

## **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: March 29, 2012  
RE: **HOUSING COMMISSION PACKET FOR 4-4-2012 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 March 7, 2012 Regular Meeting: **Note: will be emailed under separate cover**
- **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:**
    - March 2012 Management Report with February 2012 Financials for Peers, Ravinia, and Walnut Housing Associations
    - Summary of Capital Improvements for Peers and Walnut Place for 2012
    - Accounts Receivable Up-Date
    - Summary Spreadsheet: Highland Park Housing Reserve Balances 2/29/2012
    - Housing Trust Fund Fiscal Year 2012, Unaudited through 2/29
    - Sunset Woods: Consideration of Illinois Housing Development Authority Subordination Fee related to new mortgage. Supporting Materials:
      - Memo from Staff March 29, 2012

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

- Copy of Check reimbursing City of Highland Park \$28.71 for Fed Ex expenses for Sunset Woods Association's Package to Illinois Housing Development Authority
- Copy of payment to and invoice from Raynor Door Company for \$38.50 for a new garage door remote opener for a renter at Sunset Woods
- Financial Reports for Peers and Ravinia Housing Associations, for Walnut Housing, and for Sunset Woods Housing Association for the month ending February 29, 2012
- Patrick Kingsley, "A revolution in affordable housing," *The Guardian*, February 19, 2012.

- c:
- Patrick Brennan, Acting 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, April 4, 2012 at City Hall, 1707 St. Johns Avenue, Highland Park, Illinois.** The Meeting will be held in the Pre-Session Room.

City of Highland Park  
**Housing Commission**  
**Wednesday, April 4, 2012, 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 – March 7, 2012 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
    - Request for Revision to Peers 2012 Budget for Piano Rebuild
    - Update on Peers window replacement project
    - Sunset Woods:
      - Consideration of the Illinois Housing Development Authority's Subordination Fee of \$1150.00 for the new mortgage
      - Other Sunset Woods Items
  3. Follow-up on Housing Commission's Recommendation to City Council regarding draft Illinois Legislation for Permissive Authority for a Lake Co. Affordable Housing Trust Fund
- VI. Executive Session for Matters relating to Real Estate Acquisition, Litigation, and Personnel Matters**
- VII. Other Business**
- VIII. Adjournment**

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

**MEETING DATE:** Wednesday March 7, 2012

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

**CALL TO ORDER**

At 6:34 p.m., Chairman David Wigodner called to order the regular meeting of the Highland Park Housing Commission, the Peers Housing Association, the Ravinia Housing Association, the Walnut Housing Association, and the Sunset Woods Association. Each of the Commissioners also serves as Directors of each of the Housing Associations. The Chairman asked Planner M. Smith to call the roll.

**ROLL CALL**

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

Commissioners Absent: None

Student Representative Present: Gordon

Chairman Wigodner declared that all Commissioners were in attendance, and a quorum was present.

Council Liaison Present: Blumberg

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

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

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

**APPROVAL OF MINUTES**

Regular Meeting of the Housing Commission –February 1, 2012

Commissioner Adler 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 February 1, 2012. Commissioner Barber seconded the motion.

On a roll call vote:

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

Voting Nay: None

The Chairman declared that the motion passed.

## **SCHEDULED BUSINESS**

### 1. Items for Omnibus Vote Consideration

- Ratification of Payment:
  - City of Highland Park for Fed Ex expenses for Ravinia M2M Refinance

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

Chairman Wigodner entertained a motion to ratify the reimbursement to the City of Highland Park for Fed Ex expenses for the Ravinia Mark-to-Market refinance that totaled \$60.46. Commissioner Meek moved ratification of the \$60.46 payment to the City of Highland Park for reimbursement of Fed Ex expenses from the Ravinia Mark-to-Market refinance. Commissioner Naftzger seconded the motion.

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

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

The Management Report was in the packet.

#### Property Operations Report

Commissioner Barber summarized the property operations report. Both Peers and Walnut Place are completely occupied. There is one vacancy at Ravinia.

#### Discussion regarding Correction to Housing Trust Fund balance

Chairman Wigodner discussed the additional reporting that the Planning staff will include on the monthly Housing Trust Fund statement in order to avoid the mistake that occurred. City staff will include lines for the “Prior Month’s Balance” and the “Month to Month Change.”

#### Request for Revision to Peers 2012 Budget for Piano Rebuild

The Commissioners discussed the memo in the packet regarding a revision to the Peers 2012 Budget in order to rebuild the piano at Peers. The Commissioners asked staff to find out the answer to several questions before a final decision is made on the piano rebuild plan:

- Is the proposed repair the best alternative for repairing the piano?
- Would it be better and more cost-effective in the long run to buy a new or good used piano rather than rebuild the current one?
- Is it possible to buy a good used piano in the Ravinia Festival sale or from another source?

After discussion, Chairman Wigodner entertained a motion to approve the revision to the Peers budget for the piano repair with the condition that staff addresses the questions listed above to determine that the proposed repair is the best option. Commissioner Barber moved approval of the motion to revise the Peers 2012 operating budget to include repair of the piano with the

condition that staff determines that this is the best option after examining other alternatives, such as replacing the piano with a good used one. If another course of action is preferable, staff will return to the Commission for approval of an alternative plan. Commissioner Meek seconded the motion.

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

#### Update on Peers window replacement

Chairman Wigodner reported that Evergreen staff will pull off a small section of the façade to investigate the condition of the window and building beneath it. This investigation will cost in the range of \$2,000 to \$3,000 rather than the \$25,000 test that one of the bidders proposed. The two firms who bid on the window project indicated concern about additional costs if the underlying structure were in poor condition and if the construction of the existing bay windows were significantly different from the proposed replacement. The additional information on the underlying building conditions and bay window construction will be used to assess the labor costs in the two bids received and likely will lead to re-opening the bid process.

#### Consideration of Draft 2012 Budget for Ravinia Housing

After discussion, Chairman Wigodner entertained a motion to approve the 2012 operating budget for Ravinia Housing subject to updating the financial information with the actual HUD contract rents. Commissioner Naftzger moved approval of the 2012 operating budget for Ravinia Housing subject to updating the financial information with the actual HUD contract rents. Commissioner Barber seconded the motion.

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

#### Report on Timeline and Program for the Ravinia Rehab Projects of the U.S. Housing and Urban Development (HUD) Mark-to-Market Program

Planner M. Smith reviewed the timeline and program for the Ravinia rehab projects that were in the packet. Hearing that the two families in the single-family homes will need to be relocated for three to four weeks for the lead remediation work, the Commissioners suggested that Evergreen staff contact several apartment complexes in the area, such as the Americana and the remodeled Fort Sheridan Place in Highwood, in addition to extended stay hotels.

#### Sunset Woods: Report from Commissioner Meek regarding the Condominium Association Quarterly Meeting on March 5<sup>th</sup>

Commissioner Meek was unable to attend the quarterly meeting, so Planner M. Smith attended. Planner M. Smith reported that she met with the renters who are pleased with the new property manager at the Housing Opportunity Development Corporation and that she attended the quarterly condominium association meeting.

### Sunset Woods: Report that Sunset Woods received FHA approved status

Planner M. Smith reported that U.S. Housing and Urban Development (HUD) added Sunset Woods to the list of FHA approved condominium developments. This is a great benefit to the development. While in 2006 only 2% of mortgages were FHA insured, now more than half are. In addition, FHA approval is necessary for reverse mortgages. Unfortunately, the approval only lasts for two years. In a year and a half, the condominium association should initiate the approval process again with HUD.

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

Planner M. Smith reviewed the memo from the packet, beginning with the elements of the working group recommendation that had consensus at the January 4th Housing Commission Meeting. Chairman Wigodner confirmed that there was consensus on the following items:

- The Working Group's minimum recommendation to reinforce and mirror the provisions in the State of Illinois Statute with the addition of requiring that the notice of intent to convert be sent to the City of Highland Park concurrent with notice to tenants. This will meet the City's need to monitor conversions in order to ensure compliance with the Inclusionary Housing Ordinance;
- A departure from the State's requirement for thirty days notice to tenants to a period of 120 days. The 120 day period is necessary in order to provide sufficient time for the owner to submit an Inclusionary Housing Plan (IHP), for the Housing Commission to make a recommendation to City Council on the IHP, and for the City Council to consider it;
- Reinforcement of the City's requirement for a fire detection system; and
- The removal from a condominium conversion ordinance of the elements designed to insure the quality and affordable maintenance of the affordable units. The Commissioners concurred that these items should be considered within the context of the Inclusionary Ordinance, because they pertain to all affordable purchasers. These elements slated for a future discussion of the Inclusionary Housing Ordinance are:
  - Building Division inspections of the affordable condominiums,
  - Energy-efficiency audits for the affordable units,
  - Developer warranties for the affordable condos that would cover mechanical elements within their homes, such as HVAC and appliances,
  - Escrow account to ensure sufficient funds for the warranties for the affordable condos.

Chairman Wigodner asked Mr. Howard Handler, Government Affairs Director, North Shore – Barrington Association of Realtors, if he would like to comment on the consensus items for a condominium conversion ordinance. Mr. Handler said that the Association was concerned with further burdening property owners and that his previous letter contained more specific comments.

The Commissioners then discussed the additional elements from the Working Group's comprehensive recommendation:

- New threshold for provision of affordable units in a condo conversion or for compliance with selected provisions of a condo conversion ordinance:

The Commissioners agreed that five units may not be the appropriate trigger for provision of inclusionary housing units for a condo conversion, because the owner/developer would not be able to receive the density bonus. The Commissioners directed staff to conduct further research about setting the threshold for condo conversions, including making an enquiry on the inclusionary housing listserv to find out what other communities do.

- Relocation assistance for low and moderate-income renters:  
The Commissioners generally were in favor of providing relocation assistance for households up to 80 percent of Chicago area median (AMI) income similar to the provisions in Evanston's condominium conversion ordinance. Evanston requires one month's rent in relocation assistance to households up to 80% of AMI, and the developer must attach this provision to the intent to convert notice.
- Property Report:  
The Commissioners support the requirement for a property report, but perhaps for conversions in buildings with ten or more units rather than for conversions with five or more units.
- Developer warranties and escrow for common elements:  
The Commissioners generally support developer warranties and escrow for the common elements given some threshold for the project and a limited time period, such as a year from the date of sale. Staff will gather additional information regarding setting the appropriate project threshold for requiring warranties and escrow.
- Guarantee for project completion:  
The Commissioners main question was what the project threshold should be for requiring evidence of a surety bond for project completion, such as for buildings with ten or twelve units or more or when the project exceeds some dollar amount.
- Transfer of control to Board of Managers:  
The Commissioners generally supported requiring transfer of control from the owner to the Board of Managers when sixty percent of the units are sold. The State of Illinois requirement is when seventy-five percent of the units are sold.
- Record-keeping:  
The Commissioners generally were in favor of requiring that the owner transfer records, such as utility accounts and make and model of building equipment and appliances in the affordable condos, as well as requiring that the Board of Managers retains a copy of the latest Property Report for seven years after its initial distribution.
- Financial reporting:  
Commissioner Adler suggested the following addition: requiring monthly or quarterly reports of assessments collected, including where the assessments are deposited. One of the problems that buyers encounter after the owner transfers control to the Board of Managers is that the assessments for unsold units were not collected despite the State's requirement to do so. The new condo owners then find themselves in a difficult financial position. The other Commissioners concurred with Commissioner Adler's recommendation. Mr. Handler suggested that it would be useful for the City to receive this information.

The Commissioners directed staff to contact former Commissioner Kant who is a developer to get his feedback on these additional items under consideration. Mr. Handler suggested that Mr. Ron Abrams, a Highland Park resident and real estate developer, would be another helpful resource.

