

## **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: December 2, 2011  
RE: **HOUSING COMMISSION PACKET FOR 12-7-2011 MEETING**

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

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

- Regular Meeting Agenda
- **Agenda Item IV. (Action Needed) Approval of Minutes**
  - Meeting Minutes for November 15, 2011 Rescheduled Regular Meeting
- **Agenda Item V. Scheduled Business**
  - **1. (Action Needed) Items for Omnibus Vote Consideration**
    - Payment of Invoices: None at Present
  - **2. (Discussion and Consideration) Housing Commission Peers, Walnut Place, Ravinia, and Sunset Woods. Supporting Materials:**
    - November 2011 Management Report with October 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 10/31/2011
    - Housing Trust Fund Fiscal Year 2011 January 1 –December 31 Unaudited though 9/30  
(To be Emailed under Separate Cover)
    - Draft 2012 Operating Budgets for Peers and Walnut Place
    - Letters from Worsek & Vihon, November 22, 2011, regarding Peers and Walnut Place 2011 Assessments
    - Letter and Management Review & Property Inspection Report from the Illinois Housing Development Authority, October 28, 2011, regarding Walnut Place
    - Sunset Woods New Mortgage Proposals. Supporting Materials:
      - Memo from Staff, December 1, 2011
      - Email from David Glasner, October 24, 2011
      - First Bank of Highland Park Proposal
      - Highland Park Bank Proposal
    - Sunset Woods Accounting Services Proposal from Manning Silverman & Co.
  - **3. (Consideration) Recommendation from Condominium Conversion Ordinance Working Group. Supporting Material:**
    - Memo from Staff, September 28, 2011, with 2 Attachments
    - October 31, 2011 Letter from North Shore – Barrington Association of Realtors
  - **4. (Discussion) Request from Residents to eliminate the payment escalator for Affordable Housing Demolition Tax Deferrals. Supporting Material:**
    - Memo from Staff December 1, 2011 with 4 Attachments:
      - September 9, 2009 Letter: Request from Property Owners
      - Photographs of 1101 Green Bay Road from September 2009

- Affordable Housing Demolition Tax
- Excerpts from Housing Commission Minutes for October 7 and December 2, 2009

**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 October 31, 2011
- REJournals.com "*Marcus & Millchamp sells 20-unit apartment complex in Highland Park,*" posted by Mark Thornton on November 29, 2011
- Leslie Braunstein, "Tsunami of Rental Housing Demand is on the Way," UrbanLand, September 26, 2011

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, December 7, 2011 at City Hall, 1707 St. Johns Avenue, Highland Park, Illinois.**

City of Highland Park  
**Housing Commission**  
**Wednesday, December 7, 2011, at 6:30 p.m.**  
**AGENDA**

- I. Call to order**
- II. Roll Call**
- III. Business from the Public (Citizens Wishing to Be Heard Regarding Items not Listed on the Agenda)**
- IV. Approval of Minutes – November 15, 2011 Rescheduled Regular Meeting**
- V. Scheduled Business**
  1. Items for Omnibus Vote Consideration
    - Payment of Invoices: None at present
  2. Housing Commission Peers, Walnut, Ravinia, Sunset Woods
    - Management Report
    - Property Operations Report
    - Consideration of 2012 Operating Budgets for Peers and Walnut Place
    - 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
      - Update on storm water project
      - Report on November 28 Condominium Board Meeting
      - Consideration of Accounting Services proposal from Manning Silverman & Co.
  3. Consideration of Recommendation from Condominium Conversion Ordinance Working Group
  4. Discussion regarding Request to eliminate the payment escalator for Affordable Housing Demolition Tax deferrals
- VI. Executive Session for Matters relating to Real Estate Acquisition, Litigation, and Consideration of Release of Executive Session Minutes**
- VII. Other Business**
- VIII. Adjournment**

Draft

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

**MEETING DATE:** Tuesday November 15, 2011

**MEETING LOCATION:** Mayor and City Council's Conference Room, City Hall,  
1707 St. Johns Avenue, Highland Park, IL

**CALL TO ORDER**

At 6:35 p.m., Chairman David Wigodner called to order the rescheduled 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: Adler, Meek, Sharfman, and Wigodner

Commissioners Absent: Barber, Glasner, and Naftzger

Chairman Wigodner declared that a quorum was present.

Council Liaison Absent: Blumberg

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

Others Present: Robert Anthony, Executive Director, Community Partners  
for Affordable Housing

**APPROVAL OF MINUTES**

**Regular Meeting of the Housing Commission –October 5, 2011**

Commissioner Meek 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 October 5, 2011.

Commissioner Sharfman seconded the motion.

On a roll call vote:

Voting Yea: Adler, Meek, 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. Items for Omnibus Vote Consideration

- Ratification of Invoice:
- Mason, Wenk & Berman, L.L.C. for invoice #34329 for \$440.00

The Commissioners unanimously consented to take a single vote by yeas and nays on an item under the designation “omnibus vote –ratification of invoices.”

Chairman Wigodner entertained a motion to ratify the payment. Commissioner Meek moved approval of ratifying the bill from Mason, Wenk & Berman, L.L.C. for invoice #34329 for \$440.00 for legal services for Sunset Woods. Commissioner Adler seconded the motion.

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

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

Robert Anthony, Executive Director of CPAH reported on the highlights of CPAH’s 2011 program, including the acquisition, rehab, and sale of several homes to qualified low and moderate-income purchasers. Two homes are LEED certified. CPAH recently acquired two additional homes and will rehab them prior to resale.

Commissioner Barber joined the Meeting at 6:45 p.m.

In addition, CPAH has an agreement with Lake Forest for two scattered site homes. Lake Forest will contribute \$2500 for operating support. Staff also is talking to Evanston community land trust staff about the possibility of taking on its program and mission.

Mr. Anthony explained the operating grant request. As a result of the agreement with the Housing Commission for the sale of the tax credit for 1420 Cavell, CPAH staff was able to use the proceeds, approximately \$85,000, for the operating budget and to decrease the request for operating support from the Affordable Housing Trust Fund to \$25,000.

Chairman Wigodner entertained a motion to approve a \$25,000 grant from the Affordable Housing Trust Fund to provide operating support to CPAH. Commissioner Meek moved approval of the \$25,000 grant from the Affordable Housing Trust Fund to provide operating support to Community Partners for Affordable Housing (CPAH). Commissioner Barber seconded the motion.

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

### 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. Ravinia expenses were higher than originally budgeted because of the continued higher interest rate for the mortgage as a result of the delay in refinancing the property in the U.S. Housing and Urban Development Mark-to-Market program at the lower interest rate.

### Update on Peers window replacement

Chairman Wigodner reported that he met with Richard Royse, Facilities Manager, Evergreen Real Estate Services, Ken Kosakowski, Project Manager, Construction Management Corporation of Illinois, Polly Kuehl, Vice President Evergreen Real Estate Services, Commissioner Adler, and City professional staff regarding Peers window replacements. The next step is for Chairman Wigodner and Commissioner Adler to review the bid specification package that Mr. Royse and Mr. Kosakowski are preparing prior to Evergreen staff sending out the request for bids. The estimate for replacing all the windows at Peers is between \$500,000 and \$550,000. The plan is to replace the windows in the spring.

### Consideration of Corporate Resolutions to secure U.S. Housing and Urban Development (HUD) Mark-to-Market Refinancing for Ravinia Housing

Planner M. Smith reported that the closing is scheduled for January 24, 2012 for the HUD Mark-to-Market refinancing of Ravinia Housing.

After discussion, Chairman Wigodner entertained a motion to approve and adopt the Corporate Resolutions to carry out the refinancing of Ravinia Housing in the HUD Mark-to-Market program and to authorize President Wigodner and Vice President Sharfman to execute any and all documents as necessary. Commissioner Meek moved approval and adoption of the Corporate Resolutions to undertake, engage, and perform all acts necessary to renovate the site and building improvements at Ravinia Housing in the HUD Mark-to-Market program with funding provided from Red Mortgage Capital for the first mortgage loan and from HUD for the second mortgage and to authorize President Wigodner and Vice President Sharfman acting alone on behalf of the Ravinia Housing Association to execute any and all documents necessary to carry out these transactions. Commissioner Barber seconded the motion.

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

### 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 Lake Forest Bank (the Highland Park Bank is a branch bank) revised their initial proposal to offer a fixed seven-year-term loan at 5.35% or a fixed five-year-loan at 5.25%. In addition to these proposals, Chairman Wigodner asked the Commissioners whether they should consider providing a loan from the Peers Housing

Association to the Sunset Woods Association at a modest interest rate, for example, three percent. Chairman Wigodner directed Planner M. Smith to query Commissioners Glasner and Naftzger about this proposal and to ask Richard Koenig, Acting Director of the Housing Opportunity Development Corporation, the Sunset Woods Association's Management Agent, for his perspective. The Commissioners anticipate making a decision about a new mortgage at the December meeting.

#### Report on Agreement with City for storm water project

Commissioner Meek, the Sunset Woods Association's representative on the Sunset Woods Condominium Association Board, reported that the storm water project to eliminate flooding in the Sunset Woods parking lot is underway. The City will pay two-thirds of the approximately \$125,000 project cost. The Park District agreed to pay for repaving in the park. The Sunset Woods Condominium Association (SWCA) agreed to pay for the balance and accepted the City's offer for a ten-year repayment schedule for the SWCA's portion of the cost, which will be about \$4,200 each year for the ten-year period. The SWCA will use a combination of reserve funds and some funds from the proposed increase in 2012 assessments to repay the City.

#### Discussion regarding Sunset Woods Condominium Association Proposed Budget for 2012

Commissioner Meek summarized the highlights of the proposed 2012 budget for the Sunset Woods Condominium Association. The draft budget includes an increase in the condominium assessment of approximately ten dollars for each condominium. There has been no increase in assessments for a number of years. Half of the proposed increase is for cost of living adjustments and the other half is for the storm water project for the parking lot. The impact on the Sunset Woods Association's rental units is an increase of approximately \$1700 in the total assessments for 2012.

#### Discussion regarding 2011 Equalized Assessment Valuations for Units #231 and #319

Planner M. Smith reviewed the 2011 equalized assessed valuations for units #231 and #319. The Commissioners directed Planner Smith to identify and contact a law firm that specializes in tax appeals to find out whether it would be worthwhile to file an appeal this year.

#### 4. Consideration of Recommendation from Condominium Conversion Ordinance Working Group

The Commissioners decided to defer consideration until next month.

### **EXECUTIVE SESSION FOR MATTERS RELATING TO REAL ESTATE ACQUISITION, LITIGATION, AND CONSIDERATION OF EXECUTIVE SESSION MINUTES**

There was no Executive Session. The Commissioners concurred to postpone consideration of Executive Session minutes until the December Meeting.

### **OTHER BUSINESS**

Request to City from Residents to eliminate the payment escalator for deferred Affordable Housing Demolition Tax

Planner L. Smith summarized the recent request from Marlene and Jerry Lipschultz to eliminate the payment escalator from the deferral provisions of the Affordable Housing Demolition Tax. In 2010, the City Council amended the Demolition Tax to permit payment deferral under certain conditions. The impetus for amending the Code came from a previous appeal from the Lipschultz's in 2009 to either waive or defer the demolition tax when a property owner is demolishing a blighted home and has no immediate plans for redevelopment. The City Council revised the Code to permit a deferral after considering and incorporating many of the Housing Commission's recommendations. Among these recommendations was the requirement for a payment escalator upon redevelopment: the owner will pay the greater of 150 percent of the amount of the Demolition Tax in effect when the demolition was deferred or the Demolition Tax in effect at such future date when the building permit is issued. The Lipschultz's have not demolished the home on their property and now are objecting to the payment escalator. The Commissioners agreed that they need more information, including the section of the code establishing the Affordable Housing Demolition Tax, before discussing the issue. Planner M. Smith will provide this and other background information for a discussion at the December Meeting.

#### **ADJOURNMENT**

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

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

The Housing Commission adjourned its meeting at 9:05 p.m.

Submitted respectfully:

Mary Cele Smith  
Housing Planner



# EVERGREEN

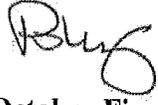
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## MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl, Management Agent 

RE: November Management Report/October Financials

DATE: November 29, 2011

Due to the federal government's delay in passing a Continuing Resolution, the Ravinia documents requiring HUD approvals were, also, delayed. December is a very difficult month to close with HUD, especially when funds need to be transferred from the Treasury. The result is that we will be closing the Ravinia M2M in late January. The final "model" is being completed by Signet and there are regular conference calls among all the parties to monitor the flow of work.

The proposed budgets for Frank B. Peers and Walnut Place are attached for your review. The Ravinia budget for 2012 cannot be completed until the final revised "model" is done by Signet. The change in scope of work required that there be changes in the monthly reserve deposits and, possibly, in the Debt Service. It is hoped that this model will be completed in December and that we can have a Ravinia budget for the January Housing Commission meeting.

Please note that the budget format is different this year as Evergreen has converted to the One Site budget software, which incorporates information, automatically, from all the other components of One Site, i.e. rent collection, certification of residents, accounts payable and preparation of financial statements. Although the budget format includes many "detail" pages (slightly over 100) for each property, the budget summary form, itself, will not give the specific detail for each line item. The Budget Notes (attached at the end of the budget) will answer specific questions about what is included in the line item.

Overall, the following comments can be made about both budgets:

- Rental income for Peers and Walnut did not anticipate AAF increases in 2012, which we think is a conservative position. Peers received an AAF rent increase in 2011, but Walnut did not qualify for one.
- Both budgets include an increase in staffing of 0.5 FTE Administrative Assistant. While the addition of a 0.5 FTE Administrative Assistant in 2011 has improved completion of clerical work and the properties have "caught-up" on some tasks, i.e. Waiting List, Preventive Maintenance entered onto the computer, etc. – the

addition of monthly resident billing and covering both physical site offices (increase in individualized resident services) require that this position become full-time.

- There has been a further segmentation of maintenance supply costs in this new budget format. This line item increase is reflected in account #6541. Contractor repair costs continue to be allocated in #6545-#6599.
- The allocation of shared expenses continues to be 44% to Peers, 44% to Walnut and 12% to Ravinia.

I have attached letters from Worssek & Vihon LLP, the attorneys utilized for property tax appeals. Their recommendation is that a complaint not be filed related to the 2011 assessments.

### **Frank B. Peers**

**Occupancy:** There is one vacancy (became available November 1<sup>st</sup>) - #312. It is a studio unit, has been shown twice and rejected. Another 5-8 applicants are in processing for this unit, as the studio units are more difficult to rent.

**Physical:** The tuckpointing work was done and the cycle painting completed. Otherwise, the property just dealt with routine maintenance.

**Social Programs:** Residents participated in routine social programs, i.e. bingo, move nights, luncheons, exercise class, coffees and commodity food distribution. A Thanksgiving Brunch is scheduled for this week.

**Financial:** Net Operating Income (NOI) for the month was positive to budget by \$3,339 and YTD NOI was positive to budget by \$62,724. The cash position is good at the property with \$71,950 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 receipt of laundry money (quarterly).

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

- Office Supplies (#6311) – This reflects bulk postage purchase for the meter and a September office supply payment.
- Office Equipment (#6316) – This reflects the quarterly copier contract lease and two months of the postage machine lease.
- Consulting Costs (#6380) – This reflects the annual Rent Comparability Study invoice in preparation for the AAF submission.
- Tenant Retention (#6395) – This reflects a July and September expenditure to Once Upon a Bagel.
- Travel Expense (#6431) – This reflects quarterly mileage payments for staff.
- Janitorial Supplies (#6515) – This reflects late September invoices and a previous July invoice that was not received until October.

- Heating/Cooling Contractor (#6546) – This reflects Emcor repairs on the one story building A/C system for \$600; installation of a heat lockout on the boiler for \$665; and the quarterly preventive maintenance contract.

### **Walnut Place**

**Occupancy:** Unit #206 was filled, but another unit became available November 1<sup>st</sup> (#408). Applicants are in process for this unit.

**Physical Site:** The property completed routine maintenance and preventive maintenance during the month.

**Social Programs:** Similar to Peers, Walnut Place had bingo, monthly luncheon, chair exercises and food distribution. A Thanksgiving Luncheon was held the week of Thanksgiving.

**Financial:** Net Operating Income (NOI) for the month was slightly positive to budget by \$396 and YTD NOI was positive to budget by \$30,020. The cash position at the property remains poor with only \$4,468 in the Operating Account.

**Income** – Income was positive to budget, primarily due to less Vacancy Loss than budgeted and the receipt of Laundry Income during the month (sent on a quarterly basis).

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

- Office Supplies (#6311) – Same as above
- Office Equipment (#6316) – Same as above
- Bad Debt (#6370) – This reflects a move-out that owed past due rent. Collections cannot collect if Social Security income is the only source of income.
- Tenant Retention (#6395) – This reflects a September invoice for two luncheons (Sunset Foods).
- Travel Expense (#6431) – Same as above
- Janitorial Supplies (#6515) – Same as above
- Heating/Cooling (#6546) – This reflects Emcor’s repair of the rooftop blower system.
- Decorating (#6560) – This reflects turnover and cycle painting costs.

### **Ravinia Housing**

**Occupancy:** The #2743 St. John’s unit is pre-leased for December 1<sup>st</sup>.

**Physical Site:** The property had routine work orders and preventive maintenance tasks completed during the month.

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

**Financial: Net Operating Income (NOI) for the month is positive to budget by \$2,843 and YTD NOI is negative to budget by (\$4,888). Available cash is low at \$2,982.**

**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:

- Office Supplies (#6311) – Same as above (shared costs)
- Repair Contracts (#6520) – This reflects the quarterly clean out of the catch basin at Pleasant; monthly landscaping; lock changes on the vacant unit and rodding the plumbing lines at #763 Pleasant.
- Utilities – This reflects payment for vacant unit.
- 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 for 2011

Frank B. Peers  
Up-Dated 11/29/2011

Item	Month	Cost Est.	Actual	Status
Kitchen Replacement (11 kitchens)	September	94,000		Contractor delayed until January 2012
Tuckpointing	November	19,000	13,000	North side - done (bill pending)
Windows Specs Bids	2012	550,000		Bid package completed; RFP in December Cost estimates increased to include 100% of the windows; committee reviewing bids when received; if approved, anticipate a February start date for windows
Appliances	As needed	1,500	480	Stove replaced (2 refrig and 1 stove remain)
Carpet Replacement	As needed	7,400	3,700	Turnovers (4) completed @ \$925 ea.
Decorating	Turnover Cycle	4,400 7,000	3,360 2,800	Completed 4 turnover paint Assumes 10 units Scheduled 7 4 units done; 3 to start 11/30/11 Remaining units to be done in 2012
A/C Replacement	As needed	2,600	0	Assumes 4 units None Needed in 2011
	TOTAL	685,900	23,340	
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			

Summary of Capital Improvements Scheduled for 2011				Walnut Place Up-Dated 11/29/2011
Item	Month	Cost Est.	Actual	Status
Fence Replacement 6 townhomes	Sept.	20,000	19,500	Fences and wood stairs complete Pending submission to IHDA
TH Furnace (1)	As needed	2,400		Operating
TH Rooftop A/C	As needed	2,500	5,500	Replace 2 A/C units
Kitchen Replacement (1 Kitchen)	Sept.	8,500		Contractor delay until January 2012
Carpet (main building)	As needed	4,625	8,325	Turnover of 9 @\$925
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	6,475	All 7 units are completed @ \$925/unit
	As needed		6,800	Completed 8 turnover units
<b>TOTAL</b>		<b>52,725</b>	<b>47,080</b>	
<b>Breakdown of Cost:</b>				
	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		
<b>Deferred Maintenance based on Capital Improvement Plan:</b>				
Roof Repairs (2010 and 2011)				
Tuckpointing (2010 and 2011)				
Kitchen Renovation (7 from 2010 and 10 from 2011)				

## Accounts Receivable Up-Date

November 29, 2011

### Frank B. Peers

The property received most payment plan payments and did reduce Tenant A/R from \$2,486 at the end of September to \$2,386 at the end of October. It should be noted that payment plan amounts for some seniors are very low.

The Subsidy A/R in October was \$45,004 compared to \$44,595 in September. This was due to IHDA not having caught-up with the subsidy payment for a new move-in that occurred in September. Since we bill for subsidy in advance of the month, it takes 2-3 months for a new tenant's retroactive subsidy to be received.

### Walnut Place

Tenant A/R was reduced slightly from \$24,768 in September to \$24,685 in October.

Subsidy A/R increased from \$34,645 in September to \$37,395 in October. This is due to not having received subsidy for the last move-in. The December HAP approved by IHDA does include his retroactive payment.

### Ravinia Housing

Tenant A/R increased slightly from \$35,739 in September to \$35,983 in October. There is an Interim Recertification pending that should allow the property to recover that difference. One tenant at Ravinia paid about \$100 less in rent than the monthly billing and did not make-up the difference during the same month.

Subsidy A/R has increased from \$8,429 in September to \$10,847 in October. This is due to HUD not having paid subsidy for Unit #743 - Pleasant for 2 months. The December print-out from EPS reflects the payment being received with the December subsidy.

Highland Park Housing Commission									
Reserve Balances									
Date: 10/31/2011									
Account Name	Frank B. Peers	Walnut Place	Ravinia Housing	Sunset Woods	Housing Trust Fund	TOTAL			
Checking (Property)	71,950	4,468	2,982	17,823					
Security Deposit	19,646	22,716	6,992	10,406					
Replacement Reserve	145,577	137,531	49,062	0					
Residual Receipts	14	27,095	480,323	0					
Operating Reserve	0	0	0	19,009					
Association Money Market Checking		104,350	144,428	161,519					
Association Small Business Checking	16,537			12,713					
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	4/7/2012	504,173							
Association MaxSafe Money Market	1,110,479								
TOTAL	2,639,123	296,160	683,787	-37,362					

**SUMMARY BUDGET REPORT**  
Frank B Peers Senior Housing  
Fiscal Year Budget Beginning January - 2012  
Evergreen Real Estate Services LLC

	2012 Budget	2011 Projection	\$ Change	% Change	2010 Totals
<b>INCOME</b>					
Income	1,008,096	993,827	14,270	1.4%	973,179
Vacancy Loss & Other Deductions	-32,916	-36,023	3,107	-8.6%	-26,739
Miscellaneous Income	8,801	10,943	-2,142	-19.6%	144,720
<b>TOTAL INCOME</b>	<b>983,982</b>	<b>968,747</b>	<b>15,235</b>	<b>1.6%</b>	<b>1,091,160</b>
<b>EXPENSE</b>					
Advertising & Renting Expenses	660	386	274	70.8%	14
Administration Expenses	104,203	94,611	9,592	10.1%	89,803
Payroll Expenses	163,351	165,884	-2,533	-1.5%	161,831
Social Service Coordinator Expenses	15,600	0	15,600	0.0%	0
Operating Expenses	12,060	9,988	2,092	20.9%	8,876
Utility Expenses	67,937	68,909	-973	-1.4%	56,575
Maintenance Expenses	96,701	74,574	22,128	29.7%	79,814
Taxes & Insurance	112,084	102,803	9,281	9.0%	103,394
Financial Expenses	366,432	365,853	580	0.2%	365,850
Capital Expenses	696,240	105,837	590,403	557.8%	0
Other Sources And Uses	-651,926	6,567	-658,491	-10027.3%	29,970
Depreciation & Amortization	0	0	0	0.0%	147,583
<b>TOTAL EXPENSE</b>	<b>983,365</b>	<b>995,413</b>	<b>-12,049</b>	<b>-1.2%</b>	<b>1,043,710</b>
<b>NET INCOME</b>	<b>617</b>	<b>-11,432</b>	<b>12,049</b>	<b>-105.4%</b>	<b>47,451</b>

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit
<b>INCOME</b>														
<b>Income</b>														
5120-0000 - Apartment rent	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790	16,790	201,480	2,982.94
5120-1111 - Housing Assistance Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5121-0000 - Tenant assistant payments	67,158	67,158	67,158	67,158	67,158	67,158	67,158	67,158	67,158	67,158	67,158	67,158	805,896	11,851.41
5124-0000 - HUD Excess Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5140-0000 - Commercial base rent	60	60	60	60	60	60	60	60	60	60	60	60	720	10.59
<b>Total for Income</b>	<b>84,008</b>	<b>1,008,096</b>	<b>14,824.95</b>											
<b>Vacancy Loss &amp; Other Deductions</b>														
5122-0000 - Rent Discount	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5123-0000 - Rent Concession	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5123-1000 - Discounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5123-3000 - Loss To Lease	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5123-4000 - Gain To Lease	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5220-0000 - Vacancy loss - apartments	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-1,500	-19,000	-264.71
5221-0000 - Non-Revenue Units	-1,243	-1,243	-1,243	-1,243	-1,243	-1,243	-1,243	-1,243	-1,243	-1,243	-1,243	-1,243	-14,916	-219.35
5291-0000 - Gain (Loss) on Leases	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Vacancy Loss &amp; Other Deductions</b>	<b>-2,743</b>	<b>-32,916</b>	<b>-484.06</b>											
<b>Miscellaneous Income</b>														
5120-1000 - Parking Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5123-2000 - Parking Concessions	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5220-1000 - Parking Vacancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5410-0000 - Interest Income Project Operations	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5411-0000 - Grant Monies Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5413-0000 - Interest Income - escrow	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5910-0000 - Laundry Income	208	208	208	208	208	208	208	208	208	208	208	212	2,500	36.76
5920-0000 - Nsf check fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5922-0000 - Late fees	15	15	15	15	15	15	15	15	15	15	15	15	180	2.65
5930-0000 - Credit Check Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5938-0000 - Cleaning Fee/Turnover	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5939-0000 - Keys & Locks	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5940-0000 - Forfeited Tenant Security Deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5945-0000 - Damages	100	100	100	100	100	100	100	100	100	100	100	100	1,200	17.65
5950-0000 - Utility Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5977-0000 - Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5978-0000 - Bad Debt Collected/Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5979-0000 - Termination Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5980-0000 - Administrative Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5981-0000 - Pet Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5982-0000 - Pet Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5984-0000 - MTM Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5990-0000 - Misc other Income	0	471	0	329	0	50	0	50	50	50	0	51	1,050	15.45
8005-0000 - Mortgagor Entity Income	371	105	708	266	147	832	385	207	200	200	200	200	3,820	56.18
<b>Total for Miscellaneous Income</b>	<b>694</b>	<b>899</b>	<b>1,033</b>	<b>917</b>	<b>470</b>	<b>1,213</b>	<b>708</b>	<b>560</b>	<b>573</b>	<b>593</b>	<b>523</b>	<b>598</b>	<b>8,801</b>	<b>129.43</b>

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit
<b>TOTAL INCOME</b>	<b>81,989</b>	<b>82,164</b>	<b>82,298</b>	<b>82,182</b>	<b>81,735</b>	<b>82,478</b>	<b>81,973</b>	<b>81,845</b>	<b>81,838</b>	<b>81,858</b>	<b>81,788</b>	<b>81,863</b>	<b>983,982</b>	<b>14,470.32</b>

