# 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: October 26, 2011
**RE: HOUSING COMMISSION PACKET FOR 11-2-2011 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 IV. (Action Needed) Approval of Minutes**
  - Meeting Minutes for October 5, 2011 Meeting
- **Agenda Item V. Scheduled Business**
  - **1. (Action Needed)** Items for Omnibus Vote Consideration
    - Payment of Invoices:
    - Mason, Wenk & Berman, L.L.C. for Invoice #34329 for $440.00
  - **2. (Action Needed) Consideration of CPAH Operating Grant Request. Supporting Materials:**
    - CPAH Operating Grant Request
  - **3. (Discussion) Housing Commission Peers, Walnut Place, Ravinia, and Sunset Woods. Supporting Materials:**
    - October 2011 Management Report with September 2011 Financials for Peers, Ravinia, and Walnut Housing Associations
    - Peers and Walnut Place Capital Improvement Updates
    - Accounts Receivable Up-Date
    - Summary Spreadsheet: Highland Park Housing Reserve Balances 9/30/2011
    - Housing Trust Fund Fiscal Year 2011 January 1 –December 31 Unaudited though 9/30
    - Sunset Woods New Mortgage Proposals. Supporting Materials:
      - First Bank of Highland Park Proposal
      - Highland Park Bank Proposal
- **4. (Consideration) Recommendation from Condominium Conversion Ordinance Working Group. Supporting Material:**
  - Memo from Staff September 28, 2011

**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 September 30, 2011
- Thank you note from Marissa Hopkins

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, November 2, 2011 at City Hall, 1707 St. Johns Avenue, Highland Park**, Illinois.

City of Highland Park
**Housing Commission**
**Wednesday, November 2, 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 – October 5, 2011 Meeting**
**V. Scheduled Business**

1. Items for Omnibus Vote Consideration
   - Payment of Invoices:
   - Mason, Wenk & Berman, L.L.C. for invoice #34329 for $440.00

2. Report from Community Partners for Affordable Housing (CPAH) and Commission Consideration of CPAH Request for Operating Grant

3. Housing Commission Peers, Walnut, Ravinia, Sunset Woods
   - Management Report
   - 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
     - Consideration of proposals for new Sunset Woods mortgage
     - Report on Agreement with City for storm water project

4. Consideration of Recommendation from Condominium Conversion Ordinance Working Group

**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 October 5, 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: Barber, Glasner, Meek, Naftzger, Sharfman, and Wigodner

Commissioners Absent: Adler

Chairman Wigodner declared that a quorum was present.

Council Liaison Present: Blumberg

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

## APPROVAL OF MINUTES

Regular Meeting of the Housing Commission –September 7, 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 September 7, 2011 with one correction: in the first sentence under the heading, "Consideration of proposals for new Sunset Woods mortgage," on page three, the word "Bank" needs to be inserted after Highland Park. The sentence then will read: "Planner M. Smith said that staff expects a proposal from Highland Park Bank." Commissioner Meek seconded the motion.

On a roll call vote:
Voting Yea: Barber, Glasner, Meek, Naftzger, Sharfman, 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 on the Agenda)

There was no business from the public.

**SCHEDULED BUSINESS**

1. Introduction of Councilman Anthony Blumberg, Liaison to the Housing Commission

Chairman Wigodner introduced Councilman Anthony Blumberg. Councilman Blumberg is an attorney and previously served on the Highland Park Plan Commission.

2. Items for Omnibus Vote Consideration
   - Payment of Invoices: There were no invoices or items for omnibus vote consideration.

3. Housing Commission Peers, Walnut, Ravinia, Sunset Woods Management Reports

The Management Report was in the packet.

Property Operations Report

Treasurer Barber discussed the operations report. Planners M. Smith and L. Smith reported on the resident meetings at Peers and Walnut Place that Evergreen staff held on September 22nd to review the recertification process and accounts receivable practices.

Update on Peers window replacement

Chairman Wigodner reported that he would be meeting with Ms. Kuehl, Vice President Evergreen Real Estate Services, and Commissioner Adler to examine the proposed window replacements and to review the contractor's proposal.

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

Planner M. Smith reported that the current delay is due to the lead abatement work for the two single-family homes. U.S. Housing and Urban Development (HUD) is requiring completion of this project before closing. No closing date has been set yet. Ms. Kuehl thinks it unlikely that the closing would take place before December with the Red Capital Group for the first mortgage and HUD for the second mortgage. HUD extended the current Housing Assistance payments.

Sunset Woods:
Consideration of proposals for new Sunset Woods mortgage

The Commissioners discussed the proposals from the First Bank of Highland Park and the Highland Park Bank. The First Bank staff proposed a ten-year-term loan with an interest rate of 4.5% for the first five years and a new rate for the second half of the loan period, based on the Bank's published multifamily rate at that time. The financing proposal from Highland Park Bank staff offers a seven-year-term loan fixed for seven years at 5.40%. Their proposal requires a $500 loan fee. Commissioner Glasner volunteered to negotiate with the two banks for final proposals. The Commissioners anticipate making a decision at the November meeting.

Report from Commissioner David Meek regarding the City's proposal to assist with a storm water solution for the parking lot:
The City proposes to pay two-thirds of the approximately $125,000 cost for the storm water project to eliminate flooding in the Sunset Woods parking lot. The Park District agreed to pay for repaving in the park. The City expects the Sunset Woods Condominium Association (SWCA) to pay for the balance. The City offered a ten-year repayment schedule for the SWCA's portion of the cost, which will be about $4,000 each year for the ten-year period. The SWCA Board accepted the City's proposal, and Commissioner Meek is reviewing the draft Memo of Understanding between the City of Highland Park and the SWCA. City professional staff is reviewing bids for the project and anticipates that the work will be carried out before December.

4. Ratification of 2012 Housing Commission and Housing Trust Fund Work Plans

Chairman Wigodner entertained a motion to ratify the 2012 Housing Commission and Housing Trust Fund Work Plans. Commissioner Meek moved ratification of the 2012 Housing Commission and Housing Trust Fund Work Plans. Commissioner Sharfman seconded the motion.

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

5. Consideration of Recommendation from Condominium Conversion Ordinance Working Group

The Commissioners discussed the recommendation from the Condominium Conversion Ordinance Working Group and decided to defer consideration until next month.

6. Consideration of 2012 Meeting Resolution

Chairman Wigodner entertained a motion to approve and adopt the 2012 Meeting Resolution. Commissioner Barber moved approval of the adoption of the 2012 Housing Commission Meeting Resolution. Commissioner Naftzger seconded the motion.

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

**EXECUTIVE SESSION FOR DISCUSSION OF THE LEASE AND SALE OF PROPERTY THAT THE HOUSING COMMISSION OWNS AND A PERSONNEL MATTER**

At 8:04 p.m., Commissioner Glasner 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 and sale of property that the Housing Commission owns and a personnel matter. Commissioner Meek seconded the motion. Planner M. Smith called the roll.

On a roll call vote:
Voting Yea: Barber, Glasner, Meek, Naftzger, Sharfman, and Wigodner

Voting Nay: None

The Chairman declared that the motion passed.

At 8:20 p.m. Commissioner Naftzger made a motion to close the Executive Session and to re-open the regular meeting. Commissioner Barber 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, Sharfman, and Wigodner

Commissioners Absent: Adler

Chairman Wigodner declared that a quorum was present.

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

**OTHER BUSINESS**

Proposed Revisions to City Ethics Guidelines

Commissioner Meek reported that he attended the September 26th City Council Meeting and commented on the proposed revisions to the ethics guidelines and regulations. As a result of the input they received, the Council members agreed to postpone consideration until after Councilmen Blumberg and Kaufman revise the draft to address some of the concerns raised.

Letter from North Shore – Barrington Association of Realtors

Planner M. Smith distributed a letter from staff at the North Shore – Barrington Association of Realtors (NSBAR), addressed to the City Council with copies for the Housing Commissioners. The subject was NSBAR's position regarding the Highland Park Real Estate Transfer tax rebate program for property owners that buy and sell property within Highland Park. The Commissioners concurred that this City policy was outside their purview.

**ADJOURNMENT**

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

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

The Housing Commission adjourned its meeting at 8:26 p.m.

Submitted respectfully:

Mary Cele Smith
Housing Planner

**Mason, Wenk**
**& Berman, L.L.C.**
ATTORNEYS AT LAW

1033 Skokie Boulevard
Suite 250
Northbrook, Illinois 60062
Telephone (847) 656-6000
Facsimile (847) 656-6010

October 04, 2011

City of Highland Park
1150 Half Day Road
Highland Park, IL 60035
Attention: Mary Smith

Invoice #34329

In Reference To: General

Professional services

| | | | Hours | Amount |
|---|---|---|---|---|
| 12/20/2010 | CSC | Telephone call other attorney; correspondence with client | 0.25 | 65.00 |
| 9/12/2011 | BPM | Review SW declaration for MS questions | 0.50 | 150.00 |
| 9/14/2011 | BPM | Telephone call with MS | 0.50 | 150.00 |
| 9/22/2011 | BPM | Telephone call with MS regarding: condo conversions | 0.25 | 75.00 |
| | | For professional services rendered | 1.50 | $440.00 |
| | | Previous balance | | $2,152.83 |
| 10/11/2010 | | Payment - thank you. Check No. 1034 | | ($1,957.83) |
| 10/11/2010 | | Payment - thank you. Check No. 1035 | | ($195.00) |
| | | Total payments and adjustments | | ($2,152.83) |
| | | Balance due | | $440.00 |

Payment of the above amount is due upon receipt.

COMMUNITY PARTNERS FOR AFFORDABLE HOUSING

Board of Directors

Howard Wender
*President*

Betsy Lassar
*Vice President*

Jeff Nathan
*Secretary*

Ernie Reinstein
*Treasurer*

Peggy O'Connor

Eva Kulik

Gidon Berman

Leo Lara

Jami Sharfman

Andrew Sledd

Dan Kaufman

Janice Goldblatt

Terri Olian

Staff

Robert Anthony
Executive Director

Amy Kaufman
Community Relations

400 Central Avenue, #111
Highland Park
Illinois 60035
Phone: 847.681.8746
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cpah@cpahousing.org
www.cpahousing.org

CPAH is a tax-exempt, 501(c)(3) nonprofit charitable organization. Tax ID# 06-1683983

October 26, 2011

Mr. David Wigodner
Highland Park Housing Commission
C/O Community Development
1150 Half Day Road
Highland Park, IL 60035

Dear Chairman Wigodner,

As you know, Community Partners for Affordable Housing (CPAH) is a 501(c)(3) nonprofit organization initiated by the City of Highland Park in 2003 to expand the supply of permanently affordable housing in the community. The City also created the Highland Park Housing Trust Fund in 2003 to help support these activities. As such, CPAH has applied for Housing Trust Fund dollars each year to help support both project and operating activities.

In its early years, approximately 90% of CPAH's funding originated from the Highland Park Housing Trust Fund. The organization has been actively working to expand and diversify its funding base. As such, the Housing Trust Fund now typically represents less than 45% of project funding and approximately 65% of operating funds. As an example, our recently completed scattered-site grant from the Housing Trust Fund (approved in 2008) allocated funds to acquire and rehabilitate five homes. By leveraging these dollars, we were instead able to complete nine homes and still return $60,250 to the Housing Trust Fund. The average investment of Housing Trust Fund dollars per home is now $40,000.

In addition, we have adjusted our program model to begin collaborating with other communities in the region. We believe that working regionally will help create a best- practice model that will provide more and better services in a more effective, efficient and sustainable manner. Specifically, we have contracted with the City of Lake Forest to acquire and rehabilitate two pilot affordable homes. Project funding for these homes will originate from non-Highland Park funds and the City of Lake Forest will make a $25,000 contribution towards our operating costs in 2012. Therefore, our 2012 Highland Park Housing Trust Fund operating request will continue to decrease and now represent approximately 50% of our operating budget. We are also in discussions to partner/merge with an existing community land trust in Evanston. As these new relationships develop, we will continue to use Highland Park funds for project funding in Highland Park and to pro-rate operating costs.

As you also know, the Housing Commission entered into a memorandum of understanding with CPAH approximately one year. That agreement stated that the Housing Commission would donate the home at 1420 Cavell Avenue to CPAH in exchange for receiving an allocation of Illinois Affordable Housing Tax

Credits, which CPAH would then assist in selling to a third party. It was further agreed that CPAH's net proceeds from the eventual sale of the home ($85,000) would be deducted from CPAH's 2011 operating fund request of $110,000. In other words, it was understood that CPAH would request only $25,000 in operating support in 2011. This letter is a formal request to the Housing Trust Fund to allocate the $25,000 referenced above for the purpose of providing 2011 operating fund support to CPAH.

Highlights of our 2011 accomplishments include:

- Completing the rehabilitation and sale of 1733 Rosemary Road (LEED-Certified)
- Sale of 598 Barberry Road
- Completing the rehabilitation and sale of 1420 Cavell Avenue (LEED-Certified)
- Acquisition, rehabilitation and sale of 765 Broadview Avenue
- Acquisition, rehabilitation and sale of 1789 Richfield Avenue
- Acquisition, rehabilitation and sale of 1378 Ferndale Avenue
- Acquisition and currently rehabilitating 1342 Sherwood Avenue
- Acquisition and currently rehabilitating 1918 Midland Avenue
- Piloting Lake County's first affordable lease-to-own unit (560 Vine Avenue)
- Coordination of multiple volunteer days and open houses
- Creation of an Advisory Board
- Expanding and diversifying CPAH's funding and collaborations with other communities
- Re-certifying as a Community Housing Development Organization (CHDO) which resulted in receipt of $18,809 in federal operating funds and $320,000 in federal project funds

Operating funds are primarily used to support staff salaries in relation to the acquisition, rehabilitation and sales of the scattered site preservation program. Specific duties include identification of properties for acquisition, negotiating acquisitions, managing the construction/rehabilitation process, coordinating professional services (inspectors, appraisals, contractors, lawyers, etc.), marketing homes, managing the application process, qualifying prospective buyers, organizing and maintaining the applicant waiting list, providing or arranging for pre-purchase counseling, selecting applicants, coordinating mortgages with lenders, executing and managing purchase and sales contracts, coordinating property transfer closings, coordinating appropriate property tax assessments, ongoing homebuyer services, refinances and re-sales, long-term grant and affordability compliance, securing additional project and operating funding, inclusionary housing program administration, financial administration, board development and general organizational / 501(C)(3) administration.

Attached is a copy of our 2011 operating budget. As always, we sincerely appreciate all of the support and leadership provided by the Housing Commission; it has made the City of Highland Park and CPAH recognized as a model and true leader on affordable housing throughout the region. Please don't hesitate to contact me at 847-681-8746 (office) or 847-800-4140 (cell) or ranthony@cpahousing.org with any questions.

