

## **MEMORANDUM**

To: Members of the Housing Commission  
From: Mary Cele Smith, Housing Planner (msmith@cityhpil.com) and  
Lee Smith, Senior Planner (lsmith@cityhpil.com)  
Date: September 1, 2011  
RE: HOUSING COMMISSION PACKET FOR 9-7-2011 MEETING

**Note: Dinner will be served at 6:00 p.m.  
The packet contains the following documents:**

### **Part A. Priority Items**

- Regular Meeting Agenda
- **Agenda Item III. (Action Needed) Approval of Minutes**
  - Meeting Minutes for July 6, 2011 Meeting
- **Agenda Item V. Scheduled Business**
  - **1. (Action Needed) Items for Omnibus Vote Consideration**
    - Ratification Payments
    - Chicago Title Land Trust Company for Executing Peers' Lease Amendments for \$225.00
    - Payment of Invoices:
    - Memo from Staff regarding payment of old invoices from accountant Sharon Klibanow for \$580
    - Schwartz Insurance for renewal of Directors and Officers policy for \$1370.00
  - **2. (Discussion) Housing Commission Peers, Walnut Place, Ravinia, and Sunset Woods. Supporting Materials:**
    - July and August 2011 Management Reports with June and July 2011 Financials for Peers, Ravinia, and Walnut Housing Associations
    - Peers and Walnut Place Capital Improvement Updates
    - Evergreen Real Estate Employment Application
    - Illinois Housing Development Authority Letter 8/9/2011 re: Peers inspection
    - U.S. Housing & Urban Development Letter 7/8/2011 re: Ravinia Housing
    - U.S. Housing & Urban Development Letter 7/8/2011 to Ravinia Residents
    - Summary Spreadsheet: Highland Park Housing Reserve Balances 7/31/2011
    - Housing Trust Fund Fiscal Year 2011 January 1 –December 31 Unaudited though 7/31
    - Sunset Woods New Mortgage Proposal. Supporting Materials:
      - Memo from Staff September 1, 2011
      - One proposal from First Bank of Highland Park
      - Sunset Woods Condominium Association Reviewed Financial Statements
  - **3. (Discussion and Consideration) Draft 2012 Housing Commission and Housing Trust Budget Goals. Supporting Materials:**
    - Memo from Staff September 1, 2011
    - Draft 2012 Housing Commission and Housing Trust Fund Work Plans

### **Part B. Detailed and Optional Material**

- Financial Reports for Peers, Ravinia, and Walnut Housing Associations and for Sunset Woods Housing Association for the month ending June 30, 2011

- Financial Reports for Peers, Ravinia, and Walnut Housing Associations for the month ending July 31, 2011 (Sunset Woods will be emailed separately)
  - *Planning Commissioners Journal*, Beth Humstone, "Teardowns: Up with the New and Down with the Old?," Number 83, Summer 2011, featuring Lee Smith
  - *60350 Highland Park Chamber of Commerce*, "Home, Sweet (CPAH) Home: Community Partners," Summer 2011
  - *The Washington Post*, Debbie Cenzier and Jonathan Mummolo, "A Trail of stalled or abandoned HUD projects," May 14, 2011
  - *U.S. HUD*, "HUD responds to Washington Post Article, web post May 16, 2011
  - *The HUDdle, U.S. HUD*, "The Home Program Works!" web post May 15, 2011
  - *The HUDdle, U.S. HUD*, "Setting the Record Straight" web post May 19, 2011
  - *The Washington Post*, Shaun Donovan, "The HOME program I know," June 9, 2011
  - Photocopy of ComED bill and payment for Sunset Woods #231 for \$23.37
- c:
- David Limardi, City Manager
  - Michael Blue, Director of Community Development
  - Linda Sloan, Planning Division Manager
  - Peter Friedman, Corporation Counsel

## PUBLIC NOTICE

In accordance with the Statutes of the State of Illinois, and the Ordinances of the City of Highland Park, the **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 7, 2011 at City Hall, 1707 St. Johns Avenue, Highland Park, Illinois.**

City of Highland Park  
Housing Commission  
Wednesday, September 7, 2011, 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 – July 6, 2011 Meeting**
- V. **Scheduled Business**
  1. Introduction of Councilman Anthony Blumberg, Liaison to the Housing Commission
  2. Items for Omnibus Vote Consideration
    - Ratification of payments:
    - Chicago Title Land Trust Company for Executing Peers' Lease Amendments for \$225.00
    - Payment of Invoices:
    - Memo from staff regarding payment of old invoices from accountant Sharon Klibanow for \$580
    - Schwartz Insurance for renewal of Directors and Officers policy for \$1,370.00
  2. Housing Commission Peers, Walnut, Ravinia, Sunset Woods
    - Management Reports
    - Property Operations Report
    - Update on Peers window replacement
    - Update on U.S. Housing and Urban Development (HUD) Mark-to-Market Refinancing for Ravinia Housing
    - Sunset Woods
      - Report on sales/rental status of Sunset Woods Units 231
      - Consideration of proposals for new Sunset Woods mortgage
      - Report from Commissioner David Meek
        - Association Meeting on August 29th
        - Condominium Association interest in reserve study
        - August 31<sup>st</sup> Meeting regarding parking lot flooding
      - Report on process to obtain FHA approved condominium status
  3. Consideration of 2012 Housing Commission and Housing Trust Fund Budget Goals
- VI. **Executive Session for Matters relating to Real Estate Acquisition and Litigation**
- 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 July 6, 2011

**MEETING LOCATION:** Pre-Session Room, City Hall, 1707 St. Johns Avenue,  
Highland Park, IL

**CALL TO ORDER**

At 6:30 p.m., Chairman David Wigodner 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 Chairman asked Planner M. Smith to call the roll.

**ROLL CALL**

Commissioners Present: Glasner, Meek, Naftzger, and Wigodner

Commissioners Absent: Adler, Barber, Sharfman

Chairman Wigodner declared that there was a quorum.

Council Liaison Absent: Blumberg

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

The Chairman declared that a quorum was present.

**APPROVAL OF MINUTES**

Regular Meeting of the Housing Commission –June 1, 2011

Commissioner Glasner moved approval of minutes of the regular meeting of the Housing Commission, the Peers Housing Association, the Ravinia Housing Association, the Walnut Housing Association, and the Sunset Woods Association held on June 1, 2011. Commissioner Meek seconded the motion.

On a roll call vote:

Voting Yea: Glasner, Meek, Naftzger, and Wigodner

Voting Nay: None

The Chairman declared that the motion passed.

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

There was no business from the public.

## **SCHEDULED BUSINESS**

### 1. Items for Omnibus Vote Consideration

There were no items for omnibus; there were no invoices for payment.

### 2. Housing Commission Peers, Walnut, Ravinia, Sunset Woods Management Report

The Management Report was in the packet. The Commissioners asked staff to ask Ms. Polly Kuehl, Vice President, Evergreen Real Estate Services, whether the tenant account reports were typical compared to other properties that Evergreen manages.

#### Property Operations Report

Planner M. Smith reported that Ms. Kuehl would send the Peers window replacement proposal next week. The Commissioners asked staff to find out what the Sunset Woods \$32,400 liability in the Summary financial spreadsheet is. Planner M. Smith said that she thought it was an error, but that she would confirm this with Ms. Kuehl.

#### Update on U.S. Housing and Urban Development (HUD) Mark-to-Market Proposal for Refinancing Ravinia Housing

Planner M. Smith reported that the tentative closing date is August 15th with the Red Capital Group for the first mortgage and U.S. Housing and Urban Development for the second mortgage in the HUD Mark-to-Market program.

#### Sunset Woods:

##### Report on sales/rental status of Sunset Woods Unit 231

Planner M. Smith reported that a prospective tenant was likely to sign a lease to begin August 1<sup>st</sup>.

##### Report on status of parking lot flooding solution

Commissioner Meek reported on the May 25<sup>th</sup> meeting with Mayor Rotering regarding the parking lot flooding problem. Condominium Board President Larry Servi requested the meeting. Also in attendance were, Public Works Director Mary Anderson, City Engineer John Welch, Civil Engineer Joe Pasquesi, and Planners L. Smith and M. Smith. Mayor Rotering discussed strategies for solving the problem and outreach to the Park District for assistance funding the project.

Commissioner Barber joined the meeting at 7:28 p.m.

##### Report on process to obtain FHA approved condominium status

Commissioner Meek and Planner M. Smith reported that a Sunset Woods' owner's son was pursuing FHA approved condominium status through the bank with which he submitted a request for a reverse mortgage. If the bank approves his application for FHA approved status,

this approval will apply to the entire development for two years. FHA requires re-certification every two years.

### Discussion regarding Mortgage due October 2012

Planner M. Smith reported that she contacted both the Highland Park Bank and the First Bank of Highland Park regarding obtaining a new mortgage for the twelve rentals at Sunset Woods. She anticipates meeting with the banks' staff in the coming month.

### 3. Discussion regarding proposed federal HOME and CDBG 2012 program budget cuts

Chairman Wigodner reported on the meeting that he participated in yesterday with Congressman Dold to discuss federal HOME and Community Development Block Grant funding for 2012. Also in attendance were Betsy Lassar, BPI, Rob Anthony and Amy Kaufman, Community Partners for Affordable Housing, Julie Donovan, Executive Director, Habitat for Humanity Lake County, and Lake County Board member Anne Bassi.

Chairman Wigodner noted the success of the HOME program in Lake County and asked staff to locate the *Washington Post* article criticizing the national HOME program in order to be prepared to respond to the national concerns raised.

Planner L. Smith discussed the memo from the packet and asked the Commissioners whether they would like staff to draft a recommendation to City Council in support of the CDBG and HOME programs and housing counseling services. The Commissioners questioned the efficacy of a City resolution and concurred that a coordinated response from Lake County or the council of government would carry more weight with federal representatives.

### **EXECUTIVE SESSION FOR DISCUSSION OF THE LEASE OF PROPERTY THAT THE HOUSING COMMISSION OWNS, PENDING LITIGATION, AND PERSONNEL MATTER**

At 7:35 p.m., Commissioner Meek 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 lease of property that the Housing Commission owns, pending litigation, and a personnel matter. Commissioner Naftzger seconded the motion. Planner M. Smith called the roll.

On a roll call vote:

Voting Yea: Barber, Glasner, Meek, Naftzger, and Wigodner

Voting Nay: None

The Chairman declared that the motion passed.

At 8:50 p.m. Commissioner Barber made a motion to close the Executive Session and to re-open the regular meeting. Commissioner Meek seconded the motion.

The Chairman declared that the motion passed unanimously.

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

**ROLL CALL**

Commissioners Present: Barber, Glasner, Meek, Naftzger, and Wigodner

Commissioners Absent: Adler, Sharfman

Chairman Wigodner declared that a quorum was present.

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

**OTHER BUSINESS**

Commissioner Meek reported that Community Partners for Affordable Housing would be holding a work day for volunteers on Saturday July 16<sup>th</sup> from 9 a.m. to 1 p.m. to do exterior rehabilitation on the house at 1342 Sherwood.

**ADJOURNMENT**

Chairman Wigodner entertained a motion to adjourn the meeting. Commissioner Naftzger moved to adjourn. Commissioner Barber seconded the motion.

On a voice vote, Chairman Wigodner declared that the motion passed unanimously.

The Housing Commission adjourned its meeting at 8:55 p.m.

Submitted respectfully:

Mary Cele Smith  
Housing Planner



**CHICAGO TITLE LAND TRUST COMPANY**  
 171 North Clark Street, Suite 575  
 Chicago, Illinois 60601  
 (312) 223-4110 or toll free (888) 878-7856

**STATEMENT OF ACCOUNT**

STATEMENT DATE: 06/30/2011  
 PAYMENT DUE DATE: 07/25/2011  
 CUSTOMER NUMBER: A7711827300  
 TRUST REFERENCE: 400 CENTRAL AVE

SHOW AMOUNT PAID HERE: \$ \_\_\_\_\_  
 (for your records)

DATE	INVOICE NUMBER	DESCRIPTION	AMOUNT
06/01/2011		BEGINNING BALANCE	250.00
06/01/2011		PAYMENT - THANK YOU Check # 1041	-250.00
06/28/2011	186648	LEASE AMEND/ASSIGN/EXTEND DTD MARCH 18, 2011	75.00
06/28/2011	186649	LEASE AMEND/ASSIGN/EXTEND AMEND/RESTATE 2ND AMEND LEASE	75.00
06/28/2011	186649	MISC DOCUMENT EXECUTION FEE AMEND/RESTATE MOD OF LEASE	75.00

VISIT OUR WEBSITE AT WWW.CTLANDTRUST.COM

**AMOUNT DUE → → →** \$ 225.00

OUR ARLINGTON HEIGHTS OFFICE HAS MOVED TO 1701 GOLF RD, SUITE 1-101,  
 ROLLING MEADOWS, ILLINOIS 60008.

1043

**PEERS HOUSING ASSOCIATION**  
 1150 HALF DAY ROAD  
 HIGHLAND PARK, IL 60035

DATE 8/1/11 70-2533-719

PAY TO THE ORDER OF Chicago Title Land Trust \$ 225.00  
Two hundred twenty five + 00/100 DOLLARS

HIGHLAND PARK BANK  
 & Trust Company  
 A Branch of Lake Forest Bank & Trust Co.  
 1949 St. Johns Avenue  
 Highland Park, IL 60035

FOR Customer # A7711827300

*[Signature]* MP

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MEMORANDUM

July 12, 2011

To: Housing Commission

From: Mary Cele Smith  
Housing Planner

Subject: Payment of old Invoices from Accountant Sharon Klibanow

Recently, Sharon Klibanow informed staff that she was not paid for two months in 2009. Ms. Klibanow does the accounting services for the Housing Commission's Peers, Walnut, and Ravinia Housing Associations that the Commission directly administers. Planner Lee Smith checked the City's records, could not find the invoices or payments for June and September 2009, and asked Ms. Klibanow to send them. Attached are invoices for these months. As you may know, Ms. Klibanow's accounting services for these three Housing Associations are paid from the City budget for the Housing Commission. At this point, it would be very difficult to pay Ms. Klibanow from the City budget. Unspent funds in 2009 returned to the general revenue fund, and the 2011 Housing Commission budget for professional services is within \$120 of the agreement for Ms. Klibanow's services.

As a consequence, staff is recommending paying Ms. Klibanow from the Peers, Walnut, and Ravinia budgets, dividing the \$580 owed between the three Housing Association checking accounts. Ms. Klibanow has pledged to monitor City payment more closely as will City staff.



500 WEST MADISON STREET, SUITE 2760  
 CHICAGO, IL 60661-4400  
 TEL 312.630.0800  
 FAX 312.648.4585

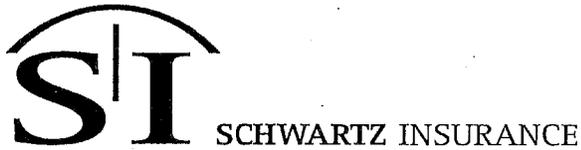
<b>INVOICE # 42350</b>		Page 1
ACCOUNT NO. <b>HIGHL-3</b>	OP <b>AM</b>	DATE <b>08/19/11</b>
PRODUCER <b>Michael L. Schwartz</b>		
BALANCE DUE ON <b>08/19/11</b>		
AMOUNT PAID	AMOUNT DUE <b>\$ 1,370.00</b>	

**Highland Park Housing Assoc.**  
**Evergreen Real Estate Services**  
**566 West Lake St., Ste. 400**  
**Chicago, IL 60661**

Item #	Eff Date	Trn	Type	Description	Amount
INVOICE #	42350				
72094	08/09/11	AUD	DOLI	11/12 D&O Rnwl Policy	\$ 1,370.00
Invoice Balance:					\$ 1,370.00

*Note: This policy is \$135.00 more than last year's. mes*





JOSEPH SCHWARTZ (1896-1950)  
ROBERT I. SCHWARTZ  
JOSEPH J. SCHWARTZ, CPCU  
MICHAEL L. SCHWARTZ

August 19, 2011

Ms. Polly Kuehl *Nancy*  
Evergreen Real Estate Services, LLC  
566 West Lake Street, Ste. 400  
Chicago, IL 60661

Re: **Highland Park Housing Association**  
Deerfield Insurance Company – Policy No. ON117811

Dear Polly:

I am pleased to enclose a Binder to serve as evidence that the above referenced Directors & Officers Liability insurance policy has been renewed effective August 9, 2011 with the Deerfield Insurance Company. The coverage provided is set forth on the enclosed Schedule of Insurance.

The annual premium for this insurance is \$1,370, for which our invoice is enclosed accordingly.

Once the policy has been received and reviewed by our office it will be forwarded to your attention. In meantime, please rest assured that the coverage, as shown on the Binder, is in effect.

If you have any questions or require additional assistance, please do not hesitate to contact me. Thank you for allowing Schwartz Insurance the continuing opportunity to be of service.

Sincerely,

Nancy L. Fletcher

NF/am  
Enclosure



Date: August 16, 2011

**REVISED**

**RE:** Coverage Binder for: Highland Park Housing Association, Inc. dba Frank B. Peers Building; Highland Park Apartment Associates, L.P. dba Waln  
Binder Expires: Sep/6/2011  
Risk Id No.: 1042005

**Message:** This is to confirm that **DEERFIELD INSURANCE COMPANY** is binding coverage as described below:

**Named Insured:** Highland Park Housing Association, Inc. dba Frank B. Peers Building; Highland Park Apartment Associates, L.P. dba Waln

**Policy Form:** NP-22000-01 - Nonprofit Individual and Organization Insurance Including Employment Practices Liability Insurance Policy

**Policy No.:** ON-117811

**Policy Period:** August 9, 2011 to August 9, 2012

**Limits:** \$1,000,000 / \$1,000,000

**Deductible:** \$2,500

**Annual Premium:** \$1,370.00 (does not include applicable state taxes, fees or surcharges)

**Retroactive Date or Prior Acts Exclusion date if applicable:** Full Prior Acts

**Billing Company:** Markel Service, Incorporated



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**Endorsements:**

- |                       |   |
|-----------------------|---|
| 1. ZZ-42001-03        | Certified Acts of Terrorism Endorsement                           |
| 2. MPIL 6001-IL 06 10 | Illinois Policyholder Notice                                      |
| 3. NP-49004-01-IL     | Illinois Amendatory Endorsement                                   |
| 4. NP-44003-01        | Discrimination Exclusion - Other Than Employment Practices Claims |
| 5. NP-44004-01        | Exclude Claims Brought by or on Behalf of                         |
| 6. NP-46004           | Mailing Address Endorsement                                       |
| 7. NP-46002-01        | Amendment of Named Organization                                   |

**Please forward the attached Policyholder Disclosure Notice of Terrorism Insurance Coverage to the insured.**

**Issuing Certificates of Insurance:** *Please note that any Certificate of Insurance issued for the captioned policy should include the policy period, limit(s) of liability and deductible(s). If coverage is claims made it should be so stated.*

**Issuing Binders:** *While we understand that you may present our terms in your own format, please be aware that our binder and policy supersede any other evidence of coverage that may be presented to the insured.*

Thank you for your business. If you have any questions or comments, please let me know. I appreciate doing business with you and look forward to hearing from you again.

If all pages are not received, please contact me immediately.

FAX # (860) 527-2438



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## **POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE**

RE: Policy Number: ON-117811

Insured: Highland Park Housing Association, Inc. dba Frank B. Peers Building; Highland Park  
Apartment Associates, L.P. dba Wain

Insurer: DEERFIELD INSURANCE COMPANY

Risk ID. No.: 1042005

You are hereby notified that under the Terrorism Risk Insurance Act as amended in 2007 the definition of terrorism has changed. *As defined in Section 102(1) of the Act:* The term "act of terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Under the Act, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. The Act requires DEERFIELD INSURANCE COMPANY to also notify you that Terrorism Coverage required to be offered by the Act for losses caused by certified acts of terrorism is partially reimbursed by the United States Government under a formula established by federal law. Under this formula, the United States Government generally pays 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this terrorism coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

The Terrorism Risk Insurance Act as amended, contains a \$100 billion cap that limits United States Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Nothing in this notice affects or modifies your coverage except and only to the extent specifically required by the Act. You should also know that under federal law you are NOT required to purchase terrorism coverage.



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When the above captioned policy was quoted, you were offered this Terrorism Coverage for a premium equal to a 3% surcharge of the total policy premium. You were required to elect or decline purchase of this Terrorism Coverage by completing and submitting a Disclosure Notice of Terrorism Insurance Coverage and Election Form (form number ZZ-50001-03). If you elected to purchase this insurance coverage, the endorsement titled "Certified Acts of Terrorism Endorsement" or "Cap on Losses of Certified Acts of Terrorism" is attached to your policy, and your policy premium includes a 3% surcharge. If you elected not to purchase this insurance coverage, the endorsement titled "Certified Acts of Terrorism Exclusion" or "Exclusion of Certified Acts of Terrorism" is attached to your policy, and your policy premium does not include this surcharge.



**NON-PROFIT ASSOCIATION LIABILITY  
INSURANCE POLICY**

500 W. Madison Street  
Suite #2760  
Chicago, IL 60661-4400  
Michael L. Schwartz  
PH: #312-630-0849  
mschwartz.schwa12@insuremail.net

DESCRIPTION	2011 - 2012
<p><b>Insurance Company</b></p> <p>Issuing Company Insurance Group Best's Rating 2011 Qualitative Rating Description Financial Size Category Policyholder Surplus Policy Number Policy Period Effective Date Expiration Date</p>	<p>Deerfield Insurance Company Market Corporation Group</p> <p>A- Excellent Class VI \$25MM&gt;&lt;\$50MM ON117811</p> <p>August 9, 2011 August 9, 2012</p>
<p><b>Named Insured</b></p> <p>Highland Park Housing Association, Inc. dba Frank B. Peers Building; Highland Park Apartment Associates, L.P. dba Walnut Place; Highland Park Housing Association #3 dba Ravinia Housing c/o Evergreen Real Estate 566 West Lake Street Suite #400 Chicago, IL 60661</p>	
<p><b>Coverage</b></p> <p><b>Association Liability</b> Limit Each Claim Aggregate Limit Form Prior Acts Coverage</p> <p>Retention</p> <p>Discovery Period Option</p>	<p>\$1,000,000 \$1,000,000 Claims Made Full prior Acts coverage included (Subject to exclusion of prior and pending litigation as of July 9, 1997)</p> <p>No Deductible, other than Employment Practices claims, for each individual insured - Individual Insured Coverage \$2,500 Each Claim, other than described above.</p> <p>A 12 month "tail" for reporting claims can be purchased at 150% of annual premium</p>

**SCHEDULE OF INSURANCE**



**NON-PROFIT ASSOCIATION LIABILITY  
INSURANCE POLICY**

500 W. Madison Street  
Suite #2760  
Chicago, IL 60661-4400  
Michael L. Schwartz  
PH: #312-630-0849  
mschwartz.schwa12@insuremail.net

<u>DESCRIPTION</u>	<u>2011 - 2012</u>
<p><b>Coverage (continued)</b></p> <p><b>Conditions</b></p> <ol style="list-style-type: none"> <li>1) Coverage is included for the individual directors and officers for their acts on behalf of the Association only.</li> <li>2) Coverage does not extend to the private partners of the Walnut facility. Additionally, claims brought by or on behalf of Private Partnership of Walnut Housing Facility are excluded.</li> </ol>	
<p><b>Premium</b></p> <p>Annual Premium</p>	<p>\$1,370</p>
<p><b>Disclaimer</b></p> <p>This Schedule of Insurance is prepared for convenient reference purposes only, and presents only a descriptive general overview of policy protection. It is not a part of, or a substitute for the policy wording, terms and conditions. In order to accurately determine the applicability of coverage, the scope of insurance protection, or the entire set of pertinent terms, the actual policy and endorsements thereto must always be consulted.</p>	



# EVERGREEN

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## Real Estate Services, L.L.C.

566 West Lake Street, Suite 400  
Chicago, IL 60661-1414

www.evergreen-housing.com  
Phone: 312-234-9400  
Fax: 312-382-3220

### MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl, Management Agent *Polly Kuehl*

RE: August Management Report/ July Financials

DATE: August 30, 2011

There was an extension given on the subsidy contract for Ravinia through the month of October. HUD required that a new lead-based paint Risk Assessment and Operating and Maintenance Manual be done for the two houses on St. John's. If lead-based paint is not "abated", a Risk Assessment is required every two years. The previous assessment was done a couple of years ago. HUD, also, wanted the Risk Assessment done in the same format as required when HUD implemented the Big Buy lead-based paint project about 8-10 years ago.

The Risk Assessment was completed and forwarded to HUD. The assessment did reflect a deterioration of the interior wood and some exterior wood that had lead-based paint. The interim control costs were estimated to be approximately \$18,000 and the abatement costs were estimated to be approximately \$55,000. Evergreen recommended that the property "abate" the areas as on-going Risk Assessments were not included in the proforma budgets (after refinancing) and the capital work was not included in the Physical Needs Assessment (PNA). HUD agreed, but the question is whether it can be done before closing or as part of the rehabilitation. We would like to have it completed before closing, but would need approval to access Replacement Reserves. This may be difficult given HUD's timeline for approval of reserve withdrawals. If we cannot obtain special waivers from the Loan Management Division, we will need to include the remediation costs in the rehabilitation.

In order to remain at the maximum per unit cost for rehabilitation, the remediation costs would result in reducing the number of kitchens that could be rehabilitated during construction. Signet indicated that they would make the appropriate changes in the Capital Plan so that we could complete the kitchens from reserves during the first year after closing.

IHDA completed the annual Housing Quality Standards (HQS) inspections of Frank B. Peers and Walnut Place and there were no findings.

The budget preparations have begun and drafts should be available for the next Housing Commission Meeting in October.

## **Frank B. Peers**

**Occupancy:** Occupancy continues at 100%.

**Physical:** Other than routine maintenance, there were no emergency repairs in July. Measurement for 11 kitchen rehabs is scheduled for this week with the actual work commencing near the end of September.

**Social Programs:** Residents participated in routine social programs, i.e. bingo, move nights, luncheons, exercise class, coffees and commodity food distribution.

**Financial:** Net Operating Income (NOI) for the month was positive to budget by \$7,969 and YTD NOI was positive to budget by \$54,929. The cash position is good at the property with \$34,523 available in the Operating Account.

**Income** – Income was positive to budget for the month, due to the rent increase that had not been budgeted and a lower than anticipated vacancy loss.

**Expenses** – The expense line items that were negative to budget were:

- Management Fee (#6320) – Based on cash received as opposed to accrued income. The property received an additional \$30,000 in subsidy from IHDA, most of which was for past due amounts. This, also, reduced A/R Subsidy on the Balance Sheet.
- Miscellaneous Administrative (#6390) – This reflects Peers' purchase of a motion picture license to allow the property to show movies to the residents (new law). This is an annual expense.
- Grounds Contractor (#6537) – This included a bill for summer plantings in addition to the monthly maintenance contract cost.
- Heating and Cooling (#6546) – This reflects a boiler leak repair and the quarterly maintenance contract for HVAC

## **Walnut Place**

**Occupancy:** There is one vacancy (#206). The unit had been rented, but the applicant declined at the last minute due to health reasons. It has been shown to 4 additional applicants and is scheduled to be shown this week.

**Physical Site:** Similar to Peers, only routine maintenance occurred in July. The 1 kitchen scheduled for rehabilitation will be measured this week and done at the same time as the kitchens at Peers. One unit was cycle painted in the main building.

**Social Programs:** Similar to Peers, Walnut Place had bingo, monthly luncheon, chair exercises and food distribution.

**Financial:** Net Operating Income (NOI) for the month was slightly negative to budget by (\$581) and YTD NOI was positive to budget by \$19,532. The cash position at the property remains poor with only \$8,712 in the Operating Account.

**Income** – Income was negative to budget, primarily due to Vacancy Loss as one of the vacant units was not “leased” until mid-month.

**Expenses** – Line items that were negative to budget for the month include:

- Audit Expense (#6350) – The revised Tax Return was paid. One of the owners sent a check in August as partial reimbursement and we are waiting for the second owner to reimburse the property, as agreed.
- Miscellaneous Administrative (#6390) – Same as above related to the motion picture license.
- Grounds Contractor (#6537) – This reflects the monthly contract and some tree trimming costs.
- Decorating (#6560) – This reflects painting of #404, #301 and touch-up painting after winter window leaks in 8 units.

### **Ravinia Housing**

**Occupancy:** There is one vacancy at Ravinia (#2743 St. John’s). As required the family vacated on 8/18/11. Renovation of the unit is in process.

**Physical Site:** Routine maintenance was completed, as well as the lead-based paint Risk Assessment.

**Social Programs:** Ravinia residents receive a monthly newsletter, as well as birthday/anniversary and get-well cards.

**Financial:** Net Operating Income (NOI) for the month is positive to budget by \$5,185 and YTD NOI is negative to budget by (\$682).

**Income** – Income reflects a positive variance as the budget assumed refinancing would occur in June, which would have lowered the rental amount for each unit. As this did not occur, the property continues to receive the older rent.

**Expenses** – The expense line items that appear to be higher than normal are:

- Office Supplies (#6311) – This includes telephone costs for June and July
- Miscellaneous Administrative (#6390-0002) – This reflects the purchase of a budgeting component from One Site for the new budget cycle.
- Supplies (#6515) – This reflects the purchase of bi-fold doors for replacement as part of the “critical repairs” required prior to closing.
- Contracts (#6520) – This reflects the landscaping contract and the rodding of a kitchen line by Ravinia Plumbing.

## Highland Park Housing

### Accounts Receivable Up-Date

August 31, 2011

As discussed previously, there are two types of Accounts Receivable for each property – Tenant A/R and Subsidy A/R. During the month of May, the Tenant A/R was verified and during the month of June, the Subsidy A/R was verified. Plans were put into place for writing-off A/R that was very old and not going to be paid to the property, i.e. former tenants and informing existing tenants of missed payments or incorrect payments with the goal of entering into a repayment plans at very modest levels. In addition, rent checks or money orders that were not correct each month would be returned to the resident so a corrected check or money order could be submitted. This will minimize future A/R.

All write-offs have been made and residents have received notification of past due rent. A few tenants have expressed concerns about past due amounts and we have dealt individually with these tenants and thoroughly investigated the billing and payment history with them. One resident had a change of income that had not been reported and we are in the process of completing a retroactive Interim Certification to lower her rent. Another resident had completed an Interim Certification at the same time a Gross Rent Change was being entered into the computer and the software identified the wrong certification. As a result the billing had been incorrect. Other than these two situations, almost all tenants with A/R have signed repayment plans.

