

Asset Management in differing environments

	Not for profit	Public housing	Where are you and is it where you want to be?
Planning & documentation	<ol style="list-style-type: none"> 1. Multiyear pro formas are the financial operating roadmap, but <ul style="list-style-type: none"> • Not always realistic • Not routinely used 2. Capital planning is not routinely required; documentation of improvements inconsistent 3. Routine replacement reserve deposits are based on a formula or are a "plug" 	<ol style="list-style-type: none"> 1. Multiyear operating pro formas are not used 2. Capital Planning is routine and imposed <ul style="list-style-type: none"> • Strong documentation of systems and improvements 	
Measuring outcomes	<ol style="list-style-type: none"> 1. Investor and other stakeholders often set outcomes <ul style="list-style-type: none"> • Don't always communicate until property is in trouble • Variable among stakeholders 2. Non profit must create systems to measure and monitor 	<ol style="list-style-type: none"> 1. 7 key measures imposed 2. Only one major stakeholder (HUD) to manage although field offices variable 3. May not be the correct measures but required reporting 4. Ability to waive requirements for strong performers 	
Stakeholder relationships	<ol style="list-style-type: none"> 1. Many with different goals 2. Arms length until goals are met 3. Regular reporting 4. LP may replace GP (often the not-for-profit) in dire cases 	<ol style="list-style-type: none"> 1. Fewer stakeholders with more common goals 2. HUD has a more hands on involvement 3. Regular reporting 4. Non-performers punished 5. In dire cases, HUD becomes the receiver 	
Financial Resources	<ol style="list-style-type: none"> 1. Often limited 2. Modest property reserve balances (often greater in LIHTC properties) 3. Property operating subsidy streams reasonably predictable 4. No fungibility among projects 	<ol style="list-style-type: none"> 1. Variable among Housing Authorities 2. May have larger capital fund balances 3. Operating subsidies determined by Congress at less than formula needs 4. Fungibility among projects (but being curtailed) 	
IT systems	<ol style="list-style-type: none"> 1. IT support frequently outsourced 2. Software systems vary, but comfortable buying "off the shelf" 	Strong focus on reporting systems on creating custom systems and/or reports by using staff position(s) to meet HUD reporting requirements	

Asset Management in differing environments

Maintenance Management	<ol style="list-style-type: none"> 1. Modest work management and work order systems 2. May need to know multiple local building, health and safety codes/ laws 	<ol style="list-style-type: none"> 1. Imposed reporting on routine and emergency work order performance as well as unit turnover time 2. Need to meet UPCS standards 	
Procurement	<ol style="list-style-type: none"> 1. Purchasing policies often broad 2. Use budget as purchasing guide 3. "Just In Time" purchasing to limit inventory 	<ol style="list-style-type: none"> 1. Strong process with recent relaxation of bidding limits 2. Allows both controls and constraints 3. Moving towards smaller inventories and broader staff spending authorities 	
Marketability	<u>LIHTC properties</u> <ul style="list-style-type: none"> • Many function like market rate properties - need <ol style="list-style-type: none"> a. Strong curb appeal b. Retention strategies c. Multiple outreach/ marketing strategies d. Periodic upgrades 	<u>Low Rent public housing</u> <ol style="list-style-type: none"> a. less focus on curb appeal (large applicant pool) b. Greater emphasis on Fair Housing c. Curing functional obsolescence part of capital planning 	
Project Course Correction/Repositioning	<ul style="list-style-type: none"> • Cliffs bring early opportunities for some change • No fungibility among assets 	<ul style="list-style-type: none"> • Few, if any, stakeholder deadlines for change • More flexibility • Also, potential for more inertia, lack of attention • Demolition and relocation are practiced strategies 	
Industry Context	<ul style="list-style-type: none"> • Often compete with peers for resources • Several industry groups with variable influence on resource allocations 	<ul style="list-style-type: none"> • Member of large industry subgroup • Connected to broader base of local support, but subject to local expectations • Advocates see more access and accountability issues for public housing tenants 	