Sincerely,

Robert Anthony

Rob Anthony
Executive Director

## Community Partners for Affordable Housing
## 2011 Operating Budget

| | |
|---|---|
| **Ordinary Income/Expense** | |
| **Income** | |
| **Contributed Support** | |
| Individual Contributions | 17,000 |
| Corporate/Business Grants | 12,000 |
| CHDO Operating Funds | 15,000 |
| Foundation/Trust Grants | 11,000 |
| HP Housing Trust Fund | 110,000 |
| Other Fundraising | 2,500 |
| **Contributed Support** | **167,500** |
| **Ground Lease Fees** | **9,000** |
| **Interest-Savings/Short-Term Inv** | **1,500** |
| **Total Income** | **178,000** |
| **Expense** | |
| **Salaries & Related Expenses** | |
| Salaries & Wages (2FTE) | 115,855 |
| Health Care & Benefits (2 FTE) | 10,250 |
| Payroll Taxes (2 FTE) | 8,690 |
| **Salaries & Related Expenses** | **134,795** |
| **Professional Services (Accounting & Legal)** | **12,000** |
| **Office Expenses** | **12,500** |
| **Utilities** | **500** |
| **Travel & Meetings Expenses** | **2,000** |
| **Marketing and Advertising** | **8,500** |
| **Business expenses** | |
| Bank/Credit Card Donation Chrg | 750 |
| Membership Dues - Organization | 1,000 |
| Financial Software Subscription | 500 |
| Staff Development | 500 |
| General Liability Insurance | 500 |
| D & O Insurance | 1,400 |
| Workers Comp | 1,000 |
| Organizational (corp.) Expenses | 555 |
| Misc | 500 |
| **Business Expenses** | **6,705** |
| **Office Equipment** | **1,000** |
| **Total Expenses** | **178,000** |

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: **October Management Report/September Financials**

DATE: October 25, 2011

We are still finalizing the scope of work with Signet related to lead-based paint (LBP). Given the cost of total "Abatement" of the LBP at the two houses (close to $170,000), Signet has asked that we revise the scope to include partial "Abatement" and "Internal Control" (management of LBP) for interior areas and other areas that are "in-tact". We have estimated that this option will result in a savings of approximately $97,000. Once we receive confirmation from Signet that the revised scope of work and costs will be approved, Evergreen will request that the contractors provide the final proposals and costs. Partial "Abatement" will require that Signet add on-going LBP assessment and remediation to the budget and/or the cost of "Abatement" in the future capital list (as being paid from Replacement Reserves).

The final budget recommendation will be available for the December meeting instead. Frank B. Peers has submitted for its AAF (rent increase) that would be effective January 1, 2011. Unless the AAF percentages increase from the 2011 figures, there will be no rent increase for Frank B. Peers. The 2012 figures are not yet available.

**Frank B. Peers**

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

***Physical:*** The sprinkler system was winterized; quarterly catch basin cleaning and routine maintenance work orders.

***Social Programs:*** Residents participated in routine social programs, i.e. bingo, move nights, luncheons, exercise class, coffees and commodity food distribution. A Halloween party will be held next week with costumes. Plans are underway for the annual Holiday party in December.

***Financial:*** **Net Operating Income (NOI) for the month was slightly positive to budget by $236 and YTD NOI was positive to budget by $59,385. The cash position is good at the property with $56,653 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 100% occupancy.

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

- Telephone (#6360) – This reflects two months of payments for the main office lines (7/16/2011-8/15/2011 and 8/16/2011-9/21/2011).
- Bad Debt (#6370) – This reflects further up-dating of the A/R Resident and Subsidy ledgers.
- Rubbish Removal (#6525) – This includes one bill from August for $309.
- Grounds Contractor (#6537) – This reflects removal of trees identified with Dutch Elm Disease by the City ($2,415)
- Elevator Contractor (#6545) – This reflects two months of elevator maintenance.
- Fire Protection (#6582) – This reflects the fire pump tests.
- Plumbing Repairs (#6595) – This reflects rodding costs from the main hallway to the street (July invoice) and payment of the boiler maintenance contract with Emcor.

**Walnut Place**

***Occupancy:*** The one vacancy (#206) was to have been occupied in mid-October, but the applicant was taken to the hospital for cancer treatment; she intends to move-in November 5th.

***Physical Site:*** Quarterly catch basin cleaning and routine work orders. Cycle painting of 3 units were done and 2 additional units are in process.

***Social Programs:*** Similar to Peers, Walnut Place had bingo, monthly luncheon, chair exercises and food distribution. An Intergenerational Halloween party with Bethany Day Care will be held this week. Plans are underway for the annual Holiday Party in December.

***Financial:*** **Net Operating Income (NOI) for the month was positive to budget by $15,177 and YTD NOI was positive to budget by $29,625. The cash position at the property remains poor with only $4,769 in the Operating Account.**

**Income** – Income was slightly negative to budget, primarily due to less than budget Interest Income and not having received Laundry Income during the month (sent on a quarterly basis).

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

- Telephone (#6360) – This reflects payment of past due invoices for the office lines and a reconnection fee. The bills had become "unbundled" and, as a result, bills for each of the 3 office lines had not been received. The service has been "re-bundled" and bills are being sent to the Peers address.

- Bad Debt (#6370) – Same as above
- Gas (#6452) – This line item actually reflects a significant positive variance for the month, which constitutes most of the positive NOI for September. The reversal of accrued amounts were considerably higher than the actual costs, resulting in a positive variance.
- Grounds Contractor (#6537) – This reflects two months of landscaping invoices.
- Fire Protection (#6582) – This reflects the pump test.
- Window Repairs (#6599) – This reflects a window replacement in unit #204.

**Ravinia Housing**

***Occupancy:*** There is one vacancy at Ravinia (#2743 St. John's). Of the two households shown the unit, one missed the appointment and the other initiated the paperwork, but has not completed this process. The next two applicants are being shown the unit this week.

***Physical Site:*** Catch basin cleaning occurred at Pleasant and Routine maintenance was conducted.

***Social Programs:*** Ravinia residents receive a monthly newsletter, as well as birthday/anniversary and get-well cards. Plans are underway for the annual Holiday Party.

***Financial:*** **Net Operating Income (NOI) for the month is slightly positive to budget by $637 and YTD NOI is negative to budget by ($7,829). Available cash decreased to $1,733, due to having made some payments for repairs required prior to refinancing.**

**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 are negative to budget include:

- Management Fee (#6320) – This reflects the higher income than planned with refinancing.
- Legal (#6340) – Pending termination of lease that has not been finalized
- Miscellaneous Administrative (#6390) – This reflects a computer repair from Data Integrity.
- Contractor Repairs (#6520) – This reflects two months of landscaping maintenance fees at both sites, annual preventive maintenance cleaning of the HVAC units at both sites, gutter cleaning and lock replacement.
- Rubbish Removal (#6525) – This reflects two months of refuse collection costs.
- Financial Expenses – Debt Service – These figures are based on the current mortgage and the budget was based on 50% of the fiscal year reflecting the new mortgage.

| Summary of Capital Improvements Scheduled for 2011 | | | | Walnut Place<br>Up-Dated 10/25/2011 | |
|---|---|---|---|---|---|
| Item | Month | Cost Est. | Actual | Status | |
| Fence Replacement<br>6 townhomes | Sept. | 20,000 | 19,500 | Fences and wood stairs complete<br>Pending submission to IHDA | |
| TH Furnace (1) | As needed | 2,400 | | Operating | |
| TH Rooftop A/C | As needed | 2,500 | 2,600 | Replace 2 A/C units | |
| Kitchen Replacement<br>(1 Kitchen) | Sept. | 8,500 | | Measured/ordered; start in Nov. | |
| Carpet (main building) | As needed | 4,625 | 6,475 | Turnover of 7 @$925 each | |
| Carpet (TH) | As needed | 1,200 | | Turnover (1 unit) | No turnovers |
| Appliances | As needed | 1,500 | 480 | Refrigerators (2); Stoves (2) | Repl. 1 sto |
| Decorating | As needed | 12,000 | 4,625 | Assume 7 cycle (5 are completed) @ $925/unit | |
| | As needed | | 5,950 | Completed 7 turnover painting | |
| TOTAL | | 52,725 | 39,630 | | |
| Breakdown of Cost: | | | | | |
| Replacement Res. | | 20,000 | | | |
| Operating | | 32,725 | | | |
| Reserve Balances: | | 121,569 | Balance as of 3/1/11 | | |
| Pending Request | | -15,000 | Reimbursement for hot water boiler | | |
| Deposits for remaining 2011 | | 19,950 | | | |
| Minimum Balance | | 102,000 | IHDA requirement $1,500/unit | | |
| Available for Use in 2011 | | 24,519 | | | |
| Deferred Maintenance based on Capital Improvement Plan: | | | | | |
| Roof Repairs (2010 and 2011) | | | | | |
| Tuckpointing (2010 and 2011) | | | | | |
| Kitchen Renovation (7 from 2010 and 10 from 2011) | | | | | |

| Summary of Capital Improvements for 2011 | | | | | Frank B. Peers<br>Up-Dated 10/25/2011 |
|---|---|---|---|---|---|
| Item | | Month | Cost Est. | Actual | Status |
| Kitchen Replacement<br>(11 kitchens) | | September | 94,000 | | Units selected; measured; ordered<br>Assume November installation |
| Tuckpointing | | November | 19,000 | | North side being done November 1st - Holton |
| Windows | Specs | October | 550,000 | | Bid package is being developed for review; |
| | Bids | November | | | Cost estimates increased to include 100% of the windows; committee reviewing bids when received; if approved, anticipate a spring start time for any replacements |
| Appliances | | As needed | 1,500 | | Refrigerators (2); Stoves (2) |
| Carpet Replacement | | As needed | 7,400 | 3,700 | Turnovers (4) completed @ $925 ea. |
| Decorating | | Turnover | 4,400 | 3,360 | Completed 4 turnover paint |
| | | Cycle | 7,000 | | Assumes 10 units Scheduled 7 |
| A/C Replacement | | As needed | 2,600 | | Assumes 4 units |
| | | TOTAL | 685,900 | 7,060 | |
| Breakdown of Cost: | | | | | |
| | Replacement Res. | | 41,900 | | |
| | Operating | | 0 | | |
| | Owner Funds | | 234,000 | | |
| Reserve Balances: | | 129,881 | Balance as of March 1, 2011 | | |
| 2011 Remaining Dep. | | 19,620 | | | |
| Minimum Balance | | 102,000 | IHDA requirement $1,500/unit | | |
| Available for 2011 | | 47,501 | | | |

# Accounts Receivable Up-Date

## October 25, 2011

This is the second month of billing residents for rent. While there were some questions about the first billing statements and some Peers residents indicated that they did not need to receive the billings, we will continue to provide them to residents. Its greatest benefit will be reminding residents of their new rents after the annual or interim certifications (if the monthly rent changes).

### *Frank B. Peers*

The property has realized a steady reduction of Resident A/R over the past 3 months from $7,481 at the end of July to $2,486 at the end of September.

Subsidy A/R has remained stable in September at $44,595 compared to $44,025 at the end of August. As indicated in the previous report, these past due amounts must be manually added to the HAP request and it can take IHDA a while to conduct their own research of these past due amounts before making any retro-active payments.

### *Walnut Place*

Resident A/R continues to steadily improve as residents make payments on payment plans. The Resident A/R at the end of August was $26,208 and that improved to $24,768 at the end of September. The EIV amount (unreported income) owed is $19,200, a decline from the previous month.

Subsidy A/R declined slightly from the August amount of $35,954 to $34,645 at the end of September. The same 4 residents for whom IHDA owe $18,584 continue to be included in the A/R. As indicated above, IHDA is still researching these large amounts.

### *Ravinia Housing*

Resident A/R increased from $34,328 at the end of August to $35,739 at the end of September due to not being able to collect rent from the household that is in the eviction process. The resident who owes $20,114 as a result of unreported income has signed a repayment plan and has paid the first two months.

Subsidy A/R has decreased slightly from $8,795 at the end of August to $8,429 at the end of September..

| Highland Park Housing Commission | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Reserve Balances | | | | | | | | | | | | |
| Date: | | 9/30/2011 | | | | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | Sunset | Housing | |
| Account Name | | | Frank B. Peers | | Walnut Place | | Ravinia Housing | | | Woods | Trust Fund* | TOTAL |
| Checking | (Property) | | 56,653 | | 4,769 | | 1,733 | | | 15,901 | | |
| Security Deposit | | | 19,644 | | 22,614 | | 6,991 | | | 10,406 | | |
| Replacement Reserve | | | 143,615 | | 135,536 | | 48,350 | | | 0 | | |
| Residual Receipts | | | 14 | | 27,095 | | 480,323 | | | 0 | | |
| Operating Reserve | | | 0 | | 0 | | 0 | | | 19,007 | | |
| Association Money Market | | | | | 104,526 | | 144,404 | | | 161,452 | | |
| Association Small Business Checking | | | 16,586 | | | | | | | 12,762 | | |
| Association Receivable/(Liability) | | | | | | | | | | -258,832 | | |
| 1) Due from Hsg. Trst. Fd 277 GB | | | 7,492 | Total | | | | | | | | |
| 2) Due from Hsg. Trst Fd. Emerg. | | | 689 | A/R | | | | | | | | |
| 3) Due from Sunset Woods | | | 258,832 | 267,014 | | | | | | | | |
| Association CDs | | Maturity | | | | | | | | | | |
| | CD #1 | 1/7/2012 | 503,734 | | | | | | | | | |
| | CD #2 | 10/7/2011 | 504,173 | | | | | | | | | |
| Association MaxSafe Money Market | | | 1,110,299 | | | | | | | | | |
| | TOTAL | | 2,621,731 | | 294,540 | | 681,801 | | | -39,304 | 1,081,850 | 4,640,618 |
| *Net income after deducting program costs and expenditures/obligations. | | | | | | | | | | | | |

| **Housing Trust Fund** | |
|---|---|
| **Fiscal Year 2011** | |
| January 1 - December 31 - Unaudited | Unaudited Through 09/31 |
| | |
| Beginning Balance, Jan 1 (Unaudited) | $1,523,586 |
| | |
| Revenue: | |
| Demolition Tax | 33,335 |
| Demolition Permits | 10,500 |
| Interest Revenue | 488 |
| Contributions/Donations/Other | 0 |
| Proceeds of Ceding Volume Cap | 0 |
| | 44,323 |
| | |
| Expenditures: | |
| Program Costs | (182,625) |
| | (182,625) |
| | |
| | |
| Ending Balance | $1,385,284 |
| | |
| Pending Obligations | |
| CPAH Scattered Site Program | ($206,512) |
| Employer Assisted Housing | ($50,000) |
| HPI CLT Operating Grant | ($25,000) |
| Emergency Housing Assistance | ($7,500) |
| Housing Planner | ($10,422) |
| Third party Expenses | ($4,000) |
| Total Pending Obligations | ($303,434) |
| | |
| Net Balance | $1,081,850 |

## Smith, Lee

**From:** Glasner, David S [GlasnerDS@bernstein.com]

**Sent:** Monday, October 24, 2011 3:52 PM

**To:** Smith, Mary; Smith, Lee; Dave Wigodner

**Subject:** Sunset Woods Refinance

I spoke to Mark Zisook at First Bank of Highland Park last week and finally got a return call from Highland Park Bank today (Katie).

