

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: July 5, 2012
RE: HOUSING COMMISSION PACKET FOR 7-11-2012 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 June 6, 2012 Regular Meeting
- **Agenda Item V. Scheduled Business**
 - **1. (Action Needed) Items for Omnibus Vote Consideration**
 - Payment of Invoices: None at present
 - **2. (Consideration) Consideration of Application to Affordable Housing Trust Fund for Scattered Site Affordable Rental Program from Community Partners for Affordable Housing. Supporting Materials:**
 - Memo from Staff
 - Application from Community Partners for Affordable Housing
 - Letter from Mayor Rotering
 - **3. (Consideration) Consideration of Recommendation from Condominium Conversion Ordinance Working Group. Supporting Materials:**
 - Memo from Staff July 1, 2012 with attachments
 - **4. (Discussion and Consideration) Housing Commission Peers, Walnut Place, Ravinia, and Sunset Woods. Supporting Materials:**
 - June 2012 Management Report with May 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 5/31/2012
 - Housing Trust Fund Fiscal Year 2012, Unaudited through 5/31
 - **(Consideration)** Memo from Staff regarding Resident Satisfaction Surveys

Part B. Detailed and Optional Material

- Financial Reports for Peers, Walnut, and Ravinia Housing Associations and for Sunset Woods Housing Association for the month ending May 31, 2012
- Selected Census Information for Highland Park

c:

- David Knapp, 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, July 11, 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, July 11, 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 – June 6 Regular Meeting**
- V. Scheduled Business**
 1. Items for Omnibus Vote Consideration
 - Payment of Invoices:
 - None at present
 2. Consideration of Application to Affordable Housing Trust Fund for Scattered Site Affordable Rental Program from Community Partners for Affordable Housing
 3. Consideration of Recommendation from Condominium Conversion Ordinance Working Group
 4. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods
 - Management Report
 - Property Report
 - Update on Peers window replacement project
 - Consideration of Resident Satisfaction Surveys for Peers and Walnut Place
 - Sunset Woods:
 - Update on New Mortgage with First Bank of Highland Park
 - Other Sunset Woods Items
- VI. Executive Session for Matters relating to Real Estate Acquisition, Litigation, and Personnel Matters**
- VII. Other Business**
- VIII. Adjournment**

Draft

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

MEETING DATE: Wednesday June 6, 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, Meek, Sharfman, and Wigodner

Commissioners Absent: Barber, Glasner, and Naftzger

Student Representative Present: Gordon

Chairman Wigodner declared that a quorum was present.

Council Liaison Absent: Blumberg

Staff Liaison Present: Planner M. Smith

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

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

APPROVAL OF MINUTES

Regular Meeting of the Housing Commission –May 2, 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 May 2, 2012. Commissioner Meek seconded the motion.

On a roll call vote:

Voting Yea: Adler, Meek, Sharfman, and Wigodner

Voting Nay: None

The Chairman declared that the motion passed.

SCHEDULED BUSINESS

1. Items for Omnibus Vote Consideration

- Ratification of Invoice:
- Chicago Title Land Trust Company for Invoice #252122 for Peers Annual Fee for \$250.00
- Payment of Invoices:
- Mason, Wenk & Berman, L.L.C. for Invoice #35128 for legal services for Sunset Woods for \$75.00
- Mason, Wenk & Berman, L.L.C. for Invoice #35138 for legal services for Sunset Woods refinance for \$3,525.00
- Manning, Silverman & Co. for Invoice #200914443 for 2 electronic confirmation fees for \$92.00

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

Planner M. Smith introduced a new invoice that came in after the packet went out:

- CBIZ MHM, LLC for Invoice #79736 for preparation of 2011 tax returns for Peers Housing for \$1,400.00.

Chairman Wigodner entertained a motion to ratify the payment to Chicago Title Land Trust Company, to approve the three invoices included in the packet to Mason, Wenk & Berman L.L.C. and to Manning Silverman & Co., and to approve the new invoice to CBIZ.

Commissioner Meek moved ratification of the payment to Chicago Title Land Trust Company for \$250.00 and approval of the payments to Mason, Wenk & Berman, L.L.C. for invoices #35128 for \$75.00 and #35138 for \$3,525.00 and to Manning Silverman & Co. for invoice #200914443 for \$92.00, and to CBIZ for Invoice #79736 for \$1,400.00. Commissioner Sharfman seconded the motion.

