

Asset Management Report

Monona Shores

June 2018

Owner Goals: To provide housing in a decent, safe, and sanitary manner for low-income residents and to maintain the property as an integral part of the Broadway Lake Point neighborhood.

Key Indicators:

Indicator	December 2017 Rate	April 2018 Rate	Benchmark
Occupancy Rate	92.31%	89.00%	95%
Net Operating Income (MTD)	\$34,843.71	\$29,720.40	
Total Expense Per Unit (Annualized)	\$4,680.65	\$7,148.77*	\$5,319
Debt Service Coverage Ratio	3.13	1.17	1.15

Risk Assessment: The property is assessed at a score of 3 of 6 with 6 being the lowest score. The property has improved monthly reporting; both the quality of the report and timely submission, however reported data is not always accurately reported within the reporting month. Replacement reserves have been adequately funded as of March 2018. A critical incident occurred on the property in May 2018 and property management has been working with the City of Madison Police Department in the aftermath. Occupancy has decreased, however property management has reported they expect to meet the 95% benchmark in June 2018.

*The expense per unit increased in the month of March 2018 because of high snow removal, utility, and bad debt expenses. The combined increase was approximately \$40k and determined to be a seasonal fluctuation. YTD NOI as of April 30, 2018 was \$91,711.

2018 Asset Goals: Below is a progress update on the goals reported on the December 2017 report.

Goal	YTD Progress	Steps Forward
1. Increase Occupancy to at Least 95%.		
a. Meet regularly with Property Management for continued assessment.	Asset managers and property management are meeting on a quarterly basis.	Continue meeting.
b. Complete rental market analysis.	Not started.	
c. Develop marketing plan to increase active applicants for the property.	Property management submitted marketing plan and asset managers reviewed.	This task has been put on hold due to the critical incident.
2. Capital Planning and Improvements		
a. Complete a capital needs assessment	Property Management is collecting revised bids.	Complete assessment by August 2018.
b. Establish a 5-year capital budget	Not started.	Waiting on needs assessment.
c. Address immediate capital needs, i.e., boiler replacement and driveway improvements	PM's have met with MGE and are revising bids for boilers. They are moving ahead with driveway work.	Target to complete is September 2018.
3. Complete a replacement reserves review and make necessary corrections.	Completed March 2018.	Monitor reserves account to ensure transfers are completed.
4. Consider a request for proposals for property management services.	Not started.	
5. Complete a safety, security, and disaster management plan for the property.	Asset managers have reviewed quotes to install security cameras but are recommending a more comprehensive plan for the property.	Asset managers will request copies of current policies for review at the next quarterly meeting.