

NCSHA 2015 Annual Awards Entry Form

(Complete one form for each entry)

Deadline: Wednesday, June 10, 2015

Visit ncsha.org/awards to view the Annual Awards Call for Entries.

Instructions: Type entry information into the form and save it as a PDF. Do not write on or scan the form. If you have any questions contact Matt Cunningham at mcunningham@ncsha.org or 202-624-5424.

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

Entry Name:

HFA:

Submission Contact: (Must be HFA Staff Member)

 Email:

Please provide a 15-word (maximum) description of your nomination to appear on the NCSHA website.

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

HFA:

Entry Name:

Select the appropriate subcategory of your entry and indicate if you are providing visual aids.

Communications	Homeownership	Legislative Advocacy	Management Innovation
Annual Report	Empowering New Buyers	Federal Advocacy	Financial
Creative Media	Encouraging New Production	State Advocacy	Human Resources
Promotional Materials and Newsletters	Home Improvement and Rehabilitation		Operations
			Technology
Rental Housing	Special Needs Housing	Special Achievement	Are you providing visual aids?
Encouraging New Production	Combating Homelessness	Special Achievement	Yes
Multifamily Management	Housing for Persons with Special Needs		No
Preservation and Rehabilitation			

An Improved Model for Managing Risk and Allocating Resources Rental Housing: Multifamily Management

In the two years since Rhode Island Housing's risk rating model was instituted, an emphasis on increased data collection and tracking to enhance reporting capabilities has ultimately resulted in improvements to the asset management of the multifamily portfolio. While the initial goal of the database and its reports was to set multifamily preservation priorities, its uses have expanded to include other types of analyses required in decision-making throughout the agency.

In regard to preservation initiatives for properties approaching year 15 in their compliance period, impediments such as decreased funding resources combined with an aging housing stock necessitate a weighed analysis of capital needs, operating performance and review of financial data to ensure that scarce resources are strategically allocated. The risk rating database continues to be a crucial tool in this analysis.

Prior to 2012, Rhode Island Housing did not have a central location for tracking the multifamily portfolio performance data, and struggled with the process of collecting all of the data required for effective administration of the portfolio. Once the database was created and employed, the benefits of its use were immediately apparent. It promoted efficiencies in data collection and storage, and the risk rating capability provided a comprehensive evaluation of property performance, condition, and owner/management capacity. It also provided the ability to share the most current site operating data between divisions to facilitate data-backed decisions. The streamlining effect of the database improves our ability to communicate information proactively among our Loan Servicing, Finance, Development and Executive Divisions.

The Multifamily Risk Rating Model utilizes existing staffing, software, infrastructure and reporting systems, and successfully integrates them to maintain a robust "point in time" repository of data. This collaborative interdivisional effort is in alignment with industry "best practice" standards for asset management. The reports extracted from the database have expanded proactive portfolio management to the following areas:

- Workout Committee meeting discussions regarding problem loans, site issues, decision-making reviews for potential loan workouts and reserve withdrawals
- Portfolio monitoring purposes to identify a Watchlist
- Identification of trends in operating performance
- Deciding which compliance inspections may be waived the following year, or which ones may require an increase in visits
- A comparison tool in review of proposed pro forma data on contemplated financial transactions
- Determining prioritization of funds to be allocated toward preservation of the multifamily portfolio
- Provide historical performance data of developers' portfolios to those involved in the decision-making process of tax credit allocation

A Better Model for Assigning Risk

The risk rating system is based on a very specific point system, which Rhode Island Housing's staff spent several weeks testing and validating. Staff from several different departments reviewed all multifamily properties included on our portfolio's "Watchlist" against this system to ensure the model was accurate and resourceful. 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.

Today, our risk-rating methodology grades (*see attached grading system*) each multifamily property in four 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

In the past year, we have added fields to the database which have further enhanced our ability to assess and make additional comparisons between various types of developments.

The four fields added in 2014 which enhanced this were **Development Type** (Family versus Elderly), **Sponsor Type** (For-Profit versus Non-Profit), **Location** (Name of City or Town in Rhode Island), and **Number of Buildings**.

Adding the "Development Type" field to the **system enabled us to compare the operating performance of family developments to that of elderly developments using the overall risk rating scores.** We can further evaluate performance ratings in various categories within the database. For example, we are able to review how the debt coverage ratios of family developments compare to elderly developments. The addition of "Sponsor Type" allowed us to generate reports which compare operating performance of for-profit sponsors to nonprofit sponsors. **By sorting these fields, our staff can also compare how they performed in individual categories, such as "projected financial health."**

The overall 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.**

New Uses for the Risk Rating Model in 2015

During 2014, Rhode Island Housing staff discovered another potential use for the Risk Rating Database: to review the most recent operating performance data of real estate owned by developers who are being considered for new tax credit allocations. **The integration of this data into the application review process would reflect historical performance data of the developer's portfolio and may allow those allocating the credits to have the most comprehensive data available to make those decisions.** This step was incorporated into the 2015 tax credit application process.

Data Collected

The general data we collect 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.

Allocation of Resources

While many HFAs have developed risk rating models for their multifamily portfolio, ours is unique in that our development staff utilizes this data when determining priority of preservation financing and allocation of resources. The Development and Loan 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.

In some instances, a development will not be considered for any alternatives based upon a number of factors in the risk rating system, 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 that makes preservation infeasible. In these instances, Rhode Island Housing will work with the general partner(s) to sell the property for potential redevelopment.

Outcomes

When Rhode Island Housing rolled out its Risk Rating System, it was a turning point for our Loan Servicing division. Never before had we had such an organized approach to breaking down our portfolio. With this new tool, Loan Servicing was able to easily pinpoint which sites were struggling financially or suffering from physical deficiencies. The model also helps us determine which property managers are providing the most attentive service to their clients.

With the addition of our new fields, we can now watch for trends in various geographic areas, compare family and elderly developments, and assess the performance of for-profit and non-profit sponsors. We can also more closely examine a development's performance while taking into account the number of buildings that exist on the property.