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

2. Housing Commission Sunset Woods

Introduction of Housing Opportunity Development Corporation (HODC) Staff

Richard Koenig, Interim Director of HODC, introduced Jessica Hotaling, Associate Director, HODC, and Melanie Williams, Property Manager, HODC. The Commissioners and HODC staff briefly discussed the operations for the Sunset Woods rentals.

Update on New Mortgage with First Bank of Highland Park

Planner M. Smith reported that a closing date had not been set yet.

Other Sunset Woods Items

There were no other Sunset Woods items.

3. Consideration of Application to Affordable Housing Trust Fund for Scattered Site Affordable Rental Program from Community Partners for Affordable Housing

Rob Anthony, Executive Director, Community Partners for Affordable Housing (CPAH), summarized the grant request. Mr. Anthony emphasized the huge need for additional rental housing in Highland Park. CPAH plans to purchase five homes, likely condos but perhaps also town homes, for the rentals. City staff confirmed that the CPAH request would amount to about one-third of the unallocated money in the Affordable Housing Trust Fund. The Commissioners asked a number of questions about the proposed scattered site rental program, including:

- How long will the restriction requiring affordability last? Mr. Anthony said that Lake County would require twenty-five years.
- How can CPAH avoid the problem of a condominium association changing the rules at anytime, such as prohibiting rentals in the building? Mr. Anthony reported that the State of Illinois passed a law about two years ago that grandfathers in affordable units even when association rules or the condominium declaration changes. The Commissioners indicated that they would like to see additional information to confirm this. Mr. Anthony said that he would follow up to confirm that this law covers all condominiums as well as other homeowner associations.
- Does CPAH plan to purchase in small or large condominium buildings? If in small buildings, how can CPAH avoid some of the pitfalls of that situation:
 - For example, in a three flat, how can CPAH avoid one owner purchasing two of the units and controlling the decision-making for the building? Commissioner Adler recounted the problems that a client of his in a three-unit building faced when the owner of the other two units enacted extraordinarily high assessments.
 - How to insure that the association in a small building is establishing sufficient reserves for long term maintenance of elements like the roof? Owners in small buildings tend to do things informally and do not give sufficient attention to the long term capital needs of the building.

The Commissioners decided to postpone a decision on CPAH's original application until the July 11th Meeting when more of the Commissioners would be present, and Mr. Anthony would be able to answer the following questions raised in discussion:

- Did the State of Illinois enact a provision in the condominium law to grandfather in affordable housing units if a condominium association changes the by-laws and condominium declaration? If not, and a condominium association enacted rules to forbid rentals, what would happen to the affordable rental?
- What will be the size of the condo developments that CPAH will be considering for the purchase of the affordable rentals given the pitfalls mentioned above?
- Can CPAH locate buildings in which the condo association approves the lease, but not the tenant? The Commissioners were concerned that if the association could reject CPAH's applicants, it could take CPAH staff a long time to fill the unit.

Mr. Anthony will attend the July 11th Meeting to answer these questions.

4. Consideration of Revisions to Inclusionary Housing Resident Selection Criteria

Mr. Anthony summarized CPAH's request to the Housing Commission to amend its resident selection criteria for the Inclusionary Housing program to be consistent with the revisions that

CPAH adopted for its program. CPAH made revisions to their resident selection criteria because of the increasing number of applicants with a substantial amount of assets. CPAH was increasingly concerned that some applicants who may not need the program and/or who have other housing options could be approved for the program, leaving less access to affordable housing for households in greater need. Planner M. Smith reported that Corporation Counsel indicated that they have no legal concerns regarding CPAH's recommendations, but that it may be necessary to amend the Inclusionary Housing Ordinance to reflect the changes.

After discussion, Chairman Wigodner entertained a motion to direct staff to prepare a recommendation on revisions to the resident selection criteria for the Inclusionary Housing program to be consistent with CPAH's resident selection criteria and to provide an outline of the changes that would be needed for the Inclusionary Housing Ordinance and Administrative Guidelines. Commissioner Meek moved approval of the direction to staff to prepare a recommendation on revisions to the resident selection criteria for the Inclusionary Housing program to be consistent with CPAH's resident selection criteria and to provide an outline of the changes that would be needed for the Inclusionary Housing Ordinance and Administrative Guidelines. Commissioner Adler seconded the motion.