4. Consideration of a Recommendation to City Council regarding Draft Illinois Legislation for Permissive Authority for a Lake Co. Affordable Housing Trust Fund

The Commissioners discussed the staff memo in the packet.

After discussion, Chairman Wigodner entertained a motion to forward a recommendation to City Council to support the legislation providing permissive authority for a Lake County Affordable Housing Trust Fund and to take action when necessary to communicate that support to county and state officials. Commissioner Glasner moved approval of a recommendation to City Council to support the legislation providing permissive authority for a Lake County Affordable Housing Trust Fund and to take action when necessary to communicate that support to county and state officials. This support could take a number of forms, such as letters, phone calls, a City Council Resolution, and a joint letter with the Housing Commission. Commissioner Naftzger seconded the motion.

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

### **EXECUTIVE SESSION**

There was no Executive Session.

### **OLD BUSINESS**

Planner M. Smith introduced an item under Old Business regarding the Inclusionary Housing Plan for 1675 Green Bay Road. The project is a rental rehab of an existing rental building. As a result, the development does not fall under the Inclusionary Housing Ordinance. The developer chose to provide two affordable rentals, however, in order to obtain the density bonus. The Housing Commission approved the preliminary plan in the form of the floor plans for the affordable units on November 3, 2010. The final Inclusionary Housing Plan now under consideration is consistent with the earlier approval.

Chairman Wigodner entertained a motion to approve the Inclusionary Housing Plan for the rental development at 1675 Green Bay Road. Commissioner Glasner moved approval of the Inclusionary Housing Plan for the rental development at 1675 Green Bay Road. Commissioner Naftzger seconded the motion.

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

### **OTHER BUSINESS**

Planner M. Smith distributed two items. The first was a Summary Report from Community Partners for Affordable Housing (CPAH) for the Scattered Site Grant awarded in 2008. CPAH acquired, rehabilitated and re-sold ten single-family homes instead of the five housing units that the grant required. In addition, CPAH used the grant funds to leverage an additional \$500,000 in non-Highland Park grants. This scattered site grant was completed in December 2011.

The second item was an article from *Chicago Magazine's* 312 staff blog, by Whet Moser, entitled "Jeanne Gang Breaks Open the Bungalow to Save Cicero's Housing," February 28, 2012. The article references Highland Park's affordable housing program, the Highland Park Community Land Trust, and the Hyacinth development as successful models.

**ADJOURNMENT**

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

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

The Housing Commission adjourned its meeting at 8:40 p.m.

Submitted respectfully:

Mary Cele Smith  
Housing Planner



# EVERGREEN

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Chicago, IL 60661-1414

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Phone: 312-234-9400  
Fax: 312-382-3220

### MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl, Management Agent 

RE: **March Management Report/February Financials**

DATE: March 26, 2012

The Ravinia G/C did meet with the City of Highland Park and permits are required for almost all the work. We think that our timeline has allowed for this, but the Fire Department changes will increase costs. All bedrooms are required to have smoke alarms tied into a central system. Although there is a central system, the Fire Department is requiring that they change from "zoned" to "addressable" to each specific unit that has an alarm. In addition the 15 furnace closets will need heat detectors installed. It should be noted that the Fire Department appears to be requiring that smoke detectors be placed in all the bedrooms at Peers and Walnut, as well. It is unsure whether these must be wired into the central system or can be "battery-operated". If required, we would be doing Peers and Walnut detectors separately and not tied-in to the work being done at Ravinia.

We did finally receive the Ravinia subsidy money in March, but the February subsidy A/R for Ravinia is very "skewed" due to the HUD delay in approving the new HAP contract. HUD did confirm that they wanted the property to just have two rents as opposed to the five different rents the property had previously. HUD, also, lowered the Utility Allowance in most of the units. The impact will be that the resident portion of the rent will increase to cover the reduction in Utility Allowance. We have to give residents 30 days written notice of this change and HUD made the new rents and Utility Allowances retroactive. As a result, the property will have to retroactively bill residents and then write-off what cannot be collected.

One bay window wall was removed at Frank B. Peers so that we could determine the structure and window installation behind it. There were no "surprises" and the structure should make it easy to install the bay windows. The manufacture for Crystal windows has inspected the window and will be creating installation drawings that can be sent to the bidders for revised bids. It is assumed that the costs should be reduced based on this new information.

A new maintenance person has been identified and the final offer of employment is pending criminal and drug screening. One of the management office staff people has been on medical leave (and Family Leave) for over a month, which has placed pressure

on remaining staff. Evergreen did bring outside help to the property to assist with certifications until the site person could return.

### **Frank B. Peers**

**Occupancy:** Unit #402 was vacated in February and 4 applicants have been identified. It is being shown today and the paperwork is completed for at least one of the applicants.

**Physical:** The window test was done (see above). Only routine maintenance was completed.

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

**Financial:** Net Operating Income (NOI) for the month was positive to budget by \$11,004. YTD NOI is positive to budget by \$17,642. Cash remains good at \$79,689. This would be used to pay the kitchen renovation invoice, which was received. However, we need IHDA approval for direct payment as opposed to depositing the surplus into Residual Receipts and requesting withdrawal from that account. Since the kitchen work was completed after the end of the fiscal year, we may need to pay the bill in this more complicated manner.

**Income** – Income was slightly negative to budget for the month, due to not having received Laundry income for other types of Miscellaneous income.

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

- Audit (#6350) – Timing.
- Grounds Contractor (#6537) – This reflects the final payment in 2011.
- Elevator (#6545) – This includes the annual elevator inspection costs.

### **Walnut Place**

**Occupancy:** There are two vacant units (#405) and (#304), both due to deaths in February. Appointments to show the units are occurring this week.

**Physical Site:** Cycle painting was done for 2012 (8 units), as well as ramp repairs. Routine maintenance occurred.

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

**Financial:** Net Operating Income (NOI) for the month was positive to budget by \$10,397. YTD NOI was positive to budget by \$21,363. The cash position at the property improved slightly to \$12,608 in the Operating Account.

**Income** – Despite not having received Laundry or other income, Income was positive to budget as vacancy loss was positive to budget.

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

- Heating/Cooling (#6546) – This reflects two townhome furnace repairs.
- Equipment Repair (#6580) – This reflects snow blower repairs
- Capital Equipment (#6991) – This reflects concrete repairs (\$2,800) and cycle painting costs (\$10,750)

### **Ravinia Housing**

**Occupancy:** Unit #2745 remains vacant and it continues to be difficult to identify an applicant household. Eight households have rejected the unit and 3 more people are being processed. All applicants who have rejected the unit indicated that the bedrooms are too small. The 4-bedroom waiting list is very small and only 5 applicants remain on this list.

**Physical Site:** Other than routine maintenance repairs, no other work has been done at Ravinia pending the start of renovation.

**Financial:** The proforma operating budget is being utilized for the 2012 budget for reporting purposes. NOI for February is positive to budget by \$7,374 and YTD NOI is positive to budget by \$18,099.

**Income** – Actual Income still reflects the December Rent Schedule, as the 2012 Rent Schedule was not received until March. The property will need to reimburse HUD for 2-3 months of subsidy, which will eliminate any positive variance that the property, currently, is reflecting.

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

- Audit (#6350) – Timing
- Contractor Repairs (#6520) – This reflects turnover painting for \$1,588, outlet repairs for \$505, a minor heating repair for \$127 and landscaping services for \$1,250.

Summary of Capital Improvements for 2012

Frank B. Peers  
Prepared - 3/26/2012

Item	Month	Cost Est.	Actual	Status
Kitchen Replacement (11 kitchens)	August	97,300		Done; payment pending
Tuckpointing	June	15,000		Moved from 2011
Windows	February March	560,000		Estimate
Parking Lot Resurface	May	12,000		
Appliances	As needed	1,440		Refrigerators/Stoves
Carpet Replacement	As needed	7,800		Turnovers
A/C Replacement	As needed	2,700		Assumes 4 units
	TOTAL	696,240	0	

Breakdown of Cost:

Replacement Res.	70,000
Operating	20,075
Owner Funds	606,165

Reserve Balances:	149,498	Balances as of 12/31/2011
2012 Deposits	24,240	
Minimum Balance	-102,000	IHDA requirement \$1,500/unit
Available for 2011	71,738	

Summary of Capital Expenditures for 2012

Walnut Place  
Prepared: 3/26/2012

Item	Month	Cost Est.	Actual	Status
Masonry	June	15,000		
TH Furnaces (2)	As needed	4,800		
TH Hot Water Htrs.	As needed	2,300		
A/C	As needed	4,000		
Kitchen Replacement (2 kitchens)	Sept.	17,690		Done; pending final invoice
Cycle Painting	February	10,750	10,750	8 units done
Carpet/Tile	As needed	7,800		Turnover
Appliances	As needed	2,400		
Concrete Repairs	As needed	2,200	2,800	Ramp repairs
Parking Lot Sealant		10,000		
<b>TOTAL</b>		<b>76,940</b>	<b>13,550</b>	
Breakdown of Cost:				
Replacement Res.		50,000		TOTAL BEING USED \$64,000
Residual Receipts		14,000		
Reserve Balances:		168,615		Balance 12/31/2011
Pending Request		-15,000		Reimbursement for hot water boiler
Deposits for 2012		24,660		
Minimum Balance		-102,000		IHDA requirement \$1,500/unit
Available for Use in 2012		76,275		

## Accounts Receivable Up-Date

February, 2012

### Frank B. Peers

Tenant A/R was further reduced from \$962 at the end of January to \$862 at the end of February. This reflects the modest payment plan payments. The breakdown is as follows:

Current	\$535
30 Days	\$218
60 Days	\$109
Prepaid	\$114
Credit 90 Days +	(\$114)

Unfortunately, Subsidy A/R increased \$44,785 at the end of January to \$46,850 at the end of February. The breakdown is as follows:

Current	\$12,087
30 Days	\$4,435
60 Days	\$2,570
90+ Days	(\$3,764)
Total Prepaid	\$31,522

### Walnut Place

Tenant A/R decreased slightly from \$20,829 at the end of January to \$19,567 at the end of February. The breakdown is as follows:

Current	\$ 1,623
30 Days	\$ 642
60 Days	\$ 468
90+ Days	\$16,404
Net Prepaid	\$ 430

The 90+ Days A/R is comprised of EIV payments (3 residents) that are being reimbursed monthly.

Subsidy A/R increased from \$34,063 at the end of January to \$35,551 at the end of February. The breakdown is as follows:

Current	\$ 10,275
30 Days	\$ 3,007

60 Days	\$ 1,510
90+ Days	\$ 7,535
Net Prepaid	\$13,224

**Ravinia Housing**

Tenant A/R increased slightly from \$32,708 at the end of January to \$32,944 at the end of February. The breakdown is as follows:

Current	\$ 2,501
30 Days	\$ 2,187
60 Days	\$ 1,827
90+ Days	\$ 23,152
Net Prepaid	\$ 3,277

The 90+ Days A/R is comprised of EIV payments (2 residents) that are being reimbursed monthly.