#### Frank B. Peers:

There are 14 payment plans and 1 person needs to sign a plan. This tenant is in a nursing home, currently, but should sign when she returns. Tenant A/R has been reduced from \$7,482 in July to \$6,649 as of August 30<sup>th</sup>. The payment plans are very modest.

The Subsidy A/R went from \$58,496 in June to \$48,098 in July and to \$44,025 as of August 30<sup>th</sup>. IHDA changes require on-going implementation of the same adjustment until their system accepts it.

#### Walnut Place:

There are 15 payment plans and 2 tenants have not signed. All existing payment plans are current except for 1 tenant who is in Russia.

Tenant A/R went from \$27,429 in June to \$26,649 in July and to \$25,621 by August 30<sup>th</sup>. Subsidy A/R increased from \$30,744 in June to \$32,891 in July, but decreased to \$23,335 by August 30<sup>th</sup>.

**Ravinia Housing:**

There are 3 payment plans at Ravinia with 1 tenant remaining to sign. Tenant A/R has increased from \$38,991 in June to \$40,601 in July and to \$41,983 as of August 30<sup>th</sup>. This is due to not being able to collect rent from a family pending eviction since November. Approximately half of the Tenant A/R is owed by one person as a result of unreported income (EIV issue). Another household owes \$7,000 as a result of unreported income (EIV issue). The property will be writing-off \$7,775 of Tenant A/R due to a recent eviction.

Please note that EIV issues are a result of tenants not reporting the proper income, resulting in lower rent. HUD's EIV software (initiated about a year ago) notifies the management office of tenants who are shown to have income discrepancies. Retroactive certifications are required and tenants must pay any back-rent. Ravinia has had two such instances, accounting for about \$27,000 of Tenant A/R.

Subsidy A/R has remained very similar the last 3 months.



# EVERGREEN

## Real Estate Services, L.L.C.

566 West Lake Street, Suite 400  
Chicago, IL 60661-1414

www.evergreen-housing.com  
Phone: 312-234-9400  
Fax: 312-382-3220

### MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl, Management Agent

RE: **July Management Report/ June Financials**

DATE: July 27, 2011

There is no specific closing date for Ravinia – but the signed Refinancing Contract will be submitted in late July. The subsidy contract was renewed through the month of September 2011.

The properties were fairly “lucky” during the recent storms and heat wave. Only Walnut Place suffered any inconvenience. Walnut Place did not have electric service for about 24 hours. During the electrical outage at Walnut, staff members were at the site until 9:00 p.m. taking people up and down the stairs. All staff members were on-call during the night for emergencies. Staff checked on residents who utilize oxygen or have health problems that would have prevented them from remaining. Arrangements were made for about 9 residents to stay with family and/or friends. Sandwiches were brought-in for dinner and delivered to apartments. Residents had flashlights for safety. Plans were in place should evacuation have been necessary. A “welcome back electricity” breakfast was held the next morning.

The property insurance was renewed in July. The coverage remained the same as the expiring term with the exception of the Building Limit, which increased by 5% at each location. The total premium was \$38,454 (\$34,948 for the Commercial Package; \$267 for Non-Owned/Hired Auto Liability; and \$3,239 for Umbrella Liability). The overall premium increase for all three policies was slightly less than 7%. Zurich American Insurance Company is no longer providing the Umbrella Liability for “habitational” properties so our new carrier is National Surety Corporation, which is a Fireman’s Fund company.

A thorough review of Subsidy A/R was completed in June and the financial statements reflect accurately what is owed by residents and IHDA/HUD at each property. A summary sheet is attached outlining Subsidy A/R information. Some of the funds were reimbursed by IHDA in July, but it may take a few months to know exactly how much reimbursement is possible. All residents who owe money are on payment plans and “current” with the exception of 2 households at Ravinia who are under legal action.

## **Frank B. Peers**

**Occupancy:** Occupancy continues at 100%.

**Physical:** Other than routine maintenance and catch basin cleaning, there were no emergency repairs in July.

**Social Programs:** Residents participated in routine social programs, i.e. bingo, movie nights, luncheons, exercise class, coffees and commodity food distribution. The annual barbeque was scheduled for the last week in July.

**Financial:** Net Operating Income (NOI) for the month was positive to budget by \$12,160 and YTD NOI was positive to budget by \$46,960.

**Income** – Income was positive to budget for the month, due to the rent increase that had not been budgeted and receipt of the insurance check for \$4,100 (previous water damage due to pipe break).

**Expenses** – The expense line items that were negative to budget were:

- Management Fee (#6320) – Based on cash received as opposed to accrued income.
- Training (#6365) – This reflects Peers' portion of the COS class for the Recertification Specialist.
- Temporary Help (#6385) – This reflects PT assistance while the Recertification person was on medical leave.
- Payroll Line Items (#6310, #6510, #6540) – This reflects a 3-payroll month.
- Gas (#6452) – This reflects bulk purchasing.
- Snow Removal (#6548) – This reflects a late billing for snow removal
- Fire Protection (#6582) – This reflects fire extinguisher up-grade and servicing (\$1,548)

## **Walnut Place**

**Occupancy:** There are two vacancies (#204 and #206). #206 had been rented but prior to move-in, the applicant was diagnosed with cancer and decided not to relocate. Six applicants are in process for these two units.

**Physical Site:** Similar to Peers, only routine maintenance and catch basin cleaning occurred in July.

**Social Programs:** Similar to Peers, Walnut Place had bingo, monthly luncheon, chair exercises and food distribution.

**Financial:** Net Operating Income (NOI) for the month was positive to budget by \$10,506 and YTD NOI was positive to budget by \$20,113.

**Income** – Income was negative to budget, primarily due to Vacancy Loss.

**Expenses** – Line items that were negative to budget for the month include:

- Management Fee (#6320) – Same as above
- Training (#6365) – Same as above
- Temporary Help (#6380) – Same as above
- Payroll Line Items (#6310, #6510, #6540) – Same as above
- Elevator (#6545) – This reflects the annual elevator pressure test
- Snow Removal (#6548) – Same as above.

### **Ravinia Housing**

**Occupancy:** Occupancy is at 100%.

**Physical Site:** Routine maintenance and catch basin cleaning at Pleasant were completed. Critical repairs for closing have been completed.

**Social Programs:** Ravinia residents receive a monthly newsletter, as well as birthday/anniversary and get-well cards.

**Financial:** Net Operating Income (NOI) for the month is negative to budget by (\$6,055) and YTD NOI is negative to budget by (\$5,866).

**Income** – Income for the month reflects the 1 vacant unit, which was filled on July 1st.

**Expenses** – The expense line items that appear to be higher than normal are:

- Legal (#6340) – Costs of eviction case
- Temporary Help (#6385) – Same as above
- Payroll Line Items (#6310, #6510, #6540) – Same as above
- Repairs Contract (#6520) – This reflects electrical work done for refinancing, lawn service and turnover costs.
- Snow Removal (#6548) – Same as above

Frank B. Peers Capital Improvements Up-Date										
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role Lead/Assist or None	Date Complete	\$ Actual Reserves Spent	\$ Actual Use of Operating	Replacement Reserve Request Date
1 Windows			140,000		Summer	None				
2 Kitchen Renovation (11 units)		Sept.	94,000			None				
3 Tuckpointing	May	July	19,000			None				
4 Appliances (2 Refrigerators; 2 Stoves)			1,500		As needed	None				
5 Carpet (8 at turnover)				7,400	As needed	None				
6 Air Conditioners (4)				2,600	As needed	None				
7 Painting (10 cycle and 7 turnover)				11,400	As needed	None				
8										
9										
10										
11										
12										
<u>Reserves 2011 Cash Flow</u>										
Reserves starting January 2011	\$ 125,958									
2011 Annual Reserves Escrow (12 months)	\$ 21,600									
Expected \$\$ use of reserves in 2011	\$ 254,500	Total	254,500	21,400			TOTAL			
Balance expected at the start of 2012	\$ (106,942)									

Walnut Place Capital Improvements Up-Date										
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role Lead, Assist or None	Date Complete	\$ Actual Reserves Spent	\$ Actual Use of Operating	Replacement Reserve Request Date
1: Townhome fence replacement	March	May	20,000		Includes steps, concrete	None				
2: Furnace Replacement (townhomes)				2,400	As needed	None				
3: Rooftop A/C Replacements (townhomes)				2,500	As needed	None				
4: Kitchen Renovation		September	8,500			None				
5: Carpet (\$925 for 5 apts; \$1,200 for 1 TH)				5,825	Turnover	None				
6: Appliances (2 refrigerators; 2 stoves)				1,500	As needed	None				
7: Painting (7 turnover; 7 cycle)	August	September		12,000	As needed for turnover	None	June (2)		1,400	
8:					September for cycle					
9: Reimbursement for Hot Water Tank			12,000		Completed in 2010					
10:										
11:										
12:										
<u>Reserves 2011 Cash Flow</u>										
Reserves starting January 2011	\$ 144,575									
2011 Annual Reserves Escrow (12 months)	\$ 21,996									
Expected \$\$ use of reserves in 2011	\$ 40,500		Total	40,500	24,225		TOTAL	-	1,400	
Balance expected at the start of 2012	\$ 126,071									



# EVERGREEN

## Real Estate Services, L.L.C.

**INSTRUCTIONS: PLEASE COMPLETE IN FULL. ENSURE THAT YOU HAVE READ AND SIGNED THE AFFIDAVIT, CONSENT AND RELEASE ON THE LAST PAGE.**

**Position  
Applying For:**

**Property Location:** \_\_\_\_\_  
**Job Title:** \_\_\_\_\_

Note: This application for employment will remain active for 60 days. After 60 days you should reapply if you are still interested in a position with our Company.

### PERSONAL DATA

Date: \_\_\_\_\_

Full Name: \_\_\_\_\_  
Last First Middle

Social Security Number: \_\_\_\_\_

*We do not discriminate on the basis of race, color, religion, national origin, sex, age, disability, or any other status protected by law or regulation. It is Evergreen Real Estate Services L.L.C.'s intention that all qualified applicants are given equal employment opportunity and that selection decisions be based on job-related factors.*

Mailing Address: \_\_\_\_\_  
No. Street City Postal Code

Permanent Address: \_\_\_\_\_  
(If Different from Above)

Telephone Home: \_\_\_\_\_ Cell (or other): \_\_\_\_\_

When could you start work? \_\_\_\_\_

Are you 18 years of age or older? Yes  No   
*(If you are hired, you may be required to submit proof of age)*

If hired, can you furnish proof you are eligible to work in the U.S.? Yes  No

Have you ever been convicted of any law violation? Yes  No   
*(Include any pleas of "guilty" or "no contest". Exclude traffic violations)*  
If yes, describe in full (use additional paper if necessary):  
\_\_\_\_\_  
\_\_\_\_\_

Are you able to work shifts (non-standard hours) if required? Yes  No

Do you have any relatives working for Evergreen Real Estate Services L.L.C.? Yes  No   
If yes, name(s): \_\_\_\_\_

Have you ever applied here before? Yes  No

Have you ever been employed by Evergreen Real Estate Services L.L.C.? Yes  No   
If yes, indicate:  
Dates of Employment & Position/Location: \_\_\_\_\_

## EDUCATION AND TRAINING

	Name & location of institution	Number of years completed	Field of Study	Grade/Diploma/Degree and year completed
High School/GED				
Commercial, Trade or Technical Training				
Undergraduate College/University				
Graduate/Professional				
Other Education or Professional Memberships				

## SPECIALIZED SKILLS

**A. CLERICAL SKILLS:**

Word Processing Software: \_\_\_\_\_  
 Spreadsheet Software: \_\_\_\_\_  
 Database Software: \_\_\_\_\_  
 Keyboarding \_\_\_\_\_ nwpm  
 Other \_\_\_\_\_ specify

**B. COMPUTER SKILLS:**

IBM     Mac     VAX/VMS

Please specify computer systems you have worked with, courses you have taken and your working knowledge of computer software:

\_\_\_\_\_

\_\_\_\_\_

**C. TECHNICAL SKILLS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**D. TRADES/MAINTENANCE SKILLS:**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**E. LANGUAGE SKILLS:** Spoken: \_\_\_\_\_ Written: \_\_\_\_\_

**F. If you are applying for a position requiring a driver's license, please complete the following:**

Do you have a valid driver's license? Yes  No  Class: \_\_\_\_\_ State: \_\_\_\_\_

## WORK HISTORY

*Note: A job offer may be contingent upon acceptable references from current and former employers.*

List names of employers in consecutive order with present or last employer listed first.

Name of Employer:	Address:
Last Position Held:	Phone:
Name of Supervisor:	Reason for Leaving:
Period Employed:	Final Salary:

Duties:

Name of Employer:	Address:
Last Position Held:	Phone:
Name of Supervisor:	Reason for Leaving:
Period Employed:	Final Salary:

Duties:

Name of Employer:	Address:
Last Position Held:	Phone:
Name of Supervisor:	Reason for Leaving:
Period Employed:	Final Salary:

Duties:

## REFERENCES

Have you ever worked or attended school under any other names?  Yes  No

If yes, give name(s): \_\_\_\_\_

List three persons, other than relatives or personal friends, who can judge your work ability.

	NAME	COMPANY	POSITION	TELEPHONE
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____

May we contact your present employer for a reference?  Yes  No Previous Employers?  Yes  No

If no, please state reasons: \_\_\_\_\_

**AFFIDAVIT, CONSENT AND RELEASE**

Please read each statement carefully before signing.

I certify that all information provided in this employment application is true and complete. I understand that any false information or omission may disqualify me from further consideration for employment and may result in my dismissal if discovered at a later date.

I authorize the investigation of any or all statements contained in this application. I also authorize, whether listed or not, any person, school, current employer, past employers, and organizations to provide relevant information and opinions that may be useful in making a hiring decision. I release such persons and organizations from any legal liability in making such statements.

I understand that I may be required to successfully pass a drug screening examination. I hereby consent to a pre-and/or post-employment drug screen as a condition of employment, if required.

I understand that if I am extended an offer of employment it may be conditioned upon my successfully passing a complete pre-employment physical examination, dependent on the position I am offered. I consent to the release of all medical information as may be deemed necessary to judge my capability to do the work for which I am applying.

I also agree that any claim, controversy or dispute that may arise directly or indirectly in connection with interviewing or with my employment or termination of employment with Evergreen Real Estate Services L.L.C., and/or any associated or related disputes arising there from involving Evergreen Real Estate Services L.L.C., and/or any associate(s), director(s), officer(s), agent(s), or owner(s) of Evergreen Real Estate Services L.L.C., whether arising in contract, statute, tort, fraud, misrepresentation, discrimination, common law or any other legal theory, including, but not limited to: Disputes relating to the making, performance or interpretation of this Agreement; and claims or other disputes arising under Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended; 42 U.S.C. 1981, 1981a, 1983, 1985, or 1988; the Family and Medical Leave Act of 1993; the Americans with Disabilities Act of 1990, as amended; the Rehabilitation Act of 1973, as amended; the Fair Labor Standards Act of 1938, as amended; the Employee Retirement Income Security Act of 1974, as amended ("ERISA"); the Illinois Anti-Discrimination Law; or any other similar federal, state or local law or regulation, whenever brought, shall be resolved by arbitration. If, however, I would otherwise be legally required to exhaust administrative remedies to obtain legal relief, I can and must exhaust such administrative remedies prior to pursuing arbitration. The only legal claims between Evergreen Real Estate Services L.L.C. and I that are not included for arbitration within this Agreement are claims for workers' compensation or unemployment benefits. By signing this Agreement, I voluntarily, knowingly and intelligently waive any right I may otherwise have to seek remedies in court or other forums, including the right to a jury trial. Evergreen Real Estate Services L.L.C. also hereby voluntarily, knowingly, and intelligently waives any right it might otherwise have to seek remedies against me in court or other forums, including the right to a jury trial. The Federal Arbitration Act, 9 U.S.C. 1.16 ("FAA") shall govern the arbitrability of all claims, provided that they are enforceable under the FAA, as it may be amended from time to time. In the event the FAA does not govern, the Illinois Chapter 710 Uniform Arbitration Act shall apply. Additionally, the substantive law of Illinois, to the extent it is consistent with the terms stated in the Agreement for arbitration, shall apply to any common law claims. This Agreement for arbitration supersedes any prior arbitration agreement between Evergreen Real Estate Services L.L.C. and me to the extent they are consistent.

A single arbitrator engaged in the practice of law shall conduct the arbitration under the applicable rules and procedures of the American Arbitration Association ("AAA"), unless otherwise agreed to by the parties. Any dispute that relates directly or indirectly to my employment with Evergreen Real Estate Services L.L.C. or to the termination of my employment will be conducted under the AAA National Rules for the Resolution of Employment Disputes, effective June 1, 1997. The arbitrator shall be chosen from a state other than my state of residence and other than Illinois. Other than as set forth herein, the arbitrator shall have no authority to add to, detract from, change, amend, or modify existing law. The arbitrator shall have the authority to order such discovery as is necessary for a fair resolution of the dispute. The arbitrator may award punitive damages, as allowed by Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; the Age Discrimination in Employment Act of 1967, as amended; and the Americans with Disabilities Act of 1990 as amended, regardless of any limitations imposed by federal, state, or local laws regarding amounts that may be awarded in arbitration proceedings. All arbitration proceedings, including without limitation, settlements under this Agreement, will be confidential. The prevailing party in any arbitration shall be entitled to receive reasonable attorneys' fees as provided by law. The arbitrator's decision and award shall be final and binding, as to all claims that were, or could have been, raised in the arbitration, and judgment upon the award rendered by the arbitrator may be entered to any court having jurisdiction thereof. If any party hereto files a judicial or administrative filing said action shall pay the other party's costs and expenses incurred in seeking such stay and/or compelling arbitration, including reasonable attorneys' fees not to exceed Two Thousand Five Hundred Dollars (\$2,500.00).

**I UNDERSTAND THAT THIS APPLICATION, VERBAL STATEMENTS BY MANAGEMENT, OR SUBSEQUENT EMPLOYMENT DOES NOT CREATE AN EXPRESS OR IMPLIED CONTRACT OF EMPLOYMENT NOR GUARANTEE EMPLOYMENT FOR ANY DEFINITE PERIOD OF TIME. ONLY THE OWNER OF THE COMPANY HAS THE AUTHORITY TO ENTER INTO AN AGREEMENT OF EMPLOYMENT FOR ANY SPECIFIED PERIOD AND SUCH AGREEMENT MUST BE IN WRITING, SIGNED BY THE OWNER AND THE EMPLOYEE. IF EMPLOYED, I UNDERSTAND THAT I HAVE BEEN HIRED AT THE WILL OF THE EMPLOYER AND MY EMPLOYMENT MAY BE TERMINATED AT ANY TIME, WITH OR WITHOUT REASON AND WITH OR WITHOUT NOTICE.**

I have read, understand, and by my signature consent to these statements.

\_\_\_\_\_ Date

\_\_\_\_\_ Signature of Applicant

**AUG 09 2011**

Mr. Lee Smith  
City of Highland Park  
1150 Half Day Road  
Highland Park IL 60035

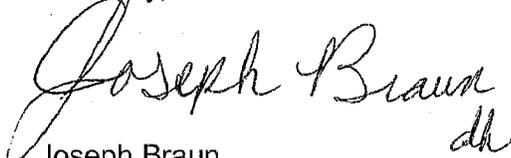
**RE: Frank B. Peers Senior Housing, TEB-2269  
2011 Section 8 Housing Quality  
Standard Inspection**

Dear Mr. Smith:

The Illinois Housing Development Authority appreciates the cooperation received from your staff while performing our recent 2011 annual Housing Quality Standards ("HQS") inspection on July 29, 2011. Please note that the above-mentioned development's inspection was completed without findings or violations. The inspection included unit interiors only.

If you have any questions or wish to discuss any matter regarding the HQS inspection, please do not hesitate to contact me at (312) 836-5211.

Sincerely,



Joseph Braun  
Field Inspector  
Asset Management Services

JB:dh

CC: Ms. Polly Kuehl  
Ms. Heidi Martin



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

July 8, 2011

76959-004937 T-0016 \*\*\*\*\*MIXED AADC 166

HIGHLAND PARK HOUSING #3  
RAVINIA HOUSING  
1707 ST. JOHNS AVE  
HIGHLAND PARK, IL 60035-3532



Dear Sir or Madam:

This letter is to inform you that the Performance Based Contract Administrator (PBCA) that administers Project-Based Section 8 Housing Assistance Payment (HAP) contracts in the State of ILLINOIS will change from NATIONAL HOUSING COMPLIANCE to ILLINOIS HOUSING DEVELOPMENT AUTHORITY (hereafter "New PBCA") effective October 1, 2011. The New PBCA will contact you prior to the change in order to assure a smooth transition for the submission and payment of monthly vouchers. If you need to contact the New PBCA, contact:

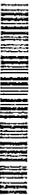
DIANE SMITH  
PBCA PROGRAM DIRECTOR  
ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
401 N MICHIGAN AVENUE, #700  
CHICAGO, IL 60611  
312-836-5307  
DSMITH@IHDA.ORG

The New PBCA will perform numerous tasks related to your HAP contract (s) including but not limited to the following:

- Conduct management and occupancy reviews
- Adjust contract rents
- Process HAP contract terminations or expirations
- Renew HAP contracts
- Verify and certify monthly vouchers for tenant rental assistance
- Follow-up on the results of physical inspections

While the New PBCA has responsibility for the items listed above, HUD's Multifamily Housing Project Managers will retain full responsibility for managing all tasks related to FHA insured mortgages.

To ensure that all residents are informed about this change, a Resident Notice is enclosed. This notice that must be posted on the bulletin board at the property and a copy distributed to each household.



Thank you for your cooperation during this transition. The Department looks forward to working with you in this partnership.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah K. Lear". The signature is written in a cursive style with a large initial "D".

Deborah K. Lear  
Director  
Office of Housing Assistance  
Contract Administration and Oversight

Enclosure:  
Resident Notice



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-  
FEDERAL HOUSING COMMISSIONER

July 8, 2011

Dear Resident:

This letter is to inform you that the Performance Based Contract Administrator (PBCA) that administers Project-Based Section 8 Housing Assistance Payment (HAP) contracts in the State of ILLINOIS and this property will change from NATIONAL HOUSING COMPLIANCE (hereafter "Current PBCA") to ILLINOIS HOUSING DEVELOPMENT AUTHORITY (hereafter "New PBCA") effective October 1, 2011.

The New PBCA will provide information prior to the change regarding customer service contact information should you have concerns about or inquiries related to this transition. Until the change takes place on October 1, 2011, please continue to work with your on-site manager, management agent, owner, or the Current PBCA to address health, safety, or maintenance issues.

If you need to contact the New PBCA prior to receiving customer service contact information, you may contact:

DIANE SMITH  
PBCA PROGRAM DIRECTOR  
ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
401 N MICHIGAN AVENUE, #700  
CHICAGO, IL 60611  
312-836-5307  
DSMITH@IHDA.ORG

If you need to contact the Department of Housing and Urban Development, please contact the Multifamily Housing Project Manager in the Program Center or Regional Hub that oversees the project.

Sincerely,

Deborah K. Lear  
Director  
Office of Housing Assistance  
Contract Administration Oversight

Highland Park Housing Commission							
Reserve Balances							
Date: 7/31/2011							
Account Name	Frank B. Peers	Walnut Place	Ravinia Housing	Sunset Woods	Housing Trust Fund	TOTAL	
Checking (Property)	34,523	8,712	17,581	16,249			
Security Deposit	19,639	22,043	6,989	10,404			
Replacement Reserve	139,690	131,544	46,925	0			
Residual Receipts	14	27,095	480,323	0			
Operating Reserve	0	0	0	19,000			
Association Money Market Checking		104,464	144,521	161,337			
Association Small Business Checking	18,375			12,822			
Association Receivable/(Liability)				-258,832			
1) Due from Hsg. Trst. Fd 277 GB	7,491	Total					
2) Due from Hsg. Trst Fd. Emerg.	689	A/R					
3) Due from Sunset Woods	258,832	267,014					
Association CDs	Maturity						
CD #1	7/7/2011	503,379					
CD #2	10/7/2011	503,916					
Association MaxSafe Money Market	1,109,908						
TOTAL	2,596,456	293,858	696,339	-39,020			

Note:  
These are amounts from the June financials

Highland Park Housing Commission									
Reserve Balances									
Date: 6/30/2011									
Account Name		Frank B. Peers	Walnut Place	Ravinia Housing	Sunset Woods	Housing Trust Fund	TOTAL		
Checking (Property)		13,509	6,137	1,607	16,249				
Security Deposit		19,636	22,039	6,988	10,404				
Replacement Reserve		137,730	129,551	46,925	0				
Residual Receipts		14	27,095	480,323	0				
Operating Reserve		0	0	0	19,000				
Association Money Market Checking			104,426	144,469	161,337				
Association Small Business Checking		18,375			12,822				
Association Receivable/(Liability)					-258,832				
1) Due from Hsg. Trst. Fd 277 GB		7,491	Total						
2) Due from Hsg. Trst Fd. Emerg.		689	A/R						
3) Due from Sunset Woods		258,832	267,014						
Association CDs	Maturity								
CD #1	7/7/2011	503,230							
CD #2	10/7/2011	503,916							
Association MaxSafe Money Market		1,109,673							
TOTAL		2,573,095	289,248	680,312	-39,020				

## Housing Trust Fund

Fiscal Year 2011

January 1 - December 31 - Unaudited

Unaudited  
Through 07/31

Beginning Balance, Jan 1 (Unaudited) \$1,523,586

### Revenue:

Demolition Tax	33,335
Demolition Permits	9,750
Interest Revenue	424
Contributions/Donations/Other	0
Proceeds of Ceding Volume Cap	0

**Total Revenue** 43,509

### Expenditures:

**Program Costs** (176,622)

\$155,000 (CPAH Scattered Site Program), \$20,622  
(Housing Planner), \$1,000 (Emergency Housing)

(176,622)

**Ending Balance** \$1,390,473

### Pending Obligations

CPAH Scattered Site Program	(\$206,512)
Employer Assisted Housing	(\$50,000)
HPI CLT Operating Grant	(\$25,000)
Emergency Housing Assistance	(\$9,000)
Housing Planner	(\$14,925)
Emergency Housing Assistance	(\$689)
277 Green Bay	(\$7,492)
Third party Expenses	(\$4,000)
<b>Total Pending Obligations</b>	<u><b>(\$317,618)</b></u>

**Net Balance** \$1,072,855

## **MEMORANDUM**

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

Date: September 1, 2011

### **SUBJECT: Discussion regarding New Mortgage for Sunset Woods**

Unfortunately, I do not have the proposal from the Highland Park Bank yet. Bank staff anticipates sending me the proposal at the end of next week. I am enclosing the proposal from the First Bank of Highland Park. While I realize that the discussion will be incomplete (and brief), I would like to get your perspective on the proposal that we do have.

For your information, the current mortgage from Harris Bank is a ten-year loan on a 30-year schedule at 5.67% due October 2012. There is no penalty for early payment.

# **First Bank of Highland Park**

**Marc Zisook**

VICE PRESIDENT/COMMERCIAL REAL ESTATE

August 17, 2011

Ms. Mary Cele Smith  
Housing Planner  
City of Highland Park  
Department of Community Development  
1150 Half Day Road  
Highland Park, IL 60035

RE: Sunset Woods Association, Highland Park, IL

Dear Mary:

Thank you for the opportunity to consider the Sunset Woods condominium financing. As a result of our conversation, First Bank of Highland Park (the "Bank") is pleased to present for your consideration the following financing proposal:

**Borrower:** Sunset Woods Association or other nominee acceptable to Bank.

**Property Description:** 12 condominiums located at 891 Central Avenue in Highland Park, Illinois. The units are part of an age restricted building and they are considered, "affordable housing" as there are income limitations for the residents. Residents of the 12 units must be 62 years of age or older and their income cannot exceed 60% of the Chicago area median income. The Lake County Affordable Housing program provides rental subsidies for the 12 subject units

**Loan Amount:** \$451,000

**Loan to Value:** The combined value of the units shall be at least \$1 million (45% LTV).  
The combined loan to value including any subordinate debt shall not exceed 75% (CLTV)

**Term:** 10 years

**Interest Rate:** 4.5% for the first 5 years (The loan must close by 11/30/11 to guarantee this rate). The interest rate for the second 5 years shall be the Bank's published multifamily rate at that time.

**Loan Fees/Costs:** No loan fee. The borrower will be responsible for any of the Bank's out of pocket expenses associated with this transactions such as title, legal, appraisal and any other applicable expenses

**Amortization:** 30 Years

633 Skokie Boulevard, Northbrook, Illinois 60062 MAIN: 847-272-1300 FAX: 847-412-9100  
1835 First Street, Highland Park, Illinois 60035 MAIN: 847-432-7800 FAX: 847-433-2150

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



## **First Bank of Highland Park**

- Guarantors:** None
- Environmental:** A phase I report which was completed when the building was constructed should be sufficient.
- Collateral:** The Bank will require a first mortgage position, a first lien on all fixtures attached to the property and an assignment of leases and rents on the 12 subject units.
- Prepayment Fee:** 3% of any unscheduled principal payments in year 1, 2% in year 2, 1% in years 3 and 4 and none in year 5. The same prepayment fee shall apply to years 6 through 10 (i.e. 3% in year 6, 2% in year 7, 1% in years 8 and 9 and none in year 10). Borrower may pay up to 20% of the unscheduled principal balance in any loan year without penalty.
- Balances:** A depository relationship is to be maintained with the Bank during the term of the loan.
- Tax Escrow:** A real estate tax escrow in form and amount satisfactory to the Bank shall be required to be maintained at the Bank throughout the term of the proposed loan.
- Title Policy:** Borrower shall provide Bank with an ALTA Loan Title Policy in form and substance satisfactory to the Bank and from a title company acceptable to the Bank, in the amount of the loan insuring the mortgage of the Bank on the Property.
- Insurance:** Borrower shall provide Bank with proof of insurance and at all times maintain, adequate insurance coverage on the Property in form, type, and amount satisfactory to the Bank, including, but not limited to, builders risk, casualty, and liability insurance naming the Bank as first mortgagee and loss payee.
- Reporting Requirements:** Borrower shall provide the bank with federal tax returns, rent rolls, and internal financial statements on an annual basis.
- Additional Conditions:** The loan shall demonstrate a 1.0 times debt service coverage ratio as measured annually.
- The First Bank of Highland Park loan shall be in first position and all junior liens shall subordinate to the First Bank of Highland Park loan. It is our understanding that there is no annual debt service associated with the junior debt.

