

Public Notice

In accordance with the Statutes of the State of Illinois and the Ordinances of the City of Highland Park, a **Regular Meeting** of the City of Highland Park Housing Commission, the Peers Housing Association, Walnut Housing Association, Ravinia Housing Association and Sunset Woods Association will be held at the hour of **6:30 P.M. on Wednesday, September 2, 2015 at City Hall, 1707 St. Johns Avenue, Highland Park, Illinois.** The Meeting will be held in the **Pre-Session Room** on the second floor.

City of Highland Park
Housing Commission
Wednesday, September 2, 2015, at 6:30 p.m.

AGENDA

- I. Call to order**
- II. Roll Call**
- III. Business from the Public (Citizens Wishing to Be Heard Regarding Items not Listed on the Agenda)**
- IV. Approval of Minutes – August 5, 2015**
- V. Scheduled Business**
 1. Discussion and Consideration of Final Inclusionary Housing Plan for McGovern Flats
 2. Discussion and Consideration of Final Inclusionary Housing Plan for Oakwood Station
 3. Items for Omnibus Vote Consideration
 - Payment of Invoices:
 - Mason, Wenk & Berman LLC for legal services for Invoice #39297 for legal services for Sunset Woods for \$1,543.75
 4. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods
 - Discussion and consideration of 5-year capital plans for Peers and Walnut Place
 - Discussion of Peers and Walnut Place appraisals
 - Management Report including financial statements
 - Update regarding the draft parking lot lease agreement between the Ravinia Housing Association and the City of Highland Park
 - Update on insurance policies
 - Update on the Peers window and air conditioning project
 - Sunset Woods
- VI. Executive Session for Matters relating to Real Estate Acquisition, Litigation, and Personnel Matters**
- VII. Other Business**

VIII. Adjournment

DRAFT

**MINUTES OF A REGULAR MEETING OF THE
HOUSING COMMISSION OF THE CITY OF HIGHLAND PARK, ILLINOIS**

MEETING DATE: Wednesday August 5, 2015

MEETING LOCATION: Pre-Session Mayor's Conference Room, City Hall,
1707 St. Johns Avenue, Highland Park, IL

CALL TO ORDER

At 6:30 p.m., Chair Meek called to order the regular meeting of the Highland Park Housing Commission, the Peers Housing Association, the Ravinia Housing Association, the Walnut Housing Association, and the Sunset Woods Association. Each of the Commissioners also serves as Directors of each of the Housing Associations. The Chair asked Planner M. Smith to call the roll.

ROLL CALL

Commissioners Present: Adler, Elder, Kaltman, Meek, and Saret

Commissioners Absent: Oldham, Ross

Student Representative Absent: Powell (summer break)

Chair Meek declared that there was a quorum.

Council Liaison Present: Holleman

Staff Liaison Present: Planners L. Smith and M. Smith

BUSINESS FROM THE PUBLIC (Citizens Wishing to be Heard Regarding Items not Listed on the Agenda)

There was no business from the public on items not listed on the Agenda.

APPROVAL OF MINUTES

Regular Meeting July 1, 2015

Commissioner Saret moved approval of the minutes of the regular meeting held on July 1, 2015 of the Housing Commission, the Peers Housing Association, the Ravinia Housing Association, the Walnut Housing Association, and the Sunset Woods Association. Commissioner Kaltman seconded the motion.

On a voice vote, Chair Meek declared that the motion passed unanimously.

SCHEDULED BUSINESS

1. Items for Omnibus Vote Consideration

Payment of Invoices:

- Full Circle Architects, LLC for Invoice #5108 for reimbursable structural engineering services for the Peers window and air conditioner replacement project for \$1179.75

After discussion, Chair Meek entertained a motion to approve payment of invoice #5108 from Full Circle Architects, LLC for reimbursable structural engineering services for the Peers window and air conditioner replacement project for \$1179.75. Commissioner Elder moved approval of payment of invoice #5108 from Full Circle Architects, LLC for reimbursable structural engineering services for the Peers window and air conditioner replacement project for \$1179.75. Commissioner Adler seconded it.

On a voice vote, Chair Meek declared that the motion passed unanimously.

2. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods

Sunset Woods

Introduction of Housing Opportunity Development Corporation (HODC) staff:

Housing Opportunity Development Corporation (HODC) Executive Director Richard Koenig and Asset Management Supervisor Rose Russo, the Management agents for the fourteen affordable senior rentals at Sunset Woods, attended the Meeting and summarized the activities of HODC. In response to Commissioners' questions, HODC staff described how they would market any vacancies in the affordable senior rentals.

Discussion and Consideration of draft Promissory Note

At the June 3, 2015 Housing Commission Meeting, the Commissioners, acting as the Sunset Woods Association directors, authorized attorney Bruce Mason to prepare a promissory note for the Peers Housing Association's loans to the Sunset Woods Association. Each of the Housing Commissioners also serves as Directors of each of the Housing Associations. The balance of the loan is \$258,832.50. The Promissory Note that Mr. Mason prepared was in the packet.

President Meek entertained a motion to approve the Promissory Note for the Peers Housing Association's loans to the Sunset Woods Association and to authorize President Meek to execute it. Sunset Woods Association Director Kaltman moved approval of the Promissory Note for the Peers Housing Association's loans to the Sunset Woods Association and authorization for President Meek to execute it. Sunset Woods Association Director Elder seconded the motion.

On a voice vote, President Meek declared that the motion passed unanimously.

Other Sunset Woods Business:

There was no other Sunset Woods business.

Management Report

The Management Report was in the packet. Planner M. Smith provided additional information regarding the rehabilitation of the Ravinia town home on Pleasant that was damaged by fire. The rehab will be completed by the end of August. The tenant requested some physical accommodations for a disability. The contractor is making these improvements, including adding a light outside, replacing the carpet with tile, installing grab bars in the bathroom, and improving the pavement leading to her home and on her step. While the pavement passed U.S.

Housing and Urban Development (HUD) inspections, Evergreen Management thought the areas could be smoother and are overseeing this improvement.

With regard to improving account collection, Evergreen staff will implement the Commissioners' suggestion to include a reminder in the tenants' monthly account statement regarding the need to report any changes in income immediately.

Property Report

There was no additional discussion of the financial reports for Peers, Walnut Place and Ravinia Housing.

Consideration of Insurance Policies

The Commissioners discussed Evergreen Management staff's summary and recommendation for insurance policies for the developments and for Directors' and Officers' liability insurance. The Housing Associations' current carrier, Middle Oak, is increasing the premium 19%, which equals an additional \$11,292 annually. The combination of Lloyds for the two senior buildings and Middle Oak for Ravinia and the Walnut Place town homes would maintain the current insurance premiums. The chief difference between the Lloyd's policy for the two senior buildings and Middle Oak is that Lloyd's would only cover up to the building value in the case of a total loss, while Middle Oak guarantees replacement cost. The Commissioners discussed whether having the coverage for full replacement cost was worth the higher premium.

The Commissioners also directed staff to find out whether there was an opportunity for the Housing Commission to combine insurance for these three housing developments with the City in order to reduce insurance costs. In addition, they requested that staff find out the details of any cancellation policy if the City were able to include them on its coverage at less cost.

After discussion, Chair Meek entertained a motion to extend the existing insurance policies, including the policy with Middle Oak for the three housing developments (Peers, Walnut Place, and Ravinia Housing). Commissioner Adler moved approval of the extension of the existing insurance policies, including the policy with Middle Oak for the three housing developments. Commissioner Kaltman seconded the motion.

On a roll call vote:

Voting Yea: Adler, Kaltman, and Saret

Voting Nay: Elder and Meek

Chair Meek declared that the motion passed.

Discussion regarding Property Tax Exemptions

Councilman Holleman said that she spoke with the City Manager about the Housing Association's discussion about obtaining property tax exemptions. The City Manager said that she understood the need to minimize costs at the affordable housing properties and had no objection to the Housing Associations' interest in exploring this. Planner M. Smith reported on the information that Evergreen Senior Vice President Polly Kuehl sent her regarding the process and an attorney who represents non-profits seeking property tax exempt status. While Peers is likely to qualify for a property tax exemption, it may be more difficult for Ravinia, because there are no services offered to these residents. Walnut Place would only qualify, potentially, for a special tax abatement for Section 8 properties that are in areas where there are few low-income

households. Planner L. Smith said that the Commission and Housing Associations may wish to ask the City Council to consider a resolution supporting their request for property tax exemptions. Such support would be very helpful for the application to the Lake County Board of Review. The Lake County Board of Review then makes a recommendation to the Department of Revenue.

The Commissioners directed staff to request that Ms. Kuehl obtain some quotes and proposals for legal services.

Discussion and consideration of 5-year capital plans for Peers and Walnut Place

The Commissioners decided to postpone the discussion and asked staff to find out if Ms. Kuehl is available to attend the September Meeting to review the draft plans with them.

Update on obtaining appraisals for Peers and Walnut Place

Planner M. Smith said that Ms. Kuehl expected to receive appraisals for the two properties by the end of August from Property Valuation Advisors in Chicago.

Update on the Peers window and a.c. project

Full Circle Architects are almost finished with the construction drawings and other documents for the bid packet. Commissioner Adler, Evergreen staff, and City staff will review these documents before Full Circle sends them out.

3. Consideration of the 2016 Work Plans and Budgets for the Housing Commission and Affordable Housing Trust Fund

After discussion, Chair Meek entertained a motion to approve the 2016 Work Plans and Budgets for the Housing Commission and the Affordable Housing Trust Fund. Commissioner Elder moved approval of the 2016 Work Plans and Budgets for the Housing Commission and the Affordable Housing Trust Fund. Commissioner Saret seconded the motion.

On a voice vote, Chair Meek declared that the motion passed unanimously.

EXECUTIVE SESSION FOR DISCUSSION OF LEASING AND SALE OF REAL ESTATE

At 8:30 p.m., Commissioner Elder made a motion to close the regular meeting to the public pursuant to Section 2(c) of the Illinois Open Meetings Act (5 ILCS 120/2(c)) and to adjourn to Executive Session for the purpose of discussing the leasing and potential sale of real estate. Commissioner Saret seconded the motion. Planner M. Smith called the roll.

On a roll call vote:

Voting Yea: Adler, Elder, Kaltman, Meek, and Saret

Voting Nay: None

Chair Meek declared that the motion passed unanimously.

Councilman Holleman and Planners L. Smith and M. Smith also were in attendance.

At 8:55 p.m. Commissioner Adler made a motion to close the Executive Session and to re-open the regular meeting. Commissioner Kaltman seconded the motion.

Chair Meek declared that the motion passed unanimously.

The Chair asked Planner M. Smith to call the roll.

ROLL CALL

Commissioners Present: Adler, Elder, Kaltman, Meek, and Saret

Commissioners Absent: Oldham, Ross

Chair Meek declared that a quorum was present.

Council Liaison Present: Holleman

Staff Liaisons Present: Planner M. Smith and Planner L. Smith

Consideration of the revised draft parking lot lease agreement between the Ravinia Housing Association and the City of Highland Park

In the regular Meeting, Planner M. Smith reported that the draft parking lot lease agreement between the Ravinia Housing Association and the City of Highland Park would be sent to U.S. Housing and Urban Development (HUD) for approval before City Council consideration. Each of the Housing Commissioners also serves as Directors of the Ravinia Housing Association (RHA). The Ravinia Housing Association would not execute the Ravinia parking lot lease agreement until the City Council approved it.

Ravinia Housing Association President Meek entertained a motion to approve the draft parking lot lease agreement between the Ravinia Housing Association (RHA) and the City of Highland Park with the addition of the word “employees” in Section (1)(d) and Section (4)(a) and to forward the draft to U.S. Housing and Urban Development (HUD) for approval. RHA Director Elder moved approval of the draft parking lot lease agreement between the Ravinia Housing Association and the City of Highland Park with the addition of the word “employees” in Section (1)(d) and Section (4)(a) and to forward the draft to U.S. Housing and Urban Development (HUD) for approval. RHA Director Adler seconded the motion.

On a voice vote, Ravinia President Meek declared that the motion passed unanimously.

Memo of Understanding between Klairmont Investments, LLC and the Ravinia Housing Association regarding the Ravinia Housing Association’s eastern parking lot

Al Klairmont, President, Klairmont Investments, LLC has indicated his interest in acquiring a portion of the Ravinia Housing Association (RHA) site on Pleasant Avenue, the general area of the eastern parking lot, for his 515 Roger Williams development. The Commissioners requested a Memo of Understanding (MOU) that Klairmont Investments would be responsible for any and all costs associated with a potential purchase: neither the City, the Housing Commission, nor the RHA will bear any costs for any part of a possible purchase by Klairmont. In addition, the MOU must state that it does not obligate the RHA, the Commission, or the City Council to accept any purchase offer from Klairmont Investments. Moreover, even if such an offer is accepted, either or both U.S. Housing and Urban Development (HUD) and Red Capital mortgage may withhold

approval for such a sale. Mr. Klairmont submitted the MOU and Corporation Counsel reviewed it and revised consistent with RHA direction.

President Meek entertained a motion to approve a Memo of Understanding (MOU) between Klairmont Investments LLC and the Ravinia Housing Association (RHA) pertaining to a potential sale of the RHA eastern parking lot with such additions to the MOU as discussed at the August Meeting and to authorize President Meek to execute the revised MOU consistent with the Commission discussion. RHA Director Kaltman moved approval of the Memo of Understanding (MOU) between Klairmont Investments LLC and the Ravinia Housing Association (RHA) pertaining to a potential sale of the RHA eastern parking lot with such additions to the MOU as discussed at the August Meeting and to authorize President Meek to execute the revised MOU consistent with the Commission discussion. RHA Director Saret seconded the motion.

On a voice vote, President Meek declared that the motion passed unanimously.

OTHER BUSINESS

Planner M. Smith said that the City Council would be considering the draft Ethics Guidelines at its August 24th Meeting. She forwarded Commissioners' comments to the City Manager. If any other Commissioners had additional comments or concerns, they should send them to her, and she would forward them to the City Manager.

ADJOURNMENT

Chair Meek entertained a motion to adjourn the meeting. Commissioner Saret moved to adjourn. Commissioner Elder seconded the motion.

On a voice vote, Chair Meek declared that the motion passed unanimously.

The Housing Commission adjourned its meeting at 9:00 p.m.

Submitted respectfully:

Mary Cele Smith
Housing Planner

Note on McGovern Flats Inclusionary Housing Plan

I just received this today. I will ask Greg Merdinger to email me a better copy for you to review before the meeting and request that he bring larger copies of the drawings and floor plans to the meeting.



CITY OF HIGHLAND PARK
 1150 Half Day Road
 Highland Park, IL 60035
 phone: 847/ 432-0867 fax: 847/432-0964
 www.cityhpil.com

Date Received: August 28, 2015

INCLUSIONARY HOUSING PLAN
 (Attach additional sheets as needed)
**Must be reviewed by Housing Commission prior to City Council approval of
 Development Agreement**

Development Name: MCGOVERN FLATS

Address: CENTRAL & MCGOVERN

1. Development Type (check applicable housing types)

- Single Family Detached _____
- Condominium _____
- Town Home _____
- New Construction RENTAL APTS
- Rehab of Existing Units _____
- Conversion of Existing Units _____

2. Planned Unit Development

- Yes
- No _____

3. Total Number of Base Units proposed prior to density bonus

- Number of affordable units (20% of base units) 11 57
- Number of market rate units (base units – affordable) 62

- Number of market rate bonus units 11
 (Please use Inclusionary Housing Preliminary Worksheet,
 Attachment A for calculation)
 - Number by Right 57
 - Number of PUD discretionary bonus units 6

Total Number of Units (includes bonus units) 74 → now 73

4. Please attach a copy of the site plan showing the location of each affordable unit in relation to the market rate units. (Note: If development is a PUD, the approved site plan will be deemed to be incorporated herein.)

5. Will the project be developed in phases? Yes _____ No
 If yes, please describe the phasing and construction schedule.

6. Please attach a copy of the floor plan for each affordable unit. (Note: You may provide one floor plan to the extent the affordable units are identical.)
7. Please provide the plans for exterior and interior of units/buildings as follows (Note: The items below may be provided in one or more documents):
 - A detailed listing of the interior and exterior differences between the affordable and market rate units, including provisions for parking and storage
 - The approved plan for the exterior appearance and materials for each building in the development
 - Plans for the interior materials and finishes for the market rate and affordable units, including specifications, if applicable *SEE SPEC SAT ATT*
8. Please describe the plan for marketing the affordable units, including providing copies of marketing material, plans for advertising in particular media outlets, and description of instructions that will be provided to sales staff regarding the affordable units. *SEE ATT "B"*

The following provisions will be considered part of your marketing plan:

- The developer has the primary responsibility for marketing the affordable units.
- The City has contracted with Community Partners for Affordable Housing (CPAH), formerly known as the Highland Park Illinois Community Land Trust, to promote the inclusionary housing program in general, to educate prospective buyers about the program, to maintain and manage the waiting list, and to process applications and qualify buyers for the affordable units.
- The developer is responsible for working closely with CPAH staff to understand the City's processes and procedures and to ensure that CPAH has sufficient information about the development to respond to inquiries from prospective buyers.
- The developer is responsible for showing the affordable units and for making it clear to prospective buyers that they must be qualified for the program in accordance with City procedures through CPAH.
- The developer will provide the City and CPAH with information and material about the affordable units that they will post on their respective web sites and make available in their respective offices. If requested, CPAH will mail information provided by the developer to persons on its waiting list, as well as to units of government that serve Highland Park, local employers, social service agencies, and civic and community organizations.

9. For each market rate unit, please provide the following information (Note: You may show more than address/unit number on a line if the information is identical. Provide a separate attachment, if necessary.):

Address/Unit Number	# of Bedrooms	Square Footage	Sales Price/Rent Level	Homeowner Assessment
SEE GRP ATT				

10. For each affordable unit, please provide the following information (Note: you may show more than address/unit number on a line if the information is identical. Provide a separate attachment, if necessary.):

Address/Unit Number	# of Bedrooms	Square Footage	Sales Price/Rent Level*	Homeowner Assessment

* Please indicate which income tier the unit will be targeted to (ownership units: 0 to 80% Chicago AMI or 81 to 120% Chicago AMI; rental units: 0 to 50% Chicago AMI, 51 to 80% Chicago AMI, or 81 to 120% Chicago AMI). Actual price will be determined with City staff at the time the developer is ready to begin marketing the affordable units in accordance with the City pricing schedule and policies.

McGovern flats

Attachment "B", marketing affordable units:

The development team has experience in marketing affordable units in New York and Chicago. The demand for these units exceeded supply in these markets. This obvious benefit aided in successfully marketing the units. It is a delicate balance to introduce diverse economic stature in the same building. It requires managing the application and approval process for the affordable housing with great diligence. In that regard we have found the following methodology to be helpful.

Establish clear approval tenant criteria. Apply these criteria to all applicants equally. This includes both credit and rental history of prior housing experiences. The responsibility of the tenant regardless of income is the same for both the market and the affordable housing residents. The tenant on the lease will be responsible to control the premise inclusive of all guests and occupants. The same rules to guarantee quiet enjoyment apply to all residents of affordable and market. These rules to will be strictly enforced.

Advertise in targeted locations. This includes hospitals, adjacent retail locations, municipal employees, teachers, and college and graduate students. Employment history is a strong indicator of tenant quality. In addition, we've been informed by city staff that a number of faith-based organizations and senior centers can also provide access to prospective tenants for the affordable units. We will have 11 affordable units to lease. We are confident that the values offered to these residents make this an extraordinarily attractive housing option to the tenant. We will seek long-term relationships with best viable tenants. We are prepared to take requisite duration that is required to ensure this quality tenancy. The developer agrees to work through the Communities Partners for Affordable Housing to access tenancy for the affordable units.

Apartment Details and Finish:

Finishes: The fit and finish for the market and affordable units will be similar, but have some variation. These similarities will include wood finish flooring, wood cabinets, and premium porcelain showers and baths. The appliance packages will differ. The market units will feature granite tops and stainless appliances. The affordable units will have traditional laminate tops and black appliances. All appliances will be energy-efficient. Each unit will include washer/dryers. See spec sheet for further detail.

Amenities: All amenities in the project inclusive of storage, parking and common areas will be available for use to the affordable units with the same level of access as to the market units. This includes access to rooftop deck, and park space located to the southwest of the site. Access to these units will be through an electronic entry system (FOB) All units including affordable units shall have balconies or Juliet balconies.

McGovern Flats; inclusionary housing specifications

General: the inclusionary units and the market units will have the same fit and finish with the exception of the appliance package and carpet specification for the premium floor. Below is the outline spec for the project. These specifications are subject to change without notice to respond to market and supplier conditions.

Interior Trim Package

- 6'8" solid cord passage doors; painted
- 5 ½ inch wood or MDF base painted
- 3 1/2 inch wood or MDF casing painted
- solid core rated entry doors, wood veneer stained

Plumbing and plumbing fixtures

- Central hot water system for building
- fully sprinkled building
- Frigidaire or equal washer dryer
- 33 inch under mount stainless steel sink for kitchen
- Moen, or equal, stainless steel kitchen faucet
- Moen, or equal, stainless steel bathroom faucets
- Sterling, or equal, steel bathtubs, white porcelain finish
- Sterling, or equal, toilets, white porcelain finish
- Sterling, or equal, fiberglass shower base
- Sterling, or equal, pedestal sink for powder rooms

Electric Fixtures

- recessed downlights with stainless steel finish baffles
- track lighting and PAR lamps in bath and kitchen area, white finish

Low-voltage and Data

- TV outlets in bedrooms and living room
- data outlet for high-speed Internet in entry closet

Bathroom Finishes

- wood or plastic laminate finish cabinets, stainless steel hardware
- porcelain or stone floor and tub surround
- stone or cast vanity top with integrated or under mounted bowl

Flooring Finishes

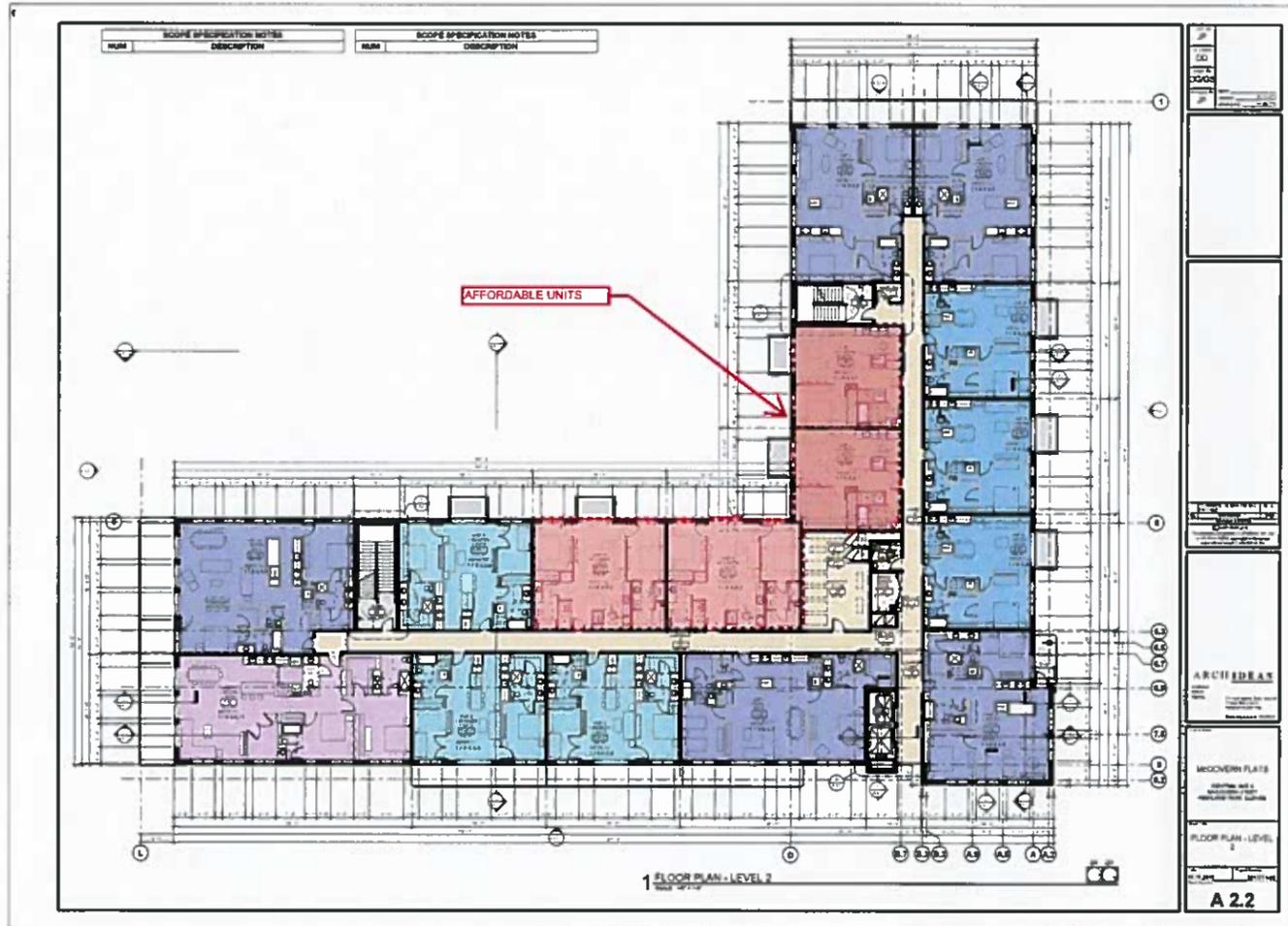
- wood laminate flooring in kitchen, living, dining and entry areas
- carpet in sleeping and den areas, premium loop for six floor

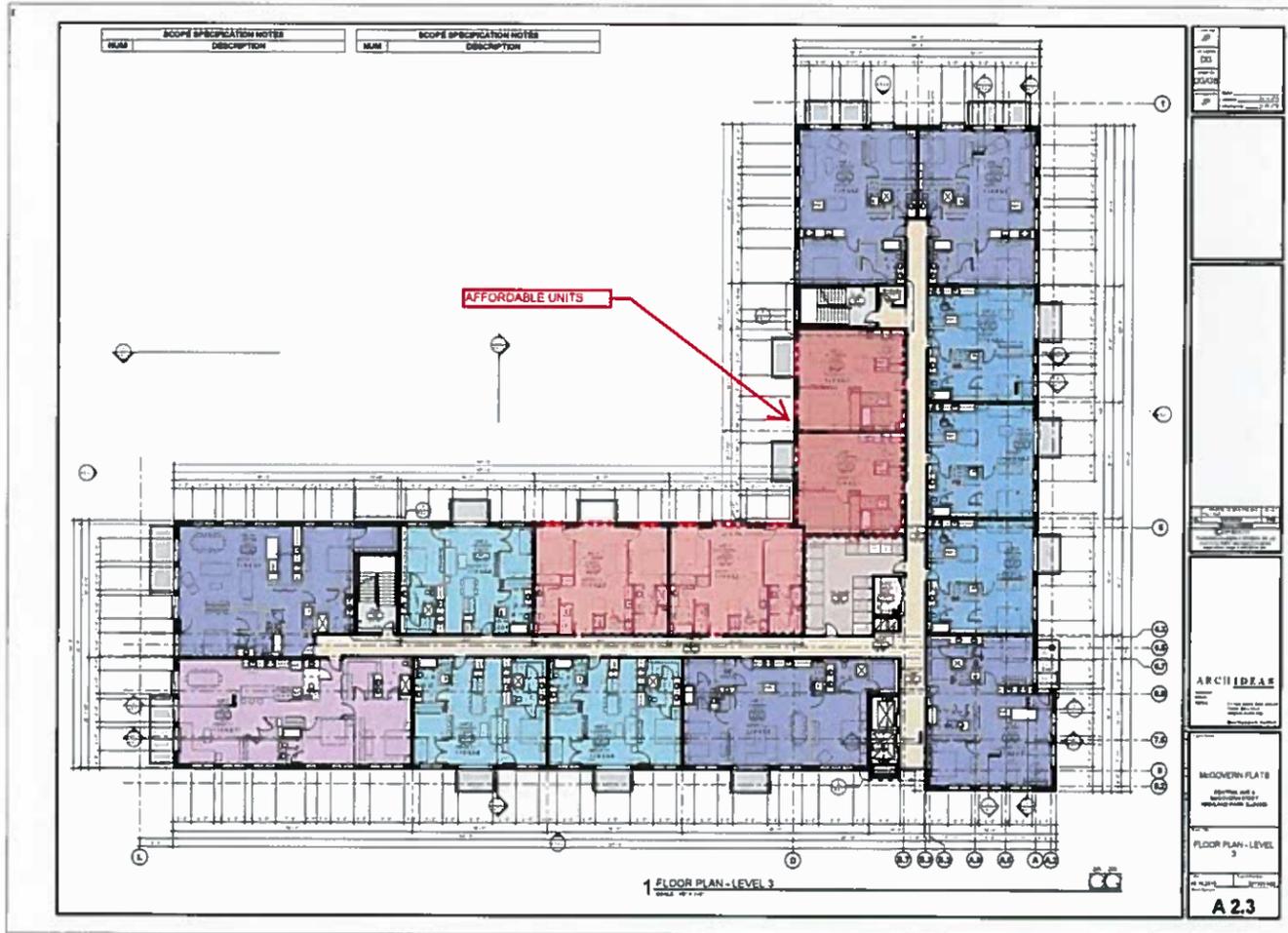
Kitchen Finishes

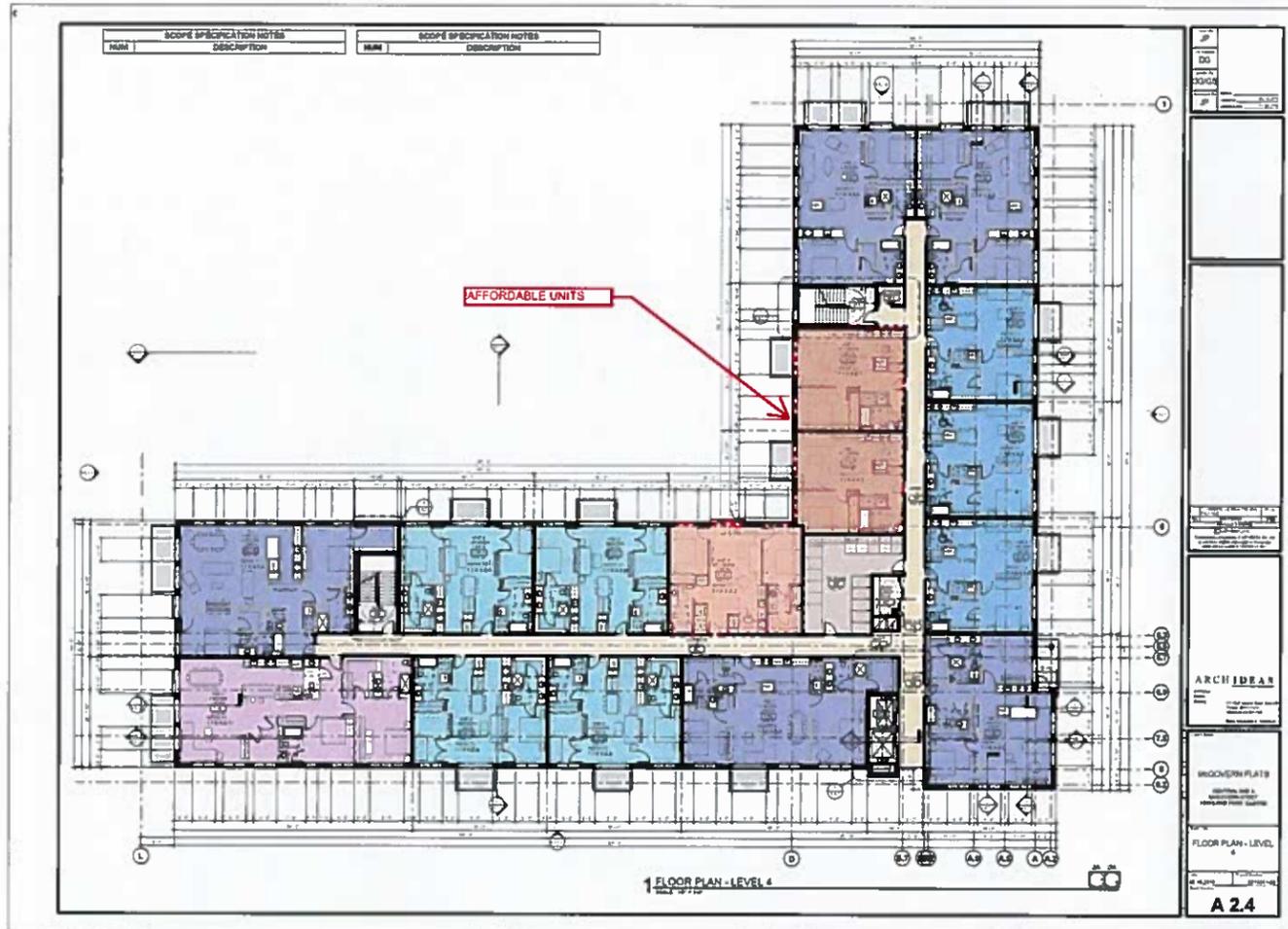
- wood or plastic laminate base cabinets, stainless steel hardware
- lacquered wall cabinets
- stainless steel appliance package, range, microwave, refrigerator
black appliance package for affordable units

