

**The Post-Construction Handoff:  
From Project Management to Operations**

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TCO/C of O – 6 months		
<i>Development</i>	<i>Asset Management</i>	<i>Facilities</i>
<p>Provide TCO date and C of O date.</p> <p><b>WHY:</b> TCO date is lease up target; C of O date determines Housing Authority's Shelter &amp; Care or Vouchers inspection and contracts – needed for lease up of rent subsidized units.</p>	<p>Get names and contact information of all permanent funding sources from Development</p> <p><b>WHY:</b> Ensures fulfillment of all partner reporting requirements.</p>	<p>Video taped construction walk-throughs at the following milestones: Rough framing, Rough electrical, Rough plumbing, Rough mechanical.</p> <p><b>WHY:</b> Ensures familiarization of the property by staff, and video serves as an educational tool during operations.</p>
<p>Review pro-forma operating budget with Property Management.</p> <p><b>WHY:</b> Allows comparison of budget with similar properties (clientele, size, location) to ensure adequate budget for operations</p>	<p>Confirm property configuration (# units, rent and income levels) and key dates (i.e., final developer fee pay date)</p> <p><b>WHY:</b> Ensures compliance by identifying most restrictive occupancy requirements and payment milestones.</p>	<p>As-needed meetings to make recommendations on buy backs and cost cutting decisions by Development</p> <p><b>WHY:</b> Allows lessons learned from Post Occupancy Evaluations on previous projects to be applied</p>
<p>Provide monthly updates on construction completion to Asset management, facilities and service provider.</p>	<p>Identify property management and residential services (if applicable) point people for lease-up</p> <p><b>WHY:</b> Allows for staff to review occupancy restrictions prior to lease-up activities (i.e., affirmative marketing).</p>	<p>Smoke-Free/Not decision</p>

<p><b>TCO/C of O – 6 months</b> <b>(Continued)</b></p>		
<p><b><i>Development</i></b></p>	<p><b><i>Asset Management</i></b></p>	<p><b><i>Facilities</i></b></p>
		<p>Internet access equipment decision (Ex.: wireless vs. wired), may require assistance from consultant such as One Economy</p>
		<p>(If LEED project, write Green Living handbook for residents and Green Ops and Maint for site staff)</p>
		<p>Negotiate laundry contract (consider what local Laundromats are charging)</p> <p><b>WHY:</b> Consider best time to negotiate contracts to the owner's advantage</p>
		<p>Confirm budget for site furnishings with Development</p>
		<p>Negotiate elevator maintenance contract. Capitalize for 3 years if possible to take burden off of ops budget.</p> <p><b>WHY:</b> Consider best time to negotiate contracts to the owner's advantage</p>

<b>TCO/C of O - 3 months: Start of Lease-Up</b>		
<b><i>Development</i></b>	<b><i>Asset Management</i></b>	<b><i>Facilities</i></b>
Update on TCO and C of O dates  <b>Why:</b> Timing may have changed and this is critical information for lease up timing.	Attend construction meetings  <b>WHY:</b> Identify delays that will affect lease-up timeline and could affect Development's fee payment milestones.	Confirm model unit finish quality
Continue monthly updates of construction status	Begin Compliance Matrix and deal book set-up, identify fee payment milestones  <b>WHY:</b> Ensures fulfillment of all partner reporting requirements, occupancy restrictions and developer fee requirements.	Confirm warranty issues collection and follow-up procedure
	Review lease-up schedule  <b>WHY:</b> Ensure it meets Development's payment milestone requirements.	Order site furnishings to arrive at TCO + 1 hour

