



**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 2008

[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 2008 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.

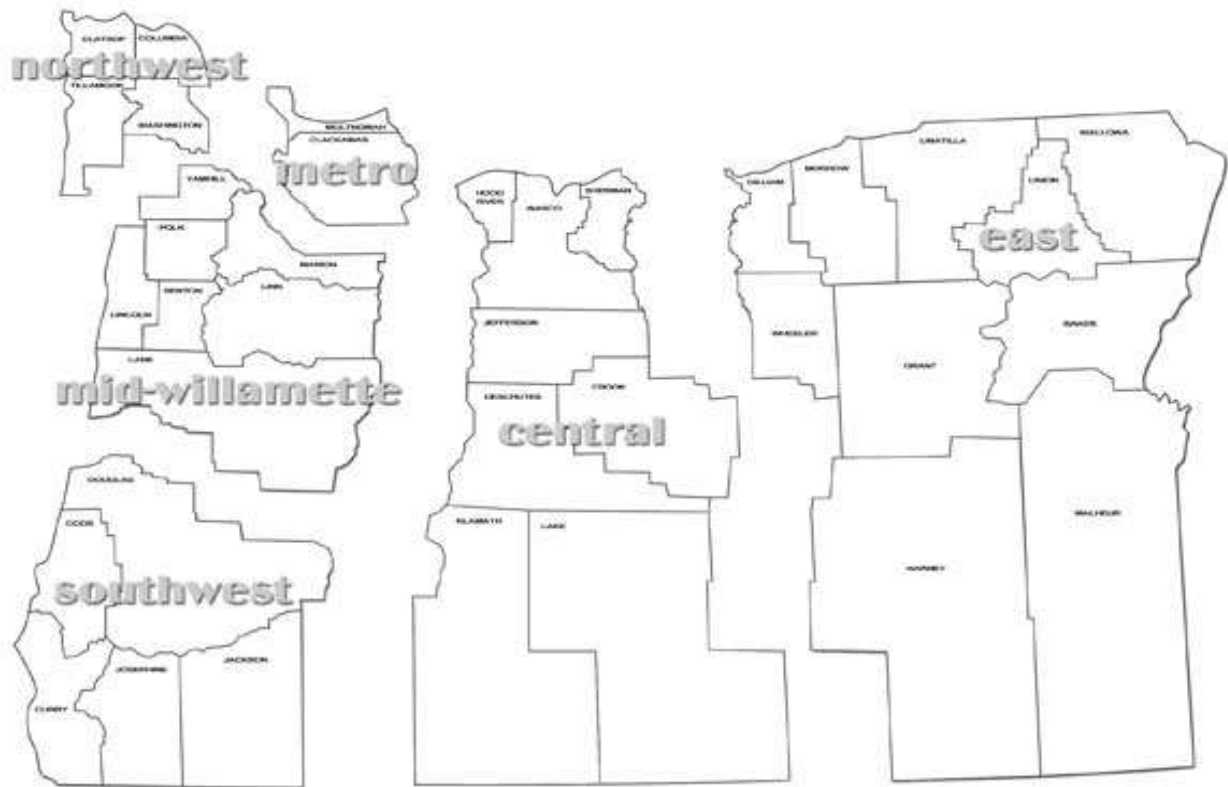
SCOPE:

This report collates the data submitted for fiscal 2008 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.

Figure 1. State regional structure for the purposes of this report.



Northwest & Metro	Mid-Willamette Valley	Southwest	Central	East
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Figure 2. Number of projects used for the purposes of this report, by region and total.

	Region 1	Region 2	Region 3	Region 4	Region 5	Total
Projects Reporting	9	15	7	5	6	42*
% of Total Projects Reporting	21.4%	35.7%	16.7%	11.9%	14.3%	100%
Area	Northwest & Metro	Mid-Willamette Valley	Southwest	Central	East	

* Projects reporting of a total of 46 projects

GENERAL REPORT SUMMARY

1. PROJECT CHARACTERISTICS AND LOCATIONS:

Structure Type: Structure types are assisted living facilities (ALF) with garden, walk-up or 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.