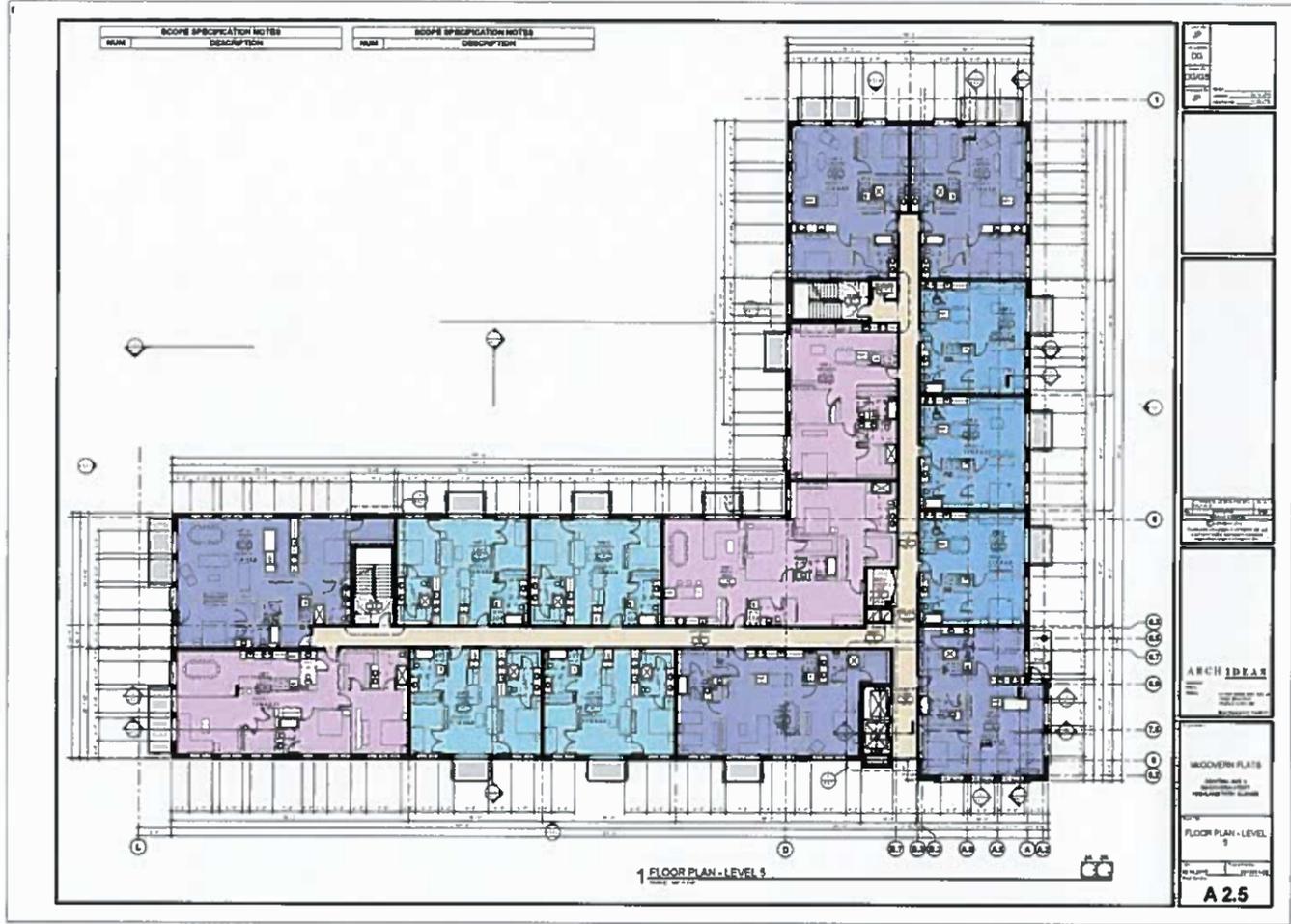
Parking and Storage

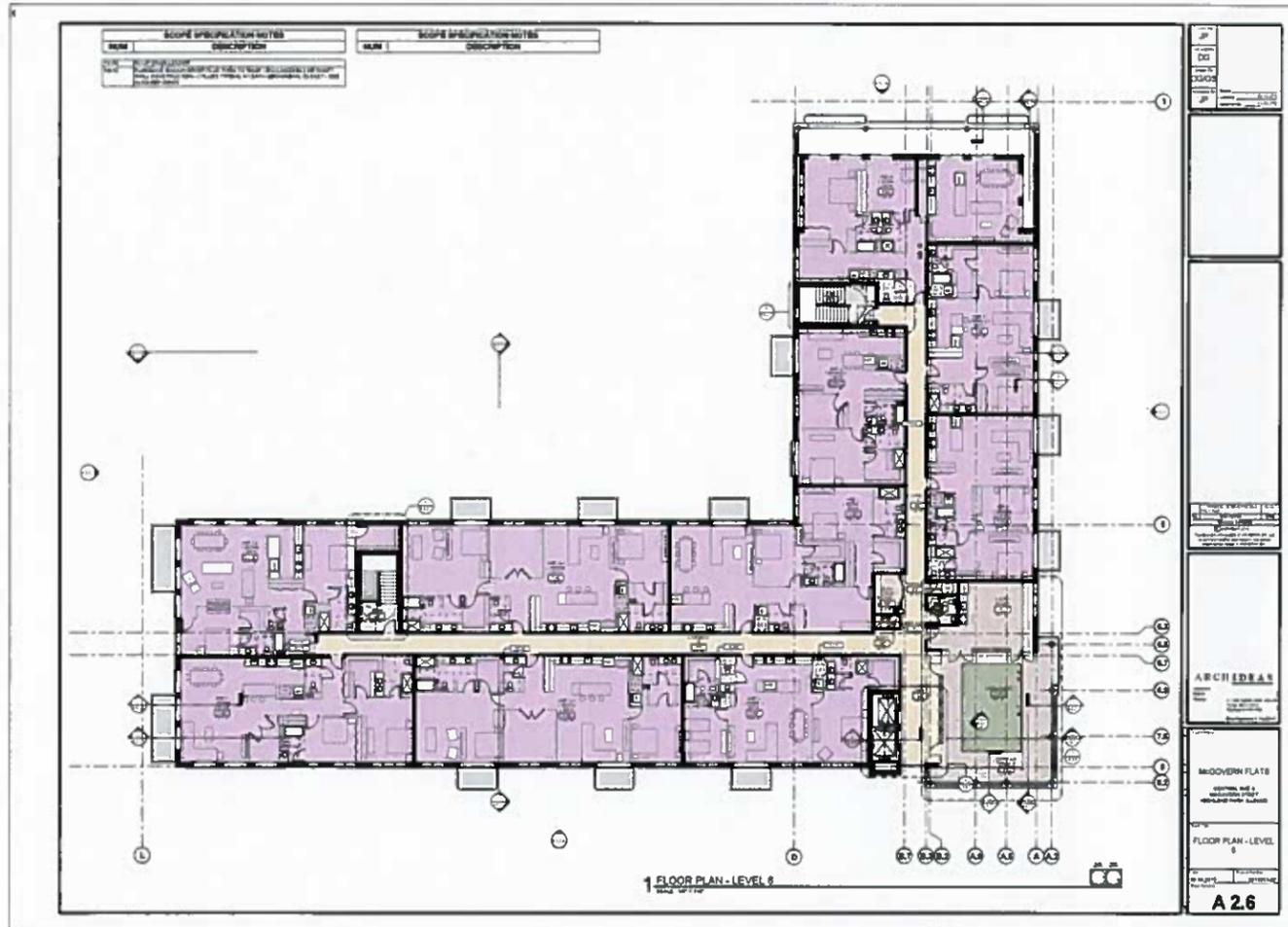
Parking and storage will be available to each resident on an equal basis at market rates





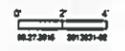








UNIT H

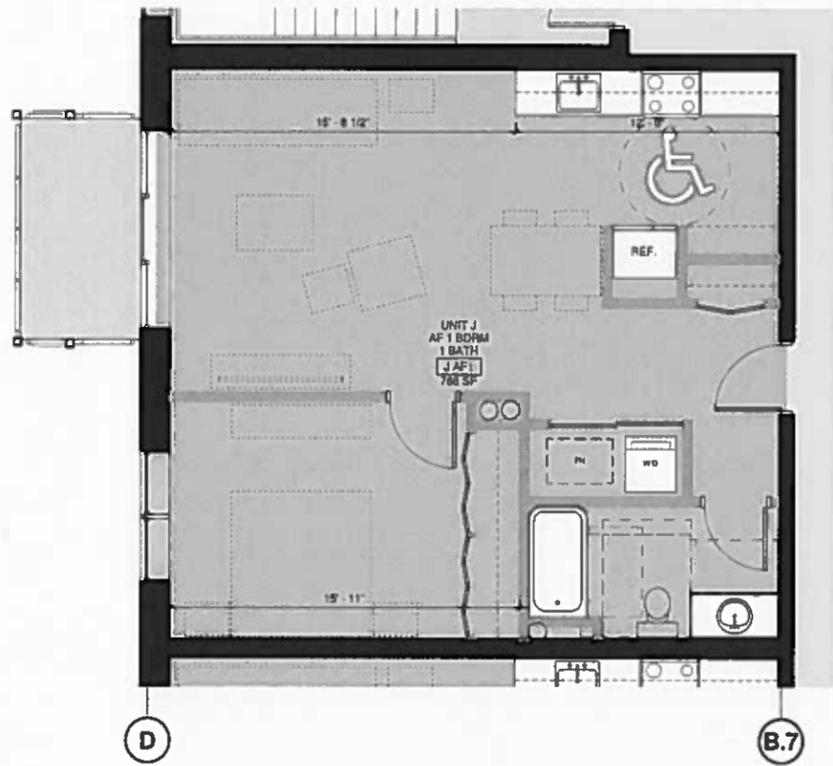


ARCHIDEAS

Architecture
 Interiors
 Planning

McGOVERN FLATS
 McGOVERN FLATS, LLC

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UNIT J



ARCHIDEAS

Architecture
Interiors
Planning

McGOVERN FLATS
McGOVERN FLATS, LLC

2/1 Author 02/20/18 11:00:20 AM C:\P\Flat Lead Plan\Control & McGovern\Control & McGovern - dgsrds.rvt

McGovern Flats leasing grid abstract

Market Rate Units

Second Floor	number	square foot range	rental rate range
one bedroom units	6	800-1071	1600-2463 \$ per month
two bedroom units	6	1140-1626	2300-3463
Third Floor			
one bedroom units	6	800-1071	1700-2550
two bedroom units	6	1140-1626	2400-2625
Fourth Floor			
one bedroom units	7	800-1071	1735-2625
two bedroom units	6	1140-1626	2460-2695
Fifth Floor			
one bedroom units	9	800-1071	1795-2700
two bedroom units	7	1140-1626	2550-2725
Sixth Floor			
one bedroom units	0		
two bedroom units	10	1450-1671	3340-3990
total	63		

Affordable Rate Units

Second Floor	number	square foot	rental rate
one bedroom units	2	760	\$600
two bedroom units	2	997	659-1001
Third Floor			
one bedroom units	2	760	\$904
two bedroom units	2	997	\$1001- \$1600
Fourth Floor			
one bedroom units	2	760	\$1,436
two bedroom units	1	997	\$1,600
Fifth Floor			
one bedroom units			
two bedroom units			
Sixth Floor			
one bedroom units			
two bedroom units			
total	11		



CITY OF HIGHLAND PARK
 1150 Half Day Road
 Highland Park, IL 60035
 phone: 847/ 432-0867 fax: 847/432-0964
www.cityhpil.com

Date Received: August 26, 2015

INCLUSIONARY HOUSING PLAN
(Attach additional sheets as needed)
Must be reviewed by Housing Commission prior to City Council approval of
Development Agreement

Development Name: The Residences at Oakwood Station

Address: 1554-1564-1576 Oakwood Avenue, Highland Park, IL. 60035

1. Development Type (check applicable housing types)
 - Single Family Detached _____
 - Condominium _____
 - Town Home _____
 - New Construction X
 - Rehab of Existing Units _____
 - Conversion of Existing Units _____

2. Planned Unit Development
 - Yes X
 - No _____

3. Total Number of Base Units proposed prior to density bonus 22
 - Number of affordable units (20% of base units) 4
 - Number of market rate units (base units – affordable) 18

 - Number of market rate bonus units 6
 (Please use Inclusionary Housing Preliminary Worksheet,
 Attachment A for calculation)
 - Number by Right 4
 - Number of PUD discretionary bonus units 2

Total Number of Units (includes bonus units) 28

4. Please attach a copy of the site plan showing the location of each affordable unit in relation to the market rate units. (Note: If development is a PUD, the approved site plan will be deemed to be incorporated herein.)

5. Will the project be developed in phases? Yes _____ No X
 If yes, please describe the phasing and construction schedule.

6. Please attach a copy of the floor plan for each affordable unit. (Note: You may provide one floor plan to the extent the affordable units are identical.)
7. Please provide the plans for exterior and interior of units/buildings as follows (*Note: The items below may be provided in one or more documents*):
 - A detailed listing of the interior and exterior differences between the affordable and market rate units, including provisions for parking and storage
 - The approved plan for the exterior appearance and materials for each building in the development
 - Plans for the interior materials and finishes for the market rate and affordable units, including specifications, if applicable
8. Please describe the plan for marketing the affordable units, including providing copies of marketing material, plans for advertising in particular media outlets, and description of instructions that will be provided to sales staff regarding the affordable units.

The following provisions will be considered part of your marketing plan:

- The developer has the primary responsibility for marketing the affordable units.
- The City has contracted with Community Partners for Affordable Housing (CPAH), formerly known as the Highland Park Illinois Community Land Trust, to promote the inclusionary housing program in general, to educate prospective buyers about the program, to maintain and manage the waiting list, and to process applications and qualify buyers for the affordable units.
- The developer is responsible for working closely with CPAH staff to understand the City's processes and procedures and to ensure that CPAH has sufficient information about the development to respond to inquiries from prospective buyers.
- The developer is responsible for showing the affordable units and for making it clear to prospective buyers that they must be qualified for the program in accordance with City procedures through CPAH.
- The developer will provide the City and CPAH with information and material about the affordable units that they will post on their respective web sites and make available in their respective offices. If requested, CPAH will mail information provided by the developer to persons on its waiting list, as well as to units of government that serve Highland Park, local employers, social service agencies, and civic and community organizations.

9. For each market rate unit, please provide the following information (Note: You may show more than address/unit number on a line if the information is identical. Provide a separate attachment, if necessary.):

Address/Unit Number	# of Bedrooms	Square Footage	Sales Price/Rent Level	Homeowner Assessment
201,301	2	1,210	\$2,775	-
202,207,209,210	2	1,310	\$3,050	-
203,303	2	1,145	\$2,625	-
204,304	2	1,170	\$2,700	-
205,305	3	1,375	\$3,150	-
302,307,309,310	2	1,330	\$3,050	-
401	2	1,210	\$2,900	-
402	3	1,515	\$3,650	-
403	3	1,980	\$4,750	-
404	3	1,535	\$3,675	-
405	2	1,230	\$2,950	-
406	3	1,490	\$3,575	-
407	3	1,810	\$4,350	-
408	3	1,670	\$4,000	-

10. For each affordable unit, please provide the following information (Note: you may show more than address/unit number on a line if the information is identical. Provide a separate attachment, if necessary.):

Address/Unit Number	# of Bedrooms	Square Footage	Sales Price/Rent Level*	Homeowner Assessment
206	3	1215	51 to 80%	-
208	2	955	0 to 50%	-
306	3	1215	81 to 120%	-
308	2	955	51 to 80%	-

* Please indicate which income tier the unit will be targeted to (ownership units: 0 to 80% Chicago AMI or 81 to 120% Chicago AMI; rental units: 0 to 50% Chicago AMI, 51 to 80% Chicago AMI, or 81 to 120% Chicago AMI). Actual price will be determined with City staff at the time the developer is ready to begin marketing the affordable units in accordance with the City pricing schedule and policies.

The Residences at Oakwood Station

List of Interior and Exterior differences between Affordable and Market Rate units

<u>Interior</u>	<u>Affordable</u>	<u>Market Rate</u>
Appliances-finish only	Black	Stainless Steel
Countertops	Solid Surface	Granite
Master Bath floor/wall tile	Ceramic	Marble
Crown Moldings	None	Master BR/LR/DR
Plumbing Fixtures	Moen	Kohler

Exterior
 No Differences

Storage Lockers

Each Market Rate unit will have a designated storage locker in the garage. Storage locker is estimated to be 8'6" wide x 8' tall x 4' deep.

Each Affordable unit will have a designated storage unit in the garage. Due to space limitations, the estimated dimensions of these storage units will be slightly smaller, approximately 6'6" wide x 8' tall x 4' deep.

Parking

Market Rate unit tenants will have the opportunity to rent a specific parking space inside the garage for an estimated \$150 per month. They also have the opportunity to rent a specific second space outside for an estimated \$75 per month.

Affordable unit tenants will receive one specific outdoor parking space included with their rental and can rent an additional specific outdoor parking space for \$25 per month.

The Residences at Oakwood Station

Market Rate Units

Interior Materials & Finishes

UTILITIES

High Efficiency Furnace & Condenser

50-Gallon Water Heater

Stackable Washer & Dryer

Humidifier

KITCHEN FEATURES

Custom Craftsman 42" Cabinetry

Granite Countertops with backsplash

Double Bowl Stainless Steel Sink with Kohler Faucet

Stainless Steel Appliances

Garbage Disposal

Kitchen Pantry

MASTER BATHROOM FEATURES

Custom Craftsman Cabinetry

Granite Countertops

Marble Floor & Wall Tile

Full Vanity Width Mirrors

Kohler Plumbing Fixtures

Linen Closet

Medicine Cabinet

SECONDARY BATHROOM FEATURES

Kohler Tubs & Faucets with Ceramic Tile Surrounds

Granite Countertops

Ceramic or Porcelain Floor Tile

Kohler Plumbing Fixtures

Custom Craftsman Cabinetry

Medicine Cabinet

INTERIOR FEATURES

Vinyl Windows

Laminate Hardwood Floors throughout

High-end Luxury Carpet in all Bedrooms

Base Trim throughout

Casings at Windows and Doors

Crown Moldings in Living Room, Dining Room, Master Bedroom

5/8" Drywall Throughout

Subject to Change without Notice

The Residences at Oakwood Station

Affordable Units

Interior Materials & Finishes

UTILITIES

High Efficiency Furnace & Condenser

50-Gallon Water Heater

Stackable Washer & Dryer

Humidifier

KITCHEN FEATURES

Custom Craftsman 42" Cabinetry

Solid Surface Countertops with backsplash

Double Bowl Stainless Steel Sink with Moen Faucet

Black Appliances

Garbage Disposal

Kitchen Pantry

MASTER BATHROOM FEATURES

Custom Craftsman Cabinetry

Solid Surface Countertops

Ceramic Floor & Wall Tile

Full Vanity Width Mirrors

Moen Plumbing Fixtures

Linen Closet

Medicine Cabinet

SECONDARY BATHROOM FEATURES

Kohler Tubs & Moen Faucets with Ceramic Tile Surrounds

Solid Surface Countertops

Ceramic or Porcelain Floor Tile

Moen Plumbing Fixtures

Custom Craftsman Cabinetry

Medicine Cabinet

INTERIOR FEATURES

Vinyl Windows

Laminate Hardwood Floors in Kitchen, LR, DR

High-end Luxury Carpet in all Bedrooms

Base Trim throughout

Casings at Windows and Doors

5/8" Drywall Throughout

Subject to Change without Notice

The Residences at Oakwood Station

Marketing Plan of Affordable Units

The four affordable units will be marketed as follows:

1. A flyer will be distributed to all local schools, as well as the police department, fire department, library, and other government offices.
2. An ad will be placed in several local newspapers including the Highland Park Landmark and Highland Park News.
3. We will work with City staff to contact qualified applicants on the City's affordable housing wait list.
4. We will work with Community Partners for Affordable Housing (CPAH) to promote the inclusionary housing program in general, to educate prospective tenants about the program and to qualify renters for the affordable units.
5. We will work closely with CPAH to understand the City's processes and procedures and to ensure that CPAH has sufficient information about the development to respond to inquiries from prospective tenants.
6. We will show the affordable units to prospective tenants and make it clear that they must be qualified for the program in accordance with City procedures through CPAH.
7. We will provide the City and CPAH with information about the affordable units that they will post on their respective web sites and make available in their respective offices.
8. We will request CPAH mail the information to persons on its waiting list.

A licensed Illinois Leasing Agency will be hired to lease the units. They will be trained on all aspects of leasing an affordable unit in Highland Park.

The developer understands that we have the primary responsibility for marketing the affordable units.

BUILDING AREA	
FIRST FLOOR	12,490 SF
SECOND FLOOR	14,432 SF
THIRD FLOOR	14,432 SF
FOURTH FLOOR	14,432 SF
TOTAL	55,786 SF

UNIT TYPE	AREA **	2nd FL	3rd FL	4th FL	TOTAL
2 BDR	1145-1330 sf	7	7	2	16
2 Bdr-a*	970 sf	1	1	-	2
3 Bdr	1375-1980 sf	1	1	6	8
3Bdr-a*	1230 sf	1	1	-	2
TOTAL		10	10	8	28

* Unit types indicate inclusionary units provided
 ** Areas shown cover the range of unit sizes. See floor plans for variations

SITE DATA	PERMITTED	PROPOSED
LOT AREA		43,539 SF
LOT COVERAGE %	33.3% max.	33.1%
LOT COVERAGE AREA	14,512 SF max	14,432 SF
OPEN SPACE %	20% min.	34.5%
OPEN SPACE AREA	8,708 SF min.	15,050 SF
50% MAX OPEN SPACE ALLOWED FROM SETBACK	4,354 SF max	11,294 SF
50% MIN OPEN SPACE NOT IN REQUIRED SETBACK AREA	4,354 SF min	3,756 SF
GATHERING SPACE	100 SF/D.U. 2,800SF min	179 SF/D.U. 5,020 SF

Hatch indicates permeable surface at parking within the rear yard setback to comply with the 30% max coverage of impervious structure

UNIT TYPE	AREA	COUNT
2 Bdr	1145 sf	2
2 Bdr	1170 sf	2
2 Bdr	1210 sf	3
2 Bdr	1230 sf	1
2 Bdr	1330 sf	8
2 Bdr-a*	970 sf	2
3 Bdr	1375 sf	2
3 Bdr	1490 sf	1
3 Bdr	1515 sf	1
3 Bdr	1535 sf	1
3 Bdr	1670 sf	1
3 Bdr	1810 sf	1
3 Bdr	1980 sf	1
3Bdr-a*	1230 sf	2
TOTAL		28

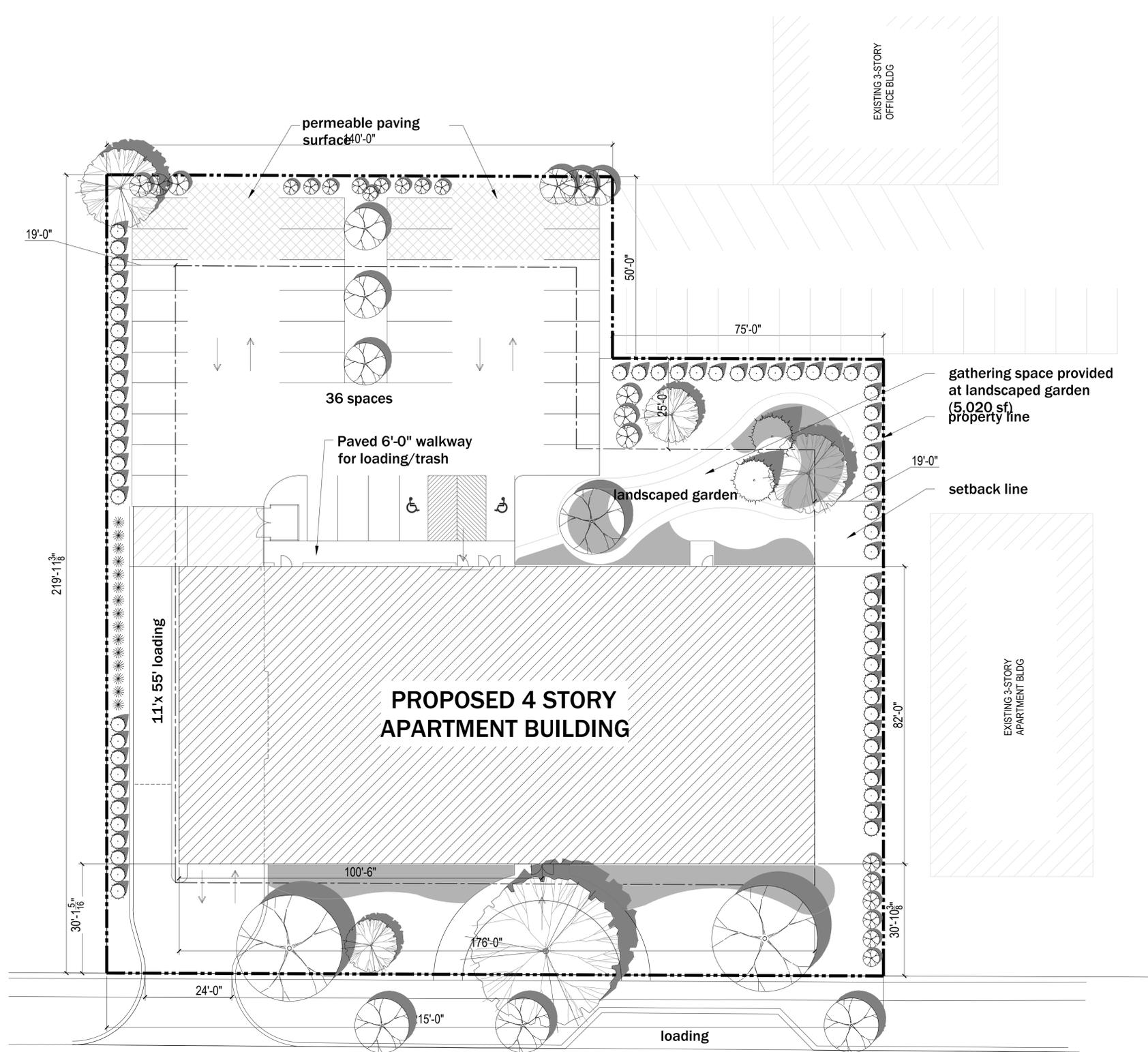
DEMOLISHED BEDROOM COUNT	
1554 Oakwood	3
1564 Oakwood	4
1574 & 1576 Oakwood	6
TOTAL	13

REQ'D PARKING	PER RM2 ZONING	PROPOSED PARKING
2 Bdr (18 d.u.)	2/d.u. (36)	36
3 Bdr (10 d.u.)	2/d.u. (20)	20
Guests	.25/d.u. (6)	4
Subtotal	62 Spaces	60 Spaces
Public Trans. parking reduction	less 15% (9)	
TOTAL	53 spaces	60 spaces

IMPERVIOUS AREA (incl. ROW)	
-Building	14,432 SF (30.0%)
-Pavement	14,665 SF (30.5%)
-Walk/Misc.	2,941 SF (6.2%)
TOTAL IMPERVIOUS AREA	32,038 SF (66.7%)
TOTAL PERVIOUS AREA	16,031 SF (33.3%)
NEW IMPERVIOUS AREA	13,085 SF (27.2%)

PD MODIFICATIONS TO ZONING	RM2	PROPOSED
Building Height	40'-0" (3 STORIES)	44'-6" (4 Stories)
Open Space (NOT in Setback area)	4,354 SF min	3,756 SF

VARIANCE FROM STREET AND IMPROVEMENT ORDINANCE	PERMITTED	PROPOSED
Driveway Width	18'-0" max at Property Line	24'-0"

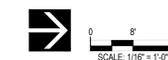


The Residences at Oakwood Station

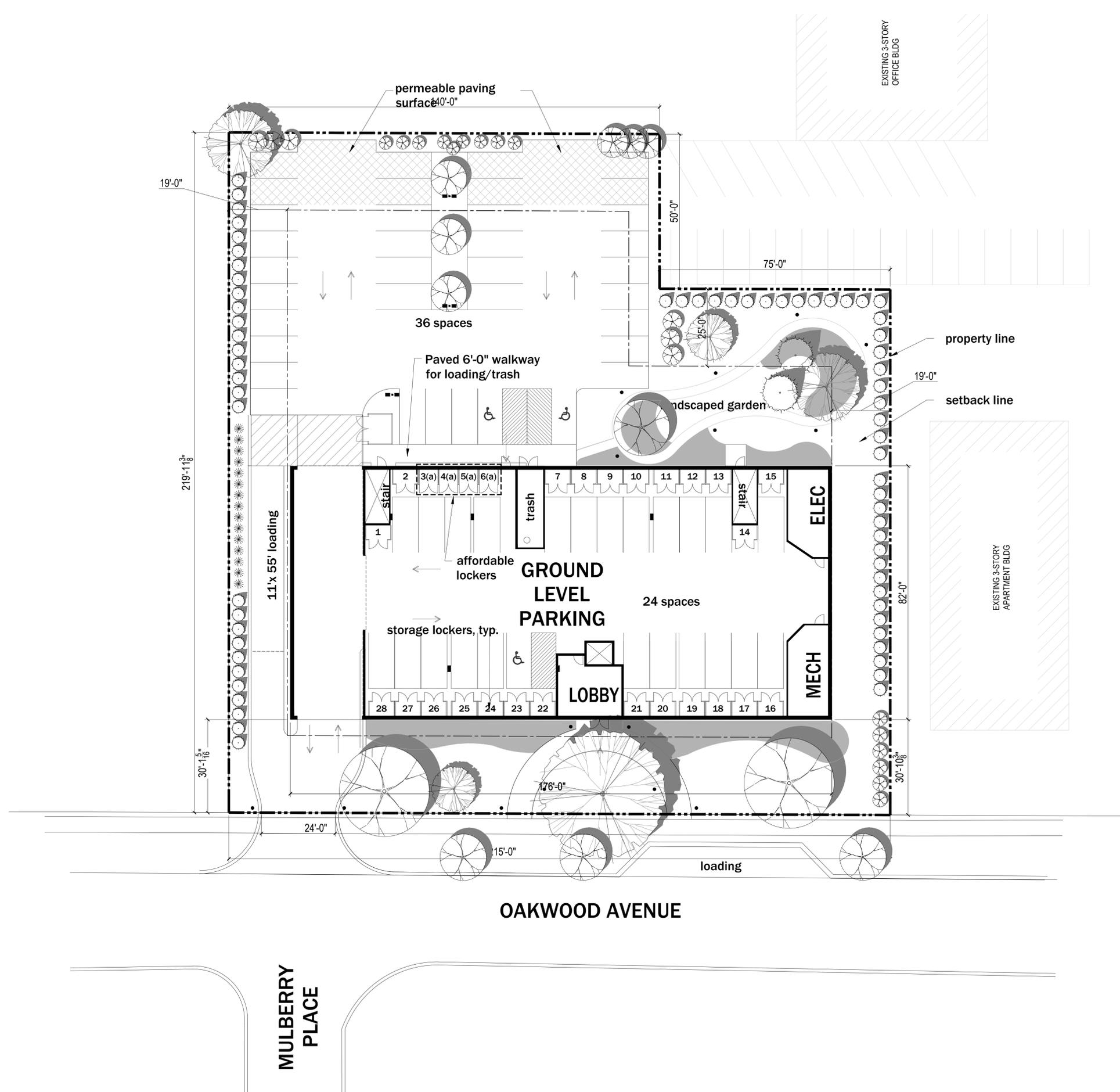
1554, 1564, 1576 Oakwood Avenue
 Highland Park, IL

Sanderman Properties, LLC
 MJS Development, LLC
 PO Box 553, Highland Park, Illinois 60035
 847-417-4239

NORR
 ARCHITECTS ENGINEERS PLANNERS
 325 North LaSalle Street
 Suite 500
 Chicago, IL, USA 60654
 T 312 424 2400

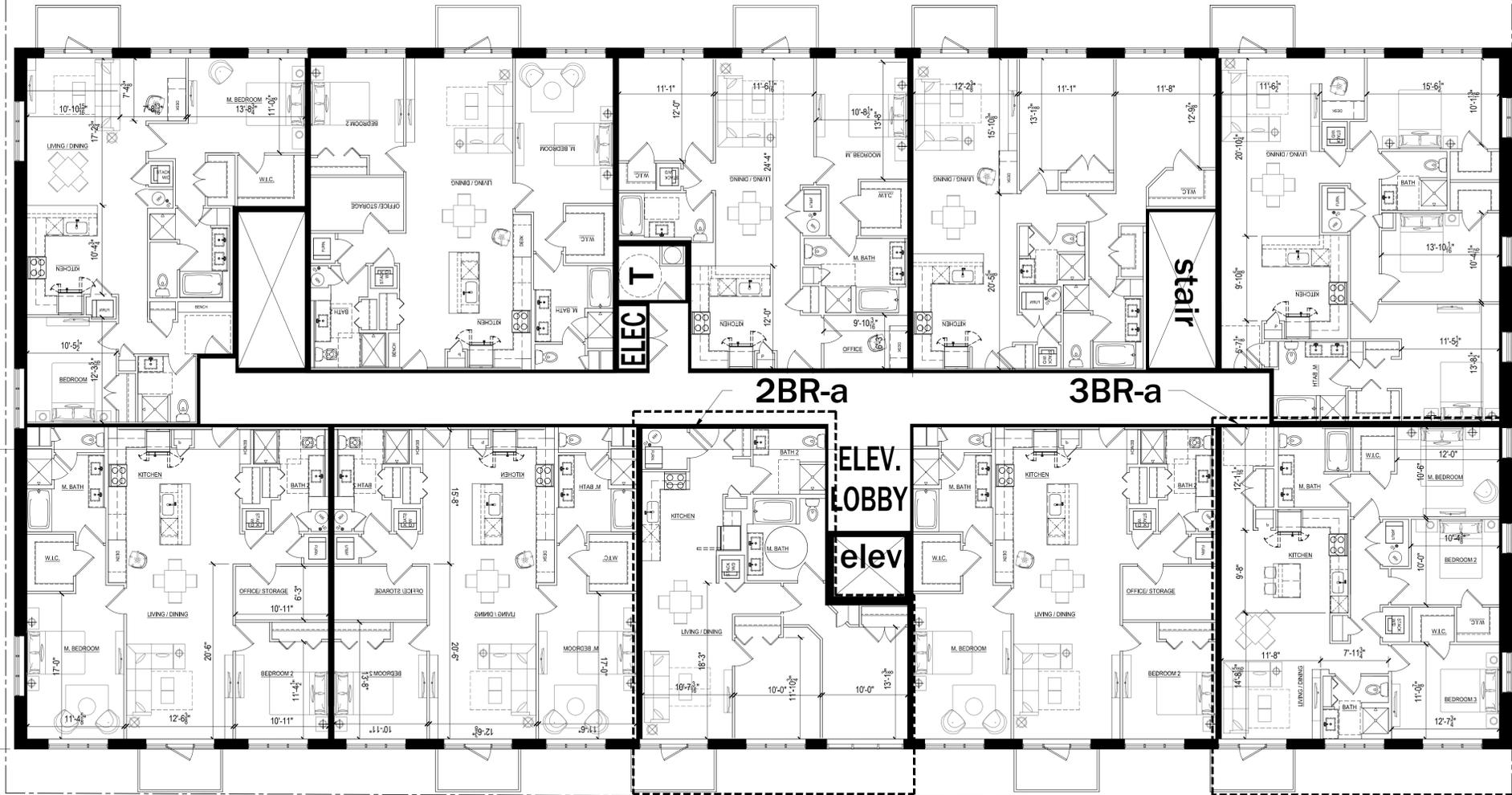


SITE PLAN
 AUG 24, 2015



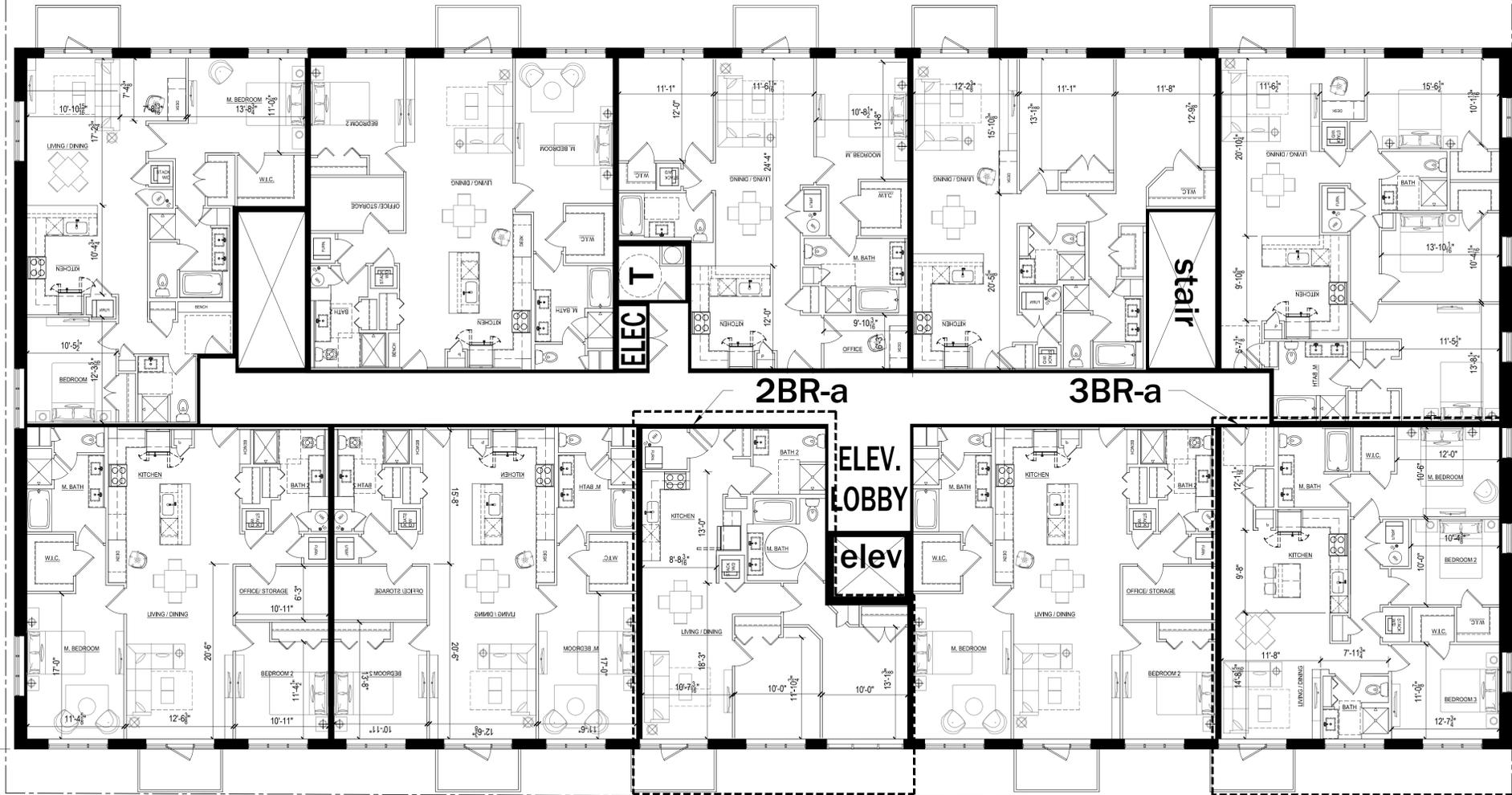
LaSALLE PLACE

UNIT 201	UNIT 202	UNIT 203	UNIT 204	UNIT 205
2Bdr	2Bdr	2Bdr	2Bdr	3Bdr
1210 SF	1330 SF	1145 SF	1170 SF	1375 SF



