CHAM

Asset Management 2020
Response and Resilience
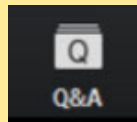### A CHAM Webinar Series

Property Management Oversight Through an Asset Management Lens

December 9, 2020
12:00 –1:15 EDT
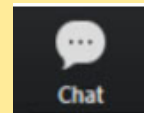www.chamonline.org

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Logistics

Questions
- Write into the Q&A section

Chat
- For logistics and announcements only

Feedback
- Survey will pop up on your screen when you leave the webinar

Slides and Recording
- Slides are there now
- Recording by Friday

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OCCH
OHIO CAPITAL
CORPORATION
FOR HOUSING

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Moderator:
- **Harold Nassau**
  Senior Director
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Presenters:
- **Ken Schaeffer**
  Asset Manager
  Ohio Capital Corporation for Housing
  kschaefer@occh.org

- **Sabrina Waytes**
  Asset Manager
  The Community Builders
  sabrina.waytes@TCBINC.ORG

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Agenda

1. Welcome and Introduction

2. Owner Perspective - Sabrina

3. Investor Perspective - Ken

4. Q&A

5. Resources

6. Wrap Up

7. What's New at CHAM

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PROPERTY MANAGEMENT OVERSIGHT THROUGH AN ASSET MANAGEMENT LENS

FROM AN OWNER/OPERATOR'S VIEWPOINT

PROPERTY MANAGEMENT OVERSIGHT THROUGH AN OWNER/OPERATOR'S VIEWPOINT

- What performance metrics should we use?

- How do we handle the sometimes tough conversations?

- How do we let property staff know they are appreciated?

- Ultimately, what can we do to help the team be successful?

THE COMMUNITY BUILDERS

About The Community Builders

The Community Builders (TCB) is one of America's leading nonprofit housing organizations. Our mission is to build and sustain strong communities where people of all incomes can achieve their full potential. We realize our mission by developing, financing and operating residential communities, neighborhood amenities and resident opportunity programs. Since 1964, we have constructed or preserved hundreds of affordable and mixed-income housing developments and pioneered the Community Life (CL) model for resident success. Today, anchored by offices in Boston, Chicago, Columbus, New York and Washington, D.C. we own or manage 11,000 apartment homes in more than 14 states.

IN THE WEEDS

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PERFORMANCE METRICS

- Budget Variances
- Occupancy
- Collections/Economic Vacancy
- Cash Flow/DSCR
- Cash Available for distribution
- Operating Costs Per Unit

Poll: What types of property management metrics does your company monitor?

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BUDGET VARIANCES

- Analyze monthly and annual
- Compare annual performance to the proforma
- Dollar amount or percentage

OCCUPANCY

- Relative to the budget
- Relative to past performance
- Relative to the industry
- Relative to other properties of the same type

COLLECTIONS/ECONOMIC VACANCY

- Percentage for entire property
- Amount per individual
- Eviction policy for non-payment
- Write off policy

CASH FLOW/DSCR

- Know the lender's requirement
- Positive cashflow
  - Address deferred maintenance or capital improvements
  - Waterfall distributions
- Negative cashflow
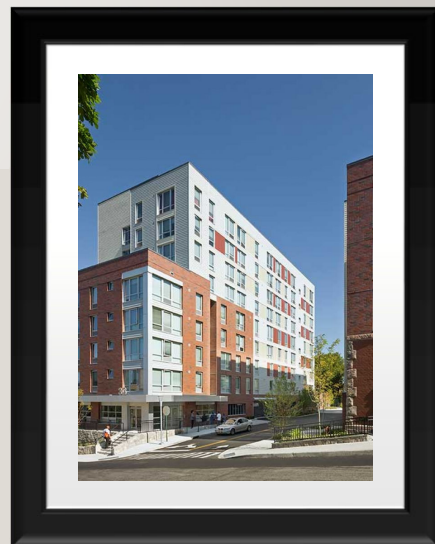 - Be able to explain
  - Come up with solutions

CASH AVAILABLE FOR DISTRIBUTION

- Triple Bottom Line: People, Planet and Profits
- Asset Management Plan

OPERATING COSTS PER UNIT

- Sources of Information
  - Syndicator
  - State Allocating Agency
  - Novogradac
  - Your organization
  - Your portfolio

HANDLING TOUGH CONVERSATIONS

- First, take a breath
- Be honest
- Come with a solution or a different way of looking at the situation
- If all else fails, try the Sandwich Method (wrap negative feedback with praise.)

