Community Development Industry Goals

for

Fiscal, Asset & Property Management

Adopted by the Community Development Network (CDN)
Member Organizations April, 2000

The Community Development Network is an association of nonprofit community development organizations in Multnomah County of Portland, Oregon.

OUR MISSION

CDN strives to strengthen nonprofit community development organizations and to provide a collective voice for healthy, diverse communities.

OUR WORK

Since 1995 CDN has enriched the effectiveness of member organizations. The Network:

- Enables information sharing, peer interaction, and networking,
- Researches and develops industry standards and best practices,
- Analyzes local and regional housing issues and programs,
- Educates the public about the needs of lower- income people, the value of community development work, and the accomplishments of our members,
- Facilitates participation in state and local government housing and community development-related processes.

FOR MORE INFORMATION

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Introduction

This document identifies fiscal, asset and property management goals for the community development industry in Portland, Oregon, consistent with the following statement of principle:

> *The purpose of public funding for and regulation of affordable housing is to create housing opportunities for households with the greatest need, consistent with the principles and priorities of the City of Portland Consolidated Plan. Housing providers who are the recipients of public investment must balance the prudent management of housing assets with a willingness to assume the risks inherent in housing those who are the most difficult to house. Management standards for these housing providers must help to define and support this balance, and must avoid the pitfall of encouraging landlords to engage in behaviors that unnecessarily limit access to housing for those with the greatest need.*

The Property and Asset Management Goals listed in this document are to be assessed annually, and informally tracked within organizations and reported to board members on a quarterly basis. It is assumed that assets to which these goals are applied have completed the development process and are currently in service (e.g., goals do not apply to units under development or those removed from the rentable stock for rehabilitation). The property and asset management goals apply to the average project under typical market conditions. Due to organizations' widely varying housing stock, services and populations served, some agencies or individual projects may necessarily fall outside of the parameters listed below.

Similarly, the Fiscal Management Goals do not account for the wide range of programs that Portland CDCs and non-profit housing providers offer; healthy ratios will necessarily vary according to an organization's mission and program structure. The fiscal management goals are most usefully employed in trend analysis as a method for on-going review. Some measures are derived from audits and can only be calculated annually. Each organization will need to determine a schedule for internal reporting on fiscal management goals that best meets the needs of its staff and board members.

The document is best regarded as a whole; a poor rating on any one item does not necessarily indicate a poorly managed project. A single item – such as vacancy rate – may fall below acceptable levels for a short duration without impacting total project health. A single poor rating will, however, alert organizations to the need to understand and monitor the implications of that rating on the project budget and property management system. As a basis for management assessment and organizational planning, this document serves as a starting point for conversations as well as an evaluative checklist.

In addition to enumerating goals for healthy organizational management, the document details structural barriers to achieving those goals. These are an essential element of the document. CDCs must, together with our partners in the industry, overcome these barriers in order to meet our goals. The CDN membership will work to create and implement strategies to overcome the barriers cited, as well as additional barriers that may be identified as we work to meet these goals.

CDN maintains a resource library to assist members in meeting the Industry Goals. Many of these resources, indexed by individual goal, are available online at www.cdnportland.org

Creation Process & Participants

The CDN Industry Goals were produced within working group meetings taking place monthly over the course of a year. The two working groups, one for Fiscal Management and one for Property and Asset Management, began thinking around the question, "Ideally, what would a strong Community Development Industry look like." The groups reviewed other measures used around the country and heavily debated many issues before arriving at the proposal that was presented to the full Community Development Network membership in April 2000.

The following Portland CDC representatives were involved in the Industry Goals Project. CDN and our members appreciate their dedication and hard work.

Neal Beroz	Executive Director, Network Behavioral Healthcare, Inc.
Celestial Cassman	Peninsula CDC
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Nancy Thomas	Fiscal Director, Housing Our Families
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Fiscal Management Qualitative Goals

1 Board Responsibilities

GOALS

Board demonstrates that they take responsibility for financial oversight. This includes the following:

A > A board treasurer is identified who recognizes the fiduciary responsibility of the board and the necessity to become familiar with the organization's financial structure.

B > Board regularly reviews (at least quarterly) income and expenses vs. budgeted performance, with explanation for variances.

C > A process for budget preparation and modification is in place that involves board approval.

D > Board ensures that comments in the auditor's management letter to the board are adequately addressed and resolved.

E > Board receives adequate training in understanding and analyzing organizational financial information.