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.

5. FINANCIAL MEASUREMENTS

Financial measurements used in this report are averages with one standard deviation. Please see the Glossary section for definitions of these terms. Using the standard deviation moderates the impact of skewing caused by unusually high or low numbers.

REGIONAL PORTFOLIO ANALYSIS



ANALYSIS OF:

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



**AVERAGE EXPENSE PER UNIT
2008 AIES - REGIONAL PORTFOLIO - STATE / REGION COMPARISON**

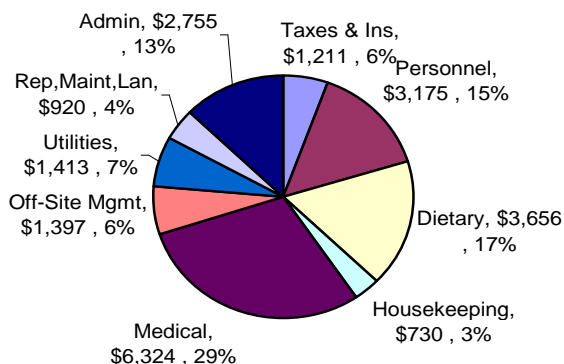
<u>Expenses</u>	<u>Statewide</u>	Mid-				
		<u>Northwest & Metro Region 1</u>	<u>Willamette Valley Region 2</u>	<u>Southwest Region 3</u>	<u>Central Region 4</u>	<u>East Region 5</u>
Real Estate Taxes	\$702	\$629	\$726	\$833	\$881	\$451
Insurance	\$509	\$475	\$434	\$401	\$519	\$864
Personnel:						
Administrator	\$1,587	\$1,362	\$1,509	\$1,651	\$2,191	\$1,540
Maintenance	\$435	\$335	\$440	\$626	\$307	\$456
On-Site/Other	\$1,153	\$1,366	\$1,202	\$1,588	\$818	\$485
Dietary:						
Payroll	\$1,850	\$1,823	\$1,883	\$1,821	\$1,484	\$2,145
Food	\$1,607	\$1,672	\$1,516	\$1,640	\$1,371	\$1,894
On-Site/Other	\$199	\$161	\$267	\$169	\$132	\$175
Housekeeping:						
Payroll	\$577	\$576	\$496	\$553	\$214	\$1,114
Supplies	\$143	\$112	\$124	\$187	\$152	\$177
Housekeeping/Other	\$10	\$3	\$21	\$1	\$4	\$12
Medical:						
Payroll	\$6,127	\$5,162	\$5,812	\$6,160	\$5,738	\$8,647
Supplies	\$129	\$89	\$163	\$131	\$150	\$85
Medical/Other	\$68	\$16	\$109	\$62	\$0	\$110
Off-Site Management	\$1,397	\$1,426	\$1,426	\$1,595	\$1,284	\$1,144
Utilities:						
- Electric	\$592	\$575	\$572	\$633	\$577	\$633
- Water & Sewer	\$310	\$324	\$331	\$205	\$245	\$413
- Garbage Removal	\$95	\$111	\$88	\$79	\$103	\$101
- Natural Gas	\$269	\$287	\$234	\$262	\$246	\$359
- Cable TV	\$126	\$101	\$151	\$99	\$156	\$108
- Internet Service Expense	\$21	\$9	\$16	\$11	\$44	\$44
Repairs & Maintenance	\$743	\$643	\$764	\$761	\$1,123	\$500
Elevator Maintenance	\$17	\$21	\$33	\$6	\$0	\$0
Landscaping	\$160	\$120	\$125	\$128	\$139	\$363
Advertising/Marketing	\$399	\$461	\$479	\$403	\$135	\$322
Project Legal/Accting	\$239	\$230	\$215	\$185	\$157	\$440
Office Administration	\$890	\$705	\$1,214	\$868	\$529	\$684
Refund & Returned Dep	\$5	\$12	\$0	\$2	\$0	\$14
Other	\$894	\$1,601	\$1,015	\$229	\$203	\$883
Replacement Reserve Dep	\$328	\$462	\$326	\$277	\$234	\$271
Total Expense # 1	\$21,582	\$20,865	\$21,694	\$21,568	\$19,136	\$24,434
DCR # 1	1.42	1.58	1.45	1.30	1.19	1.41
Additional Expenses						
Administration Charges	\$31	\$4	\$81	\$0	\$0	\$6
Asset Management Fees	\$118	\$198	\$150	\$0	\$0	\$152
Partnership Legal/Accting	\$0	\$0	\$0	\$0	\$0	\$0
Total Expense # 2	\$21,731	\$21,068	\$21,926	\$21,568	\$19,136	\$24,593
DCR # 2	1.38	1.54	1.39	1.30	1.19	1.37