SHOWING APPRECIATION

- Let them know you're listening
- Go to bat for them.
- Give praise when it's due

HOW CAN ASSET MANAGERS BE HELPFUL?

- Be as a Liaison
- Provide Reassurance
- Don't overwhelm site staff
- Be appreciative-not condescending

What have you done to show your appreciation of staff?

PROPERTY MANAGEMENT THROUGH AN ASSET MANAGER'S LENS

The Investor

40,000 FEET

ASSET MANAGEMENT SUPPORT

- Monitoring
  - Financial
  - Physical
  - Operational
- Technical Assistance
  - Operational issues/Best Practices
  - Financial Analysis (insurance/refinancing/audit)
  - Staffing/Structural issues
  - Compliance
- Training
  - Learning Management System
  - In-person Training
  - MCon

Monthly Reporting

Financial Monitoring

Asset Manager is able to view monthly occupancy information.

- Managing agents submit occupancy information via PIXUS Partner Portal
- Reportable incidents may also be updated on a monthly basis

Quarterly Reporting

PIXUS captures the quarterly financial data for every property.

- OCCH Asset Manager carefully reviews and analyzes the information
- Narratives are written where project fails to meet AHIC standards

Every project is risk-rated quarterly primarily based on the following criteria:

- Occupancy, DCR, tenant receivables
- Physical condition of the asset
- File regulatory compliance

Watchlist and Portfolio Reporting!

PIXUS is the engine that enables portfolio-wide reporting.

- Dozens of reports are available, with robust capabilities to group by or sort by varying criteria
- Conditional formatting used on many reports to highlight variances from AHIC standards

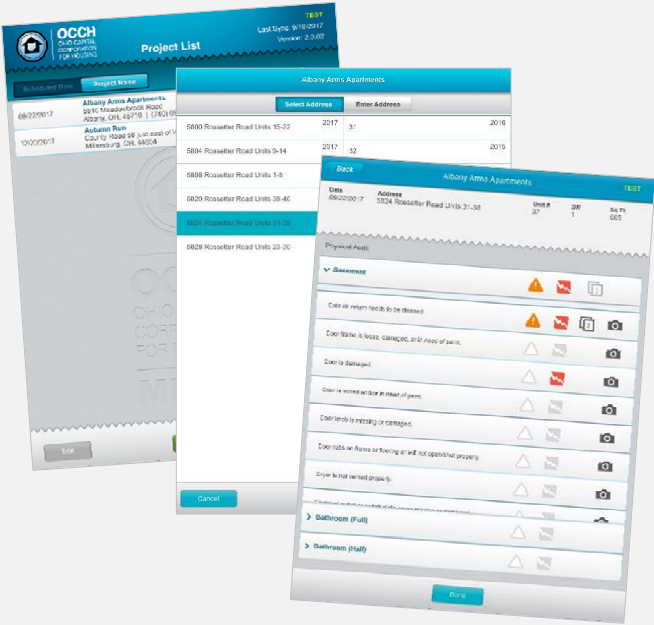Ad hoc reporting managed by accessing PIXUS data via Tableau Software.

- Data analytics tool

Physical Monitoring

SITE AUDIT

- Annual
- 20% of occupied units
- 100% of vacant units and common space
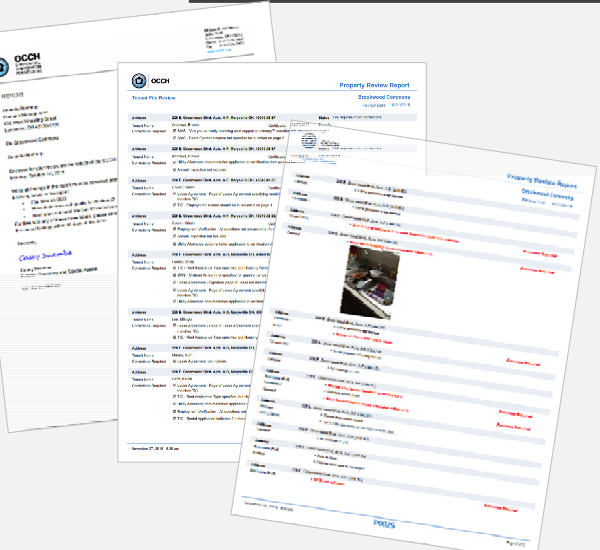
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Proprietary iPad-based system that is fully integrated into PIXUS