**EXPENSE**

**Advertising & Renting Expenses**

6211-0000 - Marketing/Promotions	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6212-0000 - Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6213-0000 - Employee Recruitment	300	0	0	0	0	0	0	0	0	0	0	0	300	4.41
6215-0000 - Rental Promotion Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6219-0000 - Model Apartment Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6249-0000 - Model Apartment Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6250-0000 - Renting expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6253-0000 - Credit Report Fees	30	30	30	30	30	30	30	30	30	30	30	30	360	5.29
6254-0000 - Tenant Referral	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Advertising &amp; Renting Expenses</b>	<b>330</b>	<b>30</b>	<b>660</b>	<b>9.71</b>										

**Administration Expenses**

6311-0000 - Office supplies	247	247	247	247	247	247	247	247	247	247	247	247	2,964	43.59
6316-0000 - Office Equipment	300	300	300	300	300	300	300	300	300	300	300	300	3,600	52.94
6320-0000 - Management fee	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150	49,800	732.35
6320-0970 - Asset Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6330-0000 - Manager Salary	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6340-0000 - Legal Expense - Project	80	80	80	80	80	80	80	80	80	80	80	80	960	14.12
6341-0000 - Legal Collections	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6350-0000 - Audit Expense	0	0	6,500	6,100	1,100	0	0	0	0	0	0	0	13,700	201.47
6351-0000 - Bookkeeping Fees/Accounting Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6360-0000 - Telephone	725	725	725	725	725	725	725	725	725	725	725	725	8,700	127.94
6360-0001 - Answering Service/ Pagers	61	61	61	61	61	61	61	61	61	61	61	61	732	10.76
6365-0000 - Training & Education Expense	110	110	110	110	110	110	110	110	110	110	110	110	1,320	19.41
6370-0000 - Bad debts	0	0	0	0	3,000	0	0	0	0	0	0	0	0	0.00
6371-0000 - Fees Dues & Contributions	0	0	0	0	0	0	0	0	0	0	3,000	0	6,000	88.24
6380-0000 - Consulting/study costs	1,500	0	0	0	0	1,500	0	0	750	0	0	0	3,750	55.15
6385-0000 - Temporary Help	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6390-0000 - Misc administrative expenses	120	120	120	120	120	120	120	120	120	120	120	120	1,440	21.18
6390-0002 - Computer Supplies/Data Processing	150	150	150	150	150	150	150	150	150	150	150	150	1,800	26.47
6395-0000 - Tenant Retention	595	281	370	272	281	250	377	625	625	625	1,000	2,000	7,299	107.34
6431-0000 - Travel & Expense Reimbursement	185	185	185	185	185	185	185	185	185	185	185	185	2,220	32.66
6851-0000 - Bank Service Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6860-0000 - Security Deposit Interest	-3	-3	-3	-3	-3	-3	-3	-12	-12	-12	-12	-12	-82	-1.20
<b>Total for Administration Expenses</b>	<b>8,219</b>	<b>6,406</b>	<b>12,995</b>	<b>12,497</b>	<b>10,506</b>	<b>7,875</b>	<b>6,501</b>	<b>6,741</b>	<b>7,491</b>	<b>6,741</b>	<b>10,116</b>	<b>8,116</b>	<b>104,203</b>	<b>1,532.40</b>

**Payroll Expenses**

6310-0000 - Office salaries	4,428	4,428	4,428	4,428	4,428	6,904	4,428	4,428	4,428	4,428	6,904	4,428	58,088	854.24
6310-1000 - Commissions - Employee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit
6510-0000 - Janitor and cleaning payroll	1,167	1,167	1,167	1,167	1,167	1,751	1,167	1,167	1,167	1,167	1,751	1,167	15,172	223.12
6535-0000 - Grounds Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6540-0000 - Repairs payroll	3,800	3,800	3,800	3,800	3,800	5,570	3,800	3,800	3,800	3,800	5,570	3,800	49,140	722.66
6715-0000 - Payroll Taxes	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	14,760	217.06
6722-0000 - Workers compensation	272	272	272	272	272	272	285	285	285	285	285	285	3,339	49.10
6723-0000 - Employee health insurance	1,614	1,614	1,614	1,614	1,614	1,614	1,724	1,724	1,724	1,724	1,724	1,724	20,031	294.57
6724-0000 - Union Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6726-0000 - Other employee benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6726-0001 - Contingency	0	0	2,821	0	0	0	0	0	0	0	0	0	2,821	41.49
<b>Total for Payroll Expenses</b>	<b>12,511</b>	<b>12,511</b>	<b>15,332</b>	<b>12,511</b>	<b>12,511</b>	<b>17,341</b>	<b>12,634</b>	<b>12,634</b>	<b>12,634</b>	<b>12,634</b>	<b>17,464</b>	<b>12,634</b>	<b>163,351</b>	<b>2,402.22</b>

**Social Service Coordinator Expenses**

6900-0000 - Social Service Coordinator	1,200	1,200	1,200	1,200	1,200	1,800	1,200	1,200	1,200	1,200	1,800	1,200	15,600	229.41
<b>Total for Social Service Coordinator Expenses</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,800</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,800</b>	<b>1,200</b>	<b>15,600</b>	<b>229.41</b>

**Operating Expenses**

6490-0000 - Misc operating expenses	50	50	50	50	50	50	50	50	50	50	50	50	600	8.82
6515-0000 - Janitors and cleaning supplies	300	300	300	300	300	300	300	300	300	300	300	300	3,600	52.94
6516-0000 - Bulbs & Tubes	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6517-0000 - Outside Cleaning Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6518-0000 - Uniforms	0	0	0	500	0	0	0	0	0	0	0	0	500	7.35
6519-0000 - Exterminating Contract	105	105	105	105	105	1,105	105	105	105	105	105	1,105	3,260	47.94
6525-0000 - Rubbish removal	310	410	310	310	410	310	310	310	310	410	310	410	4,120	60.59
6530-0000 - Security Contract	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Operating Expenses</b>	<b>765</b>	<b>865</b>	<b>765</b>	<b>1,265</b>	<b>865</b>	<b>1,765</b>	<b>765</b>	<b>765</b>	<b>765</b>	<b>865</b>	<b>765</b>	<b>1,865</b>	<b>12,080</b>	<b>177.65</b>

**Utility Expenses**

6450-0000 - Electricity	1,199	3,515	2,434	2,690	1,908	1,119	1,550	1,800	1,800	1,500	1,600	1,500	22,516	331.11
6451-0000 - Water	276	1,608	600	600	719	692	764	891	891	791	790	800	9,421	138.54
6452-0000 - Gas	2,000	4,574	5,113	3,887	2,000	2,014	1,683	1,000	2,000	2,000	4,730	5,000	36,000	529.41
6453-0000 - Sewer	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Utility Expenses</b>	<b>3,475</b>	<b>9,697</b>	<b>8,147</b>	<b>7,178</b>	<b>4,626</b>	<b>3,824</b>	<b>3,997</b>	<b>3,691</b>	<b>4,691</b>	<b>4,291</b>	<b>7,020</b>	<b>7,300</b>	<b>67,937</b>	<b>999.07</b>

**Maintenance Expenses**

6531-0000 - Security equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6536-0000 - Ground supplies	0	0	0	0	3,500	0	0	0	500	0	0	0	4,000	58.82
6537-0000 - Grounds Contractor (Landscaper)	0	0	0	650	650	650	650	650	650	1,850	650	0	6,400	94.12
6541-0000 - Repair materials (general supplies)	400	400	400	400	400	400	400	400	400	400	400	400	4,800	70.59
6541-0001 - Appliance Parts	0	0	0	0	0	0	0	50	50	50	50	50	250	3.68
6541-0002 - Plumbing Supplies	100	100	100	100	100	100	100	100	100	100	100	100	1,200	17.65
6541-0003 - Electrical Supplies	100	100	100	100	100	100	100	100	100	100	100	100	1,200	17.65
6541-0004 - Heating/Cooling Supplies	0	0	0	0	400	0	0	0	0	0	0	0	400	5.88
6541-0005 - Hand Tools	0	0	0	300	0	0	0	0	300	0	0	0	600	8.82
6541-0006 - Expendable Tools	50	50	50	50	50	50	50	50	50	50	50	50	600	8.82
6541-0007 - Safety Equipment	50	50	50	50	50	50	50	50	50	50	50	50	600	8.82
6541-0008 - Flooring/Tile Supplies (i.e.VCT)	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6541-0009 - Window Supplies	100	100	0	0	0	0	0	0	0	0	0	0	200	2.94

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit
6541-0010 - Carpentry/Hardware	50	50	50	50	50	50	50	50	50	50	50	50	600	8.82
6541-0011 - Linens (Assisted Living or Models)	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6545-0000 - Elevator Contractor (Annual Maintenance)	290	290	290	290	290	290	290	290	290	290	300	300	3,500	51.47
6545-0000 - Heating/Cooling Contractor	200	1,894	619	0	1,008	0	1,008	500	2,300	500	500	500	9,028	132.76
6547-0000 - Pool Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6548-0000 - Snow removal	2,974	2,086	4,947	0	4,652	0	0	0	0	0	0	0	15,659	230.29
6549-0000 - Motor Vehicle Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6551-0000 - Elevator Contractor (Special Repairs)	0	0	0	0	0	0	0	125	125	125	125	125	625	9.19
6560-0000 - Decorating (Tenant Prtg-Cycle/Turnovers)	500	600	500	500	500	500	500	500	500	5,500	500	500	12,000	176.47
6561-0000 - Tub Refinishing	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6562-0000 - Laundry Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6563-0000 - Window Covering	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6564-0000 - Decorating (Common Areas - by Contractor)	0	0	0	0	0	0	0	0	0	2,000	0	0	2,000	29.41
6564-0001 - Painting Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6580-0000 - Equipment repairs	0	0	0	0	0	0	0	0	500	0	0	0	500	7.35
6580-0001 - Water Treatment	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6581-0000 - Window Washing	0	0	0	0	0	0	0	0	1,500	0	0	0	1,500	22.06
6582-0000 - Fire Protection	400	400	400	400	400	400	400	400	400	400	400	400	4,800	70.59
6582-0001 - Fire Safety Equipment	6,000	0	0	0	0	0	0	0	0	0	0	0	6,000	88.24
6589-0000 - Parking Lot Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6590-0000 - Miscellaneous Repair	0	0	0	355	0	0	0	100	100	100	100	100	855	12.57
6591-0000 - Electrical Repairs	0	0	772	0	0	0	0	300	300	300	300	300	2,272	33.41
6592-0000 - Boiler Repairs	500	500	500	500	500	500	500	500	500	500	500	500	6,000	88.24
6594-0000 - Carpentry Repairs	155	0	0	0	0	0	0	100	100	100	100	100	655	9.64
6595-0000 - Plumbing Repairs	267	1,729	944	0	245	0	302	790	790	790	790	810	7,457	109.66
6596-0000 - Floor Repairs/Cleaning	150	150	150	150	150	150	150	150	150	150	150	150	1,800	26.47
6598-0000 - Roof Repairs	0	0	0	0	0	1,200	0	0	0	0	0	0	1,200	17.65
6599-0000 - Window repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Maintenance Expenses</b>	<b>12,287</b>	<b>8,399</b>	<b>9,871</b>	<b>3,895</b>	<b>13,045</b>	<b>4,440</b>	<b>4,650</b>	<b>5,205</b>	<b>9,805</b>	<b>14,405</b>	<b>5,215</b>	<b>5,585</b>	<b>96,701</b>	<b>1,422.08</b>
<b>Taxes &amp; Insurance</b>														
6710-0000 - Real estate taxes	7,845	7,845	7,845	7,845	7,845	7,845	7,845	7,845	7,845	7,845	7,845	7,845	94,140	1,384.41
6719-0000 - Miscellaneous Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6720-0000 - Property and liability insurance	1,451	1,451	1,451	1,451	1,451	1,451	1,525	1,525	1,525	1,525	1,525	1,525	17,853	262.55
6721-0000 - Fidelity bond insurance	0	0	0	0	0	0	0	91	0	0	0	0	91	1.34
<b>Total for Taxes &amp; Insurance</b>	<b>9,296</b>	<b>9,296</b>	<b>9,296</b>	<b>9,296</b>	<b>9,296</b>	<b>9,296</b>	<b>9,370</b>	<b>9,461</b>	<b>9,370</b>	<b>9,370</b>	<b>9,370</b>	<b>9,370</b>	<b>112,084</b>	<b>1,648.30</b>
<b>Financial Expenses</b>														
6820-0000 - Mortgage Interest	20,808	20,861	20,814	20,766	20,718	20,670	20,622	20,573	20,524	20,475	20,426	20,376	247,732	3,643.12
6824-0000 - Misc Financing Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6845-0000 - Capital Recovery Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6850-0000 - Mortgage Service Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6894-0000 - Mortgage late fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
7108-0000 - Mortgage Payable (long term)	9,627	9,674	9,722	9,769	9,818	9,866	9,915	9,963	10,013	10,062	10,111	10,161	118,700	1,745.59
<b>Total for Financial Expenses</b>	<b>30,535</b>	<b>30,537</b>	<b>30,537</b>	<b>30,537</b>	<b>30,537</b>	<b>366,432</b>	<b>5,388.71</b>							
<b>Capital Expenses</b>														

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit
6991-0000 - Capital expenditures	0	0	0	0	0	15,000	0	0	0	0	0	0	15,000	220.69
6991-0001 - Telephone System	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0002 - Windows	0	0	560,000	0	0	0	0	0	0	0	0	0	560,000	8,235.29
6991-0003 - Security Cameras	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0004 - Furniture	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0005 - Bath - Rehab	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0006 - Kitchen - Rehab	0	0	0	0	0	0	0	97,300	0	0	0	0	97,300	1,430.86
6991-0007 - Painting Preparation	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0008 - Cabinet Painting	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0009 - Exercise/Party Room	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0010 - Parking Lot	0	0	0	0	12,000	0	0	0	0	0	0	0	12,000	176.47
6991-0011 - Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0012 - Parkig Lot - Reseal	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0013 - Landscape	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0014 - Roof Repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0015 - Boiler	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0016 - Concrete Repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0017 - Balconies/Patios	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0018 - Replacement Door	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0019 - Exterior Painting	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0020 - Exterior Fence	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0021 - Hallway Painting	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0022 - Lighting	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6993-0000 - Appliance Replacement	120	120	120	120	120	120	120	120	120	120	120	120	1,440	21.18
6993-0001 - Appliances	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6993-0002 - Water Heaters	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6993-0003 - A/C Replacements	0	0	0	0	1,400	1,300	0	0	0	0	0	0	0	0.00
6993-0004 - Copier	0	0	0	0	0	0	0	0	0	0	0	0	2,700	39.71
6994-0000 - Carpet & tile	650	650	650	650	650	650	650	650	650	650	650	650	7,800	114.71
6995-0000 - Draperies and Blinds	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Capital Expenses</b>	<b>770</b>	<b>770</b>	<b>560,770</b>	<b>770</b>	<b>14,170</b>	<b>17,070</b>	<b>770</b>	<b>95,070</b>	<b>770</b>	<b>770</b>	<b>770</b>	<b>770</b>	<b>696,240</b>	<b>10,236.82</b>
<b>Other Sources And Uses</b>														
7104-0000 - Replacement Reserve	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	2,020	24,240	356.47
7106-0000 - Replacement Reserve Reimbursement	0	0	0	0	0	0	0	0	-70,000	0	0	0	-70,000	-1,029.41
7106-0000 - Residual Receipt Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
7107-0000 - Residual Receipt Reserve Reimbursement	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
8010-0000 - Other Entily Expense	10	0	-560,000	75	0	1,751	0	0	-48,000	0	0	0	-608,165	-8,914.18
<b>Total for Other Sources And Uses</b>	<b>2,030</b>	<b>2,020</b>	<b>-557,980</b>	<b>2,095</b>	<b>2,020</b>	<b>3,771</b>	<b>2,020</b>	<b>2,020</b>	<b>-115,980</b>	<b>2,020</b>	<b>2,020</b>	<b>2,020</b>	<b>-651,925</b>	<b>-9,587.13</b>
<b>Dapreciation &amp; Amortization</b>														
6600-0000 - Depreciation expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6622-0000 - Amortization expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Depreciation &amp; Amortization</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL EXPENSE</b>	<b>81,417</b>	<b>81,720</b>	<b>90,960</b>	<b>81,272</b>	<b>96,804</b>	<b>97,747</b>	<b>72,373</b>	<b>170,353</b>	<b>-38,687</b>	<b>82,863</b>	<b>85,107</b>	<b>79,427</b>	<b>983,365</b>	<b>14,461.25</b>

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit
NET INCOME	542	435	-8,862	911	-17,069	-15,269	9,600	-88,508	120,525	-1,005	-3,319	2,436	617	0.00

BUDGET NOTES	
Frank B Peers Senior Housing	
ACCOUNT BY ACCOUNT WORKSHEET	
5120/5120	Rental - Using the current rental amounts - AAF has been submitted; any increase would be a "pad"
5220-0000	Vacancy Loss - Assuming 15/year
5221-0000	Non-Revenue Unit - Trust Office
5910-5990	Other sources of income - based on actuals/annualized
6253-0000	Credit Report Fees - \$14/applicant
6311-0000	Office Supplies - based on actuals/annualized
6316-0000	Office Equipment - Copier; postage machine
6340-0000	Legal - Property Tax Appeal estimate
6360-0000	Telephone - Actuals/Annualized
6370-0000	Bad Debt - Assuming write-offs of EIV residents who may relocate
6380-0000	Consulting - Includes \$3,000 for audit of files and \$750 for Rent Comparability Study
Payroll	Assumes the addition of a 0.5 FTE Administrative Assistant
6519-0000	Exterminating - Includes monthly contract + the potential of bed bug (\$900/unit)
Utilities	Utilities are based on Actuals/Annualized
6536-0000	Grounds Supplies - Includes mulch and flowers
6537-0000	Grounds Contractors - Includes monthly contract + tree trimming
6541-0000	Maintenance Supplies - The supplies have been allocated over an increased number of specific line items for 2012
6541-0011	
6545-0000	Elevator Contract - based on new contract
	Heating/Cooling - Preventive Maintenance Contract
6546-0000	
6548-0000	Snow Removal - Based on 2011 costs
	Tenant Painting - based on turnover and cycle painting done in October
6560-0000	Common Area Painting - Based on hallway touch-up in October
6564-0000	
6582-0000	Fire Protection - Annual PM
	Fire Safety Equipment - Installation of fire stops above stoves
6582-0000	
6591-6599	Contractor Repairs (Plumbing/Electric/Carpentry) - based on actuals/annualized
Capital	(See attached capital summary)

7105-0000	Reimbursement from Reserves - Based on maximizing reimbursement to meet THDA's minimum		
8010-0000	Entity Expense - This represents the owner's reimbursement of capital items unable to be paid from Replacement Reserves		

**SUMMARY BUDGET REPORT**  
Walnut Place  
Fiscal Year Budget Beginning January - 2012  
Evergreen Real Estate Services LLC

	2012 Budget	2011 Projection	\$ Change	% Change	2010 Totals
<b>INCOME</b>					
Income	1,039,632	1,036,354	3,278	0.3%	1,036,305
Vacancy Loss & Other Deductions	-48,108	-58,884	10,776	-18.3%	-43,374
Miscellaneous Income	5,191	7,258	-2,067	-28.5%	275,380
<b>TOTAL INCOME</b>	<b>996,715</b>	<b>984,728</b>	<b>11,987</b>	<b>1.2%</b>	<b>1,268,311</b>
<b>EXPENSE</b>					
Advertising & Renting Expenses	660	472	188	39.7%	235
Administration Expenses	106,518	105,344	1,173	1.1%	87,801
Payroll Expenses	163,574	166,746	-3,173	-1.9%	160,266
Social Service Coordinator Expenses	15,600	0	15,600	0.0%	0
Operating Expenses	13,670	10,222	3,448	33.7%	15,025
Utility Expenses	51,155	51,155	0	0.0%	44,750
Maintenance Expenses	86,084	66,583	19,501	29.3%	76,971
Taxes & Insurance	132,108	118,802	13,306	11.2%	119,171
Financial Expenses	401,843	401,954	-110	0.0%	401,843
Capital Expenses	63,990	21,376	42,614	199.3%	0
Other Sources And Uses	-39,330	23,139	-62,469	-270.0%	21,997
Depreciation & Amortization	0	0	0	0.0%	93,326
<b>TOTAL EXPENSE</b>	<b>995,872</b>	<b>965,795</b>	<b>30,077</b>	<b>3.1%</b>	<b>1,021,385</b>
<b>NET INCOME</b>	<b>843</b>	<b>30,920</b>	<b>-30,077</b>	<b>-97.3%</b>	<b>246,927</b>

DETAIL BUDGET REPORT

Walnut Place  
Fiscal Year Budget Beginning January - 2012  
Evergreen Real Estate Services LLC

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit
<b>INCOME</b>														
<b>Income</b>														
5120-0000 - Apartment rent	19,926	19,926	19,926	19,926	19,926	19,926	19,926	19,926	19,926	19,926	19,926	19,926	239,115	3,516.40
5120-1111 - Housing Assistance Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5121-0000 - Tenant assistant payments	66,710	66,710	66,710	66,710	66,710	66,710	66,710	66,710	66,710	66,710	66,710	66,710	800,517	11,772.30
5124-0000 - HUD Excess Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5140-0000 - Commercial base rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Income</b>	<b>86,636</b>	<b>1,039,632</b>	<b>15,288.71</b>											
<b>Vacancy Loss &amp; Other Deductions</b>														
5122-0000 - Rent Discount	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5123-0000 - Rent Concession	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5123-1000 - Discounts	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5123-3000 - Loss To Lease	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5123-4000 - Gain To Lease	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5220-0000 - Vacancy loss - apartments	-2,750	-2,750	-2,750	-2,750	-2,750	-2,750	-2,750	-2,750	-2,750	-2,750	-2,750	-2,750	0	0.00
5221-0000 - Non-Revenue Units	-1,248	-1,248	-1,272	-1,260	-1,260	-1,260	-1,260	-1,260	-1,260	-1,260	-1,260	-1,260	-33,000	-485.28
5291-0000 - Gain (Loss) on Leases	0	0	0	0	0	0	0	0	0	0	0	0	-15,108	-222.18
<b>Total for Vacancy Loss &amp; Other Deductions</b>	<b>-3,998</b>	<b>-3,998</b>	<b>-4,022</b>	<b>-4,010</b>	<b>-48,108</b>	<b>-707.47</b>								
<b>Miscellaneous Income</b>														
5120-1000 - Parking Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5123-2000 - Parking Concessions	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5220-1000 - Parking Vacancy	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5410-0000 - Interest Income Project Operations	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5411-0000 - Grant Monies Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5413-0000 - Interest income - escrow	15	15	15	15	15	15	15	15	15	15	15	15	180	2.65
5910-0000 - Laundry Income	286	286	286	286	286	286	286	286	286	286	286	286	3,432	50.47
5920-0000 - Nsf check fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5922-0000 - Late fees	10	10	10	10	10	10	10	10	10	10	10	10	120	1.78
5930-0000 - Credit Check Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5938-0000 - Cleaning Fee/Turnover	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5939-0000 - Keys & Locks	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5940-0000 - Forfeited Tenant Security Deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5945-0000 - Damages	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5950-0000 - Utility Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit
5977-0000 - Legal Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5978-0000 - Bad Debt Collected/Legal	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5979-0000 - Termination Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5980-0000 - Administrative Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5981-0000 - Pet Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5982-0000 - Pet Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5984-0000 - MTM Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
5990-0000 - Misc other Income	100	100	100	100	100	100	100	100	100	100	100	100	1,200	17.65
8005-0000 - Mortgageor Ently Income	44	40	44	41	46	43	0	0	0	0	0	0	259	3.80
<b>Total for Miscellaneous Income</b>	<b>455</b>	<b>451</b>	<b>455</b>	<b>452</b>	<b>457</b>	<b>454</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>411</b>	<b>5,191</b>	<b>76.33</b>
<b>TOTAL INCOME</b>	<b>83,093</b>	<b>83,089</b>	<b>83,089</b>	<b>83,078</b>	<b>83,083</b>	<b>83,080</b>	<b>83,037</b>	<b>83,037</b>	<b>83,037</b>	<b>83,037</b>	<b>83,037</b>	<b>83,037</b>	<b>996,745</b>	<b>14,657.57</b>

**EXPENSE**

Advertising & Renting Expenses														
6211-0000 - Marketing/Promotions	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6212-0000 - Advertising	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6213-0000 - Employee Recruitment	300	0	0	0	0	0	0	0	0	0	0	0	300	4.41
6215-0000 - Rental Promotion Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6219-0000 - Model Apartment Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6249-0000 - Model Apartment Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6250-0000 - Renting expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6253-0000 - Credit Report Fees	30	30	30	30	30	30	30	30	30	30	30	30	360	5.29
6254-0000 - Tenant Referral	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Advertising &amp; Renting Expenses</b>	<b>330</b>	<b>30</b>	<b>660</b>	<b>9.71</b>										

Administration Expenses														
6311-0000 - Office supplies	300	300	300	300	300	300	300	300	300	300	300	300	3,600	52.94
6316-0000 - Office Equipment	300	300	300	300	300	300	300	300	300	300	300	300	3,600	52.94
6320-0000 - Management fee	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	4,083	48,996	720.53
6320-0970 - Asset Management Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6330-0000 - Manager Salary	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6340-0000 - Legal Expense - Project	0	0	0	2,000	0	0	0	0	0	0	0	0	2,000	29.41
6341-0000 - Legal Collections	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6350-0000 - Audit Expense	0	0	5,000	6,500	0	0	1,500	0	0	0	0	0	13,000	191.18
6351-0000 - Bookkeeping Fees/Accounting Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6360-0000 - Telephone	850	850	850	850	850	850	850	850	850	850	850	850	10,200	150.00
6360-0001 - Answering Service/ Pagers	61	61	61	61	61	61	61	61	61	61	61	61	732	10.76
6365-0000 - Training & Education Expense	110	110	110	110	110	110	110	110	110	110	110	110	1,320	19.41
6370-0000 - Bad debts	0	0	1,000	0	0	2,000	0	0	2,000	0	0	2,000	7,000	102.94
6371-0000 - Fees Dues & Contributions	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6380-0000 - Consulting/study costs	0	0	760	0	0	3,000	0	0	0	0	0	0	3,760	55.15
6385-0000 - Temporary Help	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6390-0000 - Misc administrative expenses	155	155	155	155	155	155	155	155	155	155	155	155	1,860	27.35

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit
6390-0002 - Computer Supplies/Data Processing	150	150	150	150	150	150	150	150	150	150	150	150	1,800	26.47
6395-0000 - Tenant Retention	500	500	500	500	500	500	500	500	500	500	500	1,000	6,500	95.59
6431-0000 - Travel & Expense Reimbursement	187	187	187	187	187	187	187	187	187	187	187	187	2,244	33.00
6851-0000 - Bank Service Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6860-0000 - Security Deposit Interest	-3	-3	-3	-3	-4	-4	-4	-12	-12	-12	-12	-12	-84	-1.24
<b>Total for Administration Expenses</b>	<b>6,693</b>	<b>6,693</b>	<b>13,443</b>	<b>15,193</b>	<b>6,692</b>	<b>11,692</b>	<b>8,193</b>	<b>6,684</b>	<b>6,684</b>	<b>6,684</b>	<b>6,684</b>	<b>9,184</b>	<b>106,518</b>	<b>1,586.44</b>