First Bank is willing to structure the loan as a five year loan with a five year option to extend at market. There would be two sets of prepayment penalties, one for the first five year term and one for the second. This reduces the ambiguity of the prepayment penalties. They would not place a ceiling on the second five year term. I'm pretty sure they would be willing to waive the tax escrow and the costs to do the deal would be appraisal, title and title insurance. He indicated they would probably do the documents internally due to the size of the deal. This would limit our costs. They are a little concerned about the subordinate debt but I don't think that will be a problem.

Katie indicated that Bank of Highland Park does want to do the deal, but I advised her that the rate sheet was just not competitive. She told me that the bank's portfolio loans are at 6.00%. I told her that this is higher than the rate on the current loan which is maturing. I told her that in order for us to consider doing business with them they should reconsider their rates, fees, and depository requirements. Katie indicated that they would certainly consider doing that and will submit another rate sheet to us prior to our next meeting next week. As you know I won't be in attendance next week.

If you have any questions, just give me a call.

Regards,
David

**David S. Glasner**
**Vice President**
Bernstein Global Wealth Management
a unit of AllianceBernstein, L.P.
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Suite 5900
Chicago, Illinois 60606-5016

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For further important information about AllianceBernstein please click here
http://www.alliancebernstein.com/disclaimer/email/disclaimer.html

**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 programs 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 |

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: October 25, 2011**

**Financing Proposal**
**Preliminary and For Discussion Purposes Only**

Based upon our recent discussions, Lake Forest Bank & Trust Company is pleased to present the following proposal for establishing a new line of credit. The proposed terms and provisions outlined herein have not been fully underwritten or formally approved by our credit committee. Therefore, this is not to be construed as a "commitment" of any kind.

| | |
|---|---|
| Borrowers: | Sunset Woods Association |
| Guarantor: | N/A |
| Loan Amount: | Up to $447,000 |
| Loan Purpose: | To refinance the existing first mortgage on 12 rental units located at 891 Central Avenue, Highland Park, Illinois |
| Term: | Up to 7 years |
| Amortization: | 30 years |
| Interest Rate: | Fixed for 5 years at 5.25% or Fixed for 7 years through a SWAP, current SWAP indication rate is 5.35% |
| Payments: | Monthly payments of principal and interest with the balance due at maturity |
| Loan Fee: | Out of pocket expenses including but not limited to appraisal fees, environmental fees, title fees and attorney fees |
| Prepayment Penalty: | Economic Redeployment if the interest rate is set through a SWAP |
| Collateral: | First mortgage and assignment of rents and leases on the properties located at 891 Central Avenue, Highland Park, Illinois |
| Loan to Value: | Loan to Value not to exceed 80% of appraised value |
| Covenants: | Borrower must maintain a Net Cash Flow (defined as twelve months net income, plus depreciation, plus interest expense, minus partnership distributions and capital expenditures) to annual debt service requirements of not less than 1.00:1.00. This ratio may be |

calculated on a year end or trailing twelve month basis. The Lender may, at its option, permit any portion of partnership distributions to be included in net cash flow for certain periods solely for purposes of determining the borrower's compliance with this ratio.

Borrower shall maintain reserves with the bank of no less than $250,000 held in the Sunset Woods Association and the Peers Housing Association accounts. These accounts are not tied directly to the loan.

Other Conditions precedent to funding:

Completion of appraisal and review of Environmental Reports, satisfactory to the Bank, covering the property(s) being pledged as collateral

Borrower will establish and maintain all operating accounts at the Bank during the term of the Loan.

Annual Tracking Requirements:
-Receipt of Borrower's certified rent roll
-Copies of borrower's Federal Income Tax Returns
-Proof of insurance

Borrower shall sign and/or furnish all documents deemed necessary by the Bank.

**This is a proposal for discussion purposes only and does not constitute a commitment to lend by Lake Forest Bank & Trust Company or any of its affiliates. The Bank, at its sole discretion, reserves the right to modify the foregoing terms and conditions in any manner it deems appropriate. In the event that the Bank approves the financing request contemplated herein, the terms and conditions of the approval would be incorporated into a formal commitment letter, which would be produced and delivered to Borrower at a later date.**

# Memorandum

To: Housing Commission

From: Mary Cele Smith, Housing Planner

Date: September 28, 2011

**Re: Recommendation of Working Group for a Condominium Conversion Ordinance**

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The Condominium Conversion Ordinance Working Group (Commissioners Meek and Naftzger) recommends that the Highland Park Housing Commission considers a condominium conversion ordinance. Professional staff and Commission experience with the Inclusionary Housing program contributed to the development of specific recommendations. The Working Group requests that the Housing Commission also examines whether to incorporate these recommendations into revisions to the Inclusionary Housing Ordinance and Administrative Guidelines.

## I. Consideration of Recommendation for a Condominium Conversion Ordinance

### Rationale and Background

The primary justification for a condominium conversion ordinance stems from the need to monitor conversions in order to ensure compliance with the Inclusionary Housing Ordinance. The Inclusionary Housing Ordinance applies to developments with five or more housing units, including condominium conversions. According to the 2000 U.S. Census, Highland Park has over 1,000 rental units in buildings with five or more units. In addition, an Ordinance could provide some protection for purchasers of affordable housing. An ancillary benefit would be that many of these protections would benefit all buyers.

Another benefit is for establishing consistent addresses, which is essential for emergency services and helpful for the City's data collection. It is crucial for the City to know when units are converted to ownership so that emergency services are made aware of the change. When a development is converted, the developer may change unit numbers, building numbers, and/or floor numbers, which the Police and Fire Department may not be aware of. In addition, when a building is converted, the individual units receive Parcel Identification Numbers from Lake County, which should be inputted into the City's GIS system.

The Working Group developed two recommendations for consideration: (A) a minimum ordinance that reinforces State law and adds the requirement to notify the City at the same times as tenants and (B) a more comprehensive recommendation that extends some of the State provisions and adds new requirements. Recommendation B offers a menu of elements to consider. Attachment 1 provides a

table that compares the State requirements with the Working Group's minimum recommendation and with the more comprehensive menu of recommendations.

**(A) Recommended Minimum Ordinance**
The minimum ordinance will help ensure compliance with the City's Inclusionary Housing Ordinance. The minimum recommendation provides a reporting mechanism when a conversion does not require any building permits. This minimum ordinance would reinforce key State provisions and require the owner to notify the City of the intent to convert when they notify their tenants. The notice to the City would include the list of the renters notified. Some of the key provisions of Section 30 of the Illinois Condominium Property Act (ICPA) to include are:

- Notice of intent to convert: a landlord must give their tenants a notice of intent to convert the apartments into condominiums at least 30 days, and not more than one year, prior to recording of the condominium declaration.
- Tenant's right of first refusal: a tenant has a 120 day right of first refusal to purchase the unit, calculated from the date that the tenant received the notice of intent.
- Existing rents remain in place for 120 days following the tenants' receipt of the notice of intent.
- Showings restricted for tenant-occupied units: during the expiring tenancy, the unit only can be shown to prospective purchasers "a reasonable number of times and at appropriate hours."

**(B) Recommended Elements for a Comprehensive Condominium Conversion Ordinance**
In order to develop a set of best practices for inclusion in a comprehensive condominium conversion ordinance, staff and the Working Group examined ordinances from communities in the Chicago area. These local ordinances included examples from Arlington Heights, Chicago, Clarendon Hills, Elmwood Park, Evanston, Harwood Heights, Niles, Oak Park, Palatine, Park Forest, River Forest, Westmont, and Wheeling. While reviewing these ordinances, it became apparent that none directly addressed the needs of an inclusionary housing program. All of the ordinances examined were written before any of the communities had adopted an inclusionary housing program. These ordinances, however, provided examples of other best practices, such as the requirement for a property report and adequate record-keeping. Almost all either incorporated key State requirements or extended them.

In addition to researching local ordinances, professional staff also contacted many of the communities to learn about their experiences after Ordinance adoption. All the reports were positive; suburban municipal staff reported that developers did come forward in advance of conversions and adhered to local codes.

The elements for a more comprehensive ordinance can be divided into five categories:

1. Provisions to extend Illinois state law,
2. Provision to assist low and moderate-income renters,
3. Protections for affordable purchasers that benefit all,
4. Protections exclusively for affordable purchasers, and
5. Process for City administration.

1. Provisions to extend Illinois state law
The working group proposes the following changes, and professional staff has one unanswered question. The provisions to extend Illinois state law are:

a) Require notice to convert to tenants at least 180 days prior. The City of Evanston requires that developers provide tenants with a notice of intent 210 days prior to conversion, and Chicago, Park Forest, and Wheeling require 180 days notice to all tenants. Niles and Elmwood Park require 180 days notification for elderly and for tenants with disabilities;
b) Require notice to City 180 days prior to conversion concurrent with notice to tenants;
c) Extend tenants' right of first refusal to purchase to 180 days from receipt of the notice of intent to convert as Wheeling requires;
d) Require two days notice of entry to tenants in last 90 days of expiring tenancy;
e) Extend State provision that developer must maintain rental price for a 120-day period following the receipt of the notice of intent to convert to 180 days.

With regard to the City's ability to extend the State's requirements, Corporation Counsel assured professional staff that the Illinois Condominium Property Act (ICPA) does not limit or deny home-rule municipalities from deviating from the statute. Furthermore, the courts have ruled that home-rule municipalities can govern condominiums and pass ordinances that impose additional requirements on condominiums besides those listed in the ICPA.

The unanswered question relates to the transfer of control to a board of managers. The ICPA requires that control of the project transfers to the Board of Managers at such time as 75% of the condominiums are sold, or no later than three years from the closing date of the first unit. An early Working Group discussion identified the problems that occur when a condominium development fails, the developer abandons it, and there is no board of managers in place. The owners are left in a very difficult position. Evanston, the only community examined that deviates from the state provision, establishes that control shall be transferred thirty days after sixty percent of the units have been sold. Is this an area that merits further consideration?

2. Provision to assist low and moderate-income renters

The Working Group recommends requiring the developer to provide relocation assistance for low and moderate-income households. Both Chicago and Evanston require relocation assistance. One month's rent is the requirement that Evanston established for developers to provide tenants below eighty percent of Chicago area median income (AMI), and the developer must attach this provision to the intent to convert notice. Chicago requires relocation assistance for households up to 120% of AMI, and the amount is the greater of $1500 or the highest monthly rent paid up to $2500. The Working Group recommends the Evanston provision.

3. Protections for affordable purchasers that benefit all

These provisions also could be called additional best practices. These recommended requirements are:

a) Property Report,
b) Developer warranties for common elements,
c) Guarantee for project completion,
d) Fire detection system, and
e) Record-keeping.

a) Property Report

The purpose of the Property Report is to provide adequate information for a potential buyer to make an informed decision. A developer's Property Report can contain a wide range of documents including project plans, an engineer's report, developer information, and project timeline. The Property Report is the backbone of the majority of the municipal ordinances studied. Ten of thirteen of the ordinances have this requirement in essentially the same form. A few have thresholds for numbers of units that trigger this responsibility. The developer submits the Property Report to the City and distributes it to current tenants and other prospective purchasers.

The intent is to make this as easy for the developer as possible: most of the required information would be information that the developer would need both to finance the project and to market to prospective buyers. The Property Report merely organizes it in a convenient format for the City and prospective buyers. Professional staff's review of the Property Report is to ensure completeness of the information provided, not to assess the quality of the development.

The Working Group recommends requiring a preliminary and final complete Property Report, because all the information requested might not be available at the time the developer submits his notice of intent to convert. See Attachment 2 for the outline of the two phases of the recommended Property Report.

b) Developer Warranties for common elements

The warranties for common elements would include structural elements and mechanical components and systems, such as common HVAC, electrical, and plumbing.

c) Guarantee for project completion

The Working Group and staff discussed how this could prevent the problems of failed developments. While a number of the area ordinances required that developers report on whether there was a surety bond, none of these condo conversion ordinances required them. The Working Group recommends that a security in a form acceptable to the Community Development Director be a requirement for projects that meet an established threshold, which would be determined after further research. Corporation Counsel did not offer a recommended threshold.

d) Fire Detection System

Professional staff met with Fire Chief Pat Tanner and other fire department staff for their recommendation regarding requirements for fire detection and suppression systems. Because fire detection and suppression systems are addressed thoroughly in other sections of the City Code and because the Department already inspects rental properties, Chief Tanner recommended a simple statement requiring an acceptable fire detection system in the condominium development. This also presupposes that there is no other change in use. If, for example, the conversion established retail on the ground floor, then a fire suppression system would be required. The Fire Department would assist with drafting this section.

e) Record-keeping

The purpose is to make the Property Report available upon resale, to assist with the smooth transition from the developer to the condominium association, and to provide the affordable condominium owners with adequate information regarding major building systems and their appliances. Niles requires all Board of Managers and Chicago requires the Board of Managers in buildings with more than six units to keep a copy of the latest property report for seven years following the property report's initial distribution. Professional staff recommends that the developer also be required to provide information to the Board of Managers regarding utility account numbers and payment status, and make, model numbers, and any warranties for major building equipment and for appliances in the affordable condos.

4. Protections exclusively for affordable purchasers

The Working Group developed recommendations in order to ensure the quality of the affordable condominiums for the initial and future purchasers and to ensure reasonable long-term maintenance costs for the low and moderate-income purchasers. Prior to making the recommendations exclusively for affordable buyers, the Working Group sought Corporation Counsel's opinion to ascertain whether it would be permissible to treat the affordable purchasers differently than other buyers. Hart Passman of Holland & Knight confirmed that it would be. Addressing the particular questions of requiring warranties and energy-efficiency audits, he wrote:

> Yes, the City can pass a condo conversion ordinance that only requires developers to provide warranties to the owners of inclusionary units. While a developer may be responsible to all purchasers for the implied warranties that it does not disclaim, the City can require developers to provide additional warranties to owners of inclusionary units pursuant to its home-rule authority. Moreover, neither a developer nor a non-inclusionary condo owner would have an equal protection claim against the City for only requiring developers to warranty inclusionary units. Wealth is not a protected class under constitutional analysis; therefore, the City only needs a rational basis, which we believe it has, for requiring developers to warrant inclusionary housing while not passing a similar requirement for non-inclusionary units. Just as with developer warranties, the City can use its home-rule authority to require energy-efficiency audits only for inclusionary units when apartments are converted into condominiums.