- Captures 'health and safety' issues requiring immediate attention
- Indicates the year in which each building and unit was last inspected, enabling Asset Manager to better identify which units require inspection
- Captures photos
- Effortlessly produces high-quality report outputs
- Automatically generates notification letters to GP and Managing Agent

PIXUS-GENERATED EMAIL & REPORTS

- PIXUS automatically emails notice letters to GPs / Managing Agents providing notification of site audits / tenant file reviews, including responses to these inspections
- New functionality saving HUNDREDS of working hours while improving the consistency of communication with partners
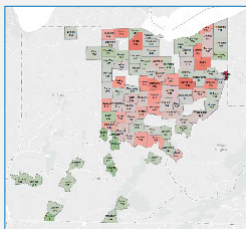
Slide 1

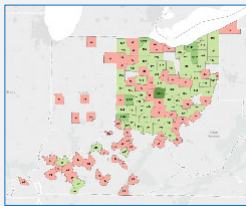**TECHNICAL ASSISTANCE**

Best Practices

Slide 2

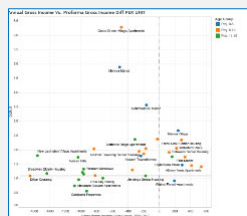**TABLEAU SOFTWARE: DATA ANALYTICS**

Financial Analysis

Heat map showing per unit real estate taxes.

Heat map showing concentration of units.

Scatter charts comparing actual audited numbers vs. proforma for income and operating expenses!

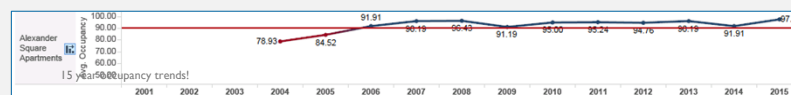15 years occupancy trends!

Asset Management is continuously analyzing portfolio to identify new trends and gain new insights!
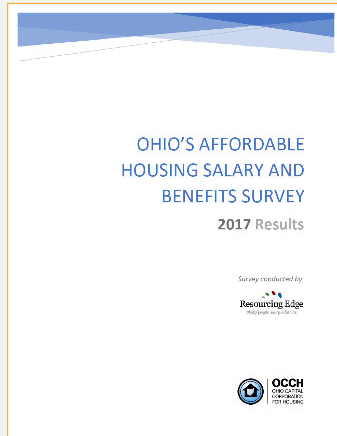
COHN⦵REZNICK

What they said…

"OCCH is the only syndicator that can provide this data, much less an intuitive visual representation of the data."

OHIO AFFORDABLE HOUSING SALARY SURVEY

Staffing/Structural Issues

OHIO'S AFFORDABLE
HOUSING SALARY AND
BENEFITS SURVEY

2017 Results

Survey conducted by

Resourcing Edge

OCCH
OHIO CAPITAL
CORPORATION
FOR HOUSING

- OCCH sponsored a Salary and Benefits survey in an effort to better equip owners/ managers with information about compensation trends
- Issued report Q1 2018

sequent

CRHDO
Council for Rural Housing
& Development of Ohio

ohio housing council

M AHMA

cpo management
community properties of ohio

TRAINING ACADEMY E-LEARNING PLATFORM

- 2,500 users currently on system / double YE 2017 user base
- Initial course offerings include:
  - Fair Housing training
  - Introduction to the LIHTC program
  - Service Coordination
- Actively seeking to grow content offerings via licensing arrangements
- Creating opportunities to grow relationships with key partners!

POLL

Discussion

The Consortium For Housing And Asset Management

Advancing Mission and Performance in Affordable Housing

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Resources

CHAM Lessons from the Field

The Asset and Property Management Interface, with Emmanuel Arellano of the San Diego Housing Commission

- Collaboration with property management
- Pros and cons of locating asset managers by region
- Data systems technology
- Role of development

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HAI Group® | CHAM
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New! **CHAM's Nuts and Bolts of Asset Management**

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See You in 2021!
Next Webinar: The Asset Manager's Guide to Action Plans
Wednesday January 13, 2021 Noon to 1:30 ET
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