**Payroll Expenses**

6310-0000 - Office salaries	4,426	4,426	4,426	4,426	4,426	6,904	4,426	4,426	4,426	4,426	6,904	4,426	58,088	854.24
6310-1000 - Commissions - Employee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6510-0000 - Janitor and cleaning payroll	1,167	1,167	1,167	1,167	1,167	1,751	1,167	1,167	1,167	1,167	1,751	1,167	15,172	223.12
6535-0000 - Grounds Payroll	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6540-0000 - Repairs payroll	3,800	3,800	3,800	3,800	3,800	5,570	3,800	3,800	3,800	3,800	5,570	3,800	49,140	722.65
6715-0000 - Payroll Taxes	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	1,230	14,760	217.06
6722-0000 - Workers compensation	289	289	289	289	289	289	305	305	305	305	305	305	3,562	52.39
6723-0000 - Employee health insurance	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600	317.65
6724-0000 - Union Benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6726-0000 - Other employee benefits	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6726-0001 - Contingency	0	0	2,821	0	0	0	0	0	0	0	0	0	2,821	41.49
<b>Total for Payroll Expenses</b>	<b>12,528</b>	<b>12,528</b>	<b>15,349</b>	<b>12,528</b>	<b>12,528</b>	<b>17,366</b>	<b>12,654</b>	<b>12,654</b>	<b>12,654</b>	<b>12,654</b>	<b>17,484</b>	<b>12,654</b>	<b>163,574</b>	<b>2,405.50</b>

**Social Service Coordinator Expenses**

6900-0000 - Social Service Coordinator	1,200	1,200	1,200	1,200	1,200	1,200	1,800	1,200	1,200	1,200	1,800	1,200	15,600	229.41
<b>Total for Social Service Coordinator Expenses</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,800</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,800</b>	<b>1,200</b>	<b>15,600</b>	<b>229.41</b>

**Operating Expenses**

6490-0000 - Misc operating expenses	0	0	0	0	200	0	0	50	50	50	50	50	450	6.62
6515-0000 - Janitors and cleaning supplies	310	310	310	310	310	310	310	310	310	310	310	310	3,720	54.71
6516-0000 - Bulbs & Tubes	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6517-0000 - Outside Cleaning Service	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6518-0000 - Uniforms	0	0	0	500	0	0	0	0	0	0	0	0	0	0.00
6519-0000 - Exterminating Contract	400	400	400	400	400	400	400	400	400	400	400	400	4,800	70.59
6525-0000 - Rubbish removal	350	350	350	350	350	350	350	350	350	350	350	350	4,200	61.76
6530-0000 - Security Contract	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Operating Expenses</b>	<b>1,060</b>	<b>1,060</b>	<b>1,060</b>	<b>1,560</b>	<b>1,260</b>	<b>1,060</b>	<b>1,060</b>	<b>1,110</b>	<b>1,110</b>	<b>1,110</b>	<b>1,110</b>	<b>1,110</b>	<b>13,670</b>	<b>201.03</b>

**Utility Expenses**

6450-0000 - Electricity	1,460	1,336	375	670	1,313	1,440	1,214	2,000	1,800	1,500	1,500	1,500	16,310	239.86
6451-0000 - Water	328	1,042	650	396	507	387	230	1,200	400	400	400	400	6,340	83.24
6452-0000 - Gas	2,496	5,666	1,197	6,916	-4,407	3,157	981	1,000	2,000	2,000	3,000	4,500	28,504	419.18
6453-0000 - Sewer	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Utility Expenses</b>	<b>4,284</b>	<b>8,044</b>	<b>2,222</b>	<b>8,182</b>	<b>-2,588</b>	<b>4,984</b>	<b>2,426</b>	<b>4,200</b>	<b>4,200</b>	<b>3,900</b>	<b>4,900</b>	<b>6,400</b>	<b>51,155</b>	<b>752.27</b>

**Maintenance Expenses**

6531-0000 - Security equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6536-0000 - Ground supplies	0	0	0	0	3,500	0	0	0	0	500	0	0	4,000	58.82
6537-0000 - Grounds Contractor (Landscaper)	0	0	0	650	650	650	650	650	650	650	650	0	5,200	76.47

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit	
6541-0000 - Repair materials (general supplies)	200	200	200	200	200	200	200	200	200	200	200	200	2,400	35.29	
6541-0001 - Appliance Parts	50	50	50	50	50	50	50	50	50	50	50	50	600	8.82	
6541-0002 - Plumbing Supplies	100	100	100	100	100	100	100	100	100	100	100	100	1,200	17.65	
6541-0003 - Electrical Supplies	100	100	100	100	100	100	100	100	100	100	100	100	1,200	17.65	
6541-0004 - Heating/Cooling Supplies	0	0	0	0	500	0	0	0	500	0	0	0	1,000	14.71	
6541-0005 - Hand Tools	0	0	0	300	0	0	0	0	300	0	0	0	600	8.82	
6541-0006 - Expendable Tools	50	50	50	50	50	50	50	50	50	50	50	50	600	8.82	
6541-0007 - Safety Equipment	50	50	50	50	50	50	50	50	50	50	50	50	600	8.82	
6541-0008 - Flooring/Tile Supplies (f.e.VCT)	0	0	0	0	0	0	0	0	0	50	50	50	600	8.82	
6541-0009 - Window Supplies	200	200	200	200	200	200	200	200	200	200	200	200	2,400	35.29	
6541-0010 - Carpentry/Hardware	50	50	50	50	50	50	50	50	50	50	50	50	600	8.82	
6541-0011 - Linens (Assisted Living or Models)	0	0	0	0	0	0	0	0	0	50	50	50	600	8.82	
6545-0000 - Elevator Contractor (Annual Maintenance)	190	190	190	190	190	190	190	190	190	190	190	190	2,280	33.63	
6546-0000 - Heating/Cooling Contractor	385	385	385	385	385	385	385	385	3,385	385	385	385	7,620	112.06	
6547-0000 - Pool Expense	0	0	0	0	0	0	0	0	0	0	385	385	7,620	112.06	
6548-0000 - Snow removal	3,972	3,033	1,490	0	0	2,337	0	0	0	0	0	0	1,000	11,832	174.01
6549-0000 - Motor Vehicle Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
6551-0000 - Elevator Contractor (Special Repairs)	100	100	100	100	100	100	100	100	100	100	100	100	1,200	17.65	
6560-0000 - Decorating (Tenant Prtg-Cycle/Turnover)	500	500	500	500	500	500	500	500	6,500	500	500	500	12,000	176.47	
6561-0000 - Tub Refinishing	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
6562-0000 - Laundry Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
6563-0000 - Window Covering	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
6564-0000 - Decorating (Common Areas - by Contractor)	0	0	0	0	0	0	0	0	1,000	0	0	0	1,000	14.71	
6564-0001 - Painting Supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
6580-0000 - Equipment repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
6580-0001 - Water Treatment	0	0	0	0	0	0	0	0	500	0	0	0	500	7.35	
6581-0000 - Window Washing	0	0	0	0	1,400	0	0	0	0	0	0	0	0	0.00	
6582-0000 - Fire Protection	300	300	300	300	300	300	300	300	300	300	300	300	3,600	52.94	
6582-0001 - Fire Safety Equipment	5,025	25	25	25	25	25	25	25	25	25	25	25	5,300	77.94	
6589-0000 - Parking Lot Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
6590-0000 - Miscellaneous Repair	0	0	0	0	0	0	0	100	100	100	100	100	500	7.35	
6591-0000 - Electrical Repairs	0	0	75	0	372	227	313	450	450	450	450	450	3,237	47.60	
6592-0000 - Boiler Repairs	200	200	200	200	200	200	200	200	200	200	200	200	2,400	35.29	
6594-0000 - Carpentry Repairs	100	100	100	100	100	100	100	100	100	100	100	100	1,200	17.65	
6595-0000 - Plumbing Repairs	600	600	600	600	600	600	600	600	800	600	600	600	7,200	105.88	
6596-0000 - Floor Repairs/Cleaning	100	100	100	100	100	100	100	100	100	100	100	100	1,200	17.65	
6598-0000 - Roof Repairs	0	0	815	0	0	1,200	0	0	0	0	0	0	2,015	29.63	
6599-0000 - Window repairs	100	100	100	100	100	100	100	100	100	100	100	100	1,200	17.65	
<b>Total for Maintenance Expenses</b>	<b>12,372</b>	<b>6,433</b>	<b>5,780</b>	<b>4,350</b>	<b>9,822</b>	<b>7,814</b>	<b>4,383</b>	<b>4,600</b>	<b>16,900</b>	<b>5,100</b>	<b>4,600</b>	<b>4,950</b>	<b>86,084</b>	<b>1,265.94</b>	

**Taxes & Insurance**

6710-0000 - Real estate taxes	9,660	9,660	9,660	9,660	9,660	9,660	9,660	9,660	9,660	9,660	9,660	9,660	115,920	1,704.71
6719-0000 - Miscellaneous Taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6720-0000 - Property and liability insurance	1,307	1,307	1,307	1,307	1,307	1,307	1,375	1,375	1,375	1,375	1,375	1,375	16,091	236.63
6721-0000 - Fidelity bond insurance	0	0	0	0	0	0	0	97	0	0	0	0	97	1.43
<b>Total for Taxes &amp; Insurance</b>	<b>10,967</b>	<b>10,967</b>	<b>10,967</b>	<b>10,967</b>	<b>10,967</b>	<b>10,967</b>	<b>11,035</b>	<b>11,132</b>	<b>11,035</b>	<b>11,035</b>	<b>11,035</b>	<b>11,035</b>	<b>132,108</b>	<b>1,942.78</b>

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit
<b>Financial Expenses</b>														
6820-0000 - Mortgage interest	22,236	22,182	22,127	22,072	22,018	21,962	21,907	21,851	21,795	21,739	21,682	21,625	263,195	3,870.52
6824-0000 - Misc Financing Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6845-0000 - Capital Recovery Payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6850-0000 - Mortgage Service Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6894-0000 - Mortgage late fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
7108-0000 - Mortgage Payable (long term)	11,251	11,305	11,360	11,414	11,469	11,525	11,580	11,636	11,692	11,748	11,805	11,862	138,648	2,038.94
<b>Total for Financial Expenses</b>	<b>33,487</b>	<b>401,843</b>	<b>5,909.46</b>											
<b>Capital Expenses</b>														
6991-0000 - Capital expenditures	0	0	0	0	0	15,000	0	0	0	0	0	0	15,000	220.69
6991-0001 - Telephone System	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0002 - Windows	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0003 - Security Cameras	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0004 - Furniture	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0005 - Bath - Rehab	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0006 - Kitchen - Rehab	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0007 - Painting Preparation	0	0	0	0	0	0	0	17,690	0	0	0	0	17,690	260.15
6991-0008 - Cabinet Painting	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0009 - Exercise/Party Room	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0010 - Parking Lot	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0011 - Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0012 - Parkig Lot - Reseal	0	0	0	0	10,000	0	0	4,800	0	0	0	0	4,800	70.59
6991-0013 - Landscape	0	0	0	0	0	0	0	0	0	0	0	0	10,000	147.06
6991-0014 - Roof Repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0015 - Boiler	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0016 - Concrete Repairs	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0017 - Balconies/Patios	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0018 - Replacement Door	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0019 - Exterior Painting	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0020 - Exterior Fence	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0021 - Hallway Painting	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6991-0022 - Lighting	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6993-0000 - Appliance Replacement	200	200	200	200	200	200	200	200	200	200	200	200	2,400	35.29
6993-0001 - Appliances	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6993-0002 - Water Heaters	0	0	0	0	0	0	0	2,300	0	0	0	0	2,300	33.82
6993-0003 - A/C Replacements	0	0	0	0	2,000	0	2,000	0	0	0	0	0	4,000	58.82
6993-0004 - Copler	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6994-0000 - Carpet & tile	650	650	650	650	650	650	650	650	650	650	650	650	7,800	114.71
6995-0000 - Draperies and Blinds	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Capital Expenses</b>	<b>850</b>	<b>850</b>	<b>850</b>	<b>850</b>	<b>12,850</b>	<b>15,850</b>	<b>2,850</b>	<b>3,150</b>	<b>23,340</b>	<b>850</b>	<b>850</b>	<b>850</b>	<b>63,990</b>	<b>941.03</b>
<b>Other Sources And Uses</b>														
7104-0000 - Replacement Reserve	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	2,055	24,660	362.65
7105-0000 - Replacement Reserve Reimbursement	0	0	0	0	0	0	0	0	0	0	0	0	-50,000	-735.29
7106-0000 - Residual Receipt Reserve	0	0	0	0	0	0	0	0	0	-50,000	0	0	-50,000	-735.29
7107-0000 - Residual Receipt Reserve Reimburse	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
										-14,000	0	0	-14,000	-205.88

Account Description	Jan-2012	Feb-2012	Mar-2012	Apr-2012	May-2012	Jun-2012	Jul-2012	Aug-2012	Sep-2012	Oct-2012	Nov-2012	Dec-2012	TOTAL	Per Unit
8010-0000 - Other Entity Expense	0	0	0	0	0	10	0	0	0	0	0	0	10	0.16
<b>Total for Other Sources And Uses</b>	<b>2,055</b>	<b>2,055</b>	<b>2,055</b>	<b>2,055</b>	<b>2,055</b>	<b>2,055</b>	<b>2,055</b>	<b>2,055</b>	<b>2,055</b>	<b>-61,946</b>	<b>2,055</b>	<b>2,055</b>	<b>-39,330</b>	<b>-578.38</b>
<b>Depreciation &amp; Amortization</b>														
6600-0000 - Depreciation expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
6622-0000 - Amortization expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00
<b>Total for Depreciation &amp; Amortization</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>TOTAL EXPENSE</b>	<b>85,825</b>	<b>83,348</b>	<b>86,442</b>	<b>90,402</b>	<b>88,303</b>	<b>106,507</b>	<b>79,952</b>	<b>80,302</b>	<b>113,695</b>	<b>14,105</b>	<b>84,035</b>	<b>82,956</b>	<b>995,672</b>	<b>14,645.17</b>
<b>NET INCOME</b>	<b>-2,732</b>	<b>-259</b>	<b>-3,373</b>	<b>-7,324</b>	<b>-5,220</b>	<b>-23,427</b>	<b>3,085</b>	<b>2,735</b>	<b>-30,558</b>	<b>68,932</b>	<b>-998</b>	<b>82</b>	<b>843</b>	<b>0.00</b>

BUDGET NOTES	
Walnut Place	
<b>ACCOUNT BY ACCOUNT WORKSHEET</b>	
5120 & 5121	Rent - based on current rent; AAF for 2012 is not assumed
5220-0000	Vacancy Loss - assumes improvement in leasing
5221-0000	Non-Revenue Unit - Live-in (vacant)
Other Income	Conservative - actuals
Advertising/Mkt.	Similar to Frank B. Peers
Administrative	Most costs are shared with Peers with the exception of Bad Debt and Management Fee
Payroll	Similar to Frank B. Peers all staff is allocated 44% to Walnut Place, 44% to Peers and 12% to Ravinia
6515-0000	Janitorial Supplies - Actual/Annualized
6519-0000	Exterminating - Assumes \$3,000 in bed bug and routine monthly contract
Utilities	These costs were based on actual/annualized with a slight increase
6536-0000	Grounds Supplies - Includes mulch and flowers
6541-0000	Repairs Materials - These costs have been allocated among more specific line item descriptions; there are some "estimates" being used
6541-0011	
6545-0000	Elevator Contract - based on the new contract
6546-0000	Heating/Cooling - based on repairs and PM contract
6560-0000	Tenant Decorating - Based on turnover and cycle painting in September
6582-0000	Fire Safety Equipment - includes \$5,000 for installation of fire stops above the stoves
6591 to 6599	Contractor repairs were based on actuals/annualized
Capital Expenditures - See attached summary sheet	

November 22, 2011

Richard D. Worssek  
Robert S. Vihon  
Edwin M. Wittenstein  
Francis W. O'Malley  
Brian Grossman  
Lauren B. Cooper

Of Counsel:  
Michelle A. Jackson

Ms. Pauline Kuehl  
Evergreen Real Estate Services  
566 West Lake Street, Suite 400  
Chicago, IL 60661

**Re: 2011 Assessment**  
**Frank B. Peers Senior Housing**  
**400 Central**  
**Highland Park, Illinois**  
**Township: Moraine**  
**County: Lake**  
**Permanent Index Number: 16-23-409-047-8001**

Dear Polly:

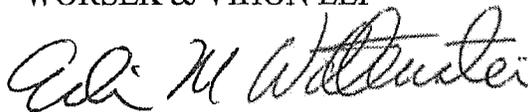
We have reviewed the 2011 assessment of the above-referenced property and recommend that a complaint not be filed. Our recommendation is based on an analysis of the property's income and expenses which indicates that the current assessment of \$1,422,023 is a favorable valuation of the property.

The current assessment will result in 2011 taxes of approximately \$91,650. Please note this is an estimate and that actual taxes will be determined in the spring when the 2011 equalization factor and tax rate are set. We will continue to monitor the assessment, however, it is imperative that you notify us immediately upon receipt of any correspondence from the Assessor's Office.

If you should have any questions, please do not hesitate to give me a call. We appreciate the opportunity to be of service.

Very truly yours,

WORSEK & VIHON LLP



Edwin M. Wittenstein

mary\2011\nov2011\400na

November 22, 2011

Richard D. Worsek  
Robert S. Vihon  
Edwin M. Wittenstein  
Francis W. O'Malley  
Brian Grossman  
Lauren B. Cooper

Of Counsel:  
Michelle A. Jackson

Ms. Pauline Kuehl  
Evergreen Real Estate Services  
566 West Lake Street  
Chicago, IL 60661

**Re: 2011 Assessment  
Walnut Place  
654 Walnut Place  
Highland Park, Illinois  
Township: Moraine  
County: Lake  
Permanent Index Numbers: 16-26-103-016/022/023**

Dear Polly:

We have reviewed the 2011 assessment of the above-referenced property and recommend that a complaint not be filed. Our recommendation is based on an analysis of the property's income and expenses which indicates that the current assessment of \$1,735,042 is a favorable valuation of the property.

The current assessment will result in 2011 taxes of approximately \$111,800. Please note this is an estimate and that actual taxes will be determined in the spring when the 2011 equalization factor and tax rate are set. We will continue to monitor the assessment, however, it is imperative that you notify us immediately upon receipt of any correspondence from the Assessor's Office.

If you should have any questions, please do not hesitate to give me a call. We appreciate the opportunity to be of service.

Very truly yours,

WORSEK & VIHON LLP



Edwin M. Wittenstein

mary\2011\nov2011\654na



401 N. Michigan Avenue  
Suite 700  
Chicago IL 60611  
312.836.5200  
312.836.5222 TDD  
www.Ihda.org

OCT 28 2011

Pat Quinn, Governor

Ms. Polly Kuehl  
Evergreen Real Estate Services, Inc.  
566 West Lake Street  
Chicago IL 60661

RE: 12-2263-01/02, Walnut Place Apartments  
2011 Annual Management Review & Inspection

Dear Ms. Kuehl:

In compliance with the guidelines established by the Illinois Housing Development Authority and the Department of Housing and Urban Development, a comprehensive inspection of all of our properties is performed annually. We appreciate the cooperation we received from your staff while performing our inspection for the referenced development this year.

Attached is the Management Review and Property Inspection Form. Please note the inspection findings are listed throughout the review and listed in the remarks column. You must respond to us within 60 days with a plan addressing these findings. If you wish to discuss any matter regarding the Annual Inspection or the operations of the development, please do not hesitate to contact me at (312) 836-5277.

Sincerely,

A handwritten signature in black ink, appearing to read "James A. Dougherty".

James A. Dougherty  
Senior Asset Manager  
Asset Management Services

Enclosure

cc: Ms. Mary Cele Smith  
Ms. Heidi Martin



For each item reviewed, mark a block in column A (acceptable), M (management to correct within 60 days), or I (items requiring immediate action). After discussing items with owner or management agent, enter the estimated completion date in the TCD (Target Completion Date) column.

Development Name & Address Walnut Place Apartments 654 Walnut Street & 1571-93 Greenbay Road Highland Park, IL 60035			Owner's Name Highland Park Housing Association Since: (Mo/Yr) 08/01/80	
Agent's Name Evergreen Real Estate Services, Inc. Since: (Mo/Yr) 07/01/06			Resident Manager's Name Heidi Martin Since: (Mo/Yr) 07/01/06	
Type of Program Section 8	IHDA No. 12-2263-01/02 aka10-127-01 IL06-H121-114	Loan Position(s) 1st	No. of Units: Total 68 Program 68 Vacant 1	Occupancy 99%
Purpose of Report: <input type="checkbox"/> Periodic Review <input checked="" type="checkbox"/> Annual Review	Inspected Date: 5/5/2011	Tenant Type: <input type="checkbox"/> Family <input type="checkbox"/> Elderly <input checked="" type="checkbox"/> Mixed <input type="checkbox"/> SRO <input type="checkbox"/> SLF/Assisted Living <input type="checkbox"/> Special needs population	Date transferred to AMS: 11/01/05 (Omit MLs except RS/Ambac)	Total # of units turned over in Year 20 10 = 6 ( 9% % )  (Note: For YTD, see pg. 9 Section 21 b)
Date of Last: Annual Inspection 8/8/2008 Desk Review 4/6/2010				30% Income Tenant = Extremely Low (For Section 8 only)  How many of the # of turnovers from above are tenants at 30%? = 4 ( 67% % )

Only the shaded portion of the summary sheet will be completed for Periodic Inspection

A. Maintenance & Security					D. Tenant/Management Relations				
	A	M	I	TCD		A	M	I	TCD
1. General Physical Condition	X				25. Tenant Participation	X			
2. Work Scheduling	X				26. Provision of Tenant Services	X			
3. Preventive Maintenance	X				27. Use of Community Space	X			
4. Unit Inspections	X				28. Tenant Satisfaction	X			
5. Vacant Unit Preparation	X				IV. Tenant/Management Relations <input type="checkbox"/> Superior <input checked="" type="checkbox"/> Above Average <input type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Not Rated				
6. Equipment and Inventory Controls	X				E. Drug-Free Housing Policy				
7. Procurement and Supply Practices	X				29. Uniform, Written Tenant Selection Plans That Aid and Support Drug Free Housing.	X			
8. Security Program	X				30. House Rules That Aid And Support Drug-Free Housing.	X			
9. Energy Conservation	X				31. Evidence of Drug Use/Sales at Development Address	X			
I. Maintenance and Security Rating <input type="checkbox"/> Superior <input type="checkbox"/> Above Average <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Not Rated					32. Overall Development Plan For Drug-Free Housing	X			
B. Financial Management					33. Development Owner/Agent is A Member of Local Drug-Free Housing Task Force (if formed).	X			
10. Accounting and Bookkeeping	X				V. Drug-Free Housing Policy Rating <input type="checkbox"/> Superior <input type="checkbox"/> Above Average <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Not Rated				
11. Budget Management	X				F. General Management Practices				
12. Cash Controls	X				34. Owner Participation	X			
13. Cost Controls	X				35. Organization and Supervision	X			
14. Submission of Reports	X				36. Staffing and Personnel Practices	X			
15. Financial Compliance	X				37. Operating Procedures and Manuals	X			
16. Rent Schedule Compliance		X		60 days	38. Training	X			
17. Rental Collection	X				39. Office Administration	X			
18. Accounts Receivable/Payable	X				40. Insurance and Bonding	X			
19. Reserves and Escrows	X				41. Management Plan and Agreement	X			
II. Financial Management Rating <input type="checkbox"/> Superior <input type="checkbox"/> Above Average <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Not Rated					42. Program Compliance	X			
C. Leasing & Occupancy					VI. General Management Practices Rating <input type="checkbox"/> Superior <input type="checkbox"/> Above Average <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Not Rated				
20. Tenant Selection and Orientation	X								
21. Vacancy and Turnover	X								
22. Leases and Deposits	X								
23. Eviction Procedures	X								
24. Tenant Files and Records	X								
III. Leasing and Occupancy Rating <input type="checkbox"/> Superior <input type="checkbox"/> Above Average <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Not Rated									

VII. Rating of Overall Management Operation (mark applicable box):  Superior  Above Average  Satisfactory  Below Average  Unsatisfactory

Signatures:

Inspection prepared by:  J. Dougherty		Inspection approved by: 	
Title Senior Asset Manager	Date 10/14/11	Title Director/Asst. Director/Supv. AMS	Date 10/21/11

Item No.	For each 'M' and 'I' item checked, describe findings and give recommendation for correction. Explain any "Below Average" or "Unsatisfactory" rating.
Non-IHDA HUD Subsidies	None
Unit Composition	56-one-bedroom elderly units (Mid-rise)
Number and Type of Bldg.	8-two-bedroom and 4 three-bedroom units (Townhomes)
Amenities	Mid-rise(elevator)/Townhomes
Work Out and Additional Comments	Off-street parking and community room.
	None
14a(1)	<b>Comments to Findings/Management Review Questions (pp. 3-14):</b>
14a(3)	Management should submit Audit on or before due date.
14a(2)	Management should submit Budget on or before due date.
16f	Management should submit Monthly Operating Reports.
	Please submit updated UA for 2011.

## Management Review

## Questionnaire

(For RS, ML (except 80/20), TEB, AMB, CL and F developments)

## Part A: Maintenance and Security

Review most recent physical inspection report before responding to the items below. Check to see if corrections requested in the report have been made.