BARRIERS

>> Limited time and funds to attend training.

2 Audits

GOAL

>> Annual, independent audit is completed as required, in a timely manner, and reviewed by the board.

BARRIERS

>> High cost of audit.

3 Budget System

GOALS

A > Annual budget process is in place that projects revenues and expenses and incorporates balance sheet items.

B > Budget is reviewed and modified regularly.

C > Budget process includes key staff and board in its development.

D > Organization grant and contract budgets articulate (are compatible) with accounting system.

E > Budgets are prepared at the beginning of each project and monitored throughout the project.

BARRIERS

>> Inconsistencies in funder forms and deadlines.

4 Financial Statements & Cash Flow

GOALS

A > Statement of activities and statement of financial position are prepared regularly.

B > Systems are in place to measure and project adequate cash flow.

C > Organization plans for ability to internally generate investment funds, evidenced by cash on hand or easy access to cash (e.g., by assuring sufficient operating income, or establishing a pre-development reserve fund or line of credit).

BARRIERS

>> General factors that limit cash flow (e.g., low Debt Service Credit Ratios).

>> Excessive reliance on internal funds due to lack of easily accessible (in less than 14 days) source of predevelopment funds.

5 Policies & Procedures

GOAL

>> Clear written procedures and policies exist and are followed in daily practice and updated regularly.

BARRIERS

>> Funds to pay for staff time to document and update procedures.

6 Accounting System

GOAL

>> Accounting system is able to produce accurate, timely and useful financial statements and other reports for management as needed.

BARRIERS

>> Lack of adequate software to produce multiple kinds of reports needed.

7 Cost Accounting

GOALS

A > Procedures are in place for tracking all costs by project, including pre-development costs.

B > All appropriate project costs are capitalized.

C > Cost allocation plan that meets A-122 requirements is used to allocate shared and indirect costs.

D > Cost recovery is incorporated into project budget.

8 Internal Controls

GOALS

A > Internal controls are in place and monitored for: cash management, risk management, payroll, cash receipts, accounts payable, purchasing and receiving, grants and contract management, inventory, fixed assets and data processing systems.

B > Regular oversight (including board review and financial analysis) is undertaken of the organization's partnerships and subsidiaries, if applicable.

9 Compliance/Reporting

GOALS

A > Fiscal compliance with government regulations and contract requirements is monitored.

B > Organization supplies accurate, comprehensive and timely financial reports to multiple funders operating on varied schedules.

BARRIERS

>> Inconsistencies in funder forms and deadlines.

10 Staffing

GOALS

A > Qualified staff capacity is developed for adequate financial reporting and analysis or financial services are contracted out to a qualified provider of fiscal services.

B > Adequate and ongoing training is available for fiscal management staff.

BARRIERS

>> Lack of funds available for training.

11 Risk Management

GOAL

>> Adequate insurance coverage is maintained.

BARRIERS

>> Insurance agencies do not provide rates for CDCs equivalent to those offered for-profit companies.

>> Staff needs training on adequate insurance.

Fiscal Management Quantitative Goals

Measures of Quick Response:

The following four ratios illustrate a CDC's ability to respond to opportunity and threat.

1 Cash Assets Ratio

GOAL	CASH ASSETS ÷ TOTAL ASSETS
≥ 10%	Cash assets is comprised of restricted + unrestricted funds (includes operating expense and general and project reserves; excludes tenant security deposits).

DEFINITION

>> Percentage of assets immediately available (applies to parent organization and all organizations it is required to consolidate).

COMMENTS

>> The high amount of real estate assets held by many CDCs necessitates a low percentage. Cash invested in properties, rather than kept on hand, maximizes its earning potential. This percentage will be higher for older, larger agencies.

BARRIERS

>> Underwriting standards such as Portland Development Commission's (PDC) 1.15 Debt Service Coverage Ratio cap restrict the amount of cash that projects can generate.

>> Low rents mean projects will generate less revenue.

>> Previously under-funded older buildings carry high maintenance costs that place constant demands upon cash flow.

2 Current Assets Ratio

GOAL	CURRENT ASSETS ÷ TOTAL ASSETS
≥ 15%	Current assets = receivables collectable within one year + inventory + prepaid expenses + cash assets (see above). Classified balance sheets separate current from total assets.

DEFINITION

>> Percentage of assets available within the next year.

COMMENTS

>> This ratio will vary according to the nature of an organization.

BARRIERS

>> As noted above, the purpose of a CDC is to invest in long-term receivables and fixed assets, rather than to accumulate cash.

