

MAINTENANCE & OPERATING EXPENSE GUIDELINES

NEW CONSTRUCTION

2024

Revised: 3/13/2024

	M&O Electric Heat (VRF)/Gas Water		M&O All Electric (assumes VRF) ⁴		Passive House(assumes VRF) ⁴		Per/
	PW/Union Building Staff	Per	PW/Union Building Staff	Per	PW/Union Building Staff	Per	
ADMINISTRATIVE							
Legal	\$24,000	\$240	\$24,000	\$240	\$24,000	\$240	/du
Accounting	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	\$19,000	/project
Management Fee ¹	\$123,613	6.5%	\$123,613	6.5%	\$123,613	6.5%	of ERI
Fire and Liability Insurance ²	\$150,000	\$1,500	\$150,000	\$1,500	\$150,000	\$1,500	/du
Tax Credit Monitoring ³	\$12,600	\$126	\$12,600	\$126	\$12,600	\$126	See footnote
Benchmarking Expense	\$600	\$600	\$600	\$600	\$600	\$600	/bldg
UTILITIES							
Heating ⁴	\$58,905	\$165	\$58,905	\$165	\$35,700	\$100	/rm (assumes VRF) ⁴
Owner Paid Cooling (if applicable) ⁵		\$85		\$85		\$68	/rm (assumes VRF) ⁴
Hot Water ⁶							
Gas Hot Water	\$39,984	\$112					/rm
Electric Heat Pump Hot Water			\$66,045	\$185	\$66,045	\$185	/rm
Electric (common areas)	\$71,400	\$200	\$71,400	\$200	\$71,400	\$200	/rm
Water & Sewer	\$107,100	\$300	\$107,100	\$300	\$107,100	\$300	/rm
Broadband ⁷							
MAINTENANCE							
Supplies/Cleaning/Exterminating	\$49,980	\$140	\$49,980	\$140	\$49,980	\$140	/rm
Repairs/Replacement	\$100,000	\$1,000	\$110,000	\$1,100	\$110,000	\$1,100	/du
Super & Maintenance Salaries ⁸	\$260,981	\$2,610	\$260,981	\$2,610	\$260,981	\$2,610	/1 Super 1 Porter
Elevator Maintenance & Repairs [Assumes 2]	\$20,000	\$10,000	\$20,000	\$10,000	\$20,000	\$10,000	/elev
Bldg Reserve	\$40,000	\$400	\$40,000	\$400	\$40,000	\$400	/du
HDC Servicing Fee ⁹							
M&O Before Taxes and Debt Service	\$1,078,163	\$10,782	\$1,114,224	\$11,142	\$1,091,019	\$10,910	/du
		\$3,020		\$3,121		\$3,056	/rm

NOTES

- MANAGEMENT FEE:** 8% for Supportive Housing Loan Program
- INSURANCE:** Project Managers are directed to underwrite to an actual quote whenever possible.
- TAX CREDIT MONITORING:** This fee is a combination of the building fee (\$100 per building), plus the unit fee (0.75% of the maximum annual tax credit rent for all LIHTC units). The unit fee is capped at \$12,600 for buildings of 150 units or less, and \$17,500 for buildings over 150 units.
- HEATING:** Project Managers are directed to underwrite to the method of heating utilized, typically VRF at \$165/rm. If Packaged Terminal Heat Pump (PTHP), standard will be set at \$195/rm for heating. PTHP units are a type of Cold Climate Heat Pumps.
Passive House: For all PH buildings, heating can be discounted by 40% (For VRF, this equates to \$100. For PTHP, this equates to \$117).
- OWNER PAID COOLING:** Allowed only for VRF, Owner Paid Cooling is NOT allowed for PTHP systems except in PH. If PH, Owner Paid Cooling should be discounted by 20%.
- HOT WATER:** Project Managers are directed to underwrite according to project type (gas/electric).
- BROADBAND:** Project Managers are directed to include broadband and underwrite to an actual quote whenever broadband is incorporated into construction.
- SUPER & MAINTENANCE SALARIES:** 1 staff member for every 65 units. Additional staff may be added per 65 units of housing. This schedule assumes 1 super + 1 porter for a 100 unit building at prevailing wage/union. In addition, use a 1.15 multiple to account for overtime/vacation assumptions. Handyperson will be considered on a case-by-case basis.

