



Back to the Basics Series Construction, Property Management, & Asset Management Basics

Alexander Russell
COO
Many Mansions

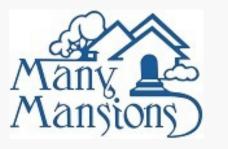
Derrick WadaVP of Real Estate
Many Mansions

CONSTRUCTION CLOSING





- Finalize architectural plans/specifications & get government approvals
- Bid for & hire general contractor
- Insurance
- Hire other vendors (PW monitor, environmental consultants, deputy inspector, CASp, etc.
- Update financials & reports
- Update property management & services plans
- Finalize lender/investor agreements
- Construction loans close & investor enters partnership.
- Money available to start!





MANAGING THE CONSTRUCTION PROCESS



- Construction Now the fun begins ... but why is it so expensive!
- What's the Project Manager's/Owner's role?
 - Staying on schedule, remaining within budget, quality control, & lease-up
 - Ensure project meets all government & lender requirements
 - Consultant coordination (CASp, LEED, etc.)
 - Utilities!!





MANAGING THE CONSTRUCTION PROCESS: DRAWS

- Weekly meetings: Owner, Owner's Rep. (Const. Mgr.), GC, & Architect
- RFI's, Submittals, Potential Change Orders, & Change Orders
- Ensure compliance with lender requirements
- GC progress payment request, backup documentation, & lien waivers
- Draws on loans tied to construction progress
- Monthly draw meeting with Lender's inspector
- 10% retention
- Insurance, Performance & Payment Bonds







THE TRANSITION PLAN

- Finalize Property Management & Service Plans
- Hire on-site staff
- Set-up bank accounts
- Hire all vendors
- Furnish all offices & community spaces
- Turn-on all utilities
- Punch Walk
- Obtain Cert. of Substantial Completion
- Temp. Certificate of Occupancy (CofO)

- CofO/Placed In Service
- Final Completion





LEASE-UP AND GRAND OPENING

- Begin operating the property
- Lease-up
- Start services
- Grand Opening: Time to celebrate!

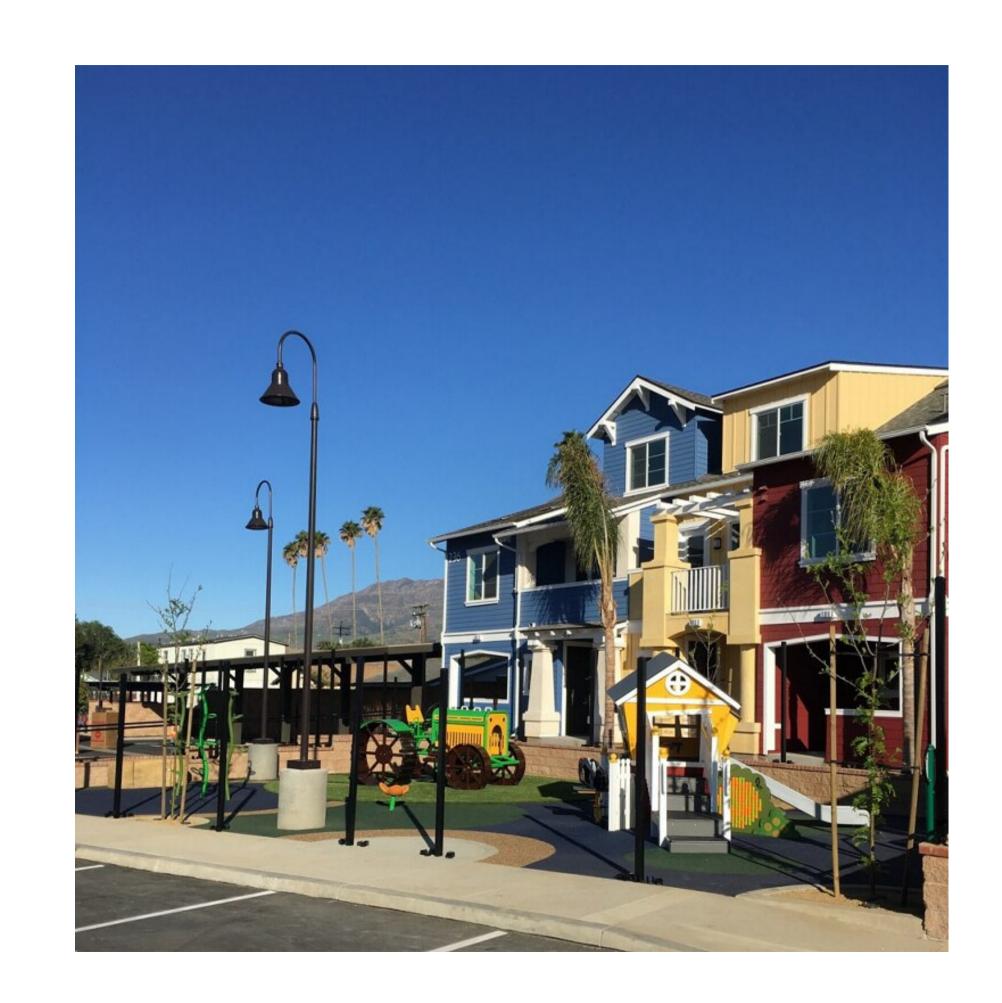






PERMANENT FINANCING CONVERSION

- Government approvals
- Lien releases/endorsements
- As-builts/ALTA survey
- Insurance
- Final application for payment
- Cost audit
- Update financials
- Compliance certifications
- Review & finalize permanent loan documents



FINAL CLOSE-OUT

CALIFORNIA
AFFORDABLE HOUSING
LEADERSHIP
INSTITUTE

- Create Project Close-out Manual
 - Affordability matrix
 - Lender requirements
 - Final as-built plans
 - GC & subcontractor information
 - Final specifications
 - Warranties
 - Unique aspects of the project
 - System controls
 - Permits, (T)CofO, & NOC
 - Approved property management & services plans

- Create Operations Manual, Capital Plan, & Preventative Maintenance
 Plan
- PIS Package and 8609 (IRS approval)



ASSET MANAGEMENT: WHAT IS IT?



- Assist with design, determine specifications, & input on VE
- Help with Transition Plan & permanent conversion
- Fiscal health of portfolio
- Physical health of portfolio
- "Green" upgrades
- Regulatory compliance
- Capital renovations
- Long-term Repositioning Strategies





CONCLUDING REMARKS

If you have any questions, feel free to contact either of us at

Alexander Russell, COO

Phone: 805-338-4117

Email: alex@manymansions.org

Derrick Wada, VP of Real Estate

Phone: 805-496-4948 ext. 228

Email: derrick.w@manymansions.org