	N/A	YES	NO	FNDGS	Remarks																
<b>1. General Physical Condition</b>																					
a. Are grounds and landscaping in acceptable condition?		X																			
b. Are exterior painted surfaces such as stairs, railings, decks, porches, windows, fencing, doors, etc. free from cracking, scaling, chipping, peeling or loose paint?		X																			
c. Is the development generally free of broken windows, broken light globes, emergency lights or seriously damaged exterior doors?		X																			
d. Is the physical condition of garages, roof(s), mechanical boiler room, brick/concrete/siding and gutter downspouts acceptable?		X																			
e. Are hallways, stairways, elevators, lobbies laundry rooms, garbage areas, maintenance work/storage area and other public areas clean?		X																			
f. Are all outdoor amenities in acceptable condition?		X																			
g. Are current certificates for the elevator, boiler, fire extinguishers displayed?		X																			
h. Is the development free of obvious fire/safety/health hazards or housing code violations?		X																			
<b>FOR SECTION 8 &amp; 236 ONLY</b>																					
i. Date of construction: <u>7/1/1979</u> (if constructed after 1978, all other questions are N/A). Applicable to family properties or elderly properties housing children under the age of six.																					
1.) Has a lead based paint inspection been conducted? If no, skip to question 6.	X																				
2.) What were the results of the Lead-Based Paint Inspection/Evaluation? (No lead found, lead found and contained, lead abated)	X																				
3.) If yes, is there a HUD approved lead hazard control plan?	X																				
4.) Is the owner in compliance with the HUD approved lead hazard control plan as noted on the desk review?	X																				
5.) Is there a certification on file documenting the project has been certified to be free of lead-based paint or lead hazards? Note: If there is a certification, obtain a copy for the project file.	X																				
6.) Is development free of lead-based paint contamination on surfaces exposed to children?	X																				
7.) Has annual certification been received for current year? Note: An obvious health hazard related to lead-based paint would be deteriorated paint conditions on the interior walls and woodworks and exterior painted surfaces.	X																				
j. Have repairs or corrections called for on last Management or Desk Review (Part A Section 1) been satisfactorily completed?	X				None																
k. Has Decent, Safe, & Sanitary Inspection been completed? When: <u>5/2/2011</u> Verification Received?		X																			
l. Which type of inspection was completed?																					
<table border="0"> <thead> <tr> <th></th> <th>Date Completed</th> <th>Pass/Fail</th> <th>Score</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/> HQS</td> <td><u>08/24/10</u></td> <td><u>Pass</u></td> <td></td> </tr> <tr> <td><input type="checkbox"/> Tax Credit</td> <td></td> <td></td> <td></td> </tr> <tr> <td><input checked="" type="checkbox"/> REAC</td> <td><u>05/17/10</u></td> <td></td> <td><u>92b</u></td> </tr> </tbody> </table>		Date Completed	Pass/Fail	Score	<input checked="" type="checkbox"/> HQS	<u>08/24/10</u>	<u>Pass</u>		<input type="checkbox"/> Tax Credit				<input checked="" type="checkbox"/> REAC	<u>05/17/10</u>		<u>92b</u>					
	Date Completed	Pass/Fail	Score																		
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<input type="checkbox"/> Tax Credit																					
<input checked="" type="checkbox"/> REAC	<u>05/17/10</u>		<u>92b</u>																		
m. Capital improvements completed and/or planned for the current year?		X			Fence repaired around townhomes.																
1. General Physical Condition <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I																					
<b>2. Work Scheduling</b>																					
a. Are there sufficient maintenance and janitorial employees and appropriate schedules for routine work (i.e., mowing lawns, cleaning trash areas, etc.)?		X																			
b. Are emergency items given priority and acted upon quickly? Maintenance program can best be described as (check one): <input checked="" type="checkbox"/> Preventive <input type="checkbox"/> Corrective <input type="checkbox"/> Deferred		X																			
c. Is emergency maintenance service available after regular working hours? Procedures in place?		X																			
d. Are purchase orders and work orders required of maintenance staff?		X																			
e. Does management have a system for receiving, assigning, completing and billing work orders and for establishing work priorities for maintenance staff? Avg. no. requests received per month <u>20</u> Avg. response time <u>24 hours</u> Current backlog <u>0</u> If a backlog exists, indicate the current number of work orders: Number between 1 - 3 days: <u>0</u> Number between 4 - 7 days <u>0</u> Number more than one week: <u>0</u>		X																			
2. Work Scheduling <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I																					
<b>3. Preventive Maintenance</b>																					
a. Is there a schedule for preventive maintenance/servicing all of items listed below? Check schedules in use and indicate in parentheses whether servicing is done by on-site staff (o) or by contractor (c).		X																			

N/A	YES	NO	FNDGS	Remarks
-----	-----	----	-------	---------

**Cont'd. (3. Preventive Maintenance)**

<input checked="" type="checkbox"/> Heating and A/C Equipment [ 0 ]	<input checked="" type="checkbox"/> Inspect Roof and Fascias [ 0 ]				
<input checked="" type="checkbox"/> Hot Water Heaters [ 0 ]	<input checked="" type="checkbox"/> Sprinklers [ C ]				
<input checked="" type="checkbox"/> Cleaning Carpets and Drape [ 0 ]	<input checked="" type="checkbox"/> Carbon Monoxide Detector [ C ]				
<input checked="" type="checkbox"/> Smoke Detectors [ 0 ]	<input checked="" type="checkbox"/> Fire Extinguishers [ C ]				
<input checked="" type="checkbox"/> Major Appliances [ 0 ]	<input type="checkbox"/> Motor Vehicles [ ]				
<input checked="" type="checkbox"/> Elevators [ C ]	<input type="checkbox"/> Other _____				
b. Are exterminator services provided regularly as necessary? Are tenants properly notified?			X		
c. Are sewer lines and roof gutters and downspouts cleaned periodically?			X		
d. Are lawns and plants fertilized and trimmed at appropriate time of year?			X		
e. Is recreational equipment serviced/stored as seasonal changes dictate?			X		
f. Are exterior windows cleaned on regular basis?			X		
g. Is there a schedule for exterior painting? Is it followed?		X			Steel/brick/glass
h. Has the owner/agent protected inventory items, such as appliances and tools, to prevent theft?			X		

3. Preventive Maintenance  A  M  I

**4. Unit Inspections (Units selected at random).**

a. In the case of long-term tenants:					
1) how often are units inspected? <u>Annually</u>					
2) are units redecorated on a regular basis (carpet/painting, etc.)?			X		
3) is there a written schedule for the inspections and redecorating?			X		
b. In the case of vacant units:					
1) are move-in and move-out inspection forms used?			X		
c. Were market ready units in move in condition? How many units were inspected? <u>1</u>			X		

4. Unit Inspections  A  M  I

**5. Vacant Unit Preparation**

a. Does management have a system to monitor timely preparation of vacancies for rental?			X		
Number of vacant units requiring substantial rehab is <u>0</u>					
b. Is preparation of vacant units free from delays (vacant longer than 30 days) due to:					
1) lack of funds?			X		
2) insufficient supply of parts maintained at development site?			X		
3) use of contractor instead of on-site staff, or vice versa?			X		

5. Vacant Unit Preparation  A  M  I

**6. Equipment and Inventory Controls**

a. Is maintenance work area and storage space adequate?			X		
b. Is there a satisfactory inventory system for accounting for tools, equipment, supplies and keys?			X		
c. Is there documentation by unit that indicates the date of purchase, manufacturer, model, and serial number for appliance purchases (i.e., ranges, refrigerators, furnaces, air conditioners, hot water heaters, etc.)?			X		
d. Are equipment and tools adequate to perform maintenance tasks?			X		
e. Is a copy of the development's as-built drawings on-site?			X		

6. Equipment and Supply Practices  A  M  I

**7. Procurement and Supply Practices**

a. Does the development maintain a list/file of vendors who sell services or products to the development?			X		
b. Is an adequate amount of supplies kept on hand at all times?			X		
c. Is there evidence that the development has shopped around and compared prices to obtain supplies and services at the most favorable terms available?			X		
d. Are copies of maintenance and/or service contracts available for review?			X		
e. Does the development maintain a list/card file on outside contractors? Check services currently contracted with outside contractors and identify name of contractor and annual amount of contract.			X		

Service	Name of Contractor	Annual Contract Amount
<input checked="" type="checkbox"/> Elevator	<u>Mid-America</u>	<u>\$ 6,000.00</u>
<input checked="" type="checkbox"/> Exterminating	<u>A-1 Pest Control</u>	<u>1,520.00</u>
<input type="checkbox"/> Apartment Cleaning	_____	_____
<input type="checkbox"/> Heating and A/C	_____	_____

	N/A	YES	NO	FNDGS	Remarks
<b>Cont'd. (7. Procurement and Supply Practices)</b>					
<input type="checkbox"/> Plumbing <input type="checkbox"/> Security <input checked="" type="checkbox"/> Trash Collection <u>Waste Management</u> <u>4,800.00</u> <input type="checkbox"/> Decorating <input checked="" type="checkbox"/> Ground <u>Wilson</u> <u>4,864.00</u> <input type="checkbox"/> Other					
(*Indicate (by asterisk) whether is an identity-of-interest relationship between the contractor and the owner or agent.)					
f. 1) Is there a written procedure to assure that the individual authorizing contracted work/services is not the same individual authorizing payment?		X			
2) Inspected contractor's work before authorizing payment? Indicate site staff who does the inspection: <u>Manager</u>		X			
3) pursued corrections needed?		X			
<b>FOR SECTION 8 &amp; 236 ONLY</b>					
g. Is there any indication that real or personal property has been subtracted from the mortgaged premises without the permission of HUD?			X		
h.) If there are automobiles and/or charge cards charged to the project, are titles in the name of the project? If yes, do they have approval?	X				None
7. Procurement and Supply Practices <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I					

**8. Security Program**

a. Is exterior lighting adequate for protection and visual security?		X			
b. Is the development free of major security problems? If not, check problem areas.  <input type="checkbox"/> Break-ins <input type="checkbox"/> Personal Assault <input type="checkbox"/> Vandalism <input type="checkbox"/> Other <input type="checkbox"/> Auto Theft		X			
c. Check type(s) of security service/equipment available  <input type="checkbox"/> Tenant patrol <input type="checkbox"/> Motion sensors <input type="checkbox"/> TV monitor <input type="checkbox"/> Volunteer organization patrol (e.g. Guardian Angels) <input type="checkbox"/> Paid car patrol <input type="checkbox"/> Paid on-site guard <input type="checkbox"/> Security cameras <input type="checkbox"/> Police Department car patrols in excess of normal for area <input type="checkbox"/> Other _____	X				None
d. Is type and level of security service appropriate for this development?		X			
e. Review of police reports for development address:  <input type="checkbox"/> Violent Crime Arrests <input type="checkbox"/> Non-citizen Ineligible Aliens <input type="checkbox"/> Drug Activity <input type="checkbox"/> Other _____	X				None

8. Security Program       A       M       I

<b>9. Energy Conservation</b>					
<b>FOR SECTION 8 &amp; 236 ONLY</b>					
a. Has the owner/agent compared the utility rate schedules to assure that the most economic rate schedule is used?		X			
b. Has management attempted to reduce energy consumption? Check measures undertaken.  <input checked="" type="checkbox"/> Caulking and Weatherstripping <input type="checkbox"/> Extra insulation <input checked="" type="checkbox"/> Storm doors and windows <input type="checkbox"/> Conversion to individual metering <input checked="" type="checkbox"/> Watersaver devices <input type="checkbox"/> Consumer education <input type="checkbox"/> Other (specify) _____		X			

9. Energy Conservation       A       M       I

<b>1. Maintenance and Security Rating (Comment if other than Superior or Satisfactory)</b>					
<input type="checkbox"/> Superior <input type="checkbox"/> Above Average <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Not Rated					

**Part B: Financial Management**      When possible, questions should be addressed to the individual responsible for the functions under review.

	N/A	YES	NO	FNDGS	Remarks
<b>10. Accounting and Bookkeeping</b>					
<b>FOR SECTION 8 &amp; 236 ONLY</b>					
a. Are rental receipts deposited in the name of the development in a federally insured account? If trust account is used for disbursements, are only HUD insured developments in the pool and is the development's balance transferred to the development account at least once monthly?	X	X			

	N/A	YES	NO	FNDGS	Remarks	
<b>Cont'd. (10. Accounting and Bookkeeping)</b>						
b. Are operating funds, security deposits and reserve funds maintained in separate accounts and properly secured for authorized use?		X				
c. Is there a current signature authorization form on file for IHDA held reserves?		X				
d. Delinquencies (if any) as of: <u>05/05/11</u>						
a.) Debt Service \$ <u>0</u>						
b.) Replacement Reserve \$ <u>0</u>						
c.) Tax and Insurance \$ <u>0</u>						
d.) Other \$ <u>0</u>						
10. Accounting and Bookkeeping	<input checked="" type="checkbox"/>	A	<input type="checkbox"/>	M	<input type="checkbox"/>	I
<b>11. Budget Management (Explain why "no")</b>						
a. Is an operating budget prepared annually and is it approved by the owner? (If yes, for non-IHDA budgets obtain copy of current year.)		X				
b. Is current budget on site and used by staff to monitor and control operating expenses?		X				
c. Are monthly or quarterly reports prepared indicating variances between actual income and expenses and budgeted income and expenses?		X				
11. Budget Management	<input checked="" type="checkbox"/>	A	<input type="checkbox"/>	M	<input type="checkbox"/>	I
<b>12. Cash Controls</b>						
a. Are collections deposited on the day received or, pending deposit, are they properly controlled?		X				
b. Are there adequate controls over cash/receipts accepted? Check controls used. (Explain if rent is not received at site or by site staff)		X				
<input type="checkbox"/> Prenumbered rent receipts						
<input type="checkbox"/> Safe						
<input type="checkbox"/> Bank collections						
<input checked="" type="checkbox"/> Lock Box						
c. Do different persons handle bank deposit and accounts receivable, or is an alternative safeguard in effect?		X				
Indicate positions or names: <u>Manager</u> <u>Service Coordinator</u>						
d. Are all disbursement checks prenumbered, properly identified with account numbers and supported by vouchers or invoices? Is the supply of unused checks adequately safeguarded and under the custody of persons who do not sign checks manually, control the use of facsimile signature plates, or operate the facsimile signature machine?		X				
e. Are funds (i.e., receipts, disbursements, petty cash, etc.) periodically checked on a surprise basis by a responsible official (other than on-site employees)?		X				
f. Are bank statements reconciled promptly upon receipt by someone other than check signer and by one who has no cash receipt or disbursement function?		X				
12. Cash Controls	<input checked="" type="checkbox"/>	A	<input type="checkbox"/>	M	<input type="checkbox"/>	I
<b>13. Cost Controls</b>						
a. Does owner/agent solicit bids (formal or informal) in order to obtain materials, supplies, and services on most advantageous terms to development? If yes, give recent example: <u>Fence</u>		X				
b. Are bills (including mortgage payment) paid in sufficient time to avoid late penalties?		X				
c. Are vendor bills paid in time to obtain maximum trade discounts?		X				
d. Are operating expenses (including taxes and utilities) periodically reviewed to assure that development is paying the lowest possible rate? Identify any efforts by owner/agent taken to reduce expenses/effect cost savings. <u>cost benefit analysis</u>		X				
13. Cost Controls	<input checked="" type="checkbox"/>	A	<input type="checkbox"/>	M	<input type="checkbox"/>	I
<b>14. Submission of Reports</b>						
a. Have the following financial reports been submitted on a timely basis and in acceptable term IHDA guideline?			X		Please submit Audit, MORs' and Budget in a timely manner.	
1) Annual Audited Financial Statement						
Date last report was due <u>4</u> / <u>1</u> / <u>2011</u>						
Date last report received <u>4</u> / <u>10</u> / <u>2011</u>						
2) Monthly Operating Report (MOR)				X		
What month? <u>May</u> Date Received <u>6/21/2011</u>						
3) Annual operating budget				X		
Date Received <u>11/16/2010</u>						
b. Does agent/owner contact CPA early enough to enable CPA to prepare report for our annual receipt by due date?		X				
14. Submission of Reports	<input checked="" type="checkbox"/>	A	<input type="checkbox"/>	M	<input type="checkbox"/>	I
<b>15. Financial Compliance and Condition</b>						
a. Have all residual receipts been submitted to IHDA as required?		X			None required for 2010.	
b. If the owner/agent has taken unauthorized distributions, reimbursements or supervision fees, have these been repaid? If no, indicate amount due development.		X				

	N/A	YES	NO	FNDS	Remarks
<b>Cont'd. (15. Financial Compliance and Condition)</b>					
c. Is management fee paid to agent in accordance with time schedule and amount specified in management agreement? If not, enter: Fee per agreement \$ _____ ( _____ %)		X			
d. Is agent charging development for expenses which the agreement requires agent to pay?			X		
e. Has owner corrected all findings on IHDA financial submission? List findings outstanding. _____ _____	X				None
f. Does annual financial analysis indicate that development is free of actual or incipient financial problems? For each of last 3 years, enter annual cash flow (NOI - Debt Service).  20 <u>08</u> \$ <u>180,684.00</u> 20 <u>09</u> \$ <u>19,691.00</u> 20 <u>10</u> \$ <u>346,450.00</u>					2010 includes \$270,000 in other receipts that was not included in 2009.
g. Are current IHDA and HUD-approved rent schedules sufficient to meet development needs?		X			
h. Does balance in security deposit trust account equal or exceed liability? If not, explain how deficit will be funded:  Security Deposit fully funded?		X			Assets: \$20,301; Liabilities: \$18,473
i. If security deposits are invested in an interest-bearing account, is interest passed through to tenants annually as required? Interest paid annually 1.) By check <input type="checkbox"/> 2.) By credit <input type="checkbox"/> 3.) By Cash <input checked="" type="checkbox"/>		X			
j. Complete the following as of end of last month _____ / <u>3</u> / <u>31</u> / <u>2011</u> Cash \$ <u>7,313.00</u> Accounts Receivable \$ <u>63,728.00</u> Accounts Payable \$ <u>35,793.00</u>					Management in process of reconciliation subsidy payments.

15. Financial Compliance and Condition  A  M  I

<b>15. Rent Schedule Compliance</b>					
a. For Section 8 and 236 only - Do current rents exceed IHDA/HUD approved Maximum Rent?  Other programs - Do current rents exceed maximum rents minus Utility Allowance?  Compare the rental charges and identify discrepancies below and make it a finding.  Date of last rent adjustment: <u>9/1/2009</u>		X			
	Rent Used	Approved/Maximum Rent	Rent Used	Approved/Maximum Rent	
_____ Bedroom	\$ _____	\$ _____	_____ Bedroom	\$ _____	\$ _____
_____ Bedroom	_____	_____	_____ Bedroom	_____	_____
_____ Bedroom	_____	_____	_____ Bedroom	_____	_____
_____ Bedroom	_____	_____	_____ Bedroom	_____	_____
b. In Section 236 developments, are Basic Rents and Market Rents the same as shown on the latest IHDA rent schedule?	X				
c. In development receiving Section 8 assistance, are rents charged for Section 8 units the same as rents charged for all similar units in the development?		X			
d. Does agent provide a complete package to receive a timely rent increased?		X			
e. Has a special rent increase been requested/approved?			X		
f. If there is a utility allowance, when was the last analysis submitted? Effective date of last utility allowance adjustment: <u>9/1/2008</u>				X	6/25/2009. Please submit updated UA for 2011.
<b>FOR SECTION 8 ONLY</b>					
g. What is the term of the subsidy contract? _____ 40 years End date of contract term: <u>8/31/2020</u> (Fed. Preservation Act)					
h. Was the Rent Schedule received?		X			

16. Rent Schedule Compliance  A  M  I

<b>17. Rental Collection Practices</b>					
a. Is there a written rental collection policy?  Late charge of \$ <u>5.00</u> on <u>6th</u> day. Delinquent notices sent on days <u>6th</u>  Eviction procedures commence on <u>15th</u> day. Referred to collection agent on <u>after possession</u> day.		X			
b. Does rent collection policy in effect reflect that stated in approved management plan?		X			
c. Does rent collection policy appear to be uniformly applied?		X			
d. Is rent collection policy posted?		X			
e. Is an aged tenant delinquency report prepared monthly? 1) During an average month, how many tenants have not paid their rent by the tenth of the month? <u>2</u>		X			

N/A	YES	NO	FNDGS	Remarks
-----	-----	----	-------	---------

**Cont'd. (17. Rental Collection Practices)**

2) During an average month, how many tenants have not paid their rent by the end of the month? 0

17. Rental Collection Practices  A  M  I

**18. Accounts Receivable/Payable**

a. Are tenant accounts receivable reasonably current? X

	Total Amt.	# of Res.
30 days delinquent	\$23,501	47
60 or more days delinquent	\$7,166	22

b. Does procedure for write-off of bad debts appear reasonable? X

c. Has annual "write-off of tenants" accounts receivable for the last two fiscal years been less than 1% of gross rents due from tenants? X

If no, what is the percentage for: 2009 year 1.90 %  
2010 year 0.00 %

Tenant delinquent accounts written off last 12 months.  
 \$ 1.00

d. Are accounts payable reasonably current? X

30 days delinquent	\$15,214
60 or more days delinquent	\$2,926

e. What are the owner/agent plans for reducing outstanding payables? Vendor dispute being resolved.

18. Accounts Receivable/Payable  A  M  I

**19. Reserves and Escrows**

a. Complete chart below

Name of Reserve	As of <u>7 / 11 / 2011</u>			Held in Interest-Bearing Account at IHDA? Yes/No	If No, Where are the funds being held?
	Total	Per Unit	Monthly Deposit		
Replacement Reserve	\$ 131,547.00	\$ 1,934.51	\$ 1,995.00	Yes	
Gen. Operating Res. (Co-ops)					
Residual Receipts	27,095.00	398.46	0.00	Yes	
Tax and Insurance	183,478.00	2,698.21	11,623.00	Yes	
Other					

b. Do the balances in replacement or general operating reserve accounts appear adequate to meet future needs? If not, what action is recommended? X

Does the balance meet the \$1,500/unit IHDA requirement for Replacement Reserve? X

c. Have monthly deposits to these reserves been increased since the development was completed? X

d. Has mortgagor/IHDA performed analysis to determine future Replacement Reserve needs? X

e. Is only one account (i.e., the appropriate reserve or operating expense account) being billed for repairs that are eligible for reimbursement from the reserves? X

19. Reserves and Escrows  A  M  I

**II. Financial Management Rating (Based on Budget, MORs, Audit, Reserve Balances, etc.)**

Superior  Above Average  Satisfactory  
 Below Average  Unsatisfactory  Not Rated

**Part C: Leasing and Occupancy** Reference 20r (504 questions are only applicable to Sec. 8, 236 and HOME).

N/A	YES	NO	FNDGS	Remarks
-----	-----	----	-------	---------

**20. Tenant Selection and Orientation**

a. Have written updated tenant selection procedures been established? If yes, ask to see a copy. If no, describe difference between practiced and written procedures for reviewing and approving tenant applications. X

1) Staff Familiarity X

2) Preferences Included (State Mandated) X

3) Rent Schedule Attached X

**FOR SECTION 8 AND 236 ONLY**

4) Does it comply with all required criteria as stated in the HUD Handbook 4350.3 REV-1? X

b. Has development implemented tenant preference requirements? Ask to see a copy of tenant waiting list, and TSP, to ascertain. X

c. Does management determine program eligibility per TSP? Checks with:

Previous Landlord X

Employer/Source of Income X

Social Security Numbers X

Citizenship Status X

Credit Bureau (Cost =\$ 14.00) X

List other requirements not listed above:  
Criminal and sex offender X

	N/A	YES	NO	FNDGS	Remarks
<b>Cont'd. (20. Tenant Selection and Orientation)</b>					
d. Is copy of current approved (within the past 5 years) Affirmative Marketing Plan (AMP) at Rental office?		X			12/6/2010
e. Is rental staff familiar with AMP?		X			
f. Is the EHO poster displayed in offices and model units? (The posters are available at the IHDA website.)		X			
g. If there has been advertising, 1.) was the EHO logo included (fair housing logo and wheelchair logo)? 2.) was it the appropriate size? 3.) If site signage has phone # or address it must have logos.		X X X			
h. Were the outreach efforts, as described in the AMP, performed annually? Last outreach date: <u>9/30/2010</u>		X			Outreach will be done in September 2011.
i. Does advertising program comply with affirmative marketing plan? Estimate racial mix of current tenants (must equal 100%): American Indian or Alaskan Native <u>0.00</u> % Asian or Pacific Islander <u>4.00</u> % African American <u>9.00</u> % Hispanic <u>4.00</u> % Caucasian <u>83.00</u> %		X			
j. Has any development Agent/Owner/Manager received complaints of prohibited discrimination? (e.g., based on race, age, sex, handicap, familial status)			X		
k. Does management provide applicants with a written explanation for an occupancy rejection? Is the explanation written in accordance with the TSP? Was the reason for denial in accordance with the TSP? Did the rejection letter provide the applicant the right to appeal? Are appeals reviewed by a different person other than the person who denied the applicant? Was the appeal processed and applicant notified of appeal decision within five business days?		X X X X X			
l. Are new tenants given informational handbooks or manuals?		X			
m. Does development staff personally interview new tenants and provide orientation to the development? At what point is the orientation done? Check topics covered. <input checked="" type="checkbox"/> Development Rules <input checked="" type="checkbox"/> Maintenance Request Procedures <input checked="" type="checkbox"/> Lease Terms <input checked="" type="checkbox"/> Explanation of Appliances <input checked="" type="checkbox"/> Grievance Procedures <input checked="" type="checkbox"/> Subsidy Policies and Rules <input checked="" type="checkbox"/> Rent Payment Procedures <input type="checkbox"/> Energy Conservation <input checked="" type="checkbox"/> Security Deposit and Charge Backs <input checked="" type="checkbox"/> Location of Shopping, Schools, Transportation, Community Services, etc.		X			Lease signing
n. Is the unit inspected, prior to occupancy, by staff and new tenant jointly?		X			
o. Acceptable written Move-Out Procedures?		X			
p. Are damages properly identified and are tenants assessed the actual charges?		X			Tenants billed if damages exceed normal wear and tear
q. Do development staff and new tenant jointly inspect unit prior to move out?		X			
r. In accordance with the Fair Housing Act (FH Act) 1.) Have policies & practices been modified so as not to discriminate against persons with handicaps? 2.) Is there a transfer policy along with a lease addendum for residents (not requiring an accessible unit) who reside in accessible units?		X X			
20. Tenant Selection and Orientation <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I					
<b>21. Vacancy and Turnover</b>					
a. On the day of the site visit: # of Vacant Units: <u>1</u> # Ready for Occupancy: <u>1</u> Average Length of time for unit turnover: <u>5 days</u>					
b. Is the vacancy rate satisfactory and not excessive? Has the development had a significant TURNOVER? Month      Total # of Vacant Year to date <u>May</u> <u>1</u> 1%		X		X	
c. Check which factors contribute to vacancy problems that may exist at the development. <input type="checkbox"/> Security Problem <input type="checkbox"/> Poor Maintenance <input type="checkbox"/> Non-competitive Amenities <input type="checkbox"/> Rents too High <input type="checkbox"/> Inadequate Marketing <input type="checkbox"/> Location <input type="checkbox"/> Development Reputation <input type="checkbox"/> Lack of Demand	X				

	N/A	YES	NO	FNDGS	Remarks
<b>Cont'd. (21. Vacancy and Turnover)</b>					
<input type="checkbox"/> Bedroom Mix/Size ( _____ bdrm hard to rent)					
<input type="checkbox"/> Tenant/Management Relations <input type="checkbox"/> Other _____					
d. Based on the responses in questions a and b, what actions are being taken by the owner/agent to resolve the vacancy issue(s)?	X				
e. Does the development maintain a waiting list of prospective tenants? Is the list updated annually as required? Date last updated? <u>2/16/2011</u> How many are now on the list? <u>457</u> Is list currently open? Number of persons on waiting list who have requested accessible units? <u>13</u>		X			
<b>FOR SECTION 8 &amp; 236 ONLY</b>					
f. Does the wait list include all required elements as stated in the Handbook 4350.3 REV-1?		X			
g. Were the applicants selected in proper order from the waiting list?		X			
21. Vacancy and Turnover <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I					
<b>22. Leases and Deposits</b>					
<b>FOR SECTION 8 &amp; 236 ONLY</b>					
a. On subsidized developments, is HUD model lease used?		X			
<b>FOR SECTION 8 &amp; 236 ONLY</b>					
b. If necessary, are the HUD approved lease and/or the owner's/agent's rules and regulations available to development tenants in foreign language version?		X			
<b>FOR SECTION 8 &amp; 236 ONLY</b>					
c. Do development files indicate it is not necessary for tenants to communicate with HUD to resolve development problems?		X			
d. Is amount of security deposit within limits set for this HUD program?					Technical Services
e. Are the security deposit and first month's rent the only charges made when applicant is accepted for occupancy? List other charges and amounts.  Type _____ Amount _____ Pet Deposit \$ <u>300.00</u> \$ _____			X		
f. Has the development implemented the pet rule (elderly only) requirement? (4350.1 - Chapter 32)		X			
g. Obtain copy of pet policy to ascertain if the pet policy and amount of pet deposit is reasonable. Is there a written pet policy?		X			
h. Has the Pet policy (elderly only) been incorporated into the lease?		X			
22. Leases and Deposits <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I					
<b>23. Eviction/Termination of Assistance Procedures</b>					
a. Does management have a written policy for handling evictions? Source?		X			Corporate manual
<b>FOR SECTION 8 &amp; 236 ONLY</b>					
b. Are eviction policies and procedures consistent with HUD requirements?		X			
c. Are eviction procedures initiated promptly, when warranted? Reasons? 1) Number of evictions completed during last 6 months <u>0</u> 2) Average cost per eviction \$ <u>450</u> 3) Eviction handled by: <input checked="" type="checkbox"/> attorney for owner/agent <input type="checkbox"/> attorney on contract <input type="checkbox"/> attorney on call		X			Nonpayment of rent and drugs
d. Describe process used in evicting tenants for causes other than nonpayment of rent. <u>10 - Day Notice</u>					
e. Does management provide written policy on termination of assistance to tenants (e.g. incorporated into a tenant handbook)?					Tech. Services will respond.
f. Are these policies consistent with HUD requirements?					Tech. Services will respond.
g. Number of terminations of assistance incurred over the past year: _____					Tech. Services will respond.
23. Eviction/Termination of Assistance Proc. <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I					
<b>24. Tenant Files and Records</b>					
a. Is there a chronological record of maintenance inspection and work orders for each unit maintained in the development office?		X			
b. Indicate who is provided copies of completed work orders: <input checked="" type="checkbox"/> Tenant <input type="checkbox"/> Tenant File <input type="checkbox"/> Maintenance Staff <input checked="" type="checkbox"/> Unit <input type="checkbox"/> Other (please specify) _____					
c. Is there a copy of unit inspection in the tenant file and signed by both Tenant and Management (Decent, Safe and Sanitary/ Move-In/Move-Out)?		X			
d. If deficiencies are noted during unit Decent, Safe and Sanitary/Move-In/Move-Out inspections, what is the procedure for correction?					Work order processed. If tenant responsible for damages above wear and tear they are billed.
24. Tenant Files and Records <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I					
<b>III. Leasing and Occupancy Rating</b>					
<input type="checkbox"/> Superior <input type="checkbox"/> Above Average <input checked="" type="checkbox"/> Satisfactory					
<input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Not Rated					

**Part D: Tenant/Management Relations** (When assessing tenant/management relations, the critical point is whether or not management is aware of and sensitive to tenants' concerns and is using the optimum resources available to address these concerns. The principal sources of information for completing this section will be correspondence in the development file, interviews with on-site management staff and, when appropriate, interviews with some residents of the development.)