3 Quick Ratio

GOAL	CASH & INVESTMENTS ÷ CURRENT LIABILITIES
≥ 125%	Include restricted cash in the numerator only if the restricted liability is included in the denominator.

RATINGS

>> Excellent	≥ 125% (three months operating reserves)
>> Good	105% – 124%
>> Poor	< 105%

DEFINITION

>> Amount of assets that can readily be converted to cash; compares liquidity with obligations due within one year. Differs from current ratio (below) in the numerator's exclusion of receivables.

COMMENTS

>> Young organizations will have smaller ratios. This ratio will vary according to organization's program mix.

BARRIERS

>> See barriers to cash assets.

4 Current Ratio

GOAL	CURRENT ASSETS ÷ CURRENT LIABILITIES
≥ 125%	Current liabilities include obligations due within one year. Calculate from information contained within classified balance sheet to separate long-term and short-term debt.

DEFINITION

>> Ability to pay debt and meet current obligations.

COMMENTS

>> Current Ratio and Quick Ratio are the most relevant of the 'quick response' ratios; they evaluate an organization's ability to meet actual obligations.

BARRIERS

>> This ratio reflects loan structures (such as Debt Service Coverage Ratios) that determine cash flow, and the tension between cash flow and low rents. See asset management goals and barriers for further discussion. Information for Quick Ratio will be harder to find in audits of organizations without classified balance sheets.

Measures of Financial Dependency:

The following five ratios indicate the degree of diversification within an organization's financial resources, and are meant to be applied only to community development activities and programs (e.g., social service provision). General diversification is measured by comparing any one revenue source to an organization's total support and revenue.

5 Government Support

GOAL	GOVERNMENT GRANTS ÷ TOTAL SUPPORT & REVENUE
< 40%	Include government funding that is awarded rather than based on a contract or received as fee for service.

6 Foundation Support

GOAL	FOUNDATION GRANTS ÷ TOTAL SUPPORT & REVENUE
< 40%	Include funds received from private foundations.

7 Community Support

GOAL	LOCAL CONTRIBUTIONS ÷ TOTAL SUPPORT & REVENUE
> 5%	Include contributions from individuals and local small businesses

BARRIERS

>> Eliciting community support requires a fundraising position distinct from the development director.

8 Entrepreneurial Orientation

GOAL	RENTS, FEES & CONTRACT REVENUE ÷ TOTAL SUPPORT & REVENUE
> 25%	Include funds earned by the work of the organization.

GENERAL COMMENTS ON DIVERSIFICATION

- >> While greater diversification is generally more healthy, the important criteria is that the funding source continue for a long period of time and that management understand the consequences of its level of diversification.

GENERAL FUNDING BARRIERS

- >> Lack of government funds available.
- >> Continually increasing competition for foundation support.
- >> Unwillingness on the part of most progressive foundations to provide on-going support.
- >> Lack of funds available for operating support.

Measures of Credit Worthiness:

The following two ratios describe the nature of an organization's debt, and the organization's ability to cover that debt.

9 Long-Term Debt Ratio

GOAL	LONG-TERM DEBT ÷ TOTAL ASSETS
< 75%	Long-term debt is debt not due within 12 months

BARRIERS

- >> Lack of sources for purchase down payment means total debt is higher.
- >> Insufficient replacement reserves increase pressure to refinance, maintain high debt.

10 Short-Term Debt Ratio

GOAL	CURRENT LIABILITIES ÷ TOTAL ASSETS
< 50%	Current liabilities are liabilities due within 12 months

Measures of Organizational Management

The next three ratios are measures of how efficiently an organization is managing its cash flow and overhead.

11 Receivable Income Ratio

GOAL

< **200%** of average monthly receivables

ANNUAL CONTRACT & GOVERNMENT GRANT INCOME ÷ 12

Formula yields average monthly receivables.

DEFINITION

>> The degree to which receivables (uncollected, expected income) reflect anticipated payment and reimbursement schedule.

RATINGS

>> Excellent	< 200% of average monthly receivables (at the end of a month)
>> Good	200%-400% of average monthly receivables
>> Poor	> 400% of average monthly receivables

COMMENTS

>> This ratio should be considered only for organizations with more than 30% of total revenue from government grants and contracts. Receivables will need to be adjusted for future pledges and notes. The above goal reflects that a 60-day outstanding receivable is typical for government agency reimbursements.

