

**MAINTENANCE & OPERATING ("M&O") EXPENSE STANDARDS
NEW CONSTRUCTION
2026**

(For deals underwritten after March 31, 2026)

M&O			
	<u>Amount</u>	<u>Per/</u>	
<u>ADMINISTRATIVE</u>			
Legal	\$30,000	\$300	/du
Accounting	\$25,000	\$25,000	/project
Management Fee ¹	\$141,800	6.5%	of ERI
Fire and Liability Insurance ²	\$180,000	\$1,800	/du
Tax Credit Monitoring ³	\$12,600	\$126	See footnote
Benchmarking Expense	\$600	\$600	/bldg
<u>UTILITIES</u>			
Heating ⁴	\$73,542	\$206	/rm
Owner Paid Cooling (if applicable) ⁵		\$113	/rm
Hot Water	\$70,686	\$198	/rm
Electric (common areas)	\$74,970	\$210	/rm
Water & Sewer	\$116,025	\$325	/rm
Broadband ⁶			
<u>MAINTENANCE</u>			
Supplies/Cleaning/Exterminating	\$49,980	\$140	/rm
Repairs/Replacement	\$150,000	\$1,500	/du
Super & Maintenance Salaries ⁷	\$271,168	\$2,712	/1 Super 1 Porter
Elevator Maintenance & Repairs [Assumes 2]	\$24,000	\$12,000	/elev
Bldg Reserve	\$40,000	\$400	/du
HDC Servicing Fee ⁸			
M&O Before Taxes and Debt Service	\$1,260,370	\$12,604	/du
		\$3,530	/rm

NOTES			
1. MANAGEMENT FEE: 8% for Supportive Housing Loan Program.			
2. INSURANCE: Project Managers are directed to underwrite to an actual quote whenever possible, including inflators. Sponsors should review their ability to get umbrella coverage and underwrite to a lower rate if possible.			
3. 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.			
4. HEATING: Passive House: For all PH buildings, heating discounted by 40% of electric heat.			
5. OWNER PAID COOLING: Not currently enabled for projects with PB S8 units.			
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. 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:			
	<u>Prevailing Wage</u>	<u>With Multiplier</u>	<u>Hourly</u>
FT Super	\$131,139	\$150,810	\$40.85
FT Porter	\$104,659	\$120,358	\$29.78
FT Super + FT Porter		\$271,168	
FT Handyperson	\$111,405	\$128,116	\$32.60
<i>*Salaries are estimated based on an hourly wage, 40 hour workweek, 52 weeks/year plus assumptions for payroll taxes, benefits, and workers comp.</i>			
8. HDC SERVICING FEE: Servicing fee set at 0.25% of senior permanent loan.			