The Working Group recommends the following provisions for the affordable condominiums:

a) Inspections of the affordable condominiums to insure compliance with the Inclusionary Housing Ordinance,
b) Energy-efficiency audits for the affordable units,
c) Developer warranties for the affordable condominiums that would cover mechanical elements within their homes, such as HVAC, and appliances,
d) Escrow account to ensure sufficient funds for the warranties for the affordable condos (note: this escrow account also will include common building elements identified above.). With regard to an amount for escrow accounts, Oak Park established two percent of the sales price; and Evanston, one percent.

5. Process for City Administration

The Planning and Building divisions would administer the ordinance. The Working Group recommends that an ordinance include:

a) flat fee to cover professional staff time, to be waived if developer provides affordable units in excess of the number required in the Inclusionary Housing Ordinance, and

b) fines and penalties for non-compliance.

**Next Steps**
If the Housing Commission concurs with the Working Group's recommendation, then professional staff would prepare a summary presentation for City Council. Staff requests participation from the Commission when the presentation is before City Council, especially because there are a number of new City Council members. Some of the new Council members may not be as familiar with the broader context for the proposed regulations within the affordable housing program.

If the City Council approves the recommendation, then City professional staff would prepare a draft ordinance for Corporation Counsel's review. After Counsel's review, the Housing Commission's Working Group and then the Housing Commission would review the draft ordinance before sending a final recommendation to City Council for consideration.

**II. Discussion regarding potential revisions to Inclusionary Housing Ordinance**
As noted at the outset of this memo, a number of recommendations stem from the experience with the Inclusionary Housing program. These would offer additional protection to all initial inclusionary home purchasers as well as ensuring a quality affordable home for resale. The Working Group requests that the Housing Commission consider the merits of revising the Inclusionary Housing Ordinance and Administrative Guidelines to include the following items to cover all inclusionary housing units:

- Building division inspections,
- Energy-efficiency audits for all inclusionary housing units,
- Developer warranties for major systems and appliances, and
- Escrow accounts to cover the warranties.

The other significant question that arose was whether to offer a fee-in-lieu provision for condominium conversions. The reasons to consider this are twofold:

1. Developers cannot receive a density bonus, because they typically are not adding units in a building, only converting the existing number of units to new ownership. The rationale for the density bonus is to offset some of the costs that developers incur in providing affordable housing. The developer's constraints of redeveloping an existing building with minimal (less than 50%) demolition are likely to prevent this.
2. Corporation Counsel observed a potential problem for Inclusionary Housing Ordinance compliance in condominium conversions. Hart Passman wrote:

> Separately, we noticed, when reviewing the City's inclusionary housing rules, that the inclusionary housing rules do not take into account tenants' rights of first refusal. Under Section 150.2101(A) (4) of the Ordinance, the inclusionary housing regulations apply to developments that include "the conversion of rental property to private ownership of individual housing units." As the Ordinance is presently written, a developer converting apartments must make 20 percent of the units affordable housing, unless the development is a single-family detached development of less than 20 units, in which case the developer can make a payment-in-lieu. This is problematic because if enough tenants exercise their right of first refusal, the developer will not have enough available units to set aside as affordable housing. Moreover, the "payment in lieu" provision is so narrow that a developer converting apartments into

condos is not likely to be eligible to make a payment in lieu, thus allowing a developer to comply with the Code.

To prevent this problem, we suggest that the Ordinance be amended to either: (i) broaden the payment-in-lieu provision to allow developers that are converting apartments into condos to provide a payment-in-lieu even if the development is not a single-family detached development that is less than 20 units; or (ii) change the manner in which a developer's affordable housing requirement is calculated so that the calculation does not take into account the units that are sold to tenants pursuant to the tenants' right of first refusal.

For these two reasons, the Working Group requests that the Housing Commission discusses whether to revise the fee-in-lieu provision of the Inclusionary Housing Ordinance or to develop another solution to allow Ordinance compliance in these situations.

Attachment 1

**Condo Conversion Working Group's Recommendations and State of Illinois Requirements**

Below is a chart indicating the requirements that the State of Illinois established under Section 30 of the Illinois Condominium Property Act (ICPA) compared to the two recommendations that the Working Group presents. The minimum recommendation is to reinforce the State law with the addition of the requirement to notify the City at the same time as tenants. The comprehensive recommendation extends some of the State provisions and adds new requirements.

| State of Illinois | Minimum Recommendation | Comprehensive Recomm. |
|---|---|---|
| Notice of Intent to tenants at least **30 days** prior to recording condo declaration | Same | Notice of Intent **180 days** prior |
| **120 day** right of first refusal for tenants after receipt of notice of intent | Same | **180 day** right of first refusal for tenants |
| For tenant-occupied unit, showings at "appropriate hours" | Same | **Two days notice** of entry to tenants in last 90 days of expiring tenancy |
| Developer must maintain existing rental price for **120 day period** following receipt of notice of intent | Same | **180 day period** |
| Penalties for Non-compliance | Same | To be determined |
| | Require Notice of Intent to City concurrent with Tenant notice at least **30 days** | Require Notice of Intent to City concurrent with Tenant notice **180 days** prior |
| | | Relocation assistance for low and moderate income households |
| | | Property Report (see Attachment 2) |
| | | Developer warranties for common elements |
| | | Guarantee for project completion |
| | | Fire Detection System |
| | | Record-keeping |

| State of Illinois | Minimum Recommendation | Comprehensive Recomm. |
|---|---|---|
| | | **Additional Protections for affordable purchasers:**<br>1. Inspections of the affordable units<br>2. Energy-efficiency Audits<br>3. Developer warranties<br>4. Escrow account to cover warranties |

**Attachment 2**
**Outline for Property Report**

One of the main requirements for a comprehensive Condominium Conversion Ordinance is the submission of a Property Report. The developer would submit the Property Report in two phases, a preliminary and then final Report. The idea of the two stages is to allow the developer to collect the information in a reasonable time period. The intent is to make this as easy for the developer as possible: most of the required information would be information that the developer would need both to finance the project and to market to prospective buyers. Staff would review the Property Report to insure completeness of the information provided, not to assess the quality of the development. City staff would prepare a checklist to accompany the Ordinance to assist developers with the process. A number of communities require that the developer collect a receipt signed by the purchaser acknowledging that the purchaser read the Property Report.

1. Preliminary Property Report at 180 days with notice of intent to tenants and City
    1. List of tenants who were notified, including names (Note: this list is for City use only, not for public distribution)
    2. Name of building, address and number of units
    3. Name(s) of the developer, address, and phone number
    4. Timeline of project
    5. Statement of expected sales price
    6. Estimated monthly assessment with information on maintenance and amenity costs that the assessment covers
    7. Estimated real estate taxes based on previous year's tax bill
    8. Maintenance and amenity costs that are not covered by the monthly assessment for which optional charges are or may be levied
    9. List of appliances and property in units post conversion, stating whether new or existing
    10. Time and circumstances upon which the initial Board of Managers shall be established
    11. Brief description of rights and obligations retained by the sellers and the duration of such rights and obligations
    12. Rights and obligations of unit purchasers after closing and prior to the election of the initial Board of Managers
    13. Description of any financing offered by the developer
    14. Disclaimers like those required in the Arlington Heights and Chicago Ordinances (e.g., City law specifically prohibits any representation to the effect that the City has passed upon the merits of or given any approval to make or cause to be made...)
    15. Condominium Conversion Ordinance attached to preliminary property report

2. Final Property Report provided upon execution of the first sales contract and delivered with every executed sales contract thereafter. The proposed information required:
    1. Includes all the information from the Preliminary Property Report
    2. Additional ownership information including all general partners of a partnership and officers and the registered agent of a corporation

3. All persons with a direct material financial interest in the property, including interim and permanent mortgage lenders
4. Principal attorneys, accountants, architect, engineer, and contractor for the property
5. Description of the property and improvements, including:
    i. Map or plat showing size and dimensions of the condominium project, floor plans of individual units, together with all improvements, including recreational facilities, proposed construction and present and planned location of streets and roads.
    ii. Description of common elements
    iii. Description of proposed improvements
    iv. Share of ownership of each unit in the common elements
    v. Description, nature, and ownership of all property and facilities on the site, which are not part of the condominium
    vi. Description of all existing and proposed recreational facilities and other such facilities within the condominium project, including the projected dates of completion
    vii. List of any common element fees for buyers (pool, gym, etc.)
    viii. Drawings, architectural plans and other suitable documents setting forth the necessary information for location, maintenance, and repair of all condominium facilities and equipment to the extent that these documents exist.
6. Engineer's Report, including maintenance schedule for building systems
7. Description of existing contracts for management and other services
8. Bylaws / Articles of Incorporation / Rules & Regulations
9. Description of Insurance Coverage
10. Current Operating Budget
11. Projected Budget/Reserves
12. Alternative provisions if an insufficient number of units are sold to cover the proposed operations and maintenance budget
13. Inspection Reports through the last five years
14. Summary of Building violations from the last five years
15. Statement of any pending litigation, which would affect the condominium or the developer's ability to convey clear title
16. A certificate from a licensed insurance firm that a bond is in force in an amount sufficient to guarantee completion of the construction of any individual structure for which a building permit has been issued
17. Number of parking spaces allocated per unit and number of guest spaces
18. Proportion of units intended for rental
19. Any restrictions on renting units regarding use and occupancy
20. Statement of Warranties for affordable units, common elements, and any warranties that apply to market-rate units
21. Copies of the sales documents and literature, including basic purchase contract form
22. Disclaimers like those required in Arlington Heights and Chicago ordinances
23. Condominium Conversion Ordinance attached

# FRANK B. PEERS HOUSING
## Balance Sheet
Month Ending 09/30/11

**ASSETS**

| | |
|---|---|
| Current Assets | |
| 1110-0000 - Petty Cash | 300.00 |
| 1121-0000 - Cash - Operating | 56,652.62 |
| 1130-0000 - Tenant/member accounts receivable | 2,486.00 |
| 1131-0000 - Accounts receivable - subsidy | 44,595.00 |
| 1240-0000 - Prepaid property and liability insurance | 13,055.22 |
| Total Current Assets | 117,088.84 |
| Other Assets | |
| 1290-0000 - Misc Prepaid Expenses | 180.50 |
| 1192-0000 - Tenant Sec Dep | 19,644.41 |
| 1310-0000 - Real estate tax escrow | 86,341.16 |
| 1311-0000 - Insurance escrow | 18,473.85 |
| 1330-0000 - Debt Service Escrow | 138,751.77 |
| 1140-0000 - Accounts Receivable - Other | 3,284.36 |
| 1320 - Replacement Reserve | 143,614.96 |
| 1340 - Residual Receipt | 13.69 |
| Total Other Assets | 410,304.70 |
| 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 | 12,416.20 |
| Total Fixed Assets | 1,288,494.91 |
| Financing Costs | |
| 1900-0001 - Deferred Financing Costs | 192,398.85 |
| 1999-0000 - Accum Amort - Bond Costs | (41,361.94) |
| Total Financing Costs | 151,036.91 |
| Partnership Assets | |
| 1701-0000 - Cash - Partnership | 16,586.16 |
| 1702-0000 - Partnership MM | 2,118,206.21 |
| 1702-1000 - Partnership F/A | 221,340.23 |
| 1703-0000 - Partnership Receivable | 267,013.69 |
| Total Partnership Assets | 2,623,146.29 |
| **Total Assets** | **4,590,071.65** |

# FRANK B. PEERS HOUSING
## Balance Sheet
Month Ending 09/30/11

**Liabilities & Equity**

| | |
|---|---|
| Current Liabilities | |
| 2110-0000 - Accounts payable | 8,128.79 |
| 2113-0000 - Flex Benefit Payable | (0.01) |
| 2120-0000 - Accrued wages and p/r taxes payable | 2,658.23 |
| 2150-0000 - Accrued property taxes | 64,665.00 |
| 2180-0000 - Misc current liabilities | 14,114.33 |
| Total Current Liabilities | 89,566.34 |
| Non-Current Liabilities | |
| 2190-0000 - Sec. Dep. In Transit | (8,149.00) |
| 2191-0000 - Security deposits-residential | 18,284.00 |
| 2191-0001 - Pet Deposit | 600.00 |
| 2210-0000 - Prepaid Rent | 238.32 |
| 2211-0000 - Prepaid HUD | 32,459.00 |
| 2320-1000 - Mortgage payable - 2nd note | 2,290,000.00 |
| 2320-0000 - Mortgage Payable (long term) | 2,027,885.17 |
| Total Non-Current Liabilities | 4,361,317.49 |
| 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 | 142,173.83 |
| Current YTD Earnings | 13,307.51 |
| Total Owner's Equity | 139,187.82 |
| **Total Liability & Owner Equity** | **4,590,071.65** |

