetmanagement). PHB will determine compliance based on the Affirmative Fair Housing Marketing Plan (AFHMP) form submitted annually by the Borrower. When scheduled site inspections and tenant file reviews are completed, PHB will also rate performance based on these inspections.

Requirements:

- Submission of Affirmative Fair Housing Marketing Plan Certification or recertification. Does the plan direct its advertising to reach the appropriate target market per regulatory and loan documentation?
- Affirmative Marketing Plan is being followed.
- PHB Asset Management staff is responsible for the review and acceptance of the initial plan and annual recertification. PHB's signature and dating of the submitted plan indicates PHB acceptance.
- If a plan has not changed, the Borrower can state on the annual recertification, "...there has not been any change from the plan date _____", and sign and date.
- Site inspections will include a check for posted Fair Housing signs and a review of the marketing/outreach efforts, marketing responses, wait lists, tenant screening criteria and documented fair housing instructions to staff.

- D. **Management Performance** (PHB will report areas of concern that management should be watching or require follow up). **Evaluation will be made on;**

- 1) ALL reports are submitted in a timely manner and in a form sufficient to determine project stability and loan compliance; and are produced per property and submitted annually to PHB
- 2) Borrower and property management staff are knowledgeable of obligations of funding source(s) and providing appropriate oversight of project operations.
- 3) Tenant Files (currently evaluated for HOME funded projects ONLY)
 - General file organization, ease in locating documentation
 - Tenant file documentation is in compliance with funding source requirements, including income and asset verifications, required lease addendums, student or unemployment status certifications, tenant questionnaires, etc.
- 4) PHB is notified of changes in project that may affect project stability: changes in property management, higher vacancy rates, high staff turnover, unexpected capital needs, maintenance or capital needs schedules not kept, tenant/community relation issues, unit rents not increased as required, unable to fund replacement reserves, or other
- 5) Units are inspected by Owner or Owner's representative at least annually.

6) Corrective Action Plan (CAP) (if applicable)

- Did the Borrower submit a request under this program during the current reporting cycle?
- Is the Project operating under an existing CAP/Restructure and/or a Deferral? How long has it been operating under the Plan? What is the current status?

E. **Project Site Inspections** (if inspected during the reporting cycle ONLY)

- Site inspections include drive-by inspections and physical unit and premise inspection per “Reporting and Monitoring Matrix” in section 10.3. Site inspections evaluate the general appearance and condition of the project, and whether the Project has significant deferred maintenance, relative to the age of the property.
- Are there any “life-safety” concerns?
- Does the project meet the HUD 49 CFR Part 24 (Decent, Safe & Sanitary (DSS) (formerly HQS) requirements? Is the project being maintained in a decent, safe and sanitary condition?

Are there any scheduled “capital improvements” for the reporting cycle? Were they commenced and/or completed?

10.5 NON-COMPLIANCE

PHB will provide annually a written report; the Borrower’s Annual Reporting Results (BARR) detailing performance and compliance. Projects receiving an overall Good or Fair Rating will be considered in compliance. Even though a project may be in compliance Borrowers may still be required to take specific action as detailed in the BARR. (See **Appendix 11.19** for sample form)

10.5.1 Events of Non-Compliance

Projects receiving an overall Poor Rating will be considered non-compliant as detailed in Section 10.4 and the Borrower will be required to develop a **Corrective Action Plan (CAP)** as detailed in **Appendix 11.18, Housing Development Financial Products Manual**. In addition, a Borrower/project will be automatically considered to be in **non-compliance** with the Asset Management Guidelines if any of the following have occurred:

- Borrower fails to: a) provide required periodic reports, or b) allow project site inspections according to 10.1 and 10.2 of these Guidelines.
- Borrower fails, in a significant or material level, to operate and manage the Project as described in the Asset and Property Management Plan submitted by Borrower
- Borrower fails to make scheduled mortgage payments.
- Borrower fails to make Reserve Account payments.

- Borrower operates the Project at a significantly lower variance in Net Operating Income or fails to meet the Debt Coverage Ratio from the agreed upon Project Pro Forma without providing a reasonable explanation.
- Borrower fails to perform according to designated timeline to bring Project Rents/Units back into compliance with the Regulatory Agreement(s) after being notified by PHB that the Project/Unit(s) is out of compliance due to either RENT or INCOME qualifications. Borrower's non-compliance puts the financial viability of the project in jeopardy.
- The project does not meet DSS/HQS requirements and Borrower fails to cure after first notice.

10.5.2 Establishment of Corrective Action Plan (CAP)

In the Event of Non-Compliance, PHB may apply any reasonable actions necessary to remedy the failures described above including, but not limited to:

- Require Borrower to submit a Corrective Action Plan (along with all supporting documentation) within 30 days to be reviewed and agreed to by PHB. The CAP will include a timeline and proposed actions to be monitored for follow-through to achieve full compliance and to retain/achieve project financial stability.
 - **See Appendix 11.18 Corrective Action Plan Checklist (template)**
- Require Borrower to submit a five-year Operating Pro Forma showing financial projections for the project.
- Increase monitoring of the project operations by PHB staff, such as more frequent reporting requirements or on-site inspections.
- Assembling a "team," made up of the Owner, PHB and others as indicated to work cooperatively to resolve any issues.
- If it can be reasonably determined at any time during the term of the loan that Borrower's selected property management entity is not performing its duties in a satisfactory or prudent manner, Borrower may be required to retain as soon as practicable a replacement property management entity reasonably acceptable to PHB.
- A plan of temporary non-compliance may be approved by PHB when adherence to restrictions or corrective action to bring project into compliance, is determined to put the project at greater risk.
- Meet with PHB's Housing Finance Manager when there is need for restructure or other financial solutions to bring the Project back into compliance.
- Determine that Borrower is ineligible for funding for future projects until the project is brought into compliance.

10.6 PHB COMMUNICATION EXPECTATIONS OF BORROWER

Periodically, due to management or market fundamentals, among other reasons, projects may experience problems in their ability to repay. While some problems are temporary, others may challenge the capability of the project to continue as a going concern. **PHB seeks early and frequent communication to facilitate strengthening and stabilizing poor performing properties.**

All problems with repayment should be addressed to the Housing Development Finance Manager as soon as they are known. PHB Asset Management and Loan Servicing will coordinate with the HDF Manager identifying solutions and reviewing and monitoring Corrective Action Plans.