Subsidy A/R increased from \$8,429 at the end of January to \$25,097 at the end of February. This is artificially high because HUD had not paid the subsidy for two months due to having to sign a new HAP contract after closing. The breakdown is as follows:

Current	\$16,668
30 Days	(\$ 662)
60 Days	\$ 730
90+ Days	\$ 46
Net Prepaid	\$ 8,315

Highland Park Housing Commission								
Reserve Balances								
Date: 2/29/2012								
Account Name	Frank B. Peers	Walnut Place	Ravinia Housing	Sunset Woods	Housing Trust Fund	TOTAL		
Checking (Property)	79,689	12,608	30,258	17,531				
Security Deposit	20,459	23,071	7,091	10,408				
Replacement Reserve	153,127	145,031	707,600	0				
Residual Receipts	14	27,095	0	0				
Operating Reserve	0	0	321,835	19,019				
Association Money		104,401	81,968	161,597				
Market Checking								
Association Small Business Checking	16,527			8,073				
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						
4) Obligation for 2011 Kitchen rep.	-82,000							
Association CDs	Maturity							
CD #1	1/7/2012	504,140						
CD #2	4/7/2012	504,619						
Association MaxSafe Money Market		1,111,037						
TOTAL	2,574,625	312,206	1,148,752	-42,204				

<b>Housing Trust Fund</b>	
<b>Fiscal Year 2012</b>	
January 1 - December 31 - Unaudited	<b>Unaudited Through 02/29</b>
<b>Beginning Balance, Jan 1 (Unaudited)</b>	<b>\$1,091,261</b>
Revenue:	
Demolition Tax	6,667
Demolition Permits	1,500
Interest Revenue	176
Contributions/Donations/Other	0
Proceeds of Ceding Volume Cap	0
	<b>8,343</b>
Expenditures:	
Program Costs	(28,532)
	<b>(28,532)</b>
<b>Ending Balance</b>	<b>\$1,071,072</b>
Pending Obligations	
CPAH Scattered Site Program	(\$176,512.00)
Employer Assisted Housing	(\$50,000)
HPI CLT Operating Grant 2012	(\$115,000)
Emergency Housing Assistance	(\$10,000)
Housing Planner	(\$29,956)
Third party Expenses	
<b>Total Pending Obligations</b>	<b>(\$381,468.00)</b>
<b>Net Balance as of 02-29-12</b>	<b>\$689,604</b>
Prior Month Balance	\$682,096
<b>Month to Month Change</b>	<b>\$7,508</b>

## **MEMORANDUM**

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

Date: March 29, 2012

### **SUBJECT: Illinois Housing Development Authority Subordination Fee**

As many of you know, the twelve rentals at Sunset Woods have two subordinate mortgages: one with Lake County for \$240,000 and the other with the Illinois Housing Development Authority (IHDA) for \$454,888. Both of these entities will need to subordinate their mortgages to the new mortgage with the First Bank of Highland Park. Lake County has approved the request to subordinate, and the approval process is well underway at IHDA. The IHDA Loan Committee will consider the request on Monday April 2<sup>nd</sup>.

I just received a phone call this afternoon from Mr. Chris Connolly, Special Assets Manager, IHDA that IHDA will require that the Sunset Woods Association pay a subordination fee. The amount, which is based on the IHDA mortgage, is \$1,150.00.

City staff requests that you consider authorizing payment of the IHDA subordination fee.

**From** Please print and press hard.  
Date 2/13/12 Sender's FedEx Account Number 1061-7916-6  
Sender's Name Mary Smith Phone (847) 432-0867  
Company CITY OF HIGHLAND PARK  
Address 1150 HALF DAY RD  
City HIGHLAND PARK State IL ZIP 60035

**Your Internal Billing Reference**  
First 24 characters will appear on invoice.  
**To**  
Recipient's Name Mr. Eric Von Batters Jr. Phone ( )  
Company Illinois Housing Development Authority  
Recipient's Address 401 N. Michigan Ave Stc 700  
We cannot deliver to P.O. boxes or P.O. ZIP codes.  
Address  
To request a package be held at a specific FedEx location, print FedEx address here.

City Chicago, IL State IL ZIP 60611  
Charges = \$ 28.71 0402088929

**Find drop-off locations at fedex.com**  
Simplify your shipping. Manage your account. Access all the tools you need.

**4a Express Package Service** Packages up to 150 lbs.  
 FedEx Priority Overnight Next business morning.\* Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  
 FedEx Standard Overnight Saturday Delivery NOT available.  
 FedEx First Overnight Earliest next business morning delivery to select locations.\* Saturday Delivery NOT available.  
 FedEx 2Day Second business day.\* Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  
 FedEx Express Saver Third business day.\* Saturday Delivery NOT available.  
\* To most locations.

**4b Express Freight Service** Packages over 150 lbs.  
 FedEx 1Day Freight\* Next business day\*\* Friday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  
 FedEx 2Day Freight Second business day.\*\* Thursday shipments will be delivered on Monday unless SATURDAY Delivery is selected.  
 FedEx 3Day Freight Third business day.\*\* Saturday Delivery NOT available.  
\* Call for Confirmation. \*\* To most locations.

**5 Packaging**  
 FedEx Envelope\*  FedEx Pak\* Includes FedEx Small Pak, FedEx Large Pak, and FedEx Sturdy Pak.  FedEx BOX  FedEx Tube  Other  
\* Declared value limit: \$500.

**6 Special Handling** Include FedEx address in Section 3.  
 SATURDAY Delivery NOT Available for FedEx Standard Overnight, FedEx First Overnight, FedEx Express Saver, or FedEx 3Day Freight.  
 HOLD Weekday at FedEx Location NOT Available for FedEx First Overnight.  
 HOLD Saturday at FedEx Location Available ONLY for FedEx Priority Overnight and FedEx 2Day to select locations.  
Does this shipment contain dangerous goods?  
 No  Yes As per attached Shipper's Declaration.  Yes Shipper's Declaration not required.  Dry Ice Dry Ice, 3, UN 1845 x \_\_\_\_\_ kg  
Dangerous goods (including dry ice) cannot be shipped in FedEx packaging.  Cargo Aircraft Only

**7 Payment** Bill to: Enter FedEx Acct. No. or Credit Card No. below.  
 Sender Acct. No. in Section 1 will be billed.  Recipient  Third Party  Credit Card  Cash/Check

FedEx Acct. No. / Credit Card No.	Exp. Date	Total Packages	Total Weight	Total Declared Value*
		1	3lbs	\$ .00

\*Our liability is limited to \$100 unless you declare a higher value. See back for details. By using this Airbill you agree to the service conditions on the back of this Airbill and in the current FedEx Service Guide, including terms that limit our liability.

**8 Residential Delivery Signature Options** If you require a signature, check Direct or Indirect.  
 No Signature Required Package may be left without obtaining a signature for delivery.  
 Direct Signature Someone at recipient's address may sign for delivery. Fee applies.  
 Indirect Signature If no one is available at recipient's address, someone at a neighboring address may sign for delivery. Fee applies.

1126

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

PAY TO THE ORDER OF City of Highland Park DATE March 8, 2012 2533-719  
Twenty eight & 7/100 \$ 28.71  
DOLLARS

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

FOR FedEx charges - re: SW mortgage

David [Signature]

MP

⑈001126⑈ ⑈071925334⑈ ⑈8200011283⑈

# Raynor Door Company

1653 Winnetka Rd. Northfield, IL 60093  
 NorthShore Lake County Chicago  
 847-441-6900 847-295-6900 773-631-6900

Invoice Number Page  
 SRVCE0081085 1  
 Invoice Date Customer No  
 3/26/2012 CITYOFHI0001

*Garage door Opener for Renter at SW*  
 Sold To: *Unit # 314* Ship To:

City of Highland Park  
 1150 Half Day Road  
 Highland Park IL 60035

City of Highlnd Pk / Highlnd P  
 1150 Half Day Road  
 Highland Park IL 60035

(847) 926-1852 Ext. 0000

(847) 926-1852 Ext. 0000

Service No	Division	Customer Type	P.O. Number	Salesman	Date Completed
1203-0589	OVER-COUNTER	STANDARD	Mary	CEC	3/23/2012
Qty	Item Number / Description	U of M	Unit Price	Amount	

**MATERIALS**

1.00	62-3089 RC XMTR 1-BTN	EA	\$38.50	\$38.50	
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1127

SUNSET WOODS ASSOCIATION *for SW # 314*  
 1150 HALF DAY ROAD  
 HIGHLAND PARK, IL 60035

DATE 3/29/12 70-2533-719

PAY TO THE ORDER OF Raynor Door Company \$ 38.50

*Thirty eight and 50/100*

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

FOR Invoice # 0081085

*David W...*

MP

⑈001127⑈ ⑈071925334⑈ ⑈8200011283⑈

	TERMS: C.O.D.	SUBTOTAL	\$38.50
Description of Work Performed		SALES TAX	\$0.00
SOLD XMTR OVER THE COUNTER TO MARY C. SMITH.		AMOUNT REC'D	\$0.00
PLEASE INCLUDE OUR INVOICE NUMBER WITH YOUR REMITTANCE.		BALANCE DUE	\$38.50

# FRANK B. PEERS HOUSING

## Balance Sheet

Month Ending 02/29/12

### ASSETS

#### Current Assets

1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	79,689.11
1130-0000 - Tenant/member accounts receivable	862.00
1131-0000 - Accounts receivable - subsidy	46,850.00
1240-0000 - Prepaid property and liability insurance	5,802.32
<b>Total Current Assets</b>	<b>133,503.43</b>

#### Other Assets

1290-0000 - Misc Prepaid Expenses	439.45
1192-0000 - Tenant Sec Dep	20,459.35
1310-0000 - Real estate tax escrow	126,539.20
1311-0000 - Insurance escrow	26,494.61
1330-0000 - Debt Service Escrow	138,749.66
1140-0000 - Accounts Receivable - Other	3,284.36
1320 - Replacement Reserve	153,127.13
1340 - Residual Receipt	13.69
<b>Total Other Assets</b>	<b>469,107.45</b>

#### Fixed Assets

1420-0000 - Building	1,848,860.15
1430-0000 - Land Improvements	1,619,406.39
1450-0000 - Furniture for project/tenant use	497,004.28
1497-0000 - Site improvements	172,218.77
4120-0000 - Accum depr - buildings	(2,989,647.56)
1498-0000 - Current F/A	604.50
<b>Total Fixed Assets</b>	<b>1,148,446.53</b>

#### Financing Costs

1900-0001 - Deferred Financing Costs	192,398.85
1999-0000 - Accum Amort - Bond Costs	(49,374.58)
<b>Total Financing Costs</b>	<b>143,024.27</b>

#### Partnership Assets

1701-0000 - Cash - Partnership	16,526.66
1702-0000 - Partnership MM	2,119,796.24
1702-1000 - Partnership F/A	221,340.23
1703-0000 - Partnership Receivable	267,013.69
<b>Total Partnership Assets</b>	<b>2,624,676.82</b>

### Total Assets

**4,518,758.50**

# FRANK B. PEERS HOUSING

## Balance Sheet

Month Ending 02/29/12

### Liabilities & Equity

#### Current Liabilities

2110-0000 - Accounts payable	13,563.71
2113-0000 - Flex Benefit Payable	11.00
2120-0000 - Accrued wages and p/r taxes payable	2,600.09
2150-0000 - Accrued property taxes	101,910.00
2180-0000 - Misc current liabilities	12,928.75
Total Current Liabilities	<u>131,013.55</u>

#### Non-Current Liabilities

2191-0000 - Security deposits-residential	18,297.00
2191-0001 - Pet Deposit	720.00
2210-0000 - Prepaid Rent	114.00
2211-0000 - Prepaid HUD	32,151.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	1,979,987.36
Total Non-Current Liabilities	<u>4,321,269.36</u>

#### Owner's Equity

3100-0000 - Limited Partners Equity	2,624,258.86
3209-0000 - Prior Year Retained Earnings	(2,601,328.52)
3210-0000 - Retained earnings	19,567.42
Current YTD Earnings	23,977.83
Total Owner's Equity	<u>66,475.59</u>

