

MAINTENANCE & OPERATING EXPENSE GUIDELINES
NEW CONSTRUCTION
2023

| | M&O Standard | |
|--|-------------------------|---------------------------|
| | PW/Union Building Staff | Per/ |
| ADMINISTRATIVE | | |
| Legal | \$24,000 | \$240 /du |
| Accounting | \$17,500 | \$17,500 /project |
| Management Fee | \$116,805 | 6.50% of ERI |
| Fire and Liability Insurance*** | \$135,000 | \$1,350 /du |
| Tax Credit Monitoring* | \$12,600 | \$126 <i>See footnote</i> |
| Benchmarking Expense** | \$495 | \$495 /bldg |
| UTILITIES | | |
| Heating & Hot Water | \$107,100 | \$300 /rm |
| Electric (common areas) | \$66,045 | \$185 /rm |
| Water & Sewer | \$101,745 | \$285 /rm |
| Broadband^ | | |
| MAINTENANCE | | |
| Supplies/Cleaning/Exterminating | \$49,980 | \$140 /rm |
| Repairs/Replacement | \$90,000 | \$900 /du |
| Super & Maintenance Salaries^^ | \$225,000 | \$2,250 /du |
| Elevator Maintenance & Repairs | \$15,000 | \$7,500 /elev |
| Bldg Reserve | \$35,000 | \$350 /du |
| M&O Before Taxes and Debt Service | \$996,270 | \$9,963 /du |
| | | \$2,791 /rm |

NOTES

* **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 \$12,500 for buildings of 150 units or less, and \$17,500 for buildings over 150 units.

** **BENCHMARKING:** For projects that are required to adhere to Local Law 84, the benchmarking expense will be evaluated on a project-by-project basis.

*** **INSURANCE:** Project Managers are directed to underwrite to an actual quote whenever possible.

^ **UTILITIES - 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. For buildings with non-union staff, please use the Non-Union salaries listed below.

Salary Assumptions:

| | <u>Union</u> | <u>Non-Union</u> |
|-----------|--------------|------------------|
| FT Super | \$123,641 | \$75,119 |
| FT Porter | \$101,359 | \$70,335 |

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

MAINTENANCE & OPERATING EXPENSE GUIDELINES
PRESERVATION
2023

(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 | \$116,805 | 6.50% of ERI |
| Fire and Liability Insurance | \$135,000 | \$1,350 /du |
| Tax Credit Monitoring* | \$12,600 | \$126 <i>See footnote</i> |
| Benchmarking Expense** | \$495 | \$495 /bldg |
| UTILITIES | | |
| Heating & Hot Water | \$114,240 | \$320 /rm |
| Electric (common areas) | \$71,400 | \$200 /rm |
| Water & Sewer | \$105,315 | \$295 /rm |
| MAINTENANCE | | |
| Supplies/Cleaning/Exterminating | \$64,260 | \$180 /rm |
| Repairs/Replacement | \$140,000 | \$1,400 /du |
| Super & Maintenance Salaries | \$225,000 | \$2,250 /du |
| Elevator Maintenance & Repairs | \$15,000 | \$7,500 /elev |
| Bldg Reserve | \$35,000 | \$350 /du |
| M&O Before Taxes and Debt Service | \$1,085,115 | \$10,851 /du |
| | | \$3,040 /rm |

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