Any such issues are expected to be anticipated well in advance of any potential default. Borrowers should initiate creation of a Corrective Action Plan to inform PHB of remedies being planned.

There are several tools available to assist in problem resolution, from better expense management to deferrals to restructure. However, foreclosure may also be an option.

APPENDIX 11.16

BORROWER ASSET AND PROPERTY MANAGEMENT PLAN

Instructions: A Borrower Asset and Property Management Plan must be submitted to PHB as a condition of loan funding for all projects. Borrowers are to submit the Plan for PHB’s review and acceptance ***prior to loan closing***. PHB is looking for strategies and policies which support and maintain quality housing in accordance with City long-term goals. The Borrower Asset and Property Management Plan and template for the Electronic Operating Statement will be attached to the loan documents becoming a reference document for on-going project compliance and monitoring.

Social Housing projects are those projects serving 0-50% MFI and hard to serve populations (homeless, special needs, and large families). This housing for persons who cannot obtain housing in the marketplace either because of 1) affordability, 2) access (both rental screening barriers and need for unit types not available in the market), and 3) need for services. The Borrower Asset and Property Management Plan has a Residents Services Plan section. Social Housing projects serving this target population need to submit a Resident Services Plan for PHB’s review ***at time of application*** as it is a consideration in determining underwriting options and project performance projections.

Borrower Asset and Property Management Plan

Date: _____

Project ID# _____

Project Name:

Project Address: _____

Borrower Name: _____

Borrower Address: _____

Contact: _____

Phone: _____

Sponsor Name: _____

Contact: _____

Phone: _____

Managing Agent: _____

Contact: _____

Phone: _____

PHB would like to see the following areas addressed in each plan:

- 1. Physical Description of the Project:** **Year Built:** _____
Number of Buildings: _____ **Year Rehab'd:** _____
Number of Stories: _____
Total number of Units: (mix and type of units)
Total number of Restricted Units: (income level, special needs)
Project Amenities: (laundry, parking, community rooms, services, resident services)
Project Commercial Space: (square footage, rental income)
Is the Project on a Ground Lease? If so, please provide copy of lease.

Please detail your answers in this provided space:

2. Project Summary

- Explain how this project aligns with your organization's mission and strategic goals.
- What are the long-range goals for the project?
- What community benefit does the project bring to the community?
- How does this project fit within owners overall portfolio?
- Explain the project team structure post-construction.

3. Financing Plan

- Current request/application loan proceeds are for: mark all that are appropriate
 - Acquisition - purchase
 - Rehab
 - Refinance
- Will the project be receiving Federal Funds? HOME – CDBG, are these units identified on the Rent Schedule?
- What is the project status? Construction estimated commence and completion dates, Lease up period?
- Has the rent schedule been prepared and submitted?
- Will there need for a "Relocation Plan"
- Will there be a need to review for "Davis Bacon" and MWESB?
- What impact will design and material decisions have on on-going operating expenses/tenant costs?
- Based on the 30-year operating budget projection, what financial stability challenges do you see?
- What is the projection for the length and level of any third party subsidy program applicable to the project or tenant population?
- What is the strategy for operating expense containment?
- What reserve accounts have been set up and how will they be funded?
- What is the strategy for comparison of year to date performance with budget projections?
- If project LIHTC -- is there an exit or planned refinancing strategy for the project Please include a detail sheet of the senior lien financing
 - What is the LIHTC ownership structure?

4. Describe the Property Management Plan (Day-to-Day project management).

- Identify your property management entity and enclose a copy of the agreement.
- What criteria were used to select the property management?
- Is there an on-site property manager? Will the on-site manager live at the site, or be at the site days only, or work from a different site? Is this unit designated as “restricted”?
- Marketing/Outreach:
 - Describe your marketing and outreach plan
 - Include a copy of the fair housing policy
 - Include a copy of the Affirmative Fair Marketing Plan
- Resident Selection:
 - Describe screening criteria including impact of regulatory agreements
 - How will the waiting list be created and maintained?
 - What is the applied income-to-rent ratio? (Maximum: 1.5:1)
- Lease:
 - Provide a copy of the tenant lease and all appropriate addendums
 - Will the project be funded with Federal dollars? (CDBG/HOME) if yes:
 - is the Rent Schedule completed
 - is the fix/floating election made
 - are the Tenant Screening and Tenant Protection, [Lease Provisions (30 days etc)], Addendums incorporated into the project lease?
- Rent collection:
 - What are the procedures for late payment? Payment plans? Eviction for non-payment?
- Maintenance Plan:
 - What are the procedures for prioritizing and addressing preventive maintenance, emergencies, turnover, and resident maintenance requests?
 - How often are unit inspections conducted?
- Tenant relations:
 - What are the policies for progressive discipline, eviction for cause, grievance procedures?
- Resident participation:
 - What role do residents play in management operations?
- What is the operating philosophy for community relationships?

5. Resident Services Plan: (may be required at time of application)

- What is the process used to determine need services?
- What resident services will be offered?
- What is the available funding and duration of the services, and anticipated results of such services?
 - Clearly identify third party funding
- How will resident services be coordinated with on-going project management?
 - Clearly identify costs associated with enhanced property management

- What documentation can be provided at time of application to indicate the level of commitment by service providers?
 - Agreements with service providers need to be included in the *final* Borrower Asset and Management Plan

6. Budgeting:

- What are the budgeting procedures?
 - Identify spending controls, bookkeeping practices and auditing procedures

7. Include an Emergency Contingency Plan.

- Included should be a plan for prevention, a plan for actions during the emergency, and a plan for restoring the asset once the emergency is past

8. Monitoring Strategy

- Include an organizational chart
 - What is the role of board members or investors?
 - What is the role of executive staff, asset management staff, property management staff, etc.?
 - What are the reporting relationships for the above?
- What performance standards will be used for project evaluation? How often will they be applied?
- What is the process for on-going evaluation of the efforts of the property manager?
- Management Information System
 - What reports will be generated and at what frequency?
 - Who will review reports generated?
 - Who will be responsible for periodic compliance reports to lenders/investors?
- What are the reporting requirements of other lenders/investors for this project?
- What will be the frequency of site visits by other lenders/investors for this project?

More detail or additional areas of Asset and Property Management should be included as they apply to a specific project or organization.