### Total Liability & Owner Equity

4,518,758.50

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

	Month Ending 02/29/12			Year To Date 02/29/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	18,288.00	16,789.60	1,498.40	37,327.00	33,579.60	3,747.40	201,475.60
5121-0000 - Tenant assistant payments	65,660.00	67,158.40	(1,498.40)	130,569.00	134,316.80	(3,747.80)	805,900.80
5140-0000 - Commercial base rent	60.00	60.00	0.00	120.00	120.00	0.00	720.00
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>84,008.00</b>	<b>84,008.00</b>	<b>0.00</b>	<b>168,016.00</b>	<b>168,016.40</b>	<b>(0.40)</b>	<b>1,008,096.40</b>
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(1,243.00)	(1,500.00)	257.00	(3,235.00)	(3,000.00)	(235.00)	(18,000.00)
5221-0000 - Non-Revenue Units	(1,243.00)	(1,243.00)	0.00	(2,486.00)	(2,486.00)	0.00	(14,916.00)
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>(2,486.00)</b>	<b>(2,743.00)</b>	<b>257.00</b>	<b>(5,721.00)</b>	<b>(5,486.00)</b>	<b>(235.00)</b>	<b>(32,916.00)</b>
OTHER INCOME							
5910-0000 - Laundry income	0.00	208.00	(208.00)	0.00	416.00	(416.00)	2,500.00
5922-0000 - Late fees	0.00	15.00	(15.00)	0.00	30.00	(30.00)	180.00
5945-0000 - Damages	0.00	100.00	(100.00)	0.00	200.00	(200.00)	1,200.00
5990-0000 - Misc other income	0.00	470.85	(470.85)	0.00	470.85	(470.85)	1,050.40
5413-0000 - Interest income - escrow	0.00	0.00	0.00	0.00	0.00	0.00	50.39
<b>TOTAL OTHER INCOME</b>	<b>0.00</b>	<b>793.85</b>	<b>(793.85)</b>	<b>0.00</b>	<b>1,116.85</b>	<b>(1,116.85)</b>	<b>4,980.79</b>
<b>GROSS OPERATING INCOME</b>	<b>81,522.00</b>	<b>82,058.85</b>	<b>(536.85)</b>	<b>162,295.00</b>	<b>163,647.25</b>	<b>(1,352.25)</b>	<b>980,161.19</b>
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	0.00	0.00	0.00	0.00	300.00	300.00	300.00
6253-0000 - Credit Report Fees	53.00	30.00	(23.00)	67.00	60.00	(7.00)	360.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>53.00</b>	<b>30.00</b>	<b>(23.00)</b>	<b>67.00</b>	<b>360.00</b>	<b>293.00</b>	<b>660.00</b>
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	226.12	247.00	20.88	563.69	494.00	(69.69)	2,964.00
6316-0000 - Office Equipment	0.00	300.00	300.00	0.00	600.00	600.00	3,600.00
6320-0000 - Management fee	3,972.40	4,150.00	177.60	7,889.45	8,300.00	410.55	49,800.00
6340-0000 - Legal Expense - Project	0.00	80.00	80.00	0.00	160.00	160.00	960.00
6350-0000 - Audit Expense	5,500.00	0.00	(5,500.00)	5,500.00	0.00	(5,500.00)	13,700.00
6360-0000 - Telephone	472.62	725.00	252.38	997.16	1,450.00	452.84	8,700.00
6360-0001 - Answering Service/ Pagers	60.70	61.00	0.30	121.42	122.00	0.58	732.00
6365-0000 - Training & Education Expense	0.00	110.00	110.00	0.00	220.00	220.00	1,320.00
6370-0000 - Bad debts	0.00	0.00	0.00	429.00	0.00	(429.00)	6,000.00
6380-0000 - Consulting/study costs	0.00	0.00	0.00	0.00	1,500.00	1,500.00	3,750.00
6390-0000 - Misc administrative expenses	137.72	120.00	(17.72)	334.34	240.00	(94.34)	1,440.00
6390-0002 - Computer Supplies/Data Processing	209.23	150.00	(59.23)	528.46	300.00	(228.46)	1,800.00
6395-0000 - Tenant Retention	105.78	280.55	174.77	594.16	875.06	280.90	7,299.00
6431-0000 - Travel & Expense Reimbursement	263.71	185.00	(78.71)	263.71	370.00	106.29	2,220.00
6860-0000 - Security Deposit Interest	(0.81)	(2.76)	(1.95)	(1.68)	(5.94)	(4.26)	(81.53)
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>10,947.47</b>	<b>6,405.79</b>	<b>(4,541.68)</b>	<b>17,219.71</b>	<b>14,625.12</b>	<b>(2,594.59)</b>	<b>104,203.47</b>
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	4,880.00	4,428.00	(452.00)	8,698.05	8,856.00	157.95	58,088.00
6510-0000 - Janitor and cleaning payroll	1,122.46	1,167.00	44.54	2,248.43	2,334.00	85.57	15,172.00
6540-0000 - Repairs payroll	2,759.27	3,800.00	1,040.73	6,150.49	7,800.00	1,449.51	49,140.00
6900-0000 - Social Service Coordinator	0.00	1,200.00	1,200.00	594.22	2,400.00	1,805.78	15,600.00

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

	Month Ending 02/29/12			Year To Date 02/29/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6715-0000 - Payroll Taxes	1,483.63	1,230.00	(253.63)	2,927.27	2,460.00	(467.27)	14,760.00
6722-0000 - Workers compensation	271.52	271.52	0.00	543.04	543.04	0.00	3,339.12
6723-0000 - Employee health insurance	1,740.94	1,614.42	(126.52)	3,417.31	3,228.84	(188.47)	20,030.52
6724-0000 - Union Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6726-0001 - Contingency	0.00	0.00	0.00	0.00	0.00	0.00	2,821.00
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>12,257.82</b>	<b>13,710.94</b>	<b>1,453.12</b>	<b>24,578.81</b>	<b>27,421.88</b>	<b>2,843.07</b>	<b>178,950.64</b>
<b>OPERATING EXPENSES</b>	<b>278.39</b>	<b>300.00</b>	<b>21.61</b>	<b>335.80</b>	<b>600.00</b>	<b>264.20</b>	<b>3,600.00</b>
6515-0000 - Janitors and cleaning supplies	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6518-0000 - Uniforms	0.00	105.00	105.00	0.00	210.00	210.00	3,260.00
6519-0000 - Exterminating Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6520-0000 - Miscellaneous Repair Contractors	314.49	410.00	95.51	623.98	720.00	96.02	4,120.00
6525-0000 - Rubbish removal	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6490-0000 - Misc operating expenses	592.88	865.00	272.12	959.78	1,630.00	670.22	12,080.00
<b>TOTAL OPERATING EXPENSES</b>	<b>592.88</b>	<b>865.00</b>	<b>272.12</b>	<b>959.78</b>	<b>1,630.00</b>	<b>670.22</b>	<b>12,080.00</b>
<b>UTILITIES</b>	<b>2,166.38</b>	<b>3,515.29</b>	<b>1,348.91</b>	<b>3,813.06</b>	<b>4,714.66</b>	<b>901.60</b>	<b>22,515.36</b>
6450-0000 - Electricity	213.15	1,607.82	1,394.67	1,294.12	1,883.38	589.26	9,420.80
6451-0000 - Water	(1,751.23)	4,574.00	6,325.23	1,654.62	6,574.00	4,919.38	36,000.63
6452-0000 - Gas	628.30	9,697.11	9,068.81	6,761.80	13,172.04	6,410.24	67,936.79
<b>TOTAL UTILITIES</b>	<b>628.30</b>	<b>9,697.11</b>	<b>9,068.81</b>	<b>6,761.80</b>	<b>13,172.04</b>	<b>6,410.24</b>	<b>67,936.79</b>
<b>MAINTENANCE EXPENSES</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>4,000.00</b>
6536-0000 - Ground supplies	1,724.00	0.00	(1,724.00)	1,724.00	0.00	(1,724.00)	6,400.00
6537-0000 - Grounds Contractor (Landscaper)	0.00	400.00	400.00	1,116.70	800.00	(316.70)	4,800.00
6541-0000 - Repair materials (general supplies)	0.00	0.00	0.00	0.00	0.00	0.00	250.00
6541-0001 - Appliance Parts	0.00	100.00	100.00	270.43	200.00	(70.43)	1,200.00
6541-0002 - Plumbing Supplies	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6541-0003 - Electrical Supplies	0.00	0.00	0.00	0.00	0.00	0.00	400.00
6541-0004 - Heating/Cooling Supplies	0.00	0.00	0.00	0.00	0.00	0.00	600.00
6541-0005 - Hand Tools	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6541-0006 - Expendable Tools	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6541-0007 - Safety Equipment	0.00	100.00	100.00	0.00	200.00	200.00	200.00
6541-0009 - Window Supplies	244.17	50.00	(194.17)	244.17	100.00	(144.17)	600.00
6541-0010 - Carpentry/Hardware	705.00	290.00	(415.00)	705.00	580.00	(125.00)	3,500.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	240.25	1,894.04	1,653.79	877.56	2,094.04	1,216.48	9,027.79
6546-0000 - Heating/Cooling Contractor	0.00	2,086.00	2,086.00	1,420.00	5,060.48	3,640.48	15,659.48
6548-0000 - Snow removal	0.00	0.00	0.00	0.00	0.00	0.00	625.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	500.00	500.00	1,188.00	1,000.00	(188.00)	12,000.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6564-0000 - Decorating (Common Areas - by Contractor)	174.49	0.00	(174.49)	174.49	0.00	(174.49)	500.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6581-0000 - Window Washing	0.00	400.00	400.00	0.00	800.00	800.00	4,800.00
6582-0000 - Fire Protection	0.00	0.00	0.00	0.00	6,000.00	6,000.00	6,000.00
6582-0001 - Fire Safety Equipment	0.00	0.00	0.00	0.00	0.00	0.00	855.00
6590-0000 - Miscellaneous Repair	0.00	0.00	0.00	1,147.69	0.00	(1,147.69)	2,271.69
6591-0000 - Electrical Repairs	0.00	500.00	500.00	0.00	1,000.00	1,000.00	6,000.00
6592-0000 - Boiler Repairs	0.00	0.00	0.00	0.00	155.44	155.44	655.44
6594-0000 - Carpentry Repairs	0.00	1,729.20	1,729.20	446.00	1,996.20	1,550.20	7,457.06
6595-0000 - Plumbing Repairs	0.00						