This system has increased its reliability for documentation and analysis while providing robust reporting, data management and executive dashboards. The streamlined process improves our ability to communicate more clearly and proactively among our Loan Servicing, Development and Executive divisions. By increasing the amount of data collected annually, we are able to continue to fine-tune our risk rating database and advance our asset management and resource allocation capabilities.



Overview of Risk Rating System

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 which are:

- Debt Coverage Ratio
- Projected Financial Health
- Property Condition
- 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 Division

Preservation:

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

Overview of Risk Rating System *(cont.)*

Provides Benchmarks for Proforma reviews:

- For use in performance review of real estate owned by developers who are being considered for new tax credit allocations.
- 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.

Information Included in Year End 2014 Risk Rating Sheets

- **FYE 2011 through 2013 DCR's**
- **Calendar year end 2014 mortgage balances, account balances**
- **Property condition data collected at last inspection**
- **Effectiveness of management data collected throughout 2013/2014 based upon submitted reports and inspections.**
- **Cost per unit data calculated based on FYE 2013 audited financial statements**
- **Vacancy percentage data calculated based on FYE 2013 audited financial statements**



Risk Rating Proposal (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 points 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 points 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 points if overall site condition is “average”
 - 0 point 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 points if building exterior is “average”
- 0 point 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 points if building systems are “average”
 - 0 point 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 points if common areas are “average”
 - 0 point 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):

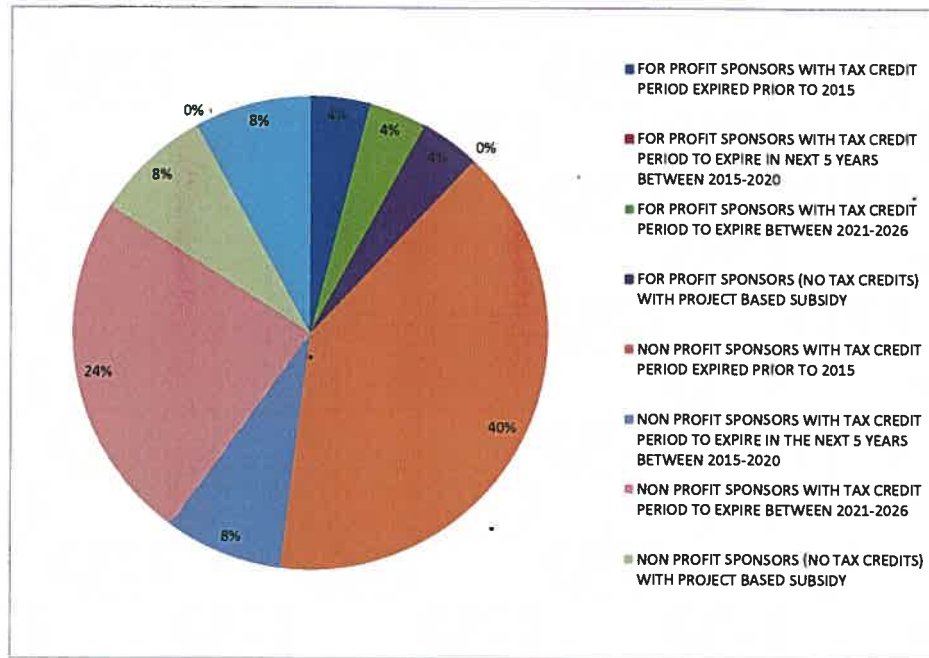
- Three (3) points will be deducted for a REAC score between 75 and 79
- Five (5) points will be deducted for a REAC score between 70 and 74
- Seven (7) points will be deducted for a REAC score between 60 and 69
- Ten (10) points will be deducted for a REAC score below 60

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)

Comparison of For Profit vs. Non Profit Sponsors with sites with the Lowest 25 Overall Scores

	# of sites	
FOR PROFIT SPONSORS WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2015	1	4%
FOR PROFIT SPONSORS WITH TAX CREDIT PERIOD TO EXPIRE IN NEXT 5 YEARS BETWEEN 2015-2020	0	0%
FOR PROFIT SPONSORS WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2021-2026	1	4%
FOR PROFIT SPONSORS (NO TAX CREDITS) WITH PROJECT BASED SUBSIDY	1	4%
NON PROFIT SPONSORS WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2015	10	40%
NON PROFIT SPONSORS WITH TAX CREDIT PERIOD TO EXPIRE IN THE NEXT 5 YEARS BETWEEN 2015-2020	2	8%
NON PROFIT SPONSORS WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2021-2026	6	24%
NON PROFIT SPONSORS (NO TAX CREDITS) WITH PROJECT BASED SUBSIDY	2	8%
NO SPONSOR	2	8%
Total	25	100%



Properties that have mortgage balances over \$500,000.00 sorted by Overall Risk Rating Score