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

5. Housing Commission Peers, Walnut, and Ravinia Management Report

The Management Report was in the packet.

Property Operations Report

The Commissioners had no questions about the financial reports in the packet.

Update on Peers window replacement

Chairman Wigodner reported that Evergreen staff, their architect, and their contractor developed plans for redoing the bay windows and replacing the air conditioners in them, but that he would like more information on their proposed solution before moving forward. He is comfortable with Evergreen's plans for replacing the other windows.

EXECUTIVE SESSION

There was no Executive Session.

OTHER BUSINESS

The Commissioners briefly discussed the June 4th memo from City Manager David Knapp with the attached draft revisions to the City's Ethics Guidelines. The revisions under discussion at the June 11th City Council Meeting apply to "Land Use Related Commissions." The Land Use Related Commissions are the Design Review Commission, the Plan Commission, and the Zoning Board of Appeals.

ADJOURNMENT

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

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

The Housing Commission adjourned its meeting at 8:15 p.m.

Submitted respectfully:

Mary Cele Smith
Housing Planner

MEMORANDUM

To: Housing Commission

From: Mary Cele Smith, Housing Planner

Date: July 5, 2012

Subject: Consideration of Application to Affordable Housing Trust Fund for Scattered Site Affordable Rental Program from Community Partners for Affordable Housing

Attached is the revised application to the Housing Trust Fund from Community Partners for Affordable Housing (CPAH). The revised application is to acquire and rehab 1 condo unit as a pilot rental program. The Lake County Community Development Commission approved the funding for this pilot program. Although the original application was for five rentals and CPAH's application scored very well, Lake County had \$2.8 million in requests for the \$700,000 available. As a result, CPAH received funding for only one unit. Also attached is the letter that Mayor Rotering submitted in support of the original application. CPAH is seeking a match from the Housing Commission for the pilot rental program.

At the June 6th Housing Commission, the Commissioners decided to postpone a decision on CPAH's original application until the July 11th Meeting when more of the Commissioners were likely to be present, and Mr. Anthony would be able to answer the questions raised in discussion:

- Did the State of Illinois enact a provision in the condominium law to grandfather in affordable housing units if a condominium association changes the by-laws and condominium declaration? Without such a provision, the condo association could enact rules to forbid all rentals. If this occurred, what would happen to the affordable rental?
- What will be the size of the condo developments that CPAH will be considering for the purchase of the affordable rentals? The Commissioners discussed the pitfalls of very small condo buildings, in which an owner can purchase multiple units and control the condo association and set the assessments. In addition, small buildings sometimes do not establish sufficient reserve for repairs.
- Can CPAH locate buildings in which the condo association approves the lease, but not the tenant? The Commissioners were concerned that if the association could reject CPAH's applicants, it could take CPAH staff a long time to fill the unit.

Mr. Anthony will attend the July 11th Meeting to answer these questions.

Recommendation

Staff requests that the Commission consider whether to approve the CPAH application for the acquisition and rehab of one condo unit for a pilot program.

Section 1 - Application Summary

Proposal Name:	"Pilot" Scattered Site Rental Program		
Sponsor/Developer Name:	Community Partners for Affordable Housing		
Sponsor/Developer Address:	400 Central Avenue, #111		
	City: Highland Park	State: IL	ZIP 60035
Contact Name:	Rob Anthony		
Phone:	847-681-8746	Email:	ranthony@cpahousing.org
DUNS #:	831940940		
Total Proposal Cost:	\$150,710		
Sponsor/Developer Match:	\$92,960	% of Proposal	62%
Funding Request:	\$57,750	% of Proposal	38%

Total Number of Units 1

Number of Low Income Units/Households (≤80% AMI)	1
% of Low-Income Units/Households (≤80% AMI)	100%

Target Market

In which Area Median Income bracket will your target clients fall? (Check all that apply)

0 to 30%
 30+ to 50%
 50+ to 60%
 60+ to 80%
 80+ to 100%

Section 2 - Project/Program Narratives

- **General overview of proposed project/program**

Community Partners for Affordable Housing (CPAH) is a nonprofit 501(C)(3) Community Housing Development Organization (CHDO) that creates public-private partnerships to preserve, maintain and develop permanently affordable for-sale and rental housing for low-income households. CPAH helps bridge the gap between the high cost of housing and the incomes of many low-income households who live and work in the community — teacher aids, healthcare workers, retail staff, childcare providers, seniors, municipal employees, nonprofit staff, persons with disabilities and many other community members who struggle to meet their basic human need of housing.

