



**What We Do  
Matters!**

OREGON HOUSING & COMMUNITY  
SERVICES

Report on

Assisted Living Facilities

Using the

Analysis of Income and Expense System  
(AIES)

For

Fiscal Years Ending in 2009

## [ACKNOWLEDGEMENTS](#)

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Special thanks to the Partners of OHCS, including Sponsors, Owners, Management Agents, Asset Managers, Accountants and on-site Managers who made this report possible through the submission of the 2009 Actual Project Income and Expenses on-line template.

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**Disclaimer – Important Information About this Report:** All the data contained herein, and all visuals derived from that data, is compiled from information provided through the Analysis of Income and Expenses System (AIES) on-line templates. Oregon Housing and Community Services (OHCS) cannot verify the validity of all of the information provided to OHCS and, therefore, makes no representations or warranties, express or implied, regarding its accuracy, completeness, or usefulness for any product or process. OHCS cannot and does not guarantee that there will be no errors. OHCS assumes no legal liability or responsibility for loss or damage resulting from the use of this information.

#### PURPOSE:

The Analysis of Income and Expense System (AIES) was developed by Oregon Housing and Community Services (OHCS) to bring to its partners, sponsors, associates, and public the benefit of a resource that can increase awareness, improve performance, and maximize availability of low-income housing throughout the State by building a database of information and using it to further the success of developers, managers and tenants alike.

#### SCOPE:

This report collates the data submitted for fiscal 2009 and reports it with the goal of accomplishing the purpose stated above. Data includes financial information, physical and functional information, and funding sources for Assisted Living Facilities for the elderly in the State of Oregon by Region. Information comes from on-line financial statement templates supplied by asset and property managers, accountants, and auditors representing the individual developments receiving financing and subsidies through Oregon Housing and Community Services.

#### DATA:

All data was obtained through AIES on-line templates emailed to property owners and agents for completion. Submitted templates were reconciled with audited financial statements. Data includes financial data: gross potential rent, vacancy, bad debt, concessions, net rental income, other income, operating expenses, net operating income, debt coverage, cash flow, and non-operating expenses expressed in average per-unit amounts [except debt coverage, expressed as an average ratio; also, charts show operating expenses expressed as a percent of total expenses]. Regional locations are shown in **Figure 1**. The regional structure is that used by OHCS as serviced by the Regional Advisors to the Department (RAD). Please see the next page for RAD contact information.



## **GENERAL REPORT SUMMARY**

### **1. PROJECT CHARACTERISTICS AND LOCATIONS:**

**Structure Type:** Structure types are assisted living facilities (ALF) with elevator, corridor designs.

**Population Served:** Populations are elderly and / or disabled.

**Regions:** The Regional Portfolio Analysis section compares financial performance by region. Regional configurations used in this report are geographical and in conformity with OHCS regional configurations.

**Ownership:** Ownership types are For-Profit and Non-Profit ownerships; however ownership types are not analyzed separately due to the small data sample.

### **2. REPORTING BY REGIONS**

#### **Region 1: Northwest & Metro**

Region 1 includes the Portland Metro area made up of Clackamas and Multnomah Counties, and the northwest counties of Clatsop, Columbia, Tillamook and Washington.

#### **Region 2: Mid-Willamette Valley**

Region 2 is Linn, Benton, Marion, Polk, Lane, Lincoln, and Yamhill Counties.

#### **Region 3: Southwest**

Region 3 includes Coos, Curry, Douglas, Jackson, and Josephine Counties.

#### **Region 4: Central**

Region 4 is Hood River, Wasco and Sherman Counties, as well as Jefferson, Crook, Deschutes, Klamath and Lake Counties.

#### **Region 5: East**

Region 5 is Baker, Gilliam, Grant and Harney Counties; Malheur and Morrow Counties; and Umatilla, Union, Wallowa and Wheeler Counties.

### **3. FUNDING SOURCES**

All reports include Elderly and Disabled Bond financed properties.