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

	Month Ending 02/29/12			Year To Date 02/29/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6596-0000 - Floor Repairs/Cleaning	0.00	150.00	150.00	0.00	300.00	300.00	1,800.00
6598-0000 - Roof Repairs	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>3,087.91</b>	<b>8,399.24</b>	<b>5,311.33</b>	<b>9,314.04</b>	<b>20,686.16</b>	<b>11,372.12</b>	<b>96,701.46</b>
<b>TAXES AND INSURANCE</b>							
6710-0000 - Real estate taxes	7,845.00	7,845.00	0.00	15,690.00	15,690.00	0.00	94,140.00
6720-0000 - Property and liability insurance	1,450.58	1,450.58	0.00	2,901.16	2,901.16	0.00	17,853.48
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	0.00	0.00	91.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>9,295.58</b>	<b>9,295.58</b>	<b>0.00</b>	<b>18,591.16</b>	<b>18,591.16</b>	<b>0.00</b>	<b>112,084.48</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>36,862.96</b>	<b>48,403.66</b>	<b>11,540.70</b>	<b>77,492.30</b>	<b>96,486.36</b>	<b>18,994.06</b>	<b>572,616.84</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>44,659.04</b>	<b>33,655.19</b>	<b>11,003.85</b>	<b>84,802.70</b>	<b>67,160.89</b>	<b>17,641.81</b>	<b>407,544.35</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	20,813.60	20,861.02	47.42	41,674.62	41,769.23	94.61	247,732.30
7104-0000 - Replacement Reserve	1,863.67	2,020.00	156.33	3,727.34	4,040.00	312.66	24,240.00
7108-0000 - Mortgage Payable (long term)	9,673.94	9,673.94	0.00	19,300.46	19,300.46	0.00	118,700.05
<b>TOTAL FINANCIAL EXPENSES</b>	<b>32,351.21</b>	<b>32,554.96</b>	<b>203.75</b>	<b>64,702.42</b>	<b>65,109.69</b>	<b>407.27</b>	<b>390,672.35</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>12,307.83</b>	<b>1,100.23</b>	<b>11,207.60</b>	<b>20,100.28</b>	<b>2,051.20</b>	<b>18,049.08</b>	<b>16,872.00</b>
<b>NET INCOME (LOSS)</b>	<b>12,307.83</b>	<b>1,100.23</b>	<b>11,207.60</b>	<b>20,100.28</b>	<b>2,051.20</b>	<b>18,049.08</b>	<b>16,872.00</b>
<b>Partnership Income</b>							
8005-0000 - Mortgagor Entity Income	132.39	105.17	27.22	427.17	476.22	(49.05)	3,820.37
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(10.00)	(10.00)	0.00	606,164.50
<b>Total Partnership Activity</b>	<b>132.39</b>	<b>105.17</b>	<b>27.22</b>	<b>417.17</b>	<b>466.22</b>	<b>(49.05)</b>	<b>609,984.87</b>
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(70,000.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	0.00	0.00	0.00	15,000.00
6991-0002 - Windows	0.00	0.00	0.00	0.00	0.00	0.00	560,000.00
6991-0006 - Kitchen - Rehab	0.00	0.00	0.00	0.00	0.00	0.00	97,300.00
6991-0010 - Parking Lot	0.00	0.00	0.00	0.00	0.00	0.00	12,000.00
6993-0000 - Appliance Replacement	0.00	120.00	120.00	0.00	240.00	240.00	1,440.00
6993-0003 - A/C Replacements	0.00	0.00	0.00	0.00	0.00	0.00	2,700.00
6994-0000 - Carpet & tile	0.00	650.00	650.00	604.50	1,300.00	695.50	7,800.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<b>0.00</b>	<b>770.00</b>	<b>770.00</b>	<b>604.50</b>	<b>1,540.00</b>	<b>935.50</b>	<b>626,240.00</b>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<b>12,440.22</b>	<b>435.40</b>	<b>12,004.82</b>	<b>19,912.95</b>	<b>977.42</b>	<b>18,935.53</b>	<b>616.87</b>

**WALNUT PLACE**  
**Balance Sheet**  
Month Ending 02/29/12

**ASSETS**

Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	12,607.71
1130-0000 - Tenant/member accounts receivable	19,567.43
1131-0000 - Accounts receivable - subsidy	35,551.00
1240-0000 - Prepaid property and liability insurance	5,227.32
<b>Total Current Assets</b>	<u>73,853.46</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	467.26
1192-0000 - Tenant Sec Dep	23,071.39
1310-0000 - Real estate tax escrow	162,537.33
1311-0000 - Insurance escrow	30,956.20
1330-0000 - Debt Service Escrow	136,095.17
1320 - Replacement Reserve	145,030.95
1340 - Residual Receipt	27,094.46
<b>Total Other Assets</b>	<u>525,252.76</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	558,538.19
1497-0000 - Site improvements	75,054.14
4120-0000 - Accum depr - buildings	(3,316,284.25)
1498-0000 - Current F/A	14,121.98
<b>Total Fixed Assets</b>	<u>866,817.48</u>

Financing Costs

1800-0000 - Organization costs	5,000.00
1900-0001 - Deferred Financing Costs	174,813.03
1999-0000 - Accum Amort - Bond Costs	(50,251.51)
<b>Total Financing Costs</b>	<u>129,561.52</u>

Partnership Assets

1701-0000 - Cash - Partnership	104,400.72
<b>Total Partnership Assets</b>	<u>104,400.72</u>

**Total Assets**

1,699,885.94

**WALNUT PLACE**  
**Balance Sheet**  
Month Ending 02/29/12

**Liabilities & Equity**

**Current Liabilities**

2110-0000 - Accounts payable	21,503.12
2113-0000 - Flex Benefit Payable	11.00
2120-0000 - Accrued wages and p/r taxes payable	2,600.04
2150-0000 - Accrued property taxes	123,516.01
2155-0000 - Accrued professional services	14,714.00
2180-0000 - Misc current liabilities	9,698.61
<b>Total Current Liabilities</b>	<u>172,042.78</u>

**Non-Current Liabilities**

2190-0000 - Sec. Dep. In Transit	(13,161.00)
2191-0000 - Security deposits-residential	18,646.00
2191-0001 - Pet Deposit	950.00
2210-0000 - Prepaid Rent	430.00
2211-0000 - Prepaid HUD	13,224.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-0000 - Mortgage Payable (long term)	2,038,479.05
<b>Total Non-Current Liabilities</b>	<u>4,604,568.05</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	161,153.80
Current YTD Earnings	24,319.43
<b>Total Owner's Equity</b>	<u>(3,076,724.89)</u>

**Total Liability & Owner Equity**

1,699,885.94

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

	Month Ending 02/29/12			Year To Date 02/29/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	20,121.00	19,926.28	194.72	40,668.00	39,852.56	815.44	239,115.36
5121-0000 - Tenant assistant payments	66,515.00	66,709.72	(194.72)	132,604.00	133,419.44	(815.44)	800,516.64
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>86,636.00</b>	<b>86,636.00</b>	<b>0.00</b>	<b>173,272.00</b>	<b>173,272.00</b>	<b>0.00</b>	<b>1,039,632.00</b>
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(1,260.00)	(2,750.00)	1,490.00	(2,845.00)	(5,500.00)	2,655.00	(33,000.00)
5221-0000 - Non-Revenue Units	(1,260.00)	(1,248.00)	(12.00)	(2,520.00)	(2,496.00)	(24.00)	(15,108.00)
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>(2,520.00)</b>	<b>(3,998.00)</b>	<b>1,478.00</b>	<b>(5,365.00)</b>	<b>(7,996.00)</b>	<b>2,631.00</b>	<b>(48,108.00)</b>
OTHER INCOME							
5910-0000 - Laundry income	0.00	286.00	(286.00)	0.00	572.00	(572.00)	3,432.00
5922-0000 - Late fees	0.00	10.00	(10.00)	0.00	20.00	(20.00)	120.00
5990-0000 - Misc other income	0.00	100.00	(100.00)	348.00	200.00	148.00	1,200.00
5413-0000 - Interest income - escrow	0.00	15.00	(15.00)	0.00	30.00	(30.00)	180.00
<b>TOTAL OTHER INCOME</b>	<b>0.00</b>	<b>411.00</b>	<b>(411.00)</b>	<b>348.00</b>	<b>822.00</b>	<b>(474.00)</b>	<b>4,932.00</b>
<b>GROSS OPERATING INCOME</b>	<b>84,116.00</b>	<b>83,049.00</b>	<b>1,067.00</b>	<b>168,255.00</b>	<b>166,098.00</b>	<b>2,157.00</b>	<b>996,456.00</b>
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	0.00	0.00	0.00	0.00	300.00	300.00	300.00
6253-0000 - Credit Report Fees	0.00	30.00	30.00	0.00	60.00	60.00	360.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>0.00</b>	<b>30.00</b>	<b>30.00</b>	<b>0.00</b>	<b>360.00</b>	<b>360.00</b>	<b>660.00</b>
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	226.12	300.00	73.88	563.69	600.00	36.31	3,600.00
6316-0000 - Office Equipment	0.00	300.00	300.00	0.00	600.00	600.00	3,600.00
6320-0000 - Management fee	4,209.15	4,083.00	(126.15)	8,287.10	8,166.00	(121.10)	48,996.00
6340-0000 - Legal Expense - Project	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6350-0000 - Audit Expense	0.00	0.00	0.00	0.00	0.00	0.00	13,000.00
6360-0000 - Telephone	682.96	850.00	167.04	1,605.68	1,700.00	94.32	10,200.00
6360-0001 - Answering Service/ Pagers	60.70	61.00	0.30	121.42	122.00	0.58	732.00
6365-0000 - Training & Education Expense	0.00	110.00	110.00	0.00	220.00	220.00	1,320.00
6370-0000 - Bad debts	0.00	0.00	0.00	0.00	0.00	0.00	7,000.00
6380-0000 - Consulting/study costs	0.00	0.00	0.00	0.00	0.00	0.00	3,750.00
6390-0000 - Misc administrative expenses	137.72	155.00	17.28	331.69	310.00	(21.69)	1,860.00
6390-0002 - Computer Supplies/Data Processing	209.41	150.00	(59.41)	528.82	300.00	(228.82)	1,800.00
6395-0000 - Tenant Retention	105.78	500.00	394.22	274.12	1,000.00	725.88	6,500.00
6431-0000 - Travel & Expense Reimbursement	263.71	187.00	(76.71)	263.71	374.00	110.29	2,244.00
6860-0000 - Security Deposit Interest	(0.92)	(3.13)	(2.21)	(1.92)	(6.59)	(4.67)	(84.35)
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>5,894.63</b>	<b>6,692.87</b>	<b>798.24</b>	<b>11,974.31</b>	<b>13,385.41</b>	<b>1,411.10</b>	<b>106,517.65</b>
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	4,877.09	4,428.00	(449.09)	8,692.24	8,856.00	163.76	58,088.00
6510-0000 - Janitor and cleaning payroll	1,122.46	1,167.00	44.54	2,248.42	2,334.00	85.58	15,172.00
6540-0000 - Repairs payroll	2,759.27	3,800.00	1,040.73	6,150.52	7,600.00	1,449.48	49,140.00
6900-0000 - Social Service Coordinator	0.00	1,200.00	1,200.00	594.22	2,400.00	1,805.78	15,600.00
6715-0000 - Payroll Taxes	1,483.11	1,230.00	(253.11)	2,926.27	2,460.00	(466.27)	14,760.00
6722-0000 - Workers compensation	288.70	288.70	0.00	577.40	577.40	0.00	3,562.20

