

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 as it relates to "year 15"?
- 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: _____