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

| | Month Ending 09/30/11 | | | Year To Date 09/30/11 | | | |
|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Actual | Budget | Variance | Annual Budget |
| GROSS OPERATING INCOME | | | | | | | |
| RESIDENTIAL RENTAL INCOME | | | | | | | |
| 5120-0000 - Apartment rent | 17,294.00 | 16,200.00 | 1,094.00 | 172,539.00 | 145,800.00 | 26,739.00 | 194,400.00 |
| 5121-0000 - Tenant assistant payments | 66,654.00 | 64,800.00 | 1,854.00 | 582,993.00 | 583,200.00 | (207.00) | 777,600.00 |
| 5140-0000 - Commercial base rent | 60.00 | 60.00 | 0.00 | 1,010.85 | 540.00 | 470.85 | 720.00 |
| TOTAL RESIDENTIAL RENTAL INCOME | 84,008.00 | 81,060.00 | 2,948.00 | 756,542.85 | 729,540.00 | 27,002.85 | 972,720.00 |
| VACANCIES & ADJUSTMENTS | | | | | | | |
| 5220-0000 - Vacancy loss - apartments | 0.00 | (500.00) | 500.00 | (18,994.00) | (4,500.00) | (14,494.00) | (6,000.00) |
| 5221-0000 - Non-Revenue Units | (1,243.00) | (1,200.00) | (43.00) | (11,015.00) | (10,800.00) | (215.00) | (14,400.00) |
| TOTAL VACANCIES & ADJUSTMENTS | (1,243.00) | (1,700.00) | 457.00 | (30,009.00) | (15,300.00) | (14,709.00) | (20,400.00) |
| OTHER INCOME | | | | | | | |
| 5910-0000 - Laundry income | 0.00 | 208.00 | (208.00) | 1,654.75 | 1,872.00 | (217.25) | 2,500.00 |
| 5990-0000 - Misc other income | 0.00 | 50.00 | (50.00) | 4,899.40 | 450.00 | 4,449.40 | 600.00 |
| 5413-0000 - Interest income - escrow | 6.45 | 166.00 | (159.55) | 16.84 | 1,494.00 | (1,477.16) | 2,000.00 |
| TOTAL OTHER INCOME | 6.45 | 424.00 | (417.55) | 6,570.99 | 3,816.00 | 2,754.99 | 5,100.00 |
| GROSS OPERATING INCOME | 82,771.45 | 79,784.00 | 2,987.45 | 733,104.84 | 718,056.00 | 15,048.84 | 957,420.00 |
| ADVERTISING & RENTING EXPENSE | | | | | | | |
| 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 | 270.00 | 119.00 | 360.00 |
| TOTAL ADVERTISING & RENTING EXPENSE | 0.00 | 30.00 | 30.00 | 236.35 | 470.00 | 233.65 | 560.00 |
| ADMINISTRATIVE EXPENSE | | | | | | | |
| 6311-0000 - Office supplies | 371.29 | 270.00 | (101.29) | 1,468.16 | 2,430.00 | 961.84 | 3,240.00 |
| 6316-0000 - Office Equipment | 172.92 | 300.00 | 127.08 | 1,495.86 | 2,700.00 | 1,204.14 | 3,600.00 |
| 6320-0000 - Management fee | 4,106.20 | 3,833.00 | (273.20) | 37,305.57 | 34,497.00 | (2,808.57) | 46,000.00 |
| 6340-0000 - Legal Expense - Project | 0.00 | 200.00 | 200.00 | 0.00 | 1,800.00 | 1,800.00 | 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 | 1,547.28 | 750.00 | (797.28) | 6,134.34 | 6,750.00 | 615.66 | 9,000.00 |
| 6365-0000 - Training & Education Expense | 0.00 | 100.00 | 100.00 | 319.00 | 900.00 | 581.00 | 1,200.00 |
| 6370-0000 - Bad debts | 4,138.00 | 50.00 | (4,088.00) | 10,013.00 | 450.00 | (9,563.00) | 600.00 |
| 6371-0000 - Fees Dues & Contributions | 0.00 | 25.00 | 25.00 | 0.00 | 225.00 | 225.00 | 300.00 |
| 6380-0000 - Consulting/study costs | 0.00 | 0.00 | 0.00 | 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 | 0.00 | 100.00 | 100.00 | 1,334.26 | 900.00 | (434.26) | 1,200.00 |
| 6390-0002 - Computer Supplies/Data Processing | 478.07 | 130.00 | (348.07) | 2,019.52 | 1,170.00 | (849.52) | 1,560.00 |
| 6395-0000 - Tenant Retention | 264.13 | 625.00 | 360.87 | 2,498.68 | 5,625.00 | 3,126.32 | 7,500.00 |
| 6431-0000 - Travel & Expense Reimbursement | 160.73 | 300.00 | 139.27 | 1,250.44 | 2,700.00 | 1,449.56 | 3,600.00 |
| 6860-0000 - Security Deposit Interest | (2.20) | (12.00) | (9.80) | (26.91) | (108.00) | (81.09) | (144.00) |
| TOTAL ADMINISTRATIVE EXPENSE | 11,236.42 | 6,671.00 | (4,565.42) | 77,777.58 | 75,639.00 | (2,138.58) | 95,656.00 |
| PAYROLL & RELATED COSTS | | | | | | | |
| 6310-0000 - Office salaries | 4,865.82 | 5,666.00 | 800.18 | 43,499.48 | 50,994.00 | 7,494.52 | 68,000.00 |
| 6510-0000 - Janitor and cleaning payroll | 1,302.83 | 1,241.00 | (61.83) | 10,861.69 | 11,169.00 | 307.31 | 14,900.00 |
| 6540-0000 - Repairs payroll | 3,609.22 | 3,833.00 | 223.78 | 37,687.20 | 34,497.00 | (3,190.20) | 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 | 751.33 | 1,681.00 | 929.67 | 10,101.61 | 15,129.00 | 5,027.39 | 20,175.00 |

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

| | Month Ending 09/30/11 | | | Year To Date 09/30/11 | | | |
|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Actual | Budget | Variance | Annual Budget |
| 6722-0000 - Workers compensation | 278.79 | 266.00 | (12.79) | 2,275.81 | 2,250.00 | (25.81) | 3,053.00 |
| 6723-0000 - Employee health insurance | 514.11 | 345.00 | (169.11) | 3,563.85 | 3,105.00 | (458.85) | 4,140.00 |
| 6724-0000 - Union Benefits | 1,189.76 | 1,197.00 | 7.24 | 10,707.80 | 10,773.00 | 65.20 | 14,368.00 |
| 6726-0001 - Contingency | 0.00 | 0.00 | 0.00 | 1,682.50 | 2,200.00 | 517.50 | 2,200.00 |
| TOTAL PAYROLL & RELATED COSTS | 12,511.86 | 14,229.00 | 1,717.14 | 120,379.94 | 130,117.00 | 9,737.06 | 172,836.00 |
| OPERATING EXPENSES | | | | | | | |
| 6515-0000 - Janitors and cleaning supplies | 241.96 | 250.00 | 8.04 | 2,183.88 | 2,250.00 | 66.12 | 3,000.00 |
| 6518-0000 - Uniforms | 0.00 | 0.00 | 0.00 | 0.00 | 700.00 | 700.00 | 700.00 |
| 6519-0000 - Exterminating Contract | 210.00 | 460.00 | 250.00 | 840.00 | 4,140.00 | 3,300.00 | 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 | 623.62 | 400.00 | (223.62) | 2,914.52 | 3,600.00 | 685.48 | 4,800.00 |
| 6490-0000 - Misc operating expenses | 0.00 | 50.00 | 50.00 | 0.00 | 450.00 | 450.00 | 600.00 |
| TOTAL OPERATING EXPENSES | 1,075.58 | 1,160.00 | 84.42 | 5,938.40 | 11,140.00 | 5,201.60 | 14,620.00 |
| UTILITIES | | | | | | | |
| 6450-0000 - Electricity | 1,716.50 | 1,800.00 | 83.50 | 17,350.68 | 19,000.00 | 1,649.32 | 23,500.00 |
| 6451-0000 - Water | 739.65 | 791.00 | 51.35 | 5,691.80 | 7,119.00 | 1,427.20 | 9,500.00 |
| 6452-0000 - Gas | 1,678.85 | 3,000.00 | 1,321.15 | 22,473.79 | 30,000.00 | 7,526.21 | 45,000.00 |
| 6453-0000 - Sewer | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL UTILITIES | 4,135.00 | 5,591.00 | 1,456.00 | 45,516.27 | 56,119.00 | 10,602.73 | 78,000.00 |
| MAINTENANCE EXPENSES | | | | | | | |
| 6536-0000 - Ground supplies | 0.00 | 1,000.00 | 1,000.00 | 0.00 | 6,000.00 | 6,000.00 | 8,000.00 |
| 6537-0000 - Grounds Contractor (Landscaper) | 3,732.00 | 650.00 | (3,082.00) | 7,221.00 | 3,900.00 | (3,321.00) | 5,200.00 |
| 6541-0000 - Repair materials (general supplies) | 460.38 | 750.00 | 289.62 | 3,027.38 | 6,750.00 | 3,722.62 | 9,000.00 |
| 6541-0001 - Appliance Parts | 0.00 | 50.00 | 50.00 | 0.00 | 450.00 | 450.00 | 600.00 |
| 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 |
| 6541-0007 - 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) | 722.00 | 500.00 | (222.00) | 3,249.00 | 4,500.00 | 1,251.00 | 6,000.00 |
| 6546-0000 - Heating/Cooling Contractor | 1,511.05 | 2,300.00 | 788.95 | 6,038.84 | 8,500.00 | 2,461.16 | 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 | 1,125.00 | 1,125.00 | 1,500.00 |
| 6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor) | 945.00 | 1,000.00 | 55.00 | 6,755.00 | 9,000.00 | 2,245.00 | 12,000.00 |
| 6580-0000 - Equipment repairs | 0.00 | 500.00 | 500.00 | 0.00 | 500.00 | 500.00 | 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 | 1,478.50 | 150.00 | (1,328.50) | 4,347.31 | 1,350.00 | (2,997.31) | 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 | 900.00 | 545.00 | 1,200.00 |
| 6591-0000 - Electrical Repairs | 0.00 | 300.00 | 300.00 | 771.69 | 2,700.00 | 1,928.31 | 3,600.00 |
| 6594-0000 - Carpentry Repairs | 150.00 | 100.00 | (50.00) | 427.94 | 900.00 | 472.06 | 1,200.00 |
| 6595-0000 - Plumbing Repairs | 973.00 | 790.00 | (183.00) | 4,460.06 | 7,110.00 | 2,649.94 | 9,500.00 |
| 6596-0000 - Floor Repairs/Cleaning | 0.00 | 0.00 | 0.00 | 1,525.00 | 2,500.00 | 975.00 | 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 | 2,700.00 | 2,700.00 | 3,600.00 |
| TOTAL MAINTENANCE EXPENSES | 9,971.93 | 8,615.00 | (1,356.93) | 53,817.16 | 80,085.00 | 26,267.84 | 98,600.00 |
| TAXES AND INSURANCE | | | | | | | |
| 6710-0000 - Real estate taxes | 7,185.00 | 7,185.00 | 0.00 | 70,327.30 | 64,665.00 | (5,662.30) | 86,220.00 |

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

| | Month Ending 09/30/11 | | | Year To Date 09/30/11 | | | |
|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Actual | Budget | Variance | Annual Budget |
| 6720-0000 - Property and liability insurance | 1,531.63 | 1,415.00 | (116.63) | 12,649.59 | 12,735.00 | 85.41 | 16,980.00 |
| 6721-0000 - Fidelity bond insurance | 0.00 | 0.00 | 0.00 | 91.00 | 100.00 | 9.00 | 100.00 |
| TOTAL TAXES AND INSURANCE | 8,716.63 | 8,600.00 | (116.63) | 83,067.89 | 77,500.00 | (5,567.89) | 103,300.00 |
| TOTAL OPERATING EXPENSES | 47,647.42 | 44,896.00 | (2,751.42) | 386,733.59 | 431,070.00 | 44,336.41 | 563,572.00 |
| NET OPERATING INCOME (LOSS) | 35,124.03 | 34,888.00 | 236.03 | 346,371.25 | 286,986.00 | 59,385.25 | 393,848.00 |
| FINANCIAL EXPENSES | | | | | | | |
| 6820-0000 - Mortgage interest | 21,048.39 | 21,208.00 | 159.61 | 191,082.34 | 190,872.00 | (210.34) | 254,496.00 |
| 7104-0000 - Replacement Reserve | 1,961.64 | 1,800.00 | (161.64) | 17,654.76 | 16,200.00 | (1,454.76) | 21,600.00 |
| 7108-0000 - Mortgage Payable (long term) | 9,439.15 | 9,280.00 | (159.15) | 83,305.52 | 83,520.00 | 214.48 | 111,360.00 |
| TOTAL FINANCIAL EXPENSES | 32,449.18 | 32,288.00 | (161.18) | 292,042.62 | 290,592.00 | (1,450.62) | 387,456.00 |
| NET OPER INC/(LOSS) BEFORE CAP. EXP. | 2,674.85 | 2,600.00 | 74.85 | 54,328.63 | (3,606.00) | 57,934.63 | 6,392.00 |
| NET INCOME (LOSS) | 2,674.85 | 2,600.00 | 74.85 | 54,328.63 | (3,606.00) | 57,934.63 | 6,392.00 |
| Partnership Income | | | | | | | |
| 8005-0000 - Mortgagor Entity Income | 795.21 | 0.00 | 795.21 | 3,816.27 | 0.00 | 3,816.27 | 0.00 |
| 8010-0000 - Other Entity Expense | (1,563.34) | 0.00 | (1,563.34) | (3,623.84) | 0.00 | (3,623.84) | 0.00 |
| Total Partnership Activity | (768.13) | 0.00 | (768.13) | 192.43 | 0.00 | 192.43 | 0.00 |
| CAPITAL EXPENDITURES & ESCROWS | | | | | | | |
| 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 | (237,000.00) | (237,000.00) | (237,000.00) |
| 6991-0000 - Capital expenditures | 0.00 | 93,558.00 | 93,558.00 | 602.66 | 252,537.00 | 251,934.34 | 252,537.00 |
| 6993-0000 - Appliance Replacement | 0.00 | 125.00 | 125.00 | 1,289.64 | 1,125.00 | (164.64) | 1,500.00 |
| 6994-0000 - Carpet & tile | 0.00 | 616.00 | 616.00 | 10,523.90 | 5,544.00 | (4,979.90) | 7,400.00 |
| TOTAL CAPITAL EXPENDITURES & ESCROWS | 0.00 | 94,299.00 | 94,299.00 | 12,416.20 | 22,206.00 | 9,789.80 | 6,437.00 |
| GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS | 1,906.72 | (91,699.00) | 93,605.72 | 42,104.86 | (25,812.00) | 67,916.86 | (45.00) |

# WALNUT PLACE
## Balance Sheet
Month Ending 09/30/11

**ASSETS**

| | |
|---|---|
| Current Assets | |
| 1110-0000 - Petty Cash | 900.00 |
| 1121-0000 - Cash - Operating | 4,769.25 |
| 1130-0000 - Tenant/member accounts receivable | 24,767.98 |
| 1131-0000 - Accounts receivable - subsidy | 34,645.00 |
| 1240-0000 - Prepaid property and liability insurance | 11,761.47 |
| Total Current Assets | 76,843.70 |
| Other Assets | |
| 1290-0000 - Misc Prepaid Expenses | 191.91 |
| 1192-0000 - Tenant Sec Dep | 22,613.70 |
| 1310-0000 - Real estate tax escrow | 113,038.81 |
| 1311-0000 - Insurance escrow | 22,798.47 |
| 1330-0000 - Debt Service Escrow | 136,097.25 |
| 1320 - Replacement Reserve | 135,535.74 |
| 1340 - Residual Receipt | 27,094.86 |
| Total Other Assets | 457,370.74 |
| 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 | 17,437.39 |
| Total Fixed Assets | 903,478.28 |
| 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 | 137,211.10 |
| Partnership Assets | |
| 1701-0000 - Cash - Partnership | 104,525.88 |
| Total Partnership Assets | 104,525.88 |
| **Total Assets** | **1,679,429.70** |