### **4. FINANCIAL FORMAT**

The AIES financial format includes 33 expense items, total expenses #1 and DCR #1, which comprise basic operating information. Additional expenses are shown comprised of non-operating expenses, or what is usually termed “below the line” expenses, which are normally accounted for after debt service. The DCR #2 expresses debt service after these non-operating expenses. Pie charts illustrate “rolled up” expenses. Administrative expenses in the pie charts include advertising and marketing, legal and accounting, office administration, returned deposits, replacement reserve deposits, and other miscellaneous administrative expenses. Discrepancies in column totals due to rounding of income and expense item amounts.

# REGIONAL PORTFOLIO ANALYSIS



## ANALYSIS OF:

- EXPENSES AND DEBT COVERAGE
- INCOME AND ECONOMIC VACANCY
  - CASH FLOW



**AVERAGE EXPENSE PER UNIT  
2009 AIES - REGIONAL PORTFOLIO - STATE / REGION COMPARISON**

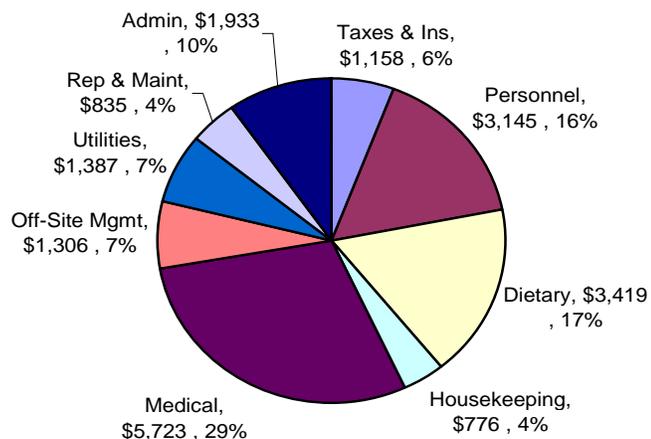
<u>Expenses</u>	<u>Statewide</u>	<u>Mid-</u>				
		<u>Northwest &amp; Metro Region 1</u>	<u>Willamette Valley Region 2</u>	<u>Southwest Region 3</u>	<u>Central Region 4</u>	<u>East Region 5</u>
Real Estate Taxes	\$728	\$502	\$845	\$858	\$940	\$496
Insurance	\$431	\$383	\$483	\$335	\$457	\$560
<b>Personnel:</b>						
Administrator	\$1,506	\$1,448	\$1,330	\$1,579	\$1,643	\$1,937
Maintenance	\$440	\$421	\$410	\$615	\$247	\$491
On-Site/Other	\$1,198	\$1,212	\$1,481	\$1,516	\$711	\$210
<b>Dietary:</b>						
Payroll	\$1,717	\$1,811	\$1,380	\$1,951	\$1,258	\$2,643
Food	\$1,460	\$1,604	\$1,227	\$1,670	\$986	\$1,961
On-Site/Other	\$241	\$170	\$406	\$215	\$88	\$164
<b>Housekeeping:</b>						
Payroll	\$630	\$705	\$445	\$572	\$139	\$1,739
Supplies	\$136	\$131	\$114	\$174	\$97	\$200
Housekeeping/Other	\$10	\$2	\$1	\$16	\$10	\$46
<b>Medical:</b>						
Payroll	\$5,544	\$5,307	\$4,870	\$5,306	\$4,799	\$9,847
Supplies	\$121	\$77	\$212	\$90	\$71	\$79
Medical/Other	\$58	\$12	\$81	\$41	\$38	\$176
Off-Site Management	\$1,306	\$1,453	\$1,355	\$1,439	\$738	\$1,149
<b>Utilities:</b>						
- Electric	\$579	\$536	\$544	\$634	\$578	\$720
- Water & Sewer	\$306	\$339	\$325	\$207	\$224	\$451
- Garbage Removal	\$99	\$119	\$88	\$84	\$83	\$124
- Natural Gas	\$247	\$246	\$232	\$204	\$264	\$368
- Cable TV	\$138	\$162	\$139	\$128	\$129	\$92
- Internet Service Expense	\$18	\$5	\$13	\$8	\$34	\$69
Repairs & Maintenance	\$643	\$803	\$543	\$586	\$814	\$389
Elevator Maintenance	\$18	\$27	\$7	\$42	\$0	\$0
Landscaping	\$174	\$138	\$157	\$152	\$143	\$416
Advertising/Marketing	\$368	\$313	\$488	\$480	\$131	\$215
Project Legal/Accting	\$210	\$146	\$182	\$224	\$147	\$539
Office Administration	\$724	\$698	\$800	\$907	\$428	\$564
Refund & Returned Dep	\$0	\$1	\$0	\$0	\$0	\$0
Other	\$631	\$555	\$1,029	\$629	\$122	\$206
Replacement Reserve Dep	\$238	\$239	\$211	\$270	\$249	\$250
<b>Total Expense # 1</b>	<b>\$19,920</b>	<b>\$19,564</b>	<b>\$19,398</b>	<b>\$20,931</b>	<b>\$15,568</b>	<b>\$26,101</b>
<b>DCR # 1</b>	<b>1.50</b>	<b>1.72</b>	<b>1.48</b>	<b>1.72</b>	<b>1.03</b>	<b>1.02</b>
<b>Additional Expenses</b>						
Administration Charges	\$37	\$0	\$120	\$0	\$0	\$0
Asset Management Fees	\$0	\$0	\$0	\$0	\$0	\$0
Partnership Legal/Accting	\$4	\$0	\$0	\$20	\$0	\$0
<b>Total Expense # 2</b>	<b>\$19,961</b>	<b>\$19,564</b>	<b>\$19,518</b>	<b>\$20,951</b>	<b>\$15,568</b>	<b>\$26,101</b>
<b>DCR # 2</b>	<b>1.49</b>	<b>1.72</b>	<b>1.45</b>	<b>1.72</b>	<b>1.03</b>	<b>1.02</b>