UNIT 210	UNIT 209	UNIT 208	UNIT 207	UNIT 206
2Bdr	2Bdr	2Bdr-a	2Bdr	3Bdr-a
1330 SF	1330 SF	970 SF	1330 SF	1230 SF

UNIT 301	UNIT 302	UNIT 303	UNIT 304	UNIT 305
2Bdr	2Bdr	2Bdr	2Bdr	3Bdr
1210 SF	1330 SF	1145 SF	1170 SF	1375 SF



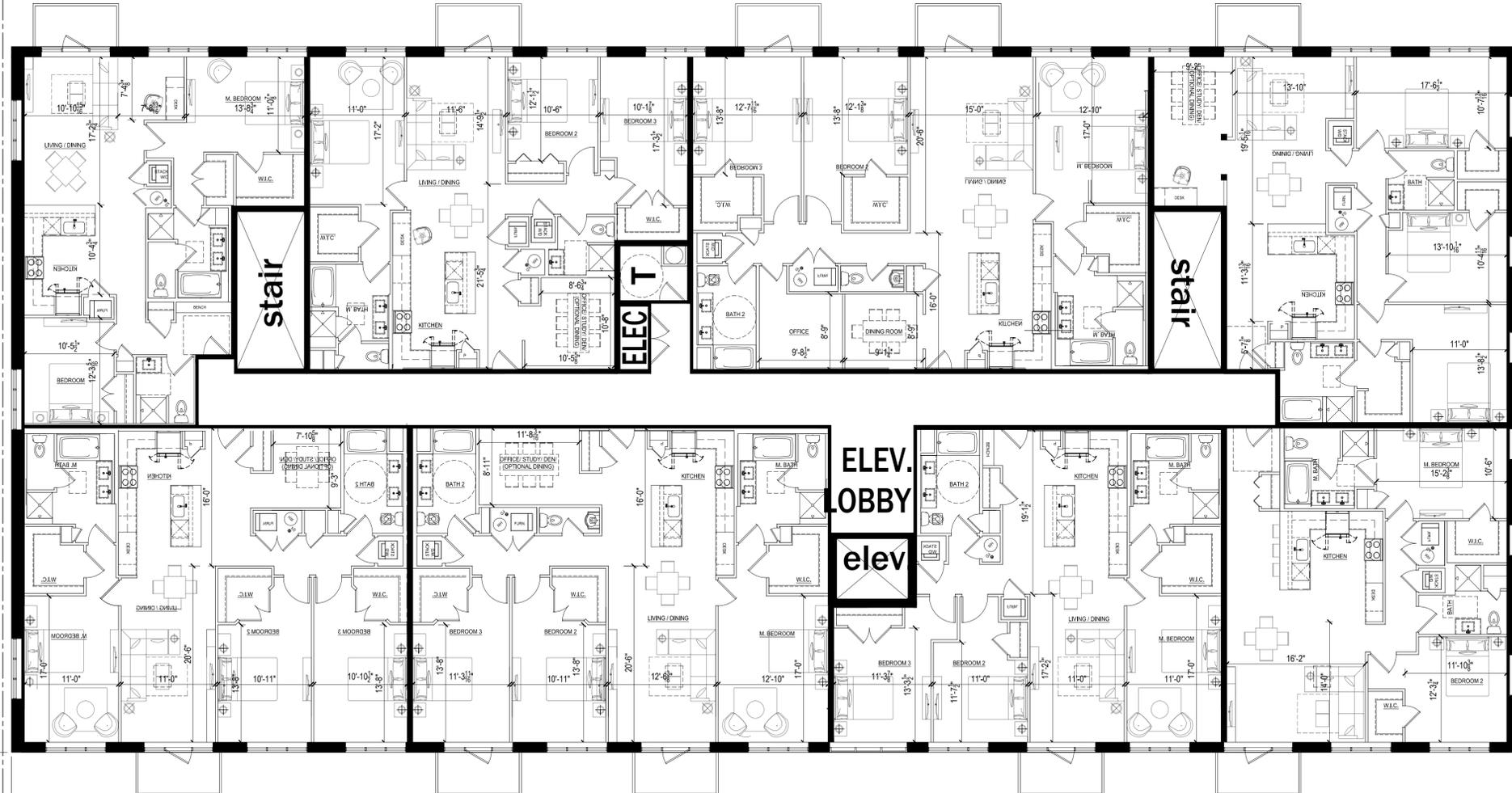
UNIT 310	UNIT 309	UNIT 308	UNIT 307	UNIT 306
2Bdr	2Bdr	2Bdr-a	2Bdr	3Bdr-a
1330 SF	1330 SF	970 SF	1330 SF	1230 SF

UNIT 401
2Bdr
1210 SF

UNIT 402
3Bdr
1515 SF

UNIT 403
3Bdr
1980 SF

UNIT 404
3Bdr
1535 SF

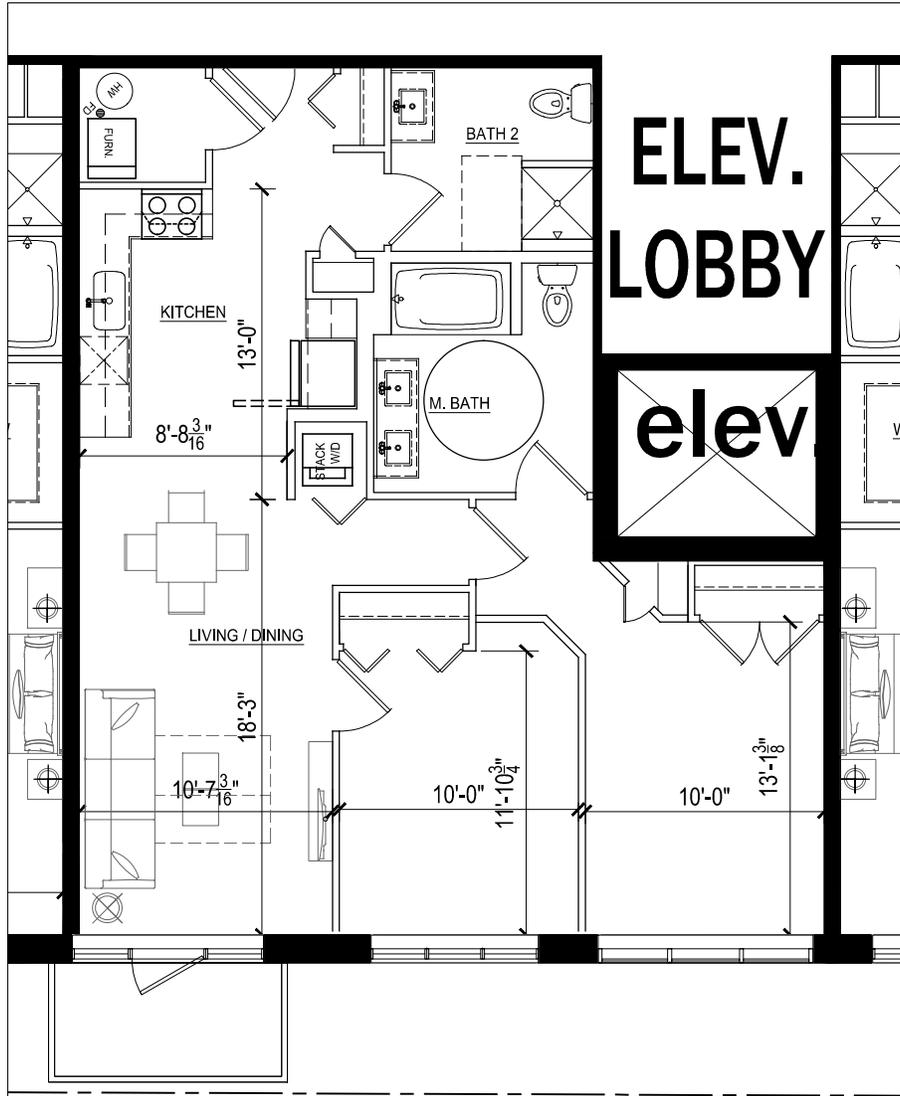


UNIT 408
3Bdr
1670 SF

UNIT 407
3Bdr
1810 SF

UNIT 406
3Bdr
1490 SF

UNIT 405
2Bdr
1230 SF



The Residences at Oakwood Station

1554, 1564, 1576 Oakwood Avenue
Highland Park, IL

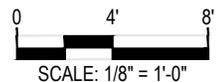
Sanderman Properties, LLC
MJS Development

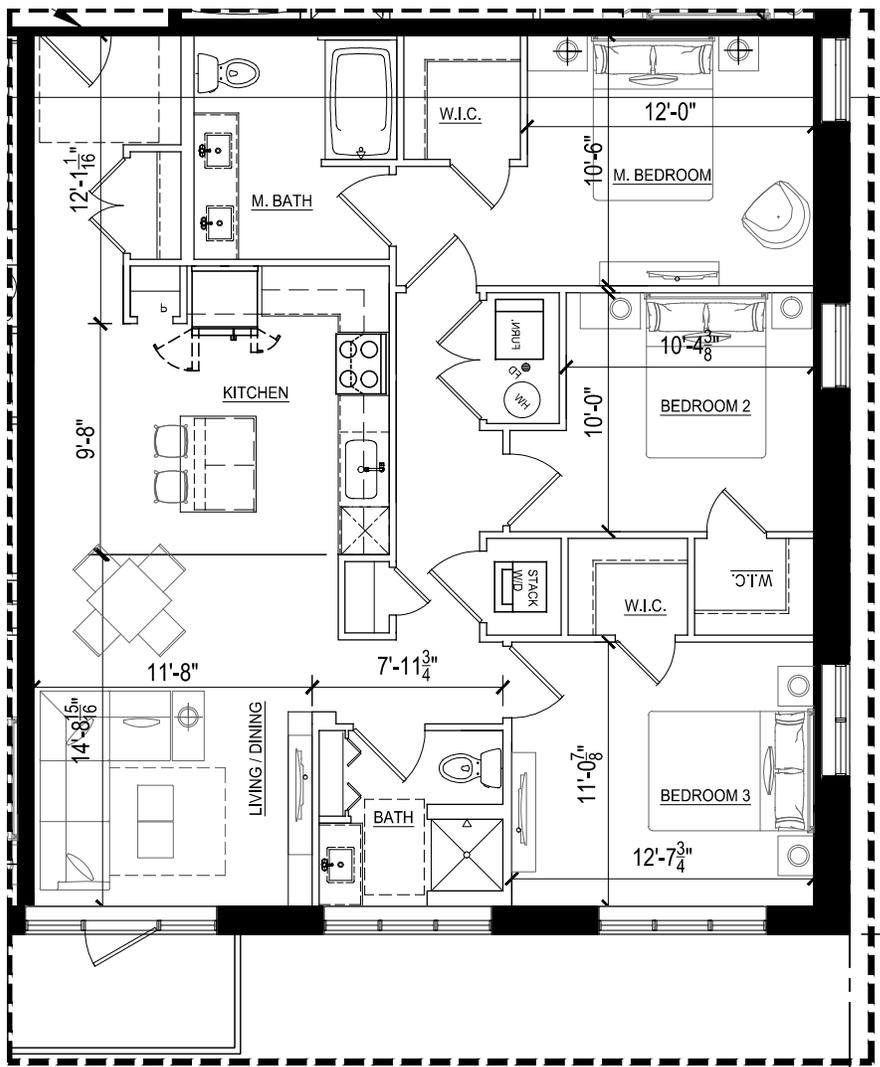
PO Box 553, Highland Park, IL 60035
847-417-4239

2BR-a UNIT
970 SF

UNIT 208, 308

AUG 26, 2015





The Residences at Oakwood Station

1554, 1564, 1576 Oakwood Avenue
Highland Park, IL

Sanderman Properties, LLC
MJS Development

PO Box 553, Highland Park, IL 60035
847-417-4239

3BRa UNIT
1230 SF

UNIT 206, 306

AUG 25, 2015





43













49



EAST ELEVATION



NORTH ELEVATION

SOUTH ELEVATION



WEST ELEVATION

Mason, Wenk + Berman LLC

630 Dundee Road, Suite 220
Northbrook, Illinois 60062
O 847.656.6000
F 847.656.6010
mwblawfirm.com

August 06, 2015

Highland Park Housing Commission
1150 Half Day Road
Highland Park, IL 60035
Attention: Mary Smith

Invoice # 39297

In Reference To: Sunset Woods

Professional services

	<u>Hours</u>	<u>Amount</u>
5/15/2014 BPM Telephone call with Alla Borovsky.	0.25	81.25
5/28/2015 BPM Miscellaneous emails regarding: Peers to Sunset loans.	0.25	81.25
5/29/2015 BPM Telephone call with Mary Smith regarding: documenting loans from Peers Housing Association.	0.50	162.50
7/13/2015 BPM Review Housing Commission Ordinance and By-Laws of Peers and Sunset for authority to lend/borrow.	1.00	325.00
7/14/2015 BPM Drafting Promissory Note; conference with AB regarding: authority issues; review organization files for authority language in Articles of Organization.	1.25	406.25
7/15/2015 BPM Drafting Promissory Note in favor of Peers Housing; email to MS.	1.50	487.50
For professional services rendered	<u>4.75</u>	<u>\$1,543.75</u>
Balance due		<u><u>\$1,543.75</u></u>

Payment of the above amount is due upon receipt.

From: [Polly Kuehl](#)
To: [Smith, Mary](#); [Smith, Lee](#)
Cc: [Mary Mauney](#); [John Noonan](#)
Subject: Proposed Capital Plans - Peers and Walnut
Date: Friday, July 03, 2015 8:38:29 AM
Attachments: [Capital Plan - Frank B. Peers 2015.xls](#)
[Capital Plan - Walnut Place 2015.xls](#)

Please find attached the proposed 5-year Capital Plans for Frank B. Peers and Walnut Place. Most of the figures were based on assessments made by Roof Options, a mason contractor or are known costs. There were a few figures that were estimates based on costs incurred by other properties. In addition, we did not include some items, i.e. boilers, entry systems, etc. since we do not anticipate having to replace these over the next 5 years.

The analysis at the bottom of the spreadsheet may be somewhat confusing, but we wanted to identify the monies that “owners” would need to contribute in order to provide these basic capital improvements and maintain the IHDA Replacement Reserve minimum requirement. If the Pending Reserve Balance row is “shaded red”, it means that the costs have gone below the IHDA Minimum.

We would be glad to review these plans with you to answer any questions before they are presented to the Housing Commission members. It might, also, be good to have us in attendance to present the plans to the Housing Commission as I am sure there would be questions.

Just some notes:

- 1) Appliance replacements were not included in the Capital Plan as we have been replacing those, as needed, and paying for them from Operations. Seniors tend not to be as hard on appliances as families – and we are not planning any “bulk” replacements over the next 5 years.
- 2) There are several costs that might have to be incurred and are identified on the plans – but the costs are not reflected in the 5 year plan. The largest item is elevator modernization. This cost would be about \$70,000 for two elevators. While we do not anticipate having to do this over the next 5 years, other properties have needed this when elevators reach about 25-30 years. For Walnut Place, we identified community room “facelift”, as it would greatly enhance the resident use of the space; but did not reflect the cost in the Capital Plan since it is a “discretionary” item. Replacement of bay windows at Walnut Place was not reflected, as well. Certainly, the Walnut Place Capital Plan is the most “conservative”.
- 3) We minimized the number of kitchen renovations at Walnut Place – certainly, it would be beneficial to the residents and property to complete these earlier.
- 4) We indicated at the bottom that some of the capital items would be included in the Operating Budget as opposed to having to use Replacement Reserves. While we do not see a problem in doing this at Frank B. Peers, the Walnut Place budget is tighter and cash flow is not as good. It would be difficult to utilize more than \$13,000 from Operations to cover additional capital – even that figure is somewhat “optimistic”.

Let us know how you would like to proceed with this. Thanks.

Polly



Polly Kuehl, CPM | Senior Vice President

566 W. Lake Street | Suite 400 | Chicago, IL 60661

T: 312.382.3228 F: 312.382.3220 M: 312.953.3230

E: pkuehl@evergreenres.com

Website: www.evergreenres.com

Connect with Evergreen on [LinkedIn](#)

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Peers 5-Year Capital Plan													
			2015	2016	2017	2018	2019						
Windows			\$	800,000.00									
Windows-Painting													
Windows-Landscape			\$	15,000.00									
Roof						\$	168,500.00						
Update community kitchen cabinet faces	6500					\$	6,500.00						
Corridor decorating	25000				\$	15,000.00	\$	10,000.00					
Lobby furnishing	10000				\$	6,000.00	\$	4,000.00					
Retaining wall at parking lot	8000	\$	8,000.00										
Seal and stripe lot		\$	1,500.00		\$	1,500.00	\$	1,500.00					
Concrete replacement		\$	6,000.00										
Elevators	2 @ 70,000 modernizations												
Water Heater		\$	7,500.00										
Makeup Air a/c					\$	35,000.00							
Unit lock updates	12500	\$	2,500.00	\$	2,500.00	\$	2,500.00	\$	2,500.00				
Kitchens	8500 per unit	\$	42,500.00		\$	85,000.00	\$	85,000.00					
Flooring	1200 per unit	\$	7,200.00	\$	7,200.00	\$	7,200.00	\$	7,200.00				
Bathrooms	1500 per unit	\$	3,000.00	\$	3,000.00	\$	3,000.00	\$	3,000.00				
Toilets	250 per unit	\$	1,250.00	\$	1,250.00	\$	1,250.00	\$	1,250.00				
Total Capital Expenditures		\$	76,450.00	\$	828,950.00	\$	156,450.00	\$	112,950.00	\$	190,450.00		
Operating Contributions		\$	17,000.00	\$	17,000.00	\$	17,000.00	\$	17,000.00	\$	17,000.00		
Reserve Contributions		\$	59,450.00	\$	811,950.00	\$	139,450.00	\$	95,950.00	\$	173,450.00		
Starting Reserve Balance	as of 5/31/15	\$	193,611.00	\$	146,061.00	\$	102,000.00	\$	102,000.00	\$	102,000.00		
Reserve Deposit		\$	11,900.00	\$	20,400.00	\$	20,400.00	\$	20,400.00	\$	20,400.00		
Pending Reserve Balance	This row turns red if drops below IDHA minimum of \$102,000	\$	146,061.00	\$	(662,489.00)	\$	(34,050.00)	\$	9,450.00	\$	(68,050.00)		
Owner Contribution Required To Maintain IHDA Minimum		\$	-	\$	764,489.00	\$	136,050.00	\$	92,550.00	\$	170,050.00	\$	1,163,139.00
Final Reserve Balance		\$	146,061.00	\$	102,000.00	\$	102,000.00	\$	102,000.00	\$	102,000.00		

Walnut Place							
	Notes	2015	2016	2017	2018	2019	
Roof	Main 2014, TH 2019	\$ 79,900.00				\$ 47,000.00	
Tuckpointing and caulking	N in 2016, S in 2017		\$ 44,000.00	\$ 36,000.00	\$ 23,750.00	\$ 23,750.00	
Windows	Replace bay roofs		\$ 15,000.00				
Parking Lot	Seal and stripe	\$ 11,000.00			\$ 11,000.00		
Tree trimming		\$ 9,000.00					
Concrete grinding		\$ 4,000.00					
Community Room lighting and Facelift	8000						
Elevators	2 @ 70K modernizations						
Townhouse entry doors			\$ 6,500.00	\$ 6,500.00			
Townhouse patio doors			\$ 8,259.00	\$ 8,250.00			
Water Heater	Replace with reduced capacity unit.					\$ 4,000.00	
A/C Condensers		\$ 5,000.00		\$ 2,500.00		\$ 2,500.00	
Kitchens	8500 per unit	0	0	17000	17000	17000	
Flooring	1200 per unit	7200	7200	7200	7200	7200	
Bathrooms	1500 per unit	3000	3000	3000	3000	3000	
Toilets	225 per unit	450	450	450	450	450	
Total Capital Expenditures		\$ 119,550.00	\$ 84,409.00	\$ 80,900.00	\$ 62,400.00	\$ 104,900.00	
Operating Contributions		\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	\$ 13,000.00	
Reserve Contributions		\$ 106,550.00	\$ 71,409.00	\$ 67,900.00	\$ 49,400.00	\$ 91,900.00	
Starting Reserve Balance	As of 5/31/15	\$ 122,432.00	\$ 102,000.00	\$ 102,000.00	\$ 102,000.00	\$ 102,000.00	
Reserve Deposit		\$ 12,831.00	\$ 21,996.00	\$ 21,996.00	\$ 21,996.00	\$ 21,996.00	
Pending Reserve Balance	This row turns red if drops below IDHA minimum of \$102,000	\$ 28,713.00	\$ 39,587.00	\$ 43,096.00	\$ 61,596.00	\$ 19,096.00	
Owner Contribution Required To Maintain IHDA Minimum		\$ 73,287.00	\$ 62,413.00	\$ 58,904.00	\$ 40,404.00	\$ 82,904.00	\$317,912.00
Final Reserve Balance		\$ 102,000.00	\$ 102,000.00	\$ 102,000.00	\$ 102,000.00	\$ 102,000.00	

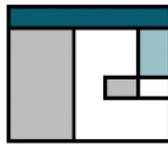
Note: Appliances not included. They will be purchased as needed from Operations.

Walnut Place Capital Improvements											
Revised	4/29/2011										
Capital Improvement	2010		2011		2012		2013		2014		2015
		*Red - not done - delayed		*Red - not done - delayed		*Red - not scheduled to be done					
Roof (paid from Operations)	84,139	Replace TH Roofs C & D	11,592	Replace Bay Copper Roofs (not if bay windows changed out)	127,520	Replace Roofs A/B (Reserves)	0		0		0
					12,298	Replace Bay Copper Roof (not if bays are repl.)					
Masonry (PNA)	12,000	Tuckpoint E/W Elevations	13,000	Tuckpoint S elevations	15,000	Tuckpoint as needed (Reserves)	0		0		0
Caulking (paid from Operating)	0		0		0		0		0		0
Windows (PNA)	80,000	Replace Bay window with slider; cut hole for A/C in main bldg.	0		0		0		0		0
	18,000	Replace TH patio doors \$1,500 x 12									
Fences/Landscaping	8,000	Replace bushes on W of TH - barrier	0		0		0		0		0
			24,000	TH Fences - Reserves Done							
Parking Lot (Done in 2008)	0		0		10,000	Sealant (Reserves)	0		0		0
Sidewalks/Patios	0		0		0		0		8,700		0
Entry Doors	0		0		0		0		11,725	TH Entry Doors	0
Entry System	12,000	Two systems - res.	0		0		0		0		0
Kitchens/Bathrooms	73,604	Replace 9 kitchens 4% inflation factor	8,500	Replace 1 Kitchen Delayed 10 kitchens	97,300	Replace 11 kitchens 4% inflation factor	119,591	Replace 13 kitchens	137,989	Replace 15 Kitchens	0
Appliances	0		0		0		0		9,737	Replace 17	10,107
										Replace	

Notes on Extract from the Draft Appraisals

Staff selected sections of each Appraisal from the 177 page documents. If you would like to see the full Appraisal, please let me know, and I will email it to you. For the Peers appraisal, I included the comparable rental properties section, while for the Walnut Place appraisal, I included the comparable property sales section.

DRAFT FOR DISCUSSION PURPOSES ONLY



PROPERTY VALUATION ADVISORS, INC.

**Frank B. Peers Senior Housing
400 Central Avenue
Highland Park, Illinois 60035**

In Accordance with HUD's Section 223 (f) Program

PVA File No. 153155 B

APPRAISAL REPORT

Market Value Appraisal

Frank B. Peers Senior Housing
400 Central Avenue
Highland Park, Illinois 60035
PVA File No. 153155 B

In Accordance with HUD's Section 223 (f) Program

Effective Date of the Appraisal:

July 29, 2015

Prepared for:

Evergreen Real Estate Services, LLC
c/o Polly Kuehl
566 W. Lake Street, Suite 400
Chicago, Illinois 60661

Prepared by:

PROPERTY VALUATION ADVISORS, INC.

850 West Jackson Boulevard
Suite 200
Chicago, Illinois 60607
www.propval.net

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August 23, 2015

Evergreen Real Estate Services, LLC

c/o Polly Kuehl
566 W. Lake Street, Suite 400
Chicago, Illinois 60661

RE: Market Value Appraisal

Frank B. Peers Senior Housing
400 Central Avenue
Highland Park, Illinois 60035

Dear Ms. Kuehl:

At your request we have completed a market value appraisal of the “as is” fee simple interest for the above captioned multi-family residential property commonly referred to as Frank B. Peers Senior Housing, in accordance with HUD’s Section 223 (f) valuation processing. The basis for value under the HUD guidelines is the cost/summation, market/comparison and income approaches to value.

In addition to the standard narrative appraisal report analysis and support documentation, we have included HUD’s required forms: HUD-92264 (Multi-Family Summary Appraisal Report dated 8/95), HUD-92273 (Estimates of Market Rent by Comparison, date 7/03) for each apartment unit type, and HUD-92274 (Operating Expenses Analysis Worksheet 5/03).

The subject property consists of a single four story apartment building. In addition, the property is accompanied by an asphalt-paved parking area with approximately (24) spaces. The apartment units in the four-story building are accessed via interior entrance doors. The four-story building contain (68) residential units. The improvements were originally constructed in 1979 with an addition south of the four-story building constructed in 2000.

The units within the four-story building contain Studio and one bedroom/ one bathroom and are one level (simplex) units. There are (6) Studio units each measuring approximately 442 square feet and (62) one bedroom and one bathroom units each measuring approximately 551 square feet of living area. All the units are designated Section 8 units.

The subject is situated on 45,116 square feet or 1.036 acres of land that is well landscaped and improved with the aforementioned building and parking lot. At the time of our inspection, the improvements were in average condition and were 98.5% leased.



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Evergreen Real Estate Services, LLC
Frank B. Peers Senior Housing

The unit finish includes vinyl floors and carpet throughout. The bathrooms have tiles floors with a tub/shower combination. The kitchen floors were finished with vinyl tile and have electric range and stove, wood cabinets and a refrigerator. The common hallways are carpeted. The units are heated by radiant heat via a gas-fired hot water radiator system with two (2) central boilers. Units are cooled via individual window air conditioning units (not provided). Trash, gas & heat, water and sewer charges are the responsibility of the landlord. There is a common area laundry facility containing 4 washers and 4 dryers.

The subject property is located along Central Avenue between Linden Avenue Sheridan Road in the City of Highland Park. The subject is located a block east from the Highland Park downtown along Central Avenue and one block northeast from the Highland Park Metra Station along Sheridan Road. The subject property is located 22 miles north of the Chicago CBD with direct access via Highway 41 (Skokie Valley Road) which feeds into the Interstate 94 heading south towards the Chicago area. Highway 41 is a major north/ south arterial that passes through the Chicago area as Lake Shore Drive and farther south into Indiana.

The surrounding neighborhood is predominately residential south of Laurel Avenue and east of Sheridan Road towards the lakefront with a combination of single and multi-family residences. However, the Highland Park downtown area is immediately west with commercially developed projects and office properties segmented along Central Avenue. Major commercial nodes are located northwest and southwest from the subject property. At the intersection of Highway 41 and Park Avenue W, there is a Target anchored intersection while the larger commercial development is concentrated at the intersection of Highway 41 and Lake Cook Road anchored by the Northbrook Court shopping mall.

Overall, the immediate area is highly accessible via multiple modes of transportation such as the regional interstate system (I-94) which is fed into by Highway 41 located approximately 1 ¼ mile west, major arterials, and the Metra station located one block west.

We have thoroughly analyzed the market and the property in arriving at our value estimates. The purpose of the forthcoming report is to outline the reasoning and the important factors considered in arriving at our value estimates. The report is a self-contained narrative of the data gathered in our investigation and describes in detail the analysis that resulted in our conclusions. The report was prepared for use by **Evergreen Real Estate Services, LLC** in valuing the subject under HUD's Multifamily Accelerated Processing (MAP) Program. More specifically, the subject is valued as collateral for mortgage financing purposes under Section 223 (f) of HUD's Multifamily Accelerated Processing mortgage financing program.



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**Evergreen Real Estate Services, LLC
Frank B. Peers Senior Housing**

Our appraisal report is prepared in accordance with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and conforms to the Uniform Standards of Professional Appraisal Practice (USPAP). This report should only be used by sophisticated users that have the opportunity to obtain a full understanding of the assumptions underlying the analysis.

We have performed our services and prepared this report in accordance with generally accepted appraisal practices, and make no other warranties, either expressed or implied, as to the character and nature of such services and product.

All factors considered, it is our opinion that the “as is” fee simple value of the subject property known as the Frank B. Peers Senior Housing **based on the assumptions and limiting conditions set forth in this report and in accordance with HUD’s 223 (f) Housing Program** as of July 29, 2015 is:

**EIGHT MILLION TWO HUNDRED THOUSAND DOLLARS
\$8,200,000**

If you have any questions regarding our value estimate or analysis or require any additional information please contact the undersigned. We appreciate having the opportunity to be of service to you in this matter.

Respectfully submitted,

PROPERTY VALUATION ADVISORS, INC.