RESIDENT SERVICES PLAN

The Resident Services Plan is subsection #4 above. A Borrower Asset and Property Management Plan must be submitted to PHB as a condition of loan funding for all projects. Borrowers developing Social Housing projects are to submit a Resident Service Plan for PHB's review and acceptance ***at time of application*** as it is a consideration in determining underwriting options and project performance projections.

Social Housing projects are those project serving 0-50% MFI and hard to serve populations (homeless, special needs, and large families. Enhanced property management is necessary for the success of Social Housing projects.

For enhanced property management, eligible expenses include on-site staffing to keep tenants safe, additional maintenance requirements, and resident services coordination. Projects with populations appropriate for enhanced property management will also have significant asset management demands. For Social Housing projects with enhanced property management needs, enhanced property management and asset management are an eligible **above** the line expense. Sponsors need to clearly delineate level of service to be delivered by third party entities, amount of resident service coordination needed, and estimation of cost of eligible expenses based on target population served. These line items need to be included on the operating budget form. PHB's operating budget form clearly separates eligible asset and enhanced property management expenses from third party funded services. This separation should be clearly delineated in the Resident Service Plan.

As stated above, Resident Services are required to be "third-party funded" which includes committed partnerships with funded service providers; i.e. not funded by PHB and include but are not limited to the following resident service needs:

1. Medical and case management
2. Substance abuse/recovery counseling
3. Childcare
4. Individual development/retirement accounts
5. Self-help and support groups
6. Employment/skills development (including computer lab)
7. Education services (homework club)
8. Mental health services
9. Services related to aging and disability

Submitted by: _____

Title: _____

Date: _____

BORROWER COMPLIANCE & REPORTING REFERENCE SHEET

The following is a reference document intended to delineate for the Borrower an overview of their management and monitoring responsibilities in assuring compliance with the loan terms and goals of the City in facilitating and supporting affordable housing.

Project ID #:	85468	Project Name:	SAMPLE HILLS APTS	Tax ID #:	93-1234567
Project Address(es):	<u>123 XYZ Avenue</u>				
	<u>987 LMN Street</u>				
	<u>Portland OR 97215</u>				
					Is this a Scattered Site? <u>Yes</u>

Borrower/Recipient:	<u>SAMPLE HILLS APTS, LP</u>				
	(of public financing from PDC)				
Sponsor:	<u>ABC CDC</u>			Type of Org:	<u>Non-Profit</u>
Related Parties:	<u>ABC CDC</u>	acting as	<u>General Partner</u>		
		acting as			
		acting as			

Funding Sources:	<u>See attached Sources and Uses</u>				
-------------------------	--------------------------------------	--	--	--	--

Estimated Construction/Lease-Up:					
Completion Date:	<u>05/10/07</u>	PHB Construction Coordinator:	<u>PHB Const Co ord</u>		
URA District:	<u>INTERSTATE</u>	Hard/Soft Cost Analysis:	<u>Pending</u>		
		Date Analysis Completed:	<u>Pending</u>		
Lease-up Period Ending Date:	<u>12/31/2007 per Loan Agmt</u>				
Grand Opening (est):	<u>6/15/07</u>	Certificate of Completion Issued:	<u>Pending</u>		
		Date Issued:	<u>Pending</u>		

Reporting Information:					
Borrower's Reporting Cycle (Fiscal Year):	<u>12/31</u>				
First Annual Report Cycle:	<u>12/31/07</u>	Reports Due:	<u>3/1/08</u>		
Annual Required Forms: ETS	<u>YES</u>	Reserve Acct: bank stmts & funding detail	<u>YES</u>		
EOS	<u>YES</u>	Projected Annual Budget	<u>YES</u>		
AFHMP	<u>YES</u>	Project Financials: Bal Sht, P&L, Rent Roll	<u>YES</u>		
HOME Inspection	<u>N/A</u>	Inspection reports by others	<u>YES</u>		
Physical Inspection Monitoring Frequency (PDC):	<u>Every 3 Years</u>				
Special Reporting?	<u>YES</u>	Specify:	<u>Project Use Confirmation Letter</u>		
		Specify:	<u>Tax Credit Inspection/Ann Reporting</u>		
		Specify:			
Audited Financial Statements Required?	<u>YES</u>	Source:	<u>Prom Note, Pg 2</u>		

I File Set-Up Documentation for Asset Management

Checked items **MUST be submitted to PHB-Asset Management for approval BEFORE LEASING:**

	REC'D
<input checked="" type="checkbox"/> Project Asset & Property Management Plan (DUE BEFORE LOAN CLOSING)	03/22/06
<input type="checkbox"/> Screening Criteria & Project Tenant Lease Packet (lease form/addenda, etc)	
<input checked="" type="checkbox"/> Standard Screening & Tenant Packet on File - DO NOT SUBMIT	Date Updated: 05/01/05
<input checked="" type="checkbox"/> Affirmative Fair Housing Marketing Plan (AFHMP) (Initial) Recertification is req'd by Borrower every 5 yrs.	03/22/06
<input checked="" type="checkbox"/> Rent and Utility Allowance Schedule (available on PHB Web site: [ADDRESS TO BE ASSIGNED])	NEED
<input type="checkbox"/> PSH - Partnered Service Provider Agreements (or other similar document(s))	
<input type="checkbox"/> OTHER: _____	

Borrower's Property Manager: SAMPLE PROPERT MANAGEMENT AGENT

NOTE: Any changes to the above-identified components and/or management parties shall be submitted by Borrower to PHB-Asset Management in writing.

II Issued Regulatory Agreements for Subject Project:

- HOME Restrictive Agreement & Declaration
- CDBG Restrictive Agreement & Declaration
- PHB Regulatory Agreement
- LIHTC Project Use Agreement (non-PHB agreement) - may impose income/rent/use restrictions on project
- OAHTC Agreement (non-PHB agreement) - may impose income/rent/use restrictions on project
- BOND Agreement (may/may not include PHB) - may impose income/rent/use restrictions on project
- HOPWA - may impose income/rent/use restrictions on project
- OTHER income/rent/use restrictions on project Any other Reg/restrictive docs from other fin'l sources

See attached Asset Management Regulatory Information Sheets for the unit mix

III Project Construction & Unit Information:

Construction Type:	<u>New Construction</u>	Total # Units:	<u>4</u>
Construction Style:	<u>Garden</u>	Total # Restricted:	<u>3</u>
Project Use Type:	<u>Multi-Family Res</u>	Total # HOME:	<u>0</u>
		Total # Unrestricted:	<u>1</u>
		Manager Unit:	<u>1</u>

IV Financial Information:

Final Proforma - Dated? 4/23/06

The Final Proforma will be used as a baseline to measure annual project operations, including calculating excess cash flow share payments. All expense categories, senior loan payments and priority payments, including deferred developer fees, should be delineated.