The prospective borrower would be responsible for customary loan documentation and closing fees including but not limited to: appraisal, environmental analysis, legal and title charges.



**First Bank of Highland Park**

**This letter is not a commitment, undertaking or offer by the Bank to provide the financing described herein. It is rather a preliminary and tentative proposal** based upon our recent discussions with you and our analysis and review to date of your financial condition, business prospects and operations. The possible issuance hereafter by the Bank of a commitment to provide the financing described above (and on the terms described above or such other terms as you and the Bank shall agree) is subject to: 1) the completion of our review and analysis of your financial condition, business prospects, and operations; 2) our evaluation of the assets to be provided as collateral; 3) the negotiation, execution and delivery of loan documentation acceptable to the Bank and its legal counsel; and 4) the Bank's continued satisfaction with Borrower's, Guarantors and the Property's financial condition, business prospects and operations. This proposal shall be valid through September 15, 2011.

Please sign and return a copy of this letter with a check for \$1,500 as an application fee if you desire the Bank to continue the underwriting of the proposed loan on the terms and conditions set forth in this letter. The application fee shall become nonrefundable in the event the Bank approves a loan commitment substantially consistent with this proposal, and it will be applied to loan costs and/or the loan fee in the event the proposed financing is closed. The fee will be refunded less out of pocket costs if the Bank is not able to provide a loan commitment. As of August 17, 2011 the proposed loan has not been presented to, nor approved by any loan committee at First Bank of Highland Park.

Sincerely,

**FIRST BANK OF HIGHLAND PARK**



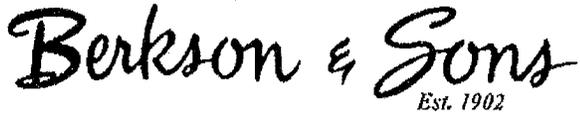
Marc Zisook  
Vice President  
(847) 849-8962



Patrick Stallone  
Executive Vice President/Senior Loan Officer  
(847) 849-8960

Agreed to by: \_\_\_\_\_

Its: \_\_\_\_\_ Date: \_\_\_\_\_



Date: July 18, 2011

TO: All unit owners at Sunset Woods Condominiums

FROM: Board of Directors

RE: SUNSET WOODS CONDOMINIUM ASSN  
Reviewed Financial Statements  
For Year Ended December 31, 2010

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As is required by the Illinois Condominium Property Act and the Sunset Woods Condominium Association Declaration of Condominium Ownership, enclosed please find a copy of the 2010 income and expense compilation for the association for the fiscal year ending December 31, 2010. As a unit owner in the association you are entitled to receive this report on an annual basis.

The compilation was prepared by Frost, Ruttenger & Rothblatt, P.C. of Deerfield, Illinois in accordance with Statements on Standards for Accounting and Review Services as issued by the American Institute of Certified Public Accountants.

Please review the enclosures and should you have any questions, please direct them to a Board Member or Berkson & Sons, Ltd. and we shall make arrangements to provide you with a response to your inquiry.

Enclosure.

Should you have any questions, please do not hesitate to call.

Sincerely,

Karen L. Fritts  
Berkson & Sons, Ltd.  
A Licensed Realtor in  
The State of Illinois

**Sunset Woods Condominium Association**

**Financial Statements and  
Supplementary Information**

**December 31, 2010**

**Sunset Woods Condominium Association**  
**December 31, 2010**

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*Focus. Dedication. Relationships.*  
CERTIFIED PUBLIC ACCOUNTANTS  
AND BUSINESS ADVISORS

To the Board of Management  
Sunset Woods Condominium Association

### **Accountant's Compilation Report**

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We have compiled the accompanying statement of assets and fund balance - modified cash basis of Sunset Woods Condominium Association as of December 31, 2010, and the related statements of revenues, expenses and changes in fund balance - modified cash basis for the year then ended, and the accompanying supplementary information - modified cash basis, which is presented only for supplementary analysis purposes. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with the modified cash basis of accounting, which is an other comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary schedules in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary schedules.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services Issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary schedules.

The American Institute of Certified Public Accountants has determined that supplementary information about future major repairs and replacements of common property is required to supplement, but not required to be part of, the basic financial statements. Sunset Woods Condominium Association has not presented this supplementary information.

*Frost, Rutenberg & Rothblatt, P.C.*

February 15, 2011

## **Financial Statements**

**Sunset Woods Condominium Association**  
**Statement of Assets and Fund Balance - Modified Cash Basis**  
**December 31, 2010**

	Operating Fund	Reserve Fund	Total
<b>Assets</b>			
Cash - Including Interest Bearing Accounts	\$ (3,016)	\$ 51,352	\$ 48,336
Certificates of Deposit	-	93,037	93,037
Furniture and Equipment - Net	703	-	703
<b>Total Assets</b>	<b>\$ (2,313)</b>	<b>\$ 144,389</b>	<b>\$ 142,076</b>
<b>Fund Balance</b>	<b>\$ (2,313)</b>	<b>\$ 144,389</b>	<b>\$ 142,076</b>

See Accountant's Compilation Report and accompanying Notes to Financial Statements.

**Sunset Woods Condominium Association**  
**Statement of Revenues, Expenses and Changes**  
**in Fund Balance - Modified Cash Basis**  
**For the Year Ended December 31, 2010**

	Operating Fund	Reserve Fund	Total
<b>Total Revenue</b>	<b>\$ 201,353</b>	<b>\$ 2,009</b>	<b>\$ 203,362</b>
<b>Expenses</b>			
Utilities	47,613	-	47,613
Building Services	33,110	-	33,110
Repairs and Maintenance	56,333	-	56,333
General and Administrative	36,248	-	36,248
Non-Recurring Expenses	3,258	-	3,258
Reserve Expenses	-	83,648	83,648
Depreciation	311	-	311
<b>Total Expenses</b>	<b>176,873</b>	<b>83,648</b>	<b>260,521</b>
<b>Excess of Revenues Over Expenses</b>	<b>24,480</b>	<b>(81,639)</b>	<b>(57,159)</b>
Fund Balance - Beginning	19,682	179,553	199,235
Transfers	(46,475)	46,475	-
<b>Fund Balance - Ending</b>	<b>\$ (2,313)</b>	<b>\$ 144,389</b>	<b>\$ 142,076</b>

See Accountant's Compilation Report and accompanying Notes to Financial Statements.

**Sunset Woods Condominium Association**  
**Notes to Financial Statements**  
**December 31, 2010**

**A. Nature of Organization**

Sunset Woods Condominium Association (the "Association") was organized as a Not-For-Profit corporation in the State of Illinois on June 17, 2002. The Association was organized to manage, maintain and care for the property located in Highland Park, Illinois for the mutual benefit of the individual unit owners as provided in the Declaration of Condominium Ownership. The Association consists of 60 assessable residential units. The unit owners elect a Board of Managers who are responsible for the Association's management, including establishment of budgets used to determine assessments and other financial matters.

**B. Modified Cash Basis**

The Association's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

**C. Recognition of Assessments**

Association members are subject to monthly assessments to provide for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. The Association's policy is to retain legal counsel and place liens on the properties of homeowners whose assessments are thirty days or more delinquent.

See Accountant's Compilation Report.

**Sunset Woods Condominium Association**  
**Notes to Financial Statements**  
**December 31, 2010**

**Note (1) Summary of Significant Accounting Policies - Continued**

**D. Fund Accounting**

The Association's governing documents provide certain guidelines for governing its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purposes:

**Operating Fund** - This fund is used to account for financial resources available for the general operations of the Association. Disbursements from the operating fund are generally at the discretion of the Board of Managers and the property manager.

**Reserve Fund** - This fund is used to accumulate financial resources designated for future major repairs and replacements. Disbursements from the reserve fund generally may be made only for the purposes designated by the Board of Managers.

**E. Property and Equipment**

Real property and common areas acquired by the original homeowners from the developer and subsequent improvements to such property are not recorded in the Association's financial statements because they are owned by the individual unit owners in common and not by the Association. Common areas are restricted to use by Association members, their tenants, and guests. The Association capitalizes personal property to which it has title at cost. Furniture and equipment are depreciated over their estimated useful lives using the straight-line method and consist of the following:

	Costs	Estimated Useful Life
Building Equipment	\$ 604	5 Years
Office Equipment	3,898	5 Years
Fitness Room Equipment	3,706	5 Years
Community Room Furniture	3,115	5-10 Years
<b>Total</b>	<b>11,323</b>	
Less: Accumulated Depreciation	(10,620)	
<b>Total Furniture and Equipment</b>	<b>\$ 703</b>	

See Accountant's Compilation Report.

**Sunset Woods Condominium Association**  
**Notes to Financial Statements**  
**December 31, 2010**

**Note (1) Summary of Significant Accounting Policies - Continued**

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**F. Cash and Cash Equivalents**

The Association considers all highly liquid investments with an original maturity of three months or less when purchased, to be cash and cash equivalents.

**G. Income Taxes**

The Association elects on a yearly basis whether to be taxed as a regular corporation or a tax exempt homeowners' association as permitted by Internal Revenue Code Section 528. The Association elected to be taxed under Section 528 for the year ended December 31, 2010. Under Section 528, taxable income exists only to the extent that certain nonexempt function income, such as interest income, exceeds the expenses associated with the production of that income. The Association is taxed on this net nonexempt function income at a flat rate of 30%. Exempt function income, which consists primarily of members assessments, is not taxable.

The Association accounts for any potential interest or penalties related to possible future liabilities for unrecognized income tax benefits as interest/other expense. The Association is no longer subject to examination by tax authorities for federal, state or local income taxes for periods before 2007.

**H. Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. While actual results may differ from those estimates, management does not expect the difference, if any, to have a material effect on the financial statements.

See Accountant's Compilation Report.

**Sunset Woods Condominium Association**  
**Notes to Financial Statements**  
**December 31, 2010**

**Note (1) Summary of Significant Accounting Policies - Continued**

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**I. Asset Impairment**

The Association reviews the recoverability of long-lived assets when circumstances indicate that the carrying amount may not be recoverable. The carrying amount of assets held and used is generally not recoverable if it exceeds the undiscounted sum of cash flows expected to result from the use and eventual disposition of the asset, or for assets held for sale, if it exceeds the market value. The Association records impairment when the carrying value exceeds fair market value. There were no impairment indicators for the year ended December 31, 2010.

**J. Cash Balances in Excess of Insured Amounts**

The Association maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses due to these limits.

**K. Subsequent Events**

The Association evaluated all significant events or transactions that occurred through February 15, 2011, the date that the financial statements were available to be issued. During this period, the Association did not have any material recognizable subsequent events.

See Accountant's Compilation Report.

# **Sunset Woods Condominium Association**

## **Notes to Financial Statements**

### **December 31, 2010**

#### **Note (2) Replacement Funding Program**

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The Association's governing documents require that funds be accumulated for future major repairs and replacements. Accumulated funds are held in separate accounts and are generally not available for expenditures for normal operations.

The Association engaged an Independent engineer who conducted a study in 2004 to estimate the remaining useful lives and the replacement costs of the common property components. The Association may fund for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the reserve fund. Actual expenditures, however, and investment income may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the reserve fund may not be adequate to meet future needs. If additional funds are needed, the Association has the right to increase regular assessments, or levy special assessments, or it may delay major repairs and replacements until funds are available.

#### **Note (3) Management**

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The Association has a management agreement with Berkson & Sons, Ltd., which requires the management company to be responsible for the day-to-day administration of the Association. Management fees paid for the year ended December 31, 2010 were \$16,800.

See Accountant's Compilation Report.

# Sunset Woods Condominium Association

## Notes to Financial Statements

### December 31, 2010

#### Note (4) Fair Value Measurements

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The fair value measurements and disclosures topic defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Association has certificates of deposit which have been valued using Level 2 inputs. Inputs broadly refer to the assumptions that market participants use to make pricing decisions, including assumptions about risk. Level 2 inputs are observable market-based inputs or unobservable inputs that are corroborated by market data. There are three levels of inputs with Level 1 inputs given the highest priority in the hierarchy while Level 3 inputs are given the lowest priority.

At December 31, 2010, certificates of deposit, the Association's only financial assets that were accounted for at fair value on a recurring basis, using solely Level 2 inputs, consist of the following:

First Bank of Highland Park, 1.00%, Matures May 22, 2011	\$ 32,964
First Bank of Highland Park, 1.49% Matures July 23, 2013	60,073
<b>Total</b>	<b>\$ 93,037</b>

See Accountant's Compilation Report.

## **Supplementary Information**

**Sunset Woods Condominium Association**  
**Schedule of Revenues - Modified Cash Basis**  
**For the Year Ended December 31, 2010**

	Operating Fund	Reserve Fund	Total
<b>Revenues</b>			
Regular Assessments	\$ 172,641	\$ -	\$ 172,641
Cable Assessments	27,942	-	27,942
Laundry	174	-	174
Community Room	75	-	75
Parking	170	-	170
Interest	-	2,009	2,009
Miscellaneous	351	-	351
<b>Total Revenues</b>	<b>\$ 201,353</b>	<b>\$ 2,009</b>	<b>\$ 203,362</b>

See Accountant's Compilation Report.

**Sunset Woods Condominium Association**  
**Schedule of Operating and Reserve Expenses - Modified Cash**  
**For the Year Ended December 31, 2010**

<b>Utilities</b>	
Electricity	\$ 12,128
Gas	25,212
Water and Sewer	10,273
<b>Total Utilities</b>	<b>\$ 47,613</b>

<b>Building Services</b>	
Scavenger	\$ 4,190
Telephone	2,039
Cable	26,881
<b>Total Building Services</b>	<b>\$ 33,110</b>

<b>Repairs and Maintenance</b>	
Exterminating	\$ 626
Snow Removal	6,607
Landscaping	6,830
Fire, Safety and Security	2,184
Sprinkler System	798
Light Bulbs and Fluorescent	264
Electrical Repairs and Maintenance	1,478
Elevator - Contract	8,338
Other Elevator Maintenance	2,899
Janitorial Service	12,750
Janitorial Supplies	54
Plumbing Repairs - Supply	939
HVAC Repairs	4,583
Roof Repair and Supplies	2,521
Parking Garage Repair	3,264
Other Building Maintenance	1,501
Miscellaneous Repairs and Maintenance	697
<b>Total Repairs and Maintenance</b>	<b>\$ 56,333</b>

See Accountant's Compilation Report.

**Sunset Woods Condominium Association**  
**Schedule of Operating and Reserve Expenses - Modified Cash**  
**Basis - Continued**  
**For the Year Ended December 31, 2010**

<b>General and Administrative</b>	
Photocopy/Reproduction	\$ 87
Management Fees	16,800
Legal Fees	547
Accounting	1,900
Insurance Expense	16,493
Miscellaneous Expense	370
Other Administrative Expense	51
<b>Total General and Administrative</b>	<b>\$ 36,248</b>

<b>Non-Recurring Expenses</b>	
Painting	\$ 1,750
Carpet Cleaning	195
Doors, Locks and Keys	663
Other Common Area Expenses	650
<b>Total Non-Recurring Expenses</b>	<b>\$ 3,258</b>

<b>Reserve Expenses</b>	
Renovation of Common Areas	\$ 64,800
Masonry Work	18,500
Sprinkler System	348
<b>Total Reserve Expenses</b>	<b>\$ 83,648</b>

See Accountant's Compilation Report.

## **MEMORANDUM**

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

Date: September 1, 2011

**SUBJECT: Discussion and Consideration of the Draft Housing Commission and Housing Trust Fund work plans for 2012**

The draft plans are fairly self explanatory. I only want to point out that the significant difference in the Housing Commission budget for 2012 over 2011 stems from a request for \$10,000 from the City budget to restart the City's own Employer-Assisted Housing program (EAH). The set-aside for Employer-Assisted Housing in the Housing Trust Fund refers to the matching loan program that the Commission established to match an EAH program offered by any Highland Park employer, including the City.

**COMMISSION: DRAFT Housing**

**CY2012 COMMISSION WORKPLAN SUBMITTAL**



**Jurisdiction and Purpose:**

It is necessary in the public interest to provide for the creation of a municipal corporation to be known as "The Highland Park Housing Commission" in order to encourage, promote, and engage in the development of low and moderate-income housing projects, and undertake such land assembly, clearance, rehabilitation, development and redevelopment projects as will tend to relieve the shortage of decent, safe, and sanitary dwellings. The Commission administers the City's Housing Trust Fund to provide financial resources for affordable housing activities and oversees the City's Inclusionary Housing Program and other housing initiatives.

**CY2012 Objectives** **Associated Funding Request**

Administer Inclusionary Housing Unit Resale Process - appraisals for Inclusionary Housing Units	\$600
Re-establish City Employer-Assisted Housing Program	\$10,000
Continue working with Evergreen Real Estate Services and the Housing Opportunity Development Corporation to assure resident satisfaction and development quality at the Housing Commission's properties--Peers, Ravinia, Walnut Housing and Sunset Woods.	\$0
	\$0
	\$0
	\$0
	\$0
	\$0
	\$0
	\$0

**Commission Operating Expense Requests** **Amount**

Professional Services - Accounting	\$3,600
Professional Development - conferences, outside meetings	\$800
Membership Dues	\$375
Educational materials - books, journals, software, etc.	\$200
Business Expense - food for 12 meetings and other business expenses	\$1,200
	\$0
	\$0
	\$0
	\$0
	\$0

**CY2012 TOTAL REQUEST:** \$16,775

**CY2011 BUDGET:** \$6,875

**CY2011 Workplan Objectives** **Status**

Administer Inclusionary Housing Unit Resale Process - appraisals for Inclusionary Housing Units	as needed
Examine feasibility of obtaining a sustainable certification for existing affordable developments	Program on-going
Present recommendation to City Council regarding additional funding sources for the Affordable Housing Trust Fund [Note: not in City Budget]	Research underway

Develop policies for a Condominium Conversion Ordinance to be considered for implementation	Program on-going

**CY2011 Additional Accomplishments**

Obtained \$83,200 in a federal energy-efficiency grant for energy-efficiency rehabilitation at Ravinia family housing, including new furnaces and attic and wall insulation.
Refinanced Ravinia family housing in U.S. Housing and Urban Development's Mark-to-Market program.
Refinanced private mortgage for affordable rentals at Sunset Woods.

I certify that the Commission approved this workplan request by a vote of \_\_\_\_\_ on the date of \_\_\_\_\_ for CY2012:

Commission Chair

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

**COMMISSION: DRAFT Housing Trust Fund**

**CY2012 COMMISSION WORKPLAN SUBMITTAL**



**Jurisdiction and Purpose:**

The purposes of the Housing Trust Fund are to provide financial resources to address the Affordable Housing needs of individuals and families of Low and Moderate-Income Households who live or work in the City by promoting, preserving, and producing long-term Affordable Housing; provide housing-related services to Low and Moderate-Income Households, and to provide support for not-for-profit organizations that actively address the Affordable Housing Needs of Low and Moderate-Income Households.

<b>CY2012 Objectives</b>	<b>Associated Funding Request</b>
Provide matching funds for Employer-Assisted Housing programs in Highland Park	\$50,000
Support the CPAH Scattered Site Program for affordable housing development	\$200,000
Provide operating support to CPAH	\$115,000
Provide Emergency Housing Assistance	\$10,000
	\$0
	\$0
	\$0
	\$0
	\$0
	\$0

<b>Commission Operating Expense Requests</b>	<b>Amount</b>
Half-time Housing Planner	\$35,000
Third party consulting for analysis and evaluation of potential projects	\$4,000
	\$0
	\$0
	\$0
	\$0
	\$0
	\$0
	\$0
	\$0

**CY2012 TOTAL REQUEST:** \$414,000  
**CY2011 BUDGET:** \$474,000

<b>CY2011 Workplan Objectives</b>	<b>Status</b>
Provide matching funds for Employer-Assisted Housing programs in Highland Park	Program on-going
Support the CPAH Scattered Site Program for affordable housing development	Program on-going
Provide operating support to CPAH	Completed for 2011
Provide Emergency Housing Assistance	Program on-going



# Balance Sheets

## Ending 7/31/11

**FRANK B. PEERS HOUSING**  
**Balance Sheet**  
Month Ending 07/31/11

**ASSETS**

## Current Assets

1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	34,523.03
1130-0000 - Tenant/member accounts receivable	7,481.68
1131-0000 - Accounts receivable - subsidy	48,098.00
Total Current Assets	<u>90,402.71</u>

## Other Assets

1290-0000 - Misc Prepaid Expenses	84.19
1192-0000 - Tenant Sec Dep	19,639.03
1310-0000 - Real estate tax escrow	114,507.43
1311-0000 - Insurance escrow	32,428.37
1330-0000 - Debt Service Escrow	138,749.66
1140-0000 - Accounts Receivable - Other	3,284.36
1320 - Replacement Reserve	139,689.56
1340 - Residual Receipt	13.69
Total Other Assets	<u>448,396.29</u>

## Fixed Assets

1420-0000 - Building	1,848,860.15
1430-0000 - Land Improvements	1,619,406.39
1450-0000 - Furniture for project/tenant use	475,792.67
1497-0000 - Site improvements	160,218.77
4120-0000 - Accum depr - buildings	(2,828,199.27)
1498-0000 - Current F/A	8,566.20
Total Fixed Assets	<u>1,284,644.91</u>

## Financing Costs

1900-0001 - Deferred Financing Costs	192,398.85
1999-0000 - Accum Amort - Bond Costs	(41,361.94)
Total Financing Costs	<u>151,036.91</u>

## Partnership Assets

1701-0000 - Cash - Partnership	18,374.50
1702-0000 - Partnership MM	2,117,203.31
1702-1000 - Partnership F/A	221,340.23
1703-0000 - Partnership Receivable	267,013.69
Total Partnership Assets	<u>2,623,931.73</u>

**Total Assets**

4,598,412.55

**FRANK B. PEERS HOUSING**  
**Balance Sheet**  
Month Ending 07/31/11

**Liabilities & Equity**

## Current Liabilities

2110-0000 - Accounts payable	10,520.23
2113-0000 - Flex Benefit Payable	(0.01)
2120-0000 - Accrued wages and p/r taxes payable	2,658.23
2150-0000 - Accrued property taxes	89,463.99
2180-0000 - Misc current liabilities	12,352.03
<b>Total Current Liabilities</b>	<u>114,994.47</u>

## Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(8,149.00)
2191-0000 - Security deposits-residential	18,345.00
2191-0001 - Pet Deposit	600.00
2210-0000 - Prepaid Rent	212.00
2211-0000 - Prepaid HUD	33,109.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	2,046,717.20
<b>Total Non-Current Liabilities</b>	<u>4,380,834.20</u>

## Owner's Equity

3100-0000 - Limited Partners Equity	2,622,952.86
3209-0000 - Prior Year Retained Earnings	(2,639,246.38)
3210-0000 - Retained earnings	94,577.08
Current YTD Earnings	24,300.32
<b>Total Owner's Equity</b>	<u>102,583.88</u>

**Total Liability & Owner Equity**

4,598,412.55

FRANK B PEERS

## FRANK B. PEERS HOUSING Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/11			Year To Date 07/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME	18,086.00	16,200.00	1,886.00	138,404.00	113,400.00	25,004.00	194,400.00
5120-0000 - Apartment rent	65,862.00	64,800.00	1,062.00	449,232.00	453,600.00	(4,368.00)	777,600.00
5121-0000 - Tenant assistant payments	60.00	60.00	0.00	890.85	420.00	470.85	720.00
5140-0000 - Commercial base rent	84,008.00	81,060.00	2,948.00	588,526.85	567,420.00	21,106.85	972,720.00
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>							
VACANCIES & ADJUSTMENTS	0.00	(500.00)	500.00	(18,994.00)	(3,500.00)	(15,494.00)	(6,000.00)
5220-0000 - Vacancy loss - apartments	(1,243.00)	(1,200.00)	(43.00)	(8,529.00)	(8,400.00)	(129.00)	(14,400.00)
5221-0000 - Non-Revenue Units	(1,243.00)	(1,700.00)	457.00	(27,523.00)	(11,900.00)	(15,623.00)	(20,400.00)
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>							
OTHER INCOME	0.00	208.00	(208.00)	1,087.50	1,456.00	(368.50)	2,500.00
5910-0000 - Laundry income	0.00	50.00	(50.00)	4,899.40	350.00	4,549.40	600.00
5990-0000 - Misc other income	0.00	166.00	(166.00)	10.39	1,162.00	(1,151.61)	2,000.00
5413-0000 - Interest income - escrow	0.00	424.00	(424.00)	5,997.29	2,968.00	3,029.29	5,100.00
<b>TOTAL OTHER INCOME</b>							
<b>GROSS OPERATING INCOME</b>	<b>82,765.00</b>	<b>79,784.00</b>	<b>2,981.00</b>	<b>567,001.14</b>	<b>558,488.00</b>	<b>8,513.14</b>	<b>957,420.00</b>
<b>ADVERTISING &amp; RENTING EXPENSE</b>							
6213-0000 - Employee Recruitment	0.00	0.00	0.00	85.35	200.00	114.65	200.00
6253-0000 - Credit Report Fees	0.00	30.00	30.00	151.00	210.00	59.00	360.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>0.00</b>	<b>30.00</b>	<b>30.00</b>	<b>236.35</b>	<b>410.00</b>	<b>173.65</b>	<b>560.00</b>
<b>ADMINISTRATIVE EXPENSE</b>							
6311-0000 - Office supplies	209.32	270.00	60.68	1,032.71	1,890.00	857.29	3,240.00
6316-0000 - Office Equipment	162.85	300.00	137.15	1,322.94	2,100.00	777.06	3,600.00
6320-0000 - Management fee	5,556.84	3,833.00	(1,723.84)	28,813.86	26,831.00	(1,982.86)	46,000.00
6340-0000 - Legal Expense - Project	0.00	200.00	200.00	0.00	1,400.00	1,400.00	2,400.00
6350-0000 - Audit Expense	0.00	0.00	0.00	12,700.00	14,100.00	1,400.00	14,100.00
6360-0000 - Telephone	1,052.57	750.00	(302.57)	4,526.36	5,250.00	723.64	9,000.00
6365-0000 - Training & Education Expense	0.00	100.00	100.00	319.00	700.00	381.00	1,200.00
6370-0000 - Bad debts	0.00	50.00	50.00	5,875.00	350.00	(5,525.00)	600.00
6371-0000 - Fees Dues & Contributions	0.00	25.00	25.00	0.00	175.00	175.00	300.00
6380-0000 - Consulting/study costs	0.00	1,500.00	1,500.00	0.00	1,500.00	1,500.00	1,500.00
6385-0000 - Temporary Help	0.00	0.00	0.00	1,265.66	0.00	(1,265.66)	0.00
6390-0000 - Misc administrative expenses	435.00	100.00	(335.00)	1,290.19	700.00	(590.19)	1,200.00
6390-0002 - Computer Supplies/Data Processing	633.60	130.00	(503.60)	1,393.38	910.00	(483.38)	1,560.00
6395-0000 - Tenant Retention	226.54	625.00	398.46	2,024.00	4,375.00	2,351.00	7,500.00
6431-0000 - Travel & Expense Reimbursement	162.80	300.00	137.20	710.81	2,100.00	1,389.19	3,600.00
6860-0000 - Security Deposit Interest	(3.12)	(12.00)	(8.88)	(21.53)	(84.00)	(62.47)	(144.00)
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>8,436.20</b>	<b>8,171.00</b>	<b>(265.20)</b>	<b>61,252.38</b>	<b>62,297.00</b>	<b>1,044.62</b>	<b>95,656.00</b>
<b>PAYROLL &amp; RELATED COSTS</b>							
6310-0000 - Office salaries	4,864.40	5,666.00	801.60	33,611.13	39,662.00	6,050.87	68,000.00
6510-0000 - Janitor and cleaning payroll	1,122.45	1,241.00	118.55	8,436.40	8,687.00	250.60	14,900.00
6540-0000 - Repairs payroll	4,134.52	3,833.00	(301.52)	30,393.02	26,831.00	(3,562.02)	46,000.00
6900-0000 - Social Service Coordinator	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6715-0000 - Payroll Taxes	800.52	1,681.00	880.48	8,575.10	11,767.00	3,191.90	20,175.00

