

Asset Management Team Structuring Guide

1. Introduction

A well-structured asset management team is essential for optimizing the financial and operational performance of affordable housing portfolios. This guide outlines best practices for structuring an asset management function that balances oversight, performance improvement, and regulatory compliance.

2. Key Roles & Responsibilities

A. Executive Leadership

- **Chief Investment Officer (CIO) / Head of Asset Management**
 - Sets overall asset management strategy and goals
 - Ensures alignment with ownership objectives and investor expectations
 - Oversees financial planning, risk management, and portfolio performance

B. Regional Asset Management Structure

- **Senior Vice President (SVP) / Regional Vice President (RVP) of Asset Management**
 - Oversees a portfolio of properties across multiple regions
 - Manages high-level operator relationships and major financial initiatives
 - Directs strategies for acquisitions, dispositions, and resyndications
- **Asset Manager**
 - Manages a defined set of properties, typically grouped by geography or property type
 - Monitors financial performance, occupancy, and compliance
 - Works closely with property managers and third-party operators
- **Associate Asset Manager / Analyst**
 - Supports asset managers with financial analysis, reporting, and due diligence
 - Assists in monitoring property performance and compliance metrics

3. Determining Portfolio Assignments

A. Approaches to Structuring Asset Management Teams

1. Geographic-Based

- Assign asset managers based on regional expertise and accessibility to properties
- Facilitates strong market knowledge and local relationships

2. Property-Type-Based

- Assign asset managers based on LIHTC, HUD, bond-financed, or mixed-income housing specialization
- Enhances regulatory and financing expertise within specific segments

3. Risk-Based Portfolio Structuring

- Assign properties based on their complexity and financial risk
- Senior asset managers oversee high-risk or underperforming properties, while junior asset managers handle stabilized assets

4. Hybrid Approach

- A mix of the above strategies based on company size and portfolio needs

4. Performance Metrics & Monitoring

A. Key Performance Indicators (KPIs)

1. Financial Performance

- Net Operating Income (NOI) Growth
- Budget Variance Analysis
- Expense Management & Controllable Costs

2. Operational Metrics

- Occupancy & Lease-Up Performance
- Rent Collections & Bad Debt Reduction
- Turnover & Maintenance Costs

3. Regulatory Compliance

- LIHTC Compliance Scores
- HUD Inspections & REAC Scores
- Bond & Lender Requirements

4. Capital Planning & Execution

- CapEx Budget vs. Actuals
- Unit Renovation & Rehab Project Tracking

5. Resyndication, Acquisitions & New Construction Oversight

A. Resyndication Management

- Identify properties eligible for resyndication and determine feasibility
- Coordinate with development teams on financing, compliance, and construction schedules
- Manage tenant relocation, lease-up, and compliance transitions

B. Acquisition & Disposition Oversight

- Conduct due diligence on potential acquisitions, including market analysis and financial feasibility
- Develop disposition strategies to maximize asset value
- Engage with legal, finance, and operations teams to ensure smooth transitions

C. New Construction Oversight

- Work with developers to ensure project viability and operational readiness
- Monitor construction progress, budget adherence, and compliance
- Plan for lease-up strategy and transition to stabilization

6. Technology & Reporting Tools

A. Essential Technology Platforms

- **Yardi / RealPage** – Property financial and operational management
- **Power BI / Excel Dashboards** – Data analytics and performance reporting
- **Monday.com / Asana** – Task and project tracking for asset managers

- **LIHTC Compliance Tools** – Specialized compliance monitoring software

7. Leadership, Coaching & Professional Development

A. Building a Strong Team Culture

- Encourage continuous learning and certifications (e.g., CHAM, BOS, TCS)
- Foster collaboration between asset managers and property management teams
- Provide mentorship and career growth opportunities

B. Coaching Conversation Framework

1. Setting the Stage

- Define the purpose of the conversation
- Create a positive and open environment

2. Identifying Key Challenges & Goals

- Discuss performance metrics and specific issues
- Align on short-term and long-term objectives

3. Providing Constructive Feedback

- Use data-driven insights to guide discussions
- Offer specific, actionable recommendations

4. Collaborative Problem-Solving

- Brainstorm solutions and strategies
- Identify support or resources needed

5. Establishing Next Steps & Accountability

- Set clear action items with timelines
- Schedule follow-up discussions to track progress

8. Conclusion

A well-structured asset management team is crucial for ensuring the long-term success of an affordable housing portfolio. By defining clear roles, leveraging technology, and implementing performance metrics, owners and operators can maximize asset value and maintain compliance while achieving social impact goals.