	N/A	YES	NO	FNDGS	Remarks																													
<b>25. Tenant Participation</b>																																		
a. Is there an active tenant organization at this development?		X																																
b. Are there brochures and newsletters available regarding development policies and activities? Does management encourage tenant input to the newsletter?		X X																																
c. Is tenant involvement in development operations encouraged? Check areas in which involvement is encouraged. <input type="checkbox"/> Development rules <input type="checkbox"/> Energy conservation <input type="checkbox"/> Redecorating schedule <input checked="" type="checkbox"/> Social service program <input type="checkbox"/> Use of community space <input type="checkbox"/> Security program		X																																
<b>FOR SECTION 8 &amp; 236 ONLY</b>																																		
d. Have tenants been notified of and given an opportunity to comment upon proposed rental increases, capital improvements, proposed sale of development, change of ownership/management agents, and other areas where tenant notification and comment is required by HUD?			X																															
25. Tenant Participation <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I																																		
<b>26. Provision of Tenant Services</b>																																		
a. Has management made efforts to determine what community resources and social services are available to meet tenant needs?		X																																
b. Do social services provided by either the development or neighborhood appear adequate to meet the tenants needs? Check services available and identify agency providing the service (i.e., CEDA; city/county/state; church/school; community groups, etc.) and any cost to development. <table border="0" style="width: 100%; margin-left: 40px;"> <thead> <tr> <th></th> <th style="text-align: center;">Source Agency</th> <th style="text-align: center;">Cost to Development</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/> Child care</td> <td>_____</td> <td>_____</td> </tr> <tr> <td><input checked="" type="checkbox"/> Recreation</td> <td style="text-align: center;">City</td> <td style="text-align: center;">0</td> </tr> <tr> <td><input type="checkbox"/> Health Care</td> <td>_____</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Vocational Training/ Job Placement</td> <td>_____</td> <td>_____</td> </tr> <tr> <td><input checked="" type="checkbox"/> Meals</td> <td style="text-align: center;">City</td> <td style="text-align: center;">0</td> </tr> <tr> <td><input type="checkbox"/> Financial Counseling</td> <td>_____</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Substance Abuse Counseling</td> <td>_____</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Energy Conservation</td> <td>_____</td> <td>_____</td> </tr> <tr> <td><input type="checkbox"/> Other (specify)</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>		Source Agency	Cost to Development	<input type="checkbox"/> Child care	_____	_____	<input checked="" type="checkbox"/> Recreation	City	0	<input type="checkbox"/> Health Care	_____	_____	<input type="checkbox"/> Vocational Training/ Job Placement	_____	_____	<input checked="" type="checkbox"/> Meals	City	0	<input type="checkbox"/> Financial Counseling	_____	_____	<input type="checkbox"/> Substance Abuse Counseling	_____	_____	<input type="checkbox"/> Energy Conservation	_____	_____	<input type="checkbox"/> Other (specify)	_____	_____		X		
	Source Agency	Cost to Development																																
<input type="checkbox"/> Child care	_____	_____																																
<input checked="" type="checkbox"/> Recreation	City	0																																
<input type="checkbox"/> Health Care	_____	_____																																
<input type="checkbox"/> Vocational Training/ Job Placement	_____	_____																																
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<input type="checkbox"/> Substance Abuse Counseling	_____	_____																																
<input type="checkbox"/> Energy Conservation	_____	_____																																
<input type="checkbox"/> Other (specify)	_____	_____																																
<b>FOR SECTION 8 &amp; 236 ONLY</b>																																		
c. Is there a Service Coordinator for the project? (If there is no Service Coordinator, proceed to question e)			X																															
<b>FOR SECTION 8 &amp; 236 ONLY</b>																																		
d. Is the Service Coordinator's office clearly identifiable and private? Are the Service Coordinator's files kept secure and confidential? Does the Service Coordinator maintain a directory of service agencies and contacts and made available to all parties?		X X X																																
<b>FOR SECTION 8 &amp; 236 ONLY</b>																																		
e. If there is a Neighborhood Networks Center as indicated on the Desk Review, what is the status of operations? (If there is no Neighborhood Networks Center, go to question f) <input type="checkbox"/> Open for Business <input type="checkbox"/> Temporarily Closed - State the date the center will reopen: _____ <input type="checkbox"/> Permanently Closed - State the date the center closed: _____  What types of programs are offered at the Neighborhood Networks Center? <input type="checkbox"/> GED <input type="checkbox"/> Job Placement <input type="checkbox"/> Adult Basic Education <input type="checkbox"/> Homework Assistance <input type="checkbox"/> Computer Classes <input type="checkbox"/> English as a Second Language <input type="checkbox"/> Job Training <input type="checkbox"/> Basic Life Skills <input type="checkbox"/> After School Care <input type="checkbox"/> Summer Programs for Children <input type="checkbox"/> Other (please specify)	X																																	
<b>FOR SECTION 8 &amp; 236 ONLY</b>																																		
f. (Note: For federally subsidized only) The Department allows owners and their agents to provide services related to renter's insurance products. Does the owner/agent offer such services?  HUD policy prohibits an owner/agent from evicting tenants if delinquent in renter's insurance payments. How does the owner/agent deal with unpaid renter's insurance?  Review the renter's insurance information provided to tenants. Does the information provided to tenants clearly indicate the purchasing insurance is optional and not required as a condition of occupancy?			X																															
	X																																	
	X																																	

	N/A	YES	NO	FNDGS	Remarks
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**Cont'd. (26. Provision of Tenant Services)**

g. Has management made an effort to employ tenants? If so, describe and indicate how many tenants have been employed in the past two years.			X		
---	--	--	---	--	--

26. Provision of Tenant Services	<input checked="" type="checkbox"/> A	<input type="checkbox"/> M	<input type="checkbox"/> I		
----------------------------------	---------------------------------------	----------------------------	----------------------------	--	--

**27. Use of Community Space**

a. Is indoor community space adequate and is it in satisfactory condition?		X			
b. Does managing agent plan and use the space effectively?		X			
c. Have written procedures been established for reserving the space (including a fee schedule, when appropriate)?		X			

27. Use of Community Space	<input checked="" type="checkbox"/> A	<input type="checkbox"/> M	<input type="checkbox"/> I		
----------------------------	---------------------------------------	----------------------------	----------------------------	--	--

**28. Tenant Satisfaction**

a. Do residents appear reasonably satisfied with the overall quality of housing services provided by the development? Maintenance Services Security and Social Services List any areas of dissatisfaction None		X			
b. Does management respond promptly to maintenance requests and other resident complaints?		X			
c. Does management have a written policy for resolving tenant grievances? Does it include an appeal process? Are the tenants aware of it?		X			
d. See Attachment A (separate tab) for tenant complaints.	X				None

28. Tenant Satisfaction	<input checked="" type="checkbox"/> A	<input type="checkbox"/> M	<input type="checkbox"/> I		
-------------------------	---------------------------------------	----------------------------	----------------------------	--	--

**IV. Tenant/Management Relations Rating**

<input type="checkbox"/> Superior <input checked="" type="checkbox"/> Above Average <input type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Not Rated					
--	--	--	--	--	--

**Part E: Drug-Free Housing Policy**

	N/A	YES	NO	FNDGS	Remarks
--	-----	-----	----	-------	---------

29. Uniform, Written Tenant Selection Plans That Aid and Support Drug-Free Housing.		X			
	<input checked="" type="checkbox"/> A	<input type="checkbox"/> M	<input type="checkbox"/> I		

30. House Rules That Aid and Support Drug-Free Housing.		X			
	<input checked="" type="checkbox"/> A	<input type="checkbox"/> M	<input type="checkbox"/> I		

**31. Evidence of Drug Use/Sales at Development/Address**

a. Police Reports/Arrest Records		X			
b. Physical Inspection/Paraphernalia		X			
	<input checked="" type="checkbox"/> A	<input type="checkbox"/> M	<input type="checkbox"/> I		

32. Overall Development Plan for Drug-Free Housing		X			
	<input checked="" type="checkbox"/> A	<input type="checkbox"/> M	<input type="checkbox"/> I		

33. Is Development Owner/Agent A Member of Local Drug-Free Housing Task Force (if formed)?			X		
	<input checked="" type="checkbox"/> A	<input type="checkbox"/> M	<input type="checkbox"/> I		

**V. Drug-Free Housing Policy Rating**

<input type="checkbox"/> Superior <input type="checkbox"/> Above Average <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory <input type="checkbox"/> Not Rated					
--	--	--	--	--	--

**Part F: General Management Practices** (Thoroughly review the management plan and management agreement before completing this Part of the review. If you determine in 41a that the management plan does not reflect systems and procedures in use at the development, or if you believe that the systems and procedures set forth in the plan are not appropriate for the development, in Part I specify deficiencies and recommend revisions to practices/content of the plan.)

	N/A	YES	NO	FNDGS	Remarks
--	-----	-----	----	-------	---------

34. Owner Participation		X			
-------------------------	--	---	--	--	--

a. Is the development owner actively involved in development affairs?, If yes, describe. owner approves budget.		X			
b. Does management agent submit reports to owner as required by management agreement or plan, if one exists? Check reports required and indicate frequency. (Obtain copies, if possible.)		X			
Type					Frequency
<input checked="" type="checkbox"/> Cash flow/accounting					Monthly
<input checked="" type="checkbox"/> Move out/move in					Monthly
<input checked="" type="checkbox"/> Delinquency					Monthly
<input checked="" type="checkbox"/> Maintenance					Monthly

	N/A	YES	NO	FNDGS	Remarks
--	-----	-----	----	-------	---------

## Cont'd. (34. Owner Participation)

<input type="checkbox"/> Other (specify) _____					
c. If development is owned by a cooperative or nonprofit entity, does Board of Directors meet regularly? How often? _____	X				
d. If development is owned by a cooperative, are minutes prepared?	X				

34. Owner Participation  A  M  I

## 35. Organization and Supervision

*a. Do management agreement and plan, if they exist, clearly describe the relationships and responsibilities of the owner and the agent? Do on-site staff understand these relationships?		X			
b. Does owner/agent have a system/procedure for providing field supervision of on-site personnel?  Name of Field Supervisor(s) <u>Polly Kuehl</u>  Freq. of Visits by Supervisor <u>Monthly</u>		X			
c. Are lines of supervision between on-site staff and agent's central staff described in writing and understood by staff? (Org. chart or description)		X			
d. Are duties of on-site staff described in writing (e.g., job description, etc.) and are they clearly understood by on-site staff?		X			
e. Has the owner/agent established a written personnel policy for employees?		X			

35. Organization and Supervision  A  M  I

## 36. Staffing and Personnel Practices (See Budget back-up)

*a. List all staff billed to development account.					
List the # of employees by position		# of Hours Charged To Site	Monthly Salary or Wage	* If a free apt., give number of bedrooms	Is the employee receiving subsidy?
Manager		18	See Budget	No	No
1-Service Coordinator		18	See Budget	No	No
1-Maintenance Supervisor		18	See Budget	No	No
1-Maintenance		18	See Budget	1-BR	No
1-Janitor		18	See Budget	No	No
1-Recertification Specialist		18	See Budget	No	No

\*Indicate by asterisk those employees living on site.

b. Are the types of skills of staff appropriate for this development?		X			
c. Are staff recruited in accordance with affirmative action and tenant employment goals specified in management plan?		X			

36. Staffing and Personnel Practices  A  M  I

## 37. Operating Procedures and Manuals

a. Is copy of the current management plan, if it exists, on-site and available to staff?		X			
b. Do on-site staff refer to this plan on their day-to-day activities?		X			
c. Is there a procedures manual on site for staff use? (Obtain copy, if available.)		X			
<b>FOR SECTION 8 &amp; 236 ONLY</b>					
d. Does manual adequately cover HUD requirements?		X			
<b>FOR SECTION 8 &amp; 236 ONLY</b>					
e. Are HUD manuals, handbooks or other guide materials available on site for staff use?		X			

37. Operating Procedures and Manuals  A  M  I

## 38. Training

a. Does owner/agent have a formal ongoing training program for its staff? Check types of training used? <input checked="" type="checkbox"/> On Site (Frequency <u>Annually</u> ) <input type="checkbox"/> IREM <input type="checkbox"/> NCHM <input type="checkbox"/> HUD Seminars <input type="checkbox"/> Local Colleges <input type="checkbox"/> Energy Conservation <input checked="" type="checkbox"/> IHDA Training Date <u>7/15/2008</u> <input type="checkbox"/> Other (specify) _____		X			Please attend IHDA training in 2012.
b. When on-site staff have questions or concerns, do they know who to call for assistance within their organization? Who do they call? <u>Polly Kuehl</u>		X			
c. Does owner/agent have a system to keep on-site staff informed of changes in either HUD/IHDA policies or development operating procedures? And how were they implemented?		X			E-mail, memos, bulletins, meetings

38. Training  A  M  I

	N/A	YES	NO	ENDGS	Remarks
<b>39. On-Site Office Administration</b>					
a. Are there signs enabling applicants/tenants to easily locate the office?		X			
b. Is office organized and neat in appearance?		X			
c. Are office hours posted?		X			
d. Are office hours convenient for prospective applicants and tenants?		X			
e. Is there an acceptable key control system?		X			
f. Are emergency phone numbers posted? Where? <span style="float: right;">Office</span>		X			
39. On-Site Office Administration <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I					
<b>40. Insurance and Bonding</b>					
a. List current insurance coverage and premiums.					Submit insurance certificate renewal if the insurance will expire within 90 days or less.
	Expiration Dates	Basic Coverage			
Property	07/17/11	4,206,885			
Liability	08/09/11	\$ 1,000,000			
Umbrella	07/17/11	\$ 5,000,000			
		\$ _____			
		\$ _____			
		\$ _____			
b. Is property insurance adequate to cover replacement cost?		X			
c. Has the development been able to obtain property or liability insurance coverage without any major difficulties? If not, describe problems.		X			
d. Has the owner/agent attempted to obtain lower insurance coverage rates? If yes, describe. Bids _____		X			
e. Does the owner/agent have appropriate fidelity bond coverage? Expiration Date: <u>6/15/2011</u>			X		Please submit updated insurance certificate.
40. Insurance and Bonding <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I					
<b>41. Management Plan and Agreement</b>					
a. If a plan exists, is the owner/agent complying with the management plan?		X			
b. Is a management agreement in force? Term of Agreement <u>7</u> / <u>1</u> / <u>2010</u> thru <u>6</u> / <u>30</u> / <u>2012</u> Management Fee <u>5</u> %		X			Submit updated Management Agreement if the current agreement will expire within 90 days or less.
c. Is the agent in general compliance with the terms of the management agreement, if one exists?		X			
41. Management Plan and Agreement <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I					
<b>42. Program Compliance</b>					
a. Have all program compliance certification/forms and Addendum B been submitted for the current year?		X			
b. Have compliance documents - Mortgage Verification, IRS 8609, Ownership Structure and Tax Exempt Affidavit or Certificate been submitted, if applicable?		X			
42. Program Compliance <input checked="" type="checkbox"/> A <input type="checkbox"/> M <input type="checkbox"/> I					
<b>VI. General Management Practices Rating</b>					
<input type="checkbox"/> Superior	<input type="checkbox"/> Above Average	<input checked="" type="checkbox"/> Satisfactory			
<input type="checkbox"/> Below Average	<input type="checkbox"/> Unsatisfactory	<input type="checkbox"/> Not Rated			

## **MEMORANDUM**

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

Date: December 1, 2011

### **SUBJECT: Discussion and Consideration of Proposals for a new Mortgage for Sunset Woods**

Attached are the two proposals from the First Bank of Highland Park and from Lake Forest Bank (Highland Park Bank is a branch) along with Commissioner Glasner's October 24<sup>th</sup> email regarding the answers he received from staff at the two banks. To summarize, 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 Lake Forest Bank revised their initial proposal to offer a fixed seven-year-term loan at 5.35% or a fixed five-year-loan at 5.25%.

In addition to these two proposals, the question arose at the Rescheduled Regular Meeting on November 15<sup>th</sup> whether the Peers Housing Association should consider providing the mortgage to Sunset Woods for the twelve rentals. The advantages are providing a lower interest rate to Sunset Woods, such as 3%, while earning more interest for the Peers investment. The disadvantage is that this transaction would tie up about 20.9% of the available Peers funds in the two Certificates of Deposit and in the MaxSafe Money Market Funds. These funds total \$1,10,479, while the balance currently on the Sunset Woods mortgage is \$442,580. At last month's meeting, Chairman Wigodner asked staff to query the absent Commissioners and Richard Koenig, Acting Director of the Housing Opportunity Development Corporation. Commissioner Glasner responded that he did not like the idea of tying up these Peers funds. Mr. Koenig replied that he thought that the Illinois Housing Development Authority (IHDA) would be likely to permit this arrangement. Mr. Koenig left a phone message for IHDA staff to get a preliminary perspective from them about this possibility.

**Smith, Mary**

---

**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**

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.....  
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<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

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

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



**First Bank of Highland Park**

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

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



**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.**

**MANNING SILVERMAN  
& CO.**

*Certified Public Accountants  
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Business Advisors*

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*175 Olde Half Day Road, Suite 290  
Lincolnshire, IL 60069*

*phone 847-459-8850 fax 847-537-8954*

November 14, 2011

Mr. Lee Smith  
Sunset Woods Association  
1150 Half Day Road  
Highland Park, IL 60035

Dear Mr. Smith,

We are pleased to confirm our understanding of the services we are to provide for Sunset Woods Association. We will audit the statements of financial position of Sunset Woods Association as of December 31, 2011, 2012 and 2013 and the related statements of activities and changes in net assets and cash flows for the years then ended. We will also prepare the Association's federal and state information returns for the years then ended.

**Audit Objective**

The objective of our audits is the expression of an opinion about whether your financial statements are fairly presented in all material respects, in conformity with U.S. generally accepted accounting principles. Our audits will be conducted in accordance with U. S. generally accepted auditing standards and will include tests of the accounting records and other procedures we consider necessary to enable us to express such an opinion. If our opinion is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audits, we will not issue a report as a result of this engagement.

**Audit Procedures**

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, direct confirmation of receivables, payables and certain other assets and liabilities by correspondence with selected customers, creditors and others. We will also request written representations from your attorneys and they may bill you for responding to the inquiries. At the conclusion of the audits, we will also request certain written representations from you about the financial statements and related matters.

*"Thank you for the opportunity to serve you and for your referrals!"*

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audits will involve judgments about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity.

Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform detailed examinations of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. We will inform you, however, of any material errors that come to our attention and we will inform you of any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any other violations of laws or governmental regulations that come to our attention unless they are clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audits and does not extend to any later periods for which we are not engaged as auditors.

Our audits will include obtaining an understanding of internal control sufficient to plan the audits and to determine the nature, timing and extent of audit procedures to be performed. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audits we will communicate to you internal control-related matters that are required to be communicated under professional standards.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

### **Management Responsibilities**

You are responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of financial position, results of operations and cash flows in conformity with U. S. generally accepted accounting principles. You are also responsible for management decisions and functions; for designating an individual with suitable skill, knowledge or experience to oversee the tax services and any other nonattest services we provide; and for evaluating the adequacy and results of those services and accepting responsibility for them.

You are responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the Organization involving (1) management, (2) employees who have significant roles in internal control, and (3) others where fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Organization received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring the Organization complies with applicable laws and regulations and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements that we may report.

#### **Audit Administration, Fees and Other**

Wayne E. Silverman is the engagement partner and is responsible for supervising the engagement and signing the report.

We understand that your employees will prepare all cash, accounts receivable, and other confirmations we request and will locate any documents selected by us for testing.

Our fee for these services will be \$5,250, \$5,450 and \$5,650 for the years ended December 31, 2011, 2012 and 2013, plus any applicable out-of-pocket expenses. This fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audits. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. The fee will be billed one half upon receipt of a signed copy of this letter and one half upon completion of the audits. In accordance with our firm policies, work may be suspended if your account becomes 30 or more days past due and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, you will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to continue to be of service to you, and believe this letter accurately summarizes the significant terms of our engagement. If you agree with these terms, please sign the enclosed copy and return it to us.

Very truly yours,



Wayne E. Silverman  
Manning Silverman & Company

RESPONSE:

This letter correctly sets forth the understanding of Sunset Woods Association.

Signature \_\_\_\_\_

Title \_\_\_\_\_

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**

---

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 discuss 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 <b>30 days</b> prior to recording condo declaration	Same	Notice of Intent <b>180 days</b> prior
<b>120 day</b> right of first refusal for tenants after receipt of notice of intent	Same	<b>180 day</b> right of first refusal for tenants
For tenant-occupied unit, showings at “appropriate hours”	Same	<b>Two days notice</b> of entry to tenants in last 90 days of expiring tenancy
Developer must maintain existing rental price for <b>120 day period</b> following receipt of notice of intent	Same	<b>180 day period</b>
Penalties for Non-compliance	Same	To be determined
	Require Notice of Intent to City concurrent with Tenant notice at least <b>30 days</b>	Require Notice of Intent to City concurrent with Tenant notice <b>180 days</b> 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.
		<b>Additional Protections for affordable purchasers:</b> <ol style="list-style-type: none"> <li>1. Inspections of the affordable units</li> <li>2. Energy-efficiency Audits</li> <li>3. Developer warranties</li> <li>4. Escrow account to cover warranties</li> </ol>

## 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



The Gateway to Education, Information and Technology

October 31, 2011

Housing Commission  
City of Highland Park  
1707 St. Johns Ave.  
Highland Park, Illinois 60035

RE: Working Group Recommendation for a Condominium Conversion Ordinance

Dear Housing Commission Members:

Thank you for the opportunity to weigh-in on the proposed Condominium Conversion Ordinance. I apologize I am unable to join you for Wednesday's meeting, because our Association, the North Shore – Barrington Association of REALTORS® (NSBAR), is the lead sponsor of a fair and affordable housing event in Evanston being held the same evening.

However, I have taken an opportunity to study the Working Group's recommendations. Please understand our Association does not represent the interests of builders or developers – by and large, our members are not engaged in those business practices. Our input comes from the perspective of contributing toward a healthy and vibrant real estate climate that affords property owners and tenants fair and robust property rights.

The Working Group has proposed two recommendations for your consideration. The first being a minimum ordinance that mimics state law but adds a requirement that a developer provide notice to the City in the event building permits are not required. The second proposal significantly expands the condominium conversion process beyond existing state law.

Our Association maintains no opposition to the former, but remains concerned with the latter.

Some public policies are best addressed on the state level, while some public policies are better addressed on the local, municipal level. A condominium conversion ordinance policy is one that is best addressed by the state. Current state statute is the result of discussion among developers, builders, tenant advocacy groups, REALTORS®, municipal officials, and the like. In this case, the expanded proposal has seemingly been written without expert opinion by other stakeholders, save our Association. If the Housing Commission believes the Illinois Condominium Property Act is deficient in some manner, it would seem more beneficial to open this discussion to a wider audience by having changes to the Act proposed in Springfield. It may be helpful to discuss this effort with a Highland Park legislator, the Illinois Municipal League, or a tenant-advocacy organization. I am also happy to connect you with our Illinois Association of REALTORS® Government Affairs staff in Springfield.

As written, the more comprehensive proposal appears to take the position that renters are a disenfranchised group in need of extraordinary protections. As established, though, the Illinois Condominium Protection Act already provides protection for renters in buildings subject to conversion to condominiums. It is also important to note that while rentership comes with fewer safeguards in terms of the right to occupy a dwelling unit, it also affords tenants greater flexibility and less responsibility. As a renter myself, whose lease has expired (and is subsequently on a month-to-month), while I run the risk of my landlord terminating my tenancy on short notice, he runs the financial risk of me doing the same. Both property owners and tenants assume some inherent risk in a landlord-tenant relationship, but such risk brings other benefits including the ability to move with few barriers. I would also ask you to consider that while the more stringent proposal may provide additional protections such as moving

assistance costs and extended notice for showings, these provisions would only apply to condominium conversion situations and not ordinary tenant-landlord agreements. Therefore, you may want to question the rational basis for extending these extraordinary protections to tenants in the event of a condominium conversion, when they are not afforded these protections otherwise. For example, a landlord could choose, for any number of reasons, including pure malice, not to renew a lease and provide no moving assistance, but under the second proposal, in the narrow circumstances of a condominium conversion, these provisions would kick-in.

Lastly, Highland Park already maintains very pro-active affordable housing policies. As it stands, the costs of providing affordable housing fall largely and disproportionately to owners and residents of multi-unit properties while the majority of the community, including most residents that live in single-family homes, even multi-million dollar homes, do not have to share the financial burden of providing affordable housing. Ironically, it is developers of multi-unit properties that organically already provide the most affordable housing in Highland Park, with or without an inclusionary zoning ordinance. The further increase the financial burden on multi-unit property owners and residents is both unfair and unwise. It must be remembered that owners of multi-unit properties have a plethora of communities to choose from when deciding where to invest. To continue to burden owners of multi-unit properties, above and beyond the rest of the community, and above and beyond the rest of Chicagoland, will simply encourage good, responsible multi-unit property owners to invest elsewhere. Furthermore, it will likely increase housing costs of multi-unit residents and even price some out of Highland Park.