FRANK B PEERS

### FRANK B. PEERS HOUSING Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/11			Year To Date 07/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6722-0000 - Workers compensation	271.52	286.00	(5.52)	1,725.50	1,718.00	(7.50)	3,053.00
6723-0000 - Employee health insurance	(133.00)	345.00	478.00	1,955.10	2,415.00	459.90	4,140.00
6724-0000 - Union Benefits	1,308.56	1,197.00	(111.56)	8,328.29	8,379.00	50.71	14,368.00
6726-0001 - Contingency	0.00	0.00	0.00	1,682.50	2,200.00	517.50	2,200.00
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>12,366.97</b>	<b>14,229.00</b>	<b>1,860.03</b>	<b>94,707.04</b>	<b>101,659.00</b>	<b>6,951.96</b>	<b>172,836.00</b>
<b>OPERATING EXPENSES</b>							
6515-0000 - Janitors and cleaning supplies	480.07	250.00	(230.07)	1,500.85	1,750.00	249.15	3,000.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	700.00	700.00	700.00
6519-0000 - Exterminating Contract	0.00	460.00	460.00	525.00	3,220.00	2,695.00	5,520.00
6520-0000 - Miscellaneous Repair Contractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6525-0000 - Rubbish removal	309.49	400.00	90.51	2,162.16	2,800.00	637.84	4,800.00
6490-0000 - Misc operating expenses	0.00	50.00	50.00	0.00	350.00	350.00	600.00
<b>TOTAL OPERATING EXPENSES</b>	<b>789.56</b>	<b>1,160.00</b>	<b>370.44</b>	<b>4,188.01</b>	<b>8,820.00</b>	<b>4,631.99</b>	<b>14,620.00</b>
<b>UTILITIES</b>							
6450-0000 - Electricity	1,549.62	2,400.00	850.38	14,415.36	15,400.00	984.64	23,500.00
6451-0000 - Water	664.12	791.00	126.88	4,319.13	5,537.00	1,217.87	9,500.00
6452-0000 - Gas	1,682.99	2,000.00	317.01	19,111.95	26,000.00	6,888.05	45,000.00
6453-0000 - Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL UTILITIES</b>	<b>3,896.73</b>	<b>5,191.00</b>	<b>1,294.27</b>	<b>37,846.44</b>	<b>46,937.00</b>	<b>9,090.56</b>	<b>78,000.00</b>
<b>MAINTENANCE EXPENSES</b>							
6536-0000 - Ground supplies	0.00	0.00	0.00	0.00	5,000.00	5,000.00	8,000.00
6537-0000 - Grounds Contractor (Landscaper)	1,724.00	650.00	(1,074.00)	3,489.00	2,600.00	(889.00)	5,200.00
6541-0000 - Repair materials (general supplies)	677.29	750.00	72.71	2,498.21	5,250.00	2,751.79	9,000.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	0.00	350.00	350.00	600.00
6541-0002 - Plumbing Supplies	(331.16)	0.00	331.16	0.00	0.00	0.00	0.00
6541-0003 - Electrical Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0007 - Safety Equipment	0.00	0.00	0.00	126.30	1,000.00	873.70	1,000.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	361.00	500.00	139.00	2,527.00	3,500.00	973.00	6,000.00
6546-0000 - Heating/Cooling Contractor	1,007.50	500.00	(507.50)	4,527.79	5,700.00	1,172.21	10,000.00
6548-0000 - Snow removal	0.00	0.00	0.00	14,659.23	6,000.00	(8,659.23)	7,000.00
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	1,000.00	1,000.00	5,810.00	7,000.00	1,190.00	12,000.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	1,200.00	1,200.00	1,200.00
6582-0000 - Fire Protection	0.00	150.00	150.00	2,868.81	1,050.00	(1,818.81)	2,000.00
6589-0000 - Parking Lot Expense	0.00	0.00	0.00	0.00	8,000.00	8,000.00	8,000.00
6590-0000 - Miscellaneous Repair	0.00	100.00	100.00	355.00	700.00	345.00	1,200.00
6591-0000 - Electrical Repairs	0.00	300.00	300.00	771.69	2,100.00	1,328.31	3,600.00
6594-0000 - Carpentry Repairs	0.00	100.00	100.00	155.44	700.00	544.56	1,200.00
6595-0000 - Plumbing Repairs	302.00	790.00	488.00	3,487.06	5,530.00	2,042.94	9,500.00
6596-0000 - Floor Repairs/Cleaning	0.00	0.00	0.00	0.00	2,500.00	2,500.00	2,500.00
6598-0000 - Roof Repairs	0.00	0.00	0.00	853.41	5,000.00	4,146.59	5,000.00
6599-0000 - Window repairs	0.00	300.00	300.00	0.00	2,100.00	2,100.00	3,600.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>3,740.63</b>	<b>5,315.00</b>	<b>1,574.37</b>	<b>42,128.94</b>	<b>66,155.00</b>	<b>24,026.06</b>	<b>98,600.00</b>
<b>TAXES AND INSURANCE</b>							
6710-0000 - Real estate taxes	7,185.00	7,185.00	0.00	50,295.00	50,295.00	0.00	86,220.00

FRANK B PEERS

**FRANK B. PEERS HOUSING**  
**Actual vs Budget Accrual Operating Statement**

	Month Ending 07/31/11			Year To Date 07/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6720-0000 - Property and liability insurance	1,291.40	1,415.00	123.60	9,508.16	9,905.00	396.84	16,980.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	100.00	100.00	100.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>8,476.40</b>	<b>8,600.00</b>	<b>123.60</b>	<b>59,803.16</b>	<b>60,300.00</b>	<b>496.84</b>	<b>103,300.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>37,708.49</b>	<b>42,696.00</b>	<b>4,987.51</b>	<b>300,162.32</b>	<b>346,578.00</b>	<b>46,415.68</b>	<b>563,572.00</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>45,056.51</b>	<b>37,088.00</b>	<b>7,968.51</b>	<b>266,838.82</b>	<b>211,910.00</b>	<b>54,928.82</b>	<b>393,848.00</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	21,140.70	21,208.00	67.30	148,939.29	148,456.00	(483.29)	254,496.00
7104-0000 - Replacement Reserve	1,961.64	1,800.00	(161.64)	13,731.48	12,600.00	(1,131.48)	21,600.00
7108-0000 - Mortgage Payable (long term)	9,346.84	9,280.00	(66.84)	64,473.49	64,960.00	486.51	111,360.00
<b>TOTAL FINANCIAL EXPENSES</b>	<b>32,449.18</b>	<b>32,288.00</b>	<b>(161.18)</b>	<b>227,144.26</b>	<b>226,016.00</b>	<b>(1,128.26)</b>	<b>387,456.00</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>12,607.33</b>	<b>4,800.00</b>	<b>7,807.33</b>	<b>39,694.56</b>	<b>(14,106.00)</b>	<b>53,800.56</b>	<b>6,392.00</b>
<b>NET INCOME (LOSS)</b>	<b>12,607.33</b>	<b>4,800.00</b>	<b>7,807.33</b>	<b>39,694.56</b>	<b>(14,106.00)</b>	<b>53,800.56</b>	<b>6,392.00</b>
<b>Partnership Income</b>							
8005-0000 - Mortgagor Entity Income	384.51	0.00	384.51	2,813.37	0.00	2,813.37	0.00
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(1,835.50)	0.00	(1,835.50)	0.00
<b>Total Partnership Activity</b>	<b>384.51</b>	<b>0.00</b>	<b>384.51</b>	<b>977.87</b>	<b>0.00</b>	<b>977.87</b>	<b>0.00</b>
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(18,000.00)
7107-0000 - Residual Receipt Reserve Reimbursement	0.00	(237,000.00)	(237,000.00)	0.00	(237,000.00)	(237,000.00)	(237,000.00)
6991-0000 - Capital expenditures	0.00	18,979.00	18,979.00	602.66	158,979.00	158,376.34	252,537.00
6993-0000 - Appliance Replacement	1,289.64	125.00	(1,164.64)	1,289.64	875.00	(414.64)	1,500.00
6994-0000 - Carpet & tile	0.00	616.00	616.00	6,673.90	4,312.00	(2,361.90)	7,400.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<b>1,289.64</b>	<b>(217,280.00)</b>	<b>(218,569.64)</b>	<b>8,566.20</b>	<b>(72,834.00)</b>	<b>(81,400.20)</b>	<b>6,437.00</b>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<b>11,702.20</b>	<b>222,080.00</b>	<b>(210,377.80)</b>	<b>32,106.23</b>	<b>58,728.00</b>	<b>(26,621.77)</b>	<b>(45.00)</b>

**WALNUT PLACE**  
**Balance Sheet**  
 Month Ending 07/31/11

**ASSETS**

## Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	8,712.13
1130-0000 - Tenant/member accounts receivable	26,648.82
1131-0000 - Accounts receivable - subsidy	32,891.00
Total Current Assets	<u>69,151.95</u>

## Other Assets

1290-0000 - Misc Prepaid Expenses	88.79
1192-0000 - Tenant Sec Dep	22,042.58
1310-0000 - Real estate tax escrow	147,721.89
1311-0000 - Insurance escrow	35,751.75
1330-0000 - Debt Service Escrow	136,095.17
1140-0000 - Accounts Receivable - Other	3,433.28
1320 - Replacement Reserve	131,543.91
1340 - Residual Receipt	27,094.46
Total Other Assets	<u>503,771.83</u>

## Fixed Assets

1410-0000 - Land	220,000.00
1420-0000 - Building	2,918,659.85
1430-0000 - Land Improvements	396,727.57
1450-0000 - Furniture for project/tenant use	534,098.62
1497-0000 - Site improvements	69,354.14
4120-0000 - Accum depr - buildings	(3,252,799.29)
1498-0000 - Current F/A	7,426.41
Total Fixed Assets	<u>893,467.30</u>

## Financing Costs

1800-0000 - Organization costs	5,000.00
1900-0001 - Deferred Financing Costs	174,813.03
1999-0000 - Accum Amort - Bond Costs	(42,601.93)
Total Financing Costs	<u>137,211.10</u>

## Partnership Assets

1701-0000 - Cash - Partnership	104,463.94
Total Partnership Assets	<u>104,463.94</u>

**Total Assets**

**1,708,066.12**

**WALNUT PLACE**  
**Balance Sheet**  
 Month Ending 07/31/11

**Liabilities & Equity**

<b>Current Liabilities</b>	
2110-0000 - Accounts payable	30,745.92
2120-0000 - Accrued wages and p/r taxes payable	2,657.81
2130-0000 - Accrued interest - mortgage	0.43
2150-0000 - Accrued property taxes	111,698.87
2155-0000 - Accrued professional services	14,714.00
2180-0000 - Misc current liabilities	24,744.47
<b>Total Current Liabilities</b>	<u>184,561.50</u>
<b>Non-Current Liabilities</b>	
2190-0000 - Sec. Dep. In Transit	(13,161.00)
2191-0000 - Security deposits-residential	18,199.00
2191-0001 - Pet Deposit	900.00
2210-0000 - Prepaid Rent	1,536.00
2211-0000 - Prepaid HUD	13,169.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-0000 - Mortgage Payable (long term)	2,116,487.06
<b>Total Non-Current Liabilities</b>	<u>4,683,130.06</u>
<b>Owner's Equity</b>	
3100-0000 - Limited Partners Equity	104,177.32
3209-0000 - Prior Year Retained Earnings	(3,366,375.44)
3210-0000 - Retained earnings	84,789.87
Current YTD Earnings	17,782.81
<b>Total Owner's Equity</b>	<u>(3,159,625.44)</u>
<b>Total Liability &amp; Owner Equity</b>	<u><u>1,708,066.12</u></u>

WALNUT PLACE

## WALNUT PLACE

### Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/11			Year To Date 07/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME	22,105.00	21,585.00	520.00	167,488.00	151,095.00	16,393.00	259,020.00
5120-0000 - Apartment rent	64,235.00	64,755.00	(520.00)	436,892.00	453,285.00	(16,393.00)	777,060.00
5121-0000 - Tenant assistant payments	0.00	0.00	0.00	274.03	0.00	274.03	0.00
5140-0000 - Commercial base rent	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>86,340.00</b>	<b>86,340.00</b>	<b>0.00</b>	<b>604,654.03</b>	<b>604,380.00</b>	<b>274.03</b>	<b>1,036,080.00</b>
VACANCIES & ADJUSTMENTS	(3,780.00)	(1,684.00)	(2,096.00)	(35,356.00)	(11,788.00)	(23,568.00)	(20,208.00)
5220-0000 - Vacancy loss - apartments	(1,260.00)	(1,260.00)	0.00	(8,808.00)	(8,820.00)	12.00	(15,120.00)
5221-0000 - Non-Revenue Units	(5,040.00)	(2,944.00)	(2,096.00)	(44,164.00)	(20,608.00)	(23,556.00)	(35,328.00)
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>(9,820.00)</b>	<b>(5,204.00)</b>	<b>(4,616.00)</b>	<b>(84,328.00)</b>	<b>(41,216.00)</b>	<b>(43,112.00)</b>	<b>(50,336.00)</b>
OTHER INCOME	0.00	250.00	(250.00)	1,415.50	1,750.00	(334.50)	3,000.00
5910-0000 - Laundry income	0.00	0.00	0.00	25.00	0.00	25.00	0.00
5920-0000 - Nsf check fee	90.00	0.00	90.00	90.00	0.00	90.00	0.00
5922-0000 - Late fees	0.00	30.00	(30.00)	3,007.00	210.00	2,797.00	360.00
5990-0000 - Misc other income	0.00	210.00	(210.00)	11.78	1,470.00	(1,458.22)	2,520.00
5413-0000 - Interest income - escrow	90.00	490.00	(400.00)	4,549.28	3,430.00	1,119.28	5,880.00
<b>TOTAL OTHER INCOME</b>	<b>90.00</b>	<b>780.00</b>	<b>(690.00)</b>	<b>6,077.56</b>	<b>5,560.00</b>	<b>517.56</b>	<b>11,760.00</b>
<b>GROSS OPERATING INCOME</b>	<b>81,390.00</b>	<b>83,886.00</b>	<b>(2,496.00)</b>	<b>565,039.31</b>	<b>587,202.00</b>	<b>(22,162.69)</b>	<b>1,006,632.00</b>
<b>ADVERTISING &amp; RENTING EXPENSE</b>							
6213-0000 - Employee Recruitment	0.00	0.00	0.00	85.35	200.00	114.65	200.00
6253-0000 - Credit Report Fees	95.00	30.00	(65.00)	237.00	210.00	(27.00)	360.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>95.00</b>	<b>30.00</b>	<b>(65.00)</b>	<b>322.35</b>	<b>410.00</b>	<b>87.65</b>	<b>560.00</b>
<b>ADMINISTRATIVE EXPENSE</b>							
6311-0000 - Office supplies	275.61	270.00	(5.61)	1,700.34	1,890.00	189.66	3,240.00
6316-0000 - Office Equipment	162.85	300.00	137.15	1,322.94	2,100.00	777.06	3,600.00
6320-0000 - Management fee	4,242.49	3,833.00	(409.49)	28,588.59	26,831.00	(1,757.59)	46,000.00
6340-0000 - Legal Expense - Project	0.00	200.00	200.00	0.00	1,400.00	1,400.00	2,400.00
6350-0000 - Audit Expense	1,500.00	0.00	(1,500.00)	13,000.00	11,500.00	(1,500.00)	11,500.00
6360-0000 - Telephone	987.57	750.00	(237.57)	5,557.96	5,250.00	(307.96)	9,000.00
6365-0000 - Training & Education Expense	0.00	100.00	100.00	319.00	700.00	381.00	1,200.00
6370-0000 - Bad debts	129.00	50.00	(79.00)	13,481.00	350.00	(13,131.00)	600.00
6371-0000 - Fees Dues & Contributions	0.00	40.00	40.00	0.00	280.00	280.00	480.00
6380-0000 - Consulting/study costs	0.00	1,500.00	1,500.00	1,350.00	1,500.00	150.00	1,500.00
6385-0000 - Temporary Help	177.00	0.00	0.00	1,265.66	0.00	(1,265.66)	0.00
6390-0000 - Misc administrative expenses	633.60	130.00	(503.60)	1,331.15	700.00	(631.15)	1,200.00
6390-0002 - Computer Supplies/Data Processing	297.81	500.00	202.19	1,393.38	910.00	(483.38)	1,560.00
6395-0000 - Tenant Retention	162.80	300.00	137.20	2,188.86	3,500.00	1,311.14	6,500.00
6431-0000 - Travel & Expense Reimbursement	(3.50)	(12.00)	(8.50)	(24.35)	(84.00)	(59.65)	(144.00)
6860-0000 - Security Deposit Interest	8,565.23	8,061.00	(504.23)	72,185.34	58,927.00	(13,258.34)	92,236.00
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>10,000.00</b>	<b>10,000.00</b>	<b>0.00</b>	<b>100,000.00</b>	<b>100,000.00</b>	<b>0.00</b>	<b>100,000.00</b>
<b>PAYROLL &amp; RELATED COSTS</b>							
6310-0000 - Office salaries	4,861.51	5,666.00	804.49	33,589.44	39,662.00	6,072.56	68,000.00
6510-0000 - Janitor and cleaning payroll	1,122.46	1,241.00	118.54	8,436.45	8,687.00	250.55	14,900.00
6540-0000 - Repairs payroll	4,134.51	3,833.00	(301.51)	31,245.90	26,831.00	(4,414.90)	46,000.00

WALNUT PLACE

## WALNUT PLACE Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/11			Year To Date 07/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6900-0000 - Social Service Coordinator	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6715-0000 - Payroll Taxes	800.31	1,681.00	880.69	8,572.96	11,767.00	3,194.04	20,175.00
6722-0000 - Workers compensation	288.70	266.00	(22.70)	1,742.68	1,718.00	(24.68)	3,053.00
6723-0000 - Employee health insurance	(130.10)	345.00	475.10	1,971.05	2,415.00	443.95	4,140.00
6724-0000 - Union Benefits	1,308.56	1,197.00	(111.56)	8,328.29	8,379.00	50.71	14,368.00
6726-0001 - Contingency	0.00	0.00	0.00	1,682.50	2,200.00	517.50	2,200.00
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>12,385.95</b>	<b>14,229.00</b>	<b>1,843.05</b>	<b>95,569.27</b>	<b>101,659.00</b>	<b>6,089.73</b>	<b>172,836.00</b>
<b>OPERATING EXPENSES</b>							
6515-0000 - Janitors and cleaning supplies	261.03	250.00	(11.03)	1,555.46	1,750.00	194.54	3,000.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	700.00	700.00	700.00
6519-0000 - Exterminating Contract	0.00	460.00	460.00	480.00	3,220.00	2,740.00	5,520.00
6520-0000 - Miscellaneous Repair Contractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6525-0000 - Rubbish removal	314.13	400.00	85.87	2,186.80	2,800.00	613.20	4,800.00
6490-0000 - Misc operating expenses	0.00	50.00	50.00	200.00	350.00	150.00	600.00
<b>TOTAL OPERATING EXPENSES</b>	<b>575.16</b>	<b>1,160.00</b>	<b>584.84</b>	<b>4,422.26</b>	<b>8,820.00</b>	<b>4,397.74</b>	<b>14,620.00</b>
<b>UTILITIES</b>							
6450-0000 - Electricity	1,214.49	1,800.00	585.51	8,010.04	8,500.00	489.96	16,800.00
6451-0000 - Water	230.48	800.00	569.52	3,540.49	4,700.00	1,159.51	7,500.00
6452-0000 - Gas	980.84	1,750.00	769.16	16,004.14	25,250.00	9,245.86	37,750.00
6453-0000 - Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL UTILITIES</b>	<b>2,425.81</b>	<b>4,350.00</b>	<b>1,924.19</b>	<b>27,554.67</b>	<b>38,450.00</b>	<b>10,895.33</b>	<b>62,050.00</b>
<b>MAINTENANCE EXPENSES</b>							
6536-0000 - Ground supplies	0.00	0.00	0.00	0.00	5,000.00	5,000.00	8,000.00
6537-0000 - Grounds Contractor (Landscaper)	1,085.00	608.00	(477.00)	2,385.00	2,432.00	47.00	4,864.00
6541-0000 - Repair materials (general supplies)	176.53	600.00	423.47	1,119.52	4,200.00	3,080.48	7,200.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	0.00	350.00	350.00	600.00
6541-0002 - Plumbing Supplies	104.15	0.00	(104.15)	236.37	0.00	(236.37)	0.00
6541-0003 - Electrical Supplies	455.27	0.00	(455.27)	855.75	0.00	(855.75)	0.00
6541-0007 - Safety Equipment	0.00	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	360.00	500.00	140.00	3,924.00	3,500.00	(424.00)	6,000.00
6546-0000 - Heating/Cooling Contractor	0.00	400.00	400.00	743.75	5,100.00	4,356.25	9,000.00
6548-0000 - Snow removal	0.00	0.00	0.00	10,832.48	8,000.00	(2,832.48)	9,000.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	50.00	50.00	1,260.00	350.00	(910.00)	600.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	3,850.00	1,000.00	(2,850.00)	4,095.00	7,000.00	2,905.00	12,000.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	900.00	900.00	900.00
6582-0000 - Fire Protection	0.00	350.00	350.00	597.22	2,450.00	1,852.78	4,200.00
6582-0001 - Fire Safety Equipment	0.00	100.00	100.00	55.00	700.00	645.00	1,200.00
6589-0000 - Parking Lot Expense	0.00	0.00	0.00	0.00	8,000.00	8,000.00	8,000.00
6590-0000 - Miscellaneous Repair	0.00	100.00	100.00	0.00	700.00	700.00	1,200.00
6591-0000 - Electrical Repairs	313.15	450.00	136.85	987.08	3,150.00	2,162.92	5,400.00
6594-0000 - Carpentry Repairs	0.00	350.00	350.00	813.84	2,450.00	1,636.16	4,200.00
6595-0000 - Plumbing Repairs	724.00	400.00	(324.00)	5,781.49	2,800.00	(2,981.49)	4,800.00
6596-0000 - Floor Repairs/Cleaning	0.00	0.00	0.00	0.00	2,500.00	2,500.00	2,500.00
6598-0000 - Roof Repairs	0.00	0.00	0.00	814.62	5,000.00	4,185.38	5,000.00
6599-0000 - Window repairs	0.00	300.00	300.00	0.00	2,100.00	2,100.00	3,600.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>7,068.10</b>	<b>5,258.00</b>	<b>(1,810.10)</b>	<b>34,501.12</b>	<b>67,682.00</b>	<b>33,180.88</b>	<b>99,764.00</b>

WALNUT PLACE

**WALNUT PLACE**  
**Actual vs Budget Accrual Operating Statement**

	Month Ending 07/31/11			Year To Date 07/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>TAXES AND INSURANCE</b>							
6710-0000 - Real estate taxes	8,683.00	8,683.00	0.00	60,781.00	60,781.00	0.00	104,196.00
6720-0000 - Property and liability insurance	1,291.40	1,234.00	(57.40)	8,436.38	8,638.00	201.62	14,808.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	100.00	100.00	100.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>9,974.40</b>	<b>9,917.00</b>	<b>(57.40)</b>	<b>69,217.38</b>	<b>69,519.00</b>	<b>301.62</b>	<b>119,104.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>41,089.65</b>	<b>43,005.00</b>	<b>1,915.35</b>	<b>303,772.39</b>	<b>345,467.00</b>	<b>41,694.61</b>	<b>561,170.00</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>40,300.35</b>	<b>40,881.00</b>	<b>(580.65)</b>	<b>261,266.92</b>	<b>241,735.00</b>	<b>19,531.92</b>	<b>445,462.00</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	22,555.60	22,655.00	99.40	158,980.86	158,585.00	(395.86)	271,860.00
7104-0000 - Replacement Reserve	1,994.91	1,833.00	(161.91)	13,964.37	12,831.00	(1,133.37)	21,996.00
7108-0000 - Mortgage Payable (long term)	10,931.35	10,854.00	(77.35)	75,427.79	75,978.00	550.21	130,248.00
<b>TOTAL FINANCIAL EXPENSES</b>	<b>35,481.86</b>	<b>35,342.00</b>	<b>(139.86)</b>	<b>248,373.02</b>	<b>247,394.00</b>	<b>(979.02)</b>	<b>424,104.00</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>4,818.49</b>	<b>5,539.00</b>	<b>(720.51)</b>	<b>12,893.90</b>	<b>(5,659.00)</b>	<b>18,552.90</b>	<b>21,358.00</b>
<b>NET INCOME (LOSS)</b>	<b>4,818.49</b>	<b>5,539.00</b>	<b>(720.51)</b>	<b>12,893.90</b>	<b>(5,659.00)</b>	<b>18,552.90</b>	<b>21,358.00</b>
<b>Partnership Income</b>							
8005-0000 - Mortgagor Entity Income	38.06	0.00	38.06	296.62	0.00	296.62	0.00
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(10.00)	0.00	(10.00)	0.00
<b>Total Partnership Activity</b>	<b>38.06</b>	<b>0.00</b>	<b>38.06</b>	<b>286.62</b>	<b>0.00</b>	<b>286.62</b>	<b>0.00</b>
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	(24,000.00)	(24,000.00)	(24,000.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	2,467.66	26,500.00	24,032.34	37,400.00
6993-0000 - Appliance Replacement	0.00	125.00	125.00	494.00	875.00	381.00	1,500.00
6994-0000 - Carpet & tile	0.00	485.00	485.00	4,464.75	3,395.00	(1,069.75)	5,820.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<b>0.00</b>	<b>610.00</b>	<b>610.00</b>	<b>7,426.41</b>	<b>6,770.00</b>	<b>(656.41)</b>	<b>20,720.00</b>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<b>4,856.55</b>	<b>4,929.00</b>	<b>(72.45)</b>	<b>5,754.11</b>	<b>(12,429.00)</b>	<b>18,183.11</b>	<b>638.00</b>

**RAVINIA HOUSING**  
**Balance Sheet**  
 Month Ending 07/31/11

**ASSETS**

## Current Assets

1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	17,581.10
1130-0000 - Tenant/member accounts receivable	40,600.92
1131-0000 - Accounts receivable - subsidy	8,524.00
1250-0000 - Prepaid Mortgage Insurance	2,338.37
<b>Total Current Assets</b>	<u>69,194.39</u>

## Other Assets

1290-0000 - Misc Prepaid Expenses	20.24
1192-0000 - Tenant Sec Dep	6,989.36
1310-0000 - Real estate tax escrow	44,514.34
1311-0000 - Insurance escrow	53,406.99
1312-0000 - Mortgage Insurance Escrow	2,447.03
1140-0000 - Accounts Receivable - Other	635.36
1320 - Replacement Reserve	46,925.52
1340 - Residual Receipt	480,322.56
<b>Total Other Assets</b>	<u>635,261.40</u>

## Fixed Assets

1420-0000 - Building	1,076,518.20
1430-0000 - Land Improvements	214,491.66
1450-0000 - Furniture for project/tenant use	125,536.05
1497-0000 - Site improvements	85,122.00
4120-0000 - Accum depr - buildings	(962,191.88)
1498-0000 - Current F/A	23,235.36
<b>Total Fixed Assets</b>	<u>562,711.39</u>

## Financing Costs

1800-0000 - Organization costs	41,848.00
1999-0000 - Accum Amort - Bond Costs	(28,071.34)
<b>Total Financing Costs</b>	<u>13,776.66</u>

## Partnership Assets

1701-0000 - Cash - Partnership	144,521.43
<b>Total Partnership Assets</b>	<u>144,521.43</u>

**Total Assets**

1,425,465.27

**RAVINIA HOUSING**  
**Balance Sheet**  
Month Ending 07/31/11

**Liabilities & Equity****Current Liabilities**

2110-0000 - Accounts payable	20,090.53
2120-0000 - Accrued wages and p/r taxes payable	542.05
2130-0000 - Accrued interest - mortgage	4,096.63
2150-0000 - Accrued property taxes	52,250.00
2180-0000 - Misc current liabilities	1,689.75
<b>Total Current Liabilities</b>	<u>78,668.96</u>

**Non-Current Liabilities**

2190-0000 - Sec. Dep. In Transit	(4,377.74)
2191-0000 - Security deposits-residential	6,655.00
2210-0000 - Prepaid Rent	3,316.82
2211-0000 - Prepaid HUD	15,853.00
2320-0000 - Mortgage Payable (long term)	732,631.72
<b>Total Non-Current Liabilities</b>	<u>754,078.80</u>

**Owner's Equity**

3100-0000 - Limited Partners Equity	144,111.21
3209-0000 - Prior Year Retained Earnings	404,500.65
3210-0000 - Retained earnings	33,834.13
Current YTD Earnings	10,271.52
<b>Total Owner's Equity</b>	<u>592,717.51</u>

**Total Liability & Owner Equity**

1,425,465.27

RAVINIA HOUSING

### RAVINIA HOUSING Actual vs Budget Accrual Operating Statement

	Month Ending 07/31/11			Year To Date 07/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	7,262.00	5,404.00	1,858.00	40,315.00	39,820.00	495.00	66,840.00
5121-0000 - Tenant assistant payments	21,417.00	16,472.00	4,945.00	160,438.00	154,130.00	6,308.00	236,490.00
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>28,679.00</b>	<b>21,876.00</b>	<b>6,803.00</b>	<b>200,753.00</b>	<b>193,950.00</b>	<b>6,803.00</b>	<b>303,330.00</b>
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(1,612.00)	(1,213.00)	(399.00)	(11,284.00)	(8,491.00)	(2,793.00)	(14,554.00)
5123-0000 - Rent Concession	(36.00)	0.00	(36.00)	(36.00)	0.00	(36.00)	0.00
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>(1,648.00)</b>	<b>(1,213.00)</b>	<b>(435.00)</b>	<b>(11,320.00)</b>	<b>(8,491.00)</b>	<b>(2,829.00)</b>	<b>(14,554.00)</b>
OTHER INCOME							
5945-0000 - Damages	0.00	0.00	0.00	60.00	0.00	60.00	0.00
5990-0000 - Misc other income	0.00	8.00	(8.00)	0.00	56.00	(56.00)	100.00
<b>TOTAL OTHER INCOME</b>	<b>0.00</b>	<b>8.00</b>	<b>(8.00)</b>	<b>60.00</b>	<b>56.00</b>	<b>4.00</b>	<b>100.00</b>
<b>GROSS OPERATING INCOME</b>	<b>27,031.00</b>	<b>20,671.00</b>	<b>6,360.00</b>	<b>189,493.00</b>	<b>185,515.00</b>	<b>3,978.00</b>	<b>288,876.00</b>
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	0.00	0.00	0.00	22.43	0.00	(22.43)	0.00
6250-0000 - Renting expenses	0.00	8.00	8.00	0.00	56.00	56.00	100.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>0.00</b>	<b>8.00</b>	<b>8.00</b>	<b>22.43</b>	<b>56.00</b>	<b>33.57</b>	<b>100.00</b>
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	808.80	607.00	(201.80)	3,213.26	4,249.00	1,035.74	7,285.00
6316-0000 - Office Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6320-0000 - Management fee	1,134.35	844.00	(290.35)	7,458.34	5,908.00	(1,550.34)	10,132.00
6340-0000 - Legal Expense - Project	400.00	250.00	(150.00)	5,210.00	1,750.00	(3,460.00)	3,000.00
6350-0000 - Audit Expense	0.00	0.00	0.00	5,100.00	11,300.00	6,200.00	11,300.00
6360-0000 - Telephone	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6365-0000 - Training & Education Expense	0.00	42.00	42.00	87.00	294.00	207.00	500.00
6370-0000 - Bad debts	0.00	0.00	0.00	1,674.00	0.00	(1,674.00)	0.00
6385-0000 - Temporary Help	0.00	0.00	0.00	2,257.68	0.00	(2,257.68)	0.00
6390-0000 - Misc administrative expenses	123.40	83.00	(40.40)	744.96	581.00	(163.96)	1,000.00
6390-0002 - Computer Supplies/Data Processing	283.71	0.00	(283.71)	623.97	0.00	(623.97)	0.00
6395-0000 - Tenant Retention	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6431-0000 - Travel & Expense Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6860-0000 - Security Deposit Interest	(1.05)	0.00	1.05	(7.97)	0.00	7.97	0.00
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>2,749.21</b>	<b>1,826.00</b>	<b>(923.21)</b>	<b>26,361.24</b>	<b>24,082.00</b>	<b>(2,279.24)</b>	<b>33,217.00</b>
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	1,152.20	1,518.00	365.80	8,093.19	10,626.00	2,532.81	18,211.00
6510-0000 - Janitor and cleaning payroll	1,433.71	1,542.00	108.29	10,799.96	10,794.00	(5.96)	18,500.00
6715-0000 - Payroll Taxes	205.04	242.00	36.96	2,154.22	1,694.00	(460.22)	2,900.00
6722-0000 - Workers compensation	66.46	67.00	0.54	462.94	469.00	6.06	800.00
6723-0000 - Employee health insurance	(15.29)	483.00	498.29	697.34	3,381.00	2,683.66	5,800.00
6724-0000 - Union Benefits	356.88	0.00	(356.88)	2,271.35	0.00	(2,271.35)	0.00
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>3,199.00</b>	<b>3,852.00</b>	<b>653.00</b>	<b>24,479.00</b>	<b>26,964.00</b>	<b>2,485.00</b>	<b>46,211.00</b>

