

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

(For deals underwritten after March 31, 2026)

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

| <b>NOTES</b>                                                                                                                                                                                                                                                                                                                                                            |                               |                               |                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------|----------------------|
| <b>1. MANAGEMENT FEE:</b> 8% for Supportive Housing Loan Program.                                                                                                                                                                                                                                                                                                       |                               |                               |                      |
| <b>2. INSURANCE:</b> Project Managers are directed to underwrite to an actual quote whenever possible. Sponsors should review their ability to get umbrella coverage and underwrite to a lower rate if possible.                                                                                                                                                        |                               |                               |                      |
| <b>3. TAX CREDIT MONITORING:</b> 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.                                                             |                               |                               |                      |
| <b>4. HEATING:</b> Passive House: For all PH buildings, heating discounted by 40% of electric heat.                                                                                                                                                                                                                                                                     |                               |                               |                      |
| <b>5. OWNER PAID COOLING:</b> Not currently enabled for projects with PB S8 units.                                                                                                                                                                                                                                                                                      |                               |                               |                      |
| <b>6. BROADBAND:</b> Project Managers are directed to include broadband and underwrite to an actual quote whenever broadband is incorporated into construction.                                                                                                                                                                                                         |                               |                               |                      |
| <b>7. SUPER &amp; MAINTENANCE SALARIES:</b> 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. |                               |                               |                      |
| <b>Salary Assumptions*:</b>                                                                                                                                                                                                                                                                                                                                             |                               |                               |                      |
|                                                                                                                                                                                                                                                                                                                                                                         | <b><u>Prevailing Wage</u></b> | <b><u>With Multiplier</u></b> | <b><u>Hourly</u></b> |
| FT Super                                                                                                                                                                                                                                                                                                                                                                | \$131,139                     | \$150,810                     | \$40.85              |
| FT Porter                                                                                                                                                                                                                                                                                                                                                               | \$104,659                     | \$120,358                     | \$29.78              |
| FT Super + FT Porter                                                                                                                                                                                                                                                                                                                                                    |                               | <b>\$271,168</b>              |                      |
| FT Handyperson                                                                                                                                                                                                                                                                                                                                                          | \$111,405                     | \$128,116                     | \$32.60              |
|                                                                                                                                                                                                                                                                                                                                                                         | <b><u>Non-Union^</u></b>      | <b><u>With Multiplier</u></b> | <b><u>Hourly</u></b> |
| FT Super                                                                                                                                                                                                                                                                                                                                                                | \$100,205                     | \$115,236                     | \$27.92              |
| FT Porter                                                                                                                                                                                                                                                                                                                                                               | \$84,129                      | \$96,748                      | \$21.20              |
| FT Super + FT Porter                                                                                                                                                                                                                                                                                                                                                    |                               | <b>\$211,984</b>              |                      |
| *Salaries are estimated based on an hourly wage, 40 hour workweek, 52 weeks/year plus assumptions for payroll taxes, benefits, and workers comp.                                                                                                                                                                                                                        |                               |                               |                      |
| ^Non-Union wages are an estimate and inflated 3.4% versus 2025 (based on NYC CPI 2025).                                                                                                                                                                                                                                                                                 |                               |                               |                      |
| <b>8. HDC SERVICING FEE:</b> Servicing fee set at 0.25% of senior permanent loan.                                                                                                                                                                                                                                                                                       |                               |                               |                      |