Again, the North Shore – Barrington Association of REALTORS® encourages the Housing Commission not to recommend the expanded proposal. To do so will:

- Set policy without the benefit of input from a diverse group of impacted parties;
- Provide additional tenant safeguards for no other reason than condominium conversion when such safeguards are absent in most other circumstances; and
- Continue down the path of disproportionately burdening multi-unit property owners and residents to fund Highland Park affordable housing initiatives while the majority of the community is not required to contribute, which will further raise housing costs of Highland Park's most affordable housing (multi-unit properties) and discourage multi-unit investment in Highland Park.

We remain committed to working with the Housing Commission in developing sound public policy. Please be sure to contact me if you have further questions or concerns – I can be reached at [hhandler@iar.org](mailto:hhandler@iar.org) or 847-480-7177.

Sincerely,



Howard Handler  
Government Affairs Director

cc: Mary Smith, Staff Liaison

## North Shore - Barrington Association of REALTORS®

450 Skokie Blvd, Bldg 1200  
Northbrook, IL 60062-7920  
847-480-7177 ♦ Fax 847-480-7362

1250 Grove Avenue, Suite 200  
Barrington, IL 60010  
847-381-7827 ♦ Fax 847-842-2040



[www.nsbar.org](http://www.nsbar.org) REALTOR®

# MEMORANDUM

To: Housing Commission

From: Lee Smith, Senior Planner  
Mary Smith, Housing Planner

Date: December 1, 2011

**Re: Residents' Request to Remove the Payment Escalator from the Demolition Tax Deferral**

The City recently received a request from residents Marleen and Jerry Lipshultz to remove the payment escalator from the deferral provisions of the Affordable Housing Demolition Tax. The City Council Committee of the Whole will discuss the request at the December 12, 2011 City Council Meeting. The Housing Commission may wish to review the escalator provision and send a representative to the City Council Meeting on December 12<sup>th</sup> to convey your recommendation. Staff sent a variation of this memo to City Manager David Limardi to provide as information to the Committee of the Whole.

## **Summary and Background**

In 2009, Marleen and Jerry Lipshultz, who live at 1144 Green Bay Road, requested to waive, or if not waive, to defer the \$10,000 demolition tax from being applied to the proposed demolition of the house at 1101 Green Bay Road, of which they are the legal owners. The subject property is located at the northeast corner of Green Bay Road and Detamble Avenue. The petitioners noted that an exemption from the demolition tax should be granted as their intent in purchasing and demolishing the residence at the subject property was not for redevelopment purposes but to remove a blighted residence from the neighborhood, an action that would be to the general benefit of the City as a whole. Their request to demolish the property at 1101 Green Bay Road does not meet any of the five criteria for an exemption from the Demolition Tax. The petitioners' original request is attached along with contemporary photos of the property.

After consideration, the City Council amended the Affordable Housing Demolition Tax Ordinance to provide a deferral, but not a waiver, under certain conditions. As you know, the Affordable Housing Demolition Tax is the primary dedicated funding source for the Affordable Housing Trust Fund (HTF). Two-thirds of the Demolition Tax goes to the HTF while the remaining third goes to the General Fund for roads and bridges.

Prior to consideration of amending the Ordinance, the City Council asked the Housing Commission to consider the policy implications of the request and to make a recommendation. The Affordable Housing Demolition Tax amendment adopted on March 3, 2010 incorporates many of the Housing Commission's recommendations, including a payment escalator. The Housing Commission recommended a payment escalator at the December 2, 2009 Regular Meeting: the applicant will pay the greater of 150 percent of the amount of the Demolition Tax when the demolition was deferred or the current Demolition Tax in effect at such future date when a building permit is issued. The current Affordable Housing Demolition Ordinance is attached as well as excerpts from the relevant Housing Commission Meetings on October 7 and December 2,

2009. Staff will send additional background information to the three Commissioners who were not serving at that time.

In fall 2011, the Lipshultz's, who have not demolished the property at 1101 Green Bay Road, requested that the City reconsider the payment escalator. Their position is that the current payment requirement presents a financial burden for them and thus a barrier to the demolition. When the Housing Commission, Holland & Knight, and professional staff made the recommendation for the payment escalator, the discussion addressed the need to balance the benefit of the removal of blighted properties with other public interests. These other concerns included lost revenue as well as the lost opportunity cost for supporting present affordable housing development. Part of the rationale for the escalator payment provision is to offset this opportunity cost. Moreover, if the property is not redeveloped, the Demolition Tax will not be paid. Another concern raised, if the owner were permitted to defer the tax in effect at the time of the demolition (presently \$10,000), was the potential for creating an incentive to demolish houses in Highland Park that could be preserved. Such speculative land-banking would undermine the City's goal for housing that can accommodate households at all income levels.

Since March 2010, there have been four Demolition Tax deferrals approved. All of the subject properties are contiguous to another property that the applicant owns. The owners are using them as side yards. It is likely that the Demolition Tax deferral on these properties will continue for some time, and in some cases the City may never receive payment of the Demolition Tax.

#### **Demolition Tax – Current Regulations**

The Ordinance provides the following provision for deferred payment:

*For any property for which the tax imposed by this Subsection 170.040(I) is deferred pursuant to this Paragraph 170.040(I)(3), the amount of the tax shall be the greater of: (i) the amount of the tax imposed pursuant to this Subsection 170.040(I) as of the date on which payment of the tax is due, as determined pursuant to Subparagraph 170.040(I)(3)(b)(i) of this Chapter; and (ii) 150 percent of the amount of the tax imposed pursuant to this Subsection 170.040(I) as of the date of recordation of the Covenant. (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)*

#### **Fiscal Impact**

If the escalator provision is removed from the Affordable Housing Demolition Tax, the fiscal impact to the City of Highland Park would be diminished revenues to the Affordable Housing Trust Fund and to the General Fund, with respect to the share of the Demolition Tax that is applied to road projects.

#### **Recommendation**

Professional staff recommends maintaining the current escalator requirement. Other alternatives that you could consider include:

1. Revise the Ordinance to remove the provision for an amount the greater of 150% of the tax in effect at the time of demolition, but still require the owner to pay the Demolition Tax in effect at such future date when the building permit is issued, or
2. Revise the Ordinance to permit the applicant to pay the Demolition Tax when the building permit is issued, but in the amount in effect at the time of demolition.

**Attachments:**

- 09-08-09 Letter Request from Property Owners
- Photographs – 1101 Green Bay Road from 2009
- Affordable Housing Demolition Tax
- Excerpts from Housing Commission Minutes for October 7 and December 2, 2009

September 8, 2009

Mr. Michael Blue  
Director of Community Development  
City of Highland Park

Dear Mr. Blue,

This letter is in reference to the property at 1101 Green Bay Road, Highland Park, Illinois.

As the new owners of this property, we are currently in the process of following the guidelines regarding the demolition of a home structure in Highland Park. The reason that we have purchased this property and are proceeding with the demolition is due to the fact that we strongly believe the current condition of this property to be a detriment to Highland Park. Therefore, the removal of this structure is beneficial to the community with regards to esthetics and public safety of the neighborhood. It is also interesting to note that before this home was purchased there were approximately 14 people living in this dwelling, with sofas and tires strewn across the yard which was quite unsightly and visible on Green Bay Road which is a major thorough fare in Highland Park.

Thus, we purchased the property with the intention of changing it from a blithe to the city to a lovely greenscape area. Upon removal of the structure we shall remove the debris and upgrade the landscape so that people will no longer cringe as they drive by the infamous blue house. In addition, we have been notified by various neighbors that this structure has been viewed as a hangout for teenagers and unknown trespassers. With the removal of this dwelling, this situation which encourages loitering will cease to occur. Moreover, as the fall season is fast approaching, the foliage covering from the trees will no longer mask the structure which is such an eyesore for all who drive by the property.

When undertaking this venture, we identified three contractors to assess the situation with regard to the ability of saving the structure. All three contractors concurred that this structure is not suitable or functionally sound enough to salvage any part of the structure. Furthermore, it presents various dangerous situations. Therefore, it is a hazard, as well as, an unsuitable dwelling on a major street. (Please see attached letter.)

We have carefully read the ordinance regarding the demolition tax for Highland Park. With that being said, we believe this situation should be an exception to that ruling. With this in mind, we are asking that the demolition task be waived, or at the very least be collected when and if an owner would ever build on the said property. As previously stated, it is our intention at this time to let the property be vacant with manicured landscaping. In addition it is our burden to pay for the demolition, and disconnects for gas, electric, water and sewer, which is a very costly endeavor. We are trying to be proactive by providing this service to the community understanding that this site is a burden both to the homeowners in the neighborhood and to the city of Highland Park

itself. Therefore, we believe that 1101 Green Bay Road should be an exception to the demolition tax.

Thank you for your attention and consideration in this matter.

Sincerely,

*Marleen & Jerry Lipschultz*

Marleen & Jerry Lipschultz  
1144 Green Bay Road  
Highland Park, Illinois 60035

Village of Highland Park Community  
Development Dept.

Attn: Michael Blue

Re: 1101 Greenbay Road

Highland Park, IL 60035

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Dear Sir,

At the owner's request, I have inspected the vacant home at 1101 Greenbay Road, to determine the feasibility of renovating and returning the home to a habitable condition.

Upon arriving at the home I was greeted by a concerned neighbor who indicated that there had been suspicious activity on occasion in the vacant home. There is evidence of such activity, as it appears that someone had possibly broken into the home to occupy a second story bedroom.

The results of my inspection of the vacant home are as follows:

- There is a large depression in the floor system on the first floor, indicating possible structural failure. In general, all of the floor system framing and subfloors appear to be failing.
- The second floor ceiling framing is sagging indicating possible structural failure.
- Mold and water damage is present in many locations.
- There is a large hole in the first floor roof. There are leaks in many locations.
- The foundation is brick and appears to have been painted to conceal leaks and structural defects, however there are some indications of failure and leaks.
- The basement slab has random cracks throughout the entire surface.

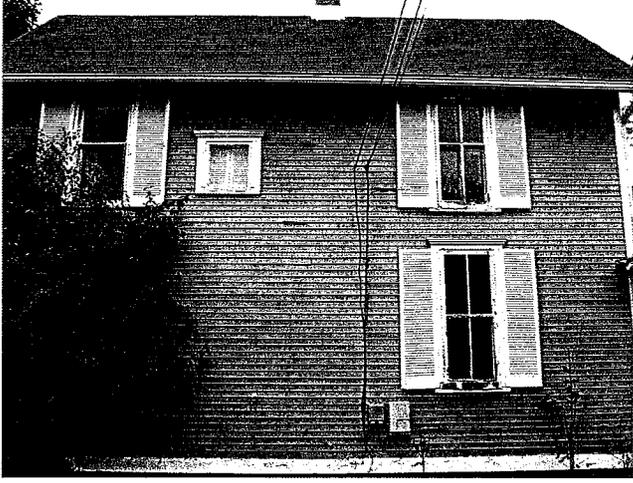
It is my opinion that the home is in complete and severe disrepair and cannot be returned to a reasonable and habitable condition. In order to preserve the value and safety of the adjacent properties, and the beauty of the community, my recommendation is to demolish the home and return the lot to vacant status.

Sincerely,

---

Patrick Sexton  
Sexton Homes, LLC  
9/1/2009

Subject Site 1101 Green Bay Rd.



September 2009

**"The Highland Park Code of 1968"  
of the  
City of Highland Park, Illinois**

Section 170.040 Demolition of Dwellings

(I) Affordable Housing Demolition Tax.

(1) Tax Imposed and Dedicated. Any person granted a demolition permit under this Section for a residential structure (as defined in Chapter 150 of this Code) shall pay an affordable housing demolition tax at the rate set forth in the Annual Fee Resolution (a) for the demolition of any single family residential structure (as defined in Chapter 150 of this Code), or (b) for the demolition of any multiple-family residential structure (as defined in Chapter 150 of this Code), at either the rate set forth in the Annual Fee Resolution or the rate set forth in the Annual Fee Resolution for each unit in the structure, whichever amount is more. The tax imposed pursuant to this Subsection shall be in addition to the demolition permit fee set forth in Section 109.2(12) of the International Building Code, as amended pursuant to Section 170.003.1(11) of this Chapter, and all other applicable fees and charges. Payment of the affordable housing demolition tax shall be due upon issuance of a demolition permit by the Department. The funds received by the City for the amount imposed pursuant to this Subsection 170.040(I) shall be dedicated and transferred to the "Housing Trust Fund" established and operating pursuant to Section 33.1133 of the City Code and to the Multi-Modal Transportation Fund of the City, all according to the percentages set forth in the Annual Fee Resolution. (Ord. 35-03, J. 29, p. 134, passed 5/27/03, Ord. 38-06, J. 32, p. 133-135, passed 4/24/06; Ord. 31-10, J. 36, p. 113-116, passed 3/22/10; Ord. 87-10, J. 36, p. 310-313, passed 12/13/10; **Ord. 19-11, J. 37, p. 58-103, passed 2/14/11**)

(2) Special Applicability Rules. Notwithstanding the general requirement set forth in Paragraph (1) of this Subsection, the affordable housing demolition tax shall not apply under the following circumstances upon filing of an application on a form provided and prepared by the City; provided however, that this Section 170.040(I) (2) shall not affect an applicant's obligation to pay the demolition permit fee set forth in Section 108.2(12) of the International Building Code, as amended pursuant to Section 170.003.1(11) of this Chapter. (Ord. 45-07, J. 33, p. 251-253, passed 6/11/07; Ord. 31-10, J. 36, p. 113-116, passed 3/22/10; **Ord. 19-11, J. 37, p. 58-103, passed 2/14/11**)

(a) If the applicant and the Housing Commission enter into an agreement for the provision of "Affordable Housing" (as defined in Section 33.1133 of this Code), by the applicant in conjunction with the demolition that would otherwise be the subject of the affordable housing demolition tax. Any such agreement shall specifically set forth the applicability of this Subparagraph with regard to the affordable housing demolition tax otherwise required under this Subsection. The waiver of the affordable housing demolition tax under this Section 170.040(I)(2)(a) shall only apply to affordable units. The affordable housing demolition tax, and all other applicable fees and costs under this Code, shall apply to all market rate units. (Ord. 10-03, J. 29, p. 034-037, passed 1/27/03; Ord. 45-07, J. 33, p. 251-253, passed 6/11/07)

(b) If the applicant establishes, through a professionally prepared appraisal or other reliable evidence, to the satisfaction of the Director of the Department of Community Development, that the building or structure replacing the building or structure that is the subject of the demolition permit constitutes Affordable Housing under Section 33.1133 of this Code.

(c) If: (i) the applicant has been the record title owner of the property on which the demolition is proposed for all of the five years immediately preceding the date of the application (“pre-permit period”); (ii) the property has been the primary residence of the applicant throughout the pre-permit period; (iii) the applicant remains the record title owner of the property at all times after the pre-permit period until the date that is five years immediately after the date on which the certificate of occupancy for the new structure is issued (“post-permit period”); and (iv) the property remains the primary residence of the applicant throughout the post-permit period. To qualify under this Subparagraph, the applicant shall submit, in addition to other required application materials, title documents establishing the applicant’s ownership and use of the property as his or her primary residence during the entire pre-permit period, as well as a sworn statement of the applicant’s intention to retain ownership of the property and to use the property as his or her primary residence for the entire post-permit period. As a pre-condition to the applicability of this Subparagraph and to the issuance of a demolition permit and certificate of occupancy, the applicant shall provide, for recordation by the City against the property, such covenants, on forms prepared and provided by the City, that will run with and bind the property. The covenant will require the payment of the full amount of the affordable housing demolition tax, including 5 percent per annum interest from the date the permit was issued, if the applicant transfers ownership of the property, or no longer uses the property as his or her primary residence, at any time during the post-permit period. No transfer stamps or other City approvals will be issued in relation to any transfer of the property during the post-permit period unless and until the affordable housing demolition tax, including the required interest, has first been paid in full to the City. (Ord. 39-02, J. 28, p. 297-299, passed 6/24/02, Ord. 10-03, J. 29, p. 034-037, passed 1/27/03; Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(d) If the applicant establishes, to the satisfaction of the Director of the Department of Community Development, (i) that the demolition subject to the demolition permit is necessary due to the medical condition of the owner of the building or structure to be demolished (“Demolition Building”); and (ii) that the building or structure replacing the Demolition Building (“Replacement Building”) shall be occupied by the owner and that said owner qualifies as a Low-Income or Moderate-Income Household under the definitions set forth in Section 33.1133(A) of this Ordinance, as evidenced by such documents and information, including without limitation tax returns and pay stubs, as the Director may reasonably require. For purposes of this Subparagraph, in order to establish that a demolition is “necessary due to the medical condition of the owner of the building or structure,” the applicant must, at a minimum, provide the following:

(i) A sworn statement by a medical doctor licensed to practice medicine in Illinois, describing the medical condition at issue and verifying that the proposed demolition and construction of the Replacement Building is necessary as a direct result of the medical condition of the owner.

(ii) Official medical records describing the medical condition that requires the demolition of the Demolition Building and construction of the Replacement Building.

(iii) Such other relevant information as may be provided by the applicant, or requested by the City, that is necessary to establish the requirements of this Subparagraph. (Ord. 10-03, J. 29, p. 034-037, passed 1/27/03)

(e) If the applicant establishes to the satisfaction of the Director of the Department of Community Development that structural measures must be undertaken that would typically qualify as a “demolition” pursuant to Subsection 170.040(E) of this Code due to extensive damage to the building or structure caused by Force Majeure. For purposes of this Subparagraph, Force Majeure shall mean acts of God beyond the owner’s reasonable control and reasonable ability to remedy; provided, however, that for purposes of this Subparagraph Force Majeure shall not include damage caused by the owner, an agent or employee of the owner, or a third party in privity with the owner. (Ord. 47-03, J. 29, p. 161-162, passed 6/28/03; **Ord. 19-11, J. 37, p. 58-103, passed 2/14/11**)

(3) Deferral of Payment of Tax. Payment of the tax imposed pursuant to this Subsection 170.040(I) may be deferred until an application is filed pursuant to this Chapter for a building permit for the property on which the demolition is proposed (“Subject Property”), or until a plat of subdivision is recorded against the Subject Property, in accordance with the following:

(a) The tax imposed pursuant to this Subsection 170.040(I) shall not be deferred for any Subject Property if a title, beneficial, or equitable interest in the Subject Property is held by any person who either: (i) simultaneously holds a title, beneficial or equitable interest in any parcel or tract of land that is adjacent to the Subject Property (an “Adjacent Property”); or (ii) is the child, spouse, sibling or parent of any person who simultaneously holds a title, beneficial or equitable interest in an Adjacent Property; provided, however, that if the person who holds the interest in the Adjacent Property uses such Adjacent Property as his or her primary residence, the tax imposed pursuant to this Subsection 170.040(I) may be deferred pursuant to this Subparagraph 170.040(I)(3) if that person has not previously deferred payment of tax pursuant to this Paragraph 170.040(I)(3). (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(b) Prior to the issuance of a demolition permit for the Subject Property, the owner of the Subject Property shall execute and record against the Subject Property, in the office of the Lake county Recorder, a Tax Payment and Property Maintenance Covenant (“Covenant”), which Covenant shall be in a form provided by the City, and shall contain, at a minimum, the following provisions: (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(i) The then-owners of the Subject Property shall pay to the City the amount of tax required pursuant to Subparagraph 170.040(I)(3)(c) of this Chapter upon either: (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

1. The filing of an application pursuant to this Chapter for a building permit for the Subject Property; or (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

2. The recordation of a plat of subdivision or plat of consolidation against the Subject Property. (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(ii) No new structures shall be constructed on the Subject Property until the then-owners of the Subject Property submit payment to the City of the tax required pursuant to Subparagraph 170.040(I)(3)(c) of this Chapter; (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(iii) Until a building permit is issued pursuant to this Chapter for the Subject Property, the Subject Property shall be landscaped and maintained in accordance with a maintenance plan, which maintenance plan shall (A) be approved in advance by the City Director of Community Development; (B) shall be attached as an exhibit to the Covenant; and (C) at a minimum, require the backfill of all excavations on the Subject Property, the removal of all concrete and asphalt pavement and all garbage, debris, and litter from the Subject Property, the trimming and mowing to a neat condition of all trees, bushes, and grass on the Subject Property, the spread of black topsoil over the entire Subject Property at a minimum depth of four inches, and the sodding or seeding of the topsoil; and (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(iv) The City shall have the right, but not the obligation, to enforce the terms of the Covenant. (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(c) For any property for which the tax imposed by this Subsection 170.040(I) is deferred pursuant to this Paragraph 170.040(I)(3), the amount of the tax shall be the greater of: (i) the amount of the tax imposed pursuant to this Subsection 170.040(I) as of the date on which payment of the tax is due, as determined pursuant to Subparagraph 170.040(I)(3)(b)(i) of this Chapter; and (ii) 150 percent of the amount of the tax imposed pursuant to this Subsection 170.040(I) as of the date of recordation of the Covenant. (Ord. 31-10, J. 36, p. 113-116, passed 3/22/10)

(4) General Applicability. Imposition of the tax imposed pursuant to this Subsection shall not apply to any demolition for which a complete and proper application for the demolition permit was on file with the City on or before May 29, 2002, being the effective date of this Subsection. (Ord. 34-02, J. 28, p. 266-279, passed 5/28/02)

## Excerpts from Housing Commission Minutes

### October 7, 2009 Meeting

#### 3. Discussion regarding Request to Waive or Defer Affordable Housing Demolition Tax for 1101 Green Bay Road

Planner L. Smith introduced the resident's request to waive or defer the affordable housing demolition tax for 1101 Green Bay Road and explained that the Community Development Director was asking the Housing Commission to make a recommendation to City Council. In the request to the Community Development Department, the resident desired a deferral, if she could not obtain a waiver that would last until future development occurred on the site, which is not planned at this time. In response to Chairman Glasner's question about the staff position on the request, Planner L. Smith replied that staff is opposed: the Ordinance does not allow such an exemption. Planner M. Smith said that the intent of the Ordinance is to capture the demolition tax when the home is lost and that staff is concerned about the precedent.

Ms. Lipschultz asked if she could summarize her request. The Chair consented. She explained that she bought the house in foreclosure, because the property in its current state is a detriment to the neighborhood. Tearing the dilapidated house down would improve the corner and remove an eyesore, which could pose some danger.

[At 6:35 p.m., Commissioner Hopkins joined the Meeting.]

The resident related that she had considerable expenses already with this undertaking: it is approximately eight to twelve thousand dollars alone to shut off the water and sewer. She has no plans to rebuild a dwelling at this point. It is their intention at this time to let the property be vacant with attractive landscaping. A number of Commissioners agreed that the property had become an eyesore.

Planner L. Smith reported that granting such a request would require an amendment to the City Ordinance and that the justification for such an amendment would need to include a mechanism, such as a conservation easement, to prevent the owner from rebuilding until the demolition tax is paid. Commissioner Barber expressed his concern about setting this precedent. Commissioner Sharfman suggested establishing conditions before reviewing such a request. The two conditions could be that the City determined the property was uninhabitable and that in the future the property would be maintained as open space. Planner L. Smith pointed out to the resident that the City Council likely would require her to pay the City's legal fees to draft an Ordinance amendment if they were to approve it.

Commissioner Wigodner made a motion to recommend that the City Council consider modification to the Demolition Tax Ordinance to defer the tax based on certain conditions, for example, that the City Building Division indicates that the property is uninhabitable and that a mechanism, such as a conservation easement, would be put in place along with a maintenance agreement to insure that there is a plan which provides ongoing upkeep as part of the landscape plan. If such a conservation protection ceases, then the owner immediately would be responsible

for paying the demolition tax at the current tax level. Commissioner Magidovitch seconded the motion.

Ayes: Glasner, Kant, Magidovitch, Sharfman and Wigodner

Nays: Barber

Abstentions: Hopkins

**Motion Carried**

## **December 2, 2009 Meeting**

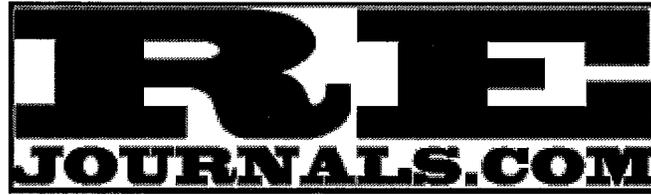
### **II. Other Business**

#### **Additional Discussion regarding Request to Defer the Demolition Tax**

Planner M. Smith said that staff seeks additional input with regard to the Commission recommendation to defer the demolition tax in certain circumstances. Community Development staff discussion, including Director Michael Blue, found consensus that deferring the demolition tax now could have benefits, such as encouraging owners to demolish houses that are hazardous and/or eyesores, which likely are beyond repair. Staff agreed that it would be difficult to establish a standard of habitability as a requirement for deferral and that it might prevent owners from demolishing properties that merit it. Although a habitability standard was part of the Housing Commission's initial recommendation, staff requested the Commissioners revisit this issue in light of the difficulty of establishing this standard and of the concern that it might prevent the demolition of seriously dilapidated properties.

One concern that staff shared is that it could be difficult to obtain the demolition tax in a deferral where there were contiguous properties: a resident may be tearing down an adjacent home in order to expand their lot, without any intention of rebuilding. In such cases, staff wants to insure that the City does receive the demolition tax. Staff also agreed that a revised Ordinance that permits a deferral needs to include a payment escalator, such as, payment of 150% of the existing tax at the time of deferral or the payment of the tax rate in effect when a building permit is issued, whichever is greater. The Commissioners concurred with the escalator recommendation and with the exclusion of contiguous properties.

The central question that Planner L. Smith presented to the Commissioners was whether they had a concern that the City will lose smaller, moderately-priced homes that could be repaired if the Ordinance were to be revised to allow for payment deferral and does not include a standard of habitability. The Commissioners discussed this and concurred that they did not see this as a significant problem and that they were comfortable with omitting a habitability standard. They recommended that the deferral except contiguous properties and that a strong compliance mechanism, such as a notice of lis pendens or lien, be incorporated in order to insure payment.



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## **Marcus & Millichap sells 20-unit apartment complex in Highland Park**

Posted By [Mark Thomton](#) On November 29, 2011 @ 7:17 pm | [No Comments](#)

Marcus & Millichap Real Estate Investment Services, has announced the sale of 1660 Green Bay Road, a 20-unit Apartment property located in Highland Park, Ill. The asset commanded a sales price of \$1.95 million.

Ryan D. Engle, Andrean Angelov and Adam Fortino, investment specialists in Marcus & Millichap's Oak Brook office, had the exclusive listing to market the property on behalf of the seller, an individual. The buyer, a Limited Liability Company, was also secured and represented by Ryan D. Engle, Andrean Angelov and Adam Fortino.

Through their efforts, Ryan, Andrean and Adam held 24 property showings during the first 11 days of marketing, yielding seven offers to purchase and resulting in a swift closing at near list price.