Project "SAMPLE" EOS (completed by PHB and based upon Final Proforma) is attached. YES
 [NOTE: Contact us immediately if the Sample EOS does not reflect your understanding.]

Cash Flow Share

Is there a Cash Flow Share requirement? YES Pymt Due Date: May-01 each year

Reserve Funding

Does this Project have a written agreement? YES If Yes, amount? \$ 15,000.00 per yr

Type of Reserve Account: Replacement Cost & Capital Improvement Annual Escalation: 3%

Initial Deposit Due Date: 1/1/09 Initial Deposit amount? \$ 15,000.00

Comments: This is a SAMPLE FORM 11.17 and there is no actual project information contained here.

APPENDIX 11.18

CORRECTIVE ACTION PLAN (template)

Borrower to submit [along with the applicable HDF application] to PHB/Asset Management within 30 days the following items: (documentation is to be on an individual “PROJECT” and or property basis)

- 1) Letter requesting consideration detailing
 - a. Current situation
 - b. Recommended solution to the existing situation with supporting detail to justify plan/solution.
 - c. Estimated timing for plan/solution
 - d. Marketing Report – indicating marketing and lease activities
- 2) Submit a 5-year Operating Proforma indicating financial projections for the project
- 3) Last 3 years financial statements for the project including;
 - a. Balance Sheet
 - b. Income and Expense statements
 - c. Accounts Receivable detail
 - d. Accounts Payable detail
 - e. Cash Flow analysis
 - f. Reserve Account detail; including balances by account type and agreement terms, a history of account withdrawals and deposit history. There may be multiple reserve accounts, provide detail as indicated on ALL accounts.
- 4) History of capital improvements and major repairs (copy of most current Capital Needs Assessment report)
- 5) Copy of current LIHTC or Section 8 program physical property inspection report (Full report – indicating “score” along with any follow-up reports.)
- 6) Current ETS – include current MFI breakdown, indicate regulated restriction levels and actual household income levels served.
- 7) Current Rent roll detail
- 8) Current Budget
- 9) Provide detail for all “non-PDC” debt. Provide loan terms, debt service detail and loan maturity dates.
- 10) If applicable, as it relates to the PSH (Permanent Support of Housing) Program:
 - a. Identify number of designed units, size and location,
 - b. Provide copy of current Service Provider Agreement
 - c. Provide copy of any claim made to the “risk mitigation pool” with status and outcome of any request.

Upon receipt, the Request will be assigned to an HDF Team member for review and handling.

DECEMBER 2009 SUMMARY: BORROWER'S ANNUAL REPORTING RESULTS

DEC 2009

SCORING: A score will be given to each of the areas noted below, and Scoring designations have the following meanings (per the Borrowers Asset Management Guidelines):

- Score: = **GOOD** - No significant findings that would place funding source or project's ongoing sustainability at risk; any findings noted can be corrected within Borrower capacity.
- Score: = **FAIR** - Findings noted and if left uncorrected would put funding source or project's ongoing sustainability at risk.
- Score: = **POOR** - Project funding source and ongoing sustainability are deemed at risk.

Based on the information submitted to us for review, this Project receives the following ratings:

Section A (ETS):	POOR	Possible: 30	0 - 10 = Poor; 11 - 25 = Fair; 26 - 30 = Good
Section B (EOS):	POOR	Possible: 40	0 - 22 = Poor; 23 - 34 = Fair; 35 - 40 = Good
Section C (AFHMP):	POOR	Possible: 3	0 - 1 = Poor; 2 = Fair; 3 = Good
Section D (Mgmt):	POOR	Possible: 14	0 - 5 = Poor; 6 - 12 = Fair; 13 - 14 = Good
Section E (Inspect):	POOR	Possible: 13	0 - 5 = Poor; 6 - 11 = Fair; 12 - 13 = Good
PROJECT RATING:	POOR	Possible: 100	0 - 59 = Poor; 60 - 75 = Fair; 76 - 100 = Good

If Project receives an overall "**POOR**" rating, the project will be considered to be in non-compliance. The Borrower will be required to submit a Corrective Action Plan (**CAP**), to be agreed to by PHB, which includes a timeline and proposed actions to achieve full compliance and to retain/achieve project financial stability.

ACTION ITEMS - PLEASE MAKE THE CORRECTIONS NOTED AND SUBMIT PROOF OF ACTIONS TAKEN WITHIN 30 DAYS OF THIS REPORT DATE:

(A): ETS ACTION:

(B): EOS ACTION:

(C): AFHMP ACTION:

(D): MANAGEMENT ACTION:

(E): INSPECTION ACTION:

If you have questions, please contact Asset Management: Louise K. Lauman, CPM® (503-823-0468)

Report Prepared by: Louise K. Lauman, CPM® - Asset Manager **Date:** 5/26/10

DETAIL - BORROWER'S ANNUAL REPORTING RESULTS

A = Electronic Tenant Survey (ETS): (timely, complete, accurate)

Timely ETS Submittal? **Yes** date rec'd

ETS Complete & Accurate? HOME CDBG LIHTC BOND PDC State Other

Funding Sources: BOND PDC State Other

Rental Rate Compliance? **Regulatory Mean** MFI rent charged average MFI HHI

Income/Unit Compliance? **Yes (see Comments)** total occupied project units

Total number of residents: _____

Utility Allowances Applied Correctly? _____

Subsidy Types/Amounts Provided? _____

Overall Compliance w/Agreements? _____

Tenant Recertifications Completed: _____

of Vacant Units as of FYE: _____ # Missing: _____

Section 8 Tenants: _____ # vacancy as of **12/31/09** _____ PSH Units _____ of the project

Tenants with 30% or greater rent burden: _____

Average Tenant Tenure: _____ months _____ 0 years _____

Submit Vacancy/Turnover Report?: How many units were turned? _____ of project units

Historic Project Vacancy: **2005** **2006** **2007** **2008** **2009** **0%** **0%** **average vacancy for the past 5 yrs**

Does Vacancy for the project match Proforma estimates? **XXX% used in the Proforma**