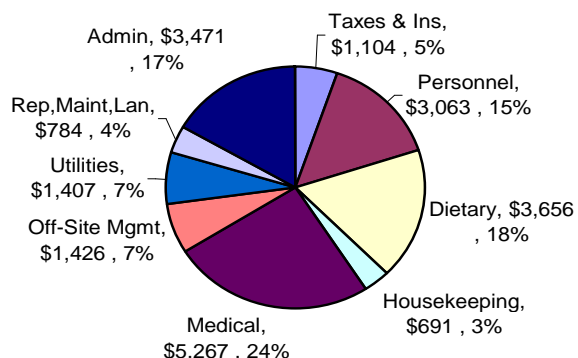
Average Expense Per Unit as a % of Total Expenses Per Unit

2008 AIES - REGIONAL PORTFOLIO - STATE / REGION COMPARISON

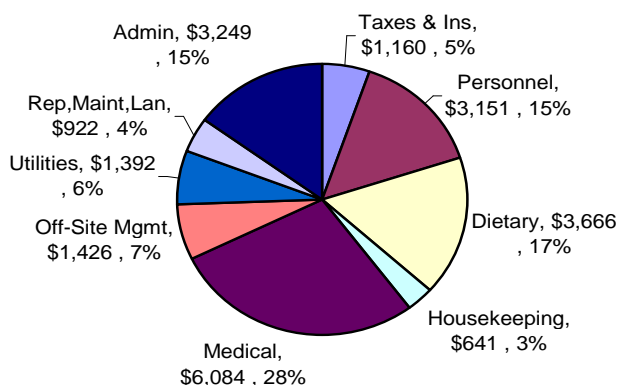
Statewide



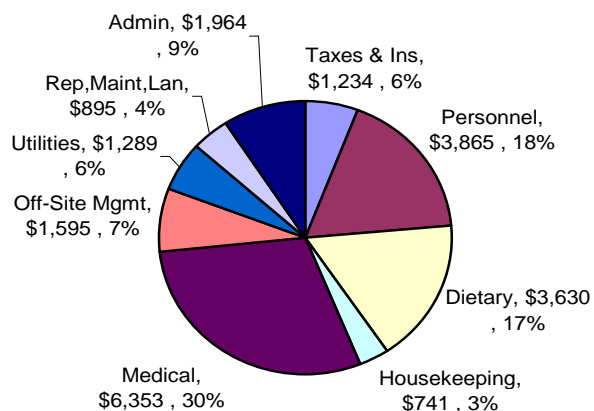
Northwest & Metro - Region 1



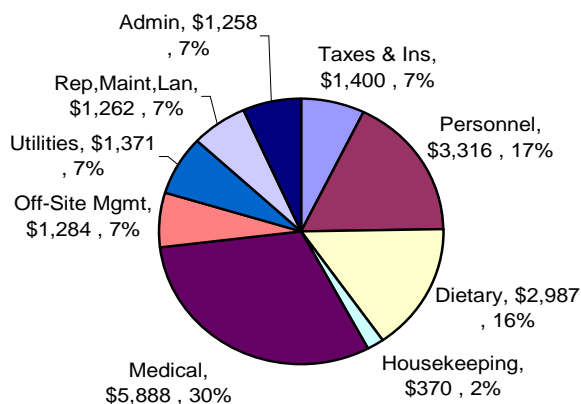
Mid-Willamette Valley - Region 2



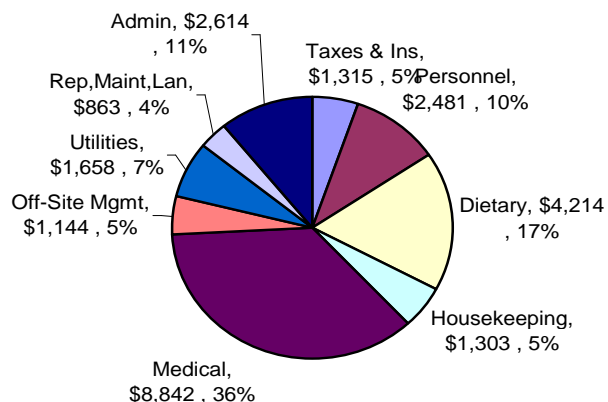
Southwest - Region 3



Central - Region 4



East - Region 5