Development Name:	1st and/ or 2nd Mortgage Balance	Risk Share (RS)	Year of Exp of Comp Per	Date of Last Inspection	2014 Overall Score	2014 DCR SCORE	2014 PFH SCORE	2014 PCP SCORE	2014 EOM SCORE
Development 1	\$ 816,749.00	RS	2014	12/9/14	37	0	10	17	10
Development 2	\$ 2,608,503.95	RS	2015	7/23/14	39	4	6	19	10
Development 3	\$ 7,982,463.43	RS	2022	1/29/14	53	7	22	7	17
Development 4	\$ 1,788,100.37	RS	2005	3/25/14	45	7	10	10	18
Development 5	\$ 10,993,632.83	RS	2024	9/8/14	46	0	10	24	12
Development 6	\$ 2,500,000.00		TBD	9/10/12	47	0	21	14	12
Development 7	\$ 589,050.69	RS	2017	1/22/14	48	0	21	17	10
Development 8	\$ 641,506.97		2018	3/18/14	51	0	15	18	18
Development 9	\$ 2,878,323.28	RS	NOT TC	10/23/14	53	10	13	14	16
Development 10	\$ 873,282.34		2013	11/20/14	53	25	6	7	15
Development 11	\$ 2,631,439.09	RS	2021	8/13/14	53	4	25	7	17
Development 12	\$ 5,182,171.82	RS	2020	9/5/14	54	17	13	7	17
Development 13	\$ 611,398.78			7/22/14	58	0	25	18	15
Development 14	\$ 5,209,574.15	RS	2027	2/20/14	62	10	25	9	18
Development 15	\$ 6,028,974.54			4/1/14	66	4	25	17	20
Development 16	\$ 500,000.00		2020	4/9/14	67	15	25	10	17
Development 17	\$ 6,672,591.16	RS	2018	12/6/10	69	17	25	14	13
Development 18	\$ 102,488.99	RS	NOT TC	10/1/14	70	15	22	13	20
Development 19	\$ 767,614.24	RS	2021	9/26/14	70	25	25	11	9
Development 20	\$ 3,020,124.35	RS	2018	5/14/14	72	25	10	17	20
Development 21	\$ 967,099.77	RS	2006	8/5/14	73	15	25	10	23
Development 22	\$ 2,090,517.76	RS	2018	8/15/14	74	17	21	13	23
Development 23	\$ 5,120,613.21	RS	2021	6/20/14	76	25	10	18	23
Development 24	\$ 1,036,589.34	RS	2012	5/8/14	77	22	14	18	23
Development 25	\$ 1,772,900.98	RS	2020	9/26/14	78	25	25	11	17
Development 26	\$ 1,988,499.01	RS	2018	7/9/14	80	25	25	18	12
Development 27	\$ 4,135,441.93	RS	NOT TC	12/30/14	81	25	24	14	18
Development 28	\$ 4,551,135.75	RS	2022	3/27/14	81	25	23	10	23
Development 29	\$ 4,312,923.73	RS	2021	11/13/14	82	25	24	10	23
Development 30	\$ 3,646,492.48	RS	2022	5/13/14	85	25	19	18	23
Development 31	\$ 1,194,690.06	RS	2020	11/25/14	86	22	25	16	23
Development 32	\$ 5,194,611.21	RS	NOT TC	10/21/13	87	25	24	15	23
Development 33	\$ 11,788,498.20	RS	2008	4/16/14	89	22	25	25	17
Development 34	\$ 3,905,518.21	RS	NOT TC	11/6/14	94	25	24	20	25

Management Companies overseeing sites with the 25 Lowest and Highest 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	5	40%	2						
Management Agent 2	1	4	25%	0						
Management Agent 3	1	3	33%	1						
Management Agent 4	1	2	50%	1						
Management Agent 5	4	17	24%	2		Management Agent 5	4	17	24%	5
Management Agent 6	3	13	23%	1		Management Agent 6	2	13	15%	1
Management Agent 7	3	4	75%	1						
Management Agent 8	2	6	33%	0						
Management Agent 9	1	1	100%	1						
Management Agent 10	2	12	17%	1		Management Agent 10	2	12	17%	2
Management Agent 11	1	12	8%	0						
Management Agent 12	3	18	17%	1						
						Management Agent 13	1	1	100%	1
						Management Agent 14	3	8	38%	2
						Management Agent 15	1	2	50%	1
						Management Agent 16	2	7	29%	2
						Management Agent 17	1	1	100%	1
						Management Agent 18	2	16	13%	2
						Management Agent 19	1	3	33%	1
						Management Agent 20	6	6	100%	6

Management Company:	2014 Average EOM Score	2013 Average EOM Score	2012 Average EOM Score	Number of properties managed	# of sites in portfolio receiving subsidy	Percentage of Management Co's Portfolio receiving subsidy
Management Agent 1	23	22	21	2	1	50%
Management Agent 2	23	18	14	1	1	100%
Management Agent 3	23	21	23	1	1	100%
Management Agent 4	23	20	23	2	2	100%
Management Agent 5	22	21	22	1	1	100%
Management Agent 6	21	16	19	1	1	100%
Management Agent 7	21	n/a	n/a	1	1	100%
Management Agent 8	21	23	23	1	1	100%
Management Agent 9	21	19	20	8	6	75%
Management Agent 10	21	21	22	9	9	100%
Management Agent 11	20	21	23	1	1	100%
Management Agent 12	19	16	20	13	3	23%
Management Agent 13	19	17	15	6	0	0%
Management Agent 14	19	19	20	12	9	75%
Management Agent 15	18	23	15	2	0	0%
Management Agent 16	18	23	20	2	2	100%
Management Agent 17	18	14	18	3	3	100%
Management Agent 18	18	18	22	7	7	100%
Management Agent 19	17	23	24	1	0	0%
Management Agent 20	17	18	22	5	5	100%
Management Agent 21	17	21	23	1	1	100%
Management Agent 22	17	16	17	3	3	100%
Management Agent 23	17	21	21	4	3	75%
Management Agent 24	16	13	21	17	13	76%
Management Agent 25	15	16	16	3	2	67%
Management Agent 26	15	20	19	6	3	50%
Management Agent 27	15	18	18	3	3	100%
Management Agent 28	15	17	18	12	9	75%
Management Agent 29	14	10	17	5	4	80%
Management Agent 30	14	21	22	16	15	94%
Management Agent 31	14	17	18	2	2	100%
Management Agent 32	12	n/a	n/a	2	2	100%
Management Agent 33	12	10	7	2	2	100%
Management Agent 34	12	16	12	4	2	50%
Management Agent 35	12	17	18	19	8	42%
Management Agent 36	11	11	18	4	0	0%
Management Agent 37	11	22	18	7	7	100%
Management Agent 38	9	17	7	3	2	67%