Vacancy within underwriting or market parameters? _____

Turnover expenses reasonable? _____ per unit

Is turn-over ratio typical for the project and or current situation? **Average project bedroom size** _____

B = Electronic Operating Statement (EOS): (timely, complete, accurate)

Project Financials (unaudited) submitted? _____ On Time? _____ Due Date: _____ Date Received? _____

Audited Financials submitted? _____ On Time? _____ Date Received? _____

Project EOS submitted? _____

EOS Complete & Accurate? _____

Next Year's Budget Submitted? _____

Section A TOTALS:

subtotal

Section B
(Continued)

Results of Financial Review:

1) Did the Project perform within the 5% deviation - original NOI Proforma?
 a) Were Revenue and Operating Expenses in line with underwriting projections? **Yes** 3
 b) Were significant variances or deviations explained in writing? **Yes** 2
 2) Did the Project achieve the prescribed DCR? **Yes** 0.57 actual DCR **Yes** 7
 3) Were Loan Payments made as scheduled?
 a) Is there a Senior loan if so, which bank? **Yes** 5 **USB**
 b) PHB loan, excess cash flow payment or amortized? **Both** 2 for making PDC amort/cash flow
 4) Is there a PDC Reserve Agreement? **Yes** Amount: \$250 **Under-funded** required
 5) If yes, was the account properly funded? **Yes** Amount: \$1,000.00 **Under-funded** required
 6) Bank Stimts Rec'd? **No**
 7) Is there a Cash Flow requirement for the Project? **Yes** pending
 8) Did the Project generate positive Cash Flow? If yes = "4"
 9) Did project qualify for Cash Flow Payment? **pending** Amount: \$1,000.00 **pending** 4
 7) Average Operating Expense and EGI % (**Above 70% WATCH**) \$ 4,390 per unit 82% 34% 48% difference
 8) HISTORIC PROJECT NOI DATA: number per submitted historic EOS statements

2002	(\$291,388)	2003	(\$131,350)	2004	(\$18,600)	2005	DNR	2006	\$13,280
2007	(\$33,034)	2008	DNR	2009	Combined: #VALUE!				

Comments: EGI: 5 points if on Parr with proforma 4, if 60%, 3 = 65%, 2 if 70%, 1 if 75% 0 if above above 75%. 1)

C = Affirmative Marketing:

Annual Affirmative Marketing Certification received: **Not required this cycle**
 Certification dated and signed: _____
 Advertising directed to appropriate target market? _____

Comments: Project placed in service 10/12/07. We are changing the frequency for updating this plan from annual to every 5 yrs. Therefore, next up date will be required with the 2010 cycle. Thank you.

D = Owner/Management Performance: (timely, complete, accurate)

ALL Reports submitted timely and complete to allow evaluation?
 Tenant Screening Criteria: _____
 Leasing Documentation: _____
 HOME Addendum (if applicable) _____
 Tenant Complaint Procedures? _____
 Routine & Preventive Maintenance Procedures? _____
 Were responses received for the prior year's BARR? _____
 Is the Project on the WATCH List: If yes; "O" _____

Section B TOTALS:	40	0	Grand Total
Section C TOTALS:	3	0	
	1	0.5	
	2		

2005	2006	2007	2008	2009
------	------	------	------	------

Project Trend: BARR SCORES last 4 yrs:

3

Borrower and/or Property Management performs annual site inspections and overall oversight of project?

1

Borrower and/or Property Management are knowledgeable of funding source obligations?

1

Borrower and/or Property Management keep PDC informed of any project changes and/or difficulties that may affect the project's stability? Have they contacted PDC Asset Management during the year?

2

Comments:

Section D TOTALS:

14 0

E = Project Site Inspections:

Inspection Cycle: _____

Type of Inspection: _____

Not required this cycle

Last Inspection Date: _____

Results:

Physical Inspection:

Tenant File Inspection:

Responses Rec'd

CONDITIONAL PASS

Repairs/Maintenance Needed?

is documentation in order

4

2

1

3

3

Entry Req'd

Next Scheduled Inspection Date: _____

Comments:

Last inspection report on file is dated 2/22/05. An inspection report should be provided every 3-yrs. Please submit a copy of the LIHTC report completed in 2008. Please describe, in general terms, building condition and any future "capital needs" that will financially impact this project. Will the project "reserves" be able to handle this need? Should there be an adjustment to funding this account? Thank you.

Section E TOTALS:

13 0

Report Date:

FYE:

Project Name:

Project Address:

Borrower Name:

ELECTRONIC TENANT SURVEY

INFORMATION FOR PERIOD ENDING 06/30/10 AND NOTHING BEYOND.

Prepared by:

Phone Number:

Email Address:

Total Units:

Restricted Units:

Occupied Units:

Vacant Units:

PSH Units:

HOME Units:

HERA (Y/N):

Project ID:

Residential Care Facility (Yes)

Enter # of Beds in your Group Home

Upload document to:
Asset Management Web
Portal using your assigned
password.

Questions - call
503/823-0468

UNIT INFORMATION		FAMILY MIX					HEAD OF HOUSEHOLD INFORMATION				TENANT INCOME					MONTHLY			
Unit No.	Permanent Supportive Housing (PSH)?	HOME	No. of Bdrms?	No. of Adults	Total # of Children Under Age 18	# of Children 6 Years and Under (Incl. in Total Count)	Gender of Head of Household	Disabled Household	Senior (Age 62+)	Name or ID #	Ethnicity/Race	Date of First Occupancy	Annual Household Income (all incomes)	Date Income Certified or Recertified	Tenant's Share of Monthly Rent (Total Rent if no Subsidy)	Rent Subsidy Type (Sec 8, Tax Credit, Market, etc.)	Rent Subsidy Amount	Current Utility Allowance	Gross Monthly Rent (Sum of Tenant Share of Rent/Subsidy Amount/Utility Allowance Amount)
																			\$ -
																			\$ -
																			\$ -
																			\$ -

**Portland Housing Bureau
421 SW 6th Avenue, #500
Portland, OR 972204**

Electronic Operating Statement

Project ID #	_____		
Fiscal Year Ending:	_____		
Borrower Name(s):	_____		
Project Name:	_____		
Property Address:	_____		
City:	Portland	_____	
State:	OR	_____	
Zip Code:	_____		
Contact Name	_____	Contact Phone #	_____
Contact Email Address:	_____	Contact Fax #	_____
Total Sq Ft Residential	_____		
Total Sq Ft Commercial	_____		
# of Residential Units	_____		
# of Commercial Units	_____		
PDC loan number(s) related to the subject property:	_____		