RAVINIA HOUSING

**RAVINIA HOUSING**  
**Actual vs Budget Accrual Operating Statement**

	Month Ending 07/31/11			Year To Date 07/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>OPERATING EXPENSES</b>							
6515-0000 - Janitors and cleaning supplies	1,101.94	583.00	(518.94)	1,960.58	4,081.00	2,120.42	7,000.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6520-0000 - Miscellaneous Repair Contractors	1,893.92	1,417.00	(476.92)	13,092.67	9,919.00	(3,173.67)	17,000.00
6525-0000 - Rubbish removal	199.46	212.00	12.54	2,794.74	1,484.00	(1,310.74)	2,540.00
<b>TOTAL OPERATING EXPENSES</b>	<b>3,195.32</b>	<b>2,212.00</b>	<b>(983.32)</b>	<b>17,847.99</b>	<b>15,484.00</b>	<b>(2,363.99)</b>	<b>26,540.00</b>
<b>UTILITIES</b>							
6450-0000 - Electricity	34.10	83.00	48.90	1,568.22	581.00	(987.22)	1,000.00
6451-0000 - Water	6.20	25.00	18.80	164.67	175.00	10.33	300.00
6452-0000 - Gas	0.00	8.00	8.00	0.00	56.00	56.00	92.00
6453-0000 - Sewer	0.00	25.00	25.00	0.00	175.00	175.00	300.00
<b>TOTAL UTILITIES</b>	<b>40.30</b>	<b>141.00</b>	<b>100.70</b>	<b>1,732.89</b>	<b>987.00</b>	<b>(745.89)</b>	<b>1,692.00</b>
<b>MAINTENANCE EXPENSES</b>							
6537-0000 - Grounds Contractor (Landscaper)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0000 - Repair materials (general supplies)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0002 - Plumbing Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0003 - Electrical Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0009 - Window Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6546-0000 - Heating/Cooling Contractor	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6548-0000 - Snow removal	0.00	0.00	0.00	21,759.77	20,000.00	(1,759.77)	20,000.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6591-0000 - Electrical Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6595-0000 - Plumbing Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6599-0000 - Window repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>21,759.77</b>	<b>20,000.00</b>	<b>(1,759.77)</b>	<b>20,000.00</b>
<b>TAXES AND INSURANCE</b>							
6710-0000 - Real estate taxes	2,750.00	2,750.00	0.00	19,250.00	19,250.00	0.00	33,000.00
6720-0000 - Property and liability insurance	447.50	417.00	(30.50)	2,948.24	2,919.00	(29.24)	5,000.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>3,197.50</b>	<b>3,167.00</b>	<b>(30.50)</b>	<b>22,198.24</b>	<b>22,169.00</b>	<b>(29.24)</b>	<b>38,000.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>12,381.33</b>	<b>11,206.00</b>	<b>(1,175.33)</b>	<b>114,401.56</b>	<b>109,742.00</b>	<b>(4,659.56)</b>	<b>165,760.00</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>14,649.67</b>	<b>9,465.00</b>	<b>5,184.67</b>	<b>75,091.44</b>	<b>75,773.00</b>	<b>(681.56)</b>	<b>123,116.00</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	4,096.63	1,702.00	(2,394.63)	29,035.23	26,640.60	(2,394.63)	35,150.60
6850-0000 - Mortgage Service Fee	334.06	152.00	(182.06)	2,360.78	2,178.72	(182.06)	2,938.72
7104-0000 - Replacement Reserve	0.00	1,023.00	1,023.00	4,984.00	7,161.00	2,177.00	12,272.00
7106-0000 - Residual Receipt Reserve	0.00	0.00	0.00	35,763.00	0.00	(35,763.00)	0.00
7108-0000 - Mortgage Payable (long term)	0.00	490.00	490.00	21,230.93	18,636.97	(2,593.96)	21,086.97
<b>TOTAL FINANCIAL EXPENSES</b>	<b>4,430.69</b>	<b>3,367.00</b>	<b>(1,063.69)</b>	<b>93,373.94</b>	<b>54,617.29</b>	<b>(38,756.65)</b>	<b>71,448.29</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>10,218.98</b>	<b>6,098.00</b>	<b>4,120.98</b>	<b>(18,282.50)</b>	<b>21,155.71</b>	<b>(39,438.21)</b>	<b>51,667.71</b>
<b>NET INCOME (LOSS)</b>	<b>10,218.98</b>	<b>6,098.00</b>	<b>4,120.98</b>	<b>(18,282.50)</b>	<b>21,155.71</b>	<b>(39,438.21)</b>	<b>51,667.71</b>
Partnership Income							
8005-0000 - Mortgagor Entity Income	52.54	0.00	52.54	410.22	0.00	410.22	0.00

RAVINIA HOUSING

**RAVINIA HOUSING**  
**Actual vs Budget Accrual Operating Statement**

	Month Ending 07/31/11			Year To Date 07/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Total Partnership Activity	52.54	0.00	52.54	410.22	0.00	410.22	0.00
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
6991-0000 - Capital expenditures	17,229.00	0.00	(17,229.00)	22,345.36	0.00	(22,345.36)	0.00
6993-0000 - Appliance Replacement	0.00	0.00	0.00	890.00	0.00	(890.00)	0.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<b>17,229.00</b>	<b>0.00</b>	<b>(17,229.00)</b>	<b>23,235.36</b>	<b>0.00</b>	<b>(23,235.36)</b>	<b>0.00</b>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<b>(6,957.48)</b>	<b>6,098.00</b>	<b>(13,055.48)</b>	<b>(41,107.64)</b>	<b>21,156.71</b>	<b>(62,263.35)</b>	<b>51,667.71</b>

Sunset Woods  
Balance Sheets  
Ending 7/31/11  
Will be emailed  
Under separate cover.

# Balance Sheets Ending 6/30/11

**FRANK B. PEERS HOUSING**  
**Balance Sheet**  
Month Ending 06/30/11

**ASSETS**

## Current Assets

1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	13,208.72
1130-0000 - Tenant/member accounts receivable	6,773.00
1131-0000 - Accounts receivable - subsidy	58,496.00
<b>Total Current Assets</b>	<u>78,777.72</u>

## Other Assets

1290-0000 - Misc Prepaid Expenses	7.27
1192-0000 - Tenant Sec Dep	19,635.91
1310-0000 - Real estate tax escrow	106,179.04
1311-0000 - Insurance escrow	30,702.06
1330-0000 - Debt Service Escrow	138,752.23
1140-0000 - Accounts Receivable - Other	3,284.36
1320 - Replacement Reserve	137,730.40
1340 - Residual Receipt	13.69
<b>Total Other Assets</b>	<u>436,304.96</u>

## Fixed Assets

1420-0000 - Building	1,848,860.15
1430-0000 - Land Improvements	1,619,406.39
1450-0000 - Furniture for project/tenant use	475,792.67
1497-0000 - Site improvements	160,218.77
4120-0000 - Accum depr - buildings	(2,828,199.27)
1498-0000 - Current F/A	7,276.56
<b>Total Fixed Assets</b>	<u>1,283,355.27</u>

## Financing Costs

1900-0001 - Deferred Financing Costs	192,398.85
1999-0000 - Accum Amort - Bond Costs	(41,361.94)
<b>Total Financing Costs</b>	<u>151,036.91</u>

## Partnership Assets

1701-0000 - Cash - Partnership	18,374.50
1702-0000 - Partnership MM	2,116,818.80
1702-1000 - Partnership F/A	221,340.23
1703-0000 - Partnership Receivable	267,013.69
<b>Total Partnership Assets</b>	<u>2,623,547.22</u>

**Total Assets**

4,573,022.08

**FRANK B. PEERS HOUSING**  
**Balance Sheet**  
 Month Ending 06/30/11

**Liabilities & Equity**

## Current Liabilities

2110-0000 - Accounts payable	29,527.69
2113-0000 - Flex Benefit Payable	(0.01)
2120-0000 - Accrued wages and p/r taxes payable	2,658.23
2150-0000 - Accrued property taxes	82,278.99
2180-0000 - Misc current liabilities	8,771.04
<b>Total Current Liabilities</b>	<u>123,235.94</u>

## Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(8,149.00)
2191-0000 - Security deposits-residential	18,345.00
2191-0001 - Pet Deposit	600.00
2210-0000 - Prepaid Rent	757.54
2211-0000 - Prepaid HUD	13,885.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	2,056,064.04
<b>Total Non-Current Liabilities</b>	<u>4,371,502.58</u>

## Owner's Equity

3100-0000 - Limited Partners Equity	2,622,952.86
3209-0000 - Prior Year Retained Earnings	(2,639,246.38)
3210-0000 - Retained earnings	75,809.65
Current YTD Earnings	18,767.43
<b>Total Owner's Equity</b>	<u>78,283.56</u>

**Total Liability & Owner Equity**

**4,573,022.08**

FRANK B PEERS

## FRANK B. PEERS HOUSING Actual vs Budget Accrual Operating Statement

	Month Ending 06/30/11			Year To Date 06/30/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME	17,891.00	16,200.00	1,691.00	120,318.00	97,200.00	23,118.00	194,400.00
5120-0000 - Apartment rent	66,057.00	64,800.00	1,257.00	383,370.00	388,800.00	(5,430.00)	777,600.00
5121-0000 - Tenant assistant payments	60.00	60.00	0.00	830.85	360.00	470.85	720.00
5140-0000 - Commercial base rent	84,008.00	81,060.00	2,948.00	504,518.85	486,360.00	18,158.85	972,720.00
TOTAL RESIDENTIAL RENTAL INCOME							
VACANCIES & ADJUSTMENTS	0.00	(500.00)	500.00	(18,994.00)	(3,000.00)	(15,994.00)	(6,000.00)
5220-0000 - Vacancy loss - apartments	(1,243.00)	(1,200.00)	(43.00)	(7,286.00)	(7,200.00)	(86.00)	(14,400.00)
5221-0000 - Non-Revenue Units	(1,243.00)	(1,700.00)	457.00	(26,280.00)	(10,200.00)	(16,080.00)	(20,400.00)
TOTAL VACANCIES & ADJUSTMENTS							
OTHER INCOME	0.00	208.00	(208.00)	1,087.50	1,248.00	(160.50)	2,500.00
5910-0000 - Laundry income	4,100.00	50.00	4,050.00	4,899.40	300.00	4,599.40	600.00
5990-0000 - Misc other income	7.99	166.00	(158.01)	10.39	996.00	(985.61)	2,000.00
5413-0000 - Interest income - escrow	4,107.99	424.00	3,683.99	5,997.29	2,544.00	3,453.29	5,100.00
TOTAL OTHER INCOME							
GROSS OPERATING INCOME	86,872.99	79,784.00	7,088.99	484,236.14	478,704.00	5,532.14	957,420.00
<b>ADVERTISING &amp; RENTING EXPENSE</b>							
ADVERTISING & RENTING EXPENSE	17.97	0.00	(17.97)	85.35	200.00	114.65	200.00
6213-0000 - Employee Recruitment	109.00	30.00	(79.00)	151.00	180.00	29.00	360.00
6253-0000 - Credit Report Fees	126.97	30.00	(96.97)	236.35	380.00	143.65	560.00
TOTAL ADVERTISING & RENTING EXPENSE							
<b>ADMINISTRATIVE EXPENSE</b>							
ADMINISTRATIVE EXPENSE	74.46	270.00	195.54	823.39	1,620.00	796.61	3,240.00
6311-0000 - Office supplies	0.00	300.00	300.00	1,160.09	1,800.00	639.91	3,600.00
6316-0000 - Office Equipment	4,416.64	3,833.00	(583.64)	23,257.22	22,998.00	(259.22)	46,000.00
6320-0000 - Management fee	0.00	200.00	200.00	0.00	1,200.00	1,200.00	2,400.00
6340-0000 - Legal Expense - Project	0.00	0.00	0.00	12,700.00	14,100.00	1,400.00	14,100.00
6350-0000 - Audit Expense	452.94	750.00	297.06	3,473.79	4,500.00	1,026.21	9,000.00
6360-0000 - Telephone	319.00	100.00	(219.00)	319.00	600.00	281.00	1,200.00
6365-0000 - Training & Education Expense	113.00	50.00	(63.00)	5,875.00	300.00	(5,575.00)	600.00
6370-0000 - Bad debts	0.00	25.00	25.00	0.00	150.00	150.00	300.00
6371-0000 - Fees Dues & Contributions	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6380-0000 - Consulting/study costs	648.34	0.00	(648.34)	1,265.66	0.00	(1,265.66)	0.00
6385-0000 - Temporary Help	92.86	100.00	7.14	855.19	600.00	(255.19)	1,200.00
6390-0000 - Misc administrative expenses	126.63	130.00	3.37	759.78	780.00	20.22	1,560.00
6390-0002 - Computer Supplies/Data Processing	0.00	625.00	625.00	1,797.46	3,750.00	1,952.54	7,500.00
6395-0000 - Tenant Retention	0.00	300.00	300.00	548.01	1,800.00	1,251.99	3,600.00
6431-0000 - Travel & Expense Reimbursement	(3.18)	(12.00)	(8.82)	(18.41)	(72.00)	(53.59)	(144.00)
6860-0000 - Security Deposit Interest	6,240.69	6,671.00	430.31	52,816.18	54,126.00	1,309.82	95,656.00
TOTAL ADMINISTRATIVE EXPENSE							
<b>PAYROLL &amp; RELATED COSTS</b>							
PAYROLL & RELATED COSTS	7,076.04	5,666.00	(1,410.04)	28,746.73	33,996.00	5,249.27	68,000.00
6310-0000 - Office salaries	1,748.17	1,241.00	(507.17)	7,313.95	7,446.00	132.05	14,900.00
6510-0000 - Janitor and cleaning payroll	5,828.29	3,833.00	(1,995.29)	26,258.50	22,998.00	(3,260.50)	46,000.00
6540-0000 - Repairs payroll	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6900-0000 - Social Service Coordinator	1,230.90	1,681.00	450.10	7,774.58	10,086.00	2,311.42	20,175.00
6715-0000 - Payroll Taxes							

FRANK B PEERS

## FRANK B. PEERS HOUSING

### Actual vs Budget Accrual Operating Statement

	Month Ending			Year To Date			Annual Budget
	06/30/11			06/30/11			
	Actual	Budget	Variance	Actual	Budget	Variance	
6722-0000 - Workers compensation	242.33	242.00	(0.33)	1,453.98	1,452.00	(1.98)	3,053.00
6723-0000 - Employee health insurance	295.85	345.00	49.15	2,088.10	2,070.00	(18.10)	4,140.00
6724-0000 - Union Benefits	1,070.95	1,197.00	126.05	7,019.73	7,182.00	162.27	14,368.00
6726-0001 - Contingency	0.00	0.00	0.00	1,682.50	2,200.00	517.50	2,200.00
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>17,492.53</b>	<b>14,205.00</b>	<b>(3,287.53)</b>	<b>82,338.07</b>	<b>87,430.00</b>	<b>5,091.93</b>	<b>172,836.00</b>
<b>OPERATING EXPENSES</b>	<b>0.00</b>	<b>250.00</b>	<b>250.00</b>	<b>1,020.78</b>	<b>1,500.00</b>	<b>479.22</b>	<b>3,000.00</b>
6515-0000 - Janitors and cleaning supplies	0.00	0.00	0.00	0.00	700.00	700.00	700.00
6518-0000 - Uniforms	105.00	460.00	355.00	525.00	2,760.00	2,235.00	5,520.00
6519-0000 - Exterminating Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6520-0000 - Miscellaneous Repair Contractors	309.49	400.00	90.51	1,852.67	2,400.00	547.33	4,800.00
6525-0000 - Rubbish removal	0.00	50.00	50.00	0.00	300.00	300.00	600.00
6490-0000 - Misc operating expenses	414.49	1,160.00	745.51	3,398.45	7,660.00	4,261.55	14,620.00
<b>TOTAL OPERATING EXPENSES</b>	<b>414.49</b>	<b>1,160.00</b>	<b>745.51</b>	<b>3,398.45</b>	<b>7,660.00</b>	<b>4,261.55</b>	<b>14,620.00</b>
<b>UTILITIES</b>	<b>1,118.75</b>	<b>1,800.00</b>	<b>681.25</b>	<b>12,865.74</b>	<b>13,000.00</b>	<b>134.26</b>	<b>23,500.00</b>
6450-0000 - Electricity	591.54	791.00	199.46	3,655.01	4,746.00	1,090.99	9,500.00
6451-0000 - Water	3,013.60	1,600.00	(1,413.60)	17,428.96	24,000.00	6,571.04	45,000.00
6452-0000 - Gas	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6453-0000 - Sewer	4,723.89	4,191.00	(532.89)	33,949.71	41,746.00	7,796.29	78,000.00
<b>TOTAL UTILITIES</b>	<b>4,723.89</b>	<b>4,191.00</b>	<b>(532.89)</b>	<b>33,949.71</b>	<b>41,746.00</b>	<b>7,796.29</b>	<b>78,000.00</b>
<b>MAINTENANCE EXPENSES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,000.00</b>	<b>5,000.00</b>	<b>8,000.00</b>
6536-0000 - Ground supplies	600.00	650.00	50.00	1,765.00	1,950.00	185.00	5,200.00
6537-0000 - Grounds Contractor (Landscaper)	432.61	750.00	317.39	1,820.92	4,500.00	2,679.08	9,000.00
6541-0000 - Repair materials (general supplies)	0.00	50.00	50.00	0.00	300.00	300.00	600.00
6541-0001 - Appliance Parts	0.00	0.00	0.00	331.16	0.00	(331.16)	0.00
6541-0002 - Plumbing Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0003 - Electrical Supplies	0.00	0.00	0.00	126.30	1,000.00	873.70	1,000.00
6541-0007 - Safety Equipment	361.00	500.00	139.00	2,166.00	3,000.00	834.00	6,000.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	0.00	2,700.00	2,700.00	3,520.29	5,200.00	1,679.71	10,000.00
6546-0000 - Heating/Cooling Contractor	4,651.75	0.00	(4,651.75)	14,659.23	6,000.00	(8,659.23)	7,000.00
6548-0000 - Snow removal	0.00	125.00	125.00	0.00	750.00	750.00	1,500.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	1,000.00	1,000.00	5,810.00	6,000.00	190.00	12,000.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6580-0000 - Equipment repairs	0.00	1,200.00	1,200.00	0.00	1,200.00	1,200.00	1,200.00
6581-0000 - Window Washing	1,548.81	150.00	(1,398.81)	2,868.81	900.00	(1,968.81)	2,000.00
6582-0000 - Fire Protection	0.00	0.00	0.00	0.00	8,000.00	8,000.00	8,000.00
6589-0000 - Parking Lot Expense	0.00	100.00	100.00	355.00	600.00	245.00	1,200.00
6590-0000 - Miscellaneous Repair	0.00	300.00	300.00	771.69	1,800.00	1,028.31	3,600.00
6591-0000 - Electrical Repairs	0.00	100.00	100.00	155.44	600.00	444.56	1,200.00
6594-0000 - Carpentry Repairs	0.00	790.00	790.00	3,185.06	4,740.00	1,554.94	9,500.00
6595-0000 - Plumbing Repairs	0.00	2,500.00	2,500.00	0.00	2,500.00	2,500.00	2,500.00
6596-0000 - Floor Repairs/Cleaning	853.41	5,000.00	4,146.59	853.41	5,000.00	4,146.59	5,000.00
6598-0000 - Roof Repairs	0.00	300.00	300.00	0.00	1,800.00	1,800.00	3,600.00
6599-0000 - Window repairs	8,447.58	16,215.00	7,767.42	38,388.31	60,840.00	22,451.69	98,600.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>8,447.58</b>	<b>16,215.00</b>	<b>7,767.42</b>	<b>38,388.31</b>	<b>60,840.00</b>	<b>22,451.69</b>	<b>98,600.00</b>
<b>TAXES AND INSURANCE</b>	<b>7,185.00</b>	<b>7,185.00</b>	<b>0.00</b>	<b>43,110.00</b>	<b>43,110.00</b>	<b>0.00</b>	<b>86,220.00</b>
6710-0000 - Real estate taxes	7,185.00	7,185.00	0.00	43,110.00	43,110.00	0.00	86,220.00

FRANK B PEERS

**FRANK B. PEERS HOUSING**  
**Actual vs Budget Accrual Operating Statement**

	Month Ending 06/30/11			Year To Date 06/30/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6720-0000 - Property and liability insurance	1,369.46	1,415.00	45.54	8,216.76	8,490.00	273.24	16,980.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	100.00	100.00	100.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>8,554.46</b>	<b>8,600.00</b>	<b>45.54</b>	<b>51,326.76</b>	<b>51,700.00</b>	<b>373.24</b>	<b>103,300.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>46,000.61</b>	<b>51,072.00</b>	<b>5,071.39</b>	<b>262,453.83</b>	<b>303,882.00</b>	<b>41,428.17</b>	<b>563,572.00</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>40,872.38</b>	<b>28,712.00</b>	<b>12,160.38</b>	<b>221,782.31</b>	<b>174,822.00</b>	<b>46,960.31</b>	<b>393,848.00</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	21,186.52	21,208.00	21.48	127,798.59	127,248.00	(550.59)	254,496.00
7104-0000 - Replacement Reserve	1,961.64	1,800.00	(161.64)	11,769.84	10,800.00	(969.84)	21,600.00
7108-0000 - Mortgage Payable (long term)	9,301.02	9,280.00	(21.02)	55,126.65	55,680.00	553.35	111,360.00
<b>TOTAL FINANCIAL EXPENSES</b>	<b>32,449.18</b>	<b>32,288.00</b>	<b>(161.18)</b>	<b>194,695.08</b>	<b>193,728.00</b>	<b>(967.08)</b>	<b>387,456.00</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>8,423.20</b>	<b>(3,576.00)</b>	<b>11,999.20</b>	<b>27,087.23</b>	<b>(18,906.00)</b>	<b>45,993.23</b>	<b>6,392.00</b>
<b>NET INCOME (LOSS)</b>	<b>8,423.20</b>	<b>(3,576.00)</b>	<b>11,999.20</b>	<b>27,087.23</b>	<b>(18,906.00)</b>	<b>45,993.23</b>	<b>6,392.00</b>
<b>Partnership Income</b>							
8005-0000 - Mortgagor Entity Income	832.07	0.00	832.07	2,428.86	0.00	2,428.86	0.00
8010-0000 - Other Entity Expense	(1,750.50)	0.00	(1,750.50)	(1,835.50)	0.00	(1,835.50)	0.00
<b>Total Partnership Activity</b>	<b>(918.43)</b>	<b>0.00</b>	<b>(918.43)</b>	<b>593.36</b>	<b>0.00</b>	<b>593.36</b>	<b>0.00</b>
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(18,000.00)
7107-0000 - Residual Receipt Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(237,000.00)
6991-0000 - Capital expenditures	602.66	140,000.00	139,397.34	602.66	140,000.00	139,397.34	252,537.00
6993-0000 - Appliance Replacement	0.00	125.00	125.00	0.00	750.00	750.00	1,500.00
6994-0000 - Carpet & tile	1,143.00	616.00	(527.00)	6,673.90	3,696.00	(2,977.90)	7,400.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<b>1,745.66</b>	<b>140,741.00</b>	<b>138,995.34</b>	<b>7,276.56</b>	<b>144,446.00</b>	<b>137,169.44</b>	<b>6,437.00</b>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<b>5,759.11</b>	<b>(144,317.00)</b>	<b>150,076.11</b>	<b>20,404.03</b>	<b>(163,352.00)</b>	<b>183,756.03</b>	<b>(45.00)</b>

**WALNUT PLACE**  
**Balance Sheet**  
 Month Ending 06/30/11

**ASSETS**

## Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	5,237.37
1130-0000 - Tenant/member accounts receivable	27,428.82
1131-0000 - Accounts receivable - subsidy	30,744.00
<b>Total Current Assets</b>	<u>64,310.19</u>

## Other Assets

1290-0000 - Misc Prepaid Expenses	7.00
1192-0000 - Tenant Sec Dep	22,039.08
1310-0000 - Real estate tax escrow	137,465.62
1311-0000 - Insurance escrow	34,388.27
1330-0000 - Debt Service Escrow	136,097.69
1140-0000 - Accounts Receivable - Other	3,433.28
1320 - Replacement Reserve	129,551.34
1340 - Residual Receipt	27,094.97
<b>Total Other Assets</b>	<u>490,077.25</u>

## Fixed Assets

1410-0000 - Land	220,000.00
1420-0000 - Building	2,918,659.85
1430-0000 - Land Improvements	396,727.57
1450-0000 - Furniture for project/tenant use	534,098.62
1497-0000 - Site improvements	69,354.14
4120-0000 - Accum depr - buildings	(3,252,799.29)
1498-0000 - Current F/A	7,426.41
<b>Total Fixed Assets</b>	<u>893,467.30</u>

## Financing Costs

1800-0000 - Organization costs	5,000.00
1900-0001 - Deferred Financing Costs	174,813.03
1999-0000 - Accum Amort - Bond Costs	(42,601.93)
<b>Total Financing Costs</b>	<u>137,211.10</u>

## Partnership Assets

1701-0000 - Cash - Partnership	104,425.88
<b>Total Partnership Assets</b>	<u>104,425.88</u>

**Total Assets**

1,689,491.72

**WALNUT PLACE**  
**Balance Sheet**  
 Month Ending 06/30/11

**Liabilities & Equity**

## Current Liabilities

2110-0000 - Accounts payable	29,138.64
2120-0000 - Accrued wages and p/r taxes payable	2,657.81
2130-0000 - Accrued interest - mortgage	0.43
2150-0000 - Accrued property taxes	103,015.87
2155-0000 - Accrued professional services	14,714.00
2180-0000 - Misc current liabilities	28,267.64
<b>Total Current Liabilities</b>	<u>177,794.39</u>

## Non-Current Liabilities

2190-0000 - Sec. Dep. in Transit	(13,161.00)
2191-0000 - Security deposits-residential	18,199.00
2191-0001 - Pet Deposit	900.00
2210-0000 - Prepaid Rent	1,876.17
2211-0000 - Prepaid HUD	7,873.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-0000 - Mortgage Payable (long term)	2,127,418.41
<b>Total Non-Current Liabilities</b>	<u>4,689,105.58</u>

## Owner's Equity

3100-0000 - Limited Partners Equity	104,177.32
3209-0000 - Prior Year Retained Earnings	(3,366,375.44)
3210-0000 - Retained earnings	72,903.85
Current YTD Earnings	11,886.02
<b>Total Owner's Equity</b>	<u>(3,177,408.25)</u>

**Total Liability & Owner Equity**

1,689,491.72

WALNUT PLACE

## WALNUT PLACE

### Actual vs Budget Accrual Operating Statement

	Month Ending 06/30/11			Year To Date 06/30/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME	23,152.00	21,585.00	1,567.00	145,383.00	129,510.00	15,873.00	259,020.00
5120-0000 - Apartment rent	63,188.00	64,755.00	(1,567.00)	372,657.00	388,530.00	(15,873.00)	777,060.00
5121-0000 - Tenant assistant payments	0.00	0.00	0.00	274.03	0.00	274.03	0.00
5140-0000 - Commercial base rent	86,340.00	86,340.00	0.00	518,314.03	518,040.00	274.03	1,036,080.00
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>							
VACANCIES & ADJUSTMENTS	(4,662.00)	(1,684.00)	(2,978.00)	(31,576.00)	(10,104.00)	(21,472.00)	(20,208.00)
5220-0000 - Vacancy loss - apartments	(1,260.00)	(1,260.00)	0.00	(7,548.00)	(7,560.00)	12.00	(15,120.00)
5221-0000 - Non-Revenue Units	(5,922.00)	(2,944.00)	(2,978.00)	(39,124.00)	(17,864.00)	(21,460.00)	(35,328.00)
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>							
OTHER INCOME	0.00	250.00	(250.00)	1,415.50	1,500.00	(84.50)	3,000.00
5910-0000 - Laundry income	0.00	0.00	0.00	25.00	0.00	25.00	0.00
5920-0000 - Nsf check fee	0.00	30.00	(30.00)	3,007.00	180.00	2,827.00	360.00
5990-0000 - Misc other income	9.07	210.00	(200.93)	11.78	1,260.00	(1,248.22)	2,520.00
5413-0000 - Interest income - escrow	9.07	490.00	(480.93)	4,459.28	2,940.00	1,519.28	5,880.00
<b>TOTAL OTHER INCOME</b>							
	80,427.07	83,886.00	(3,458.93)	483,649.31	503,316.00	(19,666.69)	1,006,632.00
<b>GROSS OPERATING INCOME</b>							
ADVERTISING & RENTING EXPENSE	17.97	0.00	(17.97)	85.35	200.00	114.65	200.00
6213-0000 - Employee Recruitment	39.00	30.00	(9.00)	142.00	180.00	38.00	360.00
6253-0000 - Credit Report Fees	56.97	30.00	(26.97)	227.35	380.00	152.65	560.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>							
ADMINISTRATIVE EXPENSE	46.17	270.00	223.83	1,424.73	1,620.00	195.27	3,240.00
6311-0000 - Office supplies	0.00	300.00	300.00	1,160.09	1,800.00	639.91	3,600.00
6316-0000 - Office Equipment	4,859.83	3,833.00	(1,026.83)	24,346.10	22,998.00	(1,348.10)	46,000.00
6320-0000 - Management fee	0.00	200.00	200.00	0.00	1,200.00	1,200.00	2,400.00
6340-0000 - Legal Expense - Project	0.00	0.00	0.00	11,500.00	11,500.00	0.00	11,500.00
6350-0000 - Audit Expense	589.87	750.00	160.13	4,570.39	4,500.00	(70.39)	9,000.00
6360-0000 - Telephone	319.00	100.00	(219.00)	319.00	600.00	281.00	1,200.00
6365-0000 - Training & Education Expense	0.00	50.00	50.00	13,352.00	300.00	(13,052.00)	600.00
6370-0000 - Bad debts	0.00	40.00	40.00	0.00	240.00	240.00	480.00
6371-0000 - Fees Dues & Contributions	0.00	0.00	0.00	1,350.00	0.00	(1,350.00)	1,500.00
6380-0000 - Consulting/study costs	648.34	0.00	(648.34)	1,265.66	0.00	(1,265.66)	0.00
6385-0000 - Temporary Help	101.86	100.00	(1.86)	1,154.15	600.00	(554.15)	1,200.00
6390-0000 - Misc administrative expenses	126.63	130.00	3.37	759.78	780.00	20.22	1,560.00
6390-0002 - Computer Supplies/Data Processing	0.00	500.00	500.00	1,891.05	3,000.00	1,108.95	6,500.00
6395-0000 - Tenant Retention	0.00	300.00	300.00	548.01	1,800.00	1,251.99	3,600.00
6431-0000 - Travel & Expense Reimbursement	(3.61)	(12.00)	(8.39)	(20.85)	(72.00)	(51.15)	(144.00)
6860-0000 - Security Deposit Interest	6,688.09	6,561.00	(127.09)	63,620.11	50,866.00	(12,754.11)	92,236.00
<b>TOTAL ADMINISTRATIVE EXPENSE</b>							
PAYROLL & RELATED COSTS	7,071.70	5,686.00	(1,405.70)	28,727.93	33,996.00	5,268.07	68,000.00
6310-0000 - Office salaries	1,748.18	1,241.00	(507.18)	7,313.99	7,446.00	132.01	14,900.00
6510-0000 - Janitor and cleaning payroll	5,828.30	3,833.00	(1,995.30)	27,111.39	22,998.00	(4,113.39)	46,000.00
6540-0000 - Repairs payroll	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6900-0000 - Social Service Coordinator							