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

Cant 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

2014 Risk Rating Score Rankings Lowest to Highest Overall Scores

Development Name:	Management Company:	Risk Share (RS)	Year of Exp of Comp Per	Date of Last Inspection	2014 Overall Score	2014 DCR SCORE	2014 PFH SCORE	2014 PCP SCORE	2014 EOM SCORE
Development 1	Management Agent 1		2013	11/16/2011	25	0	5	12	8
Development 2	Management Agent 2	RS	2013	8/20/13	27	0	0	11	16
Development 3	Management Agent 3		2008		27	0	25	0	2
Development 4	Management Agent 4		2013	6/11/14	29	4	4	5	16
Development 5	Management Agent 5		2021	6/19/14	30	0	5	7	18
Development 6	Management Agent 6				31	0	24	0	7
Development 7	Management Agent 7		2022	3/25/14	33	5	8	9	11
Development 8	Management Agent 8		2009	11/14/14	35	0	16	11	8
Development 9	Management Agent 9			3/31/14	36	0	10	5	21
Development 10	Management Agent 10		2025	11/18/14	38	0	10	8	20
Development 11	Management Agent 11	RS	2015	7/23/14	39	4	6	19	10
Development 12	Management Agent 12		2010	9/15/11	40	0	16	14	10
Development 13	Management Agent 13				41	15	19	0	7
Development 14	Management Agent 14	RS	2025	10/7/14	43	0	25	9	9
Development 15	Management Agent 15		2019	6/30/14	43	0	25	8	10
Development 16	Management Agent 16		TBD	10/1/14	44	0	16	18	10
Development 17	Management Agent 17	RS	2005	3/25/14	45	7	10	10	18
Development 18	Management Agent 18	RS	2024	9/8/14	46	0	10	24	12
Development 19	Management Agent 19	RS	TBD	9/10/12	47	0	21	14	12
Development 20	Management Agent 20		2007	8/6/14	48	12	5	19	12
Development 21	Management Agent 21		2022	2/28/13	49	0	25	12	12
Development 22	Management Agent 22		2026	7/29/14	50	0	24	9	17
Development 23	Management Agent 23				51	17	25	0	9
Development 24	Management Agent 24		2009	11/14/14	52	7	25	10	10
Development 25	Management Agent 25	RS		10/23/14	53	10	13	14	16
Development 26	Management Agent 26	RS	2021	9/5/14	54	17	13	7	17
Development 27	Management Agent 27		n/a	6/14/11	55	25	0	14	16
Development 28	Management Agent 28		2012	2/4/14	58	0	17	18	23
Development 29	Management Agent 29		2010	1/14/14	61	17	17	10	17
Development 30	Management Agent 30	RS	2018	12/6/10	69	17	25	14	13
Development 31	Management Agent 31	RS	2021	6/30/14	70	25	25	8	12
Development 32	Management Agent 32	RS	2017	12/4/14	71	25	16	14	16
Development 33	Management Agent 33	RS	2027	2/20/14	72	10	25	19	18
Development 34	Management Agent 34	RS	2006	8/5/14	73	15	25	10	23
Development 35	Management Agent 35	RS	2012	1/7/13	74	25	25	8	16
Development 36	Management Agent 36	RS	2018	8/15/14	74	17	21	13	23
Development 37	Management Agent 37	RS	2016	5/9/13	75	25	13	15	22
Development 38	Management Agent 38	RS	2019	2/27/14	76	25	25	9	17
Development 39	Management Agent 39	RS	2023	2/28/14	77	25	25	10	17
Development 40	Management Agent 40		2016	12/2/14	79	25	25	6	23
Development 41	Management Agent 41	RS	2018	7/9/14	80	25	25	18	12
Development 42	Management Agent 42	RS	2022	3/27/14	81	25	23	10	23
Development 43	Management Agent 43	RS	2020	3/3/14	82	25	16	18	23
Development 44	Management Agent 44	RS	2022	5/13/14	85	25	19	18	23
Development 45	Management Agent 45	RS	2022	9/9/14	86	25	25	13	23
Development 46	Management Agent 46	RS	n/a	10/21/13	87	25	24	15	23
Development 47	Management Agent 47	RS	2017	4/11/14	90	25	17	23	25
Development 48	Management Agent 48	RS	n/a	10/7/14	93	25	25	20	23
Development 49	Management Agent 49	RS	2024	11/22/13	94	25	25	24	20

Score Change Percentages from 2013 to 2014 with explanations for increases and decreases sorted by percentage of change