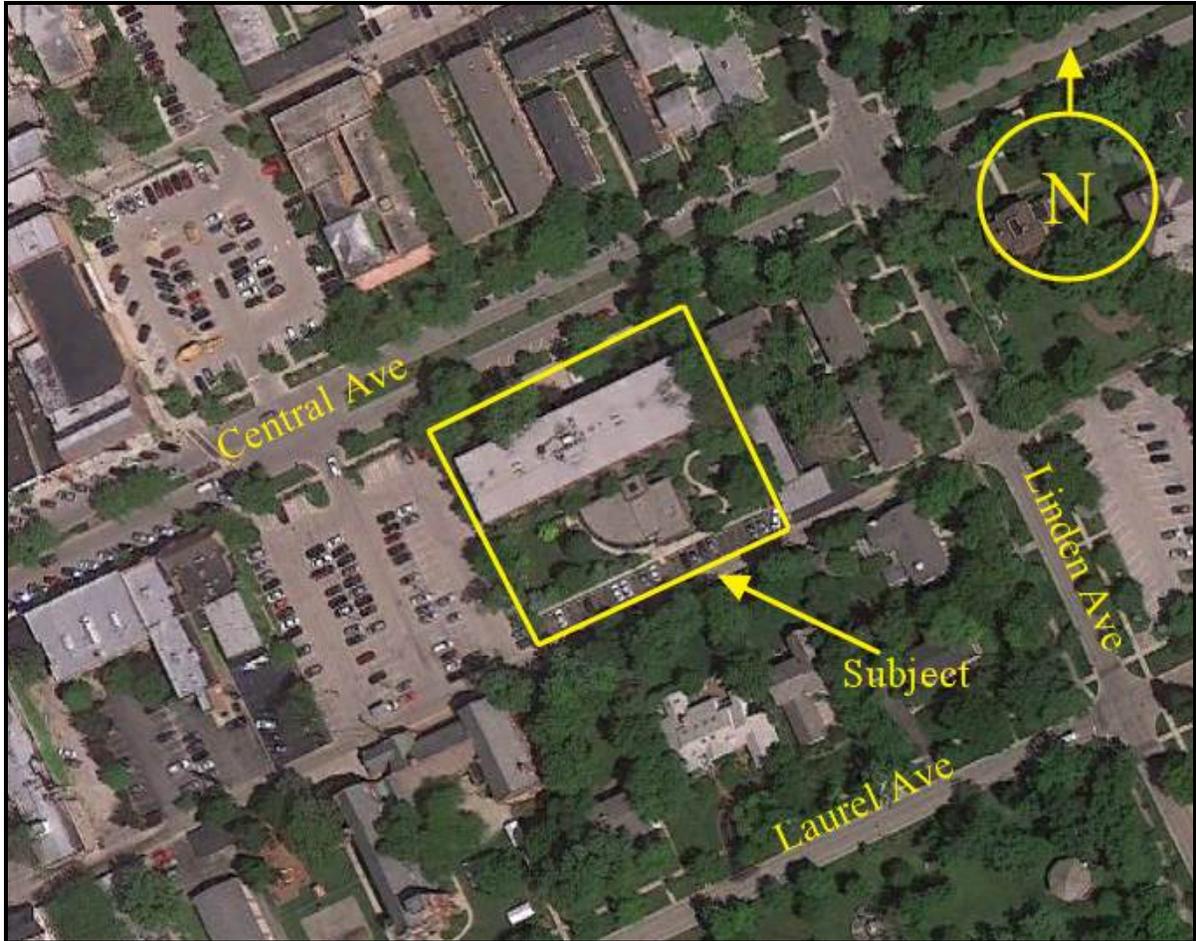
DRAFT FOR DISCUSSION PURPOSES

Brian D. Flanagan, MAI, AI-GRS, President
State Certified General Real Estate Appraiser
IL Certification Number 553-000103
Expires 9/30/2015

DRAFT FOR DISCUSSION PURPOSES

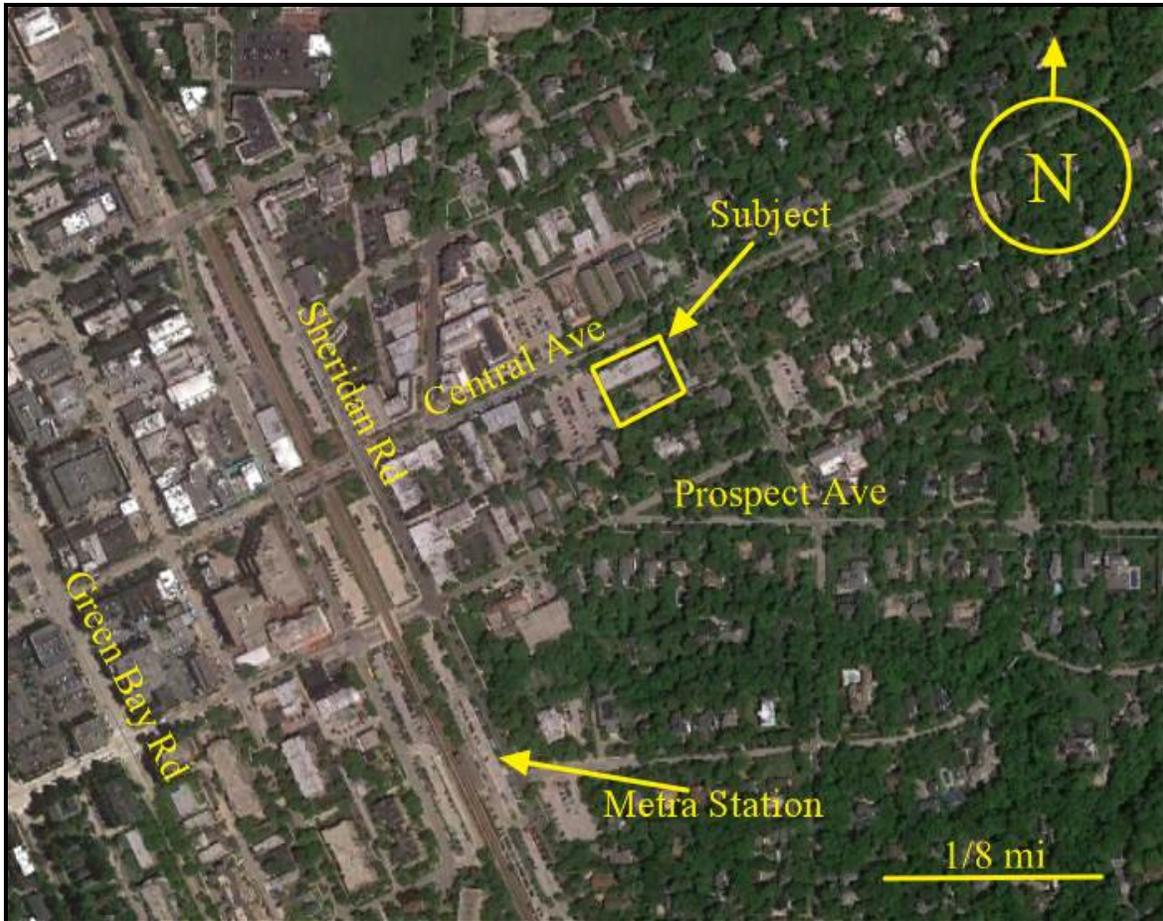
Miguel A. Rojas Jr
Associate Real Estate Trainee Appraiser
IL License Number 557-006024
Expires 9/30/2015

Aerial Photographs of the Subject Property



Aerial view of the subject property located at: 400 Central Avenue, Highland Park, Lake County, IL 60035

Aerial Photographs of the Subject Property



Aerial view of the subject property located at: 400 Central Avenue, Highland Park,
Lake County, IL 60035

Aerial Photograph of Subject Property



View from the southern elevation



View from the eastern elevation



View from the northern elevation



View from the western elevation

Bird's eye view of the subject property (Bing Maps)

Photographs of Subject Property



View of the subject along Central Avenue



View of the subject along Central Avenue

Photographs of Subject Property



View of the addition south of the four-story building



View of the addition south of the four-story building and outdoor sitting areas

Photographs of Subject Property



View of the subject area looking west along Central Avenue



View of the subject area looking east along Central Avenue

Photographs of Subject Property



View of an office



Interior view of a community room

Photographs of Subject Property



View of a community kitchen



View of the common laundry room

Photographs of Subject Property



View of the boilers



View of the hot water heaters

Photographs of Subject Property



View of the electrical meters

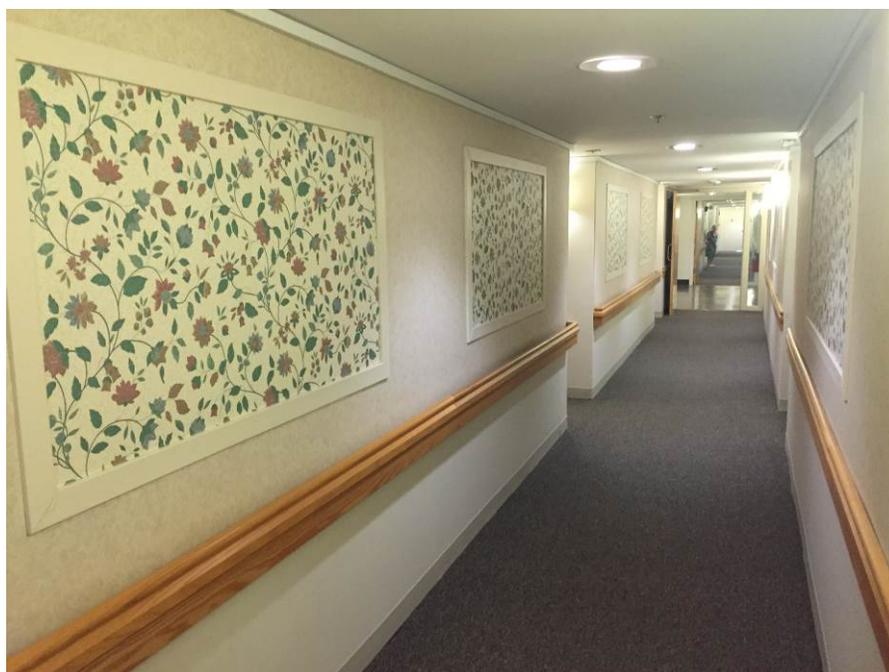


View of the security system

Photographs of Subject Property



View of the passenger elevators



Interior view of a common hallway leading to individual residential units

Photographs of Subject Property



Interior view of a residential unit- Living room



Interior view of a residential unit- Kitchen space and appliances

Photographs of Subject Property



Interior view of a residential unit- Bedroom



Interior view of a residential unit- Kitchen space and appliances

Photographs of Subject Property



Interior view of a residential unit- Bedroom



Interior view of a residential unit- Bathroom and fixtures

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ADDENDA

Qualifications/MAP Certification
Survey/Legal Description
Historical Expenses

SUMMARY OF SALIENT FACTS

Name and Address: Frank B. Peers Senior Housing
400 Central Avenue
Highland Park, IL 60035

Location: The subject property is located along Central Avenue between Linden Avenue Sheridan Road in the City of Highland Park. The subject is located a block east from the Highland Park downtown along Central Avenue and one block northeast from the Highland Park Metra Station along Sheridan Road. The subject property is located 22 miles north of the Chicago CBD with direct access via Highway 41 (Skokie Valley Road) which feeds into the Interstate 94 heading south towards the Chicago area. Highway 41 is a major north/ south arterial that passes through the Chicago area as Lake Shore Drive and farther south into Indiana.

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Overall, the immediate area is highly accessible via multiple modes of transportation such as the regional interstate system (I-94) which is fed into by Highway 41 located approximately 1 ¼ mile west, major arterials, and the Metra station located one block west.

Property Description: The subject property consists of a single four story apartment building. In addition, the property is accompanied by an asphalt-paved parking area with

approximately (24) spaces. The apartment units in the four-story building are accessed via interior entrance doors. The four-story building contain (68) residential units. The improvements were originally constructed in 1979 with an addition south of the four-story building constructed in 2000.

The units within the four-story building contain Studio and one bedroom/ one bathroom and are one level (simplex) units. There are (6) Studio units each measuring approximately 442 square feet and (62) one bedroom and one bathroom units each measuring approximately 551 square feet of living area. All the units are designated Section 8 units.

The unit finish includes vinyl floors and carpet throughout. The bathrooms have tiles floors with a tub/shower combination. The kitchen floors were finished with vinyl tile and have electric range and stove, wood cabinets and a refrigerator. The common hallways are carpeted. The units are heated by radiant heat via a gas-fired hot water radiator system with two (2) central boilers. Units are cooled via individual window air conditioning units (not provided). Trash, gas & heat, water and sewer charges are the responsibility of the landlord. There is a common area laundry facility containing 4 washers and 4 dryers.

Unit Layout	No. Units	Size-SF/ Unit	Total NRA
Studio	6	442	2,652
1 bed/ 1 bath	62	551	34,162
		Total Res. SF	36,814

The subject is situated on 45,116 square feet or 1.036 acres of land that is well landscaped and improved with the aforementioned building and parking lot. At the time of our inspection, the improvements were in average condition and were 98.5% leased.

Market Analysis:

The Chicago Metro apartment market contains 454,894 rental units situated within Chicago and the adjacent suburban areas, as tracked by REIS. From 2010 to the present, market vacancy has continually declined from a high of 6.7% (1Q 2010) to a low of 3.4% (4Q 2014). The vacancy for the 4th quarter

2014 is 3.4%, the lowest it has been in the last 14 years.

The current vacancy rate in Chicago as of the 4th Quarter of 2014 is 3.4%, which is down from 3.7% during the same period one year ago. Vacancy rates have continued to decline since 2009 when the market reached its high-end at 6.7%. The Chicago market has continued to receive new apartment product and managed to absorb the new product. This is a strong indication as to the health of the rental sector. The tighter lending standards and the general hesitancy of the population to enter into homeownership have been catalyst for increasing the size of the rental pool. As residents have shunned condos and the economy has recovered, rents and occupancy levels at all property tiers have improved.

Construction numbers for Chicago apartments tend to be modest considered alongside the area's huge population base. Historically, the largest factor affecting the Chicago metropolitan apartment market is the actual reduction in the volume of the rental stock due to the movement of rental units to the condominium sector. However, this trend has reversed in recent time as many developers have seen it a prudent financial decision to convert their condominium projects into rentals. Over the past 36 months there seemed to be little danger of oversupplying the rental sector.

Despite some of the highest delivery numbers we have seen in recent years and the marketing time it takes for new properties to lease up units, Chicago saw an astonishing 6,638 units absorbed in 2010. This is easily the highest absorption Chicago has seen in recent years and marks a significant contrast to 2009. In 2009, Chicago observed negative absorption of 3,740 units. Post 2009, absorption has remained positive. In 2011 absorption numbers finished strong at 5,098 units being absorbed. 2012 absorbed 3,724 units and 2013 finished with 5,805 units. YTD 4Q 2014 absorption is 3,994 units. Historically, the Chicago apartment market has had a difficult time absorbing the units that were

delivered to the market in 2007, 2008, and 2009 evidenced by negative absorption of -211, -1,008, and -3,740 respectively.

The Chicago rental market is one of the most expansive in the country and commands rental rates above the average in the Midwest on an aggregate and per square foot basis as evidenced by the chart above. Additionally, when compared to the United States average on an aggregate monthly basis the Chicago rates generally follow the trend of falling below the United States average with the exception of for three bedroom units. However, when one looks at the Chicago market as compared to the United States market on a price per square foot basis the Chicago rental market exceeds the United States rates for all unit types except studio apartments.

Since the last quarter, Chicago has seen the greatest growth of asking rents in studios and three-bedroom units at 0.5% and 0.6% respectively. One bedrooms increased by 0.4% while two-bedroom units rose by 0.1% from the previous quarter. Continuous increases in rental rates coupled with the relatively stable and declining vacancy and positive absorption have given landlords justification and ability to capture higher rental rates. It is likely that this can be attributed to the movement of the population into rental housing. The recent drop in home prices during and immediately after the economic recession, left a wound in homeownership and turned away would-be homeowners to seek alternative housing. As more and more of the population shunned homeownership, competition for rental housing increased and as a result the number of available rental units declined and rental rates increased quarter after quarter for the past consecutive 20 quarter periods beginning in the 1st quarter 2010.

According to surveys conducted by REIS the subject apartment building is located in the East Lake County submarket of Chicago Metropolitan Apartment Market. During 1Q2015, the submarket reported a vacancy rate of 2.1% based on a total

rental unit base of 22,197. The vacancy rate has decreased from First Quarter 2011 vacancy of 5.1%. There have been no notable additions to the submarket in the past five years with the submarket have a stable base. Net absorption has totaled a positive 742 units since First Quarter 2011. Vacancy has continually declined from its peak of 5.1% (First Quarter 2011) to a low 2.0% (Third Quarter 2014). The market has absorbed existing structures which has resulted in positive net absorption between 2011 and 2015. As of the First Quarter 2015, net absorption is reportedly a negative 2 units from the previous quarter.

The subject's concluded rents fall within the range of those in the submarket rental survey either on a per square foot or an aggregate rent basis. Thus it is our opinion that the subject's projected rents are reasonable and well within the parameters of the market for properties of this type.

In arriving at an estimate of gross potential rental for the subject, we took into consideration the current rent roll in place and the competitive market.

Accordingly, we chose to project income for the subject for our projection years based on information gained from the market rental survey and current operations at the subject yielding **\$91,200** in potential rental income per month. We used this figure in our income projections in the Income Capitalization Approach section of this report. Additionally, we have included a vacancy rate/ collection loss factor assumption of **5%** in the Income Capitalization section of this report.

Special Conditions:

This report has been prepared in accordance with HUD's 223 (f) loan program guidelines and the USPAP appraisal report standards.

Highest and Best Use:

It is our opinion that the highest and best use of the property is for its current use as an apartment complex.

Income Capitalization Methodology:

We have prepared a projected income statement for

an ensuing twelve-month period. We then subjected the resulting net cash flow after reserves to direct capitalization using a **6.75%** capitalization rate. This rate was derived from our analysis of recent multi-family residential sales, pending transactions, and listings in the Chicago area and correlated to investment parameters for similar investment grade real estate.

Value Indications:

As Is

Cost Approach:	Not Applicable, we did not include F,F& E
Sales Comparison Approach:	\$8,200,000
Income Capitalization Approach:	\$8,200,000
Final Value Estimate:	\$8,200,000
Per Unit (68):	\$120,588

Effective Date of Value: **July 29, 2015**

Inspection Date: **July 29, 2015**

Marketability Considerations:

The market to buy quality apartment buildings historically has been extremely competitive. The competitive nature of this market is generated by both REIT's and private companies offering all cash deals with the ability to close the deals quickly. A complex with high occupancy levels with rents within the range of its competitive set and a solid operating history attracts many REIT's and private investment companies.

We believe that the subject property is marketable and could be sold at the appraised value in at least twelve months assuming the property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by buyers and sellers of similar type property.

Per the 2nd Quarter 2015 Korpacz Real Estate Investor Survey, the average marketing time for apartments on a national basis is 4.2 months, a slight increase from the previous quarter reported at 4.1 months, and an increase from the same period one year ago which reported a marketing period of 4.1 months.

PURPOSE, INTENDED USE, & INTENDED USER OF APPRAISAL

The purpose of this appraisal is to estimate the value of the "as is" fee simple interest in the subject property as of the date of inspection, July 29, 2015. The function of this appraisal is to estimate the value of the subject property for obtaining mortgage insurance through the Departments of Housing and Urban Development (HUD), Federal Housing Administration under Section 223 (f) for existing projects.

Fee Simple Interest is defined in the Dictionary of Real Estate Appraisal, Third Edition, Chicago, Illinois, Appraisal Institute, 1993, as: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the government powers of taxation, eminent domain, police power, and escheat."

The **intended use** of this appraisal is for mortgage financing purposes.

The **intended user** is **Evergreen Real Estate Services, LLC**. its successors and assignees. Use of this report by any unauthorized others is not intended by the appraiser.

DEFINITION OF MARKET VALUE

Market Value is defined as "The most probable price which a property should bring in a competitive and open market under all condition's requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in US. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."¹

SCOPE OF APPRAISAL

In preparing this report, Brian Flanagan inspected the subject property, interior and exterior of the buildings and proximate market area, analyzed the relevant "for rent" residential market, examined the historical income and expense data for the subject property and compared this data with industry averages and other operating residential properties for which we have information. Brian D. Flanagan inspected over 5% of the units and inspected at least one of each unit type.

¹Federal Register, Vol. 165, August 24, 1990 "Rules and Regulations, " 34.42

We collected and analyzed comparable sales information from the market. We then utilized the approaches to value to synthesize this information into an estimate of value.

Market data compiled for this report include a variety of data including comparable sales and listings. These data are the result of research specific to the market for the subject property. To the extent possible, the data were verified by buyers, sellers, brokers, managers, government officials or other sources regarded as knowledgeable and reliable. Emphasis was placed on transactions for which direct verification was available. Information such as zoning, real estate taxes, assessments and encumbrances were obtained from governmental sources. Information gathered during this process was summarized on HUD's Form 92264 Multi-Family Summary Appraisal Report.

Information specific to the subject property was provided by the property owner or estimated by the appraiser where necessary. Additional information was obtained through a personal inspection of the property. Specific estimates concerning projected expenses, vacancy, cash flows, etc., are the judgments of the appraisers based on our interpretation of available data.

COMPETENCY PROVISION

We are aware of the competency provision contained within Uniform Standards of professional Appraisal Practice (USPAP) and the author of this report meets these standards. Mr. Brian D. Flanagan, MAI inspected the subject property, and researched and analyzed pertinent market information for the preparation of this appraisal report. Further, Mr. Flanagan has extensive appraisal experience with multi-family properties for the past twenty years and has analyzed and appraised a large number of apartment properties. Mr. Flanagan has experience in the subject market on a wide array of asset types including multi-family properties.

EXTRAORDINARY ASSUMPTIONS

The Uniform Standard of Professional Appraisal Practice (USPAP) defines extraordinary assumptions as an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinion and conclusion. Extraordinary assumptions presume as fact uncertain information about physical, legal or economic characteristics of the subject property: or about conditions external to the property such as market conditions or trends: or about the integrity of the data used in an analysis.²

During the preparation of this report, we did make the extraordinary assumptions that the financial information provided to us e.g. rent roll and current and historical operating expenses are true and depict correct in place rentals and actual operations. We include standard assumptions and limiting conditions in the certification section that governs this appraisal report.

² **The Dictionary of Real Estate Appraisal, 4th Edition, by the Appraisal Institute, 2002**

HYPOTHETICAL CONDITIONS

Per The Uniform Standard of Professional Appraisal Practice (USPAP) hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or integrity of data used in an analysis.

We did not rely upon any hypothetical conditions within this report.

HISTORY OF THE PROPERTY

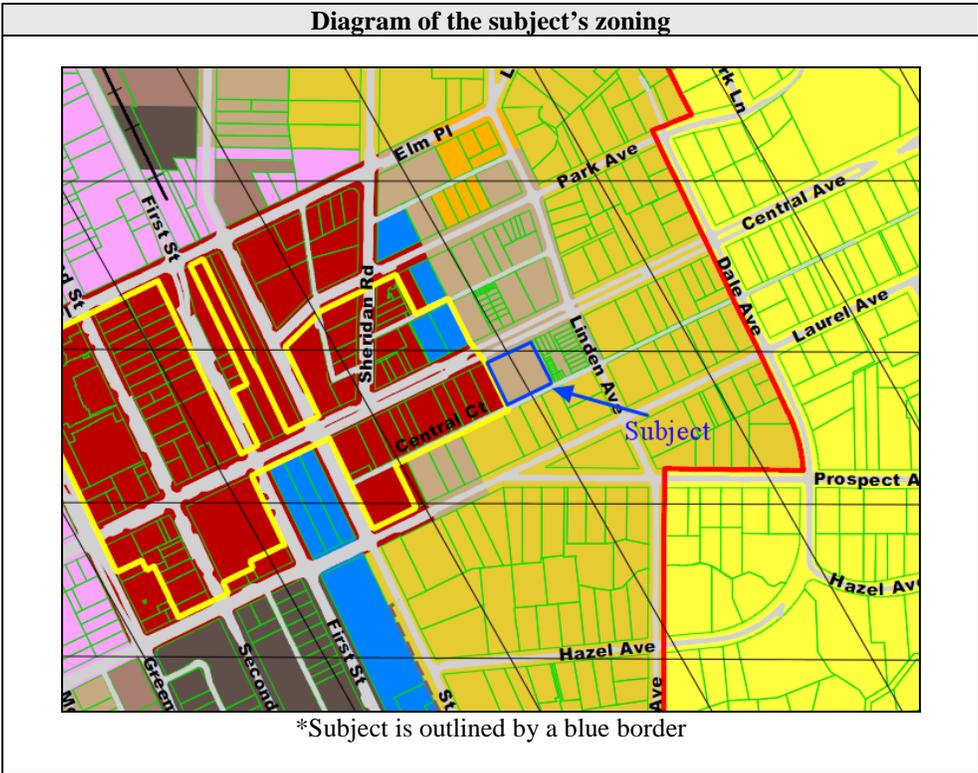
In accordance with the Standards of Professional Practice of the Appraisal Institute, we are required to indicate the subject's ownership history for the preceding three-year period. Per review of Lake County public records, the current owner is City of Highland Park, or an affiliated entity. To the best of our knowledge there has not been any transactions involving this property within the past three years.

ZONING AND OTHER RESTRICTIONS

The subject property is zoned RM1, Medium to High Density Residential District by the City of Highland Park Zoning Ordinance. The RM1 zoning district provides for medium-to-high density multiple family residential and normal accessory uses. It is not intended to allow commercial, industrial, governmental, recreational, or like uses in this district; however, certain facilities required to serve educational, religious, or other needs of the area may be allowed within the district as conditional uses subject to restrictions intended to preserve and protect the residential character. The following bulk and density standards are required in the RM1 district:

- Minimum Avg. Lot Width: 50 feet
- Minimum Lot Area: 10,000 square feet
- Min. Lot Area per MF Unit: 2,904 square feet (for lots greater than or equal to 90% of the minimum lot area for multiple family use)
- 0 square feet (for lots smaller than 90% of the minimum lot area for multiple family use)
- Maximum Building Height: 35 feet
- Maximum Floor Area Ratio: None
- Maximum Lot Coverage: 33.3%

- Minimum Yard Setbacks:
 - Front- 25 feet
 - Side- 10 feet
 - Rear- 25 feet or 20% of the lot depth (whichever is less)



Upon reviewing the subject municipality’s zoning we believe that the subject operates as a legal and conforming use in its current configuration.

REAL ESTATE TAX AND ASSESSMENT DATA

Overview

The property tax is the largest single tax in Illinois, and is the major source of tax revenue for local government taxing districts. The property tax is a local tax, imposed by local government taxing districts, which include counties, townships, municipalities, school districts, special districts, etc. Property tax is administered by local officials. In Illinois, the property tax is imposed on the value of real property (typically land, buildings, and permanent fixtures) owned. Illinois does not have a state property tax. The process of imposing the property tax has three distinct parts. First, a value must be placed on the property. That value is called an assessment. Next, the taxing district files a levy with the county clerk on the property situated within its boundaries. Finally, the county clerk calculates the tax rate that is required to produce the amount of the levy based on the assessed value of each property in the district so taxes can be billed.

Assessment

The respective township assessor in Lake County determines the value of all taxable real estate within Lake County. The assessment is based on a percentage of the property’s “fair cash” or

“fair market” value, which represents an estimate of fee simple market value by the Assessor’s office. The assessment level for commercial property in Lake County is 33 1/3 percent of market value.

Equalization

Once assessments have been finalized, property valuations become subject to an equalization study by the Illinois Department of Revenue. The purpose of the study is to establish a common level of assessment among the 102 Illinois counties. Equalization factors are established on a county-basis based on an annual sales-ratio study that compares the assessed value of a given property to its sale price, in the respective year of sale. Lake County equalization factor for the past year is summarized below.

Tax Year	Equalization Factor
2014	1.0000

Tax Extension

Once the equalization process is completed, the County Clerk calculates the tax rate for each levy. The rates are expressed in terms of dollars of taxes per \$100 of equalized assessed valuation. The individual tax bills are determined by multiplying the current year’s equalized assessed value of a given property by the aggregate of the tax rates of all taxing bodies within which the property lies. The extensions are the actual dollar amounts billed to the taxpayers, and in aggregate, represent the income streams to the various governmental bodies.

Collection

Once the levy has been extended, the County Treasurer prepares and mails the tax bill to the property owners. Tax bills are mailed in May and payable in two installments. In Lake County, the first installment is due on June 6th and the second installment is due on September 6th.

Historic Subject Property Taxes

The subject property is situated on a single tax parcel for assessment purposes. The Property Identification Number is 16-23-409-047.

Parcel No. 16-23-409-047 is exempt.

For the purposes of our analysis, we have projected real estate taxes at \$2,250 per unit or \$153,000. Our projected real estate tax expense assumes the subject property is fully assessed and taxed without any exemptions.

In order to assess the reasonableness of the subject’s taxes we have searched for comparable properties and summarized our findings in the table below.

Comparable Property Taxes

We have provided the following comparable properties in order to support the reasonableness of the taxes in place at the subject and our projected tax levy in our analysis.

Property	No. Units	Year Built	Tax Key(s)	2014 payable 2015 Taxes	Taxes Per Unit
Americana Apartments 1755 Lake Cook road Highland Park, IL 60035	108	1982	16-35-310-013	\$325,356	\$3,013
Valley Lo Towers II 1910 Chestnut Avenue Glenview, IL 60025	112	1988	04-26-100-052	\$370,285	\$3,306
Green at Chevy Chase 1701 Johnson Drive Buffalo Grove, IL 60089	592	1987	15-34-400-267; 15-35-300-172	\$1,687,030	\$2,850
The Wheatlands 1225 Deerfield Parkway Buffalo Grove, IL	352	1994	15-34-205-009	\$1,102,250	\$3,131

The properties above range in size from 108 units to 592 units and were constructed between 1982 and 1994. The properties have land sizes ranging between 6.978 and 38.904 acres. For the 2014 tax year payable in 2015, the comparable properties were levied real estate taxes between \$2,850 and \$3,306 per unit. The subject's projected taxes fall below the range above. However, the subject property is situated on approximately 1.036 acres which is significantly less than the above properties. Based on the foregoing and age of the subject property, we considered our projected real estate tax expense to be reasonable. In addition, real estate taxes are a function of location, condition, land area, and many other factors. Based on the foregoing factors, we believe the subject's projected real estate taxes are reasonable.

Competitive Property No. 1



Name/ Address	No. of Units	Occupancy %
Americana Apartments 1755 Lake Cook Road Highland Park, IL 60035	108	94.4% (6 vacant)
Yr. Built	Land Area	Managing Company
1982	303,981 SF; or 6.978 Ac	Briar Grace Management Co

Comments: The property is located less than 2 miles southwest of the subject property along the north side of Lake Cook Road just west of Skokie Highway (Hwy 41). The property is a 3-story elevator apartment building. The property consists of 108 units with one, two, and three-bedroom configurations ranging between 822 and 1,851 square feet. The property features free indoor heated garage parking for the 2&3 bedroom units, storage space, a sundeck, playground, tennis court, outdoor swimming pool, and onsite management. The residential units feature carpet and vinyl flooring, central heat and air conditioning, in-unit washer & dryer, dishwasher, garbage disposal, microwave, electric range, and refrigerator. Water & sewage and trash removal are included in the rent.

Market Rental Rates: (lowest available rate for the respective unit type; rates varied for the same unit type)

Floor Plan	Unit Type	Size- SF	Rent	Rent per SF
1 Bed	1/1	822	\$1,625	\$1.98
2 Bed	2/2	1,475	\$2,625	\$1.78
3 Bed	3/2	1,851	\$2,825	\$1.53

Competitive Property No. 2



Name/ Address	No. of Units	Occupancy %
Valley Lo Towers II 1910 Chestnut Avenue Glenview, IL 60025	112	99.1% (1 vacant)
Yr. Built	Land Area	Managing Company
1988; renovated in 2006	306,049 SF; or 7.026 Ac	FRMS

Comments:

The property is located south of the subject property along Chestnut Avenue between Lehigh Avenue and Waukegan Road in Glenview. The property consists of two 4-story elevator apartment buildings totaling 112 units with one, two, and three bedroom configurations ranging between 710 and 1,590 square feet. The property features free indoor heated garage parking for the 2&3 bedroom units, storage space, business center, clubhouse, onsite maintenance, outdoor grill, picnic area, sundeck, outdoor swimming pool, and tennis court. The residential units feature carpet and vinyl flooring, central heat and air conditioning, in-unit washer & dryer, dishwasher, garbage disposal, microwave, gas range, and refrigerator. Water & sewage and trash removal are included in the rent.

Market Rental Rates: (lowest available rate for the respective unit type; rates varied for the same unit type)

Floor Plan	Unit Type	Size- SF	Rent	Rent per SF
One Bed	1/1	710	\$1,555	\$2.08
Two Bed	2/2	1,080	\$2,410	\$2.23
Two Bed	2/2	1,115	\$2,460	\$2.21
Three Bed	3/2	1,300	\$2,635	\$2.03

Competitive Property No. 3



Name/ Address	No. of Units	Occupancy %
The Wheatlands 1225 Deerfield Parkway Buffalo Grove, IL 60089	352	99.4% (2 vacant)
Yr. Built	Land Area	Managing Company
1994	766,656 SF; or 17.600 Ac	Penobscot Management

Comments:

The property is located southwest of the subject property along Deerfield Parkway just west of Milwaukee Avenue in Buffalo Grove. The property consists of (10) 3-story apartment buildings totaling 352 units with one , two, and three bedroom configurations ranging between 800 and 1,200 square feet. The property features onsite maintenance, storage space, clubhouse, coffee bar, sundeck, fitness center, playground, outdoor swimming pool, and volleyball court. The residential units feature vinyl and carpet flooring, refrigerator, electric stove, and central heat and air conditioning, in unit washer and dryer, dishwasher, and garbage disposal. Trash removal is included in the rent.

Market Rental Rates: (lowest available rate for the respective unit type; rates varied for the same unit type)

Floor Plan	Unit Type	Size- SF	Rent	Rent per SF
Normandy	1/1	800	\$1,230	\$1.54
Provence	2/1	1,050	\$1,450	\$1.38
Burgundy	3/2	1,200	\$1,635	\$1.36
Bordeaux	3/2	1,200	\$1,660	\$1.38

Competitive Property No. 4



Name/ Address	No. of Units	Occupancy %
Green at Chevy Chase 1701 Johnson Drive Buffalo Grove, IL 60089	592	98.8% (7 vacant)
Yr. Built	Land Area	Managing Company
1987	1,694,648 SF; or 38.904 Ac	My Perfect Place

Comments:

The property is located southwest of the subject property along Johnson Drive with frontage along Milwaukee Avenue and immediately north of the Chevy Chase Country Club in Buffalo Grove. The property consists of (36) 2 & 3-story apartment buildings totaling 592 units with one and two bedroom configurations ranging between 600 and 1,053 square feet. The property features onsite maintenance, storage space, business center, clubhouse house, lounge, sundeck, concierge services, fitness center, two heated outdoor swimming pools, four tennis courts, and beach volleyball court. The residential units feature vinyl and carpet flooring, refrigerator, electric stove, and central heat and air conditioning, in unit washer and dryer, dishwasher, microwave, and garbage disposal. Trash removal is included in the rent.

Market Rental Rates: (lowest available rate for the respective unit type; rates varied for the same unit type)

Floor Plan	Unit Type	Size- SF	Rent	Rent per SF
Doral	1/1	600	\$1,075	\$1.79
Medinah	1/1	715	\$1,165	\$1.63
St. Andrews	1/1	743	\$1,215	\$1.64
Pebble Beach	2/2	975	\$1,535	\$1.57
Chevy Chase	2/2	991	\$1,560	\$1.57
Chevy Chase Plus	2/2	1,053	\$1,735	\$1.65

The competitive properties detailed above range in size from 108 units to 592 units and have occupancy rates ranging from 94.4% to 99.4% with an average of 97.9% and weighted average of 98.6%. The subject falls below the range of these properties in terms of the number of units that compose the respective complexes.

Upon reviewing the competitive properties in the subject's residential market, it is our opinion that our projected subject market rents appear to be reasonable. The subject's projected rents fall within the rental range on either a per square foot basis or aggregate basis and in some cases both. Thus it is our opinion that our projected subject's rents are reasonable and well within the parameters of the market for properties of this type.