WALNUT PLACE

## WALNUT PLACE

### Actual vs Budget Accrual Operating Statement

	Month Ending 06/30/11			Year To Date 06/30/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6715-0000 - Payroll Taxes	1,230.58	1,681.00	450.42	7,772.65	10,086.00	2,313.35	20,175.00
6722-0000 - Workers compensation	242.33	242.00	(0.33)	1,453.98	1,452.00	(1.98)	3,053.00
6723-0000 - Employee health insurance	300.20	345.00	44.80	2,101.15	2,070.00	(31.15)	4,140.00
6724-0000 - Union Benefits	1,070.95	1,197.00	126.05	7,019.73	7,182.00	162.27	14,368.00
6726-0001 - Contingency	0.00	0.00	0.00	1,682.50	2,200.00	517.50	2,200.00
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>17,492.24</b>	<b>14,205.00</b>	<b>(3,287.24)</b>	<b>83,183.32</b>	<b>87,430.00</b>	<b>4,246.68</b>	<b>172,836.00</b>
<b>OPERATING EXPENSES</b>	<b>0.00</b>	<b>250.00</b>	<b>250.00</b>	<b>1,294.43</b>	<b>1,500.00</b>	<b>205.57</b>	<b>3,000.00</b>
6515-0000 - Janitors and cleaning supplies	0.00	0.00	0.00	0.00	700.00	700.00	700.00
6518-0000 - Uniforms	90.00	460.00	370.00	480.00	2,760.00	2,280.00	5,520.00
6519-0000 - Exterminating Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6520-0000 - Miscellaneous Repair Contractors	309.49	400.00	90.51	1,872.67	2,400.00	527.33	4,800.00
6525-0000 - Rubbish removal	0.00	50.00	50.00	200.00	300.00	100.00	600.00
6490-0000 - Misc operating expenses	399.49	1,160.00	760.51	3,847.10	7,660.00	3,812.90	14,620.00
<b>TOTAL OPERATING EXPENSES</b>	<b>399.49</b>	<b>1,160.00</b>	<b>760.51</b>	<b>3,847.10</b>	<b>7,660.00</b>	<b>3,812.90</b>	<b>14,620.00</b>
<b>UTILITIES</b>	<b>1,440.10</b>	<b>1,200.00</b>	<b>(240.10)</b>	<b>6,795.55</b>	<b>6,700.00</b>	<b>(95.55)</b>	<b>16,800.00</b>
6450-0000 - Electricity	386.76	400.00	13.24	3,310.01	3,900.00	589.99	7,500.00
6451-0000 - Water	3,157.22	2,500.00	(657.22)	15,023.30	23,500.00	8,476.70	37,750.00
6452-0000 - Gas	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6453-0000 - Sewer	4,984.08	4,100.00	(884.08)	25,128.86	34,100.00	8,971.14	62,050.00
<b>TOTAL UTILITIES</b>	<b>4,984.08</b>	<b>4,100.00</b>	<b>(884.08)</b>	<b>25,128.86</b>	<b>34,100.00</b>	<b>8,971.14</b>	<b>62,050.00</b>
<b>MAINTENANCE EXPENSES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>5,000.00</b>	<b>5,000.00</b>	<b>8,000.00</b>
6536-0000 - Ground supplies	650.00	608.00	(42.00)	1,300.00	1,824.00	524.00	4,864.00
6537-0000 - Grounds Contractor (Landscape)	121.95	600.00	478.05	942.99	3,600.00	2,657.01	7,200.00
6541-0000 - Repair materials (general supplies)	0.00	50.00	50.00	0.00	300.00	300.00	600.00
6541-0001 - Appliance Parts	0.00	0.00	0.00	132.22	0.00	(132.22)	0.00
6541-0002 - Plumbing Supplies	303.27	0.00	(303.27)	400.48	0.00	(400.48)	0.00
6541-0003 - Electrical Supplies	0.00	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00
6541-0007 - Safety Equipment	1,744.00	500.00	(1,244.00)	3,564.00	3,000.00	(564.00)	6,000.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	743.75	2,700.00	1,956.25	743.75	4,700.00	3,956.25	9,000.00
6546-0000 - Heating/Cooling Contractor	2,337.00	0.00	(2,337.00)	10,832.48	8,000.00	(2,832.48)	9,000.00
6548-0000 - Snow removal	0.00	50.00	50.00	1,260.00	300.00	(960.00)	600.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	1,000.00	1,000.00	245.00	6,000.00	5,755.00	12,000.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6580-0000 - Equipment repairs	0.00	900.00	900.00	0.00	900.00	900.00	900.00
6581-0000 - Window Washing	344.35	350.00	5.65	597.22	2,100.00	1,502.78	4,200.00
6582-0000 - Fire Protection	0.00	100.00	100.00	55.00	600.00	545.00	1,200.00
6582-0001 - Fire Safety Equipment	0.00	8,000.00	8,000.00	0.00	8,000.00	8,000.00	8,000.00
6589-0000 - Parking Lot Expense	0.00	100.00	100.00	0.00	600.00	600.00	1,200.00
6590-0000 - Miscellaneous Repair	226.93	450.00	223.07	673.93	2,700.00	2,026.07	5,400.00
6591-0000 - Electrical Repairs	0.00	350.00	350.00	813.84	2,100.00	1,286.16	4,200.00
6594-0000 - Carpentry Repairs	0.00	400.00	400.00	5,057.49	2,400.00	(2,657.49)	4,800.00
6595-0000 - Plumbing Repairs	0.00	2,500.00	2,500.00	0.00	2,500.00	2,500.00	2,500.00
6596-0000 - Floor Repairs/Cleaning	0.00	5,000.00	5,000.00	814.62	5,000.00	4,185.38	5,000.00
6598-0000 - Roof Repairs	0.00	300.00	300.00	0.00	1,800.00	1,800.00	3,600.00
6599-0000 - Window repairs	6,471.25	23,958.00	17,486.75	27,433.02	62,424.00	34,990.98	99,764.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>6,471.25</b>	<b>23,958.00</b>	<b>17,486.75</b>	<b>27,433.02</b>	<b>62,424.00</b>	<b>34,990.98</b>	<b>99,764.00</b>

WALNUT PLACE

**WALNUT PLACE**  
**Actual vs Budget Accrual Operating Statement**

	Month Ending 06/30/11			Year To Date 06/30/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>TAXES AND INSURANCE</b>							
6710-0000 - Real estate taxes	8,683.00	8,683.00	0.00	52,098.00	52,098.00	0.00	104,196.00
6720-0000 - Property and liability insurance	1,190.83	1,234.00	43.17	7,144.98	7,404.00	259.02	14,808.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	100.00	100.00	100.00
<b>TOTAL TAXES AND INSURANCE</b>	<u>9,873.83</u>	<u>9,917.00</u>	<u>43.17</u>	<u>59,242.98</u>	<u>59,602.00</u>	<u>359.02</u>	<u>119,104.00</u>
<b>TOTAL OPERATING EXPENSES</b>	45,965.95	59,931.00	13,965.05	262,682.74	302,462.00	39,779.26	561,170.00
<b>NET OPERATING INCOME (LOSS)</b>	34,461.12	23,955.00	10,506.12	220,966.57	200,854.00	20,112.57	445,462.00
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	22,608.00	22,655.00	47.00	136,425.26	135,930.00	(495.26)	271,860.00
7104-0000 - Replacement Reserve	1,994.91	1,833.00	(161.91)	11,969.46	10,998.00	(971.46)	21,996.00
7108-0000 - Mortgage Payable (long term)	10,878.95	10,854.00	(24.95)	64,496.44	65,124.00	627.56	130,248.00
<b>TOTAL FINANCIAL EXPENSES</b>	<u>35,481.86</u>	<u>35,342.00</u>	<u>(139.86)</u>	<u>212,891.16</u>	<u>212,052.00</u>	<u>(839.16)</u>	<u>424,104.00</u>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	(1,020.74)	(11,387.00)	10,366.26	8,075.41	(11,198.00)	19,273.41	21,358.00
<b>NET INCOME (LOSS)</b>	(1,020.74)	(11,387.00)	10,366.26	8,075.41	(11,198.00)	19,273.41	21,358.00
<b>Partnership Income</b>							
8005-0000 - Mortgagor Entity Income	42.90	0.00	42.90	258.56	0.00	258.56	0.00
8010-0000 - Other Entity Expense	(10.00)	0.00	(10.00)	(10.00)	0.00	(10.00)	0.00
<b>Total Partnership Activity</b>	<u>32.90</u>	<u>0.00</u>	<u>32.90</u>	<u>248.56</u>	<u>0.00</u>	<u>248.56</u>	<u>0.00</u>
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
7105-0000 - Replacement Reserve Reimbursement	0.00	(24,000.00)	(24,000.00)	0.00	(24,000.00)	(24,000.00)	(24,000.00)
6991-0000 - Capital expenditures	602.66	2,500.00	1,897.34	2,467.66	26,500.00	24,032.34	37,400.00
6993-0000 - Appliance Replacement	494.00	125.00	(369.00)	494.00	750.00	256.00	1,500.00
6994-0000 - Carpet & tile	0.00	485.00	485.00	4,464.75	2,910.00	(1,554.75)	5,820.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<u>1,096.66</u>	<u>(20,890.00)</u>	<u>(21,986.66)</u>	<u>7,426.41</u>	<u>6,160.00</u>	<u>(1,266.41)</u>	<u>20,720.00</u>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<u>(2,084.50)</u>	<u>9,503.00</u>	<u>(11,587.50)</u>	<u>897.56</u>	<u>(17,358.00)</u>	<u>18,255.56</u>	<u>638.00</u>

**RAVINIA HOUSING**  
**Balance Sheet**  
 Month Ending 06/30/11

**ASSETS**

## Current Assets

1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	1,457.72
1130-0000 - Tenant/member accounts receivable	38,990.92
1131-0000 - Accounts receivable - subsidy	8,722.00
1250-0000 - Prepaid Mortgage Insurance	2,672.43
<b>Total Current Assets</b>	<u>51,993.07</u>

## Other Assets

1290-0000 - Misc Prepaid Expenses	(5.00)
1192-0000 - Tenant Sec Dep	6,988.25
1310-0000 - Real estate tax escrow	44,514.34
1311-0000 - Insurance escrow	53,406.99
1312-0000 - Mortgage Insurance Escrow	2,447.03
1140-0000 - Accounts Receivable - Other	635.36
1320 - Replacement Reserve	46,925.52
1340 - Residual Receipt	480,322.56
<b>Total Other Assets</b>	<u>635,235.05</u>

## Fixed Assets

1420-0000 - Building	1,076,518.20
1430-0000 - Land Improvements	214,491.66
1450-0000 - Furniture for project/tenant use	125,536.05
1497-0000 - Site improvements	85,122.00
4120-0000 - Accum depr - buildings	(962,191.88)
1498-0000 - Current F/A	6,006.36
<b>Total Fixed Assets</b>	<u>545,482.39</u>

## Financing Costs

1800-0000 - Organization costs	41,848.00
1999-0000 - Accum Amort - Bond Costs	(28,071.34)
<b>Total Financing Costs</b>	<u>13,776.66</u>

## Partnership Assets

1701-0000 - Cash - Partnership	144,468.89
<b>Total Partnership Assets</b>	<u>144,468.89</u>

**Total Assets**

1,390,956.06

**RAVINIA HOUSING****Balance Sheet**

Month Ending 06/30/11

**Liabilities & Equity**

## Current Liabilities

2110-0000 - Accounts payable	6,824.05
2120-0000 - Accrued wages and p/r taxes payable	542.05
2150-0000 - Accrued property taxes	49,500.00
2180-0000 - Misc current liabilities	1,797.42

Total Current Liabilities	<u>58,663.52</u>
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## Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(4,377.74)
2191-0000 - Security deposits-residential	6,655.00
2210-0000 - Prepaid Rent	3,692.57
2211-0000 - Prepaid HUD	11,245.00
2320-0000 - Mortgage Payable (long term)	732,631.72

Total Non-Current Liabilities	<u>749,846.55</u>
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## Owner's Equity

3100-0000 - Limited Partners Equity	144,111.21
3209-0000 - Prior Year Retained Earnings	404,500.65
3210-0000 - Retained earnings	28,010.08
Current YTD Earnings	5,824.05

Total Owner's Equity	<u>582,445.99</u>
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**Total Liability & Owner Equity**

<b>1,390,956.06</b>
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RAVINIA HOUSING

### RAVINIA HOUSING Actual vs Budget Accrual Operating Statement

	Month Ending 06/30/11			Year To Date 06/30/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	5,390.00	5,736.00	(346.00)	33,053.00	34,416.00	(1,363.00)	66,840.00
5121-0000 - Tenant assistant payments	23,289.00	22,943.00	346.00	139,021.00	137,658.00	1,363.00	236,490.00
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>28,679.00</b>	<b>28,679.00</b>	<b>0.00</b>	<b>172,074.00</b>	<b>172,074.00</b>	<b>0.00</b>	<b>303,330.00</b>
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(1,612.00)	(1,213.00)	(399.00)	(9,672.00)	(7,278.00)	(2,394.00)	(14,554.00)
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>(1,612.00)</b>	<b>(1,213.00)</b>	<b>(399.00)</b>	<b>(9,672.00)</b>	<b>(7,278.00)</b>	<b>(2,394.00)</b>	<b>(14,554.00)</b>
OTHER INCOME							
5945-0000 - Damages	60.00	0.00	60.00	60.00	0.00	60.00	0.00
5990-0000 - Misc other income	0.00	8.00	(8.00)	0.00	48.00	(48.00)	100.00
<b>TOTAL OTHER INCOME</b>	<b>60.00</b>	<b>8.00</b>	<b>52.00</b>	<b>60.00</b>	<b>48.00</b>	<b>12.00</b>	<b>100.00</b>
<b>GROSS OPERATING INCOME</b>	<b>27,127.00</b>	<b>27,474.00</b>	<b>(347.00)</b>	<b>162,462.00</b>	<b>164,844.00</b>	<b>(2,382.00)</b>	<b>288,876.00</b>
<b>ADVERTISING &amp; RENTING EXPENSE</b>							
6213-0000 - Employee Recruitment	4.49	0.00	(4.49)	22.43	0.00	(22.43)	0.00
6250-0000 - Renting expenses	0.00	8.00	8.00	0.00	48.00	48.00	100.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>4.49</b>	<b>8.00</b>	<b>3.51</b>	<b>22.43</b>	<b>48.00</b>	<b>25.57</b>	<b>100.00</b>
<b>ADMINISTRATIVE EXPENSE</b>							
6311-0000 - Office supplies	266.68	607.00	340.32	2,404.46	3,642.00	1,237.54	7,285.00
6316-0000 - Office Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6320-0000 - Management fee	0.00	844.00	(844.00)	6,323.99	5,064.00	(1,259.99)	10,132.00
6340-0000 - Legal Expense - Project	1,729.82	250.00	(1,479.82)	4,810.00	1,500.00	(3,310.00)	3,000.00
6350-0000 - Audit Expense	1,800.00	0.00	1,800.00	5,100.00	11,300.00	6,200.00	11,300.00
6360-0000 - Telephone	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6365-0000 - Training & Education Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6370-0000 - Bad debts	87.00	42.00	(45.00)	87.00	252.00	165.00	500.00
6385-0000 - Temporary Help	0.00	0.00	0.00	1,674.00	0.00	(1,674.00)	0.00
6390-0000 - Misc administrative expenses	0.00	0.00	0.00	2,257.68	0.00	(2,257.68)	0.00
6390-0002 - Computer Supplies/Data Processing	176.82	0.00	(176.82)	2,257.68	0.00	(2,257.68)	0.00
6395-0000 - Tenant Retention	55.00	83.00	28.00	621.56	498.00	(123.56)	1,000.00
6431-0000 - Travel & Expense Reimbursement	56.71	0.00	(56.71)	340.26	0.00	(340.26)	0.00
6860-0000 - Security Deposit Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>4,170.89</b>	<b>1,826.00</b>	<b>(2,344.89)</b>	<b>23,612.03</b>	<b>22,256.00</b>	<b>(1,356.03)</b>	<b>33,217.00</b>
<b>PAYROLL &amp; RELATED COSTS</b>							
6310-0000 - Office salaries	1,675.23	1,518.00	(157.23)	6,940.99	9,108.00	2,167.01	18,211.00
6510-0000 - Janitor and cleaning payroll	2,066.33	1,542.00	(524.33)	9,366.25	9,252.00	(114.25)	18,500.00
6715-0000 - Payroll Taxes	305.86	242.00	(63.86)	1,949.18	1,452.00	(497.18)	2,900.00
6722-0000 - Workers compensation	66.08	67.00	0.92	396.48	402.00	5.52	800.00
6723-0000 - Employee health insurance	109.24	483.00	373.76	712.63	2,898.00	2,185.37	5,800.00
6724-0000 - Union Benefits	292.08	0.00	(292.08)	1,914.47	0.00	(1,914.47)	0.00
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>4,514.82</b>	<b>3,852.00</b>	<b>(662.82)</b>	<b>21,280.00</b>	<b>23,112.00</b>	<b>1,832.00</b>	<b>46,211.00</b>
<b>OPERATING EXPENSES</b>							

RAVINIA HOUSING

## RAVINIA HOUSING

### Actual vs Budget Accrual Operating Statement

	Month Ending 06/30/11			Year To Date 06/30/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6515-0000 - Janitors and cleaning supplies	192.92	583.00	390.08	858.64	3,498.00	2,639.36	7,000.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6520-0000 - Miscellaneous Repair Contractors	2,044.00	1,417.00	(627.00)	11,198.75	8,502.00	(2,696.75)	17,000.00
6525-0000 - Rubbish removal	438.75	212.00	(226.75)	2,595.28	1,272.00	(1,323.28)	2,540.00
<b>TOTAL OPERATING EXPENSES</b>	<b>2,675.67</b>	<b>2,212.00</b>	<b>(463.67)</b>	<b>14,652.67</b>	<b>13,272.00</b>	<b>(1,380.67)</b>	<b>26,540.00</b>
<b>UTILITIES</b>							
6450-0000 - Electricity	161.70	83.00	(78.70)	1,534.12	498.00	(1,036.12)	1,000.00
6451-0000 - Water	24.00	25.00	1.00	158.47	150.00	(8.47)	300.00
6452-0000 - Gas	0.00	8.00	8.00	0.00	48.00	48.00	92.00
6453-0000 - Sewer	0.00	25.00	25.00	0.00	150.00	150.00	300.00
<b>TOTAL UTILITIES</b>	<b>185.70</b>	<b>141.00</b>	<b>(44.70)</b>	<b>1,692.59</b>	<b>846.00</b>	<b>(846.59)</b>	<b>1,692.00</b>
<b>MAINTENANCE EXPENSES</b>							
6537-0000 - Grounds Contractor (Landscaper)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0000 - Repair materials (general supplies)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0002 - Plumbing Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0003 - Electrical Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0009 - Window Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6546-0000 - Heating/Cooling Contractor	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6548-0000 - Snow removal	2,196.00	0.00	(2,196.00)	21,759.77	20,000.00	(1,759.77)	20,000.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6591-0000 - Electrical Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6595-0000 - Plumbing Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6599-0000 - Window repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>2,196.00</b>	<b>0.00</b>	<b>(2,196.00)</b>	<b>21,759.77</b>	<b>20,000.00</b>	<b>(1,759.77)</b>	<b>20,000.00</b>
<b>TAXES AND INSURANCE</b>							
6710-0000 - Real estate taxes	2,750.00	2,750.00	0.00	16,500.00	16,500.00	0.00	33,000.00
6720-0000 - Property and liability insurance	416.79	417.00	0.21	2,500.74	2,502.00	1.26	5,000.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>3,166.79</b>	<b>3,167.00</b>	<b>0.21</b>	<b>19,000.74</b>	<b>19,002.00</b>	<b>1.26</b>	<b>38,000.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>16,914.36</b>	<b>11,206.00</b>	<b>(5,708.36)</b>	<b>102,020.23</b>	<b>98,536.00</b>	<b>(3,484.23)</b>	<b>165,760.00</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>10,212.64</b>	<b>16,268.00</b>	<b>(6,055.36)</b>	<b>60,441.77</b>	<b>66,308.00</b>	<b>(5,866.23)</b>	<b>123,116.00</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	4,113.88	4,113.88	0.00	24,938.60	24,938.60	0.00	35,150.60
6850-0000 - Mortgage Service Fee	334.06	334.06	0.00	2,026.72	2,026.72	0.00	2,938.72
7104-0000 - Replacement Reserve	1,424.00	1,023.00	(401.00)	4,984.00	6,138.00	1,154.00	12,272.00
7106-0000 - Residual Receipt Reserve	35,763.00	0.00	(35,763.00)	35,763.00	0.00	(35,763.00)	0.00
7108-0000 - Mortgage Payable (long term)	6,150.77	3,066.81	(3,083.96)	21,230.93	18,146.97	(3,083.96)	21,086.97
<b>TOTAL FINANCIAL EXPENSES</b>	<b>47,785.71</b>	<b>8,537.75</b>	<b>(39,247.96)</b>	<b>88,943.25</b>	<b>51,250.29</b>	<b>(37,692.96)</b>	<b>71,448.29</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>(37,573.07)</b>	<b>7,730.25</b>	<b>(45,303.32)</b>	<b>(28,501.48)</b>	<b>15,057.71</b>	<b>(43,559.19)</b>	<b>51,667.71</b>
<b>NET INCOME (LOSS)</b>	<b>(37,573.07)</b>	<b>7,730.25</b>	<b>(45,303.32)</b>	<b>(28,501.48)</b>	<b>15,057.71</b>	<b>(43,559.19)</b>	<b>51,667.71</b>
Partnership Income	59.35	0.00	59.35	357.68	0.00	357.68	0.00
8005-0000 - Mortgagor Entity Income	59.35	0.00	59.35	357.68	0.00	357.68	0.00
<b>Total Partnership Activity</b>	<b>59.35</b>	<b>0.00</b>	<b>59.35</b>	<b>357.68</b>	<b>0.00</b>	<b>357.68</b>	<b>0.00</b>

RAVINIA HOUSING

**RAVINIA HOUSING**  
**Actual vs Budget Accrual Operating Statement**

	Month Ending 06/30/11			Year To Date 06/30/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
6991-0000 - Capital expenditures	184.36	0.00	(184.36)	5,116.36	0.00	(5,116.36)	0.00
6993-0000 - Appliance Replacement	890.00	0.00	(890.00)	890.00	0.00	(890.00)	0.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<u>1,054.36</u>	<u>0.00</u>	<u>(1,054.36)</u>	<u>6,006.36</u>	<u>0.00</u>	<u>(6,006.36)</u>	<u>0.00</u>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<u>(38,568.08)</u>	<u>7,730.25</u>	<u>(46,298.33)</u>	<u>(34,150.16)</u>	<u>15,057.71</u>	<u>(49,207.87)</u>	<u>51,667.71</u>

Sunset Woods Housing  
Income Statement  
Compared with Budget  
For the Six Months Ending June 30, 2011

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
<b>Revenues</b>						
Rents	\$ 8,910.00	\$ 9,388.00	(478.00)	\$ 54,760.00	\$ 56,327.00	(1,567.00)
Late & NSF Fees	0.00	0.00	0.00	50.00	0.00	50.00
Misc. Income	0.00	1,000.00	(1,000.00)	0.00	5,000.00	(5,000.00)
Interest Income Assn	66.27	0.00	66.27	429.41	0.00	429.41
Interest Income	0.00	0.00	0.00	13.84	0.00	13.84
Rent Concessions	289.00	0.00	289.00	289.00	0.00	289.00
Sale of Unit 321	0.00	0.00	0.00	135,000.00	0.00	135,000.00
<b>Total Revenues</b>	<b>9,265.27</b>	<b>10,388.00</b>	<b>(1,122.73)</b>	<b>190,542.25</b>	<b>61,327.00</b>	<b>129,215.25</b>
<b>Cost of Sales</b>						
Cost of Unit 321	0.00	0.00	0.00	4,245.00	0.00	4,245.00
<b>Total Cost of Sales</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,245.00</b>	<b>0.00</b>	<b>4,245.00</b>
<b>Gross Profit</b>	<b>9,265.27</b>	<b>10,388.00</b>	<b>(1,122.73)</b>	<b>186,297.25</b>	<b>61,327.00</b>	<b>124,970.25</b>
<b>Expenses</b>						
Office Supplies	11.00	0.00	11.00	72.17	50.00	22.17
Management Fee	514.99	670.00	(155.01)	3,458.52	4,018.00	(559.48)
Legal and Accounting Assn	2,625.00	0.00	2,625.00	5,630.00	0.00	5,630.00
Credit Ck Fees	114.62	0.00	114.62	326.16	0.00	326.16
Carpet Cleaning	0.00	42.00	(42.00)	0.00	248.00	(248.00)
Heating & Air	0.00	42.00	(42.00)	0.00	248.00	(248.00)
Electrical & Plumbing Maint	0.00	42.00	(42.00)	0.00	248.00	(248.00)
Painting & Decorating	0.00	83.00	(83.00)	0.00	502.00	(502.00)
Appliance Repairs	0.00	42.00	(42.00)	0.00	248.00	(248.00)
Supplies Assn	0.00	0.00	0.00	5.24	0.00	5.24
Supplies	7.29	42.00	(34.71)	18.88	248.00	(229.12)
Locks	0.00	0.00	0.00	43.68	0.00	43.68
Maintenance Assn	0.00	0.00	0.00	133.54	0.00	133.54
Maintenance	0.00	42.00	(42.00)	90.00	248.00	(158.00)
Security	0.00	8.00	(8.00)	0.00	52.00	(52.00)
Electricity Assn	0.00	0.00	0.00	154.11	0.00	154.11
Condo Assessment Rental Units	2,919.46	3,000.00	(80.54)	17,803.13	18,000.00	(196.87)
Cable TV	522.90	500.00	22.90	3,174.75	3,000.00	174.75
Real Estate tax expense Assn	7,998.39	0.00	7,998.39	11,843.29	0.00	11,843.29
Real Estate tax expense	5,401.01	2,500.00	2,901.01	5,401.01	15,000.00	(9,598.99)
Loan Interest	2,182.67	3,038.00	(855.33)	12,879.61	18,227.00	(5,347.39)
Filing Fees Assn	25.00	0.00	25.00	25.00	0.00	25.00
Bldg Insurance	0.00	250.00	(250.00)	0.00	1,500.00	(1,500.00)
Bad Debt Expense	0.00	0.00	0.00	1,090.00	0.00	1,090.00
<b>Total Expenses</b>	<b>22,322.33</b>	<b>10,301.00</b>	<b>12,021.33</b>	<b>62,149.09</b>	<b>61,837.00</b>	<b>312.09</b>
<b>Net Income</b>	<b>(\$ 13,057.06)</b>	<b>\$ 87.00</b>	<b>(13,144.06)</b>	<b>\$ 124,148.16</b>	<b>(\$ 510.00)</b>	<b>124,658.16</b>

Sunset Woods Housing  
Balance Sheet  
June 30, 2011

ASSETS

Current Assets		
General Checking	\$	16,248.65
Assn Money Mkt HP Bank & Trust		161,337.15
Assn Checking HP Bank & Trust		12,822.49
Sec.Dep. Savings		10,404.05
Savings Account		18,997.28
Accounts Receivable		<u>1,929.25</u>
Total Current Assets		221,738.87
Property and Equipment		
Building	1,552,988.40	
Building Unit 231	135,000.32	
Building Unit 319	134,999.62	
Building Unit 321	135,000.00	
Accum Dep Building	<u>(320,306.00)</u>	
Total Property and Equipment		1,637,682.34
Other Assets		
Total Other Assets		<u>0.00</u>
Total Assets	\$	<u><u>1,859,421.21</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Due to Peers Housing Assn	\$	258,832.40
Accrued RE Tax		32,400.00
Accrued RE Taxes Assn		10,330.50
Security Deposits		<u>9,361.00</u>
Total Current Liabilities		310,923.90
Long-Term Liabilities		
Notes Payable, Harris	446,184.06	
Notes Payable, Lake Co	66,670.48	
Notes Payable, IHDA	<u>131,656.45</u>	
Total Long-Term Liabilities		<u>644,510.99</u>
Total Liabilities		955,434.89
Capital		
Equity-Retained Earnings	779,838.16	
Net Income	<u>124,148.16</u>	
Total Capital		<u>903,986.32</u>
Total Liabilities & Capital	\$	<u><u>1,859,421.21</u></u>

Sunset Woods Housing  
 Account Register  
 For the Period From Jun 1, 2011 to Jun 30, 2011  
 1101M13 - General Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			18,201.06
6/1/11	1398	Withdrawal	Sunset Woods Condominium Assoc		3,442.36	14,758.70
6/1/11	1399	Withdrawal	Lake County Collector		2,894.82	11,863.88
6/1/11	1400	Withdrawal	Lake County Collector		2,506.19	9,357.69
6/1/11	6/1/11	Deposit	tenant	506.00		9,863.69
		Deposit	tenant	307.00		10,170.69
		Deposit	tenant	509.00		10,679.69
		Deposit	tenant	579.00		11,258.69
		Deposit	tenant	664.00		11,922.69
		Deposit	tenant	289.00		12,211.69
		Deposit	tenant	323.00		12,534.69
		Deposit	tenant	617.00		13,151.69
6/6/11	6/8/11	Deposit	tenant	795.00		13,946.69
		Deposit	tenant	249.00		14,195.69
		Deposit	tenant	559.00		14,754.69
		Deposit	tenant	144.00		14,898.69
		Deposit	tenant	287.00		15,185.69
		Deposit	tenant	500.00		15,685.69
		Deposit	tenant	357.00		16,042.69
		Deposit	tenant	835.00		16,877.69
		Deposit	tenant	1,340.00		18,217.69
6/9/11	6/10/11	Deposit	tenant	360.00		18,577.69
6/14/11	6/15/11	Deposit	tenant	123.75		18,701.44
		Deposit	tenant	866.00		19,567.44
		Deposit	tenant	262.00		19,829.44
		Deposit	tenant	105.00		19,934.44
6/15/11	loan1106	Other	Harris Bank/auto pymt		3,037.89	16,896.55
6/16/11	1401	Withdrawal	Kroll Factual Data		114.62	16,781.93
6/29/11	1402	Withdrawal	Housing Opportunity Dev. Corp.		533.28	16,248.65
			Total	10,576.75	12,529.16	

Sunset Woods - May 31, 2011

Ending balance checking	\$ 16,249
Ending balance operating reserve	<u>\$ 19,000</u>
TOTAL	\$ 35,249

# Teardowns:

## UP WITH THE NEW AND DOWN WITH THE OLD?

by Beth Humstone

Up with the new and down with the old!" reads the ad by a Washington, DC realtor promoting teardowns to give the property owner the "best of both worlds – a new home in an established neighborhood."<sup>1</sup> But this practice of bulldozing older homes to replace them with updated – and usually substantially larger – ones is alarming to many planners, neighborhood groups, and preservationists. This so-called "mansionsization" trend is dramatically changing the scale of traditional neighborhoods, threatening affordable housing, and altering historic properties – most often in modest, post-war housing developments that once offered entry-level housing.