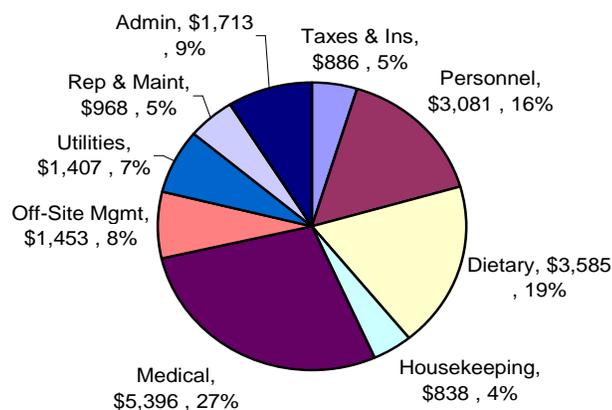
# Average Expense Per Unit as a % of Total Expenses Per Unit

## 2009 AIES - REGIONAL PORTFOLIO - STATE / REGION COMPARISON

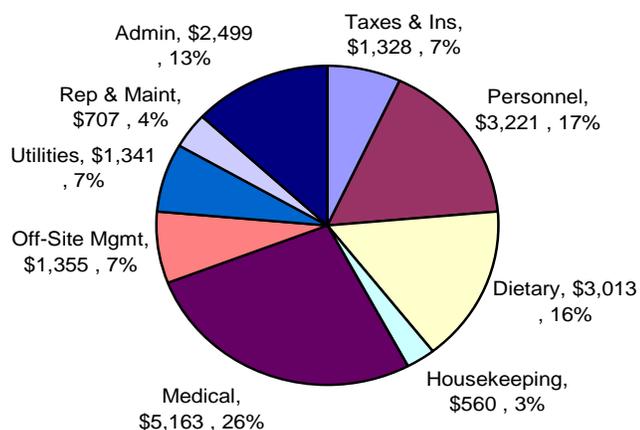
### Statewide



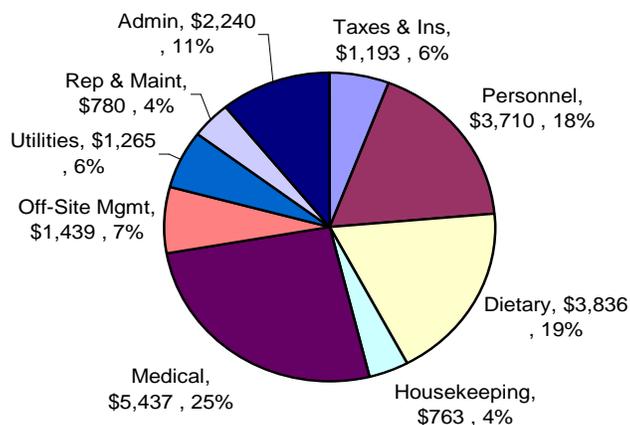
### Northwest & Metro - Region 1



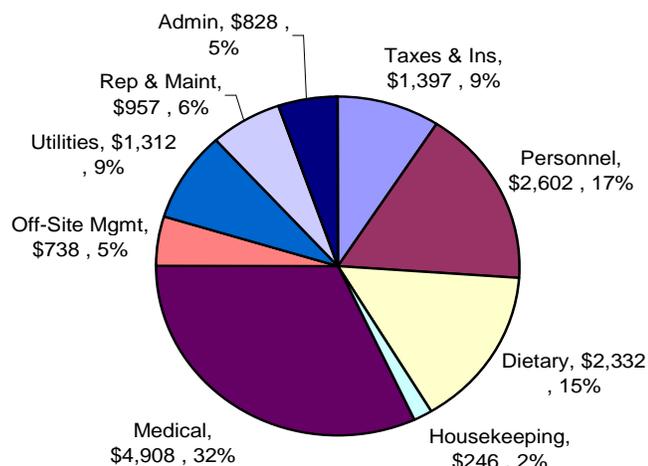