**AVERAGE INCOME PER UNIT
2008 AIES - REGIONAL PORTFOLIO - STATE / REGION**

Mid-

Northwest
& Metro

Willamette
Valley

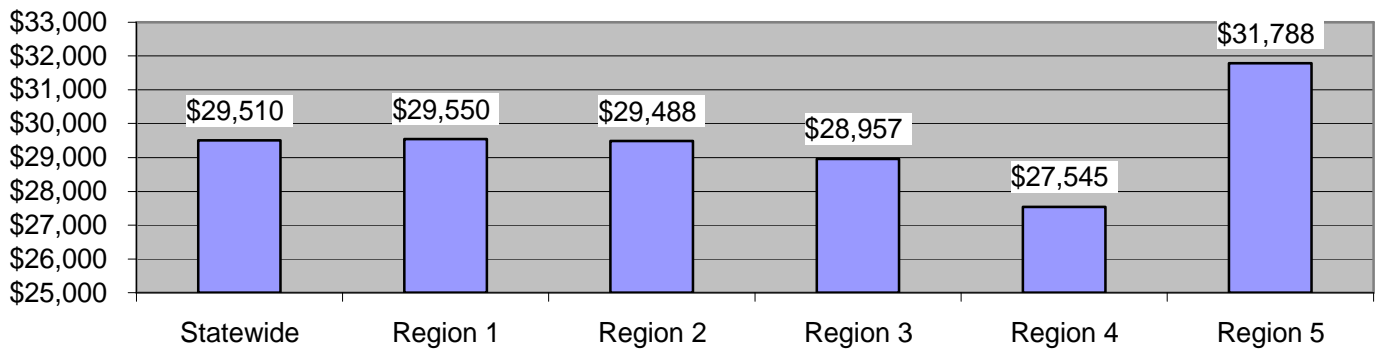
Southwest

Central

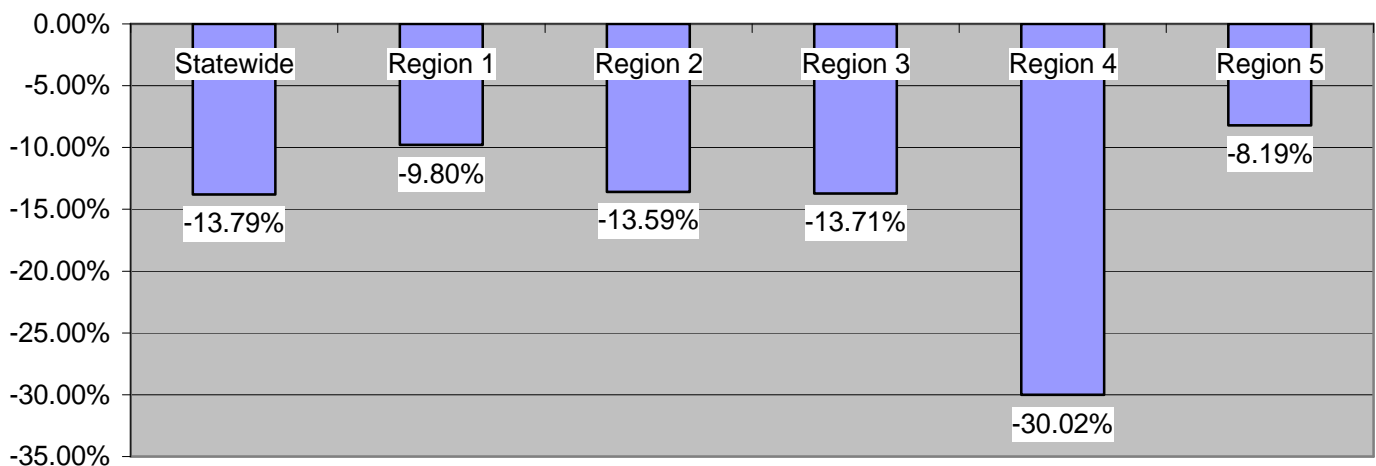
East

<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	\$29,510	\$29,550	\$29,488	\$28,957	\$27,545	\$31,788
Less:						
Vacancy	(\$3,850)	(\$2,426)	(\$3,823)	(\$3,678)	(\$8,268)	(\$2,571)
Bad Debt	(\$23)	(\$85)	(\$9)	(\$5)	\$0	(\$8)