Residential Gross Scheduled Income:	_____
Commercial Gross Scheduled Income:	_____
TOTAL GROSS SCHEDULED INCOME:	\$0.00

Residential Vacancy	0%	_____	_____
Commercial Vacancy	0%	_____	_____
ADJUSTED GROSS INCOME:			\$0.00

Other Income:	_____
EFFECTIVE GROSS INCOME:	\$0.00

Operating Expenses:	%EGI:		
On-site Mgmt Fee	0%	_____	_____
Administrative Expenses	0%	_____	_____
Marketing & Retention	0%	_____	_____
Maintenance and Repairs	0%	_____	_____
Turnover Expenses	0%	_____	_____
Utilities	0%	_____	_____
Real Estate Tax	0%	_____	_____
Insurance	0%	_____	_____
Other Miscellaneous	0%	_____	_____
Bad Debt	0%	_____	_____
_____	0%	_____	_____
_____	0%	_____	_____
TOTAL OPERATING EXPENSES:	0%	\$0.00	

Gross Reserve Funding (Please Explain Withdrawals Below):

Replacement Reserves	_____
Operating Deficit Reserve	_____

TOTAL OPERATING EXPENSES W/ RESERVES:	\$0.00
NET OPERATING INCOME (NOI):	\$0.00

Institution Name:	_____	_____	_____
Principal & Interest Debt Service Paid	_____	_____	_____
Principal & Interest Debt Service Paid	_____	_____	_____
Principal & Interest Debt Service Paid	_____	_____	_____
Principal & Interest Debt Service Paid	_____	_____	_____
NET CASH FLOW:			\$0.00

Approved Priority Payments Paid (See Proforma):	_____	_____	_____
Cushion (PDC will calculate)	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
EXCESS CASH FLOW			\$0.00

DEBT COVERAGE RATIO:	0.00
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Depreciation and Amortization is not included in the Net Cash Flow Calculation

By typing or signing my name below, I hereby certify, under penalty of perjury under the laws of the State of Oregon, that to the best of my knowledge the foregoing is correct and that there have been no material changes.

Signature:	_____	Date:	_____
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Text box to explain any capital improvements, accruals, deviations from the proforma agreement, or how losses are being funded:

Submit via the PHB REPORT 'PORTAL' contact Louise K. Lauman 503 823 0468

Affirmative Fair Housing Marketing (AFHM) Plan - Multifamily Housing

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013
(exp. 1/31/2010)

1a. Applicant's Name, Address (including City, State & Zip code) & Phone Number	1c. Project/Contract Number	1d. Number of Units
	1e. Rental Range From \$ _____ To \$ _____	1f. Type of Housing <input type="checkbox"/> Elderly <input type="checkbox"/> Family <input type="checkbox"/> Mixed (Elderly/Disabled)
	1g. Approximate Starting Dates (mm/dd/yyyy) Advertising _____ Occupancy _____	

1b. Development's Name, Location (including City, State and Zip code)	1h. Housing Market Area	1i. Census Tract
	1j. Managing Agent's Name & Address (including City, State and Zip Code)	

2. Type of Affirmative Marketing Area (check all that apply) a. Plan <input type="checkbox"/> New <input type="checkbox"/> Update Reason for Update: _____ b. Area <input type="checkbox"/> White (non-minority) Area <input type="checkbox"/> Minority Area <input type="checkbox"/> Mixed Area (with _____ % minority residents)	3. Direction of Marketing Activity (Indicate which group(s) in the housing market area are least likely to apply for the housing because of its location and other factors without special outreach efforts) <input type="checkbox"/> White <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Persons with Disabilities <input type="checkbox"/> Families with Children <input type="checkbox"/> Other _____ Specify _____ (e.g. specific ethnic group, religion)
--	--

4a. Marketing Program: Commercial Media (Check the type of media to be used to advertise the availability of this housing)

Newspapers/Publications Radio TV Billboards Other (specify) _____

Name of Newspaper, Radio or TV Station	Group Identification of Readers/Audience	Size/Duration of Advertising

4b. Marketing Program: Brochures, Signs, and HUD's Fair Housing Poster

(1) Will brochures, letters, or handouts be used to advertise? Yes No If "Yes", attach a copy or submit when available.

(2) For development site sign, indicate sign size _____ x _____; Logo type size _____ x _____. Attach a photograph of sign or submit when available.

(3) HUD's Fair Housing Poster must be conspicuously displayed wherever sales/rentals and showings take place. Fair Housing Posters will be displayed in the Rental Office Real Estate Office Model Unit Other (specify) _____

4c. **Marketing Program: Community Contacts.** To further inform the group(s) least likely to apply about the availability of the housing, the applicant agrees to establish and maintain contact with the groups/organizations listed below which are located in the housing market area. If more space is needed, attach an additional sheet. Notify HUD-Housing of any changes in this list. Attach a copy of correspondence to be mailed to these groups/organizations. (Provide all requested information.)

Name of Group/Organization	Group Identification	Approximate Date (mm/dd/yyyy)	Person Contacted (or to be Contacted)
Address & Phone Number	Method of Contact	Indicate the specific function the Group/Organization will undertake in implementing the marketing program	

5. **Future marketing Activities** Mark the box(es) that best describe marketing activities to fill vacancies as they occur after the project has been initially occupied.

Newspapers/Publications Radio Community Contacts
 Brochures/Leaflets/Handouts TV Other (Specify)
 Site Signs

6. **Experience and Staff Instructions** (See instructions)

6a. Staff has affirmative marketing experience. No Yes

6b. On separate sheets, indicate training to be provided to staff on Federal, State and local fair housing laws and regulations, as well as this AFHM Plan. Attach a copy of the instructions to staff regarding fair housing.

7. **Additional Considerations** Attach additional sheets as needed.