Salary Assumptions:

	Prevailing Wage	With Multiplier	Non-Union	With Multiplier
FT Super	\$126,483	\$145,455	\$79,456	\$91,374
FT Porter	\$100,458	\$115,526	\$73,476	\$84,497
FT Super + FT Porter		\$260,981		\$175,871
FT Handyperson	\$107,084	\$123,146		

*Salaries are estimated based on an hourly wage, 40 hour workweek, 52 weeks/year plus assumptions for payroll taxes, benefits, and workers comp.
- HDC SERVICING FEE:** Servicing fee set at 0.25% of senior permanent loan.

MAINTENANCE & OPERATING EXPENSE GUIDELINES

PRESERVATION

2024

Revised: 3/13/2024

(Preservation deals should be underwritten using actual expenses as a guideline when information is available)

	M&O Guideline	
	PW/Union Building Staff	Per/
ADMINISTRATIVE		
Legal	\$25,000	\$250 /du
Accounting	\$25,000	\$25,000 /project
Management Fee	\$123,613	6.5% of ERI
Fire and Liability Insurance ¹	\$150,000	\$1,500 /du
Tax Credit Monitoring ²	\$12,600	\$126 <i>See footnote</i>
Benchmarking Expense	\$600	\$600 /bldg
UTILITIES		
Heating ³	\$78,897	\$221 /rm (assumes gas. See footnote 3 for electric heating)
<i>Owner Paid Cooling (if applicable)</i> ⁴		\$85 /rm
Hot Water ⁵	\$42,483	\$119 /rm (assumes gas. See footnote 5 for electric hot water)
Electric (common areas)	\$76,755	\$215 /rm
Water & Sewer	\$110,670	\$310 /rm
Broadband ⁶		
MAINTENANCE		
Supplies/Cleaning/Exterminating	\$64,260	\$180 /rm
Repairs/Replacement	\$145,000	\$1,450 /du
Super & Maintenance Salaries ⁷	\$260,981	\$2,610 /du
Elevator Maintenance & Repairs	\$20,000	\$10,000 /elev
Bldg Reserve	\$40,000	\$400 /du
M&O Before Taxes and Debt Service	\$1,175,859	\$11,759 /du
		\$3,294 /rm

NOTES

- 1. INSURANCE:** Project Managers are directed to underwrite to an actual quote whenever possible.
- 2. TAX CREDIT MONITORING:** This fee is a combination of the building fee (\$100 per building), plus the unit fee (0.75% of the maximum annual tax credit rent for all LIHTC units). The unit fee is capped at \$12,600 for buildings of 150 units or less, and \$17,500 for buildings over 150 units.
- 3. HEATING:** Project Managers are directed to underwrite to the method of heating utilized. If VRF, standard set at \$205/rm. If Passive House, standard set at \$123/rm.
- 4. OWNER PAID COOLING:** Allowed only for VRF, Owner Paid Cooling is NOT allowed for PTHP systems except in PH. If PH, Owner Paid Cooling should be discounted by 20%.
- 5. HOT WATER:** Project Managers are directed to underwrite according to project type. If VRF, standard set at \$185/rm.
- 6. BROADBAND:** Project Managers are directed to include broadband and underwrite to an actual quote whenever broadband is incorporated into construction.
- 7. SUPER & MAINTENANCE SALARIES:** 1 staff member for every 65 units. Additional staff may be added per 65 units of housing. This schedule assumes 1 super + 1 porter for a 100 unit building at prevailing wage/union. Handyperson will be considered on a case-by-case basis.

Salary Assumptions:

	<u>Prevailing Wage</u>	<u>With Multiplier</u>	<u>Non-Union</u>	<u>With Multiplier</u>
FT Super	\$126,483	\$145,455	\$79,456	\$91,374
FT Porter	\$100,458	\$115,526	\$73,476	\$84,497
FT Handyperson	\$107,084	\$123,146		

**Salaries are estimated based on an hourly wage, 40 hour workweek, 52 weeks/year plus assumptions for payroll taxes, benefits, and workers comp.*