Concessions	(\$196)	(\$384)	(\$175)	(\$288)	\$0	(\$25)
Net Rental Income	\$25,441	\$26,655	\$25,481	\$24,986	\$19,277	\$29,184
Economic Vacancy	-13.79%	-9.80%	-13.59%	-13.71%	-30.02%	-8.19%

Gross Potential Rents



Economic Vacancy



2008 AIES - AVERAGE CASH FLOW AFTER DEBT SERVICE *



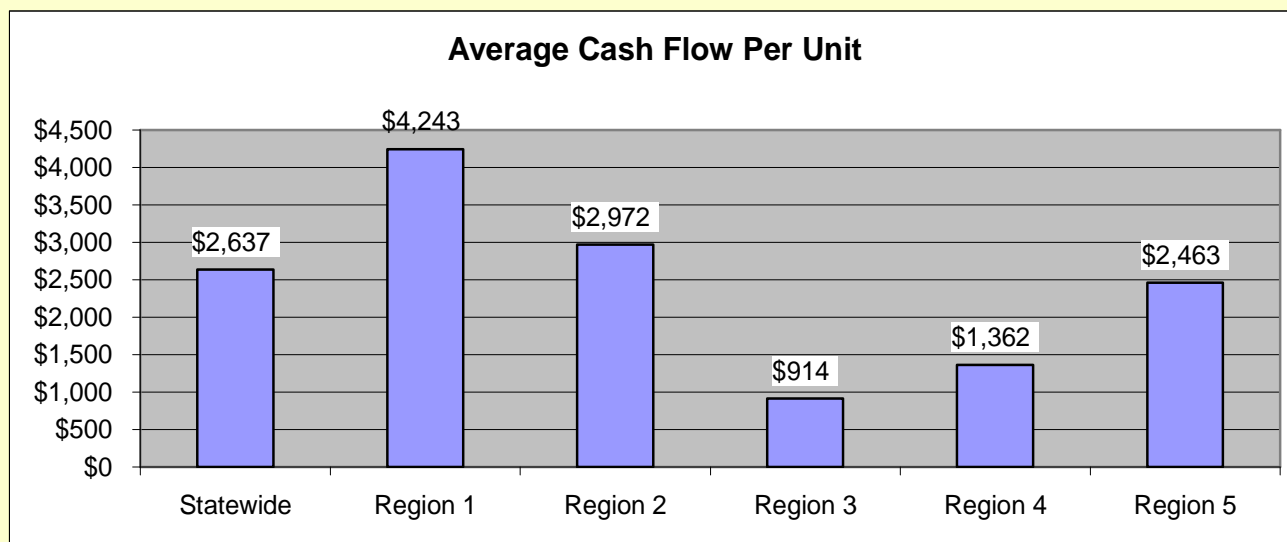
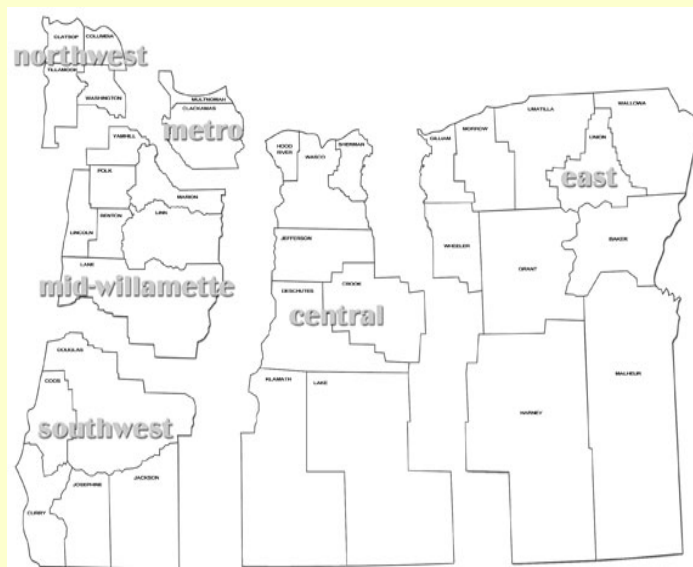
**42 PROJECTS REPORTING: Assisted Living Facilities
1,805 UNITS
ALL REGIONS:**