<p><b>TCO/C of O - 3 months: Start of Lease-Up (Continued)</b></p>		
<p><b><i>Development</i></b></p>	<p><b><i>Asset Management</i></b></p>	<p><b><i>Facilities</i></b></p>
<p>(TCO-1.5 months) Do pre-punch list walk with AM and Facilities. <b>WHY:</b> Identify punch list issues so they can be corrected.</p>	<p>Confirm operating budget. <b>WHY:</b> Allows differences between final proforma and initial operating budget to be identified prior to funding source reporting preparation.</p>	<p>Site staff kickoff meeting with identified staff to clarify roles and responsibilities. Include site walkthrough.</p>
	<p>Program designation (Ex. 54 units are 1 bdrms, 1 is 2 bdrm mgr. unit. 19+G23 of the units at 30% AMI, 35 units at 50% AMI.)</p>	<p>Get proposal for elevator consultant, such as Elevator Advisors. Ensures 3<sup>rd</sup> party verification of elevator quality.</p>
		<p>Negotiate fire alarm monitoring contract with installing sub. <b>WHY:</b> Consider best time to negotiate contracts to the owner's advantage. This ensures that first year glitches can be worked out at installer's expense.</p>

<p><b>TCO/C of O - 3 months: Start of Lease-Up (Continued)</b></p>		
<p><b><i>Development</i></b></p>	<p><b><i>Asset Management</i></b></p>	<p><b><i>Facilities</i></b></p>
		<p>If Housing Authority involved, do pre-HA inspections to check for any potential inspection problems.</p> <p><b>WHY:</b> Not passing HA inspection will delay lease up of rent subsidized units.</p>

<b>TCO/C of O</b>		
<b><i>Development</i></b>	<b><i>Asset Management</i></b>	<b><i>Facilities</i></b>
<p>Schedule sub contractors video taped walkthrough with AM and Facilities.</p> <p>Make sure GC delivers all operating manuals and warranties to Facilities.</p> <p><b>WHY: Essential for operations.</b></p>	<p>Get copies of final proforma and all executed financing documents (i.e., regulatory agreements, loan documents)</p>	<p>Move-in orientation for new residents</p>
<p>Finalize punch list so that Substantial Completion can be issued by architect.</p> <p><b>WHY: Allows lease up, transfer of building to owner.</b></p>	<p>Building system walk-through with Construction Manager and Property Management</p>	<p>Distribute Project Directory including all sub contractors' contact info.</p>
	<p>Review move-in files and forward to investor, if applicable</p>	<p>Get copy of as-built CD, especially plumbing. Useful for fixes later.</p>
<p>Issue Notice of Completion.</p> <p><b>WHY: Starts lien period and final payment to GC.</b></p>	<p>Complete move-in</p>	<p>Sub walk-through to include: Fire alarm, fire sprinkler, security camera, plumber, electric, HVAC, PV, elevator, landscape, and all site staff. Videotape it.</p>

<b>TCO/C of O</b> <b>(Continued)</b>		
<b><i>Development</i></b>	<b><i>Asset Management</i></b>	<b><i>Facilities</i></b>
		Arrange protocol for contractor and sub site access, especially notification required for occupied units.
		Confirm receipt of surplus flooring, paint, and other materials
		Review and confirm completion architect's punch list before retainage is paid to contractor
		(If LEED project, confirm HERS rater has completed post construction testing)

<p><b>TCO/C of O + 3 months: Stabilization</b></p>		
<p><b><i>Development</i></b></p>	<p><b><i>Asset Management</i></b></p>	<p><b><i>Facilities</i></b></p>
<p>Complete Cost Certification and send to investor and lenders.</p> <p><b>WHY:</b> Requirement for investor payment, including developer fee.</p>	<p>Complete compliance matrix, indentify key compliance dates</p> <p><b>WHY:</b> Ensures fulfillment of all partner reporting requirements</p>	<p>Discussion of warrantee trends, additional construction items, operational issues.</p>
<p>Permanent loan closing</p> <p><b>WHY:</b> pay off of construction loan, more developer fee.</p>	<p>Submit reports to appropriate funding sources, as required</p> <p><b>WHY:</b> Ensures fulfillment of all partner reporting requirements</p>	<p>Update standard specs for construction with lessons learned</p>
	<p>Establish required reserves and confirm funding</p> <p><b>WHY:</b> Must meet broadest reserve requirements and explain differences to pertinent funding sources.</p>	
		<p><b>(TCO + 10 Months)</b></p> <p>Perform Post Occupancy Evaluation (POE)</p> <p><b>WHY:</b> To catch warrantee items and document lessons learned</p>