BARRIERS

>> Grant income is hard to predict; organizations don't know if a grant will materialize until the fiscal year in which it is budgeted.

>> Funders are often not timely in payment disbursement.

12 Administrative Expense

GOAL

≤ **20%**

MANAGEMENT/OVERHEAD EXPENSE ÷ TOTAL EXPENSE

Calculate using Management and General expenses from the Statement of Functional Expenses.

13 Operational Soundness

GOAL

>> Consistent increase in total net assets excluding depreciation

DEFINITION

>> The extent to which organization operates at or above break even.

COMMENTS

>> An income statement cannot be solely used as the basis for determining break even unless there is reconciliation with the balance sheet, which should include the following adjustments: carry over, net change in loans, re-inclusion of depreciation and exclusion of principle payments.

Asset Management Qualitative Goals

1 Reporting

GOALS

A > Organization has ability to produce, per property:

- >> Income and expense statement, converted to cash basis
- >> Monthly YTD budget
- >> Vacancy rate
- >> Rent collection rate

B > Timely asset management reports provided to board and management staff.

COMMENTS

>> It's important to look at a project's major outstanding debt, as well as its income and expense statement. For larger projects, organization should produce a separate balance sheet.

BARRIERS

>> Lack of adequate software.

2 Financial Obligations in Joint Ventures

GOALS

A > Minimum requirements of all financial partners are met, including debt service coverage, deposit to operating reserves (when needed) and replacement reserves.

B > Timely reports to all funders are prepared and submitted as required.

BARRIERS

>> Funders' schedules and requirements vary widely, making this extremely labor intensive and costly.

3 Preventative Maintenance

GOAL

>> Properties have and follow a preventative maintenance plan to ensure the viability of the project through the compliance period and beyond.

BARRIERS

- >> Lack of funds to hire sufficient maintenance staff.

4 Asset Management Plan

GOAL

Implementation of a board adopted Asset Management Plan, outlining:

- >> A philosophical or guiding statement that expresses the values, goals, and objectives of the CDC as an owner and steward of assets;
- >> The respective roles, responsibilities, and duties of the CDC's board, executive staff, and the asset management staff in managing the real property assets of the CDC;
- >> Basic criteria for initial selection and ongoing evaluation of the property manager;
- >> A description of board, staff, and property manager reporting and review requirements;
- >> Core asset management operating policies and practices.

5 Annual Report

GOAL

- >> Organization relays the financial position of its assets annually to the community.

6 Operating Expense Monitoring

GOALS

A > Structured feedback loop is in place to share project operating expense information with staff who generate development proformas so that current cost levels inform future project cost assumptions.

B > New project operating expenses are tracked at the project level and compared to original budget projections on a quarterly basis.

Asset Management Quantitative Goals

1 Debt Service Coverage Ratio (DSCR)

GOAL

1.2 to 1.3

FORMULA

Net Operating Income ÷ Debt Service

DEFINITION

>> Ratio that represents a financial cushion within a project to cover unanticipated operating expenses and still be able to meet principal and interest payments due lenders.

RATINGS

>> Excellent	1.2 to 1.3
>> Good	1.1 to 1.2
>> Poor	< 1.1

COMMENTS

>> Small projects (like many projects serving 0-30% MFI) can have big DSCRs if they involve a high portion of grant money and a small loan. In this scenario, DSCR cannot determine if cash flow is adequate. A sufficient DSCR is largely dependent upon the owner closely monitoring expense to budget performance. Low DSCRs (demonstrating that organizations are using money efficiently and will require less gap money) are in tension with developing projects with healthy cushions against unexpected expenses. A cursory list of other factors that influence DSCR (and whether it is adequate) includes: market demand; whether there is a manager on site; if there are more than 40 units; if the project is a rehab; the age and condition of the project; the cash flow distribution; the size of other reserves and the population served.

BARRIERS

>> PDC underwriting encourages low DSCRs so that less gap money is required.

2 Operating Reserves

GOAL

>> 3 months of operating expenses

DEFINITION

>> A separate reserve to cover operating expenses (including must-pay debt and replacement reserve payments) in case of unexpected interrupted income.

RATINGS

- >> Excellent — three months of operating expenses
- >> Good — two months of operating expenses
- >> Poor — one month or less of operating expenses

COMMENTS

>> Operating reserves should be capitalized in development financing and replaced with general revenue when necessary. The need to require a separate reserve account will vary with project and organization size. If operating reserves are greater than 25% of annual operating expenses, it may indicate that the organization is being too cautious and should be lowering rents with those funds. At some 'critical mass,' an organization's portfolio needs to be considered in its entirety: a large organization will not require sufficient operating reserves to simultaneously sustain – absent project income – all projects within its portfolio.