# WALNUT PLACE
## Balance Sheet
Month Ending 09/30/11

**Liabilities & Equity**

| | |
|---|---|
| Current Liabilities | |
| 2110-0000 - Accounts payable | 18,015.72 |
| 2120-0000 - Accrued wages and p/r taxes payable | 2,657.81 |
| 2130-0000 - Accrued interest - mortgage | 0.43 |
| 2150-0000 - Accrued property taxes | 78,147.01 |
| 2155-0000 - Accrued professional services | 14,714.00 |
| 2180-0000 - Misc current liabilities | 17,837.38 |
| Total Current Liabilities | 131,372.35 |
| Non-Current Liabilities | |
| 2190-0000 - Sec. Dep. In Transit | (13,161.00) |
| 2191-0000 - Security deposits-residential | 18,714.00 |
| 2191-0001 - Pet Deposit | 950.00 |
| 2210-0000 - Prepaid Rent | 1,046.00 |
| 2211-0000 - Prepaid HUD | 12,804.00 |
| 2320-1000 - Mortgage payable - 2nd note | 2,546,000.00 |
| 2320-0000 - Mortgage Payable (long term) | 2,094,466.15 |
| Total Non-Current Liabilities | 4,660,819.15 |
| 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 | 117,552.17 |
| Current YTD Earnings | 31,884.15 |
| Total Owner's Equity | (3,112,761.80) |
| **Total Liability & Owner Equity** | **1,679,429.70** |

# WALNUT PLACE
## Actual vs Budget Accrual Operating Statement

| | Month Ending 09/30/11 | | | Year To Date 09/30/11 | | | |
|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Actual | Budget | Variance | Annual Budget |
| GROSS OPERATING INCOME | | | | | | | |
| RESIDENTIAL RENTAL INCOME | | | | | | | |
| 5120-0000 - Apartment rent | 20,637.00 | 21,585.00 | (948.00) | 209,683.00 | 194,265.00 | 15,418.00 | 259,020.00 |
| 5121-0000 - Tenant assistant payments | 65,703.00 | 64,755.00 | 948.00 | 567,377.00 | 582,795.00 | (15,418.00) | 777,060.00 |
| 5140-0000 - Commercial base rent | 0.00 | 0.00 | 0.00 | 274.03 | 0.00 | 274.03 | 0.00 |
| TOTAL RESIDENTIAL RENTAL INCOME | 86,340.00 | 86,340.00 | 0.00 | 777,334.03 | 777,060.00 | 274.03 | 1,036,080.00 |
| VACANCIES & ADJUSTMENTS | | | | | | | |
| 5220-0000 - Vacancy loss - apartments | (1,722.00) | (1,684.00) | (38.00) | (40,167.00) | (15,156.00) | (25,011.00) | (20,208.00) |
| 5221-0000 - Non-Revenue Units | (1,260.00) | (1,260.00) | 0.00 | (11,328.00) | (11,340.00) | 12.00 | (15,120.00) |
| 5123-0000 - Rent Concession | (50.00) | 0.00 | (50.00) | (50.00) | 0.00 | (50.00) | 0.00 |
| TOTAL VACANCIES & ADJUSTMENTS | (3,032.00) | (2,944.00) | (88.00) | (51,545.00) | (26,496.00) | (25,049.00) | (35,328.00) |
| OTHER INCOME | | | | | | | |
| 5910-0000 - Laundry income | 0.00 | 250.00 | (250.00) | 2,153.50 | 2,250.00 | (96.50) | 3,000.00 |
| 5920-0000 - Nsf check fee | 0.00 | 0.00 | 0.00 | 25.00 | 0.00 | 25.00 | 0.00 |
| 5922-0000 - Late fees | 0.00 | 0.00 | 0.00 | 90.00 | 0.00 | 90.00 | 0.00 |
| 5990-0000 - Misc other income | 0.00 | 30.00 | (30.00) | 3,055.00 | 270.00 | 2,785.00 | 360.00 |
| 5413-0000 - Interest income - escrow | 7.24 | 210.00 | (202.76) | 19.02 | 1,890.00 | (1,870.98) | 2,520.00 |
| TOTAL OTHER INCOME | 7.24 | 490.00 | (482.76) | 5,342.52 | 4,410.00 | 932.52 | 5,880.00 |
| GROSS OPERATING INCOME | 83,315.24 | 83,886.00 | (570.76) | 731,131.55 | 754,974.00 | (23,842.45) | 1,006,632.00 |
| ADVERTISING & RENTING EXPENSE | | | | | | | |
| 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 | 237.00 | 270.00 | 33.00 | 360.00 |
| TOTAL ADVERTISING & RENTING EXPENSE | 0.00 | 30.00 | 30.00 | 322.35 | 470.00 | 147.65 | 560.00 |
| ADMINISTRATIVE EXPENSE | | | | | | | |
| 6311-0000 - Office supplies | 360.78 | 270.00 | (90.78) | 2,146.31 | 2,430.00 | 283.69 | 3,240.00 |
| 6316-0000 - Office Equipment | 172.92 | 300.00 | 127.08 | 1,495.86 | 2,700.00 | 1,204.14 | 3,600.00 |
| 6320-0000 - Management fee | 4,211.05 | 3,833.00 | (378.05) | 36,742.74 | 34,497.00 | (2,245.74) | 46,000.00 |
| 6340-0000 - Legal Expense - Project | 0.00 | 200.00 | 200.00 | 0.00 | 1,800.00 | 1,800.00 | 2,400.00 |
| 6350-0000 - Audit Expense | (750.00) | 0.00 | 750.00 | 12,250.00 | 11,500.00 | (750.00) | 11,500.00 |
| 6360-0000 - Telephone | 2,113.37 | 750.00 | (1,363.37) | 7,732.03 | 6,750.00 | (982.03) | 9,000.00 |
| 6365-0000 - Training & Education Expense | 0.00 | 100.00 | 100.00 | 319.00 | 900.00 | 581.00 | 1,200.00 |
| 6370-0000 - Bad debts | 1,603.84 | 50.00 | (1,553.84) | 15,804.84 | 450.00 | (15,354.84) | 600.00 |
| 6371-0000 - Fees Dues & Contributions | 0.00 | 40.00 | 40.00 | 0.00 | 360.00 | 360.00 | 480.00 |
| 6380-0000 - Consulting/study costs | 0.00 | 0.00 | 0.00 | 1,350.00 | 1,500.00 | 150.00 | 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 | 0.00 | 100.00 | 100.00 | 1,525.23 | 900.00 | (625.23) | 1,200.00 |
| 6390-0002 - Computer Supplies/Data Processing | 478.07 | 130.00 | (348.07) | 2,019.52 | 1,170.00 | (849.52) | 1,560.00 |
| 6395-0000 - Tenant Retention | 291.16 | 500.00 | 208.84 | 2,847.09 | 4,500.00 | 1,652.91 | 6,500.00 |
| 6431-0000 - Travel & Expense Reimbursement | 160.73 | 300.00 | 139.27 | 1,250.44 | 2,700.00 | 1,449.56 | 3,600.00 |
| 6860-0000 - Security Deposit Interest | (2.53) | (12.00) | (9.47) | (30.47) | (108.00) | (77.53) | (144.00) |
| TOTAL ADMINISTRATIVE EXPENSE | 8,639.39 | 6,561.00 | (2,078.39) | 86,718.25 | 72,049.00 | (14,669.25) | 92,236.00 |
| PAYROLL & RELATED COSTS | | | | | | | |
| 6310-0000 - Office salaries | 4,862.91 | 5,666.00 | 803.09 | 43,471.98 | 50,994.00 | 7,522.02 | 68,000.00 |
| 6510-0000 - Janitor and cleaning payroll | 1,122.46 | 1,241.00 | 118.54 | 10,681.36 | 11,169.00 | 487.64 | 14,900.00 |

# WALNUT PLACE
## Actual vs Budget Accrual Operating Statement

| | Month Ending 09/30/11 | | | Year To Date 09/30/11 | | | |
|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Actual | Budget | Variance | Annual Budget |
| 6540-0000 - Repairs payroll | 3,609.23 | 3,833.00 | 223.77 | 38,540.11 | 34,497.00 | (4,043.11) | 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 | 751.12 | 1,681.00 | 929.88 | 10,099.03 | 15,129.00 | 5,029.97 | 20,175.00 |
| 6722-0000 - Workers compensation | 632.47 | 266.00 | (366.47) | 2,327.10 | 2,250.00 | (77.10) | 3,053.00 |
| 6723-0000 - Employee health insurance | 517.00 | 345.00 | (172.00) | 3,585.59 | 3,105.00 | (480.59) | 4,140.00 |
| 6724-0000 - Union Benefits | 1,189.76 | 1,197.00 | 7.24 | 10,707.80 | 10,773.00 | 65.20 | 14,368.00 |
| 6726-0001 - Contingency | 0.00 | 0.00 | 0.00 | 1,682.50 | 2,200.00 | 517.50 | 2,200.00 |
| TOTAL PAYROLL & RELATED COSTS | 12,684.95 | 14,229.00 | 1,544.05 | 121,095.47 | 130,117.00 | 9,021.53 | 172,836.00 |
| OPERATING EXPENSES | | | | | | | |
| 6515-0000 - Janitors and cleaning supplies | 332.14 | 250.00 | (82.14) | 2,070.76 | 2,250.00 | 179.24 | 3,000.00 |
| 6518-0000 - Uniforms | 0.00 | 0.00 | 0.00 | 0.00 | 700.00 | 700.00 | 700.00 |
| 6519-0000 - Exterminating Contract | 210.00 | 460.00 | 250.00 | 780.00 | 4,140.00 | 3,360.00 | 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 | 2,629.68 | 3,600.00 | 970.32 | 4,800.00 |
| 6490-0000 - Misc operating expenses | 0.00 | 50.00 | 50.00 | 200.00 | 450.00 | 250.00 | 600.00 |
| TOTAL OPERATING EXPENSES | 856.27 | 1,160.00 | 303.73 | 5,680.44 | 11,140.00 | 5,459.56 | 14,620.00 |
| UTILITIES | | | | | | | |
| 6450-0000 - Electricity | 1,295.30 | 1,800.00 | 504.70 | 10,199.49 | 12,300.00 | 2,100.51 | 16,800.00 |
| 6451-0000 - Water | 510.06 | 400.00 | (110.06) | 4,458.85 | 6,300.00 | 1,841.15 | 7,500.00 |
| 6452-0000 - Gas | (9,777.11) | 2,000.00 | 11,777.11 | 11,301.34 | 28,250.00 | 16,948.66 | 37,750.00 |
| 6453-0000 - Sewer | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL UTILITIES | (7,971.75) | 4,200.00 | 12,171.75 | 25,959.68 | 46,850.00 | 20,890.32 | 62,050.00 |
| MAINTENANCE EXPENSES | | | | | | | |
| 6536-0000 - Ground supplies | 0.00 | 1,000.00 | 1,000.00 | 0.00 | 6,000.00 | 6,000.00 | 8,000.00 |
| 6537-0000 - Grounds Contractor (Landscaper) | 1,300.00 | 608.00 | (692.00) | 3,685.00 | 3,648.00 | (37.00) | 4,864.00 |
| 6541-0000 - Repair materials (general supplies) | 0.00 | 600.00 | 600.00 | 1,188.31 | 5,400.00 | 4,211.69 | 7,200.00 |
| 6541-0001 - Appliance Parts | 0.00 | 50.00 | 50.00 | 0.00 | 450.00 | 450.00 | 600.00 |
| 6541-0002 - Plumbing Supplies | 0.00 | 0.00 | 0.00 | 236.37 | 0.00 | (236.37) | 0.00 |
| 6541-0003 - Electrical Supplies | 199.98 | 0.00 | (199.98) | 1,055.73 | 0.00 | (1,055.73) | 0.00 |
| 6541-0004 - Heating/Cooling 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 | 0.00 | 1,000.00 | 1,000.00 | 1,000.00 |
| 6541-0009 - Window Supplies | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6541-0010 - Carpentry/Hardware | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6545-0000 - Elevator Contractor (Annual Maintenance Contract) | 720.00 | 500.00 | (220.00) | 4,644.00 | 4,500.00 | (144.00) | 6,000.00 |
| 6546-0000 - Heating/Cooling Contractor | 757.00 | 2,300.00 | 1,543.00 | 1,660.75 | 7,800.00 | 6,139.25 | 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 | 450.00 | (810.00) | 600.00 |
| 6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor) | 0.00 | 1,000.00 | 1,000.00 | 4,095.00 | 9,000.00 | 4,905.00 | 12,000.00 |
| 6580-0000 - Equipment repairs | 0.00 | 500.00 | 500.00 | 0.00 | 500.00 | 500.00 | 500.00 |
| 6581-0000 - Window Washing | 0.00 | 0.00 | 0.00 | 0.00 | 900.00 | 900.00 | 900.00 |
| 6582-0000 - Fire Protection | 898.50 | 350.00 | (548.50) | 1,495.72 | 3,150.00 | 1,654.28 | 4,200.00 |
| 6582-0001 - Fire Safety Equipment | 0.00 | 100.00 | 100.00 | 55.00 | 900.00 | 845.00 | 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 | 900.00 | 900.00 | 1,200.00 |
| 6591-0000 - Electrical Repairs | 0.00 | 450.00 | 450.00 | 987.08 | 4,050.00 | 3,062.92 | 5,400.00 |
| 6594-0000 - Carpentry Repairs | 0.00 | 350.00 | 350.00 | 813.84 | 3,150.00 | 2,336.16 | 4,200.00 |
| 6595-0000 - Plumbing Repairs | 245.00 | 400.00 | 155.00 | 6,464.86 | 3,600.00 | (2,864.86) | 4,800.00 |