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# URBANLAND

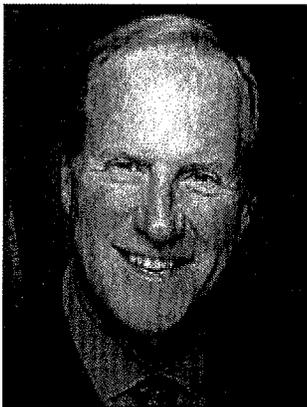
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September 26, 2011

## Tsunami of Rental Housing Demand is on the Way

By Leslie Braunstein

*The United States faces a tidal wave of rental housing demand—a fact that Congress does not understand, said J. Ronald Terwilliger at the ULI Terwilliger Center for Workforce Housing Policy Symposium, held on September 21, 2011, at the Washington, D.C., headquarters of the Collingwood Group, the sponsor. But demand is just part of the problem; affordability, he said, is another issue.*



*J. Ronald Terwilliger*

The United States faces a tidal wave of rental housing demand—a fact that Congress does not understand, said J. Ronald Terwilliger at the ULI Terwilliger Center for Workforce Housing Policy Symposium, held on September 21, 2011, at the Washington, D.C., headquarters of the Collingwood Group, the sponsor.

Terwilliger moderated a multifamily housing panel of such industry leaders as Douglas M. Bibby, president of the National Multi Housing Council; Stillman D. Knight, Jr., president and CEO of the Knight Company and a former federal housing official; Eileen Fitzgerald, CEO of NeighborWorks America; and Alan Wiener, managing director of Wells Fargo Multifamily Capital.

Based on the latest ULI research, Terwilliger stated that while U.S. homeownership has dropped from its peak of more than 69 percent in 2004 to about 66 percent today, the number of renters in the United States has grown by nearly 4 million people. The echo boom generation (i.e., those born after 1986) is expected to contribute more than 11 million new renters over the next decade.

Rental housing supply, however, is not keeping up with demand. In fact, multifamily apartment construction has dropped to historic lows, due in part to the unavailability of construction financing. And while both new construction and financing are now on the rise, not only will the new construction most likely fail to meet

increased demand, but it will not even keep pace with the number of units lost to obsolescence and/or demolition.

Demand is just part of the problem, Terwilliger noted. Affordability is another issue—one that will be exacerbated by growing demand. Almost half of today's renters pay more than 30 percent of their income on housing; 26 percent of renters spend over half their income on housing expenses.

While all of this is going on, federal government subsidies for rental housing could fall victim to congressional deficit reduction. Of the \$200 billion per year that the federal government devotes to housing, more than 75 percent supports single-family housing and less than 25 percent supports rental affordability. The mortgage interest deduction alone reduces federal tax revenue by over \$90 billion—nearly half of the government's housing dollars—while only about \$5 billion is devoted to the government's main program for rental affordability, the low-income housing tax credit (LIHTC). And congressional budget-cutters have discussed eliminating the LIHTC altogether.

So what is the future of affordable multifamily housing in the United States? Panelists could not agree on a solution, but they did agree that it's all about money. "The problem is not housing affordability; the real problem is that people don't have enough money," said Fitzgerald. "But what's the chance of Congress passing a major income-transfer program at this point?"

Affordable multifamily housing is suffering as a result of the housing crisis, said panelists, when virtually all of the problems that caused the crisis were rooted in single-family home financing. Noting that Wells Fargo is the nation's largest government-sponsored enterprise (GSE) multifamily lender, Wiener pointed out that while the GSEs have lost billions of dollars on single-family mortgages, they have profited on the multifamily side. "The GSEs provide necessary liquidity in the multifamily financing market," he said. "Furthermore, 80 percent of GSE multifamily financing supports tenants at 100 percent of AMI [area median income]."

Like the previous symposium panel that focused on single-family housing, the multifamily panel agreed that new approaches are needed to address the crisis. In Mexico, noted Terwilliger, the government is building affordable homes that measure just 450 square feet (41.85 sq m) and cost about \$10,000. Allowing a more diverse group of investors, such as high-net-worth individuals, to help fund LIHTCs is another idea that might help.

The panel also acknowledged that the industry has to do a better job of advocating for the need for more affordable multifamily housing. But it's difficult to build a constituency, they said, when there are so many diverse and competing interests involved: renters, builders, lenders, nonprofit organizations, and more. Policy makers and the general public cite health, education, arts, and social services among their greatest societal concerns, the panelists noted, while housing isn't even on the radar screen. "I want to do for housing what the movie *Waiting for Superman* did for education," said Terwilliger. Hello, Hollywood?



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**FRANK B. PEERS HOUSING**  
**Balance Sheet**  
Month Ending 10/31/11

**ASSETS**

## Current Assets

1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	71,949.60
1130-0000 - Tenant/member accounts receivable	2,386.00
1131-0000 - Accounts receivable - subsidy	45,004.00
1240-0000 - Prepaid property and liability insurance	11,604.64
<b>Total Current Assets</b>	<u>131,244.24</u>

## Other Assets

1290-0000 - Misc Prepaid Expenses	232.29
1192-0000 - Tenant Sec Dep	19,646.06
1310-0000 - Real estate tax escrow	94,672.80
1311-0000 - Insurance escrow	20,199.85
1330-0000 - Debt Service Escrow	138,751.77
1140-0000 - Accounts Receivable - Other	3,284.36
1320 - Replacement Reserve	145,576.60
1340 - Residual Receipt	13.69
<b>Total Other Assets</b>	<u>422,377.42</u>

## Fixed Assets

1420-0000 - Building	1,848,860.15
1430-0000 - Land Improvements	1,619,406.39
1450-0000 - Furniture for project/tenant use	475,792.67
1497-0000 - Site improvements	160,218.77
4120-0000 - Accum depr - buildings	(2,828,199.27)
1498-0000 - Current F/A	13,032.61
<b>Total Fixed Assets</b>	<u>1,289,111.32</u>

## Financing Costs

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

## Partnership Assets

1701-0000 - Cash - Partnership	16,536.66
1702-0000 - Partnership MM	2,118,386.29
1702-1000 - Partnership F/A	221,340.23
1703-0000 - Partnership Receivable	267,013.69
<b>Total Partnership Assets</b>	<u>2,623,276.87</u>

**Total Assets**

4,617,046.76

**FRANK B. PEERS HOUSING**  
**Balance Sheet**  
 Month Ending 10/31/11

**Liabilities & Equity**

## Current Liabilities

2110-0000 - Accounts payable	16,545.46
2113-0000 - Flex Benefit Payable	(0.01)
2120-0000 - Accrued wages and p/r taxes payable	2,658.23
2150-0000 - Accrued property taxes	71,850.00
2180-0000 - Misc current liabilities	16,266.09
Total Current Liabilities	<u>107,319.77</u>

## 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	224.32
2211-0000 - Prepaid HUD	33,225.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	2,018,399.52
Total Non-Current Liabilities	<u>4,352,583.84</u>

## Owner's Equity

3100-0000 - Limited Partners Equity	2,622,952.86
3209-0000 - Prior Year Retained Earnings	(2,639,246.38)
3210-0000 - Retained earnings	155,481.34
Current YTD Earnings	17,955.33
Total Owner's Equity	<u>157,143.15</u>

**Total Liability & Owner Equity**

**4,617,046.76**

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

	Month Ending 10/31/11			Year To Date 10/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
<b>RESIDENTIAL RENTAL INCOME</b>							
5120-0000 - Apartment rent	18,142.00	16,200.00	1,942.00	190,681.00	162,000.00	28,681.00	194,400.00
5121-0000 - Tenant assistant payments	65,806.00	64,800.00	1,006.00	648,799.00	648,000.00	799.00	777,600.00
5140-0000 - Commercial base rent	60.00	60.00	0.00	1,070.85	600.00	470.85	720.00
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>84,008.00</b>	<b>81,060.00</b>	<b>2,948.00</b>	<b>840,550.85</b>	<b>810,600.00</b>	<b>29,950.85</b>	<b>972,720.00</b>
<b>VACANCIES &amp; ADJUSTMENTS</b>							
5220-0000 - Vacancy loss - apartments	(1,147.00)	(500.00)	(647.00)	(20,141.00)	(5,000.00)	(15,141.00)	(6,000.00)
5221-0000 - Non-Revenue Units	(1,243.00)	(1,200.00)	(43.00)	(12,258.00)	(12,000.00)	(258.00)	(14,400.00)
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>(2,390.00)</b>	<b>(1,700.00)</b>	<b>(690.00)</b>	<b>(32,399.00)</b>	<b>(17,000.00)</b>	<b>(15,399.00)</b>	<b>(20,400.00)</b>
<b>OTHER INCOME</b>							
5910-0000 - Laundry income	532.00	208.00	324.00	2,186.75	2,080.00	106.75	2,500.00
5990-0000 - Misc other income	0.00	50.00	(50.00)	4,899.40	500.00	4,399.40	600.00
5413-0000 - Interest income - escrow	0.00	166.00	(166.00)	16.84	1,660.00	(1,643.16)	2,000.00
<b>TOTAL OTHER INCOME</b>	<b>532.00</b>	<b>424.00</b>	<b>108.00</b>	<b>7,102.99</b>	<b>4,240.00</b>	<b>2,862.99</b>	<b>5,100.00</b>
<b>GROSS OPERATING INCOME</b>	<b>82,150.00</b>	<b>79,784.00</b>	<b>2,366.00</b>	<b>815,254.84</b>	<b>797,840.00</b>	<b>17,414.84</b>	<b>957,420.00</b>
<b>ADVERTISING &amp; RENTING EXPENSE</b>							
6213-0000 - Employee Recruitment	0.00	0.00	0.00	85.35	200.00	114.65	200.00
6250-0000 - Renting expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6253-0000 - Credit Report Fees	0.00	30.00	30.00	151.00	300.00	149.00	360.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>0.00</b>	<b>30.00</b>	<b>30.00</b>	<b>236.35</b>	<b>500.00</b>	<b>263.65</b>	<b>560.00</b>
<b>ADMINISTRATIVE EXPENSE</b>							
6311-0000 - Office supplies	886.26	270.00	(616.26)	2,354.42	2,700.00	345.58	3,240.00
6316-0000 - Office Equipment	1,270.72	300.00	(970.72)	2,766.58	3,000.00	233.42	3,600.00
6320-0000 - Management fee	4,129.65	3,833.00	(296.65)	41,435.22	38,330.00	(3,105.22)	46,000.00
6340-0000 - Legal Expense - Project	0.00	200.00	200.00	0.00	2,000.00	2,000.00	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	699.86	750.00	50.14	6,834.20	7,500.00	665.80	9,000.00
6365-0000 - Training & Education Expense	77.00	100.00	23.00	396.00	1,000.00	604.00	1,200.00
6370-0000 - Bad debts	0.00	50.00	50.00	10,013.00	500.00	(9,513.00)	600.00
6371-0000 - Fees Dues & Contributions	0.00	25.00	25.00	0.00	250.00	250.00	300.00
6380-0000 - Consulting/study costs	400.00	0.00	(400.00)	400.00	1,500.00	1,100.00	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	30.00	100.00	70.00	1,364.26	1,000.00	(364.26)	1,200.00
6390-0002 - Computer Supplies/Data Processing	148.07	130.00	(18.07)	2,167.59	1,300.00	(867.59)	1,560.00
6395-0000 - Tenant Retention	1,169.78	625.00	(544.78)	3,668.46	6,250.00	2,581.54	7,500.00
6431-0000 - Travel & Expense Reimbursement	623.37	300.00	(323.37)	1,873.81	3,000.00	1,126.19	3,600.00
6860-0000 - Security Deposit Interest	(1.65)	(12.00)	(10.35)	(28.56)	(120.00)	(91.44)	(144.00)
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>9,433.06</b>	<b>6,671.00</b>	<b>(2,762.06)</b>	<b>87,210.64</b>	<b>82,310.00</b>	<b>(4,900.64)</b>	<b>95,656.00</b>
<b>PAYROLL &amp; RELATED COSTS</b>							
6310-0000 - Office salaries	4,495.56	5,666.00	1,170.44	47,995.04	56,660.00	8,664.96	68,000.00
6510-0000 - Janitor and cleaning payroll	1,122.47	1,241.00	118.53	11,984.16	12,410.00	425.84	14,900.00
6540-0000 - Repairs payroll	3,668.56	3,833.00	164.44	41,355.76	38,330.00	(3,025.76)	46,000.00
6900-0000 - Social Service Coordinator	0.00	0.00	0.00	0.00	0.00	0.00	0.00

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

	Month Ending 10/31/11			Year To Date 10/31/11			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6715-0000 - Payroll Taxes	727.70	1,681.00	953.30	10,829.31	16,810.00	5,980.69	20,175.00
6722-0000 - Workers compensation	271.52	266.00	(5.52)	2,547.33	2,516.00	(31.33)	3,053.00
6723-0000 - Employee health insurance	492.67	345.00	(147.67)	4,056.52	3,450.00	(606.52)	4,140.00
6724-0000 - Union Benefits	1,189.76	1,197.00	7.24	11,897.56	11,970.00	72.44	14,368.00
6726-0001 - Contingency	0.00	0.00	0.00	1,682.50	2,200.00	517.50	2,200.00
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>11,968.24</b>	<b>14,229.00</b>	<b>2,260.76</b>	<b>132,348.18</b>	<b>144,346.00</b>	<b>11,997.82</b>	<b>172,836.00</b>
<b>OPERATING EXPENSES</b>							
6515-0000 - Janitors and cleaning supplies	885.40	250.00	(635.40)	3,069.28	2,500.00	(569.28)	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	1,050.00	4,600.00	3,550.00	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	3,228.65	4,000.00	771.35	4,800.00
6490-0000 - Misc operating expenses	0.00	50.00	50.00	0.00	500.00	500.00	600.00
<b>TOTAL OPERATING EXPENSES</b>	<b>1,409.53</b>	<b>1,160.00</b>	<b>(249.53)</b>	<b>7,347.93</b>	<b>12,300.00</b>	<b>4,952.07</b>	<b>14,620.00</b>
<b>UTILITIES</b>							
6450-0000 - Electricity	2,072.25	1,500.00	(572.25)	19,422.93	20,500.00	1,077.07	23,500.00
6451-0000 - Water	1,627.31	791.00	(836.31)	7,319.11	7,910.00	590.89	9,500.00
6452-0000 - Gas	1,682.99	4,000.00	2,317.01	24,156.78	34,000.00	9,843.22	45,000.00
6453-0000 - Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL UTILITIES</b>	<b>5,382.55</b>	<b>6,291.00</b>	<b>908.45</b>	<b>50,898.82</b>	<b>62,410.00</b>	<b>11,511.18</b>	<b>78,000.00</b>
<b>MAINTENANCE EXPENSES</b>							
6536-0000 - Ground supplies	0.00	2,000.00	2,000.00	0.00	8,000.00	8,000.00	8,000.00
6537-0000 - Grounds Contractor (Landscaper)	775.00	650.00	(125.00)	7,996.00	4,550.00	(3,446.00)	5,200.00
6541-0000 - Repair materials (general supplies)	967.62	750.00	(217.62)	3,995.00	7,500.00	3,505.00	9,000.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	0.00	500.00	500.00	600.00
6541-0002 - Plumbing Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0003 - Electrical Supplies	122.42	0.00	(122.42)	122.42	0.00	(122.42)	0.00
6541-0007 - Safety Equipment	0.00	0.00	0.00	126.30	1,000.00	873.70	1,000.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	361.00	500.00	139.00	3,610.00	5,000.00	1,390.00	6,000.00
6546-0000 - Heating/Cooling Contractor	3,078.36	500.00	(2,578.36)	9,117.20	9,000.00	(117.20)	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	1,250.00	1,250.00	1,500.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	945.00	1,000.00	55.00	7,700.00	10,000.00	2,300.00	12,000.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	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	0.00	150.00	150.00	4,347.31	1,500.00	(2,847.31)	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	1,000.00	645.00	1,200.00
6591-0000 - Electrical Repairs	0.00	300.00	300.00	771.69	3,000.00	2,228.31	3,600.00
6594-0000 - Carpentry Repairs	0.00	100.00	100.00	427.94	1,000.00	572.06	1,200.00
6595-0000 - Plumbing Repairs	245.00	790.00	545.00	4,705.06	7,900.00	3,194.94	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	3,000.00	3,000.00	3,600.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>6,494.40</b>	<b>7,315.00</b>	<b>820.60</b>	<b>60,311.56</b>	<b>87,400.00</b>	<b>27,088.44</b>	<b>98,600.00</b>
<b>TAXES AND INSURANCE</b>							

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

	Month Ending 10/31/11			Year To Date 10/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6710-0000 - Real estate taxes	7,185.00	7,185.00	0.00	77,512.30	71,850.00	(5,662.30)	86,220.00
6720-0000 - Property and liability insurance	1,450.58	1,415.00	(35.58)	14,100.17	14,150.00	49.83	16,980.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	91.00	100.00	9.00	100.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>8,635.58</b>	<b>8,600.00</b>	<b>(35.58)</b>	<b>91,703.47</b>	<b>86,100.00</b>	<b>(5,603.47)</b>	<b>103,300.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>43,323.36</b>	<b>44,296.00</b>	<b>972.64</b>	<b>430,056.95</b>	<b>475,366.00</b>	<b>45,309.05</b>	<b>563,572.00</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>38,826.64</b>	<b>35,488.00</b>	<b>3,338.64</b>	<b>385,197.89</b>	<b>322,474.00</b>	<b>62,723.89</b>	<b>393,848.00</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	21,001.89	21,208.00	206.11	212,084.23	212,080.00	(4.23)	254,496.00
7104-0000 - Replacement Reserve	1,961.64	1,800.00	(161.64)	19,616.40	18,000.00	(1,616.40)	21,600.00
7108-0000 - Mortgage Payable (long term)	9,485.65	9,280.00	(205.65)	92,791.17	92,800.00	8.83	111,360.00
<b>TOTAL FINANCIAL EXPENSES</b>	<b>32,449.18</b>	<b>32,288.00</b>	<b>(161.18)</b>	<b>324,491.80</b>	<b>322,880.00</b>	<b>(1,611.80)</b>	<b>387,456.00</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>6,377.46</b>	<b>3,200.00</b>	<b>3,177.46</b>	<b>60,706.09</b>	<b>(406.00)</b>	<b>61,112.09</b>	<b>6,392.00</b>
<b>NET INCOME (LOSS)</b>	<b>6,377.46</b>	<b>3,200.00</b>	<b>3,177.46</b>	<b>60,706.09</b>	<b>(406.00)</b>	<b>61,112.09</b>	<b>6,392.00</b>
<b>Partnership Income</b>							
8005-0000 - Mortgagor Entity Income	180.08	0.00	180.08	3,996.35	0.00	3,996.35	0.00
8010-0000 - Other Entity Expense	(49.50)	0.00	(49.50)	(3,673.34)	0.00	(3,673.34)	0.00
<b>Total Partnership Activity</b>	<b>130.58</b>	<b>0.00</b>	<b>130.58</b>	<b>323.01</b>	<b>0.00</b>	<b>323.01</b>	<b>0.00</b>
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
7105-0000 - Replacement Reserve Reimbursement	0.00	(18,000.00)	(18,000.00)	0.00	(18,000.00)	(18,000.00)	(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	0.00	0.00	602.66	252,537.00	251,934.34	252,537.00
6993-0000 - Appliance Replacement	0.00	125.00	125.00	1,289.64	1,250.00	(39.64)	1,500.00
6994-0000 - Carpet & tile	616.41	616.00	(0.41)	11,140.31	6,160.00	(4,980.31)	7,400.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<b>616.41</b>	<b>(17,259.00)</b>	<b>(17,875.41)</b>	<b>13,032.61</b>	<b>4,947.00</b>	<b>(8,085.61)</b>	<b>6,437.00</b>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<b>5,891.63</b>	<b>20,459.00</b>	<b>(14,567.37)</b>	<b>47,996.49</b>	<b>(5,353.00)</b>	<b>53,349.49</b>	<b>(45.00)</b>

**WALNUT PLACE**  
**Balance Sheet**  
 Month Ending 10/31/11

**ASSETS**

## Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	4,468.39
1130-0000 - Tenant/member accounts receivable	24,685.98
1131-0000 - Accounts receivable - subsidy	37,395.00
1240-0000 - Prepaid property and liability insurance	10,454.64
<b>Total Current Assets</b>	<u>77,904.01</u>

## Other Assets

1290-0000 - Misc Prepaid Expenses	246.98
1192-0000 - Tenant Sec Dep	22,715.60
1310-0000 - Real estate tax escrow	123,298.17
1311-0000 - Insurance escrow	24,162.56
1330-0000 - Debt Service Escrow	136,097.25
1320 - Replacement Reserve	137,530.65
1340 - Residual Receipt	27,094.86
<b>Total Other Assets</b>	<u>471,146.07</u>

## Fixed Assets

1410-0000 - Land	220,000.00
1420-0000 - Building	2,918,659.85
1430-0000 - Land Improvements	396,727.57
1450-0000 - Furniture for project/tenant use	534,098.62
1497-0000 - Site improvements	69,354.14
4120-0000 - Accum depr - buildings	(3,252,799.29)
1498-0000 - Current F/A	25,344.32
<b>Total Fixed Assets</b>	<u>911,385.21</u>

## Financing Costs

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

## Partnership Assets

1701-0000 - Cash - Partnership	104,350.13
<b>Total Partnership Assets</b>	<u>104,350.13</u>

**Total Assets**

1,701,996.52

**WALNUT PLACE**  
**Balance Sheet**  
 Month Ending 10/31/11

**Liabilities & Equity**

## Current Liabilities

2110-0000 - Accounts payable	24,324.03
2120-0000 - Accrued wages and p/r taxes payable	2,657.81
2150-0000 - Accrued property taxes	86,830.01
2155-0000 - Accrued professional services	14,714.00
2180-0000 - Misc current liabilities	18,080.23
<b>Total Current Liabilities</b>	<u>146,606.08</u>

## Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(13,161.00)
2191-0000 - Security deposits-residential	18,476.00
2191-0001 - Pet Deposit	950.00
2210-0000 - Prepaid Rent	774.00
2211-0000 - Prepaid HUD	13,083.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-0000 - Mortgage Payable (long term)	2,083,376.08
<b>Total Non-Current Liabilities</b>	<u>4,649,498.08</u>

## Owner's Equity

3100-0000 - Limited Partners Equity	104,177.32
3209-0000 - Prior Year Retained Earnings	(3,366,375.44)
3210-0000 - Retained earnings	149,436.32
Current YTD Earnings	18,654.16
<b>Total Owner's Equity</b>	<u>(3,094,107.64)</u>

**Total Liability & Owner Equity**

1,701,996.52

## WALNUT PLACE Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/11			Year To Date 10/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
<b>RESIDENTIAL RENTAL INCOME</b>							
5120-0000 - Apartment rent	20,255.00	21,585.00	(1,330.00)	229,938.00	215,850.00	14,088.00	259,020.00
5121-0000 - Tenant assistant payments	66,677.00	64,755.00	1,922.00	634,054.00	647,550.00	(13,496.00)	777,060.00
5140-0000 - Commercial base rent	0.00	0.00	0.00	274.03	0.00	274.03	0.00
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>86,932.00</b>	<b>86,340.00</b>	<b>592.00</b>	<b>864,266.03</b>	<b>863,400.00</b>	<b>866.03</b>	<b>1,036,080.00</b>
<b>VACANCIES &amp; ADJUSTMENTS</b>							
5220-0000 - Vacancy loss - apartments	(1,260.00)	(1,684.00)	424.00	(41,427.00)	(16,840.00)	(24,587.00)	(20,208.00)
5221-0000 - Non-Revenue Units	(1,260.00)	(1,260.00)	0.00	(12,588.00)	(12,600.00)	12.00	(15,120.00)
5123-0000 - Rent Concession	0.00	0.00	0.00	(50.00)	0.00	(50.00)	0.00
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>(2,520.00)</b>	<b>(2,944.00)</b>	<b>424.00</b>	<b>(54,065.00)</b>	<b>(29,440.00)</b>	<b>(24,625.00)</b>	<b>(35,328.00)</b>
<b>OTHER INCOME</b>							
5910-0000 - Laundry income	713.25	250.00	463.25	2,866.75	2,500.00	366.75	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	11.00	0.00	11.00	101.00	0.00	101.00	0.00
5990-0000 - Misc other income	0.00	30.00	(30.00)	3,055.00	300.00	2,755.00	360.00
5413-0000 - Interest income - escrow	0.00	210.00	(210.00)	19.02	2,100.00	(2,080.98)	2,520.00
<b>TOTAL OTHER INCOME</b>	<b>724.25</b>	<b>490.00</b>	<b>234.25</b>	<b>6,066.77</b>	<b>4,900.00</b>	<b>1,166.77</b>	<b>5,880.00</b>
<b>GROSS OPERATING INCOME</b>	<b>85,136.25</b>	<b>83,886.00</b>	<b>1,250.25</b>	<b>816,267.80</b>	<b>838,860.00</b>	<b>(22,592.20)</b>	<b>1,006,632.00</b>
<b>ADVERTISING &amp; RENTING EXPENSE</b>							
6213-0000 - Employee Recruitment	0.00	0.00	0.00	85.35	200.00	114.65	200.00
6253-0000 - Credit Report Fees	25.00	30.00	5.00	262.00	300.00	38.00	360.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>25.00</b>	<b>30.00</b>	<b>5.00</b>	<b>347.35</b>	<b>500.00</b>	<b>152.65</b>	<b>560.00</b>
<b>ADMINISTRATIVE EXPENSE</b>							
6311-0000 - Office supplies	895.25	270.00	(625.25)	3,041.56	2,700.00	(341.56)	3,240.00
6316-0000 - Office Equipment	1,270.72	300.00	(970.72)	2,766.58	3,000.00	233.42	3,600.00
6320-0000 - Management fee	4,095.16	3,833.00	(262.16)	40,837.90	38,330.00	(2,507.90)	46,000.00
6340-0000 - Legal Expense - Project	0.00	200.00	200.00	0.00	2,000.00	2,000.00	2,400.00
6350-0000 - Audit Expense	(750.00)	0.00	750.00	11,500.00	11,500.00	0.00	11,500.00
6360-0000 - Telephone	800.12	750.00	(50.12)	8,532.15	7,500.00	(1,032.15)	9,000.00
6365-0000 - Training & Education Expense	77.00	100.00	23.00	396.00	1,000.00	604.00	1,200.00
6370-0000 - Bad debts	572.00	50.00	(522.00)	16,376.84	500.00	(15,876.84)	600.00
6371-0000 - Fees Dues & Contributions	0.00	40.00	40.00	0.00	400.00	400.00	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	29.57	100.00	70.43	1,554.80	1,000.00	(554.80)	1,200.00
6390-0002 - Computer Supplies/Data Processing	148.07	130.00	(18.07)	2,167.59	1,300.00	(867.59)	1,560.00
6395-0000 - Tenant Retention	776.22	500.00	(276.22)	3,623.31	5,000.00	1,376.69	6,500.00
6431-0000 - Travel & Expense Reimbursement	623.37	300.00	(323.37)	1,873.81	3,000.00	1,126.19	3,600.00
6860-0000 - Security Deposit Interest	(1.90)	(12.00)	(10.10)	(32.37)	(120.00)	(87.63)	(144.00)
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>8,535.58</b>	<b>6,561.00</b>	<b>(1,974.58)</b>	<b>95,253.83</b>	<b>78,610.00</b>	<b>(16,643.83)</b>	<b>92,236.00</b>
<b>PAYROLL &amp; RELATED COSTS</b>							
6310-0000 - Office salaries	4,492.65	5,666.00	1,173.35	47,964.63	56,660.00	8,695.37	68,000.00
6510-0000 - Janitor and cleaning payroll	1,122.45	1,241.00	118.55	11,803.81	12,410.00	606.19	14,900.00