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

	Month Ending 02/29/12			Year To Date 02/29/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6723-0000 - Employee health insurance	1,743.84	1,614.42	(129.42)	3,423.10	3,228.84	(194.26)	20,030.52
6724-0000 - Union Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6726-0001 - Contingency	0.00	0.00	0.00	0.00	0.00	0.00	2,821.00
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>12,274.47</b>	<b>13,728.12</b>	<b>1,453.65</b>	<b>24,612.17</b>	<b>27,456.24</b>	<b>2,844.07</b>	<b>179,173.72</b>
<b>OPERATING EXPENSES</b>							
6515-0000 - Janitors and cleaning supplies	257.43	310.00	52.57	716.55	620.00	(96.55)	3,720.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6519-0000 - Exterminating Contract	90.00	400.00	310.00	90.00	800.00	710.00	4,800.00
6520-0000 - Miscellaneous Repair Contractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6525-0000 - Rubbish removal	309.49	350.00	40.51	618.98	700.00	81.02	4,200.00
6490-0000 - Misc operating expenses	0.00	0.00	0.00	0.00	0.00	0.00	450.00
<b>TOTAL OPERATING EXPENSES</b>	<b>656.92</b>	<b>1,060.00</b>	<b>403.08</b>	<b>1,425.53</b>	<b>2,120.00</b>	<b>694.47</b>	<b>13,670.00</b>
<b>UTILITIES</b>							
6450-0000 - Electricity	1,232.82	1,337.75	104.93	2,969.65	2,797.27	(172.38)	16,310.04
6451-0000 - Water	800.29	1,042.21	241.92	1,143.23	1,370.20	226.97	6,340.49
6452-0000 - Gas	2,411.89	5,664.99	3,253.30	5,134.33	8,160.63	3,026.30	28,504.14
<b>TOTAL UTILITIES</b>	<b>4,444.80</b>	<b>8,044.95</b>	<b>3,600.15</b>	<b>9,247.21</b>	<b>12,328.10</b>	<b>3,080.89</b>	<b>51,154.67</b>
<b>MAINTENANCE EXPENSES</b>							
6536-0000 - Ground supplies	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00
6537-0000 - Grounds Contractor (Landscaper)	0.00	0.00	0.00	0.00	0.00	0.00	5,200.00
6541-0000 - Repair materials (general supplies)	0.00	200.00	200.00	816.90	400.00	(416.90)	2,400.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6541-0002 - Plumbing Supplies	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6541-0003 - Electrical Supplies	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6541-0004 - Heating/Cooling Supplies	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
6541-0005 - Hand Tools	0.00	0.00	0.00	0.00	0.00	0.00	600.00
6541-0006 - Expendable Tools	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6541-0009 - Window Supplies	0.00	200.00	200.00	0.00	400.00	400.00	2,400.00
6541-0010 - Carpentry/Hardware	23.91	50.00	26.09	23.91	100.00	76.09	600.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	570.00	190.00	(380.00)	570.00	380.00	(190.00)	2,280.00
6546-0000 - Heating/Cooling Contractor	2,220.00	385.00	(1,835.00)	2,767.19	770.00	(1,997.19)	7,620.00
6548-0000 - Snow removal	0.00	3,033.00	3,033.00	1,958.00	7,005.48	5,047.48	11,832.48
6551-0000 - Elevator Contractor (Special Repairs)	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	500.00	500.00	1,035.00	1,000.00	(35.00)	12,000.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	0.00	0.00	0.00	0.00	0.00	1,000.00
6580-0000 - Equipment repairs	574.48	0.00	(574.48)	574.48	0.00	(574.48)	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	1,400.00
6582-0000 - Fire Protection	0.00	300.00	300.00	0.00	600.00	600.00	3,600.00
6582-0001 - Fire Safety Equipment	0.00	25.00	25.00	0.00	5,050.00	5,050.00	5,300.00
6590-0000 - Miscellaneous Repair	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6591-0000 - Electrical Repairs	0.00	0.00	0.00	0.00	0.00	0.00	3,237.08
6592-0000 - Boiler Repairs	0.00	200.00	200.00	0.00	400.00	400.00	2,400.00
6594-0000 - Carpentry Repairs	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6595-0000 - Plumbing Repairs	0.00	600.00	600.00	245.00	1,200.00	955.00	7,200.00
6596-0000 - Floor Repairs/Cleaning	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6598-0000 - Roof Repairs	0.00	0.00	0.00	0.00	0.00	0.00	2,014.62

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

	Month Ending 02/29/12			Year To Date 02/29/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6599-0000 - Window repairs	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
TOTAL MAINTENANCE EXPENSES	3,388.39	6,433.00	3,044.61	7,990.48	18,805.48	10,815.00	86,084.18
TAXES AND INSURANCE	9,660.00	9,660.00	0.00	19,320.00	19,320.00	0.00	115,920.00
6710-0000 - Real estate taxes	1,306.83	1,306.83	0.00	2,613.66	2,613.66	0.00	16,090.98
6720-0000 - Property and liability insurance	0.00	0.00	0.00	0.00	0.00	0.00	97.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL TAXES AND INSURANCE	10,966.83	10,966.83	0.00	21,933.66	21,933.66	0.00	132,107.98
TOTAL OPERATING EXPENSES	37,626.04	46,955.77	9,329.73	77,183.36	96,388.89	19,205.53	569,368.20
NET OPERATING INCOME (LOSS)	46,489.96	36,093.23	10,396.73	91,071.64	69,709.11	21,362.53	427,087.80
FINANCIAL EXPENSES	22,181.66	22,181.66	0.00	44,417.52	44,417.52	0.00	263,195.48
6820-0000 - Mortgage interest	1,836.95	2,055.00	218.05	3,673.90	4,110.00	436.10	24,660.00
7104-0000 - Replacement Reserve	11,305.29	11,305.29	0.00	22,556.38	22,556.38	0.00	138,647.92
7108-0000 - Mortgage Payable (long term)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL FINANCIAL EXPENSES	35,323.90	35,541.95	218.05	70,647.80	71,083.90	436.10	426,503.40
NET OPER INC/(LOSS) BEFORE CAP. EXP.	11,166.06	551.28	10,614.78	20,423.84	(1,374.79)	21,798.63	584.40
NET INCOME (LOSS)	11,166.06	551.28	10,614.78	20,423.84	(1,374.79)	21,798.63	584.40
Partnership Income							
8005-0000 - Mortgagor Entity Income	11.13	39.97	(28.84)	24.85	84.21	(59.36)	258.56
8010-0000 - Other Entity Expense	0.00	0.00	0.00	0.00	0.00	0.00	(10.00)
Total Partnership Activity	11.13	39.97	(28.84)	24.85	84.21	(59.36)	248.56
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(50,000.00)
7107-0000 - Residual Receipt Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(14,000.00)
6991-0000 - Capital expenditures	13,587.50	0.00	(13,587.50)	13,587.50	0.00	(13,587.50)	15,000.00
6991-0006 - Kitchen - Rehab	0.00	0.00	0.00	0.00	0.00	0.00	17,690.00
6991-0011 - Miscellaneous	0.00	0.00	0.00	0.00	0.00	0.00	4,800.00
6991-0012 - Parking Lot - Reseal	0.00	0.00	0.00	0.00	0.00	0.00	10,000.00
6993-0000 - Appliance Replacement	0.00	200.00	200.00	534.48	400.00	(134.48)	2,400.00
6993-0002 - Water Heaters	0.00	0.00	0.00	0.00	0.00	0.00	2,300.00
6993-0003 - A/C Replacements	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00
6994-0000 - Carpet & tile	0.00	650.00	650.00	0.00	1,300.00	1,300.00	7,800.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	13,587.50	850.00	(12,737.50)	14,121.98	1,700.00	(12,421.98)	(10.00)
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	(2,410.31)	(258.75)	(2,151.56)	6,326.71	(2,990.58)	9,317.29	842.96

# RAVINIA HOUSING

## Balance Sheet

Month Ending 02/29/12

### ASSETS

#### Current Assets

1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	30,257.65
1130-0000 - Tenant/member accounts receivable	32,944.60
1131-0000 - Accounts receivable - subsidy	25,097.00
1240-0000 - Prepaid property and liability insurance	1,790.00
1250-0000 - Prepaid Mortgage Insurance	1,874.25
<b>Total Current Assets</b>	<b>92,113.50</b>

#### Other Assets

1290-0000 - Misc Prepaid Expenses	200.75
1192-0000 - Tenant Sec Dep	7,091.13
1310-0000 - Real estate tax escrow	20,857.08
1311-0000 - Insurance escrow	1,861.61
1312-0000 - Mortgage Insurance Escrow	184.86
1140-0000 - Accounts Receivable - Other	(22,124.64)
1350-0000 - Construction Escrow	321,835.31
1320 - Replacement Reserve	707,600.00
<b>Total Other Assets</b>	<b>1,037,506.10</b>

#### Fixed Assets

1420-0000 - Building	1,074,166.20
1430-0000 - Land Improvements	214,491.66
1450-0000 - Furniture for project/tenant use	137,161.38
1497-0000 - Site improvements	102,351.00
4120-0000 - Accum depr - buildings	(1,035,491.65)
1498-0000 - Current F/A	(3,347.00)
<b>Total Fixed Assets</b>	<b>489,331.59</b>

#### Financing Costs

1800-0000 - Organization costs	41,848.00
1900-0001 - Deferred Financing Costs	35,658.71
1999-0000 - Accum Amort - Bond Costs	(29,117.54)
<b>Total Financing Costs</b>	<b>48,389.17</b>

#### Partnership Assets

1701-0000 - Cash - Partnership	81,968.15
<b>Total Partnership Assets</b>	<b>81,968.15</b>

#### Total Assets

**1,749,308.51**

# RAVINIA HOUSING

## Balance Sheet

Month Ending 02/29/12

### Liabilities & Equity

#### Current Liabilities

2110-0000 - Accounts payable	839.84
2113-0000 - Flex Benefit Payable	3.00
2120-0000 - Accrued wages and p/r taxes payable	654.49
2130-0000 - Accrued interest - mortgage	1,561.88
2150-0000 - Accrued property taxes	38,500.00
2180-0000 - Misc current liabilities	148.66
<b>Total Current Liabilities</b>	<b>41,707.87</b>

#### Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(360.00)
2191-0000 - Security deposits-residential	6,837.06
2210-0000 - Prepaid Rent	10,721.00
2211-0000 - Prepaid HUD	8,315.00
2320-1000 - Mortgage payable - 2nd note	713,396.28
2320-0000 - Mortgage Payable (long term)	416,500.00
<b>Total Non-Current Liabilities</b>	<b>1,155,409.34</b>

#### Owner's Equity

3100-0000 - Limited Partners Equity	144,465.21
3111-0000 - Contributions - Current Year	62,062.71
3209-0000 - Prior Year Retained Earnings	388,704.59
3210-0000 - Retained earnings	(55,288.45)
Current YTD Earnings	12,247.24
<b>Total Owner's Equity</b>	<b>552,191.30</b>