CPAH benefits the community by: 1) providing housing opportunities for low-income households in traditionally non low-income communities; 2) promoting cultural and economic diversity; 3) creating valuable workforce housing near jobs and transit; 4) preserving the community's existing housing stock and neighborhood character; 5) developing an inventory of permanently affordable and environmentally sustainable housing for future generations; 6) rehabilitating problem or blighted properties; 7) promoting live-near-work housing which helps alleviate traffic congestion and the environmental impacts associated with long commutes; 8) helping communities comply with the Illinois Affordable Housing Planning and Appeal Act; and 9) maximizing the cost-effectiveness of public and private investment for long-term community benefit. Formerly known as the Highland Park Illinois Community Land Trust, the organization has created an inventory of over 41 permanently affordable homes. CPAH remains at the forefront of affordable housing and is widely recognized as a model for other communities in Illinois and across the country.

CPAH's "pilot" scattered site rental program will acquire one condominium or townhome unit in Highland Park to be used as permanently affordable rental housing for households earning less than 80% of the area median income. The pilot program will test a new model of acquiring existing condominium and townhome units to be used as permanently affordable rental housing. We believe this model may be particularly effective in "built out" communities where there are few opportunities to develop multifamily rental. The Illinois Facility Fund (IFF) is similarly testing this model in the City of Chicago and has demonstrated significant success. In the event that rental was prohibited at some point in the future, CPAH would convert the unit into an affordable home-ownership unit.

- **Target population to be served (e.g. elderly, disabled, homeless, large families, etc.)**

The pilot program will serve households who earn 40% - 80% of the area median income (AMI). Many households have lost homes to foreclosure and are unable to qualify for a mortgage for affordable homeownership programs yet they are unable to afford market rate rents in the region. Increased debt payments as a result of job loss, lower incomes and the overall state of the economy has prevented them from securing housing. The primary target populations are low-income "doubled up" renters, regional workers who cannot afford to live near work, single-parent households, households faced with the death of a wage-earner, families going through a divorce, persons with disabilities and families who are losing their housing due to other personal or economic hardships. CPAH makes every effort to match household size with the size of each unit in order to ensure that homes are not underutilized. The unit acquired through this grant will have 2 bedrooms. CPAH often serves healthcare workers, retail staff, childcare providers, seniors, municipal employees, nonprofit staff and persons with disabilities.

- **Process for selecting beneficiaries, including any special eligibility criteria**

CPAH follows a written resident selection plan and is an Equal Housing Opportunity provider that conducts business in accordance with the U.S. Fair Housing Act, the Illinois Human Rights Act and the City of Highland Park anti-discrimination laws and policies. Persons interested in renting a unit must submit an application to CPAH. The application is then reviewed to determine whether the applicant meets the income restrictions, debt to income ratios and credit requirements. The applicant is notified in writing whether they qualify for the program. If they qualify, the applicant is added to CPAH's waiting list and is offered units on a first come, first serve basis depending on their position on the waiting list. A local preference is given to applicants who live or work in the community.

- **Supportive housing services to be provided, if any (e.g. first-time homebuyer counseling, job training, etc.)**

CPAH holds regular information sessions throughout the year for potential applicants. The information sessions provide a detailed overview of CPAH, eligibility criteria and the community land trust model. CPAH understands its role as not only to provide affordable housing, but to also provide ongoing supports to help homeowners and tenants secure long-term housing stability. As such, CPAH maintains ongoing relationships with residents and provides ongoing support, advocacy and continuing education. For example, CPAH holds ongoing classes about home maintenance, winterizing, energy efficiency, landscaping, car maintenance, financial literacy and other topics. CPAH is also in the process of establishing a matching savings program and a resident loan pool in partnership with First Bank of Highland Park. CPAH also maintains a “sharing website” where residents can share tools, equipment and/or services (i.e. exchange two hours of babysitting service in exchange for two hours of car repair). If a resident gets behind in payments or needs other supports, CPAH provides counseling and support and links to other community services.