Per our market research, we have arrived at concession conclusions for the competitive properties. **We have determined that concessions are not prevalent in the subject market.**

We were required to make an adjustment for equipment disparities (AC, range/oven, refrigerator, disposal, microwave, dishwasher, washer/dryer, carpet/drapes, and pool/recreation area) between the subject and the properties included in the comparable sales set.

Unit Studio Rent Comparison

3. Effective Date of Rental- We made no adjustments for rent appreciation since all the listed rental rates were marketed as of the effective date of the subject report.

4. Type of Project/ Stories- The subject property is a 4-story elevator apartment complex. The competitive properties 1 & 2 manifest 3 to 4-story elevator apartment complexes which were deemed to be comparable to the subject property. As a result, we made no adjustment for the type of project or stories. However, competitive properties 3 & 4 are walk-up apartment buildings. We made an upward adjustment.

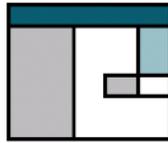
5. Floor on Unit in Building- We made no adjustment for the location of the unit for the competitive properties. The competitive units are located throughout the property. We have assumed the rental rate is the average per unit accounting for minor locational amenities accommodating specific units.

6. Projection Occupancy %- We made no adjustment for the occupancy levels of most of the competitive properties. The competitive properties had occupancy levels ranging between 94% and 99%. At the time of our inspection, the subject property was reportedly 98.5% leased with a single vacant unit. We made no adjustment for the occupancy levels of the competitive set.

7. Concessions- None of the competitive properties is offering discounted rates or rent abatements.

8. Year Built- The subject property was originally constructed in 1979. Competitive properties 2, 3, and 4 were constructed after 1987 and renovated. We made a downward

DRAFT FOR DISCUSSION PURPOSES ONLY



PROPERTY VALUATION ADVISORS, INC.

**Walnut Place
654 Walnut Street
Highland Park, Illinois 60035**

In Accordance with HUD's Section 223 (f) Program

PVA File No. 153155 A

APPRAISAL REPORT

Market Value Appraisal

Walnut Place
654 Walnut Street
Highland Park, Illinois 60035
PVA File No. 153155 A

In Accordance with HUD's Section 223 (f) Program

Effective Date of the Appraisal:

July 29, 2015

Prepared for:

Evergreen Real Estate Services, LLC
c/o Polly Kuehl
566 W. Lake Street, Suite 400
Chicago, Illinois 60661

Prepared by:

PROPERTY VALUATION ADVISORS, INC.

850 West Jackson Boulevard
Suite 200
Chicago, Illinois 60607
www.propval.net

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August 23, 2015

Evergreen Real Estate Services, LLC

c/o Polly Kuehl
566 W. Lake Street, Suite 400
Chicago, Illinois 60661

RE: Market Value Appraisal

Walnut Place
654 Walnut Street
Highland Park, Illinois 60035

Dear Ms. Kuehl:

At your request we have completed a market value appraisal of the “as is” fee simple interest for the above captioned multi-family residential property commonly referred to as Walnut Place, in accordance with HUD’s Section 223 (f) valuation processing. The basis for value under the HUD guidelines is the cost/summation, market/comparison and income approaches to value.

In addition to the standard narrative appraisal report analysis and support documentation, we have included HUD’s required forms: HUD-92264 (Multi-Family Summary Appraisal Report dated 8/95), HUD-92273 (Estimates of Market Rent by Comparison, date 7/03) for each apartment unit type, and HUD-92274 (Operating Expenses Analysis Worksheet 5/03).

The subject property consists of a single four story apartment building and two (2) two-story townhouse walk-up residential buildings. In addition, the property is accompanied by an asphalt-paved parking area with approximately (28) spaces. The apartment units in the four-story building are accessed via interior entrance doors while the townhouse units have exterior entrances. The four-story building contain (56) residential units and the townhouse buildings contain an additional (12) residential units. The improvements were originally constructed in 1980.

The units within the four-story building contain one bedroom/ one bathroom and are one level (simplex) units. The townhouse units are two levels (duplex) with unfinished basements. There are (56) one bedroom and one bathroom units each measuring approximately 592 square feet of living area. In addition, the subject property includes twelve townhouse units consisting of (8) two bedroom and 1.5 bathroom units each measuring approximately 890 square feet of living area and (4) three bedroom and 1.5 bathroom units each measuring approximately 1,030 square feet of living area. All the units are designated Section 8 units.

The subject is situated on 72,413 square feet or 1.662 acres of land that is well landscaped and improved with the aforementioned buildings and parking lot. At the time of our inspection, the improvements were in average condition and were 97.1% leased.



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**Evergreen Real Estate Services, LLC
Walnut Place**

The unit finish includes vinyl floors and carpet throughout. The bathrooms have tiles floors with a tub/shower combination. The kitchen floors were finished with vinyl tile and have electric range and stove, wood cabinets and a refrigerator. The common hallways are carpeted. The units are heated by radiant heat via a gas-fired hot water radiator system with two (2) central boilers and baseboard heat in the townhouse units. Units are cooled via individual window air conditioning units (not provided). Trash, gas & heat, water and sewer charges are the responsibility of the landlord in the four-story building. Tenants in the townhouse units are metered for electricity and gas. There is a common area laundry facility containing 4 washers and 4 dryers.

The subject property is located at the southeast corner of Green Bay Road and Walnut Street in the City of Highland Park. The subject is located two blocks south from the Highland Park downtown along Central Avenue and one block west from the Highland Park Metra Station along Sheridan Road. The subject property is located 22 miles north of the Chicago CBD with direct access via Highway 41 (Skokie Valley Road) which feeds into the Interstate 94 heading south towards the Chicago area. Highway 41 is a major north/ south arterial that passes through the Chicago area as Lake Shore Drive and farther south into Indiana.

The surrounding neighborhood is predominately residential south of Deerfield Road/ Walnut Street and east of Sheridan Road towards the lakefront with a combination of single and multi-family residences. However, the Highland Park downtown area is immediately north with commercially developed projects and office properties segmented along Central Avenue. Major commercial nodes are located northwest and southwest from the subject property. At the intersection of Highway 41 and Park Avenue W, there is a Target anchored intersection while the larger commercial development is concentrated at the intersection of Highway 41 and Lake Cook Road anchored by the Northbrook Court shopping mall.

Overall, the immediate area is highly accessible via multiple modes of transportation such as the regional interstate system (I-94) which is fed into by Highway 41 located approximately 1 mile west, major arterials, and the Metra station located one block east.

We have thoroughly analyzed the market and the property in arriving at our value estimates. The purpose of the forthcoming report is to outline the reasoning and the important factors considered in arriving at our value estimates. The report is a self-contained narrative of the data gathered in our investigation and describes in detail the analysis that resulted in our conclusions. The report was prepared for use by **Evergreen Real Estate Services, LLC** in valuing the subject under HUD's Multifamily Accelerated Processing (MAP) Program. More specifically, the subject is valued as collateral for mortgage financing purposes under Section 223 (f) of HUD's Multifamily Accelerated Processing mortgage financing program.



-Page 3-

**Evergreen Real Estate Services, LLC
Walnut Place**

Our appraisal report is prepared in accordance with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA) and conforms to the Uniform Standards of Professional Appraisal Practice (USPAP). This report should only be used by sophisticated users that have the opportunity to obtain a full understanding of the assumptions underlying the analysis.

We have performed our services and prepared this report in accordance with generally accepted appraisal practices, and make no other warranties, either expressed or implied, as to the character and nature of such services and product.

All factors considered, it is our opinion that the “as is” fee simple value of the subject property known as the Walnut Place **based on the assumptions and limiting conditions set forth in this report and in accordance with HUD’s 223 (f) Housing Program** as of July 29, 2015 is:

**EIGHT MILLION SIX HUNDRED THOUSAND DOLLARS
\$8,600,000**

If you have any questions regarding our value estimate or analysis or require any additional information please contact the undersigned. We appreciate having the opportunity to be of service to you in this matter.

Respectfully submitted,

PROPERTY VALUATION ADVISORS, INC.

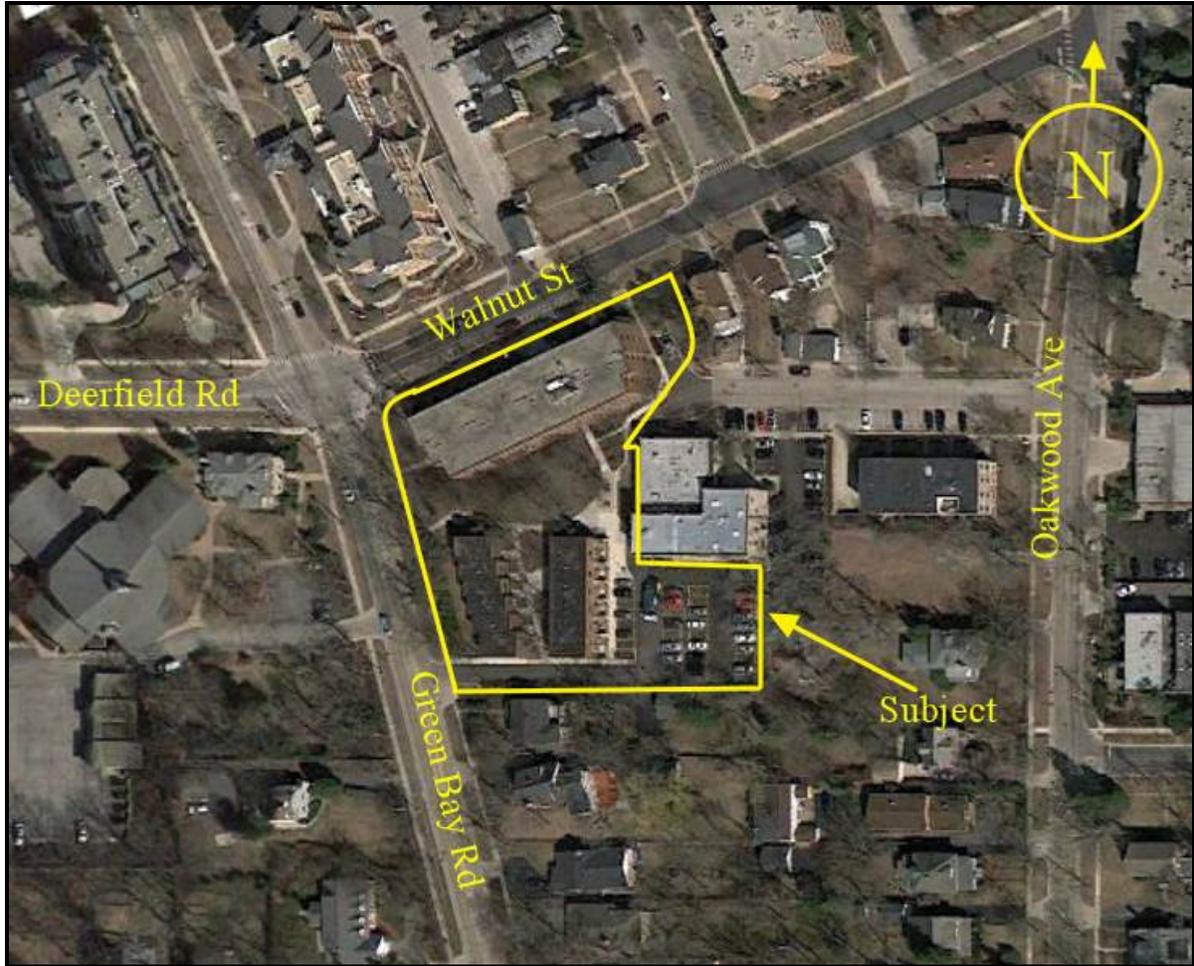
DRAFT FOR DISCUSSION PURPOSES

Brian D. Flanagan, MAI, AI-GRS, President
State Certified General Real Estate Appraiser
IL Certification Number 553-000103
Expires 9/30/2015

DRAFT FOR DISCUSSION PURPOSES

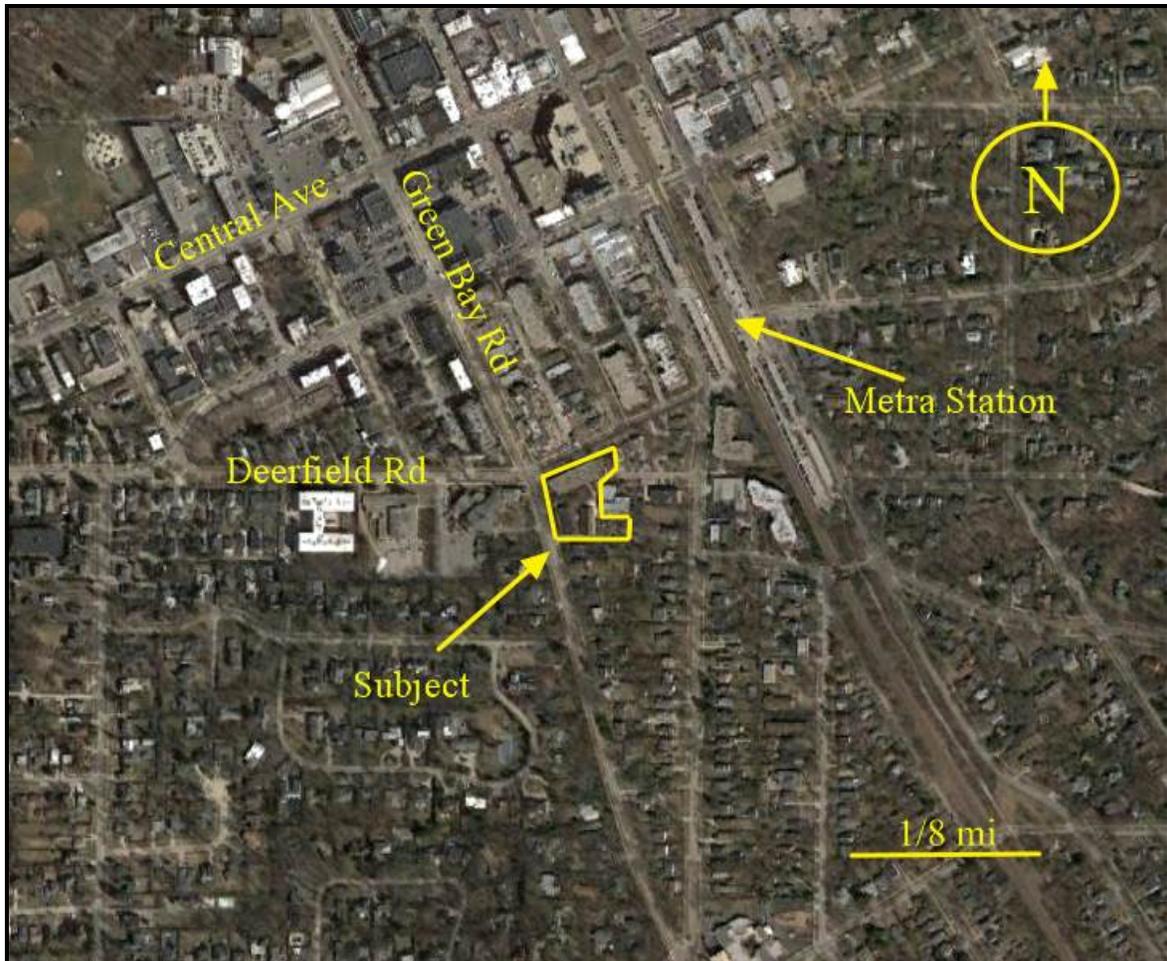
Miguel A. Rojas Jr
Associate Real Estate Trainee Appraiser
IL License Number 557-006024
Expires 9/30/2015

Aerial Photographs of the Subject Property



Aerial view of the subject property located at: 654 Walnut Street, Highland Park,
Lake County, IL 60035

Aerial Photographs of the Subject Property



Aerial view of the subject property located at: 654 Walnut Street, Highland Park,
Lake County, IL 60035

Aerial Photograph of Subject Property



View from the southern elevation



View from the eastern elevation



View from the northern elevation



View from the western elevation

Bird's eye view of the subject property (Bing Maps)

Photographs of Subject Property



View of the subject along Walnut Street



View of the subject along Walnut Street

Photographs of Subject Property



View of the subject along Walnut Street



View of the subject along Walnut Street

Photographs of Subject Property



View of the townhomes looking north along Green Bay Road



View of the courtyard between the two townhome buildings

Photographs of Subject Property



View of the eastern elevation of the eastern townhome building



View of the surface parking lot

Photographs of Subject Property

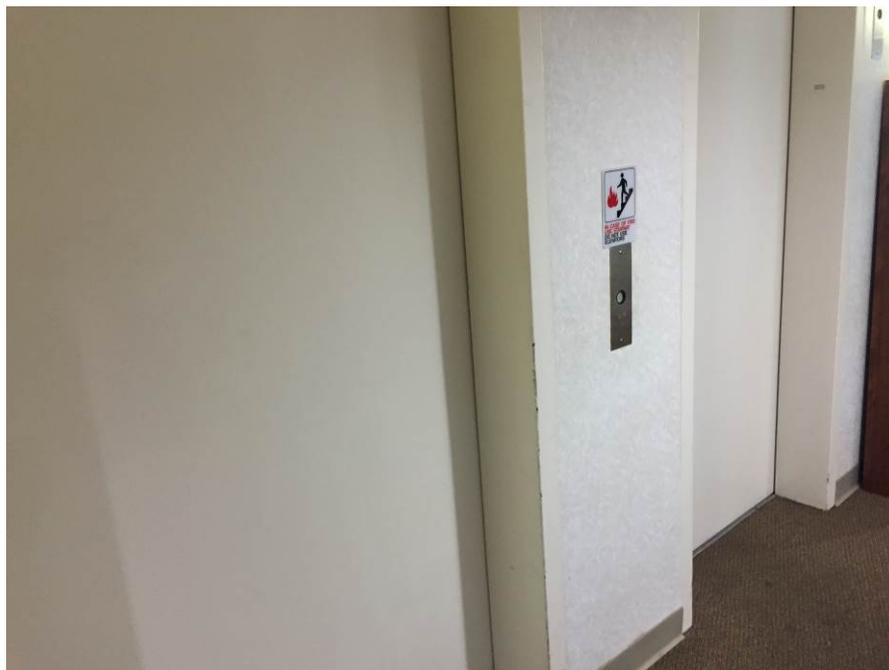


Interior view of the lobby area



Interior view of the community room

Photographs of Subject Property



View of the passenger elevator



View of the common laundry room

Photographs of Subject Property



View of the boilers and hot water heaters

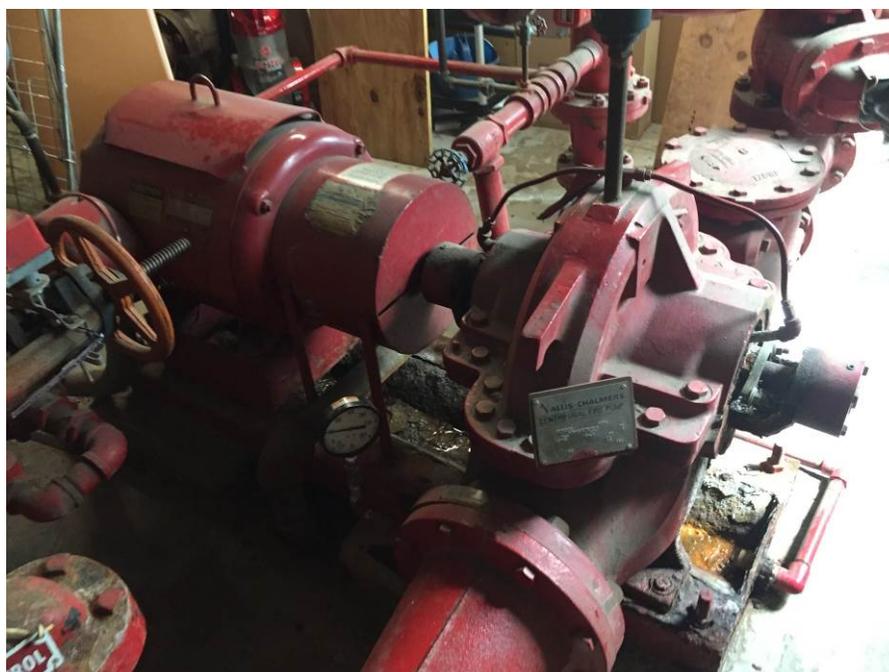


View of the electrical meters

Photographs of Subject Property

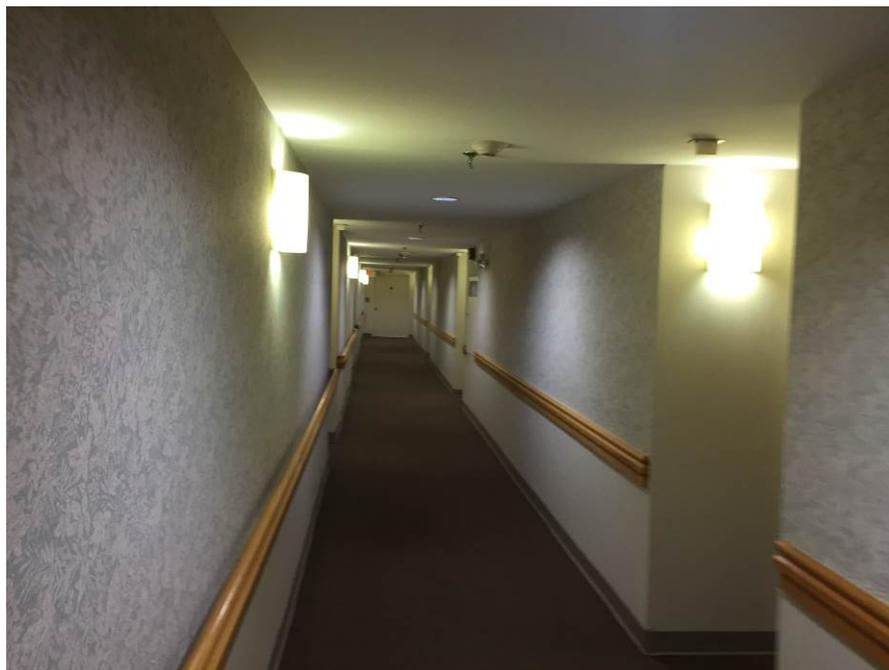


View of the security system



View of the fire suppression system

Photographs of Subject Property



Interior view of a common hallway leading to individual residential units



Interior view of a residential unit- Living room

Photographs of Subject Property



Interior view of a residential unit- Kitchen space and appliances

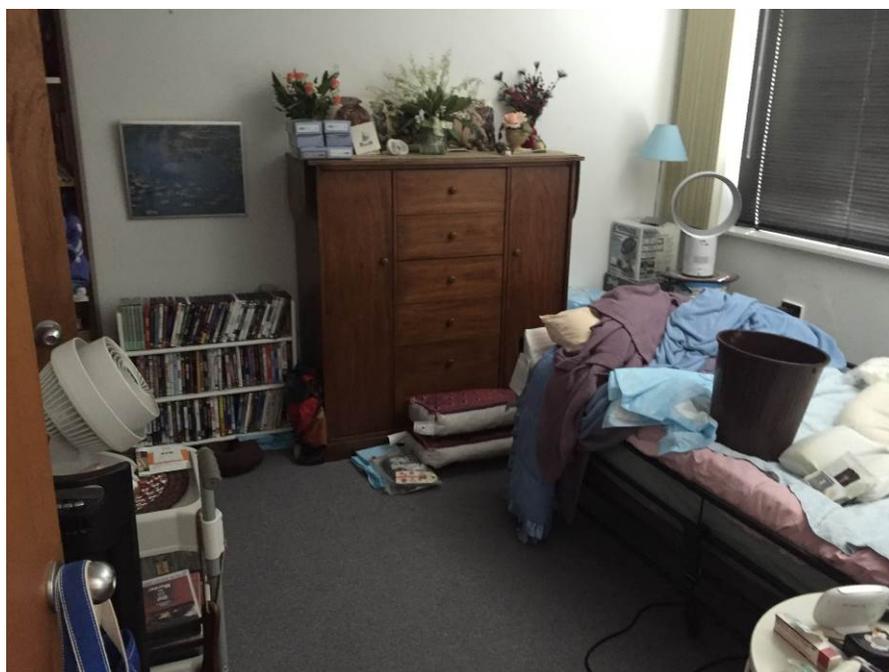


Interior view of a residential unit- Bathroom and fixtures

Photographs of Subject Property



Interior view of a residential unit- Living room



Interior view of a residential unit- Bedroom

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ADDENDA

Qualifications/MAP Certification
Survey/Legal Description
Historical Expenses

SUMMARY OF SALIENT FACTS

Name and Address:

**Walnut Place
654 Walnut Street
Highland Park, IL 60035**

Location:

The subject property is located at the southeast corner of Green Bay Road and Walnut Street in the City of Highland Park. The subject is located two blocks south from the Highland Park downtown along Central Avenue and one block west from the Highland Park Metra Station along Sheridan Road. The subject property is located 22 miles north of the Chicago CBD with direct access via Highway 41 (Skokie Valley Road) which feeds into the Interstate 94 heading south towards the Chicago area. Highway 41 is a major north/ south arterial that passes through the Chicago area as Lake Shore Drive and farther south into Indiana.

The surrounding neighborhood is predominately residential south of Deerfield Road/ Walnut Street and east of Sheridan Road towards the lakefront with a combination of single and multi-family residences. However, the Highland Park downtown area is immediately north with commercially developed projects and office properties segmented along Central Avenue. Major commercial nodes are located northwest and southwest from the subject property. At the intersection of Highway 41 and Park Avenue W, there is a Target anchored intersection while the larger commercial development is concentrated at the intersection of Highway 41 and Lake Cook Road anchored by the Northbrook Court shopping mall.

Overall, the immediate area is highly accessible via multiple modes of transportation such as the regional interstate system (I-94) which is fed into by Highway 41 located approximately 1 mile west, major arterials, and the Metra station located one block east.

Property Description:

The subject property consists of a single four story apartment building and two (2) two-story townhouse walk-up residential buildings. In

addition, the property is accompanied by an asphalt-paved parking area with approximately (28) spaces. The apartment units in the four-story building are accessed via interior entrance doors while the townhouse units have exterior entrances. The four-story building contain (56) residential units and the townhouse buildings contain an additional (12) residential units. The improvements were originally constructed in 1980.

The units within the four-story building contain one bedroom/ one bathroom and are one level (simplex) units. The townhouse units are two levels (duplex) with unfinished basements. There are (56) one bedroom and one bathroom units each measuring approximately 592 square feet of living area. In addition, the subject property includes twelve townhouse units consisting of (8) two bedroom and 1.5 bathroom units each measuring approximately 890 square feet of living area and (4) three bedroom and 1.5 bathroom units each measuring approximately 1,030 square feet of living area. All the units are designated Section 8 units.

The unit finish includes vinyl floors and carpet throughout. The bathrooms have tiles floors with a tub/shower combination. The kitchen floors were finished with vinyl tile and have electric range and stove, wood cabinets and a refrigerator. The common hallways are carpeted. The units are heated by radiant heat via a gas-fired hot water radiator system with two (2) central boilers and baseboard heat in the townhouse units. Units are cooled via individual window air conditioning units (not provided). Trash, gas & heat, water and sewer charges are the responsibility of the landlord in the four-story building. Tenants in the townhouse units are metered for electricity and gas. There is a common area laundry facility containing 4 washers and 4 dryers.

Unit Layout	No. Units	Size-SF/ Unit	Total NRA
1 bed/ 1 bath	56	592	33,152
2 bed/ 1.5 bath TH	8	890	7,120
3 bed/ 1.5 bath TH	4	1,030	4,120
		Total Res. SF	44,392

The subject is situated on 72,413 square feet or 1.662 acres of land that is well landscaped and improved with the aforementioned buildings and parking lot. At the time of our inspection, the improvements were in average condition and were 97.1% leased.

Market Analysis:

The Chicago Metro apartment market contains 454,894 rental units situated within Chicago and the adjacent suburban areas, as tracked by REIS. From 2010 to the present, market vacancy has continually declined from a high of 6.7% (1Q 2010) to a low of 3.4% (4Q 2014). The vacancy for the 4th quarter 2014 is 3.4%, the lowest it has been in the last 14 years.

The current vacancy rate in Chicago as of the 4th Quarter of 2014 is 3.4%, which is down from 3.7% during the same period one year ago. Vacancy rates have continued to decline since 2009 when the market reached its high-end at 6.7%. The Chicago market has continued to receive new apartment product and managed to absorb the new product. This is a strong indication as to the health of the rental sector. The tighter lending standards and the general hesitancy of the population to enter into homeownership have been catalyst for increasing the size of the rental pool. As residents have shunned condos and the economy has recovered, rents and occupancy levels at all property tiers have improved.

Construction numbers for Chicago apartments tend to be modest considered alongside the area's huge population base. Historically, the largest factor affecting the Chicago metropolitan apartment market is the actual reduction in the volume of the rental stock due to the movement of rental units to the condominium sector. However, this trend has reversed in recent time as many developers have seen it a prudent financial decision to convert their condominium projects into rentals. Over the past 36 months there seemed to be little danger of oversupplying the rental sector.

Despite some of the highest delivery numbers we

homeowners to seek alternative housing. As more and more of the population shunned homeownership, competition for rental housing increased and as a result the number of available rental units declined and rental rates increased quarter after quarter for the past consecutive 20 quarter periods beginning in the 1st quarter 2010.

According to surveys conducted by REIS the subject apartment building is located in the East Lake County submarket of Chicago Metropolitan Apartment Market. During 1Q2015, the submarket reported a vacancy rate of 2.1% based on a total rental unit base of 22,197. The vacancy rate has decreased from First Quarter 2011 vacancy of 5.1%. There have been no notable additions to the submarket in the past five years with the submarket have a stable base. Net absorption has totaled a positive 742 units since First Quarter 2011. Vacancy has continually declined from its peak of 5.1% (First Quarter 2011) to a low 2.0% (Third Quarter 2014). The market has absorbed existing structures which has resulted in positive net absorption between 2011 and 2015. As of the First Quarter 2015, net absorption is reportedly a negative 2 units from the previous quarter.

The subject's concluded rents fall within the range of those in the submarket rental survey either on a per square foot or an aggregate rent basis. Thus it is our opinion that the subject's projected rents are reasonable and well within the parameters of the market for properties of this type.

In arriving at an estimate of gross potential rental for the subject, we took into consideration the current rent roll in place and the competitive market.

Accordingly, we chose to project income for the subject for our projection years based on information gained from the market rental survey and current operations at the subject yielding **\$99,600** in potential rental income per month. We used this figure in our income projections in the Income Capitalization Approach section of this

report. Additionally, we have included a vacancy rate/ collection loss factor assumption of **5%** in the Income Capitalization section of this report.

Special Conditions:

This report has been prepared in accordance with HUD's 223 (f) loan program guidelines and the USPAP appraisal report standards.

Highest and Best Use:

It is our opinion that the highest and best use of the property is for its current use as an apartment complex.

Income Capitalization Methodology:

We have prepared a projected income statement for an ensuing twelve-month period. We then subjected the resulting net cash flow after reserves to direct capitalization using a **6.75%** capitalization rate. This rate was derived from our analysis of recent multi-family residential sales, pending transactions, and listings in the Chicago area and correlated to investment parameters for similar investment grade real estate.

Value Indications:

As Is

Cost Approach:	Not Applicable
Sales Comparison Approach:	\$8,400,000
Income Capitalization Approach:	\$8,600,000
Final Value Estimate:	\$8,600,000
Per Unit (68):	\$126,471

Effective Date of Value:

July 29, 2015

Inspection Date:

July 29, 2015

Marketability Considerations:

The market to buy quality apartment buildings historically has been extremely competitive. The competitive nature of this market is generated by both REIT's and private companies offering all cash deals with the ability to close the deals quickly. A complex with high occupancy levels with rents within the range of its competitive set and a solid operating history attracts many REIT's and private investment companies.

We believe that the subject property is marketable and could be sold at the appraised value in at least

twelve months assuming the property will be actively exposed and aggressively marketed to potential purchasers through marketing channels commonly used by buyers and sellers of similar type property.

Per the 2nd Quarter 2015 Korpacz Real Estate Investor Survey, the average marketing time for apartments on a national basis is 4.2 months, a slight increase from the previous quarter reported at 4.1 months, and an increase from the same period one year ago which reported a marketing period of 4.1 months.

PURPOSE, INTENDED USE, & INTENDED USER OF APPRAISAL

The purpose of this appraisal is to estimate the value of the "as is" fee simple interest in the subject property as of the date of inspection, July 29, 2015. The function of this appraisal is to estimate the value of the subject property for obtaining mortgage insurance through the Departments of Housing and Urban Development (HUD), Federal Housing Administration under Section 223 (f) for existing projects.

Fee Simple Interest is defined in the Dictionary of Real Estate Appraisal, Third Edition, Chicago, Illinois, Appraisal Institute, 1993, as: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the government powers of taxation, eminent domain, police power, and escheat."

The **intended use** of this appraisal is for mortgage financing purposes.

The **intended user** is **Evergreen Real Estate Services, LLC**. its successors and assignees. Use of this report by any unauthorized others is not intended by the appraiser.

DEFINITION OF MARKET VALUE

Market Value is defined as "The most probable price which a property should bring in a competitive and open market under all condition's requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in US. dollars or in terms of financial arrangements comparable thereto; and

5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”¹

SCOPE OF APPRAISAL

In preparing this report, Brian Flanagan inspected the subject property, interior and exterior of the buildings and proximate market area, analyzed the relevant “for rent” residential market, examined the historical income and expense data for the subject property and compared this data with industry averages and other operating residential properties for which we have information. Brian D. Flanagan inspected over 5% of the units and inspected at least one of each unit type. We collected and analyzed comparable sales information from the market. We then utilized the approaches to value to synthesize this information into an estimate of value.

Market data compiled for this report include a variety of data including comparable sales and listings. These data are the result of research specific to the market for the subject property. To the extent possible, the data were verified by buyers, sellers, brokers, managers, government officials or other sources regarded as knowledgeable and reliable. Emphasis was placed on transactions for which direct verification was available. Information such as zoning, real estate taxes, assessments and encumbrances were obtained from governmental sources. Information gathered during this process was summarized on HUD’s Form 92264 Multi-Family Summary Appraisal Report.

Information specific to the subject property was provided by the property owner or estimated by the appraiser where necessary. Additional information was obtained through a personal inspection of the property. Specific estimates concerning projected expenses, vacancy, cash flows, etc., are the judgments of the appraisers based on our interpretation of available data.

COMPETENCY PROVISION

We are aware of the competency provision contained within Uniform Standards of professional Appraisal Practice (USPAP) and the author of this report meets these standards. Mr. Brian D. Flanagan, MAI inspected the subject property, and researched and analyzed pertinent market information for the preparation of this appraisal report. Further, Mr. Flanagan has extensive appraisal experience with multi-family properties for the past twenty years and has analyzed and appraised a large number of apartment properties. Mr. Flanagan has experience in the subject market on a wide array of asset types including multi-family properties.