8. **Review and Update** By signing this form, the applicant agrees to review their AFHM Plan at least every 5 years and update as needed to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (24 CFR 200.620).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Title & Name of Company

For HUD-Office of Housing Use Only	For HUD-Office of Fair Housing and Equal Opportunity Use Only
Reviewing Official:	Approved _____ Disapproved _____ (Check One)
Signature & Date (mm/dd/yyyy)	Signature & Date (mm/dd/yyyy)
Name (type or print)	Name (type or print)
Title	Title

Public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

In General: The Affirmative Fair Housing Marketing (AFHM) Plan is used to ensure that insured and subsidized multifamily housing projects are taking necessary steps to eliminate discriminatory practices and to overcome the effects of past discrimination involving Federally insured and subsidized housing. No application for any housing project insured or subsidized under the Department of Housing and Urban Development's (HUD) housing programs shall be funded without a HUD approved AFHM Plan (See the "Applicability" section in the instructions below.) Multifamily housing projects must have an updated AFHM Plan in effect for the life of HUD's mortgage insurance. The responses are required to obtain or retain benefits under the Fair Housing Act, Section 808(e)(5) & (6) and 24 CFR Part 200, Subpart M. The form contains no questions of a confidential nature.

Applicability: This form is to be completed by all insured or subsidized: multifamily housing projects.

Each applicant is required to carry out an affirmative program to attract prospective tenants of all minority and non-minority groups in the housing market area regardless of their race, color, religion, sex, national origin, disability or familial status, (24 CFR 200.620). Racial groups include White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander. Other groups in the housing market area who may be subject to housing discrimination include, but are not limited to, Hispanic or Latino, persons with disabilities, families with children, or persons with different religious affiliations. The applicant shall describe in the AFHM Plan the proposed activities to be carried out during advance marketing, where applicable, and during all rent ups. The affirmative marketing program also should ensure that any group(s) of persons ordinarily **not** likely to apply for this housing without special outreach (See Part 3), know about the housing, feel welcome to apply, and have the opportunity to rent.

INSTRUCTIONS

Send completed form to: your local HUD Office
Attention: Director, Office of Housing

Part 1-Applicant and Project Identification.

Blocks 1a thru 1f-Self-Explanatory. Block 1g-the applicant should specify the approximate date for starting the marketing activities and the anticipated date of initial occupancy (if unoccupied). Block 1h-the applicant should indicate the housing market area, in which the housing will be (is) located. Block 1i - the applicant may obtain census tract location information from local planning agencies, public libraries and other sources of census data. Block 1j the applicant should complete only if a Managing Agent (the agent can not be the applicant) is implementing the AFHM Plan.

Part 2-Type of Affirmative Marketing Plan:

Applicants for multifamily housing projects should indicate the status of the AFHM Plan, e.g. new or

update. Please provide the reason for the current update. (Section 7 may be used if additional space is needed.) The AFHM Plan should also indicate the approximate racial composition of the housing/market area in which the housing will be (is) located by checking one of the three choices.

Part 3-Direction of Marketing Activity. Indicate which group(s) the applicant believes are least likely to apply for this housing without special outreach. Consider factors such as rent for housing, sponsorship of housing, racial/ethnic characteristics of housing market area in which housing will be (is) located, disability, familial status, or religious affiliation of eligible population, public transportation routes, etc.

Part 4-Marketing Program. The applicant shall describe the marketing program to be used to attract all segments of the eligible population, especially those groups designated in Part 3 of this AFHM Plan present in the housing marketing area that are least likely to apply. The applicant shall state: the type of media to be used, the names of

newspaper/call letters of radio or TV stations; the identity of the circulation or audience of the media identified in the AFHM Plan (e.g., White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, persons with disabilities, families with children, and religious affiliation), and the size or duration of newspaper advertising or length and frequency of broadcast advertising. Community contacts include individuals or organizations that are well known in the housing market area or the locality that can influence persons within groups considered least likely to apply. Such contacts may include, but need not be limited to: neighborhood, minority and women's organizations, grass roots faith-based or other community based organizations, labor unions, employers, public and private agencies, disability advocates, schools and individuals who are connected with these organizations and/or are well-known in the community. Applicants should notify their local HUD–Office of Housing of any changes to the list in Part 4c of this AFHM Plan.

Part 5-Future Marketing Activities. Self-Explanatory.

Part 6-Experience and Staff Instructions.

- 6a. The applicant should indicate whether he/she has had previous experience in marketing housing to group(s) identified as least likely to apply for the housing.
- 6b. Describe the instructions and training provided or to be provided to rental staff. This guidance to staff must include information regarding Federal, State and local fair housing laws and this AFHM Plan.

Copies of any written materials should be submitted with the AFHM Plan, if such materials are available.

Part 7-Additional Considerations. In this section describe other efforts not previously mentioned which are planned to attract persons least likely to apply for the housing

Part 8-Review and Update. By signing, the applicant assumes full responsibility for

implementing the AFHM Plan, and for reviewing and updating the Plan at least every 5 years. HUD may monitor the implementation of this AFHM Plan at any time and request modification in its format or content, where deemed necessary.

Notice of Intent to Begin Marketing. No later than 90 days prior to the initiation of rental marketing activities, the applicant with an approved AFHM Plan shall submit notice of intent to begin marketing. The notification is required by the Affirmative Fair Housing Marketing Plan Compliance Regulations (24 CFR Part 108.15). It is submitted either orally or in writing to the Office of Housing in the appropriate HUD Office servicing the locality in which the proposed housing will be located.

OMB approval of the Affirmative Fair Housing Plan includes approval of this notification procedure as part of the AFHM Plan. The burden hours for such notification are included in the total designated for this AFHM Plan form.

GENERAL TENANT INCOME CERTIFICATION

(Use this Form only for Projects without HOME or LIHTC funding)

Initial Certification Recertification Other _____

Effective Date: _____
 Move-in Date: _____
 (MM/DD/YYYY)

PART I - DEVELOPMENT DATA

Property Name: _____ County: _____
 Address: _____ Unit Number: _____ # Bedrooms: _____

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	Social Security or Alien Reg. No.
1					
2					
3					
4					
5					
6					
7					
8					

PART II GROSS ANNUAL INCOME (USE ANNUAL AMOUNTS)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$
Add totals from (A) through (D), above			TOTAL INCOME (E):	\$

PART III. INCOME FROM ASSETS

Hshld Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS:			\$	\$
Enter Column (H) Total If over \$5000		\$ _____	Passbook Rate X 2.00%	= (J) Imputed Income \$ _____
Enter the greater of the total of column I, or J: imputed income				TOTAL INCOME FROM ASSETS (K)
				\$
(L) Total Annual Household Income from all Sources [Add (E) + (K)]				\$

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

My signature on this date certifies the accuracy of the income/assets listed above for the effective date of this Tenant Income Certification. (If signed prior to the effective date, it is my responsibility to report any changes in income or household composition in order to enable management to update the certification with accurate information.)