### **Total Liability & Owner Equity**

**1,749,308.51**

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

	Month Ending 02/29/12			Year To Date 02/29/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	6,368.00	8,685.20	(2,317.20)	12,861.00	17,370.40	(4,509.40)	104,222.40
5121-0000 - Tenant assistant payments	22,311.00	13,027.80	9,283.20	44,497.00	26,055.60	18,441.40	156,333.60
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>28,679.00</b>	<b>21,713.00</b>	<b>6,966.00</b>	<b>57,358.00</b>	<b>43,426.00</b>	<b>13,932.00</b>	<b>260,556.00</b>
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(1,890.00)	(1,275.00)	(615.00)	(3,780.00)	(2,550.00)	(1,230.00)	(15,300.00)
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>(1,890.00)</b>	<b>(1,275.00)</b>	<b>(615.00)</b>	<b>(3,780.00)</b>	<b>(2,550.00)</b>	<b>(1,230.00)</b>	<b>(15,300.00)</b>
<b>GROSS OPERATING INCOME</b>	<b>26,789.00</b>	<b>20,438.00</b>	<b>6,351.00</b>	<b>53,578.00</b>	<b>40,876.00</b>	<b>12,702.00</b>	<b>245,256.00</b>
<b>ADVERTISING &amp; RENTING EXPENSE</b>							
6253-0000 - Credit Report Fees	0.00	0.00	0.00	123.00	0.00	(123.00)	0.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>123.00</b>	<b>0.00</b>	<b>(123.00)</b>	<b>0.00</b>
<b>ADMINISTRATIVE EXPENSE</b>							
6311-0000 - Office supplies	223.61	521.00	297.39	635.42	1,042.00	406.58	6,252.00
6320-0000 - Management fee	148.66	927.39	778.73	1,290.75	1,847.07	556.32	9,497.07
6340-0000 - Legal Expense - Project	0.00	36.00	36.00	0.00	72.00	72.00	432.00
6350-0000 - Audit Expense	4,000.00	0.00	(4,000.00)	4,000.00	0.00	(4,000.00)	11,820.00
6360-0000 - Telephone	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6370-0000 - Bad debts	0.00	433.00	433.00	0.00	866.00	866.00	5,196.00
6390-0000 - Misc administrative expenses	179.69	350.00	170.31	182.59	700.00	517.41	4,200.00
6390-0002 - Computer Supplies/Data Processing	84.06	66.00	(18.06)	198.12	132.00	(66.12)	792.00
6395-0000 - Tenant Retention	0.00	0.00	0.00	200.00	0.00	(200.00)	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	(0.28)	0.00	0.28	(0.59)	0.00	0.59	0.00
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>4,635.74</b>	<b>2,333.39</b>	<b>(2,302.35)</b>	<b>6,506.29</b>	<b>4,659.07</b>	<b>(1,847.22)</b>	<b>38,189.07</b>
<b>PAYROLL &amp; RELATED COSTS</b>							
6310-0000 - Office salaries	1,131.92	1,175.00	43.08	2,234.91	2,350.00	115.09	14,100.00
6510-0000 - Janitor and cleaning payroll	1,058.66	1,717.00	658.34	2,290.61	3,434.00	1,143.39	20,604.00
6715-0000 - Payroll Taxes	369.35	238.00	(131.35)	746.31	476.00	(270.31)	2,856.00
6722-0000 - Workers compensation	71.46	134.00	62.54	142.92	268.00	125.08	1,608.00
6723-0000 - Employee health insurance	172.34	444.00	271.66	317.57	888.00	570.43	5,328.00
6724-0000 - Union Benefits	335.27	0.00	(335.27)	659.74	0.00	(659.74)	0.00
6726-0000 - Other employee benefits	0.00	0.00	0.00	0.00	11.11	11.11	11.11
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>3,139.00</b>	<b>3,708.00</b>	<b>569.00</b>	<b>6,392.06</b>	<b>7,427.11</b>	<b>1,035.05</b>	<b>44,507.11</b>
<b>OPERATING EXPENSES</b>							
6515-0000 - Janitors and cleaning supplies	16.04	215.00	198.96	31.69	430.00	398.31	2,580.00
6520-0000 - Miscellaneous Repair Contractors	3,471.31	2,575.00	(896.31)	3,609.31	5,150.00	1,540.69	30,900.00
6525-0000 - Rubbish removal	443.75	632.00	188.25	887.50	1,264.00	376.50	7,584.00
<b>TOTAL OPERATING EXPENSES</b>	<b>3,931.10</b>	<b>3,422.00</b>	<b>(509.10)</b>	<b>4,528.50</b>	<b>6,844.00</b>	<b>2,315.50</b>	<b>41,064.00</b>
<b>UTILITIES</b>							
6450-0000 - Electricity	235.19	268.00	32.81	856.49	536.00	(320.49)	3,218.00
6451-0000 - Water	19.50	27.00	7.50	49.19	54.00	4.81	324.00

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

	Month Ending 02/29/12			Year To Date 02/29/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6452-0000 - Gas	0.00	125.00	125.00	156.46	250.00	93.54	1,500.00
6453-0000 - Sewer	0.00	89.00	89.00	0.00	178.00	178.00	1,068.00
<b>TOTAL UTILITIES</b>	<b>254.69</b>	<b>509.00</b>	<b>254.31</b>	<b>1,062.14</b>	<b>1,018.00</b>	<b>(44.14)</b>	<b>6,110.00</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	216.26	0.00	(216.26)	0.00
6546-0000 - Heating/Cooling Contractor	0.00	42.00	42.00	0.00	84.00	84.00	500.00
6548-0000 - Snow removal	0.00	3,000.00	3,000.00	2,926.00	7,500.00	4,574.00	10,840.00
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	0.00	0.00	0.00	0.00
6595-0000 - Plumbing Repairs	0.00	0.00	0.00	320.00	0.00	(320.00)	0.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>0.00</b>	<b>3,042.00</b>	<b>3,042.00</b>	<b>3,462.26</b>	<b>7,584.00</b>	<b>4,121.74</b>	<b>11,340.00</b>
<b>TAXES AND INSURANCE</b>							
6710-0000 - Real estate taxes	2,750.00	2,750.00	0.00	5,500.00	5,500.00	0.00	33,000.00
6720-0000 - Property and liability insurance	447.50	417.00	(30.50)	895.00	834.00	(61.00)	5,002.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	0.00	0.00	28.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>3,197.50</b>	<b>3,167.00</b>	<b>(30.50)</b>	<b>6,395.00</b>	<b>6,334.00</b>	<b>(61.00)</b>	<b>38,030.00</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>15,158.03</b>	<b>16,181.39</b>	<b>1,023.36</b>	<b>28,469.25</b>	<b>33,866.18</b>	<b>5,396.93</b>	<b>179,240.18</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>11,630.97</b>	<b>4,256.61</b>	<b>7,374.36</b>	<b>25,108.75</b>	<b>7,009.82</b>	<b>18,098.93</b>	<b>66,015.82</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	1,561.88	3,059.00	1,497.12	4,986.18	6,847.00	1,860.82	22,372.88
6850-0000 - Mortgage Service Fee	334.01	324.00	(10.01)	668.07	648.00	(20.07)	2,208.00
7104-0000 - Replacement Reserve	0.00	712.00	712.00	0.00	1,424.00	1,424.00	21,884.00
7108-0000 - Mortgage Payable (long term)	0.00	3,206.72	3,206.72	0.00	6,395.61	6,395.61	11,973.76
<b>TOTAL FINANCIAL EXPENSES</b>	<b>1,895.89</b>	<b>7,301.72</b>	<b>5,405.83</b>	<b>5,654.25</b>	<b>15,314.61</b>	<b>9,660.36</b>	<b>58,438.64</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>9,735.08</b>	<b>(3,045.11)</b>	<b>12,780.19</b>	<b>19,454.50</b>	<b>(8,304.79)</b>	<b>27,759.29</b>	<b>7,577.18</b>
<b>NET INCOME (LOSS)</b>	<b>9,735.08</b>	<b>(3,045.11)</b>	<b>12,780.19</b>	<b>19,454.50</b>	<b>(8,304.79)</b>	<b>27,759.29</b>	<b>7,577.18</b>
<b>Partnership Income</b>							
8005-0000 - Mortgagor Entity Income	8.67	0.00	8.67	25.80	0.00	25.80	0.00
8010-0000 - Other Entity Expense	2,503.49	0.00	2,503.49	(62,521.51)	0.00	(62,521.51)	0.00
<b>Total Partnership Activity</b>	<b>2,512.16</b>	<b>0.00</b>	<b>2,512.16</b>	<b>(62,495.71)</b>	<b>0.00</b>	<b>(62,495.71)</b>	<b>0.00</b>
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
6994-0000 - Carpet & tile	(3,347.00)	0.00	3,347.00	(3,347.00)	0.00	3,347.00	0.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<b>(3,347.00)</b>	<b>0.00</b>	<b>3,347.00</b>	<b>(3,347.00)</b>	<b>0.00</b>	<b>3,347.00</b>	<b>0.00</b>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<b>15,594.24</b>	<b>(3,045.11)</b>	<b>18,639.35</b>	<b>(39,694.21)</b>	<b>(8,304.79)</b>	<b>(31,389.42)</b>	<b>7,577.18</b>

Sunset Woods Housing  
Income Statement  
Compared with Budget  
For the Two Months Ending February 29, 2012

	Current Month Actual	Current Month Budget	Current Month	Year to Date Actual	Year to Date Budget	Year to Date
<b>Revenues</b>						
Rents	\$ 8,656.00	\$ 9,388.00	(732.00)	\$ 16,976.00	\$ 18,776.00	(1,800.00)
Misc. Income	0.00	333.00	(333.00)	0.00	666.00	(666.00)
Interest Income Assn	19.48	0.00	19.48	40.72	0.00	40.72
Interest Income	0.41	0.00	0.41	3.35	0.00	3.35
<b>Total Revenues</b>	<b>8,675.89</b>	<b>9,721.00</b>	<b>(1,045.11)</b>	<b>17,020.07</b>	<b>19,442.00</b>	<b>(2,421.93)</b>
<b>Cost of Sales</b>						
<b>Total Cost of Sales</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Gross Profit</b>	<b>8,675.89</b>	<b>9,721.00</b>	<b>(1,045.11)</b>	<b>17,020.07</b>	<b>19,442.00</b>	<b>(2,421.93)</b>
<b>Expenses</b>						
Office Supplies	0.00	4.00	(4.00)	24.56	8.00	16.56
Management Fee	565.70	632.00	(66.30)	1,207.94	1,264.00	(56.06)
Legal and Accounting Assn	0.00	0.00	0.00	2,625.00	0.00	2,625.00
Credit Ck Fees	0.00	4.00	(4.00)	0.00	8.00	(8.00)
Heating & Air	0.00	41.00	(41.00)	85.00	82.00	3.00
Electrical & Plumbing Maint	0.00	41.00	(41.00)	70.00	82.00	(12.00)
Painting & Decorating Assn	0.00	84.00	(84.00)	0.00	167.00	(167.00)
Appliance Repairs	0.00	41.00	(41.00)	0.00	82.00	(82.00)
Supplies	97.98	41.00	56.98	97.98	82.00	15.98
Locks	15.00	0.00	15.00	15.00	0.00	15.00
Carpet	0.00	41.00	(41.00)	0.00	82.00	(82.00)
Maintenance	410.00	41.00	369.00	959.96	82.00	877.96
Security	0.00	8.00	(8.00)	0.00	16.00	(16.00)
Condo Assessment Rental Units	4,885.88	3,167.00	1,718.88	4,885.88	6,334.00	(1,448.12)
Cable TV	896.40	583.00	313.40	896.40	1,166.00	(269.60)
Real Estate tax expense	0.00	1,666.00	(1,666.00)	0.00	3,332.00	(3,332.00)
Loan Interest	2,147.65	3,038.00	(890.35)	4,299.62	6,075.00	(1,775.38)
Bldg Insurance	0.00	250.00	(250.00)	0.00	500.00	(500.00)
<b>Total Expenses</b>	<b>9,018.61</b>	<b>9,682.00</b>	<b>(663.39)</b>	<b>15,167.34</b>	<b>19,362.00</b>	<b>(4,194.66)</b>
<b>Net Income</b>	<b>(\$ 342.72)</b>	<b>\$ 39.00</b>	<b>(381.72)</b>	<b>\$ 1,852.73</b>	<b>\$ 80.00</b>	<b>1,772.73</b>

Sunset Woods Housing  
Balance Sheet  
February 29, 2012

ASSETS

Current Assets		
General Checking	\$	17,023.14
Assn Money Mkt HP Bank & Trust		161,597.19
Assn Checking HP Bank & Trust		8,072.56
Sec.Dep. Savings		10,407.89
Savings Account		19,018.60
Financing Costs		1,500.00
Accounts Receivable		<u>20.00</u>
 Total Current Assets		 217,639.38
Property and Equipment		
Building		1,552,988.40
Building Unit 231		135,000.32
Building Unit 319		134,999.62
Building Unit 321		135,000.00
Accum Dep Building		<u>(320,306.00)</u>
 Total Property and Equipment		 1,637,682.34
Other Assets		
Total Other Assets		<u>0.00</u>
 Total Assets		 <u>\$ 1,855,321.72</u>