Even with the cool-down in the housing market, communities in different parts of the country are wrestling with this issue. This is especially true for "first ring" suburbs that are attractive for their proximity to jobs (lower commuting costs) and lower prices (small lots and houses in postwar subdivisions) and in scarce waterfront locations. Moreover we can expect that more communities will again face the problem of teardowns once the housing market improves. What better time to plan than now while there's some breathing space?

### Why Tear Down?

Teardowns are not new. In 2002 the National Trust for Historic Preservation cited teardowns as one of the most significant threats facing historic neighborhoods across the country.<sup>2</sup> In 2008 the Trust documented teardowns in more than 500 communities in 40 states.

Suburbs within easy commute to jobs and close to shops, services, and public transportation are increasingly popular.<sup>3</sup> But if local zoning allows for very large structures, the older ranches, split-levels, and capes found in many suburban

In Oak Park, Illinois, "property values were going to continue to increase, but the concern was that tear down construction was going to create a situation in which property values would rise at a rate that would transform Oak Park into an exclusive community."<sup>4</sup>

1 From the website of Reel Homes: [www.reel-homes.com/teardowns.html](http://www.reel-homes.com/teardowns.html).

2 The National Trust included teardowns on their listing of the nation's 11 "Most Endangered Historic Places." See "Teardowns and McMansions," [www.preservationnation.org/issues/teardowns/](http://www.preservationnation.org/issues/teardowns/)

neighborhoods will be ripe for teardowns.

### Teardowns vs. Infill

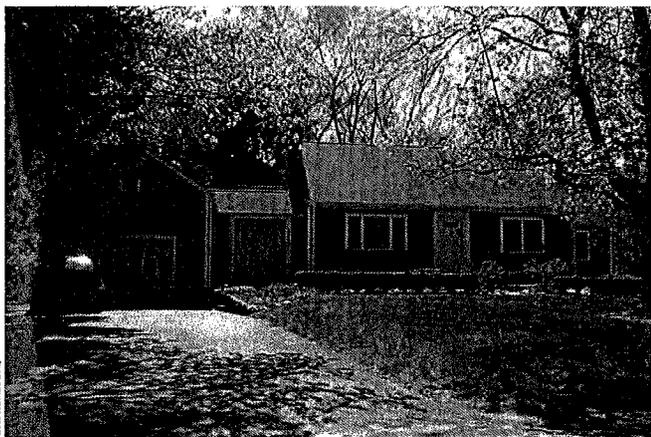
Why are teardowns a problem? After all, infill development is often encouraged as an efficient way for communities to grow because it uses existing utilities and services, helps to prevent sprawl, reduces traffic, and revitalizes depressed neighborhoods. Yet, not every neighborhood is appropriate for new housing that is out-of-scale with the area's existing housing stock.

Among the primary concerns with teardowns and mansionsization are:

- The replacement by higher-priced homes of housing that is more affordable.
- Destruction of the scale and existing character of a neighborhood.
- Loss of historic resources, including "Mid-Century Modern" homes.
- Rise in property taxes throughout the neighborhood.
- Environmental impacts, including tree removal, reduction in green space,

3 See, for example, the National Association of Realtors' 2011 *Community Preference Survey: What Americans are looking for when deciding where to live*.

4 See Hay/Dobbs, *Contemporary Residential Construction Issues in Regards to Tear Down Development in Edina, Minnesota* (Minneapolis, MN, 2006).



A post-war subdivision in Concord, Massachusetts, illustrates the "old" and the "new" in the teardown-mansionsization trend.



McMansions can result in a dramatic change of scale in a neighborhood, as here in Dallas, Texas.

loss of sunlight, and increased stormwater runoff.

- Disposal of demolition debris.

**SOLUTIONS:**

There are several approaches planners can take to understand and address the issue of teardowns in their communities. To start, planners should understand the market for teardowns, the issues they pose, and which neighborhoods are most vulnerable.

How do you know if a neighborhood is ripe for teardowns? Among the two key indicators:

1. Existing homes are modest but their lots have a relatively high value. As noted earlier, this is often the case in attractive first-ring suburbs close to downtowns. Often these homes were built between the 1940s and 1970s, range in size from 900 to 1,400 square feet, and were designed as starter homes.<sup>5</sup> They are typically laid out in compact, well-defined neighborhoods.

2. The zoning for the neighborhood allows for larger structures that have bigger footprints than current structures. Height, setbacks, and lot coverage provisions may enable structures to go up and/or out.

Through visual surveys and a review of town property records, planners can document the existing character of a neighborhood – the styles of housing; existing house sizes and heights; typical setback distances; the type and location of garages; lot depth and width; the presence of alleys; landscaping and topogra-

phy; roof pitch; and building materials.

Planners can note existing property values and where teardowns have already occurred. An inventory of the dimensions and characteristics of the new structures should be made as well to pinpoint what type of development controls are needed. Any historic resources – that is, buildings that are designated as local landmarks, that are in a local historic district, or that may be eligible for the state or national register of historic places – should be identified.<sup>6</sup> Photographs and maps can be used to illustrate the changes taking place.

*continued on next page*

**1999 Assessed Value**  
**\$77,790**




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**2001 Assessed Value**  
**\$307,108**



<sup>5</sup> See Lane Kendig, *Too Big, Boring, or Ugly: Planning and Design Tools to Combat Monotony, the Too-big House, and Teardowns*, PAS Report No. 528, American Planning Association, Chicago, IL, 2004, p. 58.



**EDITOR'S NOTE**  
**Taxing Teardowns**

Highland Park, Illinois, and some of its neighboring communities, have taken an interesting approach to teardowns: they tax them. According to Highland Park Senior Planner Lee Smith, AICP, the City of Highland Park has collected more than \$1.8 million by imposing a tax of \$10,000 on every teardown.

At the time the tax was enacted in 2003, Highland Park (a suburb north of Chicago, with a population of about 30,000) had been averaging some 60 to 75 teardowns per year.

The aim of the tax is two-fold. Its primary purpose, Smith notes, has been to fund the provision of affordable housing through a local municipal housing trust fund. A secondary, more modest goal has been to reduce the number of teardowns.

To Smith, there's a strong nexus between teardowns and housing affordability. As relatively affordable homes are demolished and replaced by much more expensive ones, the city's overall housing stock becomes less affordable.

Critical to the City Council's enactment of the tax was a 2002 report prepared by the Highland Park Housing Commission documenting the impact of teardowns. The results were striking. Many of the new houses were more than double in assessed value. [See photos, one typical "before and after" pair from the Commission's report].

Two-thirds of the revenues generated by the teardown tax goes into the city's housing trust fund. According to Smith, over the past seven years this has supported creation of 33 units of permanently affordable housing, with 5 more units in the works.

Smith stresses that the tax is not the city's only approach to dealing with teardowns. The city's historic preservation commission also has the power to delay proposed demolitions up to 180 days, allowing time for the property owner and community to seek other options.

While the number of teardowns has been sharply reduced during the current recession, given Highland Park's location close to Chicago and the lakeshore, the challenge of dealing with teardowns will likely return after the housing market strengthens.

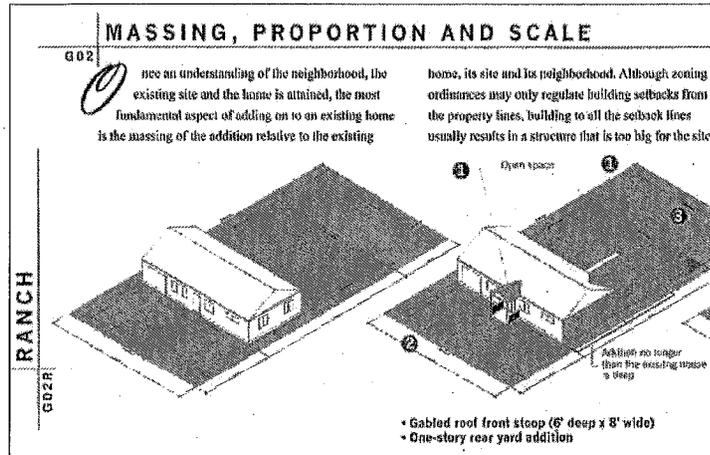
## Teardowns

continued from previous page

Public understanding of this issue is important. While many homeowners oppose teardowns and the mansionization of their neighborhood, others see this as a sign of progress. Builders and prospective buyers may want the opportunity to demolish and start over. Planners can inform the public of the significance of these neighborhoods, the concerns with teardowns, and alternatives that can save the existing homes.

If a community wants to take action to address teardowns and mansionization, some regulatory options can be considered:

**Moratoria:** To allow time for planning and the development of local regulations, particularly where teardowns are a growing concern, some communities have adopted short-term moratoria. Chevy Chase, Maryland, for example, adopted a six-month moratorium in 2006 to give time to develop a vision and regulations



The First Suburbs Coalition in the Kansas City region developed a handbook on how to expand traditional post World War II housing without altering the character of the neighborhood.

to address teardowns.<sup>7</sup> A moratorium should have a clear purpose that is directly related to the comprehensive plan and the health, safety, and welfare of the community; a time frame; and a process for development of the new regulations.

**Demolition Delay:** Some communities require a delay in demolition to allow time for public comment and to enable consideration of alternatives. Portland, Oregon requires a 120-day delay prior to removal of locally-designated historic resources. Lake Forest, Illinois requires a two-year delay. At the expiration of the delay period, demolition typically may proceed.

**Demolition Review:** A community may have regulations that require review of demolitions and that enable denial of a request for tearing down a building or placement of conditions on the removal. Most often, these regulations are applied to buildings or neighborhoods of state or national historic significance.

Considerations for demolition review may include:

- the historic value of the house and neighborhood where the teardown is to occur;

- the proposed use of the new building and its benefit to the community (such as affordable housing),
- the impact of the new building on the character of the neighborhood,
- reasonable economic use of the site,
- potential for mitigation of adverse impacts from new construction, and
- proposed disposal of materials from the demolition.

**Dimensional Requirements:** Zoning provisions aimed at preventing mansionization typically cover height, setbacks, floor area ratio (FAR), and lot coverage. While protecting the existing character of the neighborhood is important, planners can permit reasonable enlargements to existing buildings.

• **Height:** An issue with new buildings in older neighborhoods is that they often tower over older houses, blocking their sunlight and marginalizing their presence on the street.

One way to address this problem is to limit the height of buildings to the prevailing height along the street or within the block or district. The regulations should specify how the height is to be measured. Because some new construction may raise the front door threshold high above that of the older house, it's important that zoning regulations carefully indicate how height is to be measured. DeKalb County, Georgia limits heights to 28 feet from the "front threshold to the highest roof peak." And the threshold cannot be more than two feet higher than that of the previous house.<sup>8</sup>

## Resources:

- Adrian Scott Fine, *Is the Teardown Trend Over?* Forum, National Trust for Historic Preservation, Summer 2009/Vol.23, No. 4.
- Lane Kendig, *Too Big, Boring, or Ugly: Planning and Design Tools to Combat Monotony, the Too-big House, and Teardowns*, PAS Report No. 528, American Planning Association (2004).
- Maryland-National Capital Park and Planning Commission, Montgomery County Department of Planning, *Teardown/Mansionization Bulletin: Protecting Older Neighborhoods with Newer Tools* (August 2006).
- Mid-America Regional Council, *First Suburbs Coalition Idea Book*; details at: [www.marc.org/firstsuburbs/planbook.htm](http://www.marc.org/firstsuburbs/planbook.htm).
- National Trust for Historic Preservation, *Teardowns and McMansions*; [www.preservationnation.org/issues/teardowns](http://www.preservationnation.org/issues/teardowns).
- U.S. Department of the Interior, National Park Service, *Historic Residential Suburbs: Guidelines for Evaluation and Documentation for the National Register of Historic Places* (2002); [www.nps.gov/nr/publications/bulletins/suburbs/index.htm](http://www.nps.gov/nr/publications/bulletins/suburbs/index.htm).

6 For more information, see U.S. Department of the Interior, National Park Service, *Historic Residential Suburbs: Guidelines for Evaluation and Documentation for the National Register of Historic Places*.

7 Maryland-National Capital Park and Planning Commission, Montgomery County Department of Planning, *Teardown/Mansionization Bulletin: Protecting Older Neighborhoods with Newer Tools*, Montgomery County, Maryland (August 2006).

- **Setbacks:** As with heights, setbacks can reflect the average size of front, side, and rear yards in the neighborhood determined from aerial photography, property tax maps, GIS maps, or on-site measurement. Regulations should specify what uses will be allowed within the setback area (e.g., decks, porches, tool sheds, and/or garages).

- **FAR:** When used in conjunction with height and setback requirements, FAR offers a way to manage the bulk of a building by relating the size of a building to the size of a lot. For example, if the ratio is .5:1, then the maximum allowable total building square footage would be half the square footage of the lot. The regulations will need to define what area is included in measuring the floor area and how basements and attics are to be treated.

- **Building Coverage:** While setbacks provide the limits within which a building can be located, building coverage establishes the maximum size of the building footprint on the lot. A review of the size of the footprints of existing houses can help establish a reasonable number for building coverage.

**Historic Districts:** Some neighborhoods where the original integrity of the houses is still mostly intact may qualify as historic districts. The National Park Service and National Trust for Historic Preservation (*see Resources sidebar*) offer good guidance on how to determine eligibility for a historic district. Once eligibility is documented, regulations protecting the unique historic characteristics of houses within the district can be established.

**Neighborhood Conservation Districts:** These districts, often implemented as zoning overlays in existing residential districts, provide additional regulations, such as height, setback, FAR, and lot coverage requirements. Chapel Hill, North Carolina, for example, enables Neighborhood Conservation Districts where 51 percent of residents

8 Case study on Oak Park in Hay/Dobbs, *Contemporary Residential Construction Issues*, p. 17 [cited in footnote 4].

9 For more on this: [www.ci.chapel-hill.nc.us/index.aspx?page=570](http://www.ci.chapel-hill.nc.us/index.aspx?page=570).



## Putting the Spotlight on Teardowns

Here's a photo prominently featured on WestportNow.com – Westport, Connecticut's online newspaper – this past June 2nd. It's one of more than 500 local teardowns the newspaper has highlighted since starting its "Teardown of the Day" feature six years ago.

According to Associate Editor Dave



DAVE MATLOW / WESTPORTNOW.COM

Matlow, these postings have had an impact, with builders becoming more "hesitant about getting involved with potentially high profile teardowns." Matlow also notes that community response has, at least in some cases, led to replacement housing more closely "replicating the town's or neighborhood's streetscape."

The rate of demolitions in suburban Westport (population just under 30,000) had slowed down in 2009, says Matlow, but "is now on par with pre-recession totals."

have nominated and approved them. Six districts have been implemented and two are under review.<sup>9</sup>

**Garages:** Many post-WW II homes have single car garages or carports – too small for many of today's homeowners. If new or enlarged garages are allowed, zoning regulations should aim to limit their size and location to prevent them from overwhelming the existing house and to preserve the character and scale of the neighborhood. One way to do this is by requiring the front of the garage to be set back eight feet or so from the plane of the front wall of the house.

**Site Preservation:** Many older neighborhoods are defined by the mature vegetation on their lots and along their streets. Zoning provisions that prohibit the removal of mature trees and require maintenance of vegetative cover can help preserve these qualities.

### SUMMING UP:

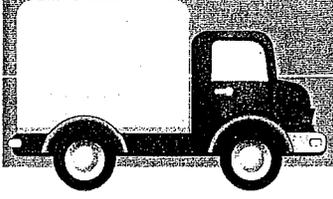
In some places tearing down buildings may be inevitable. Some buildings

decay to irreparable states. Some areas become developed as higher density residential neighborhoods. But where lot sizes don't change and a viable supply of modest and affordable homes exists in a cohesive neighborhood, managing teardowns is a good option for planners and will help ward off the problems of mansionization in many cities. ♦

*Beth Humstone is a contributing writer for the PCJ. Over the past 35 years, she has worked as a planning consultant on a wide range of projects in rural communities and small towns. Humstone is a past member of the Burlington, Vermont, Planning Commission. She is the author, with Julie Campoli and Alex MacLean, of Above and Beyond, Visualizing Change in Small Towns and Rural Areas (APA Planners Press, 2002).*



For a list of Beth Humstone's previous articles in the *Planning Commissioners Journal*, go to: [www.plannersweb.com/humstone.html](http://www.plannersweb.com/humstone.html).



# Home, Sweet (CPAH) Home: Community Partners

The evening before the real estate closing on his new home, Jose Mendoza could hardly contain his enthusiasm. "I am just so happy for my girls. To be able to provide a place for them to run around outside, it is just fantastic."

Jose, his wife Katherine Leary, and their two young daughters were living in Highland Park in rental housing that was far too small for their family. Faced with the possibility that they would not be able to afford to stay in the city where Jose spent some of his childhood, he and Katherine applied to Community Partners for Affordable Housing (CPAH) with the goal of purchasing a home through the CPAH program. The result was that they were able to purchase a four-bedroom, two-bath home with a large basement and screened in porch. The house appraised for \$300,000, but the Mendozas paid just \$145,000 for it.

CPAH is a not-for-profit land trust that provides affordable housing to low- and moderate-income families who live or work

in the area. The Mendoza's new residence is the thirty-third affordable home in Highland Park that CPAH has provided to an income-qualified family. Some of these homes have been houses, and others have been town homes. For example, Hyacinth Place, a 14-unit complex that was developed by CPAH across from the entrance to Fort Sheridan on the north end of Highland Park, opened in 2009. Hyacinth Place is the first LEED Gold Certified affordable housing in Illinois.

Currently there are three affordable single-family homes available for purchase in Highland Park, and Lake Forest has partnered with CPAH to offer two affordable homes in that community. The three homes in Highland Park range in price from \$160,000 to \$175,000, or about \$1200 per month, including taxes and insurance. Because CPAH is a land trust and retains ownership of the underlying land, the homes remain affordable for the next buyer and future generations.

Affordable housing in Highland Park has



myriad benefits. It allows residents to stay in their community and become homeowners. It also enables their children to remain in their schools, often surrounded by family and friends, after a change in family circumstances such as death or divorce. Affordable housing also offers workers a place they can own that is near their workplace, thus reducing child care issues and employee absenteeism, while increasing employee retention for local employers and lessening the environmental impact of a long commute. The program also adds to the diversity of the community, and

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# for Affordable Housing

it can improve a neighborhood with a green rehab of a blighted property.

"What CPAH provides is a win-win-win solution. The neighborhood wins because we have fixed up a property, the family wins because they are able to live in a lovely home, and CPAH wins because the property remains affordable for the next buyer," explains Robert Anthony, CPAH Executive Director. "And the benefits come at no cost to the Highland Park taxpayer."

Another great benefit of affordable housing in Highland Park is community-building. CPAH sponsors several service days a year when community volunteers assist with the rehab of an affordable home. The spectrum of projects ranges from demolition to painting to landscaping. "These service days allow people to give back to the community in a very meaningful, hands-on way while at the same time opening their eyes to how affordable housing adds value to a neighborhood," said CPAH volunteer and



CPAH volunteer and former Highland Park City Council Member Terri Olian.

So how does this program work and who is eligible? Most recently, due to the availability of scattered site single-family homes, CPAH has bought properties that were blighted or the result of foreclosures, and typically given them environmentally

sound rehabs. These properties are then offered for sale well below market value to income-qualified households. Preference is given to applicants who live or work in the area of a desired home. Incomes are deemed qualified based on a percentage of Area Median Income (AMI).

Highland Park takes pride in its national leadership in affordable housing, explained Highland Park Mayor Nancy Rotering. "Highland Park has a proud history of welcoming a diverse population through its affordable housing program. By collaborating with Community Partners for Affordable Housing, Highland Park has created a model program."

If you are interested in becoming a CPAH homeowner or would like more information about the affordable housing program, please call 847-681-8746 or visit CPAH's website at [www.cpahousing.org](http://www.cpahousing.org).

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Advertisement

## A trail of stalled or abandoned HUD projects

By Debbie Cenziper and Jonathan Mummolo, Published: May 14

The federal government's largest housing construction program for the poor has squandered hundreds of millions of dollars on stalled or abandoned projects and routinely failed to crack down on derelict developers or the local housing agencies that funded them.

Nationwide, nearly 700 projects awarded \$400 million have been idling for years, a Washington Post investigation found. Some have languished for a decade or longer even as much of the country struggles with record-high foreclosures and a dramatic loss of affordable housing.

The U.S. Department of Housing and Urban Development, which oversees the nation's housing fund, has largely looked the other way: It does not track the pace of construction and often fails to spot defunct deals, instead trusting local agencies to police projects.

The result is a trail of failed developments in every corner of the country. Fields where apartment complexes were promised are empty and neglected. Houses that were supposed to be renovated are boarded up and crumbling, eyesores in decaying neighborhoods.

In Inglewood, Calif., a sprawling, overgrown lot two blocks from city hall frustrates senior citizens who were promised a state-of-the-art housing complex more than four years ago. Although the city invested \$2 million in HUD funds, the developer doesn't have the financing to move forward.

In Newark, two partially completed duplexes sit empty in a neighborhood blighted by boarded-up homes lost to foreclosure. The city paid nearly \$400,000 to build the houses, but after a decade of delays, the developer folded and never finished. The money has not been repaid.

In Orange, Tex., 35-year-old laborer Jay Breed lives next to a dumping ground littered with tires and other trash, where a nonprofit developer was supposed to build 50 houses for the poor. Five years later, with \$140,000 in HUD money gone, no homes have gone up.

"It's a wasteland," Breed said.

The Post examined every major project currently funded under the HUD program, analyzing a database of 5,100 projects worth \$3.2 billion, studying more than 600 satellite images and collecting information from 165 housing agencies nationwide.

The yearlong investigation uncovered a dysfunctional system that delivers billions of dollars to local housing agencies with few rules, safeguards or even a reliable way to track projects. The lapses have led

to widespread misspending and delays in a two-decade-old program meant to deliver decent housing to the working poor.

The Post found breakdowns at every level:

- Local housing agencies have doled out millions to troubled developers, including novice builders, fledgling nonprofits and groups accused of fraud or delivering shoddy work.
- Checks were cut even when projects were still on the drawing boards, without land, financing or permits to move forward. In at least 55 cases, developers drew HUD money but left behind only barren lots.
- Overall, nearly one in seven projects shows signs of significant delay. Time and again, housing agencies failed to cancel bad deals or alert HUD when projects foundered.
- HUD has known about the problems for years but still imposes few requirements on local housing agencies and relies on a data system that makes it difficult to determine which developments are stalled.
- Even when HUD learns of a botched deal, federal law does not give the agency the authority to demand repayment. HUD can ask local authorities to voluntarily repay, but the agency was unable to say how much money has been returned.

The D.C. region has a particularly troubled track record. In Prince George's County, the nonprofit Kairos Development Corp., received \$750,000 in 2005 to build dozens of homes. Six years later, Kairos has not built a single house.

"When Kairos came along, I thought this would be something that would help the community," said Clinton Adams, a local landowner who discussed selling property to Kairos. "What did they do with the money?"

Dozens of housing agencies nationwide acknowledge botched deals and often blame the economy for leaving developers without financing to finish the work.

But hundreds of stalled projects predate the troubled financial markets, with developers tapping HUD's program for easy money and then escaping even rudimentary oversight from local and federal authorities. The agency's inspector general for years has chronicled scores of delayed projects and millions in waste.

"We need to reduce the risk for HUD funding in development deals," said Annemarie Maiorano, who manages HUD money for Wake County, N.C. "There needs to be basic standards."

HUD officials said they have recently tried to determine why developments are delayed and have begun to cancel projects. In response to inquiries from The Post, the agency last month launched investigations into a series of defunct deals, finding questionable payments and excessive delays, and in recent weeks has sought the return of more than \$4 million from housing agencies in the District and Prince George's County.

"We can do better and we will," said Mercedes Marquez, HUD's assistant secretary for community planning and development, who was nominated by President Obama in 2009. "HUD, the Congress and every taxpayer I know expects these funds to be put to work. ... I won't hesitate to do what's

necessary.”

### **A program that began with great promise for the poor**

Past HUD scandals have involved misused vouchers for rental properties, unsafe conditions in public housing and corruption in grant-making programs. The Post’s investigation is the first systemic look at the progress of construction in HUD’s affordable-housing fund, known as the HOME Investment Partnerships Program.

The program launched with great promise two decades ago, when Congress vowed to fund the construction or renovation of thousands of apartments and houses for working-poor families.

Since 1992, HUD’s vast main office on 7th Street in Southwest Washington and its 43 field offices have overseen \$32 billion in funding, which is distributed in block grants to 642 cities, counties and states. They, in turn, partner with developers, giving out grants or loans with generous terms such as delayed repayment, low interest rates and outright forgiveness of debt.

HUD’s money typically doesn’t cover all construction costs. The program is meant to provide partial funding for developers who are expected to draw additional financing from banks and other sources.

Clearly, building in blighted neighborhoods can be challenging, with private financing and political will hard to come by. Over the years, local housing agencies and their development partners have completed thousands of projects.

But hundreds of current projects have faced years-long delays, with a similar pattern playing out in city after city.

Behind many of the deals are developers who didn’t have land, permits, financial capacity or commitments for private financing. HUD has few underwriting standards: Housing agencies are required to ensure that developers have a proposed budget and construction schedule — but not proof that they have the money to start building.

Other developers have had little housing experience or were dogged by foreclosures, cost overruns, liens and allegations of defective work. In most cases, HUD requires only that housing agencies ensure that developers have not been barred from doing business with the federal government.

HUD officials say local agencies are supposed to apply their own rules and choose developers capable of beginning construction within a year and eventually completing the job. “This is what comes with having the flexibility of a block grant, where you respect local decisions,” Marquez said.

In the District, which receives \$9 million annually in HUD housing construction funds, the lapses have produced a series of troubled projects.

Alicia Marshall was a 33-year-old novice landlord in 2004 when she bought an aging, six-unit apartment building on Foote Street NE for \$245,000. Within months, city inspectors cited Marshall for code violations that included leaks, cracked ceilings, broken doors and no heat.

Marshall agreed to renovate if tenants gave up their rent-controlled units. Although she had little construction experience, the District gave her \$600,000 in HUD funds in 2008.

A project plan in city files noted that Vincent Ford, the former D.C. chief building inspector, would oversee the renovation. Ford, however, told The Post that he did not act as the project manager. "Didn't happen," he said.

The plan also noted that the construction work would be done by Calvert County resident Richard Hagler, 54, whose company, according to the plan, had worked for government agencies, built custom homes and refurbished apartment buildings. The Post found that Hagler and his companies have faced a string of civil judgments, and in 2006 agreed to a \$250,000 settlement after being sued for shoddy construction. He has declared bankruptcy three times in the last decade, records show.

Neither Marshall nor Hagler responded to calls or letters seeking comment.

In 2009, Marshall's building twice failed District construction inspections, a city official said. Later that year, after months of delays, the city approved a certificate of occupancy.

But evidence of substandard work continues to crop up. Soon after retired truck driver Grady Baxter moved in last year, part of his bathroom ceiling collapsed and sewage from the apartment upstairs soaked the walls.

"They started work on it," he said, "but didn't come back."

The D.C. Department of Housing and Community Development defended the project. "Marshall assembled a skilled team to manage the renovations," spokeswoman Najuma Thorpe said.

When contacted by The Post last month, HUD officials initiated an investigation into the quality of construction.

### **Many nonprofit agencies lacking in experience**

One of the few rules HUD imposes actually contributes to the number of failing projects. Federal law mandates that housing agencies give 15 percent of their funding to community-based nonprofit groups, which are often undercapitalized and lack experience.