### Mid-Willamette Valley - Region 2



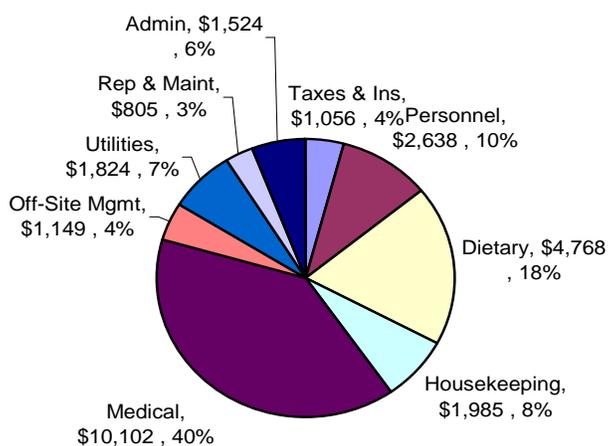
### Southwest - Region 3



### Central - Region 4



### East - Region 5





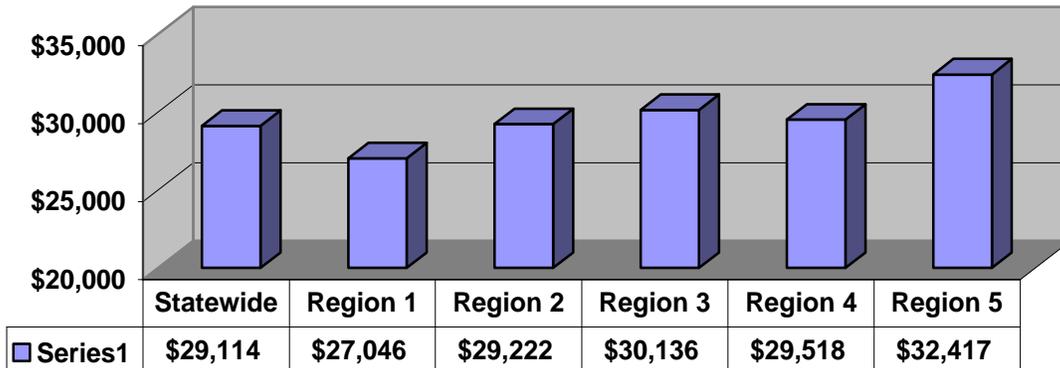
**AVERAGE INCOME PER UNIT**  
**2009 AIES - REGIONAL PORTFOLIO - STATE / REGION**

Mid-

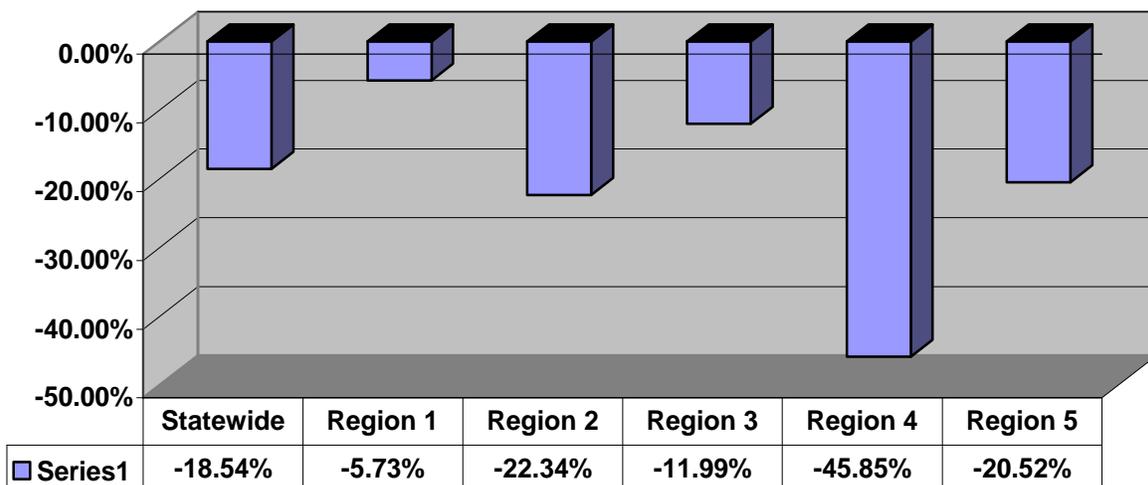
Northwest & Metro Valley Southwest Central East

<u>Income</u>	<u>Statewide</u>	<u>Region 1</u>	<u>Region 2</u>	<u>Region 3</u>	<u>Region 4</u>	<u>Region 5</u>
Gross Potential Rent	\$29,114	\$27,046	\$29,222	\$30,136	\$29,518	\$32,417
Less:						
Vacancy	(\$5,162)	(\$1,239)	(\$6,237)	(\$3,349)	(\$13,519)	(\$6,614)
Bad Debt	(\$22)	(\$13)	(\$34)	(\$11)	(\$16)	(\$38)
Concessions	(\$213)	(\$299)	(\$256)	(\$252)	\$0	\$0
Net Rental Income	\$23,717	\$25,495	\$22,695	\$26,524	\$15,983	\$25,765
Economic Vacancy	-18.54%	-5.73%	-22.34%	-11.99%	-45.85%	-20.52%