Signature	(Date)	Signature	(Date)
Signature	(Date)	Signature	(Date)

PART IV. DETERMINATION OF INCOME ELIGIBILITY

RECERTIFICATION ONLY:

TOTAL ANNUAL HOUSEHOLD INCOME
FROM ALL SOURCES:
From item (L) on page 1

\$

Household Meets
Income Restriction
at: _____% MFI

Current 80% MFI Income Limit:
(per family size)

\$ _____

Max RENT MFI %

Household Income exceeds 80% at
recertification:

Yes No

Current Income Limit per Family Size: \$ _____

\$ _____

Household Income at Move-in: \$ _____

Household Size at Move-in: _____

PART V. RENT

- A) Tenant Paid Rent \$ _____
- B) Utility Allowance \$ _____
- C) Rent Assistance: \$ _____
- D) Any non-optional charges: \$ _____

GROSS RENT FOR UNIT:

\$

Unit Meets Rent Restriction:

YES NO

Actual Rent Set at:

60% 50% 40% 30% _____%

1. Add A, B and D if no rental assistance
2. Add A and C if there is a rental assistance paid to the tenant or project based on the household's income. [See NOTE below]

*Maximum published gross rents may **not** be exceeded:

[NOTE: Calculation of Gross Rent with rental assistance does not add the Utility Allowance, as the tenant's rent is reduced by the allowance, but included in the subsidy payment.]

MAXIMUM GROSS RENT LIMIT FOR THIS
UNIT: (including utilities)

[per HUD-published Rents by MFI
with a 30% housing burden] \$ _____

Is Rent Adjustment Required? YES NO

Is New Lease Required? YES NO

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part I of this Tenant Income Certification is/are eligible under the provisions of any and all Project Regulatory Agreement(s) in effect, to live in a Unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE

DATE

DATE: **XXX** PROJECT ID: **XXXX** PROJECT NAME: **XXXX** UNIT #: **A107** HOME (Y/N): **Y**
 # BDRMS: **Studio** ACCESSIBLE: **Y** ADAPTABLE: **Y** SMOKER (Y/N): **Y**

UNIT INSPECTION	Comments - No Action Needed										Comments	
	BR #1	BR #2	BR #3	BR #4	BR #5	Other	Other	Other	Other	Other		
N/A												
Smoke Detectors												
Egress												
Doors & Locks												
Walls / Ceiling												
Interior Stairs / Hallways												
Ventilation - Clean Vent. & Fan												
Housekeeping												
Windows												
Screens												
Blinds												
Drapes												
Sills												
Flooring												
Hard Surface												
Carpets												
Electrical												
Heater Blocked												
Face Plates: Outlet / Switch												
Light Fixtures												
GFCI (needed)												
Bathroom Fixtures												
Cabinets												
Tub / Shower / Combo												
Kitchen Sink												
Appliances												
Stove / Oven / Vent												
Refrigerator												
Dishwasher												
Disposal												
Microwave												
Washer / Dryer												
Hot Water Heater												
Food Preparation Area												
Deck / Patio (remove furniture)												
Storage												
Hazards												
Miscellaneous												
ALL OK												
72-Hour Notice - Action												
Corrections Needed												
Interior Compliance												
Living Room												
Dining Room												
Kitchen												
Bathroom #1												
Bathroom #2												
Laundry												
BR #1												
BR #2												
BR #3												
BR #4												
BR #5												
Other												
Other												

DATE: XXX PROJECT ID: XXX PROJECT NAME: XXXX

PROJECT INSPECTION		EXTERIOR COMMON AREAS													Comments								
		Fire Systems	Landscaping	Drainage / Flooding	Signs / Lighting	Infestation	Building Exterior	Stairs / Rails	Porches / Decks / Patios	Fences / Retaining Walls	Walkways	Roof	Gutters / Flashing / Vents	Windows / Walls / Trim		Foundations	Painted Surfaces	Siding / Masonry	Weatherization	Disabled / Abandoned Vehicles	Surfaces / Lines	Trash & Recycling Areas	Playground / Garden / Patio (Common Use)
N/A																							
PAGE -1-																							
ALL OK																							
Corrections Needed																							
		Exterior - Grounds																					
		Building Exterior																					
		Driveways																					
		Parking Lots																					
		Trash & Recycling																					
		Playground/Garden/Patios																					
		Lobby																					
		Common Bathrooms																					
		Community Room																					
		Community Kitchen																					
		Office																					
		Laundry Rooms																					
		Storage Rooms																					
		Equipment Rooms																					
		Miscellaneous Use																					
		Comments - No Action Needed																					

N/A	PROJECT INSPECTION
Food Preparation Area	
ALL OK	
Corrections Needed	
Exterior - Grounds	
Building Exterior	
Driveways	
Parking Lots	
Trash & Recycling	
Playground/Garden/Patios	
Lobby	
Common Bathrooms	
Community Room	
Community Kitchen	
Office	
Laundry Rooms	
Storage Rooms	
Equipment Rooms	
Miscellaneous Use	
Comments - No Action Needed	
Comments	

DATE: **XXX** PROJECT ID: **XXXX** PROJECT NAME: **XXXX** UNIT #: **A107** HOME (Y/N): **Y**
 # BDRMS: **Studio** ACCESSIBLE: **Y** ADAPTABLE: **Y** SMOKER (Y/N): **Y**

UNIT INSPECTION	Comments - No Action Needed										Comments	
	BR #1	BR #2	BR #3	BR #4	BR #5	Other	Other	Other	Other	Other		
N/A												
Smoke Detectors												
Egress												
Doors & Locks												
Walls / Ceiling												
Interior Stairs / Hallways												
Ventilation - Clean Vent. & Fan												
Housekeeping												
Windows												
Screens												
Blinds												
Drapes												
Sills												
Flooring												
Hard Surface												
Carpets												
Electrical												
Heater Blocked												
Face Plates: Outlet / Switch												
Light Fixtures												
GFCI (needed)												
Bathroom Fixtures												
Cabinets												
Tub / Shower / Combo												
Kitchen Sink												
Appliances												
Stove / Oven / Vent												
Refrigerator												
Dishwasher												
Disposal												
Microwave												
Washer / Dryer												
Hot Water Heater												
Food Preparation Area												
Deck / Patio (remove furniture)												
Storage												
Hazards												
Miscellaneous												