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

	Month Ending 10/31/11			Year To Date 10/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6540-0000 - Repairs payroll	3,668.56	3,833.00	164.44	42,208.67	38,330.00	(3,878.67)	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	727.47	1,681.00	953.53	10,826.50	16,810.00	5,983.50	20,175.00
6722-0000 - Workers compensation	288.70	266.00	(22.70)	2,615.80	2,516.00	(99.80)	3,053.00
6723-0000 - Employee health insurance	495.58	345.00	(150.58)	4,081.17	3,450.00	(631.17)	4,140.00
6724-0000 - Union Benefits	1,189.76	1,197.00	7.24	11,897.56	11,970.00	72.44	14,368.00
6726-0001 - Contingency	0.00	0.00	0.00	1,682.50	2,200.00	517.50	2,200.00
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>11,985.17</b>	<b>14,229.00</b>	<b>2,243.83</b>	<b>133,080.64</b>	<b>144,346.00</b>	<b>11,265.36</b>	<b>172,836.00</b>
<b>OPERATING EXPENSES</b>							
6515-0000 - Janitors and cleaning supplies	947.48	250.00	(697.48)	3,018.24	2,500.00	(518.24)	3,000.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	700.00	700.00	700.00
6519-0000 - Exterminating Contract	90.00	460.00	370.00	870.00	4,600.00	3,730.00	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	2,943.81	4,000.00	1,056.19	4,800.00
6490-0000 - Misc operating expenses	0.00	50.00	50.00	200.00	500.00	300.00	600.00
<b>TOTAL OPERATING EXPENSES</b>	<b>1,351.61</b>	<b>1,160.00</b>	<b>(191.61)</b>	<b>7,032.05</b>	<b>12,300.00</b>	<b>5,267.95</b>	<b>14,620.00</b>
<b>UTILITIES</b>							
6450-0000 - Electricity	1,707.62	1,500.00	(207.62)	11,907.11	13,800.00	1,892.89	16,800.00
6451-0000 - Water	443.34	400.00	(43.34)	4,902.19	6,700.00	1,797.81	7,500.00
6452-0000 - Gas	408.93	2,000.00	1,591.07	11,710.27	30,250.00	18,539.73	37,750.00
6453-0000 - Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL UTILITIES</b>	<b>2,559.89</b>	<b>3,900.00</b>	<b>1,340.11</b>	<b>28,519.57</b>	<b>50,750.00</b>	<b>22,230.43</b>	<b>62,050.00</b>
<b>MAINTENANCE EXPENSES</b>							
6536-0000 - Ground supplies	0.00	2,000.00	2,000.00	0.00	8,000.00	8,000.00	8,000.00
6537-0000 - Grounds Contractor (Landscaper)	650.00	608.00	(42.00)	4,335.00	4,256.00	(79.00)	4,864.00
6541-0000 - Repair materials (general supplies)	680.22	600.00	(80.22)	1,868.53	6,000.00	4,131.47	7,200.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	0.00	500.00	500.00	600.00
6541-0002 - Plumbing Supplies	397.60	0.00	(397.60)	633.97	0.00	(633.97)	0.00
6541-0003 - Electrical Supplies	122.42	0.00	(122.42)	1,178.15	0.00	(1,178.15)	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)	360.00	500.00	140.00	5,004.00	5,000.00	(4.00)	6,000.00
6546-0000 - Heating/Cooling Contractor	2,205.30	400.00	(1,805.30)	3,866.05	8,200.00	4,333.95	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	500.00	(760.00)	600.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	2,625.00	1,000.00	(1,625.00)	6,720.00	10,000.00	3,280.00	12,000.00
6580-0000 - Equipment repairs	526.47	0.00	(526.47)	526.47	500.00	(26.47)	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	900.00	900.00	900.00
6582-0000 - Fire Protection	0.00	350.00	350.00	1,495.72	3,500.00	2,004.28	4,200.00
6582-0001 - Fire Safety Equipment	0.00	100.00	100.00	55.00	1,000.00	945.00	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	1,000.00	1,000.00	1,200.00
6591-0000 - Electrical Repairs	957.13	450.00	(507.13)	1,944.21	4,500.00	2,555.79	5,400.00
6594-0000 - Carpentry Repairs	141.92	350.00	208.08	955.76	3,500.00	2,544.24	4,200.00
6595-0000 - Plumbing Repairs	796.32	400.00	(396.32)	7,261.18	4,000.00	(3,261.18)	4,800.00

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

	Month Ending 10/31/11			Year To Date 10/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
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	0.00	300.00	300.00	607.00	3,000.00	2,393.00	3,600.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>9,462.38</b>	<b>7,258.00</b>	<b>(2,204.38)</b>	<b>50,638.14</b>	<b>88,856.00</b>	<b>38,217.86</b>	<b>99,764.00</b>
<b>TAXES AND INSURANCE</b>							
6710-0000 - Real estate taxes	8,683.00	8,683.00	0.00	91,116.15	86,830.00	(4,286.15)	104,196.00
6720-0000 - Property and liability insurance	1,306.83	1,234.00	(72.83)	15,934.67	12,340.00	(3,594.67)	14,808.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	97.00	100.00	3.00	100.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>9,989.83</b>	<b>9,917.00</b>	<b>(72.83)</b>	<b>107,147.82</b>	<b>99,270.00</b>	<b>(7,877.82)</b>	<b>119,104.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>43,909.46</b>	<b>43,055.00</b>	<b>(854.46)</b>	<b>422,019.40</b>	<b>474,632.00</b>	<b>52,612.60</b>	<b>561,170.00</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>41,226.79</b>	<b>40,831.00</b>	<b>395.79</b>	<b>394,248.40</b>	<b>364,228.00</b>	<b>30,020.40</b>	<b>445,462.00</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	22,396.88	22,655.00	258.12	226,330.73	226,550.00	219.27	271,860.00
7104-0000 - Replacement Reserve	1,994.91	1,833.00	(161.91)	19,949.10	18,330.00	(1,619.10)	21,996.00
7108-0000 - Mortgage Payable (long term)	11,090.07	10,854.00	(236.07)	108,538.77	108,540.00	1.23	130,248.00
<b>TOTAL FINANCIAL EXPENSES</b>	<b>35,481.86</b>	<b>35,342.00</b>	<b>(139.86)</b>	<b>354,818.60</b>	<b>353,420.00</b>	<b>(1,398.60)</b>	<b>424,104.00</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>5,744.93</b>	<b>5,489.00</b>	<b>255.93</b>	<b>39,429.80</b>	<b>10,808.00</b>	<b>28,621.80</b>	<b>21,358.00</b>
<b>NET INCOME (LOSS)</b>	<b>5,744.93</b>	<b>5,489.00</b>	<b>255.93</b>	<b>39,429.80</b>	<b>10,808.00</b>	<b>28,621.80</b>	<b>21,358.00</b>
<b>Partnership Income</b>							
8005-0000 - Mortgagor Entity Income	17.58	0.00	17.58	376.14	0.00	376.14	0.00
8010-0000 - Other Entity Expense	(193.33)	0.00	(193.33)	(203.33)	0.00	(203.33)	0.00
<b>Total Partnership Activity</b>	<b>(175.75)</b>	<b>0.00</b>	<b>(175.75)</b>	<b>172.81</b>	<b>0.00</b>	<b>172.81</b>	<b>0.00</b>
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	(24,000.00)	(24,000.00)	(24,000.00)
6991-0000 - Capital expenditures	6,540.43	0.00	(6,540.43)	14,708.09	37,400.00	22,691.91	37,400.00
6993-0000 - Appliance Replacement	554.00	125.00	(429.00)	1,582.48	1,250.00	(332.48)	1,500.00
6994-0000 - Carpet & tile	812.50	485.00	(327.50)	9,053.75	4,850.00	(4,203.75)	5,820.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<b>7,906.93</b>	<b>610.00</b>	<b>(7,296.93)</b>	<b>25,344.32</b>	<b>19,500.00</b>	<b>(5,844.32)</b>	<b>20,720.00</b>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<b>(2,337.75)</b>	<b>4,879.00</b>	<b>(7,216.75)</b>	<b>14,258.29</b>	<b>(8,692.00)</b>	<b>22,950.29</b>	<b>638.00</b>

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

Month Ending 10/31/11

**ASSETS**

## Current Assets

1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	2,981.81
1130-0000 - Tenant/member accounts receivable	35,983.92
1131-0000 - Accounts receivable - subsidy	10,847.00
1240-0000 - Prepaid property and liability insurance	3,580.00
1250-0000 - Prepaid Mortgage Insurance	1,336.19
<b>Total Current Assets</b>	<b>54,878.92</b>

## Other Assets

1290-0000 - Misc Prepaid Expenses	146.23
1192-0000 - Tenant Sec Dep	6,991.86
1310-0000 - Real estate tax escrow	18,223.92
1311-0000 - Insurance escrow	49,324.89
1312-0000 - Mortgage Insurance Escrow	4,977.08
1140-0000 - Accounts Receivable - Other	635.36
1320 - Replacement Reserve	49,061.52
1340 - Residual Receipt	480,322.56
<b>Total Other Assets</b>	<b>609,683.42</b>

## 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	28,819.33
<b>Total Fixed Assets</b>	<b>568,295.36</b>

## Financing Costs

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

## Partnership Assets

1701-0000 - Cash - Partnership	144,428.25
<b>Total Partnership Assets</b>	<b>144,428.25</b>

**Total Assets****1,391,062.61**

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

Month Ending 10/31/11

**Liabilities & Equity**

## Current Liabilities

2110-0000 - Accounts payable	6,422.90
2120-0000 - Accrued wages and p/r taxes payable	542.05
2130-0000 - Accrued interest - mortgage	4,044.32
2150-0000 - Accrued property taxes	27,500.00
2180-0000 - Misc current liabilities	902.46
Total Current Liabilities	<u>39,411.73</u>

## Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(4,377.74)
2191-0000 - Security deposits-residential	6,239.00
2210-0000 - Prepaid Rent	3,278.00
2211-0000 - Prepaid HUD	19,610.00
2320-0000 - Mortgage Payable (long term)	723,275.97
Total Non-Current Liabilities	<u>748,025.23</u>

## Owner's Equity

3100-0000 - Limited Partners Equity	144,111.21
3209-0000 - Prior Year Retained Earnings	404,500.65
3210-0000 - Retained earnings	46,960.15
Current YTD Earnings	8,053.64
Total Owner's Equity	<u>603,625.65</u>

**Total Liability & Owner Equity****1,391,062.61**

## RAVINIA HOUSING

### Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/11			Year To Date 10/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
<b>RESIDENTIAL RENTAL INCOME</b>							
5120-0000 - Apartment rent	8,356.00	5,404.00	2,952.00	57,860.00	56,032.00	1,828.00	66,840.00
5121-0000 - Tenant assistant payments	20,323.00	16,472.00	3,851.00	228,930.00	203,546.00	25,384.00	236,490.00
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>28,679.00</b>	<b>21,876.00</b>	<b>6,803.00</b>	<b>286,790.00</b>	<b>259,578.00</b>	<b>27,212.00</b>	<b>303,330.00</b>
<b>VACANCIES &amp; ADJUSTMENTS</b>							
5220-0000 - Vacancy loss - apartments	(3,441.00)	(1,213.00)	(2,228.00)	(17,949.00)	(12,130.00)	(5,819.00)	(14,554.00)
5123-0000 - Rent Concession	36.00	0.00	36.00	0.00	0.00	0.00	0.00
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>(3,405.00)</b>	<b>(1,213.00)</b>	<b>(2,192.00)</b>	<b>(17,949.00)</b>	<b>(12,130.00)</b>	<b>(5,819.00)</b>	<b>(14,554.00)</b>
<b>OTHER INCOME</b>							
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	80.00	1,447.87	100.00
<b>TOTAL OTHER INCOME</b>	<b>0.00</b>	<b>8.00</b>	<b>(8.00)</b>	<b>1,587.87</b>	<b>80.00</b>	<b>1,507.87</b>	<b>100.00</b>
<b>GROSS OPERATING INCOME</b>	<b>25,274.00</b>	<b>20,671.00</b>	<b>4,603.00</b>	<b>270,428.87</b>	<b>247,528.00</b>	<b>22,900.87</b>	<b>288,876.00</b>
<b>ADVERTISING &amp; RENTING EXPENSE</b>							
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	80.00	80.00	100.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>0.00</b>	<b>8.00</b>	<b>8.00</b>	<b>22.43</b>	<b>80.00</b>	<b>57.57</b>	<b>100.00</b>
<b>ADMINISTRATIVE EXPENSE</b>							
6311-0000 - Office supplies	1,085.97	607.00	(478.97)	4,856.08	6,070.00	1,213.92	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	902.46	844.00	(58.46)	10,466.92	8,440.00	(2,026.92)	10,132.00
6340-0000 - Legal Expense - Project	0.00	250.00	250.00	5,610.00	2,500.00	(3,110.00)	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	21.00	42.00	21.00	108.00	420.00	312.00	500.00
6370-0000 - Bad debts	36.00	0.00	(36.00)	9,485.00	0.00	(9,485.00)	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	170.01	83.00	(87.01)	1,194.11	830.00	(364.11)	1,000.00
6390-0002 - Computer Supplies/Data Processing	66.31	0.00	(66.31)	912.90	0.00	(912.90)	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	(0.58)	0.00	0.58	(10.47)	0.00	10.47	0.00
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>2,281.17</b>	<b>1,826.00</b>	<b>(455.17)</b>	<b>44,880.22</b>	<b>29,560.00</b>	<b>(15,320.22)</b>	<b>33,217.00</b>
<b>PAYROLL &amp; RELATED COSTS</b>							
6310-0000 - Office salaries	1,088.88	1,518.00	429.12	11,510.17	15,180.00	3,669.83	18,211.00
6510-0000 - Janitor and cleaning payroll	1,306.64	1,542.00	235.36	14,708.18	15,420.00	711.82	18,500.00
6715-0000 - Payroll Taxes	187.95	242.00	54.05	2,730.26	2,420.00	(310.26)	2,900.00
6722-0000 - Workers compensation	71.46	67.00	(4.46)	592.22	670.00	77.78	800.00
6723-0000 - Employee health insurance	155.41	483.00	327.59	1,333.24	4,830.00	3,496.76	5,800.00
6724-0000 - Union Benefits	324.47	0.00	(324.47)	3,244.77	0.00	(3,244.77)	0.00
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>3,134.81</b>	<b>3,852.00</b>	<b>717.19</b>	<b>34,118.84</b>	<b>38,520.00</b>	<b>4,401.16</b>	<b>46,211.00</b>

## RAVINIA HOUSING

### Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/11			Year To Date 10/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>OPERATING EXPENSES</b>							
6515-0000 - Janitors and cleaning supplies	752.41	583.00	(169.41)	3,414.04	5,830.00	2,415.96	7,000.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6519-0000 - Exterminating Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6520-0000 - Miscellaneous Repair Contractors	2,122.30	1,417.00	(705.30)	25,666.22	14,170.00	(11,496.22)	17,000.00
6525-0000 - Rubbish removal	723.88	212.00	(511.88)	4,786.36	2,120.00	(2,666.36)	2,540.00
<b>TOTAL OPERATING EXPENSES</b>	<b>3,598.59</b>	<b>2,212.00</b>	<b>(1,386.59)</b>	<b>33,866.62</b>	<b>22,120.00</b>	<b>(11,746.62)</b>	<b>26,540.00</b>
<b>UTILITIES</b>							
6450-0000 - Electricity	255.47	83.00	(172.47)	1,977.13	830.00	(1,147.13)	1,000.00
6451-0000 - Water	398.77	25.00	(373.77)	572.90	250.00	(322.90)	300.00
6452-0000 - Gas	0.00	8.00	8.00	55.66	80.00	24.34	92.00
6453-0000 - Sewer	0.00	25.00	25.00	0.00	250.00	250.00	300.00
<b>TOTAL UTILITIES</b>	<b>654.24</b>	<b>141.00</b>	<b>(513.24)</b>	<b>2,605.69</b>	<b>1,410.00</b>	<b>(1,195.69)</b>	<b>1,692.00</b>
<b>MAINTENANCE EXPENSES</b>							
6537-0000 - Grounds Contractor (Landscaper)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0000 - Repair materials (general supplies)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0002 - Plumbing Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0003 - Electrical Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0009 - Window Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6546-0000 - Heating/Cooling Contractor	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6548-0000 - Snow removal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	0.00	0.00	21,759.77	20,000.00	(1,759.77)	20,000.00
6590-0000 - Miscellaneous Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6591-0000 - Electrical Repairs	0.00	0.00	0.00	2.00	0.00	(2.00)	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
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>21,761.77</b>	<b>20,000.00</b>	<b>(1,761.77)</b>	<b>20,000.00</b>
<b>TAXES AND INSURANCE</b>							
6710-0000 - Real estate taxes	2,750.00	2,750.00	0.00	29,553.90	27,500.00	(2,053.90)	33,000.00
6720-0000 - Property and liability insurance	447.50	417.00	(30.50)	4,311.00	4,170.00	(141.00)	5,000.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	28.00	0.00	(28.00)	0.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>3,197.50</b>	<b>3,167.00</b>	<b>(30.50)</b>	<b>33,892.90</b>	<b>31,670.00</b>	<b>(2,222.90)</b>	<b>38,000.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>12,866.31</b>	<b>11,206.00</b>	<b>(1,660.31)</b>	<b>171,148.47</b>	<b>143,360.00</b>	<b>(27,788.47)</b>	<b>165,760.00</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>12,407.69</b>	<b>9,465.00</b>	<b>2,942.69</b>	<b>99,280.40</b>	<b>104,168.00</b>	<b>(4,887.60)</b>	<b>123,116.00</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	4,044.32	1,702.00	(2,342.32)	41,220.69	31,746.60	(9,474.09)	35,150.60
6850-0000 - Mortgage Service Fee	334.06	152.00	(182.06)	3,362.96	2,634.72	(728.24)	2,938.72
7104-0000 - Replacement Reserve	712.00	1,023.00	311.00	7,120.00	10,230.00	3,110.00	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)	3,135.99	490.00	(2,645.99)	30,586.68	20,106.97	(10,479.71)	21,086.97
<b>TOTAL FINANCIAL EXPENSES</b>	<b>8,226.37</b>	<b>3,367.00</b>	<b>(4,859.37)</b>	<b>118,053.33</b>	<b>64,718.29</b>	<b>(53,335.04)</b>	<b>71,448.29</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>4,181.32</b>	<b>6,098.00</b>	<b>(1,916.68)</b>	<b>(18,772.93)</b>	<b>39,449.71</b>	<b>(58,222.64)</b>	<b>51,667.71</b>

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

	Month Ending 10/31/11			Year To Date 10/31/11			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
NET INCOME (LOSS)	4,181.32	6,098.00	(1,916.68)	(18,772.93)	39,449.71	(58,222.64)	51,667.71
Partnership Income							
8005-0000 - Mortgagor Entity Income	24.33	0.00	24.33	520.37	0.00	520.37	0.00
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(203.33)	0.00	(203.33)	0.00
Total Partnership Activity	24.33	0.00	24.33	317.04	0.00	317.04	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	3,555.50	0.00	(3,555.50)	4,623.97	0.00	(4,623.97)	0.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	3,555.50	0.00	(3,555.50)	28,819.33	0.00	(28,819.33)	0.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	650.15	6,098.00	(5,447.85)	(47,275.22)	39,449.71	(86,724.93)	51,667.71

Sunset Woods Housing  
Balance Sheet  
November 30, 2010

ASSETS

Current Assets		
General Checking	\$	8,682.77
Assn Money Mkt HP Bank & Trust		175,833.07
Assn Checking HP Bank & Trust		12,557.51
Sec.Dep. Savings		10,401.51
Savings Account		18,983.14
Accounts Receivable		<u>2,444.00</u>
Total Current Assets		228,902.00
Property and Equipment		
Building		1,552,988.40
Building Unit 231		165,000.32
Building Unit 319		169,999.62
Building Unit 321		170,000.00
Accum Dep Building		<u>(281,481.00)</u>
Total Property and Equipment		1,776,507.34
Other Assets		
Total Other Assets		<u>0.00</u>
Total Assets		<u><u>\$ 2,005,409.34</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Due to Peers Housing Assn	\$	386,542.50
Accrued RE Tax		32,400.00
Accrued RE Taxes Assn		10,330.50
Security Deposits		<u>9,280.00</u>
Total Current Liabilities		438,553.00
Long-Term Liabilities		
Notes Payable, Harris		452,431.94
Notes Payable, Lake Co		64,056.29
Notes Payable, IHDA		<u>127,668.52</u>
Total Long-Term Liabilities		<u>644,156.75</u>
Total Liabilities		1,082,709.75
Capital		
Equity-Retained Earnings		961,743.93
Net Income		<u>(39,044.34)</u>
Total Capital		<u>922,699.59</u>
Total Liabilities & Capital		<u><u>\$ 2,005,409.34</u></u>

Sunset Woods Housing  
Income Statement  
Compared with Budget  
For the Eleven Months Ending November 30, 2010

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
<b>Revenues</b>						
Rents	\$ 9,170.00	\$ 8,701.00	469.00	\$ 105,996.50	\$ 95,711.00	10,285.50
Late & NSF Fees	10.00	0.00	10.00	55.00	0.00	55.00
Interest Income Assn	84.26	0.00	84.26	1,647.77	0.00	1,647.77
Interest Income	2.94	0.00	2.94	40.71	0.00	40.71
Sale of Unit 104	0.00	0.00	0.00	127,500.00	0.00	127,500.00
<b>Total Revenues</b>	<b>9,267.20</b>	<b>8,701.00</b>	<b>566.20</b>	<b>235,239.98</b>	<b>95,711.00</b>	<b>139,528.98</b>
<b>Cost of Sales</b>						
Cost of Unit 104	0.00	0.00	0.00	134,532.98	0.00	134,532.98
<b>Total Cost of Sales</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>134,532.98</b>	<b>0.00</b>	<b>134,532.98</b>
<b>Gross Profit</b>	<b>9,267.20</b>	<b>8,701.00</b>	<b>566.20</b>	<b>100,707.00</b>	<b>95,711.00</b>	<b>4,996.00</b>
<b>Expenses</b>						
Office Supplies	0.00	0.00	0.00	94.14	50.00	44.14
Management Fee	631.67	566.00	65.67	6,899.42	6,221.00	678.42
Legal and Accounting Assn	0.00	0.00	0.00	12,770.00	0.00	12,770.00
Exterminating	0.00	0.00	0.00	15.00	0.00	15.00
Credit Ck Fees	0.00	0.00	0.00	150.92	0.00	150.92
Advertising Assn	0.00	0.00	0.00	1,127.71	0.00	1,127.71
Carpet Cleaning	0.00	0.00	0.00	650.89	0.00	650.89
Heating & Air	587.98	42.00	545.98	1,117.32	458.00	659.32
Electrical & Plumbing Maint	0.00	42.00	(42.00)	76.01	458.00	(381.99)
Painting & Decorating	0.00	83.00	(83.00)	0.00	917.00	(917.00)
Appliance Repairs	0.00	42.00	(42.00)	324.00	458.00	(134.00)
Janitor	0.00	0.00	0.00	438.60	0.00	438.60
Supplies	0.00	21.00	(21.00)	507.45	229.00	278.45
Locks	0.00	0.00	0.00	49.97	0.00	49.97
Carpet	0.00	42.00	(42.00)	0.00	458.00	(458.00)
Maintenance Assn	0.00	0.00	0.00	136.51	0.00	136.51
Maintenance	84.50	42.00	42.50	532.72	458.00	74.72
Security	0.00	8.00	(8.00)	0.00	92.00	(92.00)
Electricity Assn	37.15	0.00	37.15	477.66	0.00	477.66
Condo Assessment Rental Units	3,205.83	2,500.00	705.83	36,756.80	27,500.00	9,256.80
Assessment & Cable Assn	0.00	0.00	0.00	(40.00)	0.00	(40.00)
Cable TV	588.00	434.00	154.00	6,748.40	4,766.00	1,982.40
Real Estate tax expense Assn	0.00	0.00	0.00	11,895.99	0.00	11,895.99
Real Estate tax expense	0.00	2,500.00	(2,500.00)	31,724.64	27,500.00	4,224.64
Loan Interest	2,213.03	3,038.00	(824.97)	24,138.19	33,418.00	(9,279.81)
Professional Fees Assn	0.00	0.00	0.00	400.00	0.00	400.00
Filing Fees Assn	0.00	0.00	0.00	135.00	0.00	135.00
Bldg Insurance	0.00	209.00	(209.00)	2,624.00	2,291.00	333.00
<b>Total Expenses</b>	<b>7,348.16</b>	<b>9,569.00</b>	<b>(2,220.84)</b>	<b>139,751.34</b>	<b>105,274.00</b>	<b>34,477.34</b>
<b>Net Income</b>	<b>\$ 1,919.04</b>	<b>(\$ 868.00)</b>	<b>2,787.04</b>	<b>(\$ 39,044.34)</b>	<b>(\$ 9,563.00)</b>	<b>(29,481.34)</b>

Sunset Woods Housing  
 Account Register  
 For the Period From Nov 1, 2010 to Nov 30, 2010  
 1101M13 - General Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			7,670.64
11/1/10	11/1/10	Deposit	Tenant	506.00		8,176.64
		Deposit	Tenant	307.00		8,483.64
		Deposit	Tenant	305.00		8,788.64
		Deposit	Tenant	537.00		9,325.64
		Deposit	Tenant	664.00		9,989.64
		Deposit	Tenant	289.00		10,278.64
		Deposit	Tenant	366.00		10,644.64
		Deposit	Tenant	614.00		11,258.64
		Deposit	Tenant	18.00		11,276.64
11/2/10	1376	Withdrawal	Sunset Woods Condominium Assoc		3,793.83	7,482.81
11/8/10	11/10/10	Deposit	Tenant	329.00		7,811.81
		Deposit	Tenant	785.00		8,596.81
		Deposit	Tenant	670.00		9,266.81
		Deposit	Tenant	500.00		9,766.81
		Deposit	Tenant	795.00		10,561.81
		Deposit	Tenant	561.00		11,122.81
		Deposit	Tenant	54.00		11,176.81
		Deposit	Tenant	559.00		11,735.81
11/12/10	1377	Withdrawal	Housing Opportunity Dev. Corp.		631.67	11,104.14
11/15/10	11/17/10	Deposit	Tenant	587.00		11,691.14
		Deposit	Tenant	360.00		12,051.14
		Deposit	Tenant	252.00		12,303.14
11/15/10	loan1011	Other	Harris Bank/auto pymt		3,037.89	9,265.25
11/29/10	1378	Withdrawal	Condo Maintenance Specialists,		582.48	8,682.77
			Total	9,058.00	8,045.87	

Sunset Woods - November 30, 2010

Ending balance checking	\$ 9,265
Ending balance operating reserve	<u>\$ 18,983</u>
TOTAL	\$ 28,248