BARRIERS

>> For projects without capitalized funded reserves, or in situations where reserves have been drawn on, PDC cash-flow restrictions will impact an organization's ability to accumulate or re-accumulate operating reserves.

>> Funding reserves increases debt ratios (see Fiscal Management Goals, Credit Worthiness).

3 Replacement Reserves

GOAL

>> Deposits are made (as identified in project proforma) that are sufficient to fund projected repairs and replacements over the next five years, as specified in each project's unique long-term capital replacement plan.

DEFINITION

>> Funds earmarked for capital improvements kept in a separate reserve fund.

COMMENTS

>> Projected repairs and replacements should be determined using an industry sanctioned method (see accompanying resources at www.cdnportland.org). Replacement reserves will fluctuate with the schedule of capital investments and with anticipated refinancing schedule. Good feedback loops must be established between project development and property management to ascertain true replacement costs, and to document those costs for lenders.

BARRIERS

>> Current underwriting ties replacement reserve deposits to rents and income, which are depressed in relation to the real cost of unit maintenance, repair and replacement.

- In general, competitive development applications must depress true replacement costs to keep budgets in line.
- Refinancing a project to provide for replacement needs (and supplement reserves) is less of an option for projects serving 0 – 30%. These projects have smaller loans that comprise a smaller portion of total project financing and will need sufficient reserves built into original financing structure.
- Funding initial reserves through loans increases debt ratios (see fiscal management goals, credit worthiness)

4 Capital Needs Assessment

GOAL

- Completed every five years, updated annually, and incorporated into annual budgeting process.

DEFINITION

- Projected schedule and budget for capital replacements and repairs, over the life of the project, based upon physical inspection and standardized material life cycles.

COMMENTS

- While the above approach encourages sufficient funds to cover five years of expected capital repair needs, it should be noted that a new construction project will likely begin to experience significant repair costs at 10-15 years. For organizations with larger portfolios, it is expected that a five-year timeframe will include projects in various life stages.

BARRIERS

- Lack of staff to perform thorough physical inspections.

Property Management Qualitative Goals

1 Job Descriptions

GOAL

>> Written job descriptions completed for roles of management staff, administrative staff, and board.

2 Performance Evaluation

GOAL

>> Systems in place for monitoring the ongoing performance of in-house or contracted management staff.

3 Training

GOALS

A > Management skills training delivered to all hands-on personnel.

B > Appropriate certification where possible.

BARRIERS

>> Lack of adequate funds available.

4 Policies & Procedures

GOAL

>> Written policies and procedures in place that deal with important aspects of leasing, maintenance and asset management.

5 Resident/Tenant Selection Criteria

GOAL

>> Responsibly balance mission with the pragmatic needs of the project.

6 Organizational Planning

GOALS

A > Adequate planning undertaken prior to an owner taking over direct management of projects.

B > Process in place for assessing potential new developments that considers management capacity.

BARRIERS

>> Funder requests for increased production are in tension with this goal.

7 Tracking Maintenance

GOAL

>> Database maintained to track maintenance work and spending by project.

BARRIERS

>> Lack of adequate software products available to interface with accounting software.

8 Budget Monitoring Systems

GOALS

A > Project operating income and expense discrepancies are analyzed for implications on total budget.

B > Current income and expense data is used to project long-term net surplus or deficit.

9 Resident & Community Input

GOALS

A > Property management undertaken in a manner that is sensitive to residents and the broader community.

B > Defined procedures are in place for incorporating/responding to resident and community input.

C > Active resident involvement incorporated in addressing building and neighborhood issues.

7 Relationship Building

GOAL

>> Effective working relationships in place with local service agencies and other organizations necessary to support property management and resident focused programs.

BARRIERS

>> Groups' immediate goals sometimes conflict; social service agencies are often overextended and unable to provide necessary support.

Property Management Quantitative Goals

General barriers to property management goals:

>> *Operating proformas developed during acquisition phase often have unrealistic ceilings on property management cost per unit per year, given fiscal instability of the populations served.*

>> *The workload of nonprofit property management staff necessitates skill levels, salaries and staffing levels at least equal to the for-profit sector, which non-profit budgets rarely allow.*

1 Occupancy Rate

GOAL	FORMULA
> 96%	((Total Days in Mo. x # Units) – Total Days Vacant for all units) ÷ (Total Days in Month x #Units)

DEFINITION

>> Percent of rental units occupied or units subleased by partnering agency (e.g., a social service agency).

