

Lease Up, Operations and Long-Term Preservation of Asset

Lease Up

- Near Construction Completion the Property Management Team and Owner prepare for lease up of the building
- Typical Lease up process takes up to 6 months, agreed to as part of the Limited Partnership Agreement (LPA) in LIHTC deals
- Involves Tenant Selection Plan, Marketing Plan and Established Referral Process
- Applications are received and reviewed by Property Management team, screened and accepted or denied into the building based on income requirements and other screening criteria
- For LIHTC buildings, there is a third-party verification and review for initial lease up of building
- If initial Lease Up is delayed past the agreed to time period, the developer/owner can be assessed a "Downward Adjustor", or financial penalty by Tax Credit Investor



Property Operations, Management and Resident Services

- Property Operations and Management requires professional, qualified staff to oversee leasing, maintenance, safety, compliance, and tenant relations
- Property Management plans are required as part of the OHCS funding and the Limited Partnership Agreements (LPA) in LIHTC projects
- Resident Services are provided by qualified staff in Affordable Housing buildings to assist residents with eviction prevention and connection to resources such as employment, health care, transportation and food access
- Resident Services plans are required as part of the OHCS funding and the Limited Partnership Agreements (LPA) in LIHTC projects
- Effective collaboration and communication between Resident Services and Property Management teams is important to the success of the housing community



Year 15 Exit and Long-Term Preservation of Asset

- The initial LIHTC compliance period expires at 15 years for the Limited Partnership
- Year 15 is referred to as the “Year 15 Exit” when the partnership is dissolved and the General Partner can become the 100% owner
- At year 15 many owners seek to take on refinance and capital improvements of the asset
- Beyond refinancing as a source of revenue for improvements, there are often larger scale capital improvements that need to be completed to preserve an aging building including roof, windows, siding, and key MEP (Mechanical, Electrical and Plumbing) systems in the building
- Access to Preservation funding is key to maintaining affordable housing inventory statewide



Central City Concern's Henry Building, located at SW 4th and Oak in Portland, underwent a major seismic renovation and preservation completed in 2021. Colas Construction was the project's General Contractor.