Gross Potential Rents



Economic Vacancy

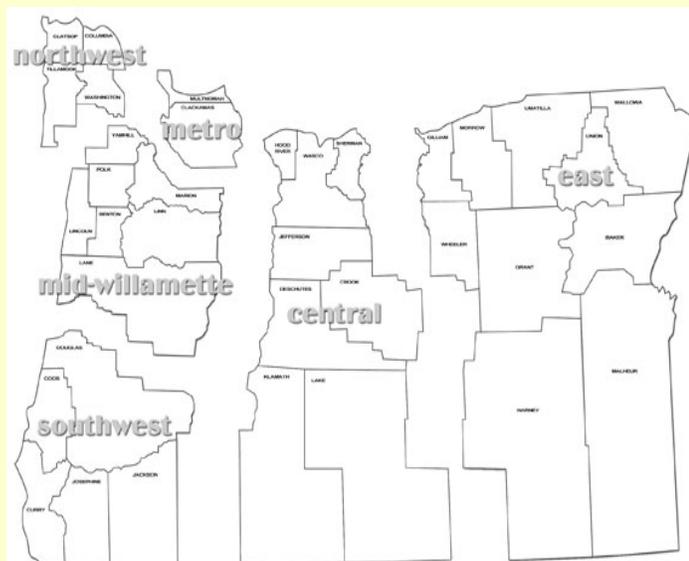


**2009 AIES - AVERAGE CASH FLOW AFTER DEBT SERVICE \***



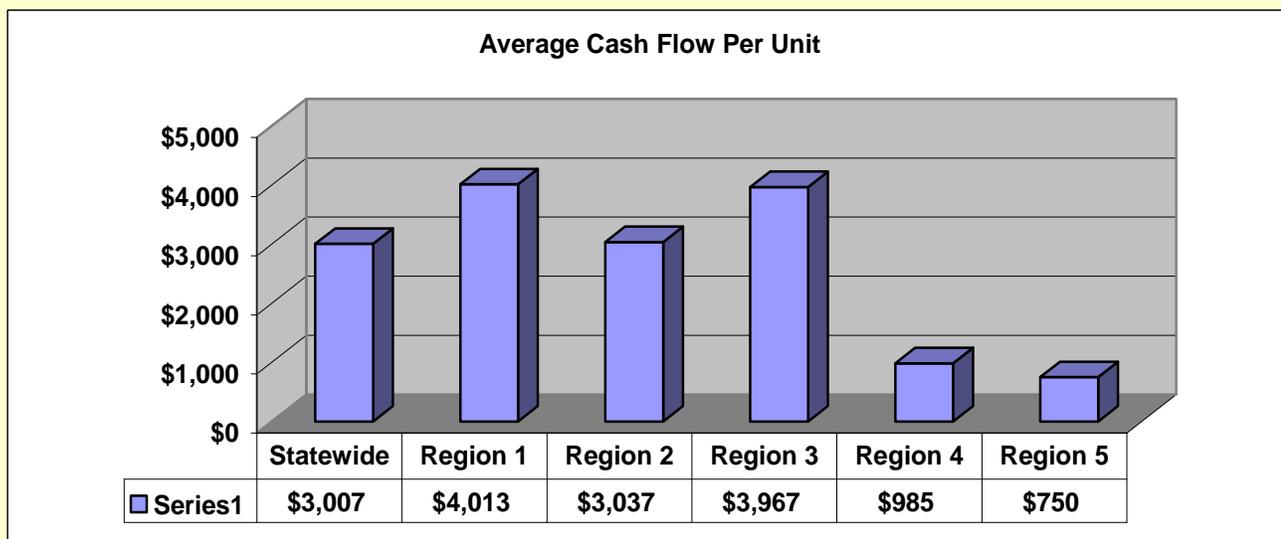
**41 PROJECTS REPORTING: Assisted Living Facilities  
1,912 UNITS  
ALL REGIONS:**

<b>Region 1 Northwest / Metro</b>	<b>11 projects</b>	<b>\$4,013</b>	<b>per unit</b>
<b>Region 2 Mid-Willamette Valley</b>	<b>13 projects</b>	<b>\$3,037</b>	<b>per unit</b>
<b>Region 3 Southwest</b>	<b>8 projects</b>	<b>\$3,967</b>	<b>per unit</b>
<b>Region 4 Central</b>	<b>5 projects</b>	<b>\$985</b>	<b>per unit</b>
<b>Region 5 East</b>	<b>4 projects</b>	<b>\$750</b>	<b>per unit</b>



**Projects reporting cash deficit after debt service:  
10 projects; 24.4% of all reporting**

\* also after replacement reserve deposits



## **GLOSSARY OF TERMS**

**AIES** – Analysis of Income and Expenses System: Oregon Housing & Community Services Dept. statewide database of actual and projected income and expenses.

**Cash Flow** – As used in this report this term means income remaining after operating expenses and foreclosable debt service, but before “Additional Expenses”, depreciation and amortization.

**DCR** – Debt coverage ratio: a ratio of dollars available to pay debt service after operating expenses are paid. A debt coverage ratio below 1.00 indicates that there is not enough cash flow to make all debt payments. DCR #1 in this report includes primary and foreclosable secondary debt service. DCR #2 in this report includes “Additional Expenses”, primary and foreclosable debt service, as well as any non-foreclosable debt service.

**Economic Vacancy** – A measurement of vacancy based on lost revenue as opposed to physical vacancy.

**Gross Potential Rent** – The potential total amount of scheduled unit rent that would be collected if the project were 100% occupied. This would include any tenant assistance payments.

**Average** – The average of a set of numbers. Found by adding all the numbers in a set and dividing the sum by the number of entries.



## **What We Do Matters!**

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**Oregon Housing & Community Services is the State’s housing finance agency and community services program administrator. The Department provides financial and program support to create and preserve opportunities for quality, affordable housing for Oregonians of lower and moderate income and administers federal and state antipoverty, homeless and energy assistance, and community service programs. The OHCS mission is to “Provide leadership that enables Oregonians to gain housing, become self-sufficient, and achieve prosperity.”**