LIABILITIES AND CAPITAL

Current Liabilities		
Due to Peers Housing Assn	\$	258,832.40
Accrued RE Tax		32,400.00
Accrued RE Taxes Assn		10,330.50
Security Deposits		<u>9,516.00</u>
 Total Current Liabilities		 311,078.90
Long-Term Liabilities		
Notes Payable, Harris		438,976.06
Notes Payable, Lake Co		66,670.48
Notes Payable, IHDA		<u>131,656.45</u>
 Total Long-Term Liabilities		 <u>637,302.99</u>
 Total Liabilities		 948,381.89
Capital		
Equity-Retained Earnings		905,087.10
Net Income		<u>1,852.73</u>
 Total Capital		 <u>906,939.83</u>
 Total Liabilities & Capital		 <u>\$ 1,855,321.72</u>

Sunset Woods Housing  
Account Register  
For the Period From Feb 1, 2012 to Feb 29, 2012  
1101M13 - General Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			17,605.99
2/1/12	2/1/12	Deposit	Tenant	252.00		17,857.99
		Deposit	Tenant	368.00		18,225.99
		Deposit	Tenant	281.00		18,506.99
		Deposit	Tenant	567.00		19,073.99
		Deposit	Tenant	669.00		19,742.99
		Deposit	Tenant	226.00		19,968.99
		Deposit	Tenant	290.00		20,258.99
		Deposit	Tenant	421.00		20,679.99
2/2/12	1440	Withdrawal	Sunset Woods Condominium Assoc		5,797.28	14,882.71
2/5/12	2/7/12	Deposit	Tenant	374.00		15,256.71
		Deposit	Tenant	412.00		15,668.71
		Deposit	Tenant	438.00		16,106.71
		Deposit	Tenant	243.00		16,349.71
		Deposit	Tenant	287.00		16,636.71
		Deposit	Tenant	795.00		17,431.71
		Deposit	Tenant	486.00		17,917.71
		Deposit	Tenant	137.00		18,054.71
		Deposit	Tenant	139.00		18,193.71
2/14/12	1441	Withdrawal	Housing Opportunity Dev. Corp.		565.70	17,628.01
2/15/12	2/15/12	Deposit	Tenant	717.00		18,345.01
2/15/12	loan1202	Other	Harris Bank/auto pymt		3,037.89	15,307.12
2/17/12	2/21/12	Deposit	Tenant	835.00		16,142.12
		Deposit	Tenant	383.00		16,525.12
		Deposit	Tenant	336.00		16,861.12
		Deposit	Tenant	670.00		17,531.12
2/29/12	1442	Withdrawal	Housing Opportunity Dev. Corp.		97.98	17,433.14
2/29/12	1443	Withdrawal	RC Paint & Home Improvements		410.00	17,023.14
			Total	9,326.00	9,908.85	

Sunset Woods - February 29, 2012

Ending balance checking	\$	17,531
Ending balance operating reserve	\$	<u>19,019</u>
<b>TOTAL</b>	\$	<b>36,550</b>

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## A revolution in affordable housing

A US housing concept has helped people to buy cheap homes.

An east London scheme aims to replicate it



Patrick Kingsley  
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The east London collective hope to transform a derelict urban site into local housing. Photograph: London Citizens

A few years ago, Colin Glen noticed something funny about his church. Nine in 10 congregants, Glen reckoned, didn't live anywhere near Epainos Ministries, a black-majority church in Tower Hamlets, east London. Many used to – but then they got married, had kids, and found they couldn't afford to buy a family home in the area where they grew up. So most moved out. "It was completely unaffordable to working-class families like us."

Tower Hamlets is one of the most deprived boroughs in London, but the housing crisis has hit here too. The average home costs about £370,000, far beyond the reach of many locals, 40% of whom have a household income of less than £29,000. "It was a desperate time for us," says civil engineer Glen, remembering 2007, when he, his wife and their two children got too big for their one-bedroom flat. "It's really traumatic living in a space you know you're going to outgrow, but which you can't afford to move out of."

Five hundred metres from the church, there is a glimmer of hope for families still living in overcrowded homes. On the other side of Mile End Road stands St Clements, a derelict former mental hospital. Crumbling, sprawling and gothic, it may this week be chosen as the site of the UK's first urban community land trust (CLT) – a revolutionary housing concept that, if replicated across the country, could help to curb spiralling house prices.

"Millions of people have been pushed into unaffordable and unstable private rented accommodation," writes Ed Howker, co-author of *Jilted Generation*, a book that deals with the housing crisis. "CLTs could be a silver bullet for these problems."

The premise is fairly simple. A collective of 1,000 east Londoners (including Glen) hope to buy the site, develop it, and sell some of the homes they build to outpriced locals for about a quarter of their market value. Around 200 of the 300 properties on the site will

be sold at their full value, and it is from this windfall – along with support from an urban regeneration fund – that the project will be subsidised.

Because it allows people to buy property at a knockdown price, the project might seem superficially similar to the right-to-buy. But there are two crucial differences. First, the site will be built with ideas conceived by locals. Second, and most significant: the subsidy will be transferred from generation to generation. When CLT owners decide to move, the sale price will be restricted rather than the full market value .

There is just one catch. It is not yet a done deal. On 21 February, the Homes and Communities Agency (HCA) will decide whether to offer the site to the East London Community Land Trust (ELCLT), or to one of three rival bidders. Hopes are not high. The meeting will be chaired by London mayor Boris Johnson, and while CLTs were a huge plank of his election manifesto in 2008, Johnson has failed to create one in nearly four years of power. As a result, the meeting is seen as a make-or-break for urban CLTs in Britain. "This is a litmus test," says Dave Smith, an organiser for London Citizens, an alliance of community organisations that over the past six years has played a key role in facilitating the proposals. "Who else is going to have the capacity to create something like this, if not us?"

Smith fears the authorities aren't willing to take a punt on CLTs because they are a relatively unproven concept in Britain. In the US, it is a different story. There are more than 240 CLTs – one in nearly every state – and many are part-funded by either state or federal government. And they work. "In the US, data shows that community land trusts are very effective at both keeping housing affordable when the real estate markets are hot and at preventing foreclosures when the market is cold," says John Emmeus Davis, the man Smith calls the "godfather" of American CLTs. According to one academic study, CLT residents were 10 times less likely to default on their mortgage than people who bought homes on the open market.

The first CLT was born from the civil rights movement in Albany, Georgia. Martin Luther King's cousins, CB and Slater King, were some of the first pioneers. "They were, from the very beginning, asking themselves: what happens next? What happens after we've secured legal and political rights?" says Davis, who is also the author of The Community Land Trust Reader, a book chronicling the concept's history. "They wanted to create a foundation on which the African-American community could have some residential and economic independence. And the first CLT was seen as a vehicle for securing that."

The Albany land trust eventually failed. But, says Davis: "It was a failure that gave rise to many successes," including the Champlain Housing Trust, a Vermont CLT that Davis has been closely involved with. Founded in 1984, with just one home to its name, Champlain now has an annual turnover of more than \$45m (£34m) and regularly provides housing at half the market rate. With more than 2,000 homes, it is now the largest CLT in America. "The problem we have here is that because we're not well established, we can be misinterpreted as a do-goody sandals brigade," says Miranda Housden, a school governor in Mile End who attended a week-long CLT conference in Seattle last year. "But we're not. And you can see it over there, where it's so well-established, and so business-like. Lots of financial backers."

The CLT has not completely passed Britain by. There are 25 small-scale projects dotted around rural areas – Cornwall in particular – and their success should encourage Johnson and his panel of planners. One success story lies in St Minver, a village near Rock, a surfers' paradise in Cornwall. Wealthy second-homers had priced out the locals, and many were moving away.

"I'd given up on buying anything," says Charlie Hibbert, a surfboard salesman. "I work six days a week but it was unreasonable to believe I could ever afford a mortgage."

House prices here are 16 times the average local wage, and rent has rocketed, too. Rich outsiders let their properties to holidaymakers at premium rates, and on a seasonal basis – which means locals who don't own their own property often have to move every winter and every summer. Hibbert says he must have moved 35 times in his adult life. "It's not fun. It makes you feel disjointed."

Fortunately, 2006 saw the founding of the St Minver CLT, and now 20 local families – including Hibbert's – own a subsidised property. It's a drop in the ocean – there are still thousands more outpriced locals – but it's a step in the right direction. "It keeps the local shops busy," Hibbert says. "It keeps the pub. It keeps the community."

Community is certainly the buzz-word in Mile End. I get a sense that the locals really are behind the project – mostly because it was their idea. Ben Cole teaches at Central Foundation girls' school, a comprehensive across the road from St Clements. When he asked fellow teachers what one change would make the biggest difference to their students' education, their answer was almost unanimous: "Better housing." The school teaches 1,400 girls, 87% of whom qualify for free school meals. Cole reckons a similar percentage live in overcrowded housing. "We can do as much as we can in school," he says. "But if kids are living in a one-bedroom flat with five other people, there is nowhere for them to do their homework, and their lives become very stressed. And that's really the reason we're getting involved in the project."

The ELCLT seems pretty democratic. Anyone in Tower Hamlets can join, and the 1,000 members have had 11 public meetings to propose ideas for the site. "A woman came to one planning meeting and at first was very cynical," Smith remembers. "She said: 'Oh, you just want us to rubber-stamp your pre-made plans.' And I said: 'We haven't got any plans! It's all up to you.'"

The entrance that'll go over there was proposed by local cemetery workers, says Miranda Housden as she shows me round. And those fountains in that courtyard were suggested by pupils at Central Foundation. "I don't care how good an architect you are," says Smith, referring to rival bidders, who he feels haven't as proactive about engaging the public, "I don't think you'd be able to come up with that kind of idea sitting in your office on your own."

Still to be finalised is how the homes will be allocated. Of the 300 homes, 199 will be sold on the open market, 76 will be sold to a housing association, and only 25 will be available to CLT owners. While everyone I speak to is magnanimous about whether they themselves get one, people can't decide whether the homes should be given to the poorest applicants, or if they should benefit locals from a range of social backgrounds. Glen, who once lived in a socially mixed area of north-east London, is a fan of the latter. "I grew up in a real melting pot: wealthy, working-class – we all played football together. It created a great sense of community. People aspire to what they see and if they don't see anything, then they won't aspire to it." But Steve Butler, a former Royal Mail official who has lived in Bow for the last seven years, disagrees. "It's a nice idea, but St Clements is going to have a social mix anyway," he says. "The CLT part has got to address the desperate housing need within the rest of the community."

What everyone agrees is that the decision will be made democratically. For his part, Smith confirms that the CLT homes will abide by the Tower Hamlets letting policy and be given to people who have applied for social housing. But he hopes the scheme may also reach those whose predicament is rarely considered serious enough for them to reach the top of the housing register. "If you're in dire need, if you're homeless or a single mum living with kids in a cramped flat with damp running down the walls, you will probably get rehoused by the council. So the focus could be on people aspiring to own their own home – on, say, a couple with four children in two rooms, but whose need is not considered as excessively urgent." He also warns that residents will still need

to be able to afford some kind of mortgage, even if it is likely to cost a quarter of what it might otherwise. "Sadly, this is not a scheme that will help the poorest of the poor. This is a scheme for people that are doing everything they've been told to, who are working hard, but still can't afford to buy a first home."

Locals are realistic about the effect the scheme will have on the Tower Hamlets housing bubble. "We're only creating a few homes and the demand is much higher than we can provide for," says Cole. But everyone hopes a CLT in east London could blaze a trail for others to follow. "If every area took this approach," says Helen Rawe, who helps run the trust in St Minver, "what a difference that would make."

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