"Development is hard for developers. It's complex. It's risky," said Maiorano of Wake County. "Then there are these mom and pops who don't know things ... we're asking them to try to do something that they have no experience in."

In Newark, the Department of Economic and Housing Development invested more than \$2 million since 1995 in five projects that promised dozens of new homes. But every development ran aground when the developers, mostly small nonprofits, could not complete the work or fell into foreclosure, records show.

On South 13th Street in the shadow of downtown Newark, children play next to an empty lot filled with trash and mattresses, where a nonprofit developer drew \$50,000 but built nothing. "It's just dirt," said eight-year-old Shakina Boulding. "There should be grass and flowers."

One mile away, on a distressed stretch of Littleton Avenue, two partially completed duplexes that cost the city nearly \$400,000 sit empty behind an unlatched fence.

"They've been like that for over seven years now," said Wade Tapp, 45, a recreation center director who owns an apartment building across the street. "It's quite shameful."

Newark's new housing chief, Michael Meyer, said he is trying to recoup money and change the city's policies. "The public has not gotten what it intended to get when we started these projects," he said.

Two of the most troubled projects in the D.C. region were proposed by Kairos Development Corp., which won \$400,000 in HUD funding from Prince George's County in May 2005 after promising several houses and an apartment complex with as many as 150 units on a winding, rural stretch of Middleton Lane in Camp Springs.

The nonprofit had little construction experience, offered none of its own money and had no other funding committed to the project, records show.

Kairos eventually bought two properties with the HUD money, but six years later, nothing has been built.

At the same time in 2005, Kairos received a second HUD loan from the county, for \$350,000, for 56 condominiums proposed on a wooded hillside on Naylor Road near the District line. The nonprofit did not own the land or have permission to build on it.

The owners of the property were Lashelle Adams, a hairdresser, and her father, Clinton, who ultimately decided not to sell to Kairos.

The project exists now only as a three-digit number on HUD's books.

Harold Davis, executive director at Kairos, blamed the delays on the economic downturn and a surplus of condominiums in the region, adding that the money was spent on architectural, development, legal and consulting fees. In a written response to The Post, he said the Naylor Road project became "unfeasible due to significant change in selling prices." He said the Middleton Lane project is still viable.

County spokeswoman Angela Wright said a new administration has no knowledge of either project. Kairos was allowed to keep the HUD money; the county wrote off both loans. It is unlikely that the group could repay anyway: On its 2009 tax return, the nonprofit reported that it was \$1.2 million in the red.

When contacted by The Post, HUD officials said the loans made to Kairos were excessive. Last month, federal officials sent a letter to Prince George's County seeking the return of nearly \$550,000. HUD has also banned Prince George's County from awarding any more money to community-based groups without the agency's approval.

"I'm appalled, just appalled," said Marquez, HUD assistant secretary. "We're just not standing for it."

**A resident asks,**

**'Where did the money go?'**

At the heart of the problem lies HUD's failure to track the pace of construction.

HUD monitors only when local agencies draw money from their federal accounts, not what is actually being built. That leaves HUD with little way of knowing when projects stall or die. Local housing agencies are supposed to notify the federal government, but they often fail to say anything.

“If [housing agencies] fail to terminate projects as they should, we may not be aware of them right away,” Marquez said.

She said that it is not feasible for HUD to monitor thousands of ongoing developments and that local agencies should have their own project-tracking systems.

The Post independently analyzed HUD data to find about 700 troubled projects that were awarded \$400 million.

But the actual number of stalled or terminated projects is likely to be much higher. The Post identified an additional 2,800 projects worth \$1 billion that are in “final draw,” meaning the projects drew all of their allotted HUD funding but are still listed as open and ongoing in HUD’s records.

In some cases, the work was completed, but local agencies had failed to tell HUD. In other cases, however, projects were delayed or scrapped. The Post found abandoned projects in final draw from Texas to Florida to the D.C. region.

One dead project listed in final draw was proposed for downtown Rockville, where the nonprofit Montgomery Housing Partnership received \$550,000 in 2008 to build a 109-unit apartment building.

The project struggled with funding gaps, opposition from neighbors and a lack of support from elected officials. Three years later, nothing has been built.

Montgomery Housing Partnership President Robert Goldman said the development is no longer viable and the nonprofit is hoping to roll the money into a future project. “This is really a very unusual circumstance,” he said.

The nonprofit had another project go bad adjacent to that empty lot.

In the 1990s, the group renovated a 14-unit building that was later condemned with leaks and mold. It is still shuttered, with a sign on the front door that warns, “Dangerous and Unsafe.”

One of the oldest unfinished projects in the country sits on a desolate stretch of High Street in Southeast Washington, where the shells of three apartment buildings rise above overgrown brush and rotting heaps of trash. In 2001, the District delivered nearly \$800,000 in HUD funding to the nonprofit Safe Haven Outreach Ministry, but a decade later, no renovations have been done.

A neighbor posted a makeshift sign in front of the rubble: “Celebrating Life in Anacostia.”

Nearby resident Bernadine Thomas wants to move into a refurbished apartment but can’t find one that she can afford in a region with some of the highest rents in the country. She drives by the unfinished buildings on High Street and imagines a different life.

“Where did the money go?” said Thomas, a 60-year-old retired apartment manager who has lived for three years in a leaky complex that reeks of sewage. “I’ve worked all my life. All I want is a decent place to live.”

Marsha Richerson, Safe Haven’s executive director, said that the nonprofit did not anticipate problems getting permits and private funding, and that the housing agency was aware of the delays.

“They knew everything,” she said. “They knew we had a credible defense.”

City officials extended Safe Haven’s construction deadlines, hoping the project would eventually be completed. The agency “makes every attempt to work with developers to bring these projects to fruition,” said Thorpe, the D.C. housing agency spokeswoman.

In December, HUD identified the project as stalled through an audit and asked the District to repay the \$800,000. So far, no money has been repaid. District officials said they are going to ask HUD to reconsider.

### **HUD can’t compel local authorities to repay**

Even when HUD learns of a bungled deal, federal law does not give the agency the ability to compel local authorities to repay. HUD can only ask agencies to voluntarily return money by replenishing their federal accounts from local funds, essentially moving their own money around. HUD officials said local authorities almost always comply when asked to repay. HUD, however, could not provide statistics on how much has been returned. Officials said they have not felt a need to compile the data because it is tracked by HUD field offices.

The agency can reduce grants to housing agencies if HUD funding is not spent quickly enough, which creates pressure to move money out but does not ensure that construction is completed. Grant reductions for missed spending deadlines have happened just 20 times since 1992, with HUD taking back a total of \$7.5 million, The Post found. Much of the money came from Prince George’s County, which last year forfeited \$2.2 million.

HUD also has an enforcement center staffed with lawyers who can pursue repayments before an administrative law judge or in a criminal case in federal court. The agency has taken five cases to enforcement since the program began two decades ago, recouping about \$19 million, The Post found. The agency has never taken a case to court.

HUD officials said they don’t need a more robust enforcement effort, again citing the success of voluntary repayments.

Marquez said the agency is focused more than ever on delayed projects and recouping money.

“This will get cleaned up,” she said.

Staff researchers Jennifer Jenkins, Meg Smith and Julie Tate contributed to this report.

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## HUD RESPONDS TO WASHINGTON POST ARTICLE CRITICIZING HOME PROGRAM

MAY 16, 2011



On May 15 and 16, the *Washington Post* ran front-page articles reporting on delayed and abandoned developments funded by the HOME Investment Partnerships program. The first article, [A Trail of Stalled or Abandoned HUD Projects](http://www.washingtonpost.com/investigations/a-pattern-of-hud-projects-stalled-or-abandoned/2011/03/14/AFWslh3G_story.html) ([http://www.washingtonpost.com/investigations/a-pattern-of-hud-projects-stalled-or-abandoned/2011/03/14/AFWslh3G\\_story.html](http://www.washingtonpost.com/investigations/a-pattern-of-hud-projects-stalled-or-abandoned/2011/03/14/AFWslh3G_story.html)), states that nationwide nearly 700 projects awarded \$400 million have been idling for years and accuses HUD of looking the other way. It claims that nearly one in seven projects show signs of significant delay. The *Post* also claims that its investigation is the first systemic look at the progress of construction under the HOME program. The second article, [Speculators Score, District Loses in Affordable-Housing Deal](http://www.washingtonpost.com/investigations/sellers-score-district-loses-in-affordable-housing-deal/2011/03/14/AFQ07P4G_story.html) ([http://www.washingtonpost.com/investigations/sellers-score-district-loses-in-affordable-housing-deal/2011/03/14/AFQ07P4G\\_story.html](http://www.washingtonpost.com/investigations/sellers-score-district-loses-in-affordable-housing-deal/2011/03/14/AFQ07P4G_story.html)), focuses specifically on the Washington, DC region.

On May 15, HUD posted a blog, [The HOME Program Works!](http://blog.hud.gov/2011/05/15/home-program-works/) (<http://blog.hud.gov/2011/05/15/home-program-works/>), in response to the first *Post* article. The HUD piece points out that the delayed projects cited by the *Post* represent about 2.5 percent of the 28,000 active developments. Further, it notes that many of the open projects are new construction single-family homes that remain on the market due to the economic and housing crises. The HUD blog clearly states that the *Post* reporter was told multiple times that HUD always forces repayment of HOME funds when a project is not completed. It reiterates the successes of the HOME program and its production of more than 1 million homes to date.

The *Post* also published the following shorter stories:

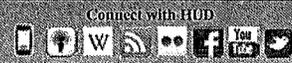
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[A Mother's Route From Homeless to Home](http://www.washingtonpost.com/investigations/a-mothers-route-from-homeless-to-home/2011/03/14/AFJelh3G_story.html) ([http://www.washingtonpost.com/investigations/a-mothers-route-from-homeless-to-home/2011/03/14/AFJelh3G\\_story.html](http://www.washingtonpost.com/investigations/a-mothers-route-from-homeless-to-home/2011/03/14/AFJelh3G_story.html))

[Another Windfall for a Seller](http://www.washingtonpost.com/investigations/another-windfall-for-a-seller/2011/03/14/AFQ07P4G_story.html) ([http://www.washingtonpost.com/investigations/another-windfall-for-a-seller/2011/03/14/AFQ07P4G\\_story.html](http://www.washingtonpost.com/investigations/another-windfall-for-a-seller/2011/03/14/AFQ07P4G_story.html))

# The HUDdle

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May 15, 2011

## The HOME Program works!

Written by: HUD Public Affairs

This post is also available in: [Spanish](#)

Today, the Washington Post published the first in a series of articles focused on HUD's *HOME Investment Partnerships Program*. The HOME Program is the largest federal block grant to state and local governments designed exclusively to produce affordable housing for low-income families. Since 1992, approximately 650 'participating jurisdictions' produced more than a million affordable homes, an outstanding accomplishment by any measure.

After a year-long investigation, Post reporter Debbie Cenziper concluded what we've always known—producing affordable housing is hard work and some communities do a better job of it than others. As with everything, there are reasons for the production delays Ms. Cenziper discovered in her research ranging from perfectly legitimate to absolutely outrageous.

Sadly, the Post failed to recognize that, in spite of examples of incompetence and outright mismanagement by certain local governments, overall the HOME Program works. For more than a year, HUD provided data and context to Ms Cenziper and for all this, she failed to recognize the obvious. Yes, there are problems when local communities pick bad developers and it's no wonder that projects stall or even fail as a consequence. But to lead readers to believe the whole HOME Program is a failure and that HUD is "looking the other way" is just plain wrong.

Let's put this into context; these delayed projects that the Post cites are a small fraction (approximately 2.5 percent) of 28,000 active developments. Many of these open projects are newly constructed single-family homes that remain on the market because we're in the middle of a housing crisis in this country, a reality that is largely unrecognized in Ms. Cenziper's reporting. Given complex financing, zoning and environmental requirements, it's not uncommon for larger multi-family construction projects to take 3-4 years to fully complete. Large-scale rehab projects can easily take two years to finish.

Still, there's more work to do and we're doing it. We've cut the number of these 'open activities' by nearly 60 percent since 2005. In the past two months alone, we've cancelled nearly 2,000 stalled projects totaling \$290 million! We're providing technical assistance to local communities as never before. AND we're forcing repayment of misspent money.

Ms. Cenziper was told time and again that despite the limitations of HUD's legal authority, we always force repayment of HOME funds when a project isn't completed. Always. Not sometimes but one hundred percent of the time.

Since taking office in 2009, this Administration found that we were already moving in the right direction. Since then, we've accelerated the effort to help communities struggling to produce affordable housing, especially in a housing market where other sources of capital are scarce. At the same time we've put in place several controls that increase accountability for communities to finish what they start.

A recent HUD study found the number of persons experiencing 'worst case housing needs' skyrocketed by 20 percent from 2007 to 2009 and by 42 percent since 2001. Clearly, the need for the HOME program has never been greater. But as we work to reduce our budget deficit, we simply can't tolerate a community wasting money especially when you consider how many families need affordable housing.

As the Post correctly points out, the HOME Program gives local communities great flexibility but that flexibility requires a great deal of the state and local housing agencies that receive funding under this block grant program. However, the overall tone of the Post's article falls well short of what we know to be true. For 20 years, HOME produced more than a million affordable homes, primarily for the extremely poor. HOME continues to produce huge success stories that are transforming neighborhoods and improving lives and, if you don't believe us, ask those at the community level.

Listen to what others are saying about HUD's HOME program:

*[Note: I didn't include these because they generally were either:  
(1) help! I need a home or (2)  
the Home program works. MCB]*

### Categories

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May 19, 2011

## Setting the Record Straight: What the Washington Post Got Wrong About the HOME Program

Written by: HUD Public Affairs

The HOME program provides federal block grants to state and local governments and is designed to produce affordable housing exclusively for low-income families. Local jurisdictions select and supervise individual contractors to build affordable housing. The May 15 *Washington Post* article contains concerning examples of problems at a small number of HOME projects. HUD takes its responsibility as a steward of taxpayer funds very seriously, and agrees that the circumstances described in many of the cases in the article are unacceptable. Indeed, since well before the article appeared, HUD has undertaken a range of oversight and remedial actions with respect to local jurisdictions highlighted in the article and others that receive HOME funds. HUD will continue to work with Congress and other stakeholders to ensure that the HOME program continues to provide vital, cost-effective housing assistance to low-income Americans.

At the same time, it is crucial to separate media claims from actual facts and to set the record straight on the HOME program. In many respects, the *Post's* claims are false or misleading and exaggerate the extent of delay or other problems. The following is a discussion of the specific areas in which the article inaccurately described HOME or HUD's enforcement actions.

**POST:** HUD has "largely looked the other way" when local housing departments mismanage their federal HOME funds.

**FACT:** This claim is false. HOME is a block grant program in which the local governments that receive federal funds have the responsibility for tracking and ensuring construction progress by developers. But HUD has taken vigorous action to remedy misuse of federal funds. These actions have accelerated since 2009. Specifically:

- In June, 2010, HUD notified HOME grantees that HUD would begin automatically cancelling projects that fail to get under way and draw down funds within a year. Since January, 2011, using that system, HUD has cancelled 1,778 activities, freeing up \$290 million of HOME funding to be re-committed to viable projects.
- Beginning in mid-2010, HUD has been sending additional regular reports on delayed projects to HUD field offices so that they can work more aggressively with local agencies to push for completion. This includes lists of "stalled" projects, as defined by HUD's Inspector General, with more than 50% of the funds disbursed and no funds drawn in more than five years and, beginning in January, lists of projects in "final draw" where all HOME funds have been spent but the projects have not been reported as completed within 120 days of the final draw. This is in addition to lists of "open" HOME projects that have been made public since 2005. This effort has already produced results. The inventory of "stalled" projects has already been reduced to zero, with 35 projects completed, 20 with construction underway, 17 cancelled with repayment of \$283,000, and requests for repayment pending on 36. 1,890 "final draw" projects have been closed, a reduction of 25%. The total number of "open" projects dropped by 17.5%, from 28,000 in November, 2010 to 23,000 in March, 2011.
- Far from 'looking the other way,' HUD aggressively seeks repayment of HOME funds that are uncommitted, unspent or misspent. Such actions are underway concerning a number of the local agencies mentioned in the Post article. HUD produces monthly "Deadline Compliance" status reports to track compliance with statutory HOME funds commitment and expenditure deadlines. A total of \$60.1 million has been de-obligated and reallocated for failure to meet those deadlines, including \$9.3 million since 2009. In addition, HUD has recovered \$190 million from communities for spending HOME funds improperly, including for ineligible costs. In total, local governments have repaid or forfeited over \$250 million when they failed to meet deadlines, misspent HOME dollars, or failed to produce affordable housing using HOME funds.

**POST:** "Even when HUD learns of a botched deal, federal law does not give the agency the authority to demand repayment" and "can only ask agencies to voluntarily return money."

**FACT:** This claim is false. Although HUD rules state that HUD should begin by seeking remedies voluntarily from local government grantees, HUD has specific legal authority to take different types of mandatory remedial action depending on the circumstances. This includes, for example, requiring repayment by reducing future block grant funds or mandating payments from non-federal funds. In fact, HUD always requires repayment when it learns of a botched project or misspending by a

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local agency and has been repaid one hundred percent of the time. Overall, HUD has received more than \$250 million dollars in repayments and forfeitures.

**POST:** "Nearly one in seven projects shows signs of significant delay" in the HOME program

**FACT:** This claim is false and reflects significant factual errors. Initially, the *Post* reviewed data on all 28,000 HOME developments that were pending as of November last year. The *Post*'s total of approximately 700 projects that showed signs of delay actually represents only about 2.5% of the total HOME projects, not one in seven. In addition, the *Post*'s analysis of these specific projects is not borne out by the facts, which demonstrate that many of the "delayed" projects counted by the *Post* are not delayed at all. HUD has analyzed 797 projects that appear to meet the *Post*'s criteria for delayed projects. **Overall, 434 of the 797 "delayed" units, more than 54%, are actually completed and occupied.** Another 27 are nearly complete and 154 are in progress. Only 85 projects, less than 11% of the total, genuinely appear delayed, and the majority of those are delayed due to market conditions, such as unavailability of financing and inability to sell completed units. By comparison, over 2007-10, 34% of all new U.S. housing starts have not been completed within three years of permitting.

**POST:** HOME is a "dysfunctional system."

**FACT:** This claim is false and ignores the overall success of the HOME program. Far from being "dysfunctional," HOME has achieved significant results, including:

- HOME has produced 381,883 rental units, assisted 428,373 homebuyers, rehabilitated 197,780 owner-occupied units, and helped 242,768 tenants since 1992, **producing a total of more than one million homes for low income families.**
- All HOME funds must be used to help low-income families. More than 96% of families who receive HOME-funded tenant-based rental assistance and over 80% of families in rental units developed with HOME funds have incomes below 50% of area median income.
- HOME funding is cost-effective. **Each dollar of HOME funds on rental and homebuyer projects leverages almost \$4 of private and other public investment.** Over the life of the program, HOME has **leveraged more than \$80 billion of other funds** for affordable housing for lower income families.
- In 2005, HOME was a finalist in the prestigious "Innovations in American Government Awards." The Council for Excellence in Government, which makes the awards, found that "HOME has successfully expanded the inventory of rental housing and increased homeownership opportunities for low-income families."

**POST:** "Checks were cut even when projects were still on the drawing boards, without land, financing or permits to move forward. In at least 55 cases, developers drew HUD money but left behind only barren lots."

**FACT:** We agree that many of those checks should never have been written by the participating jurisdictions. Local jurisdictions are required to do the front end due diligence and underwriting to make certain they don't draw funds on projects that aren't ready to get under way and HUD can and does take action when it learns of such problems. However, the HOME statute specifically authorizes the use of a limited amount of HOME project funds (for most jurisdictions, no more than 1.5%) for predevelopment loans to Community Housing Development Organizations (CHDOs). These loans are intended to provide seed money to community-based nonprofit development groups to do feasibility studies, architectural and engineering studies, environmental assessments or to place purchase options on properties to be used for affordable housing projects. The statute specifically permits these loans to be forgiven if the project does not go forward, as happened in the Montgomery County case cited in the *Post* article. Given the extremely limited amount of such loans and the fact that such predevelopment work is inherently necessary in private and public real estate development projects of this nature, it is misleading for the *Post* to suggest that this constitutes a serious problem.

Where jurisdictions improperly provide funds to CHDOs, however, HUD takes action. For example, HUD has disallowed the costs associated with the Karios CHDO predevelopment loans by Prince George's County (cited in the *Post*) because Karios did not meet the capacity requirements for a designated CHDO, and the amount provided to Karios significantly exceeded the maximum amount that the County could provide as predevelopment loans.

**POST:** HUD has enforcement lawyers who can pursue remedies before an administrative law judge or through a "criminal case in federal court," but HUD has only pursued five cases administratively leading to \$19 million.

**FACT:** This is wrong. In fact, HUD does not have authority to bring criminal cases, but always makes clear to local jurisdictions that it can and will pursue administrative and other civil remedies if necessary, as it has done effectively in many other areas. **HUD has never actually needed to litigate against a participating jurisdiction with respect to HOME because, sometimes after threat of such action, local agencies have forfeited or paid HUD \$250 million – more than thirteen times the \$19 million figure reported by the *Post*.**

**POST:** Developers are "tapping HUD's program for easy money and then escaping even rudimentary oversight from local and federal authorities."

**FACT:** This claim is false. Under the HOME block grant system, as designed by Congress, local governments select and contract with developers and are supposed to monitor construction progress

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and completion, while HUD's authority is to oversee the local jurisdictions. HUD may not know at the precise moment a particular project runs into problems, but problematic projects are uncovered through reporting and monitoring, and the jurisdiction must then repay the HOME investment. HUD agrees that more effective monitoring of individual developers by local government should take place in some areas, and is increasing its efforts to assist and encourage jurisdictions to do so, including by requiring repayment or other action when they do not. But it is wrong of the *Post* to lead readers to believe that no oversight is happening.

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This entry was posted in **Community Planning & Development** and tagged **affordable housing, HOME funds, HOME program, Washington Post**. Bookmark the [permalink](#).

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## 12 Responses to *Setting the Record Straight: What the Washington Post Got Wrong About the HOME Program*

1.



*brad leet* says:

May 19, 2011 at 1:25 pm

MORTGAGE FRAUD ITS UNBELIEVABLE HUD DOESNT DO ANYTHING HOPE DOESNT DO ANYTHING HOME AFFORDABLE PROGRAM IS A FRAUDULANT SCAM THE ATTORNEY GENERAL DOESNT DO ANYTHING OH THEY SAY CALL HUD OR HOPE LOLMY HOUSE NOW IN FORCLOSURE NO LAWFULL REASON LAWYERS IRRITATING ME IMY NERVES ON EDGE YA IVE BEEN DEALING WITH FRAUD WITH PNC MORTGAGE FREDIE MAC MERS DOCXS FOR #3 YEARS GETTING NO WHERE THANK GOD I DO HAVE IPLACE INVESTIGATING FRAUD BUT MEANTIME MY HOUSE GOES INTO DEEPER FORCLOSURE FRAUD FRAUD HOME AFFORDABLE PROGRAM IS A SCAM!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!

Reply

- 2. Pingback: Morning Links: Indignation - Housing Complex - Washington City Paper
- 3. Pingback: MoCo budget cuts benefits...HUD fires back at the Post...2011 High School Challenge results [News, 5.20.11] « Washington Grantmakers Daily
- 4. Pingback: HUD attempts to set the record straight
- 5.



*herman blackmon* says:

May 23, 2011 at 10:39 am

I am in grand rapids Michigan and homeless for 6mo.s and cannot get any assistants from none of the organizations that have money to put homeless people like myself in housing, so what I'm suppose to do? I was begging for some type of decent place but i don't see the purpose of money being spent so far and if i am wrong please inform me whats up!!!!

Reply

6.



*herman blackmon* says:

May 23, 2011 at 10:41 am

leave a message please. thanks very much

Reply

7.



*viky burks* says:

May 25, 2011 at 10:08 pm

To whom it may concern my daughter is on disability with five children, and no where to live, she has been on the section 8 list for about fifteen years now yet no one has called her.HER children are failing in school because they are not stable please can someone help her ,i told her to called DCFS, on herself but they still did not find her housing.She want's to go back to

# The Washington Post

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Advertisement

## The HOME program I know

**By Shaun Donovan, Published: June 9**

The Post published a front-page story last month painting an ominous picture of local corruption fed by federal mismanagement on the part of officials who “largely looked the other way.” The multipart series “[Million-dollar wasteland](#)” on the HOME Investment Partnerships Program purported to uncover “a trail of failed developments in every corner of the country,” with millions of taxpayer dollars wasted on “troubled developers” and other bad actors.

That’s a far cry from the program that I oversee as President Obama’s housing secretary and that I worked with as New York City’s housing commissioner. The HOME program I know helps communities build affordable homes and rehab existing ones for low-income families.

The program provides down-payment assistance to help creditworthy families become homeowners and housing vouchers to poor families and those on the brink of homelessness.

HOME produced more than a million affordable homes in the past two decades and leverages nearly \$4 of private and other public investment for every dollar it invests. The program was a semifinalist for Harvard’s Innovations in American Government award in 2005.

So, how did The Post arrive at such a different conclusion? Well, in part because its basic analysis of the program was so far off.

Let’s start with the number of projects that The Post deemed “stalled.” Late last year, of the 28,000 HOME projects underway across the country, The Post focused on 5,100 brick-and-mortar projects receiving at least \$50,000 in funding. It reported finding significant delays or abandonment in approximately 700.

Although HUD provided data and information to The Post for more than a year, the paper has not shared with us the list of projects it generated. So after the articles ran, we conducted our own project-by-project review using The Post’s parameters. We determined that more than half of 797 projects that could have been flagged as “stalled” based on The Post’s criteria are finished.

Of the remaining projects, 97 have been canceled and their funding moved to viable projects, while 154 are progressing toward completion. The final 85 properties are experiencing delays, but in the vast majority of cases there is a simple reason for this: the recession.

As any real estate professional will attest, the recession has made it extremely hard to secure financing and build units. According to census data reviewed by HUD, 34 percent of all new housing starts from

2007 to 2010 were delayed at least three years.

In all, however, less than 4 percent of the projects in The Post's sample of more than 5,000 HOME projects are currently delayed or canceled. That's far fewer than the nearly 1 in 7 that The Post reported were significantly delayed — and it tells me that HOME's success rate during the recession far outpaced the private market's. What's more, The Post gave the impression that when there were delays, federal money was wasted. In fact, when there are delays, money can be moved to other viable projects or must be returned if it is not used within five years.

The Post also accused the federal government of “trusting local agencies to police projects.”

In other words, it's a block grant. HOME, which was signed into law by President George H.W. Bush in 1992, provides funds directly to state and local governments to meet local needs for affordable housing.

Instead of one-size-fits-all rules that tell communities what to do and how to do it, communities themselves select and contract with developers and monitor construction.

That's not to suggest there isn't a federal role. We take our oversight responsibility seriously, by holding localities accountable for spending block grant funds appropriately.

When a project isn't completed according to our rules, we always force repayment of HOME funds — 100 percent of the time. Since the start of this program in 1992, local housing agencies have repaid \$250 million. That includes funds taken back from agencies mentioned in the article.

Even before The Post stories ran, the Obama administration had taken important steps to ensure that every dollar is spent wisely. Last year we began automatically canceling projects that fail to get underway, which has freed up \$290 million this year to be committed to viable projects.

To improve the already strong monitoring system, we're also proposing rules so fewer developments run into trouble in the first place, including stronger standards for developers, tougher underwriting requirements and additional spending deadlines.

President Obama has said that we must rebuild America to win the future.

By producing a million affordable homes, by generating nearly \$4 for every taxpayer dollar it invests and by ensuring that communities — not Washington — can decide what's best for them, it's clear that HOME is providing an excellent return for the taxpayer while making our communities stronger and better prepared to meet the challenges of the 21st century.

Now, that's a story worth telling.

The writer is U.S. secretary of housing and urban development.

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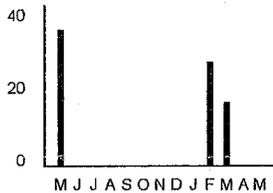
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1-800-572-5789 (TTY)

Your Usage Profile  
13-Month Usage (Total kWh)



Electric Usage

Month	kWh
May-10	34
Jun-10	0
Jul-10	0
Aug-10	0
Sep-10	0
Oct-10	0
Nov-10	0
Dec-10	0
Jan-11	0
Feb-11	26
Mar-11	16
Apr-11	0
May-11	0

Average Daily

Month Billed	kWh	Temp
Last Year	1.1	60
Last Month	0.0	47
Current Month	0.0	57

Account Number 1941072154

Name SUNSET WOODS  
Service Location 891 CENTRAL AVE APT 231 HIGHLAND PARK  
Phone Number 847-926-1852

Issue Date May 27, 2011

Bill Summary	
Previous Balance	\$25.14
Total Payments - Thank You	\$13.33
<b>Amount Due on June 21, 2011</b>	<b>\$23.37</b>

Meter Information								
Read Date	Meter Number	Load Type	Reading Type	Previous	Meter Reading Present	Difference	Multiplier X	Usage
5/27	140060769	General Service	Total kWh	15763 Actual	15763 Actual	0	1	0

Service from 4/28/2011 to 5/27/2011 - 29 Days

Residential - Single

Delivery Services - ComEd	\$10.72
Customer Charge	8.45
Standard Metering Charge	2.27
<b>Taxes and Other</b>	<b>\$0.67</b>
Smart Meter Program	0.22
Franchise Cost	\$10.01 X 4.52600% = 0.45

Total Current Charges \$11.39

Miscellaneous	\$11.98
Charges from previous bill	11.61
Current late payment charge (s) - electric	0.17
Previous late payment charge (s) - electric	0.20

Thank you for your payment of \$13.33 on May 3, 2011

Total Amount Due \$23.37

(continued on next page)

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SUNSET WOODS ASSOCIATION #231  
1150 HALF DAY ROAD  
HIGHLAND PARK, IL 60035

DATE 8/1/11 70-2533-719

PAY TO THE ORDER OF ComEd \$23.37

Twenty three and 37/100 DOLLARS

HIGHLAND PARK BANK & Trust Company  
A Branch of Lake Forest Bank & Trust Co.  
1949 St. Johns Avenue  
Highland Park, IL 60035

FOR # 1941072154

*[Signature]*

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