- **Consistency with local plans**

CPAH’s pilot scattered site rental program is completely consistent with the goals and priorities established in the Lake County PY2010-2014 Consolidated Plan. The project is an ideal match with the high priority Rehabilitation Goal 1.2 – *Low and moderate-income households will benefit from the preservation of Lake County’s existing housing stock through the rehabilitation of 250 affordable rental or ownership housing units throughout Lake County.* As indicated in the Consolidated Plan, it is generally less expensive to rehabilitate existing buildings rather than to build new. Preservation is also typically considered more eco-friendly. By using the community land trust model, CPAH maximizes the cost-effectiveness of funds because it is an investment in the community’s inventory of permanently affordable housing; the unit will forever remain affordable and will be available as a community asset for succeeding generations. CPAH is the only provider of affordable housing in Lake County that ensures homes remain affordable in perpetuity.

In addition to the Consolidated Plan priority above, CPAH’s pilot scattered site rental housing meets the following funding preferences identified in the Lake County PY2010-2014 Consolidated Plan and AHP guidelines:

- (1) **Located in close proximity to public transit and jobs**– CPAH acquires sites that are in close proximity to Metra stations and/or PACE bus routes in order to foster easier access to employment and services. CPAH also encourages live-near work housing by providing a preference to applicants who work in the community and by coordinating the with City of Highland Park’s Employer Assisted Housing Program. This helps businesses attract and retain employees as well as help alleviate traffic congestion and the environmental impacts associated with long commutes. Recent reports indicate that the most pronounced housing – jobs mismatch in Lake County is in southern Lake County where CPAH conducts its affordable housing work. According to the most recent U.S. Census data, there are 11,880 jobs in Highland Park and 11,548 housing units (ratio of 1.03). Data from the Illinois Department of Employment Security shows that nearly 80% of workers in Highland Park are employed in the service, healthcare and retail sectors, where the average annual salary is below \$35,000.

- (2) **Incorporates environmental sustainability practices** – CPAH was the first entity in Illinois to complete a LEED-Gold affordable housing development (Hyacinth Place). The development also received Lake County Stormwater Management Commission’s “2008 Development of the Year” award for its environmental sustainability practices. CPAH also incorporates environmental sustainability in its scattered site program; two recent scattered site homes that were rehabilitated with HOME funds will be LEED certified. “Green” features in CPAH’s acquisition and rehab projects typically include all natural icynene spray-foam insulation or blown cellulose insulation, extremely efficient double glazed windows (U values of 0.22 - 0.30), 95% efficient furnaces, 14+ SEER A/C, direct vent 62% EF water heaters, 75 CFM exhaust fans with timers, energy star appliances, fluorescent light fixtures, low flow water fixtures, air sealing, low VOC paints and other improvements to reduce long-term operating costs. CPAH embraces environmentally sustainable design to reduce its carbon footprint, but green technology can also dramatically lower utility costs for low-income households.
- (3) **Encourages and supports the provision of education and counseling** – As described earlier, CPAH understands its role as not only to provide affordable housing, but to also provide ongoing supports to help homeowners and tenants secure long-term housing stability. As such, CPAH maintains ongoing relationships with residents and provides ongoing support, advocacy and continuing education.
- (4) **Exceeds minimum affordability requirements** – As previously indicated, CPAH uses the community land trust model to ensure that homes remain affordable in perpetuity with a one-time subsidy. The model builds a permanent inventory of affordable housing in Highland Park.
- (5) **Project Location Relative to Area Median Income** – The Highland Park median household income is \$110,442, which is 145% of the median income for Lake County. Lake County has acknowledged that it desires to encourage affordable housing opportunities in traditionally non low-income communities in order to integrate affordable housing throughout the County and avoid the concentration of affordable housing in traditionally low-income communities.
- (6) **Past performance** – CPAH is an extremely innovative, yet proven model with the experience and capacity to quickly and successfully complete the project. The organization has an excellent track record with Lake County and Highland Park and exceeds compliance requirements.

The pilot scattered site rental program is also completely consistent with local planning documents, including the City of Highland Park’s Master Plan and its Affordable Housing Plan.

- **Local Need**

The lack of affordable housing is an issue that has become more and more prevalent throughout the country despite the recent decline in home prices. