

**2014 Entry Form**  
**(Complete one for each entry.)**

Fill out the entry name *exactly* as you want it listed in the program.

**Entry Name** \_\_\_\_\_

**HFA** \_\_\_\_\_

**Submission Contact** \_\_\_\_\_

**Phone** \_\_\_\_\_ **Email** \_\_\_\_\_

Qualified Entries must be received by **Tuesday, July 1, 2014.**

For more information about Qualified Entries, [click here to access the 2014 Entry Rules.](#)

Use this header on the upper right corner of each page.

HFA \_\_\_\_\_

Entry Name \_\_\_\_\_

Communications	Homeownership	Rental Housing	Special Needs Housing
<input type="checkbox"/> Annual Report <input type="checkbox"/> Promotional Materials and Newsletters <input type="checkbox"/> Creative Media	<input type="checkbox"/> Empowering New Buyers <input type="checkbox"/> Home Improvement and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Multifamily Management <input type="checkbox"/> Preservation and Rehabilitation <input type="checkbox"/> Encouraging New Production	<input type="checkbox"/> Combating Homelessness <input type="checkbox"/> Housing for Persons with Special Needs
Legislative Advocacy	Management Innovation	Special Achievement	Are you providing visual aids?
<input type="checkbox"/> State Advocacy <input type="checkbox"/> Federal Advocacy	<input type="checkbox"/> Financial <input type="checkbox"/> Human Resources <input type="checkbox"/> Operations <input type="checkbox"/> Technology	<input type="checkbox"/> Special Achievement	<input type="checkbox"/> YES <input type="checkbox"/> NO

## **A New Methodology for Managing Risk and Allocating Resources Rental Housing: Multifamily Management**

Quantifying the risk to multifamily developments is one step in setting preservation priorities. With decreased funding resources, an aging housing stock, and properties nearing the end of their compliance periods, this HFA had to take action to pull together the necessary analysis and resources to accurately measure risk and utilize these tools to better and more strategically allocate our scarce resources. Our new Multifamily Risk Rating model utilizes existing staffing, software, infrastructure and reporting systems and successfully integrates them with one another to meet strategic objectives. This interdivisional effort has resulted in a ‘best practice’ approach to risk management for HFAs, providing a clear and specific method for assigning risk to all MF loans in an agency portfolio and prioritizing developments before affordability restrictions expire.

Our goal was to implement a system that manages information throughout the life cycle of our developments. We developed a solution to aggregate both financial and non-financial information about our properties into one central repository vs numerous spreadsheets and reports ‘siloes’ in separate divisions and departments.

Where we had to struggle with unreliable and disparate information before the new system, the new model is well-documented, transparent, and validated – increasing overall confidence in the results it provides. The streamlined process improves our ability to communicate more clearly and proactively between our loan servicing, development and executive divisions. Using this new methodology, we are able to examine and comprehensively evaluate property performance, condition, and owner/management capacity. By having a robust and highly accurate data set at our fingertips we are able to more efficiently and effectively make strategic information-based decisions.

### **Redesigning the Multifamily Risk Rating Model**

Rhode Island Housing has always carefully reviewed all properties within our multifamily loan portfolio, exercising great care when it comes to allocation of our scarce resources. Recognizing that we have a number of aging properties in our portfolio and many that were nearing the end of their affordability periods, we decided to design a new risk rating model that would not only help us better review and identify the current financial and physical condition of these developments, but would also serve as a tool for allocation of resources and further investment.

### **A New Method for Assigning Risk**

The effort sprang from strategic planning sessions and was incorporated into our strategic initiative to prioritize multifamily preservation. We planned to use the model to prioritize challenges of preserving multifamily developments. We began with a series of interdivisional meetings to identify the goals of this new model and review current systems and staffing capacity to better plan for a series of business process changes and new systems that would improve our service delivery and strengthen the tools that support our approach to sound multifamily management. We believed that a new risk-rating methodology would help us in early identification of emerging risk, management of high-risk loans, and disposition of troubled loans and REOs. We believed a new methodology would help us be proactive in the management of our developments and allocation of resources.

### **Develop, Test and Document**

Staff developed a point system and spent several weeks reviewing all multifamily properties included on our portfolio’s “watchlist” against this system to test and validate the model. Once complete, the results were reviewed by Loan Servicing staff to identify areas of the model that needed to be slightly modified. The model was tweaked and staff then graded the balance of developments within our portfolio utilizing this new system.

The full grading process took several months to complete and finalize. The model provides for regular updates, especially as information is received either from the financial audit or compliance departments. For example, financial grades are updated after receipt and review of annual audited financial statements and site condition

grades are updated after a physical inspection is conducted by staff. The finished product is a spreadsheet containing the most recent grades of four critical performance indicators, as well as an aggregate score for every development in our portfolio. An offshoot of this effort is the standardization of inspection forms for our compliance area. This was crucial to the success of the ratings model to ensure consistency of reporting and evaluation.

Our new risk-rating methodology grades (*see attached grading system*) each multifamily property in 4 performance categories and assigns points (with a maximum of 25 in each category) according to:

- Current and Historic Operating
- Projected Financial Health
- Physical Condition of Property
- Strength of Management

### Data Collected

The data collected comes from a variety of sources: our Compliance staff, Development division, Financial Audit and Resident Services (Asset Management) division. The data allows us to create numerous reports to examine each development and its specific needs. The data is collected in an ACCESS database with reports exported into Excel for review by various divisions. Utilizing existing software and both the input and export of data via in-house staff means that the initiative does not require additional infrastructure or staffing. Undertaking the review and analysis using our own employees results in a deeper level of understanding of the unique conditions at each development than if an outside vendor were utilized.

### The following reports are produced from the data:

- **Ranking of Developments by Lowest to Highest 2013 Overall Risk Rating Score:** ranks all developments in our portfolio by overall score with corresponding management company name, date of last inspection, and scores for current/historic debt coverage ratio, projected financial health, physical condition, and effectiveness of management.
- **Analysis of Changes in Overall Scores over a Specified Time Period:** allows us to track these developments and their respective management companies over a period of time to determine those that require additional or more intensive asset management efforts. Explanations for changes in scoring are noted and flagged so appropriate actions/interventions can take place when needed.
- **Sites with the 25 Highest Overall Scores:** allows staff to review those sites that are performing at the highest level and better examine the specific attributes that are contributing to this high level of performance. The associated pie chart (**Characteristics of Sites with the 25 Highest Overall Scores**) breaks down the number and percentage of sites with and without project based subsidies and if applicable when their respective tax credit period is set to expire.
- **Sites with the 25 Lowest Overall Scores:** allows staff to review those sites that are struggling and better examine the specific attributes that are contributing to this poor performance. The associated pie chart (**Characteristics of Sites with the 25 Lowest Overall Scores**) breaks down the number and percentage of sites with and without project based subsidies and if applicable, when their respective tax credit period is set to expire.
- **Sites with Mortgage Balances over \$500,000:** this spreadsheet allows us to identify those sites with significant mortgage balances/investment from Rhode Island Housing and evaluate potential risk exposure.
- **Management Companies with Lowest and Highest Overall Scores:** allows us to quickly identify those management companies who have lowest and highest performing developments. Development staff utilize this information to identify management companies that may or may not have the appropriate capacity to successfully manage a proposed new development.

- **Management Companies Ranked by their Sites' Average Effectiveness of Management Score:** another tool to help us identify those management companies who are performing at highest levels and those that may exhibit weakness or lack of overall capacity.
- **Development Snapshot:** pulls detailed information into one “snapshot” for review and analysis by interdivisional committee of staff.

### **Allocation of Resources**

While many HFAs have developed risk rating models for their multifamily portfolio, ours is unique in that Development staff utilizes this data when determining priority of preservation financing and allocation of resources. The Development and Servicing Divisions evaluate each development on a case-by-case basis utilizing the risk rating model as one factor in the preservation decision tree to determine whether or not a preservation transaction should be initiated. If the development is determined not to be a priority for preservation based upon a number of criteria, alternative approaches are reviewed. One alternative is the provision for a Capital Improvement loan to address one or more critical capital needs at a development. Other strategies include deferring preservation if a development is in superior condition or loan modification to enable a site to sustain operations until preservation is feasible.

In some instances a development will not be considered for any alternatives based upon a number of factors including financial health, persistent and high vacancy, capacity of the general partner(s), the inability of the development to generate investor interest or a combination of factors which makes preservation infeasible. In these instances, Rhode Island Housing will work with the general partner(s) to sell the property for potential redevelopment.

### **Sound Business Decisions**

We developed a Decision Tree for our Development staff to utilize as a tool in sustaining our multifamily portfolio, which is an important role for this HFA. The tree allows staff to break down potential decisions in a logical, structured format. The simple format of our multifamily decision tree allows us to analyze each possible outcome, assess the risk and reward of each decision and determine the best course of action for properties in our portfolio (*see attached Sustaining the Multi-Family Portfolio Decision Tree*).

Each property goes through the same decision path so that all decisions can be transparent, clear and easily documented while providing a much-needed tool for sound business decisions.

### **Outcomes**

To date we have realized several benefits from this new approach. The model assists us in grading all properties currently in Rhode Island Housing's portfolio, which is beneficial to Loan Servicing as we now have the ability to easily recognize sites that are struggling financially or suffering from physical deficiencies. The model also helps us in determining which property managers are providing the most attentive service to their clients and those that are not.

The re-designed Multifamily Risk Rating model provides a clear and specific method for assigning a risk category to all MF loans in our portfolio. This collaborative effort resulted in a reliable system for documentation and analysis that provides robust reporting, data management and executive dashboards. The streamlined process improves our ability to communicate more clearly and proactively between our loan servicing, development and executive divisions. Using this new methodology, we are able to examine and comprehensively evaluate property performance, condition, and owner/management capacity. We are also now better equipped to examine properties well before the end of their 15-year compliance period while also using this as a tool for allocation of our limited resources for funding.

## **Risk Rating Overview**

The Loan Servicing Division has created a comprehensive Risk Rating Database to measure performance and monitor operations of the multifamily affordable housing developments within Rhode Island Housing’s loan servicing portfolio. Data gathered from the Compliance, Financial Audit, and Resident Services Departments is compiled in the database to provide a detailed annual snapshot of each site’s operations. Using this data, an overall score is calculated and is considered the “Overall Risk Rating Score” for the property. The property is rated in 4 main categories which collectively calculate the Overall Score, these categories are:

- 1) Debt Coverage Ratio
- 2) Projected Financial Health
- 3) Property Condition
- 4) Effectiveness of Management

The information provided by the Risk Rating Database allows Rhode Island Housing to be proactive in management of our multifamily portfolio in the following areas:

### Loan Servicing Department:

#### Asset Management:

- For use in discussions with the Multifamily Loan Workout Committee about problem loans or site issues, and in decision-making reviews for potential loan workouts and reserve withdrawals.
- For portfolio monitoring purposes to identify a “watchlist” and determine which annual budgets will be subject to a more intensive review by the Multifamily Loan Workout Specialist.
- For use in measuring and comparing annual operating performance and identifying properties which exhibit a trending decline, so that proactive asset management steps may be taken.
- For use in identifying trends related to sites with subsidy versus without subsidy, operating performance at various stages within the tax credit compliance period, management effectiveness and other characteristics.

#### Compliance:

- For use in annual reviews by Loan Servicing’s Compliance Supervisor to determine which developments will require inspections for the following year based on historical inspection results, and overall annual operating performance.

### Development:

#### Preservation:

- For use in determining prioritization of funds to be allocated toward preservation of the multifamily housing portfolio

Provides Benchmarks for Proforma reviews:

- For use as a comparison tool in reviewing proposed proforma data on contemplated financial transactions.
- The historical data provided by the database also assists in identifying any positive or negative trends where revisions to underwriting practices may be recommended.

## **Risk Rating Score Grading System (100 point basis)**

Categories:

1. **Current and Historic Operating (max. 25 points)** – Grade based upon current and historic debt service coverage ratios.

Grading:

- 15 points if current DCR is greater than 1.15
- 10 points if current DCR is 1.05 – 1.15
- 5 points if current DCR is 0.95 – 1.05
- 2 points if current DCR is 0.85 – 0.95
  
- 10 points if DCR for each of past three years is greater than 1.15
- 7 points if DCR for each of past three years is greater than 1.05
- 5 points if DCR for each of past three years is greater than 1.00
- 2 points if DCR for each of past three years is greater than 0.85

2. **Projected Financial Health (max 25 points)** – Grade based upon current reserve balances and accounts payable.

Grading:

- 15 points if there are no accounts payable aged > 30 days
- 12 points if less than 10% of total accounts payable are aged > 30 days
- 9 points if 10% - 25% of total accounts payable are aged > 30 days
- 6 points if 25% - 40% of total accounts payable are aged > 30 days
- 3 points if 40% to 50% of total accounts payable are aged > 30 days
- 0 points if more than 50% of total accounts payable are aged > 30 days
  
- 5 points if replacement reserve is funded at >\$1,000/unit and there is no evidence of the need for significant repairs within the next 5 years.
- 4 points if replacement reserve is funded at >\$750/unit and there is no evidence of the need for significant repairs within the next 5 years.
- 2 points if replacement reserve is funded at >\$500/unit and there is no evidence of the need for significant repairs within the next 5 years.
- 1 point if replacement reserve is funded at >\$250/unit and there is no evidence of the need for significant repairs within the next 5 years.
  
- 5 points if operating reserve is funded at or above required level
- 4 points if operating reserve balance is funded between 75% and 99% of required level
- 2 points if operating reserve balance is funded between 50% and 74% of required level

- 1 point if operating reserve is funded between 25% and 49% of required level
- -1 point for every operating reserve withdrawal over the past three years

3. **Physical Condition of Property (max. 25 points)** – Grade based upon annual physical inspection completed by Rhode Island Housing staff. To assure consistency, all compliance staff will be required to utilize a standardized inspection form.

Grading:

- Health & Safety (7 points max.)
  - 7 points if most recent inspection contained no health & safety findings
  - 5 points if inspection contained fewer than three (3) health & safety findings that were easily corrected within 24 hours (example, smoke detectors missing batteries)
  - 3 points if inspection contained between three (3) and five (5) health & safety findings that were easily corrected within 24 hours.
  - 2 points if inspection contained between five (5) and seven (7) health & safety findings that were easily corrected within 24 hours or contained one (1) health & safety finding that is considered significant (example, broken glass, exposed wiring)
  - 1 point if inspection contained between seven (7) and nine (9) health & safety findings that were easily corrected within 24 hours or two (2) health & safety finding that are considered significant
  - 0 points if inspection contained more than ten (10) total health & safety findings or more than two (2) significant health & safety findings.
- Units (6 points max.)
  - 6 points if units are “superior”
  - 5 points if units are “above average”
  - 3 points if units are “average”
  - 1 point if units are “below average”
  - 0 points if units are “unsatisfactory”
- Site Condition (3 points max.)
  - 3 points if overall site condition is “superior”
  - 2 points if overall site condition is “above average”
  - 1 point if overall site condition is “average”
  - 0 points if overall site condition is “below average”
  - 0 points if overall site condition is “unsatisfactory”
- Building Exterior (3 points max.)
  - 3 points if building exterior is “superior”



- 2 points if building exterior is “above average”
  - 1 point if building exterior is “average”
  - 0 points if building exterior is “below average”
  - 0 points if building exterior is “unsatisfactory”
- Building Systems (3 points max.)
    - 3 points if building systems are “superior”
    - 2 points if building systems are “above average”
    - 1 point if building systems are “average”
    - 0 points if building systems are “below average”
    - 0 points if building systems are “unsatisfactory”
- Common Areas (3 points max.)
    - 3 points if common areas are “superior”
    - 2 points if common areas are “above average”
    - 1 point if common areas are “average”
    - 0 points if common areas are “below average”
    - 0 points if common areas are “unsatisfactory”

(Note: For those sites that are subject to HUD REAC inspections, the most recent REAC score will be reviewed and the following deductions will apply):

- Three (3) points will be deducted for a REAC score between 75 and 79
- Five (5) points will be deducted for a REAC score between 70 and 74
- Seven (7) points will be deducted for a REAC score between 60 and 69
- Ten (10) points will be deducted for a REAC score below 60

4. **Strength of Management (max. 25 points)** – Grade based upon management agent’s compliance with Rhode Island Housing and federal regulations governing the rental operations at the site as well as responsiveness to tenant issues. A site may earn points as detailed below for a positive grade in the following categories:

Grading:

- Annual vacancy below 5% (8 or 0 points)
- Average unit turnover within 30 days (5 or 0 points)
- IRS compliance (4 or 0 points)
- Number and extent of findings discovered during annual file review (2,1, or 0 points)
- Responsiveness to Tenant Complaints (2,1, or 0 points)
- Cost per unit at or below Rhode Island Housing standard (2 or 0 points)
- Timely payment of LIHTC monitoring fees and submission of quarterly reports (2 or 0 points)

## Ranking of Developments by Lowest to Highest 2013 Overall Risk Rating Score

Development Name:	Management Company	Risk Share (RS)	Year of Exp of Comp Per	Date of Last Inspection	2013 Overall Score	2013 DCR Score	2013 PFH Score	2013 PCP Score	2013 EOM Score
Development 1	Manager 1		2009	2/17/2011	19	0	0	12	7
Development 2	Manager 2		NOT TC	1/20/2011	23	0	5	10	8
Development 3	Manager 3		2009	11/13/2013	24	0	0	14	10
Development 4	Manager 4		2021	1/22/2013	29	0	12	10	7
Development 5	Manager 5		2010	9/15/2011	30	0	1	14	15
Development 6	Manager 6		2013	6/21/2013	31	0	2	8	21
Development 7	Manager 7	RS	2014	12/5/2013	36	0	10	16	10
Development 8	Manager 8	RS	2022	1/10/2013	40	7	16	10	7
Development 9	Manager 9		2007	9/19/2013	44	0	20	10	14
Development 10	Manager 10		2025	10/23/2013	45	0	7	15	23
Development 11	Manager 11		2019	6/19/2013	46	0	10	13	23
Development 12	Manager 12	RS	2024	7/12/2013	55	10	13	12	20
Development 13	Manager 13		2015	3/26/2012	58	7	24	14	13
Development 14	Manager 14	RS	2027	2/20/2013	59	10	25	9	15
Development 15	Manager 15	RS	2020	11/19/2013	59	15	10	13	21
Development 16	Manager 16		2026	11/9/2013	60	2	25	11	22
Development 17	Manager 17	RS	NOT TC	10/25/2013	64	15	16	14	19
Development 18	Manager 18		2026	10/11/2013	65	15	22	6	22
Development 19	Manager 19	RS	2017	5/29/2013	66	25	16	12	13
Development 20	Manager 20	RS	2018	12/6/2010	67	7	25	14	21
Development 22	Manager 22		2023	12/12/2013	73	15	19	14	25
Development 23	Manager 23	RS	2007	7/23/2013	75	15	25	12	23
Development 24	Manager 24	RS	2021	10/28/2013	75	25	19	9	22
Development 25	Manager 25	RS	2023	4/29/2013	84	25	25	10	24
Development 26	Manager 26	RS	2013	7/11/2013	85	25	20	17	23
Development 27	Manager 27	RS	NOT TC	10/25/2013	86	25	25	17	19
Development 28	Manager 28	RS	NOT TC	10/21/2013	87	25	24	15	23
Development 29	Manager 29		2023	1/30/2013	88	25	25	14	24
Development 30	Manager 30		2016	1/18/2013	89	25	25	14	25
Development 31	Manager 31	RS	2012	10/8/2013	91	25	24	19	23
Development 32	Manager 32		NOT TC	1/24/2011	92	25	25	20	22
Development 33	Manager 33	RS	2022	7/3/2013	94	25	25	19	25
Development 34	Manager 34	RS	2014	9/13/2013	97	25	25	22	25
Development 35	Manager 35	RS	2018	11/7/2013	99	25	25	24	25

## Risk Rating Score Color Guide and Key

### Color Guide:

We only track physical condition of property

Newer site- we don't have all data yet, or may not yet be full 3 years of DCR's to create a DCR score

Financial analysis only/no inspections are performed

No amortizing debt, so no DCR available

Can't rate on pfh/we don't collect MOSRs/no reserves

### Abbreviations

DCR= Current/historic debt coverage ratio score

PFH= Projected financial health score

PCP= Physical Condition of Property Score

EOM= Effectiveness of Management score

## Two-Year Analysis of Changes in Overall Scores

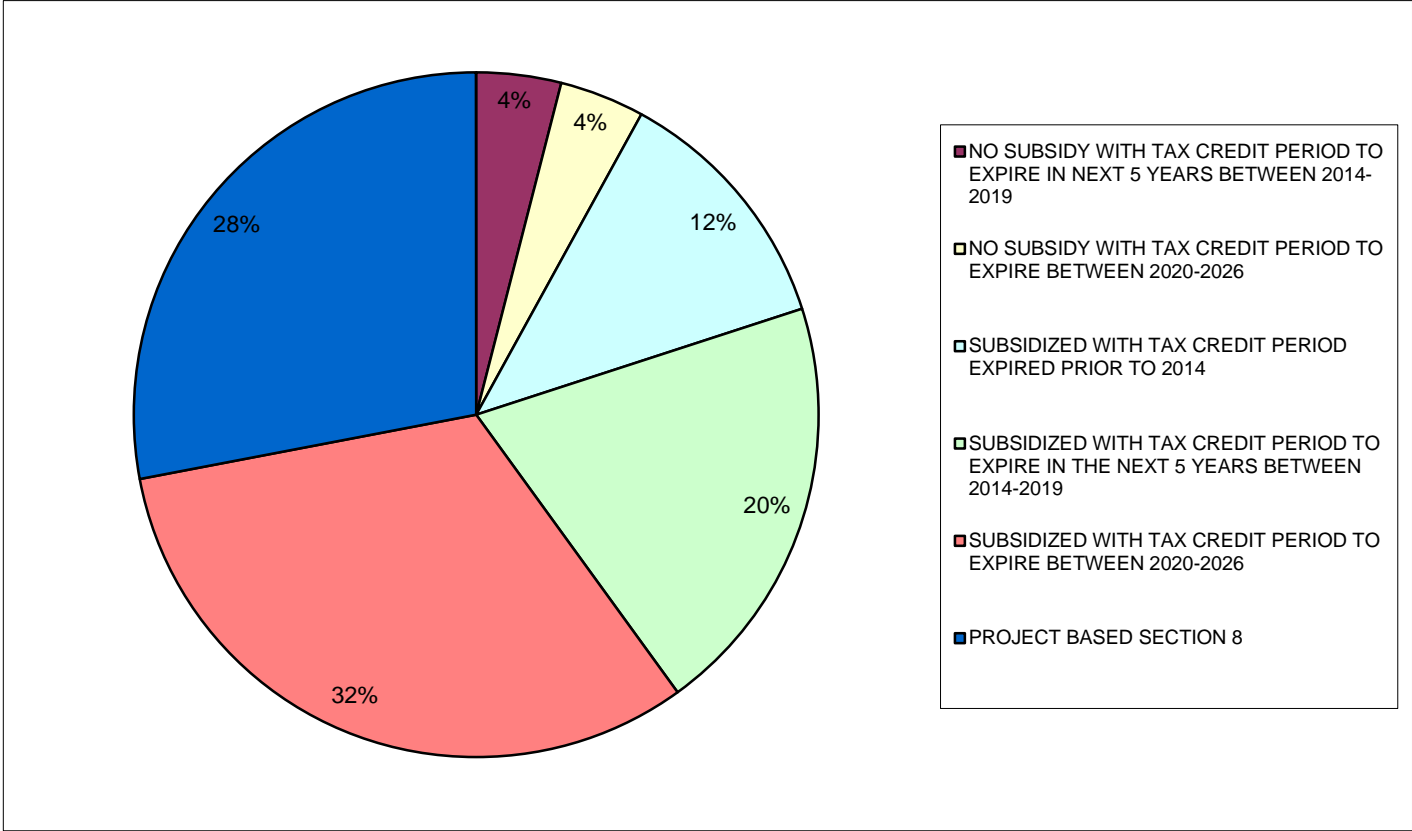
Development Name:	Management Company	2012 Overall Score	2013 Overall Score	% of change	Explanation for Change
Development 1	Management Agent 1	64	40	-38%	Higher % of aged accounts payable. 2013 inspection had H&S violations. 2012 vacancy increased to 6%. Unit turnover is over 30 days.
Development 2	Management Agent 2	60	39	-35%	DCR still below 1. Higher % of aged accounts payable. Unit condition fell slightly. Unit turnover is over 30 days.
Development 3	Management Agent 3	47	32	-32%	Property condition declined from average to unsatisfactory in 3/2013 inspection. 9% vacancy in 2012. File reviews had many findings. Reports/fees not submitted timely.
Development 4	Management Agent 4	77	53	-31%	DCR fell from 1.09 to .78 in 2012. Property condition fell from above avg to avg. Reports are not submitted timely
Development 5	Management Agent 5	42	34	-19%	Operating reserves are depleted, very high aged accounts payable, vacancy is above 5%, and reports are not submitted timely.
Development 6	Management Agent 6	88	72	-18%	DCR fell from 1.18 to 1.07. 2012 vacancy was 25%.
Development 7	Management Agent 7	83	70	-16%	DCR fell from 1.64 to 1.15 in 2012. Slightly higher aged accounts payable
Development 8	Management Agent 8	83	71	-14%	High aged accounts payable
Development 9	Management Agent 9	82	72	-12%	Property condition went from superior to above average as of 11/2013 inspection. Units are not turning over within 30 days
Development 10	Management Agent 10	89	89	0%	
Development 11	Management Agent 11	56	67	20%	DCR increased from .94 in 2011 to 1.1 in 2012. Replacement reserve balance per unit improved in 2013.
Development 12	Management Agent 12	76	91	20%	Accounts payable decreased to zero. Less findings in 2013 file reviews.
Development 13	Management Agent 13	25	30	20%	Units appeared to be turning over more quickly recently.
Development 14	Management Agent 14	71	86	21%	No aged accounts payable, less findings in file reviews in 2013.
Development 15	Management Agent 15	50	63	26%	DCR went from .87 in 2011 to 1.22 in 2012.
Development 16	Management Agent 16	52	70	35%	DCR went from .44 in 2011 to 2.1 in 2012. H&S violations went from many to none in 2013 inspection. CPU fell from 9348 to 6232 in 2012. Vacancy fell to 3% in 2012.
Development 17	Management Agent 17	48	65	35%	DCR went from 1.78 to 1.95 in 2012. There was improved responsiveness to tenant complaints, and vacancy fell below 5% in 2012.
Development 18	Management Agent 18	51	71	39%	DCR went from .88 to 2.27 in 2012. Lower aged accounts payable in 2013. CPU fell from 7523 to 6764 in 2012.

## Sites with the Highest 25 Overall Scores

Development Name:	Management Company	Risk Share (RS)	Year of Exp of Comp Per	Subsidy	Date of Last Inspection	2013 Overall Score	2013 DCR Score	2013 PFH Score	2013 PCP Score	2013 EOM Score
Development 1	Management Agent 1	RS	2018	S8	11/7/2013	99	25	25	24	25
Development 2	Management Agent 2	RS	2014	S8	9/13/2013	97	25	25	22	25
Development 3	Management Agent 3	RS	2022	S8	7/3/2013	94	25	25	19	25
Development 4	Management Agent 4	RS	NOT TC	S8	10/24/2013	94	25	25	21	23
Development 5	Management Agent 5		NOT TC	S8	1/24/2011	92	25	25	20	22
Development 6	Management Agent 6	RS	2012	Local H/A	10/8/2013	91	25	24	19	23
Development 7	Management Agent 7	RS	2022	S8	9/9/2013	91	25	25	18	23
Development 8	Management Agent 8	RS	2020	None	3/7/2013	89	25	22	19	23
Development 9	Management Agent 9		2025	S8	10/12/2012	89	25	24	20	20
Development 10	Management Agent 10	RS	NOT TC	S8	10/8/2013	89	25	24	15	25
Development 11	Management Agent 11	RS	2005	None	6/24/2013	89	25	25	16	23
Development 12	Management Agent 12		2016	USDA	1/18/2013	89	25	25	14	25
Development 13	Management Agent 13	RS	2025	S8	2/7/2013	88	22	25	16	25
Development 14	Management Agent 14		NOT TC	S8	8/9/2011	88	25	20	20	23
Development 15	Management Agent 15		2023	Local H/A	1/30/2013	88	25	25	14	24
Development 16	Management Agent 16	RS	2021	S8	6/14/2013	88	25	25	15	23
Development 17	Management Agent 17	RS	2022	S8	3/19/2013	87	25	19	18	25
Development 18	Management Agent 18	RS	NOT TC	S8	10/21/2013	87	25	24	15	23
Development 19	Management Agent 19	RS	NOT TC	S8	10/25/2013	86	25	25	17	19
Development 20	Management Agent 20	RS	2021	Local H/A	6/19/2013	86	25	25	13	23
Development 21	Management Agent 21	RS	NOT TC	S8	11/21/2013	86	25	25	11	25
Development 22	Management Agent 22	RS	2013	S8	7/11/2013	85	25	20	17	23
Development 23	Management Agent 23		2017	Local H/A & S8	1/23/2013	85	25	22	17	21
Development 24	Management Agent 24	RS	2018	S8	5/22/2013	85	25	22	13	25
Development 25	Management Agent 25	RS	2019	S8	3/22/2013	85	25	25	12	23

# Characteristics of the Sites with the 25 Highest Overall Scores

	# of sites	
NO SUBSIDY WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2014	0	0%
NO SUBSIDY WITH TAX CREDIT PERIOD TO EXPIRE IN NEXT 5 YEARS BETWEEN 2014-2019	1	4%
NO SUBSIDY WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2020-2026	1	4%
SUBSIDIZED WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2014	3	12%
SUBSIDIZED WITH TAX CREDIT PERIOD TO EXPIRE IN THE NEXT 5 YEARS BETWEEN 2014-2019	5	20%
SUBSIDIZED WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2020-2026	8	32%
PROJECT BASED SECTION 8	7	28%
<b>Total</b>	<b>25</b>	<b>100%</b>

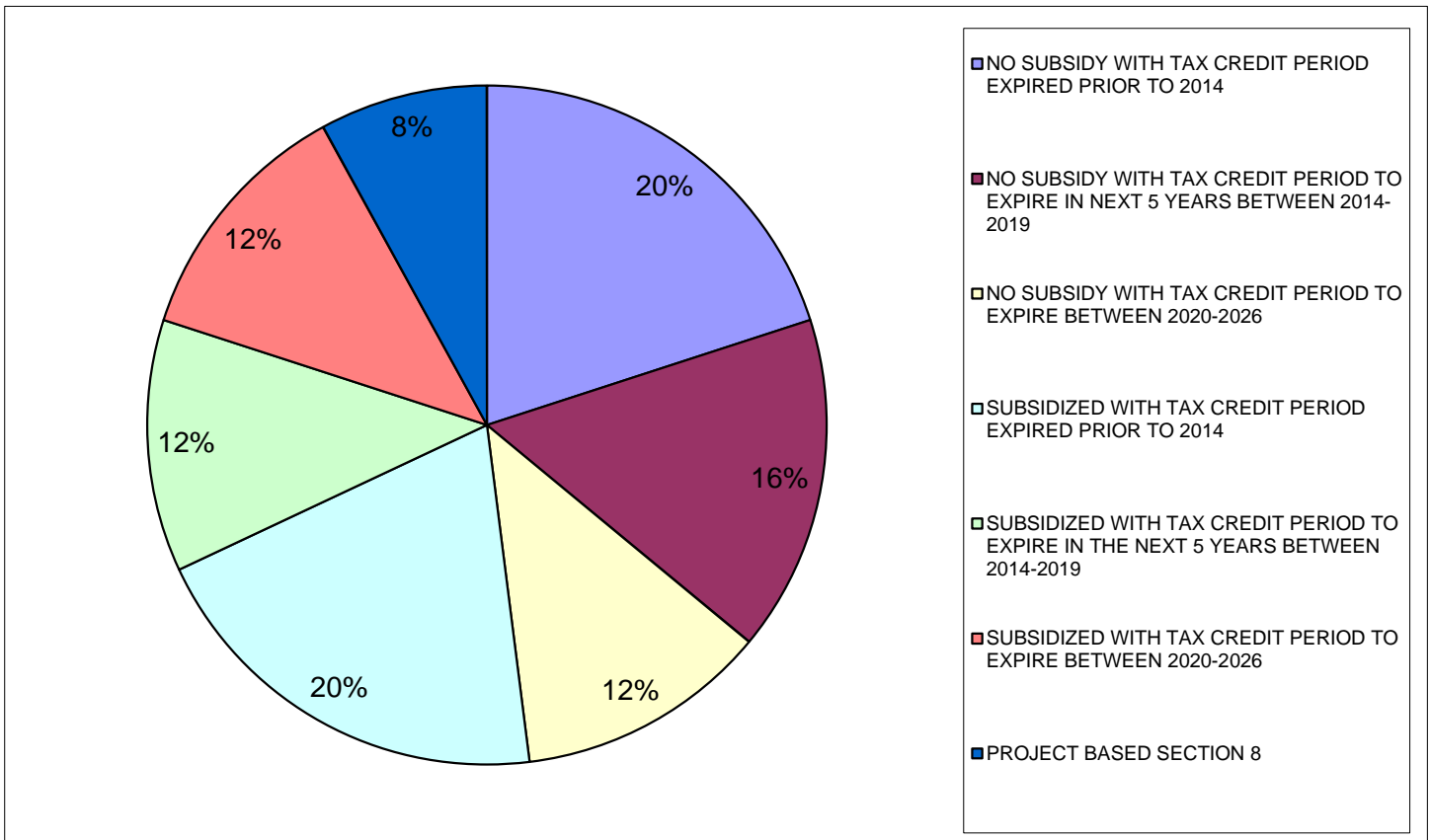


## Sites with the Lowest 25 Overall Scores

Development Name:	Management Company	Risk Share (RS)	Year of Exp of Comp Per	Subsidy	Date of Last Inspection	2013 OVERALL Score	2013 DCR Score	2013 PFH Score	2013 PCP Score	2013 EOM Score
Development 1	Management Agent 1		2008	Local H/A	5/22/2012	16	0	0	10	6
Development 2	Management Agent 2		2009	Local H/A	2/17/2011	19	0	0	12	7
Development 3	Management Agent 3		NOT TC	S8	1/20/2011	23	0	5	10	8
Development 4	Management Agent 4		2009	None	11/13/2013	24	0	0	14	10
Development 5	Management Agent 5		2007	State Rental Assistance	11/16/2011	24	0	5	11	8
Development 6	Management Agent 6		2021	None	1/22/2013	29	0	12	10	7
Development 7	Management Agent 7		2010	None	9/15/2011	30	0	1	14	15
Development 8	Management Agent 8		2013	None	6/21/2013	31	0	2	8	21
Development 9	Management Agent 9		2022	PHA	3/27/2013	32	25		0	7
Development 10	Management Agent 10	RS	2013	S8	8/20/2013	34	0	5	11	18
Development 11	Management Agent 11		NOT TC	RoadHome		35	0	20		15
Development 12	Management Agent 12	RS	2014	Medicaid Waivers	12/5/2013	36	0	10	16	10
Development 13	Management Agent 13	RS	2017	None	1/24/2013	38	0	10	18	10
Development 14	Management Agent 14		2019	None	2/21/2013	39	0	9	12	18
Development 15	Management Agent 15		2013	None	11/16/2011	40	5	8	12	15
Development 16	Management Agent 16	RS	2022	S8	1/10/2013	40	7	16	10	7
Development 17	Management Agent 17		2021	None	6/24/2013	42	0	11	8	23
Development 18	Management Agent 18		2017	None	11/26/2013	42	0	12	7	23
Development 19	Management Agent 19		2019	None	11/16/2012	42	0	24	10	8
Development 20	Management Agent 20		2007	S8	9/19/2013	44	0	20	10	14
Development 21	Management Agent 21		2021	None	10/17/2013	44	0	24	6	14
Development 22	Management Agent 22		2025	S8	10/23/2013	45	0	7	15	23
Development 23	Management Agent 23		2019	Local H/A	6/19/2013	46	0	10	13	23
Development 24	Management Agent 24		2012	None	4/9/2012	46	15	9	12	10
Development 25	Management Agent 25	RS	2015	Medicaid Waivers	11/6/2013	47	0	15	17	15

# Characteristics of the sites with the 25 Lowest Overall Scores

	# of sites	
NO SUBSIDY WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2014	5	20%
NO SUBSIDY WITH TAX CREDIT PERIOD TO EXPIRE IN NEXT 5 YEARS BETWEEN 2014-2019	4	16%
NO SUBSIDY WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2020-2026	3	12%
SUBSIDIZED WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2014	5	20%
SUBSIDIZED WITH TAX CREDIT PERIOD TO EXPIRE IN THE NEXT 5 YEARS BETWEEN 2014-2019	3	12%
SUBSIDIZED WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2020-2026	3	12%
PROJECT BASED SECTION 8	2	8%
<b>Total</b>	<b>25</b>	<b>100%</b>





## Sites with Mortgage Balances over \$500,000.00 Ranked from Lowest to Highest Overall Scores

Development Name:	1st and or 2nd Mortgage Balance	Risk Share (RS)	Year of Exp of Comp Per	Date of Last Inspection	2013 Overall Score	2013 DCR Score	2013 PFH Score	2013 PCP Score	2013 EOM Score
Development 1	\$500k +		2021	5/31/2013	53	17	10	15	11
Development 2	\$500k +	RS	2024	7/12/2013	55	10	13	12	20
Development 3	\$500k +	RS	2024	12/23/2012	56	15	10	19	12
Development 4	\$500k +	RS	NOT TC	10/10/2013	56	0	25	8	23
Development 5	\$500k +	RS	2024	12/11/2013	57	15	10	12	20
Development 6	\$500k +	RS	2020	11/19/2013	59	15	10	13	21
Development 7	\$500k +	RS	2027	2/20/2013	59	10	25	9	15
Development 8	\$500k +		2026	11/9/2013	60	2	25	11	22
Development 9	\$500k +		2020	8/21/2012	62	0	25	22	15
Development 10	\$500k +	RS	NOT TC	10/25/2013	64	15	16	14	19
Development 11	\$500k +	RS	NOT TC	11/26/2013	70	25	25	7	13
Development 12	\$500k +		TBD	12/4/2013	70	15	24	8	23
Development 13	\$500k +	RS	2013	5/8/2012	70	17	19	12	22
Development 14	\$500k +	RS	2016	5/9/2013	70	25	13	10	22
Development 15	\$500k +	RS	2007	10/25/2013	71	25	25	12	9
Development 16	\$500k +		NOT TC	2/14/2011	71	25	10	20	16
Development 17	\$500k +	RS	NOT TC	11/20/2013	71	25	25	6	15
Development 18	\$500k +	RS	2018	11/22/2013	72	25	25	15	7
Development 19	\$500k +	RS	2021	9/4/2013	73	15	24	11	23
Development 20	\$500k +		2023	12/12/2013	73	15	19	14	25
Development 21	\$500k +	RS	2017	11/5/2013	73	25	19	9	20
Development 22	\$500k +	RS	2024	11/22/2013	74	15	10	24	25
Development 23	\$500k +	RS	2020	2/14/2013	74	25	10	14	25
Development 24	\$500k +	RS	2022	3/19/2013	87	25	19	18	25
Development 25	\$500k +	RS	NOT TC	10/21/2013	87	25	24	15	23
Development 26	\$500k +	RS	2025	2/7/2013	88	22	25	16	25
Development 27	\$500k +	RS	2021	6/14/2013	88	25	25	15	23
Development 28	\$500k +	RS	2005	6/24/2013	89	25	25	16	23
Development 29	\$500k +	RS	NOT TC	10/8/2013	89	25	24	15	25
Development 30	\$500k +	RS	2020	3/7/2013	89	25	22	19	23
Development 31	\$500k +	RS	2022	9/9/2013	91	25	25	18	23
Development 32	\$500k +	RS	2012	10/8/2013	91	25	24	19	23
Development 33	\$500k +	RS	2022	7/3/2013	94	25	25	19	25
Development 34	\$500k +	RS	NOT TC	10/24/2013	94	25	25	21	23