# WALNUT PLACE
## Actual vs Budget Accrual Operating Statement

| | Month Ending 09/30/11 | | | Year To Date 09/30/11 | | | |
|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Actual | Budget | Variance | Annual Budget |
| 6596-0000 - Floor Repairs/Cleaning | 0.00 | 0.00 | 0.00 | 1,280.00 | 2,500.00 | 1,220.00 | 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 | 607.00 | 300.00 | (307.00) | 607.00 | 2,700.00 | 2,093.00 | 3,600.00 |
| TOTAL MAINTENANCE EXPENSES | 4,727.48 | 8,658.00 | 3,930.52 | 41,175.76 | 81,598.00 | 40,422.24 | 99,764.00 |
| TAXES AND INSURANCE | | | | | | | |
| 6710-0000 - Real estate taxes | 8,683.00 | 8,683.00 | 0.00 | 82,433.15 | 78,147.00 | (4,286.15) | 104,196.00 |
| 6720-0000 - Property and liability insurance | 1,387.88 | 1,234.00 | (153.88) | 14,627.84 | 11,106.00 | (3,521.84) | 14,808.00 |
| 6721-0000 - Fidelity bond insurance | 0.00 | 0.00 | 0.00 | 97.00 | 100.00 | 3.00 | 100.00 |
| TOTAL TAXES AND INSURANCE | 10,070.88 | 9,917.00 | (153.88) | 97,157.99 | 89,353.00 | (7,804.99) | 119,104.00 |
| TOTAL OPERATING EXPENSES | 29,007.22 | 44,755.00 | 15,747.78 | 378,109.94 | 431,577.00 | 53,467.06 | 561,170.00 |
| NET OPERATING INCOME (LOSS) | 54,308.02 | 39,131.00 | 15,177.02 | 353,021.61 | 323,397.00 | 29,624.61 | 445,462.00 |
| FINANCIAL EXPENSES | | | | | | | |
| 6820-0000 - Mortgage interest | 22,450.04 | 22,655.00 | 204.96 | 203,933.85 | 203,895.00 | (38.85) | 271,860.00 |
| 7104-0000 - Replacement Reserve | 1,994.91 | 1,833.00 | (161.91) | 17,954.19 | 16,497.00 | (1,457.19) | 21,996.00 |
| 7108-0000 - Mortgage Payable (long term) | 11,036.91 | 10,854.00 | (182.91) | 97,448.70 | 97,686.00 | 237.30 | 130,248.00 |
| TOTAL FINANCIAL EXPENSES | 35,481.86 | 35,342.00 | (139.86) | 319,336.74 | 318,078.00 | (1,258.74) | 424,104.00 |
| NET OPER INC/(LOSS) BEFORE CAP. EXP. | 18,826.16 | 3,789.00 | 15,037.16 | 33,684.87 | 5,319.00 | 28,365.87 | 21,358.00 |
| NET INCOME (LOSS) | 18,826.16 | 3,789.00 | 15,037.16 | 33,684.87 | 5,319.00 | 28,365.87 | 21,358.00 |
| Partnership Income | | | | | | | |
| 8005-0000 - Mortgagor Entity Income | 26.17 | 0.00 | 26.17 | 358.56 | 0.00 | 358.56 | 0.00 |
| 8010-0000 - Other Entity Expense | 0.00 | 0.00 | 0.00 | (10.00) | 0.00 | (10.00) | 0.00 |
| Total Partnership Activity | 26.17 | 0.00 | 26.17 | 348.56 | 0.00 | 348.56 | 0.00 |
| CAPITAL EXPENDITURES & ESCROWS | | | | | | | |
| 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 | 5,700.00 | 8,500.00 | 2,800.00 | 8,167.66 | 37,400.00 | 29,232.34 | 37,400.00 |
| 6993-0000 - Appliance Replacement | 534.48 | 125.00 | (409.48) | 1,028.48 | 1,125.00 | 96.52 | 1,500.00 |
| 6994-0000 - Carpet & tile | 0.00 | 485.00 | 485.00 | 8,241.25 | 4,365.00 | (3,876.25) | 5,820.00 |
| TOTAL CAPITAL EXPENDITURES & ESCROWS | 6,234.48 | 9,110.00 | 2,875.52 | 17,437.39 | 18,890.00 | 1,452.61 | 20,720.00 |
| GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS | 12,617.85 | (5,321.00) | 17,938.85 | 16,596.04 | (13,571.00) | 30,167.04 | 638.00 |

# RAVINIA HOUSING
## Balance Sheet
Month Ending 09/30/11

**ASSETS**

| | |
|---|---|
| Current Assets | |
| 1110-0000 - Petty Cash | 150.00 |
| 1121-0000 - Cash - Operating | 1,732.90 |
| 1130-0000 - Tenant/member accounts receivable | 35,738.92 |
| 1131-0000 - Accounts receivable - subsidy | 8,429.00 |
| 1240-0000 - Prepaid property and liability insurance | 4,027.50 |
| 1250-0000 - Prepaid Mortgage Insurance | 1,670.25 |
| Total Current Assets | 51,748.57 |
| Other Assets | |
| 1290-0000 - Misc Prepaid Expenses | 132.60 |
| 1192-0000 - Tenant Sec Dep | 6,991.28 |
| 1310-0000 - Real estate tax escrow | 15,302.76 |
| 1311-0000 - Insurance escrow | 48,895.59 |
| 1312-0000 - Mortgage Insurance Escrow | 4,643.02 |
| 1140-0000 - Accounts Receivable - Other | 635.36 |
| 1320 - Replacement Reserve | 48,349.52 |
| 1340 - Residual Receipt | 480,322.56 |
| Total Other Assets | 605,272.69 |
| 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 | 25,263.83 |
| Total Fixed Assets | 564,739.86 |
| Financing Costs | |
| 1800-0000 - Organization costs | 41,848.00 |
| 1999-0000 - Accum Amort - Bond Costs | (28,071.34) |
| Total Financing Costs | 13,776.66 |
| Partnership Assets | |
| 1701-0000 - Cash - Partnership | 144,403.92 |
| Total Partnership Assets | 144,403.92 |
| **Total Assets** | **1,379,941.70** |

# RAVINIA HOUSING
## Balance Sheet
Month Ending 09/30/11

**Liabilities & Equity**

| | |
|---|---|
| Current Liabilities | |
| 2110-0000 - Accounts payable | 3,592.80 |
| 2120-0000 - Accrued wages and p/r taxes payable | 542.05 |
| 2130-0000 - Accrued interest - mortgage | 4,061.85 |
| 2150-0000 - Accrued property taxes | 24,749.19 |
| 2180-0000 - Misc current liabilities | 1,019.77 |
| Total Current Liabilities | 33,965.66 |
| Non-Current Liabilities | |
| 2190-0000 - Sec. Dep. In Transit | (4,377.74) |
| 2191-0000 - Security deposits-residential | 6,655.00 |
| 2210-0000 - Prepaid Rent | 3,313.00 |
| 2211-0000 - Prepaid HUD | 18,401.00 |
| 2320-0000 - Mortgage Payable (long term) | 726,411.96 |
| Total Non-Current Liabilities | 750,403.22 |
| Owner's Equity | |
| 3100-0000 - Limited Partners Equity | 144,111.21 |
| 3209-0000 - Prior Year Retained Earnings | 404,500.65 |
| 3210-0000 - Retained earnings | 41,421.64 |
| Current YTD Earnings | 5,539.32 |
| Total Owner's Equity | 595,572.82 |
| **Total Liability & Owner Equity** | **1,379,941.70** |

# RAVINIA HOUSING
## Actual vs Budget Accrual Operating Statement

| | Month Ending 09/30/11 | | | Year To Date 09/30/11 | | | |
|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Actual | Budget | Variance | Annual Budget |
| GROSS OPERATING INCOME | | | | | | | |
| RESIDENTIAL RENTAL INCOME | | | | | | | |
| 5120-0000 - Apartment rent | 4,996.00 | 5,404.00 | (408.00) | 49,504.00 | 50,628.00 | (1,124.00) | 66,840.00 |
| 5121-0000 - Tenant assistant payments | 23,683.00 | 16,472.00 | 7,211.00 | 208,607.00 | 187,074.00 | 21,533.00 | 236,490.00 |
| TOTAL RESIDENTIAL RENTAL INCOME | 28,679.00 | 21,876.00 | 6,803.00 | 258,111.00 | 237,702.00 | 20,409.00 | 303,330.00 |
| VACANCIES & ADJUSTMENTS | | | | | | | |
| 5220-0000 - Vacancy loss - apartments | (1,612.00) | (1,213.00) | (399.00) | (14,508.00) | (10,917.00) | (3,591.00) | (14,554.00) |
| 5123-0000 - Rent Concession | 0.00 | 0.00 | 0.00 | (36.00) | 0.00 | (36.00) | 0.00 |
| TOTAL VACANCIES & ADJUSTMENTS | (1,612.00) | (1,213.00) | (399.00) | (14,544.00) | (10,917.00) | (3,627.00) | (14,554.00) |
| 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) | 1,527.87 | 72.00 | 1,455.87 | 100.00 |
| TOTAL OTHER INCOME | 0.00 | 8.00 | (8.00) | 1,587.87 | 72.00 | 1,515.87 | 100.00 |
| GROSS OPERATING INCOME | 27,067.00 | 20,671.00 | 6,396.00 | 245,154.87 | 226,857.00 | 18,297.87 | 288,876.00 |
| 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 | 72.00 | 72.00 | 100.00 |
| TOTAL ADVERTISING & RENTING EXPENSE | 0.00 | 8.00 | 8.00 | 22.43 | 72.00 | 49.57 | 100.00 |
| ADMINISTRATIVE EXPENSE | | | | | | | |
| 6311-0000 - Office supplies | 561.94 | 607.00 | 45.06 | 3,770.11 | 5,463.00 | 1,692.89 | 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 | 1,008.75 | 844.00 | (164.75) | 9,564.46 | 7,596.00 | (1,968.46) | 10,132.00 |
| 6340-0000 - Legal Expense - Project | 400.00 | 250.00 | (150.00) | 5,610.00 | 2,250.00 | (3,360.00) | 3,000.00 |
| 6350-0000 - Audit Expense | 0.00 | 0.00 | 0.00 | 10,000.00 | 11,300.00 | 1,300.00 | 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 | 378.00 | 291.00 | 500.00 |
| 6370-0000 - Bad debts | 0.00 | 0.00 | 0.00 | 9,449.00 | 0.00 | (9,449.00) | 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 | 43.84 | 83.00 | 39.16 | 1,024.10 | 747.00 | (277.10) | 1,000.00 |
| 6390-0002 - Computer Supplies/Data Processing | 156.31 | 0.00 | (156.31) | 846.59 | 0.00 | (846.59) | 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 | (0.79) | 0.00 | 0.79 | (9.89) | 0.00 | 9.89 | 0.00 |
| TOTAL ADMINISTRATIVE EXPENSE | 2,170.05 | 1,826.00 | (344.05) | 42,599.05 | 27,734.00 | (14,865.05) | 33,217.00 |
| PAYROLL & RELATED COSTS | | | | | | | |
| 6310-0000 - Office salaries | 1,152.58 | 1,518.00 | 365.42 | 10,421.29 | 13,662.00 | 3,240.71 | 18,211.00 |
| 6510-0000 - Janitor and cleaning payroll | 1,290.46 | 1,542.00 | 251.54 | 13,401.54 | 13,878.00 | 476.46 | 18,500.00 |
| 6715-0000 - Payroll Taxes | 191.56 | 242.00 | 50.44 | 2,542.31 | 2,178.00 | (364.31) | 2,900.00 |
| 6722-0000 - Workers compensation | 71.46 | 67.00 | (4.46) | 520.76 | 603.00 | 82.24 | 800.00 |
| 6723-0000 - Employee health insurance | 160.94 | 483.00 | 322.06 | 1,177.83 | 4,347.00 | 3,169.17 | 5,800.00 |
| 6724-0000 - Union Benefits | 324.47 | 0.00 | (324.47) | 2,920.30 | 0.00 | (2,920.30) | 0.00 |
| TOTAL PAYROLL & RELATED COSTS | 3,191.47 | 3,852.00 | 660.53 | 30,984.03 | 34,668.00 | 3,683.97 | 46,211.00 |

# RAVINIA HOUSING
## Actual vs Budget Accrual Operating Statement

| | Month Ending 09/30/11 | | | Year To Date 09/30/11 | | | |
|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Actual | Budget | Variance | Annual Budget |
| OPERATING EXPENSES | | | | | | | |
| 6515-0000 - Janitors and cleaning supplies | 86.13 | 583.00 | 496.87 | 2,661.63 | 5,247.00 | 2,585.37 | 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 | 6,851.25 | 1,417.00 | (5,434.25) | 23,543.92 | 12,753.00 | (10,790.92) | 17,000.00 |
| 6525-0000 - Rubbish removal | 1,267.74 | 212.00 | (1,055.74) | 4,062.48 | 1,908.00 | (2,154.48) | 2,540.00 |
| TOTAL OPERATING EXPENSES | 8,205.12 | 2,212.00 | (5,993.12) | 30,268.03 | 19,908.00 | (10,360.03) | 26,540.00 |
| UTILITIES | | | | | | | |
| 6450-0000 - Electricity | 119.34 | 83.00 | (36.34) | 1,721.66 | 747.00 | (974.66) | 1,000.00 |
| 6451-0000 - Water | 3.26 | 25.00 | 21.74 | 174.13 | 225.00 | 50.87 | 300.00 |
| 6452-0000 - Gas | 55.66 | 8.00 | (47.66) | 55.66 | 72.00 | 16.34 | 92.00 |
| 6453-0000 - Sewer | 0.00 | 25.00 | 25.00 | 0.00 | 225.00 | 225.00 | 300.00 |
| TOTAL UTILITIES | 178.26 | 141.00 | (37.26) | 1,951.45 | 1,269.00 | (682.45) | 1,692.00 |
| MAINTENANCE EXPENSES | | | | | | | |
| 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 |
| 6590-0000 - Miscellaneous Repair | 2.00 | 0.00 | (2.00) | 2.00 | 0.00 | (2.00) | 0.00 |
| 6591-0000 - Electrical Repairs | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6594-0000 - Carpentry 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 |
| TOTAL MAINTENANCE EXPENSES | 2.00 | 0.00 | (2.00) | 21,761.77 | 20,000.00 | (1,761.77) | 20,000.00 |
| TAXES AND INSURANCE | | | | | | | |
| 6710-0000 - Real estate taxes | 2,750.00 | 2,750.00 | 0.00 | 26,803.09 | 24,750.00 | (2,053.09) | 33,000.00 |
| 6720-0000 - Property and liability insurance | 467.76 | 417.00 | (50.76) | 3,863.50 | 3,753.00 | (110.50) | 5,000.00 |
| 6721-0000 - Fidelity bond insurance | 0.00 | 0.00 | 0.00 | 28.00 | 0.00 | (28.00) | 0.00 |
| TOTAL TAXES AND INSURANCE | 3,217.76 | 3,167.00 | (50.76) | 30,694.59 | 28,503.00 | (2,191.59) | 38,000.00 |
| TOTAL OPERATING EXPENSES | 16,964.66 | 11,206.00 | (5,758.66) | 158,281.35 | 132,154.00 | (26,127.35) | 165,760.00 |
| NET OPERATING INCOME (LOSS) | 10,102.34 | 9,465.00 | 637.34 | 86,873.52 | 94,703.00 | (7,829.48) | 123,116.00 |
| FINANCIAL EXPENSES | | | | | | | |
| 6820-0000 - Mortgage interest | 4,061.85 | 1,702.00 | (2,359.85) | 37,176.37 | 30,044.60 | (7,131.77) | 35,150.60 |
| 6850-0000 - Mortgage Service Fee | 334.06 | 152.00 | (182.06) | 3,028.90 | 2,482.72 | (546.18) | 2,938.72 |
| 7104-0000 - Replacement Reserve | 712.00 | 1,023.00 | 311.00 | 6,408.00 | 9,207.00 | 2,799.00 | 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) | 3,118.55 | 490.00 | (2,628.55) | 27,450.69 | 19,616.97 | (7,833.72) | 21,086.97 |
| TOTAL FINANCIAL EXPENSES | 8,226.46 | 3,367.00 | (4,859.46) | 109,826.96 | 61,351.29 | (48,475.67) | 71,448.29 |
| NET OPER INC/(LOSS) BEFORE CAP. EXP. | 1,875.88 | 6,098.00 | (4,222.12) | (22,953.44) | 33,351.71 | (56,305.15) | 51,667.71 |
| NET INCOME (LOSS) | 1,875.88 | 6,098.00 | (4,222.12) | (22,953.44) | 33,351.71 | (56,305.15) | 51,667.71 |