RATINGS

>> Excellent	96%-100%
>> Good	93%-95%
>> Poor	<92%

BARRIERS

>> Underwriters require a 5% vacancy rate in development applications; for some populations this means the budget is set up to fail.

2 Rent Collection

GOAL	FORMULA
> 96%	(Total Rent Collected – Amount Collected in Arrears) ÷ (Gross Potential Rent – Vacancy Loss)

DEFINITION

>> Percent of rent owed collected.

RATINGS

- >> Excellent 96%-100%
- >> Good 93%-95%
- >> Poor <92%

3 Re-certification

GOALS

A > 100% of certifications are renewed on or before renewal date.

B > Management maintains system to note time frame within which re-certification process must begin, per property.

DEFINITION

>> Re-certification of tenant eligibility (i.e. income, household size, etc.) to meet lender/program requirements with respect to tenant participation in programs.

4 Evictions

GOALS

A > Notices of nonpayment should be served by the 10th of the month.

B > Revisit selection criteria and selection process if >10% residents removed per year.

C > Less than 10% FEDs filed (or eviction processes initiated) result in tenant removal

COMMENTS

>> The filing of a Forced Eviction Detainer (FED) constitutes an eviction. Prior to an FED, landlord must serve appropriate notice. Some groups use filing of FED early in eviction process while others do not, so the indicator will vary. The focus of this goal is to create suitable acceptance criteria for your organization to eliminate the time, effort and expense of evictions.

5 Resident Turn-Over

GOAL

>> Within 5% of rate projected in annual budget

DEFINITION

>> Relation between actual resident turn-over rate and rate projected in annual budget.

RATINGS

>> Excellent	within 5%
>> Good	within 10%
>> Poor	over 10%

COMMENTS

>> Lenders state that this is the one item that causes the most common and most severe budget overruns and should therefore be projected and tracked with special attention. Goals for resident turn-over are highly program specific and will vary widely between organizations and individual projects.

6 Maintenance Expense

GOAL

>> Within 5% of rate projected in annual budget

DEFINITION

>> Relation between actual maintenance expense and maintenance expense projected in annual budget.

RATINGS

>> Excellent	within 5%
>> Good	within 10%
>> Poor	over 10%

COMMENTS

>> Divergences from budget mean you are not keeping up with regular capital repairs. If expense exceeds budget by more than 10%, organizations should determine and address the cause. Organizations are advised to establish an internal trigger for staff time on maintenance per project: too much time implies that capital maintenance plans are insufficient.

7 Unit Inspections

GOAL

>> Once every 6 months, or once per week if vacant

DEFINITION

>> Documented physical inspection of interior and exterior of project units. The exterior appearance of the property reflects community standards.

RATINGS

- >> Excellent — once/6 months
- >> Good — once/year
- >> Poor — less than once/year

COMMENTS

>> HUD inspections or inspections required by partners qualify; inspections don't have to be performed by property management staff.

8 Work Order Response

GOALS

A > Emergency/immediate response: 24 hour call

B > Corrective non-emergency: 3-5 days, with anticipated schedule communicated to tenant in timely manner

C > Routine: as scheduled

D > Capital improvement: as scheduled

E > Deferred: as scheduled/necessary

9 Payments

GOAL

>> Within terms

DEFINITION

>> Time frame within which payments to all vendors, utilities and taxes are made, tracked on per-project basis.

RATINGS

- >> Excellent — Payments are within terms
- >> Poor — Payments exceed terms

10 Unit Turn-Over Time

GOAL

>> 3-5 business days

DEFINITION

>> The number of days after a tenant vacates before the unit is ready for the next occupant (does not apply to units in which capital improvements will exceed 50% of total turnover needs).

RATINGS

>> Excellent	3-5 (business days)
>> Acceptable	6-10 days
>> Poor	>10 days

COMMENTS

>> This will vary according to size of unit, population, length of tenancy and original condition. Each project needs to carefully project estimated turn-over time in its planning phase. While organizations should strive to minimize lost rent, some organizations save much more in labor (through volunteers) than they lose in rent while the unit is being rehabbed.

11 Waiting List

GOAL

>> Waiting list updated every six months

COMMENTS

>> Applies only to organizations with waiting lists.