MAINTENANCE & OPERATING EXPENSE GUIDELINES
NEW CONSTRUCTION
2024

Revised: 3/13/2024

	M&O Electric Heat (VRF)/Gas Water		M&O All Electric (assumes VRF)[4]		Passive House(assumes VRF)[4]		
	PW/Union Building Staff	Per	PW/Union Building Staff	Per	PW/Union Building Staff	Per	Per/
ADMINISTRATIVE							
Legal	$24,000	$240	$24,000	$240	$24,000	$240	/du
Accounting	$19,000	$19,000	$19,000	$19,000	$19,000	$19,000	/project
Management Fee[1]	$123,613	6.5%	$123,613	6.5%	$123,613	6.5%	of ERI
Fire and Liability Insurance[2]	$150,000	$1,500	$150,000	$1,500	$150,000	$1,500	/du
Tax Credit Monitoring[3]	$12,600	$126	$12,600	$126	$12,600	$126	*See footnote*
Benchmarking Expense	$600	$600	$600	$600	$600	$600	/bldg
UTILITIES							
Heating[4]	$58,905	$165	$58,905	$165	$35,700	$100	/rm (assumes VRF)[4]
Owner Paid Cooling (if applicable)[5]		*$85*		*$85*		*$68*	/rm (assumes VRF)[4]
Hot Water[6]							
Gas Hot Water	$39,984	$112					/rm
Electric Heat Pump Hot Water			$66,045	$185	$66,045	$185	/rm
Electric (common areas)	$71,400	$200	$71,400	$200	$71,400	$200	/rm
Water & Sewer	$107,100	$300	$107,100	$300	$107,100	$300	/rm
Broadband[7]							
MAINTENANCE							
Supplies/Cleaning/Exterminating	$49,980	$140	$49,980	$140	$49,980	$140	/rm
Repairs/Replacement	$100,000	$1,000	$110,000	$1,100	$110,000	$1,100	/du
Super & Maintenance Salaries[8]	$260,981	$2,610	$260,981	$2,610	$260,981	$2,610	/1 Super 1 Porter
Elevator Maintenance & Repairs [Assumes 2]	$20,000	$10,000	$20,000	$10,000	$20,000	$10,000	/elev
Bldg Reserve	$40,000	$400	$40,000	$400	$40,000	$400	/du
HDC Servicing Fee[9]							
M&O Before Taxes and Debt Service	**$1,078,163**	**$10,782**	**$1,114,224**	**$11,142**	**$1,091,019**	**$10,910**	/du
		$3,020		**$3,121**		**$3,056**	/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.**

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 $12,600 for buildings of 150 units or less, and $17,500 for buildings over 150 units.**

4. **HEATING**: **Project Managers are directed to underwrite to the method of heating utilized, typically VRF at $165/rm. If Packaged Terminal Heat Pump (PTHP), standard will be set at $195/rm for heating. PTHP units are a type of Cold Climate Heat Pumps.**
Passive House: For all PH buildings, heating can be discounted by 40% (For VRF, this equates to $100. For PTHP, this equates to $117).

5. **OWNER PAID COOLING**: **Allowed only for VRF, Owner Paid Cooling is NOT allowed for PTHP systems except in PH. If PH, Owner Paid Cooling should be discounted by 20%.**

6. **HOT WATER**: **Project Managers are directed to underwrite according to project type (gas/electric).**

7. **BROADBAND**: **Project Managers are directed to include broadband and underwrite to an actual quote whenever broadband is incorporated into construction.**

8. **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:

	Prevailing Wage	With Multiplier	Non-Union	With Multiplier
FT Super	$126,483	$145,455	$79,456	$91,374
FT Porter	$100,458	$115,526	$73,476	$84,497
FT Super + FT Porter		**$260,981**		**$175,871**
FT Handyperson	$107,084	$123,146		

**Salaries are estimated based on an hourly wage, 40 hour workweek, 52 weeks/year plus assumptions for payroll taxes, benefits, and workers comp.*

9. **HDC SERVICING FEE**: **Servicing fee set at 0.25% of senior permanent loan.**

Revised: 3/13/2024

MAINTENANCE & OPERATING EXPENSE GUIDELINES
PRESERVATION
2024

(Preservation deals should be underwritten using actual expenses as a guideline when information is available)

	M&O Guideline		
	PW/Union Building Staff		Per/
ADMINISTRATIVE			
Legal	$25,000	$250	/du
Accounting	$25,000	$25,000	/project
Management Fee	$123,613	6.5%	of ERI
Fire and Liability Insurance[1]	$150,000	$1,500	/du
Tax Credit Monitoring[2]	$12,600	$126	*See footnote*
Benchmarking Expense	$600	$600	/bldg
UTILITIES			
Heating[3]	$78,897	$221	/rm (assumes gas. See footnote 3 for electric heating)
Owner Paid Cooling (if applicable) [4]		$85	/rm
Hot Water[5]	$42,483	$119	/rm (assumes gas. See footnote 5 for electric hot water)
Electric (common areas)	$76,755	$215	/rm
Water & Sewer	$110,670	$310	/rm
Broadband[6]			
MAINTENANCE			
Supplies/Cleaning/Exterminating	$64,260	$180	/rm
Repairs/Replacement	$145,000	$1,450	/du
Super & Maintenance Salaries[7]	$260,981	$2,610	/du
Elevator Maintenance & Repairs	$20,000	$10,000	/elev
Bldg Reserve	$40,000	$400	/du
M&O Before Taxes and Debt Service	**$1,175,859**	**$11,759**	/du
		$3,294	/rm

NOTES

1. **INSURANCE**: Project Managers are directed to underwrite to an actual quote whenever possible.

2. **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 $12,600 for buildings of 150 units or less, and $17,500 for buildings over 150 units.

3. **HEATING**: Project Managers are directed to underwrite to the method of heating utilized. If VRF, standard set at $205/rm. If Passive House, standard set at $123/rm.

4. **OWNER PAID COOLING**: Allowed only for VRF, Owner Paid Cooling is NOT allowed for PTHP systems except in PH. If PH, Owner Paid Cooling should be discounted by 20%.

5. **HOT WATER**: Project Managers are directed to underwrite according to project type. If VRF, standard set at $185/rm.

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. Handyperson will be considered on a case-by-case basis.

Salary Assumptions:

	Prevailing Wage	With Multiplier	Non-Union	With Multiplier
FT Super	$126,483	$145,455	$79,456	$91,374
FT Porter	$100,458	$115,526	$73,476	$84,497
FT Handyperson	$107,084	$123,146		

**Salaries are estimated based on an hourly wage, 40 hour workweek, 52 weeks/year plus assumptions for payroll taxes, benefits, and workers comp.*

NYC HDC