# RAVINIA HOUSING
## Actual vs Budget Accrual Operating Statement

| | Month Ending 09/30/11 | | | Year To Date 09/30/11 | | | |
|---|---|---|---|---|---|---|---|
| | Actual | Budget | Variance | Actual | Budget | Variance | Annual Budget |
| Partnership Income | | | | | | | |
| 8005-0000 - Mortgagor Entity Income | 36.22 | 0.00 | 36.22 | 496.04 | 0.00 | 496.04 | 0.00 |
| 8010-0000 - Other Entity Expense | (203.33) | 0.00 | (203.33) | (203.33) | 0.00 | (203.33) | 0.00 |
| Total Partnership Activity | (167.11) | 0.00 | (167.11) | 292.71 | 0.00 | 292.71 | 0.00 |
| CAPITAL EXPENDITURES & ESCROWS | | | | | | | |
| 6991-0000 - Capital expenditures | 0.00 | 0.00 | 0.00 | 23,305.36 | 0.00 | (23,305.36) | 0.00 |
| 6993-0000 - Appliance Replacement | 0.00 | 0.00 | 0.00 | 890.00 | 0.00 | (890.00) | 0.00 |
| 6994-0000 - Carpet & tile | 0.00 | 0.00 | 0.00 | 1,068.47 | 0.00 | (1,068.47) | 0.00 |
| TOTAL CAPITAL EXPENDITURES & ESCROWS | 0.00 | 0.00 | 0.00 | 25,263.83 | 0.00 | (25,263.83) | 0.00 |
| GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS | 1,708.77 | 6,098.00 | (4,389.23) | (47,924.56) | 33,351.71 | (81,276.27) | 51,667.71 |

Sunset Woods Housing
Balance Sheet
September 30, 2011

ASSETS

| | | |
|---|---|---|
| Current Assets | | |
| General Checking | $ 15,834.79 | |
| Assn Money Mkt HP Bank & Trust | 161,452.21 | |
| Assn Checking HP Bank & Trust | 12,761.56 | |
| Sec.Dep. Savings | 10,405.76 | |
| Savings Account | 19,006.76 | |
| A/R, Transfers | (10.00) | |
| Total Current Assets | | 219,451.08 |
| 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 | (320,306.00) | |
| Total Property and Equipment | | 1,637,682.34 |
| Other Assets | | |
| Total Other Assets | | 0.00 |
| Total Assets | | $ 1,857,133.42 |

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 | 8,576.00 | |
| Total Current Liabilities | | 310,138.90 |
| Long-Term Liabilities | | |
| Notes Payable, Harris | 443,522.30 | |
| Notes Payable, Lake Co | 66,670.48 | |
| Notes Payable, IHDA | 131,656.45 | |
| Total Long-Term Liabilities | | 641,849.23 |
| Total Liabilities | | 951,988.13 |
| Capital | | |
| Equity-Retained Earnings | 779,838.16 | |
| Net Income | 125,307.13 | |
| Total Capital | | 905,145.29 |
| Total Liabilities & Capital | | $ 1,857,133.42 |

Sunset Woods Housing
Income Statement
Compared with Budget
For the Nine Months Ending September 30, 2011

| | Current Month | Current Month | Current Month | Year to Date Actual | Year to Date Budget | Year to Date Variance |
|---|---|---|---|---|---|---|
| Revenues | | | | | | |
| Rents | $ 9,170.00 | $ 9,388.00 | (218.00) | $ 81,981.00 | $ 84,491.00 | (2,510.00) |
| 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 | 8,000.00 | (8,000.00) |
| Interest Income Assn | 2.00 | 0.00 | 2.00 | 546.34 | 0.00 | 546.34 |
| Interest Income | 7.33 | 0.00 | 7.33 | 24.16 | 0.00 | 24.16 |
| Rent Concessions | 0.00 | 0.00 | 0.00 | 289.00 | 0.00 | 289.00 |
| Sale of Unit 321 | 0.00 | 0.00 | 0.00 | 135,000.00 | 0.00 | 135,000.00 |
| Total Revenues | 9,179.33 | 10,388.00 | (1,208.67) | 217,890.50 | 92,491.00 | 125,399.50 |
| Cost of Sales | | | | | | |
| Cost of Unit 321 | 0.00 | 0.00 | 0.00 | 4,245.00 | 0.00 | 4,245.00 |
| Total Cost of Sales | 0.00 | 0.00 | 0.00 | 4,245.00 | 0.00 | 4,245.00 |
| Gross Profit | 9,179.33 | 10,388.00 | (1,208.67) | 213,645.50 | 92,491.00 | 121,154.50 |
| Expenses | | | | | | |
| Office Supplies | 0.00 | 0.00 | 0.00 | 72.17 | 50.00 | 22.17 |
| Management Fee | 612.07 | 670.00 | (57.93) | 5,334.94 | 6,028.00 | (693.06) |
| Legal and Accounting Assn | 1.00 | 0.00 | 1.00 | 5,631.00 | 0.00 | 5,631.00 |
| Credit Ck Fees | 0.00 | 0.00 | 0.00 | 364.64 | 0.00 | 364.64 |
| Carpet Cleaning | 0.00 | 42.00 | (42.00) | 0.00 | 374.00 | (374.00) |
| Heating & Air | 0.00 | 42.00 | (42.00) | 0.00 | 374.00 | (374.00) |
| Electrical & Plumbing Maint | 0.00 | 42.00 | (42.00) | 0.00 | 374.00 | (374.00) |
| Painting & Decorating | 0.00 | 83.00 | (83.00) | 0.00 | 751.00 | (751.00) |
| Appliance Repairs | 0.00 | 42.00 | (42.00) | 450.00 | 374.00 | 76.00 |
| Supplies Assn | 0.00 | 0.00 | 0.00 | 5.24 | 0.00 | 5.24 |
| Supplies | 66.01 | 42.00 | 24.01 | 394.99 | 374.00 | 20.99 |
| 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 | 374.00 | (284.00) |
| Security | 0.00 | 8.00 | (8.00) | 0.00 | 76.00 | (76.00) |
| Electricity Assn | 1.00 | 0.00 | 1.00 | 215.04 | 0.00 | 215.04 |
| Condo Assessment Rental Units | 2,346.72 | 3,000.00 | (653.28) | 25,988.77 | 27,000.00 | (1,011.23) |
| Cable TV | 448.20 | 500.00 | (51.80) | 4,668.75 | 4,500.00 | 168.75 |
| Real Estate tax expense Assn | 0.00 | 0.00 | 0.00 | 11,843.29 | 0.00 | 11,843.29 |
| Real Estate tax expense | 5,883.60 | 2,500.00 | 3,383.60 | 11,781.55 | 22,500.00 | (10,718.45) |
| Loan Interest | 2,169.74 | 3,038.00 | (868.26) | 19,331.52 | 27,341.00 | (8,009.48) |
| Filing Fees Assn | 0.00 | 0.00 | 0.00 | 25.00 | 0.00 | 25.00 |
| Bank Service Charges | 0.00 | 0.00 | 0.00 | 12.00 | 0.00 | 12.00 |
| Bldg Insurance | 0.00 | 250.00 | (250.00) | 0.00 | 2,250.00 | (2,250.00) |
| Bad Debt Expense | 862.25 | 0.00 | 862.25 | 1,952.25 | 0.00 | 1,952.25 |
| Total Expenses | 12,390.59 | 10,301.00 | 2,089.59 | 88,338.37 | 92,740.00 | (4,401.63) |
| Net Income | ($ 3,211.26) | $ 87.00 | (3,298.26) | $ 125,307.13 | ($ 249.00) | 125,556.13 |

Sunset Woods Housing

# Account Register

For the Period From Sep 1, 2011 to Sep 30, 2011

1101M13 - General Checking

Filter Criteria includes: Report order is by Date.

| Date | Trans No | Type | Trans Desc | Deposit Amt | Withdrawal Amt | Balance |
|---|---|---|---|---|---|---|
| | | | Beginning Balance | | | 19,049.28 |
| 9/1/11 | 1413 | Withdrawal | Lake County Collector | | 2,894.88 | 16,154.40 |
| 9/1/11 | 1414 | Withdrawal | Lake County Collector | | 2,988.72 | 13,165.68 |
| 9/1/11 | 9/1/11 | Deposit | ha Bernstein | 506.00 | | 13,671.68 |
| | | Deposit | ha Cortese | 307.00 | | 13,978.68 |
| | | Deposit | ha Davis | 509.00 | | 14,487.68 |
| | | Deposit | ha Kislitsyna | 579.00 | | 15,066.68 |
| | | Deposit | ha Nacsa | 669.00 | | 15,735.68 |
| | | Deposit | ha Tiersky | 428.00 | | 16,163.68 |
| | | Deposit | ha Wax | 492.00 | | 16,655.68 |
| | | Deposit | ha Wilson | 617.00 | | 17,272.68 |
| 9/2/11 | 1415 | Withdrawal | Sunset Woods Condominium Assoc | | 2,784.92 | 14,487.76 |
| 9/8/11 | 9/8/11 | Deposit | Joan Tiersky | 438.00 | | 14,925.76 |
| | | Deposit | Marylin Risdon | 835.00 | | 15,760.76 |
| | | Deposit | Magdalena Nacsa | 139.00 | | 15,899.76 |
| | | Deposit | Marilyn Wax | 374.00 | | 16,273.76 |
| | | Deposit | Carol Rosenberg | 795.00 | | 17,068.76 |
| | | Deposit | Dorothy Cortese | 559.00 | | 17,627.76 |
| | | Deposit | Galina Kislitsyna | 287.00 | | 17,914.76 |
| | | Deposit | Jo Ann Wilson | 249.00 | | 18,163.76 |
| | | Deposit | Norman Davis | 357.00 | | 18,520.76 |
| 9/14/11 | 1416 | Withdrawal | Housing Opportunity Dev. Corp. | | 612.07 | 17,908.69 |
| 9/15/11 | 9/15/11 | Deposit | Sol & Peggy Winer | 335.00 | | 18,243.69 |
| | | Deposit | Sol & Peggy Winer | 335.00 | | 18,578.69 |
| | | Deposit | Joyce Bernstein | 360.00 | | 18,938.69 |
| 9/15/11 | loan1109 | Other | Harris Bank/auto pymt | | 3,037.89 | 15,900.80 |
| 9/30/11 | 1417 | Withdrawal | Housing Opportunity Dev. Corp. | | 66.01 | 15,834.79 |
| | | | Total | 9,170.00 | 12,384.49 | |

Sunset Woods - September 30, 2011

| | | |
|---|---|---|
| Ending balance checking | $ | 15,901 |
| Ending balance operating reserve | $ | 19,007 |
| TOTAL | $ | 34,908 |

SWA Rental
Balance Sheet
September 30, 2011

ASSETS

| | | |
|---|---|---|
| Current Assets | | |
| General Checking | $ 4,431.55 | |
| Sec.Dep. Savings | 2,123.22 | |
| Total Current Assets | | 6,554.77 |
| Property and Equipment | | |
| Total Property and Equipment | | 0.00 |
| Other Assets | | |
| Total Other Assets | | 0.00 |
| Total Assets | | $ 6,554.77 |

LIABILITIES AND CAPITAL

| | | |
|---|---|---|
| Current Liabilities | | |
| Security Deposits | $ 2,123.00 | |
| Total Current Liabilities | | 2,123.00 |
| Long-Term Liabilities | | |
| Total Long-Term Liabilities | | 0.00 |
| Total Liabilities | | 2,123.00 |
| Capital | | |
| Net Income | 4,431.77 | |
| Total Capital | | 4,431.77 |
| Total Liabilities & Capital | | $ 6,554.77 |

SWA Rental
Income Statement
For the Nine Months Ending September 30, 2011

| | Current Month | | Year to Date | |
|---|---|---|---|---|
| Revenues | | | | |
| Rents | $ 2,123.00 | 100.00 | $ 7,516.00 | 100.00 |
| Interest Income | 0.08 | 0.00 | 0.22 | 0.00 |
| Total Revenues | 2,123.08 | 100.00 | 7,516.22 | 100.00 |
| Cost of Sales | | | | |
| Total Cost of Sales | 0.00 | 0.00 | 0.00 | 0.00 |
| Gross Profit | 2,123.08 | 100.00 | 7,516.22 | 100.00 |
| Expenses | | | | |
| Office Supplies | 0.00 | 0.00 | 166.52 | 2.22 |
| Management Fee | 0.00 | 0.00 | 137.99 | 1.84 |
| Carpet Cleaning | 1,228.50 | 57.86 | 1,228.50 | 16.34 |
| Painting & Decorating | 0.00 | 0.00 | 904.00 | 12.03 |
| Condo Asst Rental Units | 572.74 | 26.98 | 572.74 | 7.62 |
| Cable TV | 74.70 | 3.52 | 74.70 | 0.99 |
| Total Expenses | 1,875.94 | 88.36 | 3,084.45 | 41.04 |
| Net Income | $ 247.14 | 11.64 | $ 4,431.77 | 58.96 |

SWA Rental

# Account Register

For the Period From Sep 1, 2011 to Sep 30, 2011

1101M14 - General Checking

Filter Criteria includes: Report order is by Date.

| Date | Trans No | Type | Trans Desc | Deposit Amt | Withdrawal Amt | Balance |
|---|---|---|---|---|---|---|
| | | | Beginning Balance | | | 4,184.49 |
| 9/2/11 | 1005 | Withdrawal | Sunset Woods Condominium Assoc | | 647.44 | 3,537.05 |
| 9/2/11 | 1006 | Withdrawal | The Carpet Group, Inc. | | 1,228.50 | 2,308.55 |
| 9/8/11 | 9/8/11 | Deposit | Frank & Theresa Taverna | 1,090.00 | | 3,398.55 |
| | | Deposit | Sharon Miller | 1,033.00 | | 4,431.55 |
| | | | Total | 2,123.00 | 1,875.94 | |

Oct. 12, 2011

Dear HP Housing Commissioners—

Thank you for the beautiful flowers! They were a complete surprise and enjoyed by many at my Holiday dinner that same evening.

I have to say you really shouldn't have. I am happy to help however I am able. So please feel free to call me whenever you want current market info or if I can ever be of service to you.

With Warm Regards,

Bonnie

*HOME ALONE HOME*
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*Winnetka*
*by Bonnie Simonson*
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