Region 1 Metro / Northwest	9 projects	\$4,243	per unit
Region 2 Mid-Willamette Valley	15 projects	\$2,972	per unit
Region 3 Southwest	7 projects	\$914	per unit
Region 4 Central	5 projects	\$1,362	per unit
Region 5 East	6 projects	\$2,463	per unit

**Average cash flow per unit:
Statewide \$2,637**

**Projects reporting cash deficit
after debt service:
6 projects; 14.3% 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.

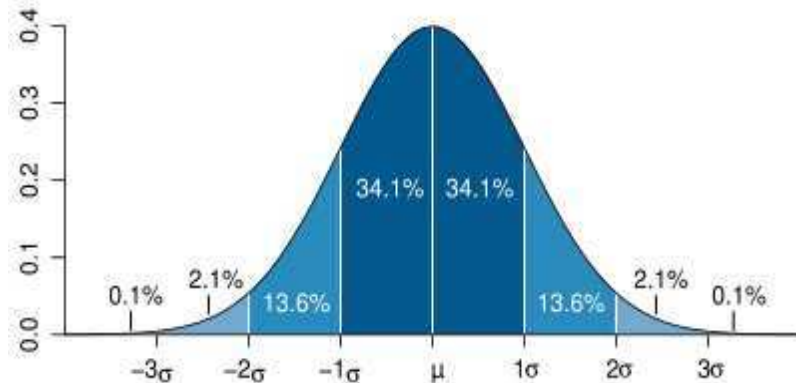
DCR – Debt coverage ratio: a ratio of dollars available to pay debt service after operating expenses are paid. A debt coverage ratio below 1.00 indicates that there is not enough cash flow to make all debt payments. DCR #1 in this report includes primary and foreclosable secondary debt service. DCR #2 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. Used in this report with one standard deviation.

Standard Deviation – A measure of the dispersion of a set of values. Used with the Mean to moderate the impact of skewing caused in averages by unusually high or low numbers. Example:



Dark blue is less than one standard deviation from the mean. For the normal distribution, this accounts for 68.27% of the set; while two standard deviations from the mean (medium and dark blue) account for 95.45%.



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."