EXTRAORDINARY ASSUMPTIONS

The Uniform Standard of Professional Appraisal Practice (USPAP) defines extraordinary assumptions as an assumption directly related to a specific assignment, which, if found to be false, could alter the appraiser’s opinion and conclusion. Extraordinary assumptions presume as fact uncertain information about physical, legal or economic characteristics of the subject

¹Federal Register, Vol. 165, August 24, 1990 "Rules and Regulations, " 34.42

property: or about conditions external to the property such as market conditions or trends: or about the integrity of the data used in an analysis.²

During the preparation of this report, we did make the extraordinary assumptions that the financial information provided to us e.g. rent roll and current and historical operating expenses are true and depict correct in place rentals and actual operations. We include standard assumptions and limiting conditions in the certification section that governs this appraisal report.

HYPOTHETICAL CONDITIONS

Per The Uniform Standard of Professional Appraisal Practice (USPAP) hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of the subject property or about conditions external to the property, such as market conditions or trends, or integrity of data used in an analysis.

We did not rely upon any hypothetical conditions within this report.

HISTORY OF THE PROPERTY

In accordance with the Standards of Professional Practice of the Appraisal Institute, we are required to indicate the subject's ownership history for the preceding three-year period. Per review of Lake County public records, the current owner is City of Highland Park, or an affiliated entity. To the best of our knowledge there has not been any transactions involving this property within the past three years.

ZONING AND OTHER RESTRICTIONS

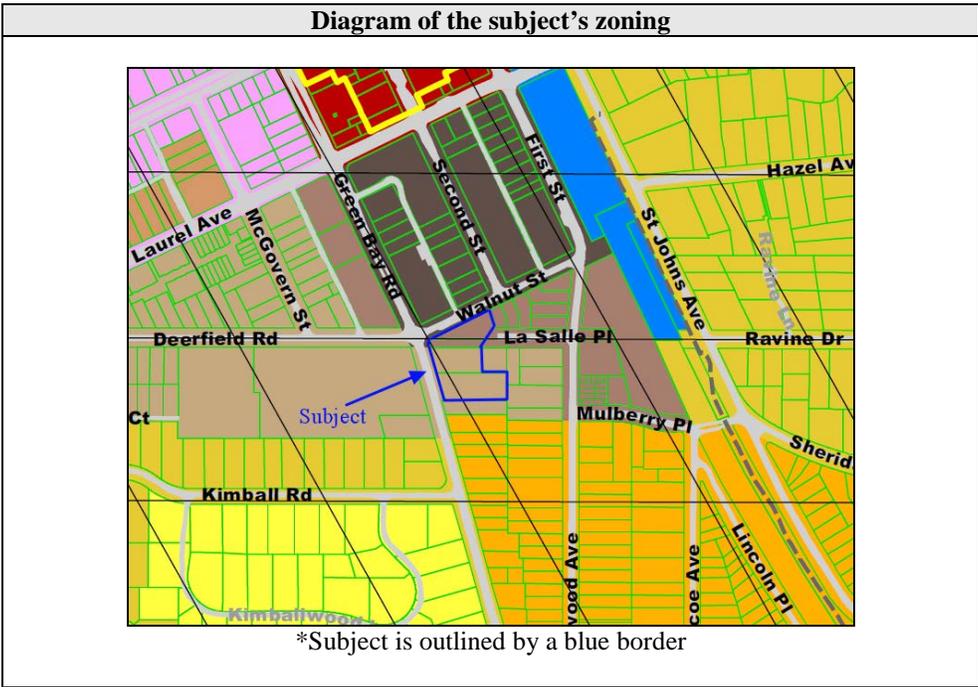
The subject property is zoned RM1, Medium to High Density Residential District and RM2, High Density Residential District by the City of Highland Park Zoning Ordinance. The RM1 zoning district provides for medium-to-high density multiple family residential and normal accessory uses. It is not intended to allow commercial, industrial, governmental, recreational, or like uses in this district; however, certain facilities required to serve educational, religious, or other needs of the area may be allowed within the district as conditional uses subject to restrictions intended to preserve and protect the residential character. The following bulk and density standards are required in the RM1 district:

Minimum Avg. Lot Width:	50 feet
Minimum Lot Area:	10,000 square feet
Min. Lot Area per MF Unit:	<u>2,904 square feet</u> (for lots greater than or equal to 90% of the minimum lot area for multiple family use) <u>0 square feet</u> (for lots smaller than 90% of the minimum lot area for multiple family use)
Maximum Building Height:	35 feet

² The Dictionary of Real Estate Appraisal, 4th Edition, by the Appraisal Institute, 2002

Maximum Floor Area Ratio: None
Maximum Lot Coverage: 33.3%

Minimum Yard Setbacks:
Front- 25 feet
Side- 10 feet
Rear- 25 feet or 20% of the lot depth (whichever is less)



The RM2 zoning district provides for high density multiple family residential and normal accessory uses. It is not intended to allow commercial, industrial, governmental, recreational, or like uses in this district; however, certain facilities required to serve educational, religious, or other needs of the area may be allowed within the district as conditional uses subject to restrictions intended to preserve and protect the residential character. The following bulk and density standards are required in the RM2 district:

Minimum Avg. Lot Width: 50 feet
Minimum Lot Area: 21,780 square feet
Min. Lot Area per MF Unit: 1,442 square feet (for lots greater than or equal to 90% of the minimum lot area for multiple family use)
0 square feet (for lots smaller than 90% of the minimum lot area for multiple family use)
Maximum Building Height: 40 feet; maximum of three stories
Maximum Floor Area Ratio: None
Maximum Lot Coverage: 33.3%

Minimum Yard Setbacks:
Front- 25 feet

Side- 10 feet
Rear- 25 feet or 20% of the lot depth (whichever is less)

Upon reviewing the subject municipality’s zoning we believe that the subject operates as a legal and conforming use in its current configuration.

REAL ESTATE TAX AND ASSESSMENT DATA

Overview

The property tax is the largest single tax in Illinois, and is the major source of tax revenue for local government taxing districts. The property tax is a local tax, imposed by local government taxing districts, which include counties, townships, municipalities, school districts, special districts, etc. Property tax is administered by local officials. In Illinois, the property tax is imposed on the value of real property (typically land, buildings, and permanent fixtures) owned. Illinois does not have a state property tax. The process of imposing the property tax has three distinct parts. First, a value must be placed on the property. That value is called an assessment. Next, the taxing district files a levy with the county clerk on the property situated within its boundaries. Finally, the county clerk calculates the tax rate that is required to produce the amount of the levy based on the assessed value of each property in the district so taxes can be billed.

Assessment

The respective township assessor in Lake County determines the value of all taxable real estate within Lake County. The assessment is based on a percentage of the property’s “fair cash” or “fair market” value, which represents an estimate of fee simple market value by the Assessor’s office. The assessment level for commercial property in Lake County is 33 1/3 percent of market value.

Equalization

Once assessments have been finalized, property valuations become subject to an equalization study by the Illinois Department of Revenue. The purpose of the study is to establish a common level of assessment among the 102 Illinois counties. Equalization factors are established on a county-basis based on an annual sales-ratio study that compares the assessed value of a given property to its sale price, in the respective year of sale. Lake County equalization factor for the past year is summarized below.

Tax Year	Equalization Factor
2014	1.0000

Tax Extension

Once the equalization process is completed, the County Clerk calculates the tax rate for each levy. The rates are expressed in terms of dollars of taxes per \$100 of equalized assessed

valuation. The individual tax bills are determined by multiplying the current year’s equalized assessed value of a given property by the aggregate of the tax rates of all taxing bodies within which the property lies. The extensions are the actual dollar amounts billed to the taxpayers, and in aggregate, represent the income streams to the various governmental bodies.

Collection

Once the levy has been extended, the County Treasurer prepares and mails the tax bill to the property owners. Tax bills are mailed in May and payable in two installments. In Lake County, the first installment is due on June 6th and the second installment is due on September 6th.

Historic Subject Property Taxes

The subject property is situated on four (4) tax parcels for assessment purposes. The Property Identification Numbers are 16-23-322-003, 16-26-103-016, 16-26-103-022, & 16-26-103-023. The subject property’s historical real estate taxes and assessment data are summarized in the following tables:

Parcel No. 16-23-322-003 is exempt.

Historical Real Estate Taxes and Assessment Information			
654 Walnut Street			
Highland Park, Illinois 60035			
	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Parcel No. 16-26-103-016</u>	<u>Payable '15</u>	<u>Payable '14</u>	<u>Payable '13</u>
Land Value:	\$65,964	\$66,349	\$67,675
Building Value:	\$0	\$0	\$0
Total Value:	\$65,965	\$66,349	\$67,675
Tax Rate:	8.32276	8.14000	7.61200
Taxes:	\$5,490	\$5,401	\$5,247
<hr/>			
	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Parcel No. 16-26-103-022</u>	<u>Payable '15</u>	<u>Payable '14</u>	<u>Payable '13</u>
Land Value:	\$163,151	\$164,103	\$167,384
Building Value:	\$887,246	\$892,422	\$910,263
Total Value:	\$1,050,397	\$1,056,525	\$1,077,647
Tax Rate:	8.32276	8.14000	7.61200
Taxes:	\$87,422	\$86,001	\$83,556
<hr/>			
	<u>2014</u>	<u>2013</u>	<u>2012</u>
<u>Parcel No. 16-26-103-023</u>	<u>Payable '15</u>	<u>Payable '14</u>	<u>Payable '13</u>
Land Value:	\$207,565	\$208,766	\$212,950
Building Value:	\$341,536	\$343,528	\$350,396
Total Value:	\$549,101	\$552,304	\$563,346
Tax Rate:	8.32276	8.14000	7.61200
Taxes:	\$45,700	\$44,958	\$43,679
<hr/>			
Total Taxes:	\$138,612	\$136,360	\$132,482
Taxes per Unit (68):	\$2,038.41	\$2,005.29	\$1,948.26

The tax bill for the 2014 tax year payable in 2015 was \$138,612 or approximately \$2,038.41 per unit based on (68) units. For the purposes of our analysis, we have projected real estate taxes at \$2,500 per unit or \$170,000. Our projected real estate tax expense assumes the subject property is fully assessed and taxed without any exemptions.

In order to assess the reasonableness of the subject's taxes we have searched for comparable properties and summarized our findings in the table below.

Comparable Property Taxes

We have provided the following comparable properties in order to support the reasonableness of the taxes in place at the subject and our projected tax levy in our analysis.

Property	No. Units	Year Built	Tax Key(s)	2014 payable 2015 Taxes	Taxes Per Unit
Americana Apartments 1755 Lake Cook road Highland Park, IL 60035	108	1982	16-35-310-013	\$325,356	\$3,013
Valley Lo Towers II 1910 Chestnut Avenue Glenview, IL 60025	112	1988	04-26-100-052	\$370,285	\$3,306
Green at Chevy Chase 1701 Johnson Drive Buffalo Grove, IL 60089	592	1987	15-34-400-267; 15-35-300-172	\$1,687,030	\$2,850
The Wheatlands 1225 Deerfield Parkway Buffalo Grove, IL	352	1994	15-34-205-009	\$1,102,250	\$3,131

The properties above range in size from 108 units to 592 units and were constructed between 1982 and 1994. The properties have land sizes ranging between 6.978 and 38.904 acres. For the 2014 tax year payable in 2015, the comparable properties were levied real estate taxes between \$2,850 and \$3,306 per unit. The subject's projected taxes fall below the range above. However, the subject property is situated on approximately 1.662 acres which is significantly less than the above properties. Based on the foregoing and age of the subject property, we considered our projected real estate tax expense to be reasonable. In addition, real estate taxes are a function of location, condition, land area, and many other factors. Based on the foregoing factors, we believe the subject's projected real estate taxes are reasonable.

HIGHEST AND BEST USE

Highest and Best Use, as defined by the Appraisal Institute and used in this appraisal, is: “the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value.”

As implied in the definition above, the highest and best use of the property as if vacant may differ from the highest and best use of the site as improved. In either case, the highest and best use is that use which satisfies the four tests imposed by the definition: legal permissibility, physical possibility, financial feasibility, and maximal productivity. In other words, the use that “results in the highest value.”

In estimating the highest and best use, there are four stages of analysis:

1. **Possible Use** - What uses of the property are physically possible?
2. **Permissible Use (legal)** - What uses are permitted by zoning and deed restrictions on the site in question?
3. **Feasible Use** - Which possible and permissible uses will produce a net return to the owner of the site?
4. **Highest and Best Use** - Among the feasible uses, which will produce the highest net return or highest present worth?

Highest and Best Use As If Vacant

Legal Permissibility. The subject site is zoned RM1, Medium to High Density Residential District and RM2, High Density Residential District by the City of Highland Park Zoning Ordinance. The current residential use represents a legal and conforming use under the salient requirements of this zoning classification. The property as it currently exists permitted to remain in its projected configuration (i.e. density and setbacks) and with the projected perimeters indefinitely. It is our understanding that the property is in compliance with any environmental issues with the Illinois Environmental Protection Agency. However, competent legal counsel should opine on this matter. If the subject property were vacant and available for development a high density multi-family development would be legally permissible.

Physically Possible. No soil tests were reviewed in connection with this appraisal. However, the current improvements have existed for 35 years and this is evidence physical possible use.

Financial Feasibility is concerned with the ability of any improvement to produce a sufficient return to attract development capital. Based on the utilization of the property by the current occupants, we believe that financial feasibility of residential use at this location is demonstrated. We believe that residential use is the maximum productive use for the subject development based on the permitted uses in the area.

Maximally Productivity. All factors considered the highest and best use of the subject site, as if vacant, is as a multi-family residential development.

Highest and Best Use As Improved

The highest and best use of the subject property as improved must meet the same criteria set forth for the subject as if vacant. The subject property is permitted to remain indefinitely in its current configuration and within the current parameters. The improvements are in average condition. Therefore, physical possibility is implicit. On the basis of the analysis contained in the valuation sections of this report, the value of the property as improved is greater than the value of the land as if vacant.

All factors considered the use of the subject, as improved, is as a multi-family residential development consistent with the principles of highest and best use.

APPROACHES TO VALUE

The valuation of real estate is determined primarily through the use of three basic approaches to value: the Cost Approach, the Income Capitalization Approach and the Sales Comparison Approach. From the indicated values resulting from these analyses and the weight accorded to each value indication, an opinion of value is reached based upon expert judgment within the framework of the appraisal process.

The Cost Approach involves estimating the current cost to construct the improvements new, including an allowance for developer's profit and deducting from this amount accrued depreciation that has resulted from physical deterioration and functional and economic obsolescence. The limitations of this approach are the need to make large, subjective estimates for depreciation when considering an existing property that is in good condition with an undefinable life expectancy such as the subject. More important, this approach is not used by sellers and buyers in acquisition/disposition analyses for properties of the subject type. We have concluded that this approach is unreliable in this application for the valuation of the existing improvements. In the case of the existing multi-family apartment building, the estimate of economic obsolescence, depreciation, and developers' profit are subjective with little market support.

The Sales Comparison Approach is based on the assumption that a prudent buyer would not pay more for a property than it would cost to acquire a comparable substitute property. Since no two properties are ever identical, the necessary adjustments for differences in quality, location, size, market appeal, and a number of other factors that affect prices paid for properties must be made. The limitation of this approach is that the motives of the individual purchasers and sellers vary depending on their need for cash, their tax position, their personal preferences, available financing, and a host of other factors that must be taken into consideration. As a result, it is often difficult to obtain sufficient information on a comparable sale to be able to make precise comparisons. We have determined that this approach should be relied upon as a primary basis for estimation of value. We have placed secondary reliance on this approach of value.

The Income Capitalization Approach involves an analysis of a property in terms of its ability to produce a net annual income. It is concerned with estimating the present worth of future

benefits that can be derived through ownership of a property. In utilizing this approach, either stabilized net operating income is capitalized at an overall rate commensurate with the rate demanded by investors or a projected cash flow stream is discounted at an appropriate rate in order to arrive at an estimate of value. The Income Capitalization Approach is generally most useful in valuing an income producing property, which normally would be purchased by investors rather than by users. The Income Capitalization Approach is generally most useful in valuing an income producing property, which normally would be purchased by investors rather than by users. We have concluded that this approach is highly relevant for use in this report.

The final step in the valuation process is the reconciliation or correlation of the value indications. In the reconciliation or correlation we consider the relative applicability of each of the approaches used, examine the range between the value indications, and place major emphasis on the approach that appears to produce the most reliable solution to the specific appraisal problem.

In arriving at a value estimate for the subject property on an “as is” basis, we have placed primary reliance on the Income Capitalization Approach with support from the value indication of the Sales Comparison Approach.

LAND VALUATION

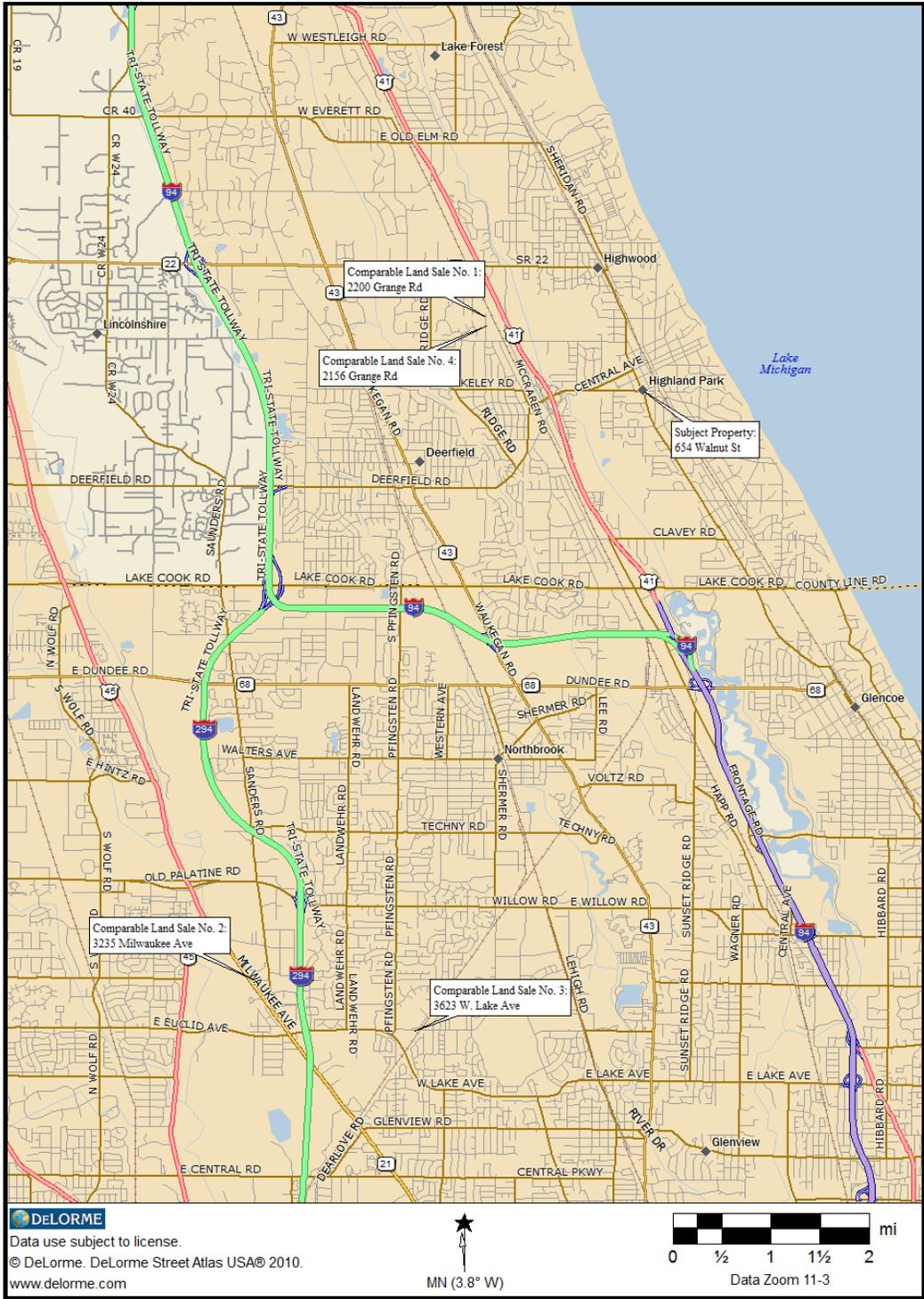
The Sales Comparison Approach involves a comparison of the subject property with other similar properties that have sold. This approach to value is based on the premise that a buyer would not pay more for a property than it would cost to acquire a comparable substitute property. In addition to differences in physical factors that influence value levels, adjustments must be made for changes in market conditions since the date of the transaction, the motives of the buyers and the sellers and a variety of other factors that have an impact on the price at which a property sells.

We have searched for land sales in and around the subject area. The development land market is inactive with very few sales in and near the subject property. We were able to obtain information for four sales dating between February 2013 and April 2014 located in the northern Chicago suburban communities. The comparable sales are detailed in the ensuing pages.

Comparable Land Sales Summary 654 Walnut Street Highland Park, IL 60035						
<u>No.</u>	<u>Name/Location</u>	<u>Sale Date</u>	<u>Zoning</u>	<u>Size-SF</u> <u>(Acres)</u>	<u>Sale Price</u>	<u>Price</u> <u>per SF</u>
1.	Residential Development Site 2200 Grange Road Highland Park, IL 60035	Apr. '14	R3	39,600 (0.909)	\$290,000	\$7.32
2.	Residential Development Site 3235 Milwaukee Avenue Northbrook, IL 60062	Jan. '14	R-7	41,334 (0.949)	\$295,000	\$7.14
3.	Residential Development Site 3623 W. Lake Avenue Glenview, IL 60025	Dec. '13	R-1	174,588 (4.008)	\$1,100,000	\$6.30
4.	Residential Development Site 2156 Grange Road Highland Park, IL 60035	Feb. '13	R3	39,600 (0.909)	\$255,000	\$6.44

The following pages contain summary information of the more pertinent sales we considered.

Land Sales Map

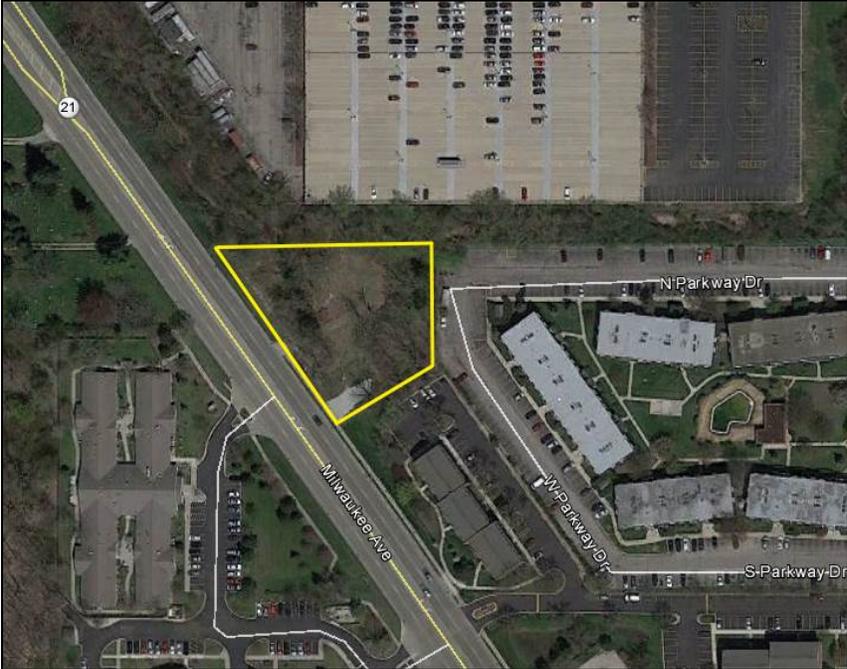


Comparable Sale No. 1



Location:	Residential Development Site 2200 Grange Road Highland Park, IL 60035
Date of Sale:	April 9, 2014
PIN(s):	16-21-203-020
Verification:	Lake County Recording Document No. 7090067
Land Size:	39,600 square feet; or 0.909 acres
Zoning:	R3, Low Density Single Family Residential District; City of Highland Park
Buyer:	David & Jessica Waxman
Seller:	Tazioli Family Trust
Sale Price:	\$290,000
Price Per Square Foot:	\$7.32

Comparable Sale No. 2



Location: Residential Development Site
3235 Milwaukee Avenue
Northbrook, IL 60062

Date of Sale: January 7, 2014

PIN(s): 04-30-201-012

Verification: Cook County Recording Document No. 1400741042

Land Size: 41,334 square feet; or 0.949 acres

Zoning: R-7, General Residence District; Unincorporated Cook County

Buyer: HODC Glenview LLC

Seller: BankFinancial Trust 010994

Sale Price: \$295,000

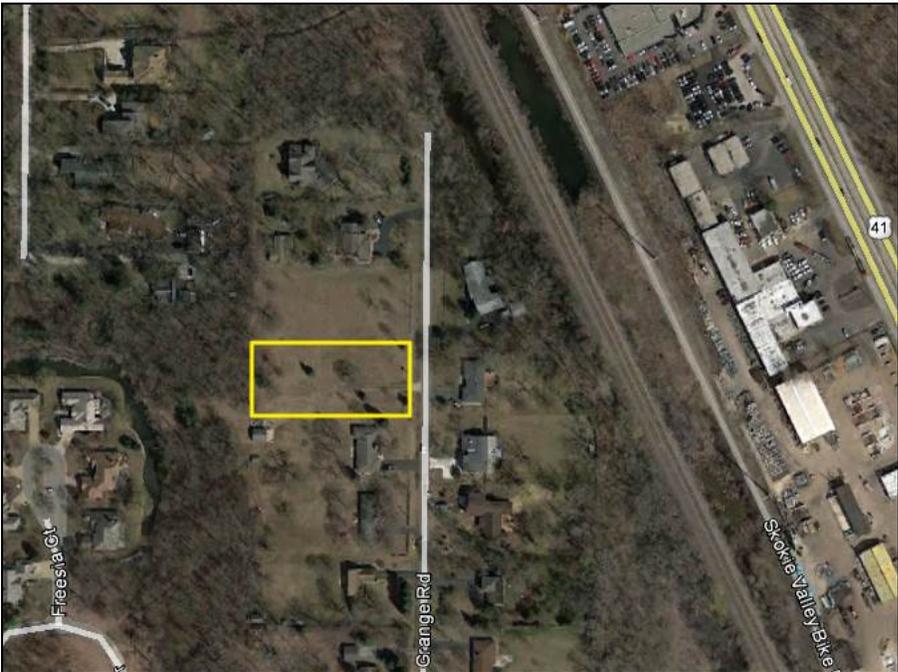
Price Per Square Foot: \$7.14

Comparable Sale No. 3



Location:	Residential Development Site 3623 W. Lake Avenue Glenview, IL 60025
Date of Sale:	December 12, 2013
PIN(s):	04-28-300-005
Verification:	Cook County Recording Document No. 1401026040
Land Size:	174,588 square feet; or 4.008 acres
Zoning:	R-1, Residential District; Village of Glenview
Buyer:	Hanuman Spiritual & Community Center
Seller:	Hartung Lee Roy Trust
Sale Price:	\$1,100,000
Price Per Square Foot:	\$6.30

Comparable Sale No. 4



Location:	Residential Development Site 2156 Grange Road Highland Park, IL 60035
Date of Sale:	February 26, 2013
PIN(s):	16-21-203-021
Verification:	Lake County Recording Document No. 6963331
Land Size:	39,600 square feet; or 0.909 acres
Zoning:	R3, Low Density Single Family Residential District; City of Highland Park
Buyer:	Jerzy Dorman
Seller:	Tazioli Family Trust
Sale Price:	\$255,000
Price Per Square Foot:	\$6.44

Analysis of Comparable Sales of Land

The land sales listed above were acquired for residential development and ranged from 39,600 square feet to 174,588 square feet. These transactions give a reasonable range of prices for activity in the market over the past 24+ months as the sales were completed between February 2013 and April 2014. The pricing, on a per-square-foot basis, ranged between \$6.30 and \$7.32. The sales were primarily on an all-cash basis. All of the comparables are located within the northern communities of the City of Chicago.

J. Project Site Analysis and Appraisal (See Chapter 2, Handbook 4465.1)

1. Is Location and Neighborhood acceptable? Yes No

2. Is Site adequate in Size for proposed Project? Yes No

3. Is Site Zoning permissible for intended use? Yes No

4. Are Utilities available now to serve the Site? Yes No

5. Is there a Market at this location for the Facility at the proposed Rents? Yes No

6. Site acceptable for type of Project proposed under Section 223(f). (If checked, acceptance subject to qualifications listed at bottom of page 6.)

7. Site not acceptable (see reasons listed at bottom of page 6.)

Date of Inspection 7/29/15 Note: The Effective Date of all land valuations is the date of inspection.

8. Value Fully Improved	Location of Project 654 Walnut St, Highland Park, IL 60035				Size of Subject Property 72,413	Sq. Ft.
	Comparable Sales Address No. 1 2200 Grange Rd Highland Park, IL 60035	Comparable Sales Address No. 2 3235 Milwaukee Ave Northbrook, IL 60062	Comparable Sales Address No. 3 3623 W. Lake Ave Glenview, IL 60025	Comparable Sales Address No. 4 2156 Grange Rd Highland Park, IL 60035	Comparable Sales Address No. 5	
Date of Sale	4/9/2014	1/7/2014	12/12/2013	2/26/2013		
Sales Price	\$290,000	\$295,000	\$1,100,000	\$255,000		
Sq. Ft.	39,600	41,334	174,588	39,600		
Price per Sq. Ft.	\$7.32	\$7.14	\$6.30	\$6.44		
Adjustments (%)						
Time	100%	100%	100%	100%		
Location	110%	95%	100%	110%		
Zoning	100%	100%	100%	100%		
Plottage						
Demolition						
Piling, Etc.						
Other	90%	90%	120%	90%		
Total Adjustment Factor	99%	86%	120%	99%		
Adjusted Sq. Ft. Price	\$7.25	\$6.10	\$7.56	\$6.38		
Indicated Value by Comparison	\$524,994	\$441,873	\$547,490	\$461,633		
9. Value of Site Fully Improved						\$540,000
10.	Value "As is" No. 1	Value "As is" No. 2	Value "As is" No. 3			
Date of Sale						
Sales Price						
Ft. / Acres						
Price per Sq. Ft.						
Adjustments (%)						
Time						
Location						
Zoning						
Plottage						
Demolition						
Piling, Etc.						
Other						
Total Adjustment Factor						
Adjusted Sq. Ft. Price						
Indicated Value by Comparison						
11. Value of Site "As Is" by Comparison						

Property Rights Conveyed – To the best of our knowledge, all the sales used in arriving at an opinion of market value involve the transfer of a fee simple interest.

Financial Terms/Financing – To the best of our knowledge, all sales were completed with cash or market oriented financing.

Conditions of Sale – Adjustments addressing conditions of sale typically focus on the motivations of buyers and sellers. In many sales, the conditions of sale may impact pricing to a significant degree. All the sales used within this analysis are believed to be arm's length transactions and thus no adjustments were required.

Market Conditions/Date of Sale – The sales within this section were completed between February 2013 and April 2014, having been completed over the last 24+ months. During the second half 2010, the residential land market in the Chicago area experienced a stabilization in values after two years of declines due primarily to the mortgage crisis and the fall-out in the lending industry.

In analyzing the above sales under the Sales Comparison Approach to Value, we focused on trends that could be identified from the above sales. As the sales are relatively close to the subject, we focused on the following factors: location with consideration for proximity to major thoroughfares/ expressways and accessibility as well frontage along major streets, shape, proximity of utilities and the size of the land parcel. In terms of the latter, the general real estate trend relative to size is inverse, whereby as the size of the property, land or building, increases, the price per square foot tends to decline with the converse true as well. Of note, we considered the zoning for each sale. The adjustments were made to the price per square foot and are described below.

Sale No. 1: The property is located northwest of the subject along Grange Road in Highland Park. The sale occurred in April 2014. The sale occurred over 12 months ago. Property values for development have stabilized with the rebounding of the housing market. We made no adjustment for market appreciation since the date of sale. The property was considered to be situated in an inferior location distant from the downtown area. We made an upward adjustment. The sale property is zoned with a similar zoning classification. Lastly, the property is smaller than the subject. We made a downward adjustment for the size disparity between the subject and the sale property. We made no further adjustments. Applying the foregoing adjustments led to an overall adjusted sale price of \$7.25 per square foot.

Sale No. 2: The property is located southwest of the subject along Milwaukee Avenue in Northbrook. The sale occurred in January 2014. The sale occurred over 12 months ago. Property values for development have stabilized with the rebounding of the housing market. We made no adjustment for market appreciation since the date of sale. The property was considered to be situated in a superior location. We made a downward adjustment. The sale property is zoned with a similar zoning classification. Lastly, the property is smaller than the subject. We made a downward adjustment for the size disparity between the subject and the sale property. We made no further adjustments. Applying the foregoing adjustments led to an overall adjusted sale price of \$6.10 per square foot.

Sale No. 3: The property is located southwest of the subject along Lake Avenue in Glenview. The sale occurred in December 2013. The sale occurred over 12 months ago. Property values for development have stabilized with the rebounding of the housing market. We made no adjustment for market appreciation since the date of sale. The property was considered to be situated in a comparable location. We made no adjustment. The sale property is zoned with a similar zoning classification. Lastly, the property is larger than the subject. We made an upward adjustment for the size disparity between the subject and the sale property. We made no further adjustments. Applying the foregoing adjustments led to an overall adjusted sale price of \$7.56 per square foot.

Sale No. 4: The property is located northwest of the subject along Grange Road in Highland Park. The sale occurred in February 2013. The sale occurred over 12 months ago. Property values for development have stabilized with the rebounding of the housing market. We made no adjustment for market appreciation since the date of sale. The property was considered to be situated in an inferior location distant from the downtown area. We made an upward adjustment. The sale property is zoned with a similar zoning classification. Lastly, the property is smaller than the subject. We made a downward adjustment for the size disparity between the subject and the sale property. We made no further adjustments. Applying the foregoing adjustments led to an overall adjusted sale price of \$6.38 per square foot.

Conclusion

The adjusted values ranged from \$6.10 per square foot to \$7.56 per square foot with an average adjusted sale price of \$6.82 per square foot and a median sale price of \$6.81 per square foot. We believe that the subject's market value estimate would be near the high-end of the range based on the overall size and location. Accordingly, our opinion of value is reflected below in the following table.

Adjusted Sales Price Per SF	\$7.50
Total Square Feet	72,413
Estimated Sales Price	\$543,098
Rounded	\$540,000



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MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl & Mary Mauney

RE: **August Management Report/ July Financial Statements**

DATE: 8/25/2015

Drafts of the appraisals have been received for Frank B. Peers and Walnut Place. They are being reviewed and should be finalized in the next few weeks.

