

New Construction - Maintenance and Operating Expense Standards

For Deals Closing After DECEMBER 2015 (REVISED April 21, 2016)

| | Union Building Staff | | Non-Union Building Staff | | |
|--|----------------------|----------------|--------------------------|----------------|---|
| ADMINISTRATIVE | | | | | |
| Legal | \$15,000 | \$150 | \$15,000 | \$150 | /du |
| Accounting | \$16,000 | \$16,000 | \$16,000 | \$16,000 | /per project |
| Management Fee | \$66,622 | 6.00% | \$66,622 | 6.00% | of ERI |
| Fire and Liability Insurance | \$60,000 | \$600 | \$60,000 | \$600 | /du |
| Tax Credit Monitoring* | \$12,600 | \$126 | \$12,600 | \$126 | /0.75% per Tax Credit Rent+\$100 per building |
| Benchmarking Expense** | \$495 | \$495 | \$495 | \$495 | /Bldg |
| UTILITIES | | | | | |
| Heating | \$107,100 | \$300 | \$107,100 | \$300 | /rm |
| Electricity | \$58,605 | \$164 | \$58,605 | \$164 | /rm |
| Water & Sewer | \$97,461 | \$273 | \$97,461 | \$273 | /rm |
| MAINTENANCE | | | | | |
| Supplies/Cleaning/Exterminating | \$44,625 | \$125 | \$44,625 | \$125 | /rm |
| Repairs/Replacement | \$65,000 | \$650 | \$65,000 | \$650 | /du |
| Super & Maintenance Salaries | \$121,000 | \$1,210 | \$93,000 | \$930 | /du |
| Elevator Maintenance & Repairs | \$13,200 | \$6,600 | \$13,200 | \$6,600 | /elev. |
| Bldg Reserve | \$25,000 | \$250 | \$25,000 | \$250 | /du |
| M&O Before Taxes and Debt Service | \$702,708 | \$7,027 | \$674,708 | \$6,747 | /du |
| | | \$1,968 | | \$1,890 | /rm |

Notes:

* The Tax Credit Monitoring is 0.75% of the max annual Tax Credit Rent capped at \$12,500 for buildings of 150 units or less, and \$17,500 for buildings over 151 units

* Fee structure also includes uncapped building fee of \$100 per physical building

**Borrowers are required to solicit proposals for ongoing energy benchmarking to be provided by an HDC pre-qualified vendor; benchmarking expense may vary by project

Super & Maintenance Salaries Schedule

1 Staff Member for every 65 units. As permitted by law, additional FT or PT Supers or Porters may satisfy the operational needs of buildings between each 65 unit threshold.

| | <u>Union</u> | <u>Non-Union</u> |
|-----------|--------------|------------------|
| FT Super | \$69,000 | \$53,000 |
| FT Porter | \$52,000 | \$40,000 |

Preservation - Maintenance and Operating Expense Guidelines

For Deals Closing After DECEMBER 2015 (REVISED APRIL 21, 2016)

| | Union Building Staff | | Non-Union Building Staff | | |
|--|----------------------|----------------|--------------------------|----------------|---|
| | | | | | |
| ADMINISTRATIVE | | | | | |
| Legal | \$25,000 | \$250 | \$25,000 | \$250 | /du |
| Accounting | \$21,000 | \$21,000 | \$21,000 | \$21,000 | /per project |
| Management Fee | \$66,622 | 6.00% | \$66,622 | 6.00% | of ERI |
| Fire and Liability Insurance | \$60,000 | \$600 | \$60,000 | \$600 | /du |
| Tax Credit Monitoring* | \$12,600 | \$126 | \$12,600 | \$126 | /0.75% per Tax Credit Rent+\$100 per building |
| Benchmarking Expense** | \$495 | \$495 | \$495 | \$495 | /Bldg |
| UTILITIES | | | | | |
| Heating | \$116,025 | \$325 | \$116,025 | \$325 | /rm |
| Electricity | \$71,400 | \$200 | \$71,400 | \$200 | /rm |
| Water & Sewer | \$90,321 | \$253 | \$90,321 | \$253 | /rm |
| MAINTENANCE | | | | | |
| Supplies/Cleaning/Exterminating | \$62,475 | \$175 | \$62,475 | \$175 | /rm |
| Repairs/Replacement | \$110,000 | \$1,100 | \$110,000 | \$1,100 | /du |
| Super & Maintenance Salaries | \$121,000 | \$1,210 | \$93,000 | \$930 | /du |
| Elevator Maintenance & Repairs | \$13,200 | \$6,600 | \$13,200 | \$6,600 | /elev. |
| Bldg Reserve | \$25,000 | \$250 | \$25,000 | \$250 | /du |
| M&O Before Taxes and Debt Service | | | | | |
| | \$795,138 | \$7,951 | \$767,138 | \$7,671 | /du |
| | | \$2,227 | | \$2,149 | /rm |

Notes:

* The Tax Credit Monitoring is 0.75% of the max annual Tax Credit Rent capped at \$12,500 for buildings of 150 units or less, and \$17,500 for buildings over 151 units

* Fee structure also includes uncapped building fee of \$100 per physical building

**Borrowers are required to solicit proposals for ongoing energy benchmarking to be provided by an HDC pre-qualified vendor; benchmarking expense may vary by project

Super & Maintenance Salaries Schedule

1 Staff Member for every 65 units. As permitted by law, additional FT or PT Supers or Porters may satisfy the operational needs of buildings between each 65 unit threshold.

| | <u>Union</u> | <u>Non-Union</u> |
|-----------|--------------|------------------|
| FT Super | \$69,000 | \$53,000 |
| FT Porter | \$55,600 | \$40,000 |