## Management Companies Overseeing Properties with Lowest and Highest 25 Overall Scores

Management Co's with sites in Lowest 25 Performing Categories					Management Co's with sites in Highest 25 Performing Categories				
Management companies overseeing sites with Lowest 25 Overall Scores:	# of sites with Lowest 25 Overall Scores	Total # of sites managed	Percent of sites managed with Lowest 25 Overall Scores	How many of these sites receive subsidy?	Management companies overseeing sites with 25 Highest Overall Scores	# of sites with Highest 25 Overall Scores	Total # of sites managed	Percent of sites managed with Highest 25 Overall Scores	How many of these sites receive subsidy?
Management Agent 1	2	18	11%	0	Management Agent 1	1	18	6%	1
Management Agent 2	4	16	25%	1	Management Agent 2	3	16	19%	3
Management Agent 3	3	6	50%	3					
Management Agent 4	2	14	14%	0	Management Agent 4	2	14	14%	2
Management Agent 5	1	8	13%	0	Management Agent 5	3	8	38%	3
Management Agent 6	3	4	75%	1					
Management Agent 7	1	6	17%	1					
Management Agent 8	3	12	25%	2	Management Agent 8	1	12	8%	1
Management Agent 9	1	12	8%	0					
					Management Agent 10	4	16	25%	4
Management Agent 11	1	7	14%	1	Management Agent 11	1	7	14%	1
Management Agent 12	1	3	33%	1					
Management Agent 13	1	2	50%	1					
Management Agent 14	1	3	33%	1					
					Management Agent 15	1	2	50%	1
Management Agent 16	1	1	100%	1					
					Management Agent 17	4	9	44%	2
					Management Agent 18	1	5	20%	1
					Management Agent 19	1	1	100%	1
					Management Agent 20	1	1	100%	1
					Management Agent 21	1	1	100%	1
					Management Agent 22	1	2	50%	1

## Management Companies Ranked by their Sites' Average Effectiveness of Management Score

Management Company	Average EOM Score	# of Properties Managed	% of Management Co's Portfolio Receiving Subsidy
Management Agent 1	25	2	100%
Management Agent 2	24	1	0%
Management Agent 3	24	1	0%
Management Agent 4	23	1	100%
Management Agent 5	23	2	100%
Management Agent 6	22	1	100%
Management Agent 7	22	16	88%
Management Agent 8	22	7	100%
Management Agent 9	21	2	50%
Management Agent 10	21	4	75%
Management Agent 11	20	2	100%
Management Agent 12	20	14	21%
Management Agent 13	20	12	75%
Management Agent 14	20	8	75%
Management Agent 15	19	16	75%
Management Agent 16	19	1	100%
Management Agent 17	18	2	50%
Management Agent 18	17	18	50%
Management Agent 19	16	6	100%
Management Agent 20	16	3	67%
Management Agent 21	16	2	100%
Management Agent 22	15	1	100%
Management Agent 23	14	1	100%
Management Agent 24	12	4	50%
Management Agent 25	9	1	0%

# Development Snapshot

<b>Development Name:</b>	123 Main St Apartments	<b>Fiscal Year End Date:</b>	12/31/12
<b>Owner Name:</b>	123 Main St , LP		
<b>Non Profit Sponsor:</b>	Community Development Corp		
<b>Management Company:</b>	Property Managers, Inc.		
<b>Location of Development:</b>	Anywhere, RI	<b>Outstanding Balances</b>	
1st Mortgage Loan Number:	xxxxxxxxxx		\$1,083,735.43
2nd Mortgage Loan Number:	xxxxxxxxxx		\$653,721.00
Expiration year of tax credit compliance period:	2012	<b>TOTAL</b>	<b>\$1,737,456.43</b>
Number of Units:	60		
Project based subsidy?	No		
Subsidy Types	n/a		
Date of last inspection:	4/30/13		
Risk Share?	Yes		

<b>CURRENT AND HISTORIC DEBT SERVICE COVERAGE RATIO DATA</b>			
	<b>DATA</b>	<b>NUMBER OF POINTS</b>	<b>MAXIMUM POINTS</b>
2012 DCR	1.15	10	15
2011 DCR	1.64		
2010 DCR	1.85	7	10
<b>TOTAL SCORE FOR CURRENT/HISTORIC DCR</b>		<b>17</b>	<b>25</b>

<b>PROJECTED FINANCIAL HEALTH DATA</b>			
	<b>DATA</b>	<b>NUMBER OF POINTS</b>	<b>MAXIMUM POINTS</b>
Total Accounts Payable:	\$6,965.69		
Accounts Payable over 30 days past due:	\$736.33		
Total percentage of accounts payable over 30 days past due:	10.57%	9	15
Replacement Reserve Balance:	\$115,897.56		
Replacement Reserve Balance Per Unit:	\$1,931.63	5	5
Major capital needs within 5 Yrs?:	NO		
Current Operating Reserve Balance:	\$0.00		
Required Operating Reserve Balance:	\$175,243.00		
Ratio of Operating Reserve Balance to Required Operating Reserve Balance:	0.00%	0	5
Number of Withdrawals from Operating Reserves in the past 3 years:	0	0	0
<b>TOTAL SCORE FOR PROJECTED FINANCIAL HEALTH</b>		<b>14</b>	<b>25</b>

<b>PROPERTY CONDITION DATA</b>			
	<b>DATA</b>	<b>NUMBER OF POINTS</b>	<b>MAXIMUM POINTS</b>
Health and Safety Minor Violations:	1		
Health and Safety Significant Violations:	0	5	7
Total Health and Safety Violations:	1		
Units:	Above Average	5	6
Site Condition:	Above Average	2	3
Building Exterior:	Above Average	2	3
Building Systems:	Above Average	2	3
Common Areas:	Above Average	2	3
REAC Property?	YES		
Reac Score:	97	0	0
<b>TOTAL SCORE FOR PROPERTY CONDITION</b>		<b>18</b>	<b>25</b>

<b>EFFECTIVENESS OF MANAGEMENT DATA</b>			
	<b>DATA</b>	<b>NUMBER OF POINTS</b>	<b>MAXIMUM POINTS</b>
Is most recent year's vacancy less than 5% of gross potential rents:	YES	8	8
Is unit turnover occurring within 30 days max?	YES	5	5
Is site in compliance with federal regulations?	YES	4	4
Rate 0-2 for number/extent of findings in annual file review	1	1	2
Rate 0-2 for Responsiveness to Tenants' Complaints	1	1	2
CPU at or below RIH Standards (\$7000/UNIT)	NO	0	2
Are reports and fees submitted timely to the Compliance department?	YES	2	2
<b>TOTAL SCORE FOR EFFECTIVENESS OF MANAGEMENT</b>		<b>21</b>	<b>25</b>

<b>TOTAL OVERALL SCORE</b>		<b>70</b>	<b>100</b>
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# Sustaining the Multi-Family Portfolio Decision Tree