At Walnut Place, we have received approval from IHDA to replace the roof of the main building. The work is scheduled to begin on August 27th.

At Ravinia Housing, Pleasant Avenue, the Contractors are almost done with the repairs to the fire unit. They had predicted a completion date of August 27th but we were informed today that it will probably be next week. At the request of the resident's lawyer and with verification from the resident's doctor we have installed grab bars and a tub with a "step in" shower for this resident as a reasonable accommodation. In addition we have added some additional lighting to the outside path to her apartment.

Frank B. Peers

Occupancy: Property is 100% occupied.

Physical: During August, regular maintenance work orders, pest control and weekly landscaping was performed. There was also a service call for the elevator.

Social Programs: Regular social programming occurred at Frank B. Peers during August including weekly bingo and card games. The property celebrated the birthday of "Lily the Therapy Dog" on August 21st. The monthly luncheon was held on August 26th. The Epilepsy Foundation will be sending a truck to the property in September for clothes donations and staff is promoting this "clean out your closet" event. In addition, Walgreens is sending a medical technician to give flu shots in September. The date for either of these events has not yet been determined.

Financial: Net Operating Income (NOI) for July was positive to budget at \$12,870 YTD NOI was positive to budget at \$34,514. Cash carryover increased to \$52,901.85.

Income – Income for the month of July was positive to budget at \$498.

Expenses – Expense line items that were significantly negative to budget include:

- Office Expense (#6311) Reflects cost for toner for main copier
- Office Equipment (#6316) Includes quarterly postage cost
- Janitor and Cleaning (#6515) Includes inventory of bulbs for common areas
- Heating and Cooling Contractor(#6546) Reflects quarterly maintenance service
- Fire Protection (#6582) Includes annual fire pump test
- Plumbing Repairs (#6595) Reflects two service calls and replacmenet of sprinkler controller

Walnut Place

Occupancy: There were four vacancies at Walnut Place during the month of August including the townhouse that became available when a resident who was living alone and underhoused was transferred to a one bedroom unit in the main building. The 7/30 move in from last month fell through. Management has interviewed 10 people in the last two weeks for these vacancies and is in the process of qualifying them. The first vacancy must be given to an extremely low applicant. After that, we have one low applicant ready to move in.

Physical: Regular maintenance work orders, pest control and weekly landscaping was performed during August. In addition, there was a service call for the elevator and repairs to the fire alarm system during the month.

Social Programs: The annual luncheon was held at Walnut on August 18th. “Lily the Therapy Dog” visited the property on August 4th. Annual barbeque was be held on July 21st. The Epilepsy Foundation will be sending a truck to the property in September for clothes donations and staff is promoting this “clean out your closet” event. In addition, Walgreens is sending a medical technician to give flu shots in September. The date for either of these events has not yet been determined.

Financial: **Net Operating Income (NOI) for July was positive to budget by \$582. YTD NOI is positive to budget by \$34,718. Cash carryover decreased to \$61.44.**

Income - Income for the month of July was negative to budget by (\$7,150). \$3,476 of this variance relates to Walnut not billing for the Service Coordinator since she has was not put in place until May. The remainder is due to vacancy.

Expenses – Expense line items that were significantly negative to budget include:

- Office Expense (#6311) Reflects cost for toner for large copier.
- Office Equipment (#6316) Includes quarterly postage cost
- Consulting/Sudy Costs (#6380) Reflects lease fee for the land trust.
- Janitor and Cleaning Supplies (#6515) Includes inventory of bulbs for common areas
- Electricity (#6450) Cost was higher in August than budgeted.
- Water (6451) Includes quarterly sewer fees.

Ravinia Housing

Occupancy: Ravinia is 100% occupied with the last vacancy rented on April 1st. We did write off the rent for the fire unit which we hope to recoup when the insurance claim is settled. We received approval for special claims of \$1,559.00 during the month. The money will be requested on the October HAP.

Physical: Regular maintenance work orders, preventative maintenance and landscaping was completed during August. As mentioned previously, the work on the fire unit is almost complete and we hope to have the resident reoccupy the first week of September.

Financial: Net Operating Income (NOI) for July was positive to budget by \$6,345. YTD NOI is negative to budget by (\$6,404). Cash carryover decreased to \$626.94

Income – Income is positive to budget at \$1,202.

Expenses – Expense line items that were significantly negative to budget include:

- Office Expense (#6311) Reflects cost for toner for large copier.
- Office Equipment (#6316) Includes quarterly postage cost

Accounts Receivable Up-Date

July 2015

Frank B. Peers

Tenant A/R decreased from (\$158) at the end of June to zero at the end of July.
The breakdown is as follows:

Current	\$	0
30 Days	\$	0
60 Days	\$	0
90+ Days	\$	0
Prepaid	\$	0

Subsidy A/R increased from \$636 at the end of June to \$726 at the end of July.
Increase reflects billing for move in during July. The breakdown is as follows:

Current	\$	(1,770)
30 Days	\$	(104)
60 Days	\$	0
90+ Days	\$	(91)
Prepaid	\$	(2,691)

Walnut Place

Tenant A/R decreased from \$17,246 at the end of June to \$17,058 at the end of July.
This includes \$60 collected on payment plans plus additional overpayments received by residents. The breakdown is as follows:

Current	\$	1,404
30 Days	\$	1,100
60 Days	\$	1,395
90+ Days	\$	12,695
Prepaid	\$	(464)

Subsidy A/R increased from \$2,769 at the end of June to \$4,434 at the end of July due to two move out units for which we will be returning June subsidy to HUD. The breakdown is as follows:

Current	\$	963
30 Days	\$	567
60 Days	\$	567
90+ Days	\$	179
Prepaid	\$	(\$2,158)

Ravinia Housing

Tenant A/R increased from \$30,068 at the end of June to 29,635 at the end of July. \$ 435 was received on current resident payment plans. We adjusted the rent for the fire unit since the resident was out of the unit for the entire month of July. We will be requesting reimbursement from our insurance for her rental amount when the rehab is complete

Current	\$ 1,565
30 Days	\$ 1,974
60 Days	\$ 2,577
90+ Days	\$ 22,500
Prepaid	\$ (1,019)

Subsidy A/R increased from \$1,502 at the end of June to \$1,821 at the end of July. The breakdown is as follows:

Current	\$ 735
30 Days	\$ 0
60 Days	\$ 0
90+ Days	\$ (240)
Prepaid	\$ (1,326)

Frank B. Peers Capital Improvements Up-Date 7/31/2015										
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role Lead, Assist or None	\$ Actual Complete Operations	\$ Actual Reserves Spent	Replacment Reserve Request Date	
1 Parking Lot		periodic	2,000	-						
2 Roof Repairs		" "	1,800							
3 Concrete Repairs		" "	1,000							
4 Apppliance Replacement		" "	3,600				1,034			
5 A/C Replacements		" "	1,500				1,342			
6 Carpet and tile		" "	7,800				2,352			
7 Sewer Replacement (2014)							16,172	-		
8 Outdoor Lighting Upgrades							7,957			
9										
Windows from Partnership Funds										
<u>Reserves 2015 Cash Flow</u>										
Reserves Starting January 1, 2015	\$ 185,111									
2013 Annual Deposit to Reserves	\$ 23,004									
Expected Use of Reserves (\$) 2015	\$ (17,700)	Total	17,700	-			28,857	-		
IHDA Reserves										
Balance expected at the start of 2016	\$ 190,415									

Walnut Place Capital Improvements Up-Date 7/31/2015										
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role	\$ Actual Operating Spent	\$ Actual Reserves Spent	Replacment Reserve Request Date	
						Lead, Assist or None				
1 Concrete Repairs		periodic	\$ 1,000							
2 Appliance Replacement		periodic	\$ 2,150				3,600			
3 A/C Replacements		periodic	\$ 1,300				671			
4 Computer for Service Coordinator							1,272			
5 File Cabinet							506			
6 Water Heater Replacement							1,442			
7 Roof	Jul-15	Sep-15		\$ 79,900	Roof Options obtain bids	lead			7-10-15	
8										
9										
10										
11										
<u>Reserves 2015 Cash Flow</u>										
Reserves Starting January 2015	\$ 115,098									
2015 Annual Escrow Deposit	\$ 22,003									
Expected Use of Reserves \$\$ in 2015	\$ (79,900)	Total	4,450	-			7,491	-		
Balance expected at start of 2016	\$ 57,201									

Ravinia Housing Capital Improvements 7/31/2015										
Task	Date for Work	\$ Use of R&R	\$ Use of Construction	\$ Use of Operating	Comments	FMCS Role Lead, Assist or None	Date Complete	\$ Actual Complete Operations	\$ Actual Reserves Spent	Replacment Reserve Request Date
1 Plumbing repair to 4 units Pleasant Ave	Dec-14	\$ 14,602		\$ -			December-15		\$ 14,457	January-15
3 Appliance Replacement		\$ 2,000		\$ -			April-15		\$ 523	January-15
4 Carpet and Tile		\$ 12,000					May-15		\$ 3,358	
5 Plumbing repair									\$ 1,325	
6				\$ -						
7										
8										
9										
10										
11										
12										
13										
<u>Reserves Cash Flow</u>										
Reserves Starting January 1, 2015		\$ 414,324								
2015 Annual Deposit		\$ 16,188								
Use of Reserves in FY 2015		\$ (31,021)	TOTAL	28,602	-	-	TOTAL	-	19,663	
Balance expected January 1, 2016		\$ 399,491								

Highland Park Housing Commission										
Reserve Balances										
Date: 7/31/2015										
Account Name		Frank B. Peers		Walnut Place		Ravinia Housing		Sunset Woods		TOTAL
Checking (Property)		52,902		61		627		60,739		
Security Deposit		19,573		20,326		14,291		10,569		
Replacement Reserve		197,012		126,100		380,536		0		
Residual Receipts		17,508		27,095		0		0		
Operating Reserve		0		0		16		9,174		
Association Money				104,709		81,941		119,532		
Market Checking										
Association Small Business Checking		54,800						9,023		
Association Receivable/(Liability)								(258,832)		
1) Due from Hsg. Trst. Fd 277 GB		7,492		Total						
2) Due from Hsg. Trst Fd. Emerg.		689		A/R						
3) Due from Sunset Woods		258,832								
Association CDs		Maturity								
CD #1		1/7/2016		507,320						
CD #2		10/7/2015		507,790						
Association MaxSafe		1,035,250								
Money Market										
TOTAL		2,659,168		278,291		477,411		(49,795)		

FRANK B PEERS

Balance Sheet

Month Ending 07/31/15

ASSETS

Current Assets

1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	52,901.85
1131-0000 - Accounts receivable - subsidy	726.00
1240-0000 - Prepaid property and liability insurance	(0.04)
Total Current Assets	<u>53,927.81</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	581.87
1192-0000 - Tenant Sec Dep	19,572.23
1310-0000 - Real estate tax escrow	114,281.73
1311-0000 - Insurance escrow	34,744.05
1330-0000 - Debt Service Escrow	138,753.43
1320 - Replacement Reserve	197,012.33
1340 - Residual Receipt	17,508.00
Total Other Assets	<u>522,453.64</u>

Fixed Assets

1420-0000 - Building	1,848,860.15
1420-0001 - Building Improvements	102,298.87
1430-0000 - Land Improvements	1,621,801.79
1450-0000 - Furniture for project/tenant use	548,852.34
1497-0000 - Site improvements	172,218.77
4120-0000 - Accum depr - buildings	(3,464,227.19)
1498-0000 - Current F/A	28,857.15
Total Fixed Assets	<u>858,661.88</u>

Financing Costs

1900-0001 - Deferred Financing Costs	192,398.85
1999-0000 - Accum Amort - Bond Costs	(73,413.22)
Total Financing Costs	<u>118,985.63</u>

Partnership Assets

1701-0000 - Cash - Partnership	54,799.66
1702-0000 - Partnership MM	2,050,360.60
1703-0000 - Partnership Receivable	267,013.69
Total Partnership Assets	<u>2,372,173.95</u>

Total Assets

3,926,202.91

FRANK B PEERS

Balance Sheet

Month Ending 07/31/15

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	274.10
2113-0000 - Flex Benefit Payable	12.99
2114-0000 - 401K Payable	18.57
2120-0000 - Accrued wages and p/r taxes payable	4,214.60
2150-0000 - Accrued property taxes	136,809.52
2180-0000 - Misc current liabilities	23,948.77
2180-1000 - Prepaid Insurance Claim	(0.36)
Total Current Liabilities	165,278.19

Non-Current Liabilities

2190-0000 - Misc Clearing	31.00
2191-0000 - Security deposits-residential	17,220.00
2191-0001 - Pet Deposit	895.00
2210-0000 - Prepaid Rent	1.02
2211-0000 - Prepaid HUD	3,540.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	1,539,495.37
Total Non-Current Liabilities	3,851,182.39

Owner's Equity

3100-0000 - Limited Partners Equity	2,405,002.63
3209-0000 - Prior Year Retained Earnings	(2,605,126.26)
3210-0000 - Retained earnings	83,751.38
Current YTD Earnings	26,114.58
Total Owner's Equity	(90,257.67)

Total Liability & Owner Equity

3,926,202.91

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/15			Year To Date 07/31/15			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	20,134.00	38,285.00	(18,151.00)	146,519.00	267,548.00	(121,029.00)	458,973.00
5121-0000 - Tenant assistant payments	66,810.00	48,727.00	18,083.00	461,819.00	340,516.00	121,303.00	584,151.00
5140-0000 - Commercial base rent	60.00	0.00	60.00	801.23	0.00	801.23	0.00
TOTAL RESIDENTIAL RENTAL INCOME	87,004.00	87,012.00	(8.00)	609,139.23	608,064.00	1,075.23	1,043,124.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(1,165.00)	(1,400.00)	235.00	(10,713.00)	(9,800.00)	(913.00)	(16,800.00)
5221-0000 - Non-Revenue Units	(1,289.00)	(1,290.00)	1.00	(9,021.00)	(9,020.00)	(1.00)	(15,770.00)
TOTAL VACANCIES & ADJUSTMENTS	(2,454.00)	(2,690.00)	236.00	(19,734.00)	(18,820.00)	(914.00)	(32,570.00)
OTHER INCOME							
5910-0000 - Laundry income	425.50	150.00	275.50	1,225.50	1,050.00	175.50	1,800.00
5922-0000 - Late fees	0.00	5.00	(5.00)	74.00	35.00	39.00	60.00
5990-0000 - Misc other income	20.00	20.00	0.00	202.00	140.00	62.00	240.00
5413-0000 - Interest income - escrow	0.00	1.00	(1.00)	2.64	3.00	(0.36)	5.00
TOTAL OTHER INCOME	445.50	176.00	269.50	1,504.14	1,228.00	276.14	2,105.00
GROSS OPERATING INCOME	84,995.50	84,498.00	497.50	590,909.37	590,472.00	437.37	1,012,659.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	0.00	0.00	0.00	0.00	400.00	400.00	400.00
6253-0000 - Credit Report Fees	0.00	58.00	58.00	111.90	404.00	292.10	692.00
TOTAL ADVERTISING & RENTING EXPENSE	0.00	58.00	58.00	111.90	804.00	692.10	1,092.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	745.07	290.00	(455.07)	3,585.81	2,030.00	(1,555.81)	3,480.00
6316-0000 - Office Equipment	406.69	256.00	(150.69)	1,870.24	1,792.00	(78.24)	3,072.00
6320-0000 - Management fee	4,451.59	4,462.00	10.41	30,724.03	31,180.00	455.97	53,490.00
6340-0000 - Legal Expense - Project	0.00	100.00	100.00	1,320.00	3,700.00	2,380.00	4,200.00
6350-0000 - Audit Expense	0.00	1,217.00	1,217.00	14,200.00	8,519.00	(5,681.00)	14,600.00
6360-0000 - Telephone	812.94	700.00	(112.94)	4,684.96	4,900.00	215.04	8,400.00
6360-0001 - Answering Service/ Pagers	37.50	38.00	0.50	253.89	266.00	12.11	456.00
6365-0000 - Training & Education Expense	0.00	225.00	225.00	85.80	325.00	239.20	650.00
6370-0000 - Bad debts	0.00	416.00	416.00	0.00	2,912.00	2,912.00	4,992.00
6380-0000 - Consulting/study costs	0.00	200.00	200.00	0.00	4,400.00	4,400.00	5,400.00
6390-0000 - Misc administrative expenses	32.18	150.00	117.82	462.19	1,050.00	587.81	1,800.00
6390-0002 - Computer Supplies/Data Processing	179.40	171.00	(8.40)	1,250.96	1,397.00	146.04	2,252.00
6395-0000 - Tenant Retention	74.82	500.00	425.18	3,804.91	3,500.00	(304.91)	7,000.00
6431-0000 - Travel & Expense Reimbursement	130.48	235.00	104.52	1,165.57	1,645.00	479.43	2,820.00
6851-0000 - Bank Service Fees	0.00	3.00	3.00	0.00	21.00	21.00	36.00
6860-0000 - Security Deposit Interest	(0.49)	0.00	0.49	(3.32)	(2.00)	1.32	(3.00)
TOTAL ADMINISTRATIVE EXPENSE	6,870.18	8,963.00	2,092.82	63,405.04	67,635.00	4,229.96	112,645.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	4,866.10	4,852.00	(14.10)	36,154.82	36,197.00	42.18	62,882.00
6510-0000 - Janitor and cleaning payroll	1,175.66	1,176.00	0.34	8,827.61	8,771.00	(56.61)	15,238.00
6540-0000 - Repairs payroll	4,207.13	4,092.00	(115.13)	31,207.50	30,533.00	(674.50)	53,040.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/15			Year To Date 07/31/15			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6715-0000 - Payroll Taxes	750.57	777.00	26.43	7,890.49	8,306.00	415.51	12,610.00
6722-0000 - Workers compensation	391.63	348.00	(43.63)	2,438.61	2,395.00	(43.61)	4,135.00
6723-0000 - Employee Health Ins/Other Benefits	279.70	301.00	21.30	1,203.11	2,126.00	922.89	3,654.00
6724-0000 - Union Benefits	1,335.99	1,326.00	(9.99)	11,133.29	9,282.00	(1,851.29)	15,912.00
6726-0000 - Other employee benefits	23.90	0.00	(23.90)	331.44	0.00	(331.44)	0.00
6726-0001 - Contingency	0.00	0.00	0.00	1,100.00	2,508.00	1,408.00	2,904.00
TOTAL PAYROLL & RELATED COSTS	13,030.68	12,872.00	(158.68)	100,286.87	100,118.00	(168.87)	170,375.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	497.88	310.00	(187.88)	3,364.44	2,170.00	(1,194.44)	3,720.00
6517-0000 - Outside Cleaning Service	0.00	125.00	125.00	0.00	875.00	875.00	1,500.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	50.00	50.00	100.00
6519-0000 - Exterminating Contract	110.00	120.00	10.00	660.00	840.00	180.00	1,440.00
6525-0000 - Rubbish removal	404.66	325.00	(79.66)	2,055.44	2,375.00	319.56	4,100.00
6530-0000 - Security Contract	0.00	0.00	0.00	243.00	0.00	(243.00)	0.00
TOTAL OPERATING EXPENSES	1,012.54	880.00	(132.54)	6,322.88	6,310.00	(12.88)	10,860.00
UTILITIES							
6450-0000 - Electricity	66.32	2,400.00	2,333.68	11,025.99	11,285.00	259.01	20,000.00
6451-0000 - Water	(836.97)	1,333.00	2,169.97	9,688.07	9,333.00	(355.07)	16,000.00
6452-0000 - Gas	705.20	2,750.00	2,044.80	16,056.69	19,250.00	3,193.31	33,000.00
TOTAL UTILITIES	(65.45)	6,483.00	6,548.45	36,770.75	39,868.00	3,097.25	69,000.00
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	0.00	20.00	20.00	0.00	920.00	920.00	1,100.00
6537-0000 - Grounds Contractor (Landscaper)	650.00	600.00	(50.00)	4,251.00	3,575.00	(676.00)	7,150.00
6541-0000 - Repair materials (general supplies)	0.00	85.00	85.00	307.57	595.00	287.43	1,020.00
6541-0001 - Appliance Parts	21.41	42.00	20.59	176.12	294.00	117.88	504.00
6541-0002 - Plumbing Supplies	28.86	100.00	71.14	851.85	700.00	(151.85)	1,200.00
6541-0003 - Electrical Supplies	0.00	100.00	100.00	49.33	700.00	650.67	1,200.00
6541-0004 - Heating/Cooling Supplies	0.00	30.00	30.00	477.69	210.00	(267.69)	360.00
6541-0008 - Flooring/Tile Supplies (i.e.VCT)	0.00	100.00	100.00	0.00	400.00	400.00	600.00
6541-0009 - Window Supplies	0.00	20.00	20.00	342.84	140.00	(202.84)	240.00
6541-0010 - Carpentry/Hardware	0.00	150.00	150.00	0.00	1,050.00	1,050.00	1,800.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	0.00	292.00	292.00	1,380.72	2,042.00	661.28	3,500.00
6546-0000 - Heating/Cooling Contractor	696.41	250.00	(446.41)	3,301.00	1,750.00	(1,551.00)	3,000.00
6548-0000 - Snow removal	0.00	0.00	0.00	5,685.00	8,350.00	2,665.00	10,000.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	125.00	125.00	0.00	875.00	875.00	1,500.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	833.00	833.00	1,965.19	5,831.00	3,865.81	12,163.00
6563-0000 - Window Covering	0.00	3,000.00	3,000.00	0.00	6,000.00	6,000.00	6,000.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	150.00	150.00	0.00	1,050.00	1,050.00	1,800.00
6564-0001 - Painting Supplies	0.00	165.00	165.00	0.00	1,155.00	1,155.00	1,980.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6582-0000 - Fire Protection	1,598.00	163.00	(1,435.00)	2,783.77	2,161.00	(622.77)	4,661.00
6582-0001 - Fire Safety Equipment	0.00	70.00	70.00	20.00	140.00	120.00	210.00
6589-0000 - Parking Lot Expense	0.00	83.00	83.00	0.00	583.00	583.00	1,000.00
6591-0000 - Electrical Repairs	0.00	225.00	225.00	0.00	1,575.00	1,575.00	2,700.00
6592-0000 - Boiler Repairs	0.00	392.00	392.00	362.20	2,744.00	2,381.80	4,704.00
6594-0000 - Carpentry Repairs	0.00	275.00	275.00	624.95	1,925.00	1,300.05	3,300.00
6595-0000 - Plumbing Repairs	946.43	435.00	(511.43)	2,878.53	3,045.00	166.47	5,220.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/15			Year To Date 07/31/15			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6596-0000 - Floor Repairs/Cleaning	0.00	150.00	150.00	200.00	1,050.00	850.00	10,650.00
6598-0000 - Roof Repairs	0.00	50.00	50.00	0.00	3,350.00	3,350.00	3,600.00
TOTAL MAINTENANCE EXPENSES	3,941.11	7,905.00	3,963.89	25,657.76	52,210.00	26,552.24	92,662.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	10,635.00	10,635.00	0.00	74,445.00	74,445.00	0.00	127,620.00
6720-0000 - Property and liability insurance	2,177.42	2,178.00	0.58	15,558.80	15,246.00	(312.80)	26,136.00
TOTAL TAXES AND INSURANCE	12,812.42	12,813.00	0.58	90,003.80	89,691.00	(312.80)	153,756.00
TOTAL OPERATING EXPENSES	37,601.48	49,974.00	12,372.52	322,559.00	356,636.00	34,077.00	610,390.00
NET OPERATING INCOME (LOSS)	47,394.02	34,524.00	12,870.02	268,350.37	233,836.00	34,514.37	402,269.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	18,654.32	18,654.00	(0.32)	131,788.47	131,788.00	(0.47)	224,180.00
TOTAL FINANCIAL EXPENSES	18,654.32	18,654.00	(0.32)	131,788.47	131,788.00	(0.47)	224,180.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	28,739.70	15,870.00	12,869.70	136,561.90	102,048.00	34,513.90	178,089.00
8005-0000 - Mortgagor Entity Income	669.88	0.00	669.88	1,601.53	0.00	1,601.53	0.00
8010-0000 - Other Entity Expense	(3,295.00)	0.00	(3,295.00)	(34,430.00)	0.00	(34,430.00)	0.00
Total Partnership Activity	(2,625.12)	0.00	(2,625.12)	(32,828.47)	0.00	(32,828.47)	0.00
NET INCOME (LOSS)	26,114.58	15,870.00	10,244.58	103,733.43	102,048.00	1,685.43	178,089.00
7104-0000 - Replacement Reserve	1,700.00	1,917.00	217.00	11,900.00	13,419.00	1,519.00	23,004.00
7108-0000 - Mortgage Payable (long term)	11,833.22	11,833.00	(0.22)	81,624.31	81,624.00	(0.31)	141,671.00
Total Cash Flow - Financing Activities	13,533.22	13,750.00	216.78	93,524.31	95,043.00	1,518.69	164,675.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(17,700.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	24,129.07	0.00	(24,129.07)	0.00
6991-0010 - Parking Lot	0.00	0.00	0.00	0.00	2,000.00	2,000.00	2,000.00
6991-0014 - Roof Repairs	0.00	150.00	150.00	0.00	1,050.00	1,050.00	1,800.00
6991-0016 - Concrete Repairs	0.00	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00
6993-0000 - Appliance Replacement	0.00	600.00	600.00	1,034.00	2,400.00	1,366.00	3,600.00
6993-0003 - A/C Replacements	0.00	125.00	125.00	1,342.08	875.00	(467.08)	1,500.00
6994-0000 - Carpet & tile	0.00	650.00	650.00	2,352.00	4,550.00	2,198.00	7,800.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	0.00	1,525.00	1,525.00	28,857.15	11,875.00	(16,982.15)	0.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	12,581.36	595.00	11,986.36	(18,648.03)	(4,870.00)	(13,778.03)	13,414.00

WALNUT PLACE

Balance Sheet

Month Ending 07/31/15

ASSETS

Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	61.44
1130-0000 - Tenant/member accounts receivable	17,058.59
1131-0000 - Accounts receivable - subsidy	4,434.00
1240-0000 - Prepaid property and liability insurance	0.04
Total Current Assets	<u>22,454.07</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	793.25
1192-0000 - Tenant Sec Dep	20,325.97
1310-0000 - Real estate tax escrow	152,425.52
1311-0000 - Insurance escrow	37,127.31
1330-0000 - Debt Service Escrow	136,098.88
1320 - Replacement Reserve	126,100.29
1340 - Residual Receipt	27,095.09
Total Other Assets	<u>499,966.31</u>

Fixed Assets

1410-0000 - Land	220,000.00
1420-0000 - Building	2,907,088.00
1420-0001 - Building Improvements	118,339.20
1430-0000 - Land Improvements	321,376.00
1440-0000 - Building Equipment Portable	354,185.56
1450-0000 - Furniture for project/tenant use	437,004.57
1497-0000 - Site improvements	4,550.00
4120-0000 - Accum depr - buildings	(3,606,524.74)
1498-0000 - Current F/A	7,490.43
Total Fixed Assets	<u>763,509.02</u>

Financing Costs

1900-0001 - Deferred Financing Costs	174,813.03
1999-0000 - Accum Amort - Bond Costs	(58,520.51)
Total Financing Costs	<u>116,292.52</u>

Partnership Assets

1701-0000 - Cash - Partnership	104,709.75
Total Partnership Assets	<u>104,709.75</u>

Total Assets

1,506,931.67

WALNUT PLACE
Balance Sheet
Month Ending 07/31/15

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	5,902.11
2113-0000 - Flex Benefit Payable	13.00
2114-0000 - 401K Payable	(4.64)
2120-0000 - Accrued wages and p/r taxes payable	4,233.02
2150-0000 - Accrued property taxes	157,395.28
2155-0000 - Accrued professional services	3,894.00
2180-0000 - Misc current liabilities	5,251.89
Total Current Liabilities	<u>176,684.66</u>

Non-Current Liabilities

2190-0000 - Misc Clearing	4.00
2191-0000 - Security deposits-residential	17,491.00
2191-0001 - Pet Deposit	1,475.00
2210-0000 - Prepaid Rent	464.01
2211-0000 - Prepaid HUD	4,144.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-4000 - Deferred Revenue	218,612.00
2320-0000 - Mortgage Payable (long term)	1,524,919.55
Total Non-Current Liabilities	<u>4,313,109.56</u>

Owner's Equity

3100-0000 - Limited Partners Equity	104,375.87
3209-0000 - Prior Year Retained Earnings	(3,227,570.98)
3210-0000 - Retained earnings	119,701.28
Current YTD Earnings	20,631.28
Total Owner's Equity	<u>(2,982,862.55)</u>