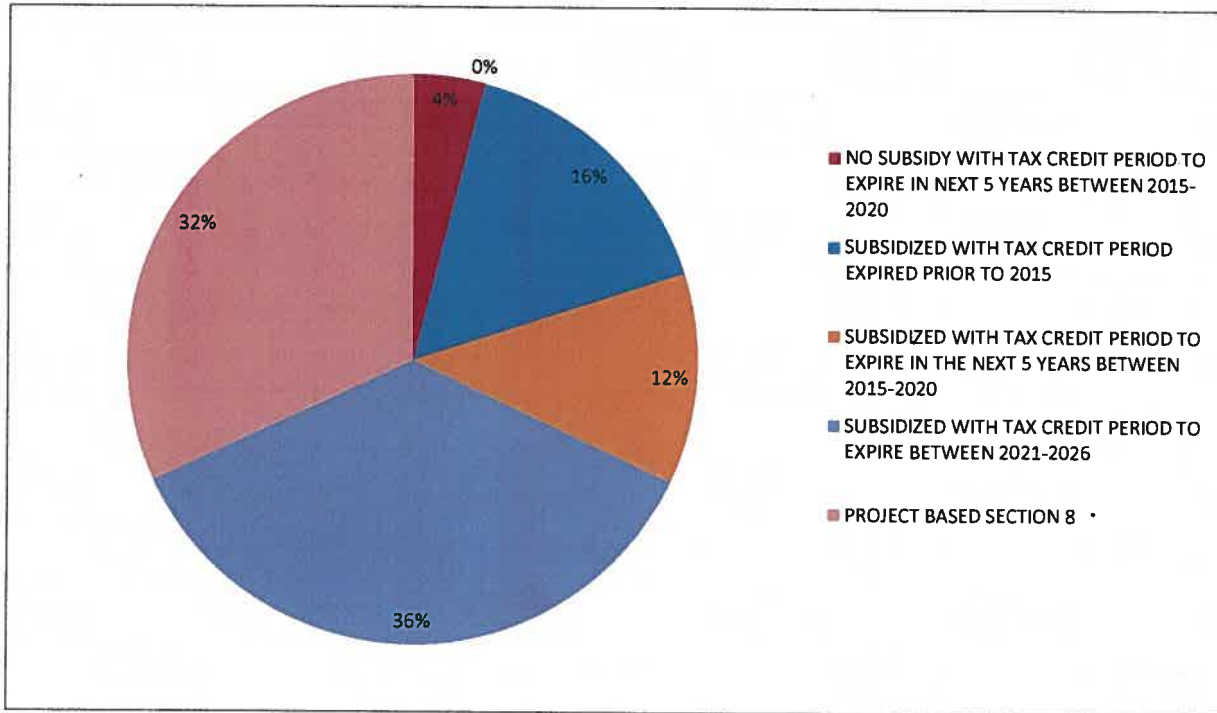
Development Name:	Management Company:	Risk Share (RS)	Year of Exp of Comp Per	Date of Last Inspection	2014 Overall Score	% of change 2013 to 2014	2013 Overall Score	2012 Overall Score	Explanation of change from 2013 to 2014
Development 1	Management Agent 1			3/31/14	36	-54%	78	74	DCR fell from 1.18 in 2012 to .65 in 2013. 90.81% of payables were over 30 days past due as of 12/31/13 vs 0% prior year.
Development 2	Management Agent 2		2020	9/4/14	44	-38%	71	60	DCR fell from 1.59 in 2012 to 1.07 in 2013. 19% of accounts payable are aged vs 0% prior year. Had more violations and Health safety violations than 2012. Property condition went from above average in 2012 to 'average' in 2013. Unit turnover averages 60-90 days.
Development 3	Management Agent 3		2013	11/16/2011	25	-38%	40	49	DCR fell from 1.03 in 2012 to -2.86 in 2013. Had 6 operating reserve withdrawals in 2013 compared to 2 in 2012. Unit turnover 60-89 days. CPU went from \$6786 in 2012 to 7705 in 2013
Development 4	Management Agent 4		2022	2/28/13	49	-34%	74	91	DCR fell from 4.81 in 2012 to -.55 in 2013 (however annual debt service is only 6447 so any changes in operations have big affect on DCR)
Development 5	Management Agent 5	RS	2022	10/15/14	49	-31%	71	51	At 12/31/13 aged payables were 82% of total payables. Total payables was \$66467. Rep res bal went from \$1171/unit to \$695/unit at 12/31/14. Unit condition went from average in 2012 to below avg in 2013.
Development 6	Management Agent 6	RS	2021	8/13/14	53	-30%	76	78	DCR fell from 1.12 in 2012 to .86 in 2013. There were a higher number of violations during 2013 inspection than prior year. Turnover averaged 30-59 days in 2013/2014
Development 7	Management Agent 7		2015	1/30/14	41	-27%	56	54	Property condition fell from above average to average in 2014. Vacancy over 5% in 2013
Development 8	Management Agent 8		2017	11/5/14	52	-26%	70	52	DCR fell from 2.1 in 2012 to .88 in 2013. Turnover 30-60 days in 2013/2014.
Development 9	Management Agent 9		2007	8/6/14	48	-24%	63	50	DCR fell from 1.22 in 2012 to 1.13 in 2013.
Development 10	Management Agent 10		2009	11/20/14	53	-18%	65	48	Higher number of property violations in 2014. Vacancy went 7% in 2014.
Development 11	Management Agent 11	RS		10/23/14	53	-17%	64	69	DCR fell from 1.15 in 2012 to 1.01 in 2013. Unit turnover was 30-59 days in 2013/2014
Development 12	Management Agent 12		2012	2/4/14	58	-15%	68	58	DCR fell from 1.25 in 2012 to .56 in 2013 (however they have since had a loan modification).
Development 13	Management Agent 13		2017	1/23/13	73	-14%	85	66	Turnover no longer within 30 days in 2013.
Development 14	Management Agent 14	RS	2022	3/13/14	76	-13%	87	89	All payables were over 30 days past due as of 12/31/14, compared to 0% in prior year.
Development 15	Management Agent 15	RS	2013	5/13/14	62	-11%	70	61	DCR fell from 1.16 in 2012 to 1.07 in 2013.
Development 16	Management Agent 16	RS	2022	5/13/14	85	-10%	94	91	24% of payables were over 30 days past due as of 12/31/14 compared to 0 prior year.
Development 17	Management Agent 17			12/21/10	71	-8%	77	74	
Development 18	Management Agent 18	RS	2021	9/3/14	68	-7%	73	65	
Development 19	Management Agent 19	RS	2018	11/19/14	71	-1%	72	82	
Development 20	Management Agent 20		2010	5/20/14	71	8%	66	84	
Development 21	Management Agent 21	RS	2025	12/20/13	86	9%	79	70	
Development 22	Management Agent 22	RS	2018	8/15/14	74	10%	67	90	
Development 23	Management Agent 23	RS	2017	4/11/14	90	11%	81	76	No violations in 2014 inspection. Condition improved to superior.
Development 24	Management Agent 24	RS	n/a	11/17/14	80	13%	71	0	Effectiveness of management improved
Development 25	Management Agent 25		2019	4/4/14	82	14%	72	88	DCR increased from 1.07 in 2012 to 3.0 in 2013
Development 26	Management Agent 26		2016	5/30/14	49	17%	42	57	Less payables as of 12/31/14 than prior year.
Development 27	Management Agent 27		2022	3/19/14	38	19%	32	47	Property condition improved from unsatisfactory to below avg/avg.
Development 28	Management Agent 28	RS	2026	10/21/14	72	20%	60	no 2011 score	DCR increased from .91 in 2012 to 1.42 in 2013.
Development 29	Management Agent 29		2012	3/5/14	64	21%	53	79	DCR increased from .84 in 2012 to 4.02 in 2013. Site condition, building exterior and common areas fell from above average to average.
Development 30	Management Agent 30	RS	2027	2/20/14	72	22%	59	48	Not yet a full 3 yrs of DCR reporting. (2yrs)
Development 31	Management Agent 31	RS		11/6/14	94	25%	75	81	Property condition improved to Above average from average prior year.
Development 32	Management Agent 32	RS	2024	11/22/13	94	27%	74	81	Now reviewing 3 full years of DCR, all above 1.20. \$0 payables as of 12/31/14.
Development 33	Management Agent 33	RS	n/a	10/21/14	69	30%	53	0	DCR increased from .78 in 2012 to 2.7 in 2013. Improved effectiveness of management
Development 34	Management Agent 34	RS	TBD	10/3/14	78	39%	56		2013 was 1st year that we collected AFS- DCR score 1.81.
Development 35	Management Agent 35	RS	2019	11/25/14	86	46%	59	71	Rating now looking at 3 full years of DCR all over 1.0. No aged payables at 12/31/14.
Development 36	Management Agent 36		2009	11/14/14	35	46%	24	22	No payables as of 12/31/14. Replacement reserve bal slightly higher than prior year.
Development 37	Management Agent 37	RS	2024	5/30/14	87	53%	57	82	3 full years of DCR now reporting and all above 1.42. No payables at 12/31/14. Property condition now above average.
Development 38	Management Agent 38		2021	3/10/14	58	100%	29	43	DCR increased from .48 in 2012 to 1.51 in 2013. Property condition now above average. Vacancy was 3% in 2013. Turnover of units is under 30 days.
Development 39	Management Agent 39		2025	7/31/14	83	102%	41	no 2011 score	DCR increased from .89 in 2012 to 2.1 in 2013. No aged payables at 12/31/14. No violations during inspection. Vacancy 4% in 2013 compared to 8% prior year.

2014 Highest 25 Overall Risk Rating Scores

Development Name:	Management Company:	Non-Profit Sponsor	For Profit Sponsor	Risk Share (RS)	Year of Exp of Comp Per	Subsidy	Date of Last Inspection	2014 Overall Score	2014 DCR SCORE	2014 PFH SCORE	2014 PCP SCORE	2014 EOM SCORE
Development 1	Management Agent 1		For Profit Sponsor	RS	2024	Yes	11/22/13	94	25	25	24	20
Development 2	Management Agent 2		For Profit Sponsor	RS		Yes	11/6/14	94	25	24	20	25
Development 3	Management Agent 3	Non Profit Sponsor		RS	n/a	Yes	10/7/14	93	25	25	20	23
Development 4	Management Agent 4		For Profit Sponsor	RS	2017	Yes	4/11/14	90	25	17	23	25
Development 5	Management Agent 5		For Profit Sponsor	RS	n/a	Yes	10/24/14	90	25	25	17	23
Development 6	Management Agent 6		For Profit Sponsor	RS	2008	Yes	4/16/14	89	22	25	25	17
Development 7	Management Agent 7	Non Profit Sponsor		RS	2012	Yes- HA	3/26/14	89	25	24	23	17
Development 8	Management Agent 8	Non Profit Sponsor			2024	Yes- HA	1/30/13	88	25	25	14	24
Development 9	Management Agent 9		For Profit Sponsor	RS	2026	Yes	4/3/14	87	22	25	23	17
Development 10	Management Agent 10		For Profit Sponsor	RS	2024	Yes	5/30/14	87	25	25	17	20
Development 11	Management Agent 11		For Profit Sponsor		n/a	Yes	1/24/11	87	25	25	20	17
Development 12	Management Agent 12		For Profit Sponsor	RS	n/a	Yes	10/21/13	87	25	24	15	23
Development 13	Management Agent 13		For Profit Sponsor	RS	2025	Yes	12/20/13	86	25	25	16	20
Development 14	Management Agent 14	Non Profit Sponsor		RS	2019	Yes- HA some units	11/25/14	86	22	25	16	23
Development 15	Management Agent 15		For Profit Sponsor	RS	2025	Yes	2/22/14	86	25	25	22	14
Development 16	Management Agent 16	Non Profit Sponsor		RS	2022	Yes	9/9/14	86	25	25	13	23
Development 17	Management Agent 17	Non Profit Sponsor		RS	2022	Yes	5/13/14	85	25	19	18	23
Development 18	Management Agent 18		For Profit Sponsor	RS	n/a	Yes	9/24/14	85	25	25	12	23
Development 19	Management Agent 19	Non Profit Sponsor		RS		Yes	10/7/14	85	25	25	14	21
Development 20	Management Agent 20		For Profit Sponsor	RS		Yes	10/8/14	85	25	24	16	20
Development 21	Management Agent 21		For Profit Sponsor	RS	2014	Yes	9/11/14	84	25	25	15	19
Development 22	Management Agent 22		For Profit Sponsor	RS	2007	Yes	12/6/13	84	25	25	14	20
Development 23	Management Agent 23	Non Profit Sponsor			2016	No	1/18/13	84	25	25	14	20
Development 24	Management Agent 24		For Profit Sponsor		2019	Yes	3/11/14	83	25	25	15	18
Development 25	Management Agent 25	Non Profit Sponsor		RS	2021	Yes	3/27/14	83	25	19	18	21

Comparison of Subsidized vs. Non Subsidized Properties with the Highest 25 Overall Scores

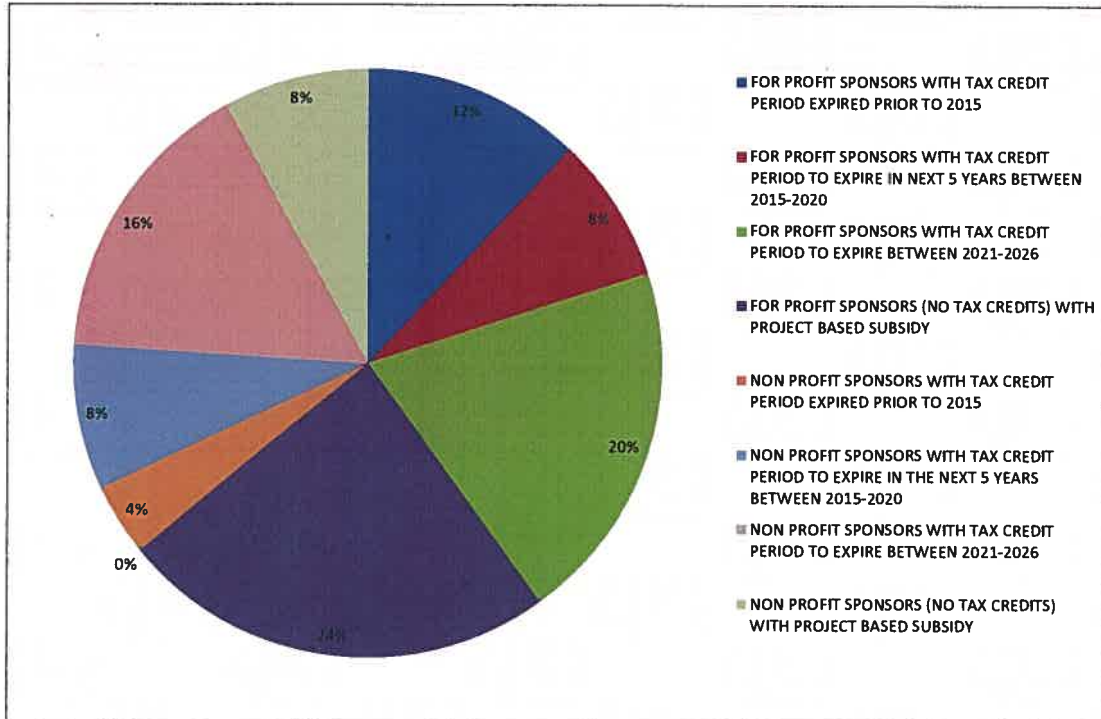
	# of sites	
NO SUBSIDY WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2015	0	0%
NO SUBSIDY WITH TAX CREDIT PERIOD TO EXPIRE IN NEXT 5 YEARS BETWEEN 2015-2020	1	4%
NO SUBSIDY WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2020-2026	0	0%
SUBSIDIZED WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2015	4	16%
SUBSIDIZED WITH TAX CREDIT PERIOD TO EXPIRE IN THE NEXT 5 YEARS BETWEEN 2015-2020	3	12%
SUBSIDIZED WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2021-2026	9	36%
PROJECT BASED SECTION 8	8	32%
Total	25	100%



96% of sites with the 25 highest overall scores are subsidized
4% are unsubsidized.

Comparison of For Profit vs. Non Profit Sponsors with sites with the highest 25 Overall Scores

FOR PROFIT SPONSORS WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2015	# of sites	
	3	12%
FOR PROFIT SPONSORS WITH TAX CREDIT PERIOD TO EXPIRE IN NEXT 5 YEARS BETWEEN 2015-2020	2	8%
FOR PROFIT SPONSORS WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2021-2026	5	20%
FOR PROFIT SPONSORS (NO TAX CREDITS) WITH PROJECT BASED SUBSIDY	6	24%
NON PROFIT SPONSORS WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2015	1	4%
NON PROFIT SPONSORS WITH TAX CREDIT PERIOD TO EXPIRE IN THE NEXT 5 YEARS BETWEEN 2015-2020	2	8%
NON PROFIT SPONSORS WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2021-2026	4	16%
NON PROFIT SPONSORS (NO TAX CREDITS) WITH PROJECT BASED SUBSIDY	2	8%
Total	25	100%

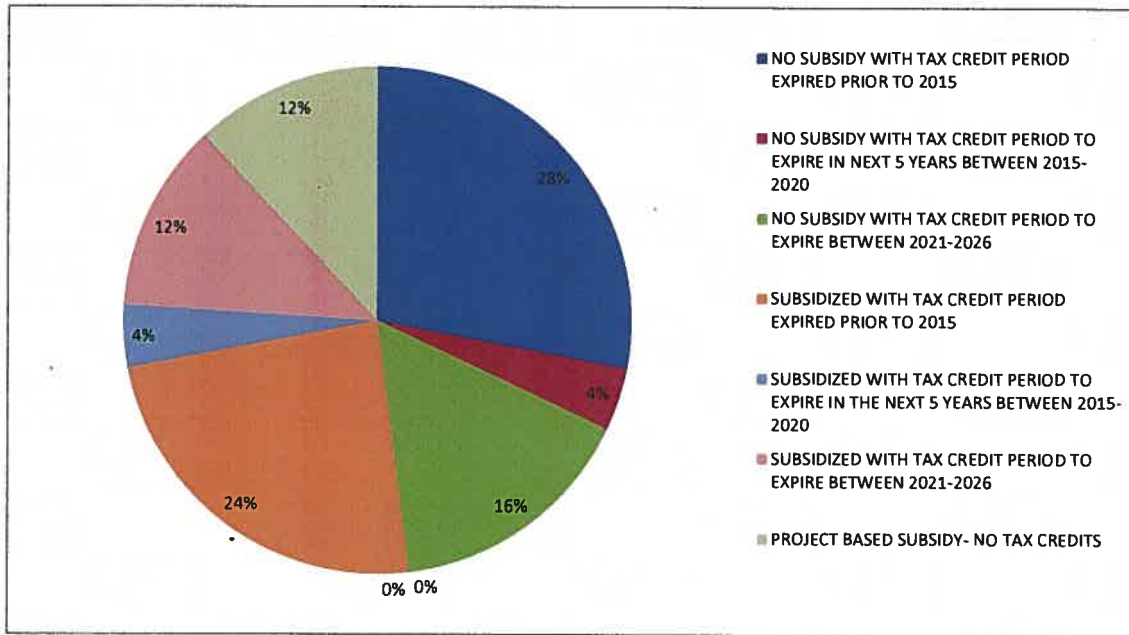


Lowest 25 Overall Risk Rating Scores

Development Name	Management Company:	Non-Profit Sponsor	For Profit Sponsor	Risk Share (RS)	Year of Exp of Comp Per	PBCA	Date of Last Inspection	2014 Overall Score	DCR Score	2014 PFH Score	2014 PCP Score	2014 EOM Score
Development 1	Management Agent 1				2008	Yes PHA	5/22/12	16	0	0	10	6
Development 2	Management Agent 2				2009	Yes	2/17/11	19	0	0	12	7
Development 3	Management Agent 3	Non Profit Sponsor			2007	Yes SRAP	11/4/11	19	0	0	11	8
Development 4	Management Agent 4	Non Profit Sponsor			2025	No	9/27/14	23	0	5	9	9
Development 5	Management Agent 5	Non Profit Sponsor			n/a	Yes RoadHome	no inspections	25	0	20	0	5
Development 6	Management Agent 6	Non Profit Sponsor			2013	No	11/16/2011	25	0	5	12	8
Development 7	Management Agent 7	Non Profit Sponsor		RS	2013	Yes	8/20/13	27	0	0	11	16
Development 8	Management Agent 8	Non Profit Sponsor			2008	No		27	0	25	0	2
Development 9	Management Agent 9	Non Profit Sponsor			2013	No	6/11/14	29	4	4	5	16
Development 10	Management Agent 10	Non Profit Sponsor			2026	Yes- PHA	7/30/14	30	0	7	15	8
Development 11	Management Agent 11	Non Profit Sponsor			2021	No	6/19/14	30	0	5	7	18
Development 12	Management Agent 12	Non Profit Sponsor			2022	No	3/25/14	33	5	8	9	11
Development 13	Management Agent 13		For Profit Sponsor		2009	No	11/14/14	35	0	16	11	8
Development 14	Management Agent 14	Non Profit Sponsor				Yes SRAP	3/31/14	36	0	10	5	21
Development 15	Management Agent 15	Non Profit Sponsor		RS	2014	Yes medicaid waiver	12/9/14	37	0	10	17	10
Development 16	Management Agent 16	Non Profit Sponsor			2010	No	9/23/14	37	0	17	10	10
Development 17	Management Agent 17		For Profit Sponsor		2022	may have pha units	3/19/14	38	25	0	5	8
Development 18	Management Agent 18	Non Profit Sponsor			2025	Yes-SRAP	11/18/14	38	0	10	8	20
Development 19	Management Agent 19	Non Profit Sponsor		RS	2015	Yes medicaid waiver	7/23/14	39	4	6	19	10
Development 20	Management Agent 20	Non Profit Sponsor			2007	Yes - RIH	6/25/14	39	0	20	10	9
Development 21	Management Agent 21	Non Profit Sponsor			2022	No	10/29/14	39	10	9	8	12
Development 22	Management Agent 22		For Profit Sponsor		n/a	Yes	12/16/10	40	0	20	12	8
Development 23	Management Agent 23	Non Profit Sponsor			2010	No	9/15/11	40	0	16	14	10
Development 24	Management Agent 24	Non Profit Sponsor			2012	No	4/9/12	41	0	19	12	10
Development 25	Management Agent 25	Non Profit Sponsor			2015	No	1/30/14	41	0	25	8	8

Comparison of Subsidized vs. Non Subsidized Properties with the Lowest 25 Overall Scores

	# of sites	
NO SUBSIDY WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2015	7	28%
NO SUBSIDY WITH TAX CREDIT PERIOD TO EXPIRE IN NEXT 5 YEARS BETWEEN 2015-2020	1	4%
NO SUBSIDY WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2021-2026	4	16%
SUBSIDIZED WITH TAX CREDIT PERIOD EXPIRED PRIOR TO 2015	6	24%
SUBSIDIZED WITH TAX CREDIT PERIOD TO EXPIRE IN THE NEXT 5 YEARS BETWEEN 2015-2020	1	4%
SUBSIDIZED WITH TAX CREDIT PERIOD TO EXPIRE BETWEEN 2021-2026	3	12%
PROJECT BASED SUBSIDY- NO TAX CREDITS	3	12%
Total	25	100%



72% of the sites with the lowest 25 Overall Scores have no subsidy, or have subsidy but are past the end of the tax credit compliance period.

Development Name:	123 Main St. Apartments	Fiscal Year End Date:	12/31/13
Owner Name:	123 Main St., LP		
Management Company:	Property Managers, Inc.		
For Profit Sponsor:	Ocean State Group		
Non Profit Sponsor:	N/A		
Population:	Elderly		
Location of Development:	Anywhere, RI		Outstanding Balances
1st Mortgage Loan Number:	XXXXXXXXXX		\$3,432,244.39
Expiration year of tax credit compliance period:	2017	TOTAL	\$3,432,244.39
Number of Units:	131		
Number of Buildings:	1		
Project based subsidy?	Yes		
Subsidy Types	S8		
Date of last inspection:	4/11/14		
Risk Share?	YES		

CURRENT AND HISTORIC DEBT SERVICE COVERAGE RATIO DATA	DATA	NUMBER OF POINTS	MAXIMUM POINTS
2013 DCR	2.1	15	15
2012 DCR	2.4	10	10
2011 DCR	1.99		
TOTAL SCORE FOR CURRENT/HISTORIC DCR		25	25

PROJECTED FINANCIAL HEALTH DATA	DATA	NUMBER OF POINTS	MAXIMUM POINTS
Total Accounts Payable:	\$20,347.00		
Accounts Payable over 30 days past due:	\$387.38	12	15
Total percentage of accounts payable over 30 days past due:	1.90%		
Replacement Reserve Balance:	\$236,488.99	5	5
Replacement Reserve Balance Per Unit:	\$1,805.26		
Current Operating Reserve Balance:	\$214,033.63		
Required Operating Reserve Balance:	\$210,855.00	0	5
Ratio of Operating Reserve Balance to Required Operating Reserve Balance:	101.51%		
Number of Withdrawals from Operating Reserves in the past 3 years:	5	0	0
TOTAL SCORE FOR PROJECTED FINANCIAL HEALTH		17	25

PROPERTY CONDITION DATA	DATA	NUMBER OF POINTS	MAXIMUM POINTS
Health and Safety Minor Violations:	0		
Health and Safety Significant Violations:	0	7	7
Total Health and Safety Violations:	0		
Units:	Above Average	5	6
Site Condition:	Superior	3	3
Building Exterior:	Above Average	2	3
Building Systems:	Superior	3	3
Common Areas:	Superior	3	3
REAC Property?	YES	0	0
Reac Score:	97		
TOTAL SCORE FOR PROPERTY CONDITION		23	25

EFFECTIVENESS OF MANAGEMENT DATA	DATA	NUMBER OF POINTS	MAXIMUM POINTS
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	2	2	2
Rate 0-2 for Responsiveness to Tenants' Complaints	2	2	2
CPU at or below RIH Standards (\$7000/UNIT)	YES	2	2
Are reports and fees submitted timely to the Compliance department?	YES	2	2
TOTAL SCORE FOR EFFECTIVENESS OF MANAGEMENT		25	25

TOTAL OVERALL SCORE	90	100
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