Total Liability & Owner Equity

1,506,931.67

WALNUT PLACE

Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/15			Year To Date 07/31/15			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	23,826.00	19,451.00	4,375.00	158,999.00	136,157.00	22,842.00	233,764.00
5121-0000 - Tenant assistant payments	64,586.00	68,961.00	(4,375.00)	459,885.00	482,727.00	(22,842.00)	828,780.00
5140-0000 - Commercial base rent	0.00	0.00	0.00	220.53	0.00	220.53	0.00
TOTAL RESIDENTIAL RENTAL INCOME	88,412.00	88,412.00	0.00	619,104.53	618,884.00	220.53	1,062,544.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(5,066.00)	(950.00)	(4,116.00)	(17,245.00)	(6,650.00)	(10,595.00)	(11,000.00)
5221-0000 - Non-Revenue Units	(1,287.00)	(1,287.00)	0.00	(9,009.00)	(9,009.00)	0.00	(15,456.00)
TOTAL VACANCIES & ADJUSTMENTS	(6,353.00)	(2,237.00)	(4,116.00)	(26,254.00)	(15,659.00)	(10,595.00)	(26,456.00)
OTHER INCOME							
5910-0000 - Laundry income	748.00	260.00	488.00	2,196.00	1,820.00	376.00	3,120.00
5920-0000 - Nsf check fee	0.00	0.00	0.00	25.00	0.00	25.00	0.00
5922-0000 - Late fees	20.00	10.00	10.00	131.00	70.00	61.00	120.00
5930-0000 - Credit Check Fees	0.00	28.00	(28.00)	0.00	196.00	(196.00)	336.00
5938-0000 - Cleaning Fee/Turnover	0.00	10.00	(10.00)	0.00	70.00	(70.00)	120.00
5945-0000 - Damages	0.00	19.00	(19.00)	0.00	133.00	(133.00)	228.00
5990-0000 - Misc other income	1.00	0.00	1.00	288.00	0.00	288.00	0.00
5411-0000 - Grant Monies Income	0.00	3,476.00	(3,476.00)	0.00	24,334.00	(24,334.00)	41,715.00
5413-0000 - Interest income - escrow	0.00	0.00	0.00	2.48	2.00	0.48	5.00
TOTAL OTHER INCOME	769.00	3,803.00	(3,034.00)	2,642.48	26,625.00	(23,982.52)	45,644.00
GROSS OPERATING INCOME	82,828.00	89,978.00	(7,150.00)	595,493.01	629,850.00	(34,356.99)	1,081,732.00
ADVERTISING & RENTING EXPENSE							
6253-0000 - Credit Report Fees	0.00	58.00	58.00	110.95	408.00	297.05	700.00
TOTAL ADVERTISING & RENTING EXPENSE	0.00	58.00	58.00	110.95	408.00	297.05	700.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	674.50	417.00	(257.50)	3,441.07	2,917.00	(524.07)	5,000.00
6316-0000 - Office Equipment	406.68	250.00	(156.68)	1,838.19	1,750.00	(88.19)	3,000.00
6320-0000 - Management fee	4,259.99	4,506.00	246.01	31,032.43	31,542.00	509.57	54,156.00
6340-0000 - Legal Expense - Project	(315.00)	100.00	415.00	1,320.00	3,700.00	2,380.00	4,200.00
6350-0000 - Audit Expense	0.00	1,133.00	1,133.00	0.00	7,931.00	7,931.00	13,596.00
6360-0000 - Telephone	1,091.03	790.00	(301.03)	5,980.87	5,530.00	(450.87)	9,480.00
6360-0001 - Answering Service/ Pagers	37.50	50.00	12.50	253.89	350.00	96.11	600.00
6365-0000 - Training & Education Expense	0.00	188.00	188.00	85.80	1,318.00	1,232.20	2,260.00
6370-0000 - Bad debts	0.00	150.00	150.00	(1,081.00)	1,050.00	2,131.00	1,800.00
6371-0000 - Fees Dues & Contributions	0.00	116.00	116.00	0.00	812.00	812.00	1,392.00
6380-0000 - Consulting/study costs	325.00	0.00	(325.00)	825.00	3,000.00	2,175.00	3,000.00
6390-0000 - Misc administrative expenses	275.01	205.00	(70.01)	1,125.12	1,515.00	389.88	2,540.00
6390-0002 - Computer Supplies/Data Processing	179.40	172.00	(7.40)	1,688.46	1,201.00	(487.46)	2,058.00
6395-0000 - Tenant Retention	21.04	500.00	478.96	1,885.65	3,500.00	1,614.35	7,000.00
6431-0000 - Travel & Expense Reimbursement	130.48	190.00	59.52	1,165.54	1,330.00	164.46	2,280.00
6851-0000 - Bank Service Fees	0.00	0.00	0.00	4.50	0.00	(4.50)	0.00
6860-0000 - Security Deposit Interest	(0.51)	0.00	0.51	(3.49)	0.00	3.49	0.00
TOTAL ADMINISTRATIVE EXPENSE	7,085.12	8,767.00	1,681.88	49,562.03	67,446.00	17,883.97	112,362.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/15			Year To Date 07/31/15			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	4,866.10	4,852.00	(14.10)	36,154.83	36,198.00	43.17	62,884.00
6510-0000 - Janitor and cleaning payroll	1,175.66	1,176.00	0.34	8,827.61	8,771.00	(56.61)	15,238.00
6540-0000 - Repairs payroll	4,241.13	4,092.00	(149.13)	31,075.50	30,533.00	(542.50)	53,040.00
6900-0000 - Social Service Coordinator	963.15	3,078.00	2,114.85	5,027.90	24,480.00	19,452.10	41,552.00
6715-0000 - Payroll Taxes	750.58	777.00	26.42	7,890.69	8,284.00	393.31	12,608.00
6722-0000 - Workers compensation	391.63	352.00	(39.63)	2,404.63	2,394.00	(10.63)	4,154.00
6723-0000 - Employee Health Ins/Other Benefits	279.70	301.00	21.30	1,175.83	2,126.00	950.17	3,654.00
6724-0000 - Union Benefits	1,335.99	1,200.00	(135.99)	11,133.29	8,400.00	(2,733.29)	14,415.00
6726-0000 - Other employee benefits	23.90	0.00	(23.90)	331.44	0.00	(331.44)	0.00
6726-0001 - Contingency	0.00	0.00	0.00	1,100.00	2,244.00	1,144.00	2,904.00
TOTAL PAYROLL & RELATED COSTS	14,027.84	15,828.00	1,800.16	105,121.72	123,430.00	18,308.28	210,449.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	431.35	325.00	(106.35)	3,090.72	2,275.00	(815.72)	3,900.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	1,280.00
6519-0000 - Exterminating Contract	95.00	95.00	0.00	680.00	665.00	(15.00)	1,140.00
6525-0000 - Rubbish removal	334.66	365.00	30.34	2,588.84	2,555.00	(33.84)	4,380.00
6530-0000 - Security Contract	0.00	0.00	0.00	243.00	0.00	(243.00)	0.00
TOTAL OPERATING EXPENSES	861.01	785.00	(76.01)	6,602.56	5,495.00	(1,107.56)	10,700.00
UTILITIES							
6450-0000 - Electricity	1,416.94	1,300.00	(116.94)	8,211.57	6,832.00	(1,379.57)	12,000.00
6451-0000 - Water	1,346.37	492.00	(854.37)	4,962.97	3,444.00	(1,518.97)	5,904.00
6452-0000 - Gas	715.43	2,594.00	1,878.57	10,082.70	18,154.00	8,071.30	31,120.00
TOTAL UTILITIES	3,478.74	4,386.00	907.26	23,257.24	28,430.00	5,172.76	49,024.00
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	0.00	0.00	0.00	0.00	700.00	700.00	1,200.00
6537-0000 - Grounds Contractor (Landscaper)	700.00	660.00	(40.00)	2,100.00	1,980.00	(120.00)	5,620.00
6541-0000 - Repair materials (general supplies)	0.00	52.00	52.00	256.73	364.00	107.27	624.00
6541-0001 - Appliance Parts	111.11	44.00	(67.11)	210.99	308.00	97.01	528.00
6541-0002 - Plumbing Supplies	28.86	160.00	131.14	436.68	1,120.00	683.32	1,920.00
6541-0003 - Electrical Supplies	0.00	88.00	88.00	319.27	616.00	296.73	1,056.00
6541-0004 - Heating/Cooling Supplies	0.00	28.00	28.00	184.78	196.00	11.22	336.00
6541-0006 - Expendable Tools	67.15	25.00	(42.15)	67.15	175.00	107.85	300.00
6541-0009 - Window Supplies	0.00	192.00	192.00	0.00	1,344.00	1,344.00	2,304.00
6541-0010 - Carpentry/Hardware	42.78	88.00	45.22	42.78	616.00	573.22	1,056.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	0.00	254.00	254.00	4,024.88	1,778.00	(2,246.88)	3,048.00
6546-0000 - Heating/Cooling Contractor	597.93	750.00	152.07	2,624.47	5,250.00	2,625.53	9,000.00
6548-0000 - Snow removal	0.00	0.00	0.00	9,778.25	16,000.00	6,221.75	17,000.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	83.00	83.00	0.00	583.00	583.00	1,000.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	1,000.00	1,000.00	4,675.00	7,000.00	2,325.00	12,000.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	125.00	125.00	0.00	3,750.00	3,750.00	4,375.00
6564-0001 - Painting Supplies	261.19	150.00	(111.19)	261.19	1,050.00	788.81	1,800.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	810.00
6582-0000 - Fire Protection	960.50	306.00	(654.50)	1,213.06	2,140.00	926.94	3,668.00
6582-0001 - Fire Safety Equipment	0.00	17.00	17.00	0.00	117.00	117.00	200.00
6589-0000 - Parking Lot Expense	0.00	42.00	42.00	0.00	294.00	294.00	504.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/15			Year To Date 07/31/15			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6591-0000 - Electrical Repairs	0.00	250.00	250.00	557.00	1,750.00	1,193.00	3,000.00
6592-0000 - Boiler Repairs	0.00	514.00	514.00	0.00	3,598.00	3,598.00	6,168.00
6594-0000 - Carpentry Repairs	0.00	167.00	167.00	469.30	1,167.00	697.70	2,000.00
6595-0000 - Plumbing Repairs	0.00	595.00	595.00	3,778.73	4,165.00	386.27	7,140.00
6596-0000 - Floor Repairs/Cleaning	0.00	100.00	100.00	0.00	700.00	700.00	1,200.00
6598-0000 - Roof Repairs	0.00	400.00	400.00	0.00	2,800.00	2,800.00	4,800.00
6599-0000 - Window repairs	0.00	40.00	40.00	0.00	280.00	280.00	480.00
TOTAL MAINTENANCE EXPENSES	2,769.52	6,130.00	3,360.48	31,000.26	59,841.00	28,840.74	93,137.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	11,932.00	11,932.00	0.00	83,524.00	83,521.00	(3.00)	143,177.00
6720-0000 - Property and liability insurance	2,327.08	2,327.00	(0.08)	16,606.42	16,289.00	(317.42)	28,759.00
TOTAL TAXES AND INSURANCE	14,259.08	14,259.00	(0.08)	100,130.42	99,810.00	(320.42)	171,936.00
TOTAL OPERATING EXPENSES	42,481.31	50,213.00	7,731.69	315,785.18	384,860.00	69,074.82	648,308.00
NET OPERATING INCOME (LOSS)	40,346.69	39,765.00	581.69	279,707.83	244,990.00	34,717.83	433,424.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	19,719.86	19,720.00	0.14	139,413.91	139,415.00	1.09	237,014.00
TOTAL FINANCIAL EXPENSES	19,719.86	19,720.00	0.14	139,413.91	139,415.00	1.09	237,014.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	20,626.83	20,045.00	581.83	140,293.92	105,575.00	34,718.92	196,410.00
8005-0000 - Mortgagor Entity Income	14.45	0.00	14.45	48.64	0.00	48.64	0.00
8010-0000 - Other Entity Expense	(10.00)	0.00	(10.00)	(10.00)	0.00	(10.00)	0.00
Total Partnership Activity	4.45	0.00	4.45	38.64	0.00	38.64	0.00
NET INCOME (LOSS)	20,631.28	20,045.00	586.28	140,332.56	105,575.00	34,757.56	196,410.00
7104-0000 - Replacement Reserve	1,833.56	1,866.00	32.44	12,834.92	13,062.00	227.08	22,392.00
7108-0000 - Mortgage Payable (long term)	13,767.09	13,767.00	(0.09)	94,994.74	94,994.00	(0.74)	164,831.00
Total Cash Flow - Financing Activities	15,600.65	15,633.00	32.35	107,829.66	108,056.00	226.34	187,223.00
CAPITAL EXPENDITURES & ESCROWS							
6991-0000 - Capital expenditures	0.00	0.00	0.00	3,219.39	0.00	(3,219.39)	0.00
6991-0016 - Concrete Repairs	0.00	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00
6993-0000 - Appliance Replacement	0.00	0.00	0.00	3,600.00	2,150.00	(1,450.00)	2,150.00
6993-0003 - A/C Replacements	0.00	0.00	0.00	671.04	1,300.00	628.96	1,300.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	0.00	0.00	0.00	7,490.43	4,450.00	(3,040.43)	4,450.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	5,030.63	4,412.00	618.63	25,012.47	(6,931.00)	31,943.47	4,737.00

RAVINIA HOUSING

Balance Sheet

Month Ending 07/31/15

ASSETS

Current Assets

1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	626.94
1130-0000 - Tenant/member accounts receivable	29,634.88
1130-1000 - Allowance for Doubtful Accounts	(11,383.30)
1131-0000 - Accounts receivable - subsidy	1,821.00
1240-0000 - Prepaid property and liability insurance	4.00
1250-0000 - Prepaid Mortgage Insurance	1,027.10
Total Current Assets	21,880.62

Other Assets

1290-0000 - Misc Prepaid Expenses	269.72
1192-0000 - Tenant Sec Dep	14,290.61
1310-0000 - Real estate tax escrow	19,282.77
1311-0000 - Insurance escrow	11,400.87
1312-0000 - Mortgage Insurance Escrow	781.84
1321-0000 - Transitional Reserve	31,574.02
1350-0000 - Construction Escrow	16.44
1320 - Replacement Reserve	380,536.12
Total Other Assets	458,152.39

Fixed Assets

1420-0000 - Building	1,062,791.20
1420-0001 - Building Improvements	175,422.00
1430-0000 - Land Improvements	355,339.84
1450-0000 - Furniture for project/tenant use	293,811.85
1497-0000 - Site improvements	193,982.00
4120-0000 - Accum depr - buildings	(1,347,852.46)
1498-0000 - Current F/A	19,662.93
Total Fixed Assets	753,157.36

Financing Costs

1900-0001 - Deferred Financing Costs	62,658.71
1999-0000 - Accum Amort - Bond Costs	(6,093.30)
Total Financing Costs	56,565.41

Partnership Assets

1701-0000 - Cash - Partnership	81,940.51
1702-1000 - Partnership F/A	62,063.00
1703-0000 - Partnership Receivable	11,730.00
Total Partnership Assets	155,733.51

Total Assets

1,445,489.29

RAVINIA HOUSING

Balance Sheet

Month Ending 07/31/15

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	33,838.77
2113-0000 - Flex Benefit Payable	3.54
2114-0000 - 401K Payable	29.06
2120-0000 - Accrued wages and p/r taxes payable	1,154.49
2130-0000 - Accrued interest - mortgage	1,470.90
2131-0001 - Accrued Interest - 2nd Note	62,669.27
2139-0001 - Accrued Interest - Capital Recovery Payment	11,730.00
2150-0000 - Accrued property taxes	53,535.80
2180-0000 - Misc current liabilities	878.41
2180-1000 - Prepaid Insurance Claim	37,994.19
Total Current Liabilities	203,304.43

Non-Current Liabilities

2190-0000 - Misc Clearing	(1,313.72)
2191-0000 - Security deposits-residential	6,747.92
2210-0000 - Prepaid Rent	1,019.00
2211-0000 - Prepaid HUD	1,508.00
2310-1000 - Notes Payable - (Long Term)	62,062.71
2320-1000 - Mortgage payable - 2nd note	712,929.63
2320-0000 - Mortgage Payable (long term)	392,241.16
Total Non-Current Liabilities	1,175,194.70

Owner's Equity

3100-0000 - Limited Partners Equity	89,954.21
3209-0000 - Prior Year Retained Earnings	145,358.47
3210-0000 - Retained earnings	(174,711.98)
Current YTD Earnings	6,389.46
Total Owner's Equity	66,990.16

Total Liability & Owner Equity

1,445,489.29

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/15			Year To Date 07/31/15			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	6,082.00	8,560.00	(2,478.00)	54,430.00	59,809.00	(5,379.00)	102,609.00
5121-0000 - Tenant assistant payments	16,445.00	13,967.00	2,478.00	102,091.00	97,588.00	4,503.00	167,423.00
TOTAL RESIDENTIAL RENTAL INCOME	22,527.00	22,527.00	0.00	156,521.00	157,397.00	(876.00)	270,032.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	0.00	(1,250.00)	1,250.00	(9,074.00)	(8,750.00)	(324.00)	(15,000.00)
TOTAL VACANCIES & ADJUSTMENTS	0.00	(1,250.00)	1,250.00	(9,074.00)	(8,750.00)	(324.00)	(15,000.00)
OTHER INCOME							
5920-0000 - Nsf check fee	0.00	0.00	0.00	25.00	0.00	25.00	0.00
5922-0000 - Late fees	0.00	10.00	(10.00)	30.00	70.00	(40.00)	120.00
5945-0000 - Damages	0.00	50.00	(50.00)	0.00	350.00	(350.00)	600.00
5990-0000 - Misc other income	45.00	0.00	45.00	45.20	0.00	45.20	0.00
5413-0000 - Interest income - escrow	9.34	42.00	(32.66)	86.66	294.00	(207.34)	504.00
TOTAL OTHER INCOME	54.34	102.00	(47.66)	186.86	714.00	(527.14)	1,224.00
GROSS OPERATING INCOME	22,581.34	21,379.00	1,202.34	147,633.86	149,361.00	(1,727.14)	256,256.00
ADVERTISING & RENTING EXPENSE							
6250-0000 - Renting expenses	0.00	56.00	56.00	238.00	392.00	154.00	672.00
TOTAL ADVERTISING & RENTING EXPENSE	0.00	56.00	56.00	238.00	392.00	154.00	672.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	608.15	525.00	(83.15)	3,694.35	3,675.00	(19.35)	6,300.00
6320-0000 - Management fee	878.41	811.00	(67.41)	5,666.22	5,653.00	(13.22)	9,708.00
6340-0000 - Legal Expense - Project	0.00	375.00	375.00	360.00	2,625.00	2,265.00	4,500.00
6350-0000 - Audit Expense	0.00	875.00	875.00	10,200.00	6,125.00	(4,075.00)	10,500.00
6365-0000 - Training & Education Expense	0.00	15.00	15.00	0.00	105.00	105.00	180.00
6370-0000 - Bad debts	0.00	433.00	433.00	0.00	3,031.00	3,031.00	5,196.00
6380-0000 - Consulting/study costs	0.00	3,000.00	3,000.00	0.00	3,000.00	3,000.00	3,000.00
6390-0000 - Misc administrative expenses	57.98	84.00	26.02	1,035.64	1,098.00	62.36	1,518.00
6390-0002 - Computer Supplies/Data Processing	80.33	0.00	(80.33)	560.15	0.00	(560.15)	0.00
6851-0000 - Bank Service Fees	0.00	0.00	0.00	9.00	0.00	(9.00)	0.00
6860-0000 - Security Deposit Interest	(0.36)	0.00	0.36	(1.39)	0.00	1.39	0.00
TOTAL ADMINISTRATIVE EXPENSE	1,624.51	6,118.00	4,493.49	21,523.97	25,312.00	3,788.03	40,902.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	1,327.14	1,324.00	(3.14)	10,026.60	10,295.00	268.40	17,642.00
6510-0000 - Janitor and cleaning payroll	1,384.60	1,437.00	52.40	10,940.09	10,911.00	(29.09)	18,928.00
6540-0000 - Repairs payroll	0.00	0.00	0.00	238.00	0.00	(238.00)	0.00
6715-0000 - Payroll Taxes	204.73	214.00	9.27	2,152.06	2,269.00	116.94	3,454.00
6722-0000 - Workers compensation	123.37	111.00	(12.37)	775.87	764.00	(11.87)	1,319.00
6723-0000 - Employee Health Ins/Other Benefits	108.97	83.00	(25.97)	673.70	587.00	(86.70)	1,008.00
6724-0000 - Union Benefits	364.38	360.00	(4.38)	3,036.42	2,520.00	(516.42)	4,320.00
6726-0000 - Other employee benefits	6.52	0.00	(6.52)	90.36	0.00	(90.36)	0.00
TOTAL PAYROLL & RELATED COSTS	3,519.71	3,529.00	9.29	27,933.10	27,346.00	(587.10)	46,671.00

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/15			Year To Date 07/31/15			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	0.00	125.00	125.00	528.59	875.00	346.41	1,500.00
6520-0000 - Miscellaneous Repair Contractors	2,394.40	2,500.00	105.60	24,367.44	17,500.00	(6,867.44)	30,000.00
6525-0000 - Rubbish removal	473.48	480.00	6.52	3,407.25	3,360.00	(47.25)	5,760.00
TOTAL OPERATING EXPENSES	2,867.88	3,105.00	237.12	28,303.28	21,735.00	(6,568.28)	37,260.00
UTILITIES							
6450-0000 - Electricity	132.89	234.00	101.11	1,813.30	1,638.00	(175.30)	2,808.00
6451-0000 - Water	27.00	80.00	53.00	935.03	560.00	(375.03)	960.00
6452-0000 - Gas	(66.41)	60.00	126.41	1,434.40	420.00	(1,014.40)	720.00
TOTAL UTILITIES	93.48	374.00	280.52	4,182.73	2,618.00	(1,564.73)	4,488.00
MAINTENANCE EXPENSES							
6590-0000 - Miscellaneous Repair	0.00	50.00	50.00	0.00	300.00	300.00	550.00
TOTAL MAINTENANCE EXPENSES	0.00	50.00	50.00	0.00	300.00	300.00	550.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	4,151.00	4,151.00	0.00	29,057.00	29,057.00	0.00	49,812.00
6720-0000 - Property and liability insurance	843.25	860.00	16.75	6,219.61	6,021.00	(198.61)	10,321.00
TOTAL TAXES AND INSURANCE	4,994.25	5,011.00	16.75	35,276.61	35,078.00	(198.61)	60,133.00
TOTAL OPERATING EXPENSES	13,099.83	18,243.00	5,143.17	117,457.69	112,781.00	(4,676.69)	190,676.00
NET OPERATING INCOME (LOSS)	9,481.51	3,136.00	6,345.51	30,176.17	36,580.00	(6,403.83)	65,580.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	2,956.63	2,956.00	(0.63)	20,743.52	20,743.00	(0.52)	35,488.00
6850-0000 - Mortgage Service Fee	146.73	153.00	6.27	1,032.75	1,068.00	35.25	1,833.00
TOTAL FINANCIAL EXPENSES	3,103.36	3,109.00	5.64	21,776.27	21,811.00	34.73	37,321.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	6,378.15	27.00	6,351.15	8,399.90	14,769.00	(6,369.10)	28,259.00
8005-0000 - Mortgagor Entity Income	11.31	0.00	11.31	38.07	0.00	38.07	0.00
Total Partnership Activity	11.31	0.00	11.31	38.07	0.00	38.07	0.00
NET INCOME (LOSS)	6,389.46	27.00	6,362.46	8,437.97	14,769.00	(6,331.03)	28,259.00
7104-0000 - Replacement Reserve	1,366.87	1,390.00	23.13	9,497.93	9,648.00	150.07	16,597.00
7108-0000 - Mortgage Payable (long term)	637.05	637.00	(0.05)	4,409.67	4,410.00	0.33	7,631.00
Total Cash Flow - Financing Activities	2,003.92	2,027.00	23.08	13,907.60	14,058.00	150.40	24,228.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	(43,373.38)	(8,000.00)	35,373.38	(14,000.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	15,781.85	0.00	(15,781.85)	0.00
6993-0000 - Appliance Replacement	0.00	0.00	0.00	523.00	2,000.00	1,477.00	2,000.00
6994-0000 - Carpet & tile	0.00	0.00	0.00	3,358.08	6,000.00	2,641.92	12,000.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	0.00	0.00	0.00	(23,710.45)	0.00	23,710.45	0.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	4,385.54	(2,000.00)	6,385.54	18,240.82	711.00	17,529.82	4,031.00

Sunset Woods Housing
Balance Sheet
July 31, 2015

ASSETS

Current Assets		
Assn FBHP Checking	\$	9,023.15
FBHP General Checking		60,739.49
FBHP Security Dep. Savings		10,569.04
Assn FBHP Savings		119,531.57
FBHP Savings		9,174.16
Financing Costs		8,135.00
Tax Reserve		13,155.52
Accounts Receivable		422.00
A/R, Transfers		<u>20.00</u>
Total Current Assets		230,769.93
Property and Equipment		
Building	1,552,988.40	
Building Unit 231	135,000.32	
Building Unit 319	134,999.62	
Appliances	474.17	
Accum Dep Building	(397,956.00)	
Accum Amort-Financing Fees	<u>(678.00)</u>	
Total Property and Equipment		1,424,828.51
Other Assets		
Total Other Assets		<u>0.00</u>
Total Assets		<u><u>\$ 1,655,598.44</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Due to Peers Housing Assn	\$	258,832.40
Accrued RE Tax		12,784.40
Accrued RE Taxes Assn		6,434.84
Security Deposits		<u>9,835.00</u>
Total Current Liabilities		287,886.64
Long-Term Liabilities		
Notes Payable, Lake Co	72,231.18	
Notes Payable, FHLB	417,917.28	
Notes Payable, IHDA	<u>137,419.60</u>	
Total Long-Term Liabilities		<u>627,568.06</u>
Total Liabilities		915,454.70
Capital		
Equity-Retained Earnings	719,033.62	
Net Income	<u>21,110.12</u>	
Total Capital		<u>740,143.74</u>
Total Liabilities & Capital		<u><u>\$ 1,655,598.44</u></u>

Sunset Woods Housing
Income Statement
Compared with Budget
For the Seven Months Ending July 31, 2015

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance	Annual Budget
Revenues							
Rents	\$ 9,394.00	\$ 8,896.00	498.00	\$ 65,758.00	\$ 62,270.00	3,488.00	\$106,750.00
Late & NSF Fees	0.00	0.00	0.00	10.00	0.00	10.00	
Interest Income Assn	41.25	0.00	41.25	309.01	0.00	309.01	
Interest Income	0.00	0.00	0.00	33.86	0.00	33.86	
Total Revenues	9,435.25	8,896.00	539.25	66,110.87	62,270.00	3,840.87	106,750.00
Cost of Sales							
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00	-
Gross Profit	9,435.25	8,896.00	539.25	66,110.87	62,270.00	3,840.87	106,750.00
Expenses							
Office Supplies	0.00	8.00	(8.00)	19.41	56.00	(36.59)	100.00
Management Fee	611.39	578.00	33.39	4,230.98	4,046.00	184.98	6,939.00
Legal and Accounting Assn	0.00	0.00	0.00	2,975.00	0.00	2,975.00	-
Exterminating	5.00	0.00	5.00	95.00	0.00	95.00	-
Credit Ck Fees	0.00	4.00	(4.00)	0.00	28.00	(28.00)	50.00
Government Fees	0.00	96.00	(96.00)	0.00	670.00	(670.00)	1,150.00
Software/Data Processing	25.83	0.00	25.83	174.66	0.00	174.66	-
Carpet Cleaning	0.00	83.00	(83.00)	750.00	585.00	165.00	1,000.00
Heating & Air	0.00	42.00	(42.00)	0.00	290.00	(290.00)	500.00
Electrical & Plumbing Maint	0.00	42.00	(42.00)	995.00	290.00	705.00	500.00
Painting & Decorating	0.00	83.00	(83.00)	0.00	585.00	(585.00)	1,000.00
Appliance Repairs	0.00	42.00	(42.00)	360.00	290.00	70.00	500.00
Janitor	0.00	0.00	0.00	5.93	0.00	5.93	
Supplies Assn	58.85	0.00	58.85	58.85	0.00	58.85	
Supplies	0.00	83.00	(83.00)	606.64	585.00	21.64	1,000.00
Maintenance	0.00	83.00	(83.00)	230.00	585.00	(355.00)	1,000.00
Condo Assessment Rental Units	2,756.40	2,564.00	192.40	19,294.80	17,948.00	1,346.80	30,768.00
Cable TV	579.96	540.00	39.96	4,059.72	3,780.00	279.72	6,480.00
Real Estate tax expense	0.00	1,167.00	(1,167.00)	0.00	8,165.00	(8,165.00)	14,000.00
Loan Interest	1,569.72	2,500.00	(930.28)	11,144.76	17,500.00	(6,355.24)	30,000.00
Bldg Insurance	0.00	216.00	(216.00)	0.00	1,518.00	(1,518.00)	2,600.00
Total Expenses	5,607.15	8,131.00	(2,523.85)	45,000.75	56,921.00	(11,920.25)	97,587.00
Net Income	\$ 3,828.10	\$ 765.00	3,063.10	\$ 21,110.12	\$ 5,349.00	15,761.12	\$ 9,163.00
Loan Principal:	FB	676.97		4582.07			28,800.00
	IHDA	100		700			1,200.00

Property is 100% occupied.

Sunset Woods Housing
Account Register
For the Period From Jul 1, 2015 to Jul 31, 2015
1103M13 - FBHP General Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			59,066.92
7/1/15	7/1/15	Deposit	Tenant	647.00		59,713.92
		Deposit	Tenant	428.00		60,141.92
		Deposit	Tenant	648.00		60,789.92
		Deposit	Tenant	323.00		61,112.92
		Deposit	Tenant	273.00		61,385.92
		Deposit	Tenant	586.00		61,971.92
		Deposit	Tenant	421.00		62,392.92
		Deposit	Tenant	525.00		62,917.92
7/1/15	ihda1507	Other	ihda/auto pymt		100.00	62,817.92
7/2/15	1646	Withdrawal	Sunset Woods Condominium Assoc		3,341.36	59,476.56
7/3/15	1647	Withdrawal	Real Page, Inc.		25.83	59,450.73
7/6/15	7/8/15	Deposit	Tenant	207.00		59,657.73
		Deposit	Tenant	417.00		60,074.73
		Deposit	Tenant	256.00		60,330.73
		Deposit	Tenant	160.00		60,490.73
		Deposit	Tenant	341.00		60,831.73
		Deposit	Tenant	865.00		61,696.73
		Deposit	Tenant	795.00		62,491.73
		Deposit	Tenant	854.00		63,345.73
		Deposit	Tenant	236.00		63,581.73
7/23/15	7/23/15	Deposit	Tenant	433.00		64,014.73
		Deposit	Tenant	391.00		64,405.73
		Deposit	Tenant	329.00		64,734.73
		Deposit	Tenant	50.00		64,784.73
7/26/15	loan1507	Other	FBHP/auto pymt		3,375.00	61,409.73
7/28/15	1648	Withdrawal	Housing Opportunity Dev. Corp.		670.24	60,739.49
			Total	9,185.00	7,512.43	

Sunset Woods -July 31, 2015

Ending balance checking	\$	61,410
Ending balance operating reserve	\$	<u>9,177</u>
TOTAL	\$	70,587

SWA Rental
Balance Sheet
July 31, 2015

ASSETS

Current Assets		
FBHP Checking	\$ 33,458.09	
FBHP Security Dep Savings	<u>2,227.90</u>	
Total Current Assets		35,685.99
Property and Equipment	<u> </u>	
Total Property and Equipment		0.00
Other Assets	<u> </u>	
Total Other Assets		<u>0.00</u>
Total Assets		<u>\$ 35,685.99</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Security Deposits	<u>\$ 2,123.00</u>	
Total Current Liabilities		2,123.00
Long-Term Liabilities	<u> </u>	
Total Long-Term Liabilities		<u>0.00</u>
Total Liabilities		2,123.00
Capital		
Equity-Retained Earnings	29,062.99	
Net Income	<u>4,500.00</u>	
Total Capital		<u>33,562.99</u>
Total Liabilities & Capital		<u>\$ 35,685.99</u>

SWA Rental
Income Statement
Compared with Budget
For the Seven Months Ending July 31, 2015

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
Rents	\$ 2,123.00	\$ 1,911.00	212.00	\$ 14,861.00	\$ 13,373.00	1,488.00
Interest Income	0.28	0.00	0.28	1.93	0.00	1.93
Total Revenues	2,123.28	1,911.00	212.28	14,862.93	13,373.00	1,489.93
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	2,123.28	1,911.00	212.28	14,862.93	13,373.00	1,489.93
Expenses						
Office Supplies	0.00	4.00	(4.00)	36.00	29.00	7.00
Management Fee	138.00	124.00	14.00	966.00	868.00	98.00
Software/Data Processing	4.31	0.00	4.31	29.12	0.00	29.12
Carpet Cleaning	0.00	0.00	0.00	185.00	0.00	185.00
Heating & Air	0.00	42.00	(42.00)	0.00	290.00	(290.00)
Supplies	0.00	8.00	(8.00)	24.85	56.00	(31.15)
Maintenance	0.00	42.00	(42.00)	370.00	290.00	80.00
Condo Asst Rental Units	672.74	626.00	46.74	4,709.18	4,382.00	327.18
Cable TV	96.66	90.00	6.66	676.62	630.00	46.62
Real Estate tax expense	0.00	542.00	(542.00)	3,366.16	3,790.00	(423.84)
Bldg Insurance	0.00	33.00	(33.00)	0.00	231.00	(231.00)
Total Expenses	911.71	1,511.00	(599.29)	10,362.93	10,566.00	(203.07)
Net Income	\$ 1,211.57	\$ 400.00	811.57	\$ 4,500.00	\$ 2,807.00	1,693.00

SWA Rental
 Account Register
 For the Period From Jul 1, 2015 to Jul 31, 2015
 1103M14 - FBHP Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			32,246.80
7/2/15	1145	Withdrawal	Sunset Woods Condominium Assoc		769.40	31,477.40
7/6/15	1146	Withdrawal	Real Page, Inc.		4.31	31,473.09
7/6/15	7/8/15	Deposit	Tenant	1,090.00		32,563.09
		Deposit	Tenant	1,033.00		33,596.09
7/28/15	1147	Withdrawal	Housing Opportunity Developmen		138.00	33,458.09
			Total	2,123.00	911.71	

The economic argument for affordable housing

Marisa Novara, Director, Metropolitan Planning Council

Omitting the most incendiary comments (of which there were many), here is a sampling of reaction to the recent *Chicago Tribune* article, "[Towns snub mandate on affordable housing](#)," which reported that 40 of 68 Illinois municipalities have not submitted a plan requested by the state to address their lack of affordable housing:

Enough government intrusion. - trampletheweak

Let the free market forces determine who lives where...Why is it the city's (sic) responsibility to provide or designate affordable housing? The free market determines that. – mlljj63

We pay a lot of money to live where we do... Anyone who wants to live in this neighborhood can certainly do so if they can afford it. That they can't isn't anyone's [bleep] problem but theirs. - notforus

It was heartening to read one commentator's viewpoint that the North Shore's populace is compelled by its predominant religions—Christianity and Judaism—to be Good Samaritans who “welcome all, especially the poor. However, when we create laws (e.g., zoning rules) that prevent low-income families from moving into our communities, we are working against our own religious beliefs.”

I would argue that we also work against our own economic self-interest. It's money, not morality at the crux of most arguments against affordable housing, so let's look at the economic obstacles to and arguments for inclusive communities.

For those who argue that the free market should determine where people can afford to live—well, it already has, and the results are economically sobering. A [study by the National Bureau of Economic Research](#) found that when places like Silicon Valley enact protectionist housing policies (through, for instance, zoning that restricts new development to large-lot, expensive single family homes) rather than welcoming higher levels of growth, it holds back the entire nation's Gross Domestic Product growth by nearly 14 percent.

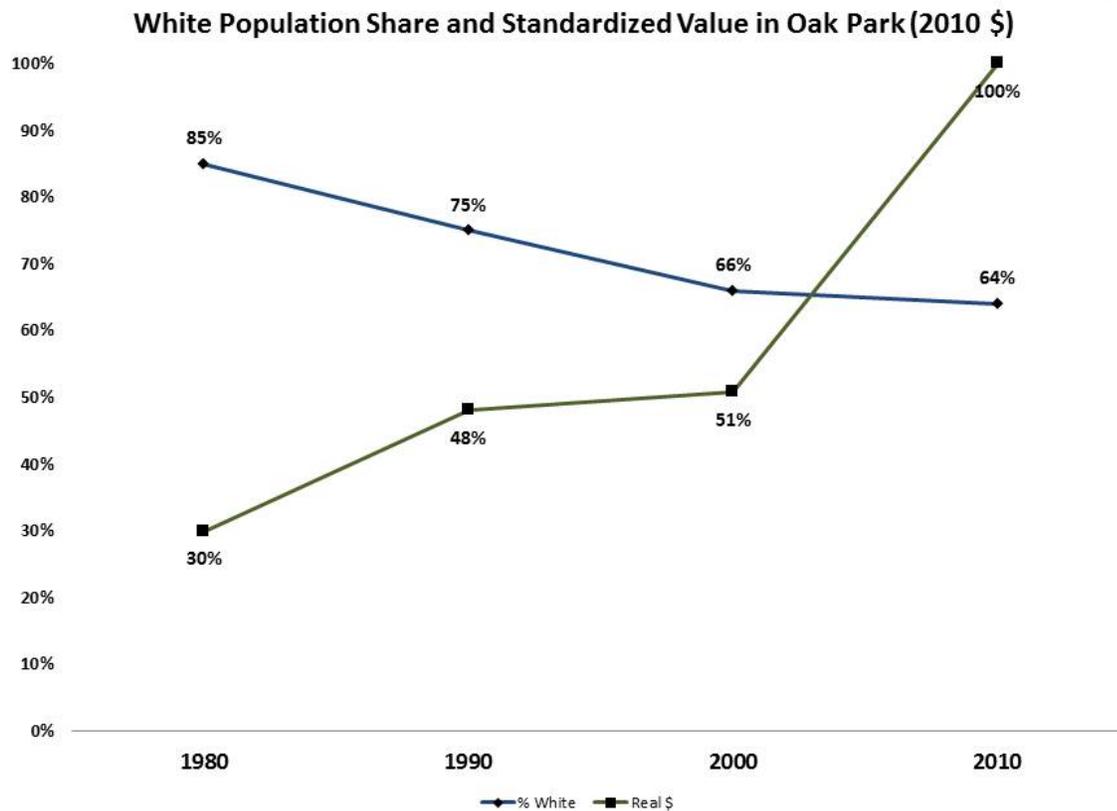
A [2013 Urban Studies report](#) found that when poverty and segregation rates are high in metropolitan areas, these regions' economies perform worse than less segregated regions. This is because, as [outlined in this CityLab article](#):

“Metropolitan economies rely on labor of all kinds, often side-by-side, with high-end architects alongside plumbers, office towers near cab stands, and biotech inventors with security guards. But when low-wage workers pay an out-sized chunk of their paycheck just getting to work, or when suburban office parks locate beyond the reach of public transit, those inefficient patterns start to affect whole regional economies.”

University of North Carolina professor [Harrison Campbell](#) describes it as a kind of market failure in which “what seems to be good for the individual turns out not to be good for society as a whole.” And when a region's economy suffers, so too does every individual trying to make a living there.

Further, there is evidence that a community's diversity can benefit its bottom line. In west suburban Oak Park, being an inclusive community has become a competitive advantage. The town—which is [32](#)

[percent non-white, 10 percent foreign-born and nearly 9 percent low-income](#) with deliberate community-wide integration—has seen its home values rise with increased diversity.



To be clear, several towns that officially fall below the state’s mark of 10 percent affordable housing are working proactively to increase their affordability. North suburban Lake Forest and Highland Park, for instance, each has established an inclusionary housing ordinance and a land trust. In both towns, priority for their affordable units goes to current residents who are housing cost burdened (paying more than one-third of their income toward housing) and people who work in the area but haven’t been able to afford to live there.

Notably, Lake Forest and Highland Park continue to thrive: Median incomes are on the rise, the percentage of students who meet or exceed standards on the Illinois Standards Achievement Test (ISAT) are [double digits ahead of the state average](#) (in some cases as high as 31 percent more), and Highland Park was [recently rated](#) the #2 best place to live in Illinois.

Policies that enable people of varying incomes to live in the same community position the Chicago region for a stronger economy that gives individuals of all incomes better opportunities. That’s progress worthy of our collective investment.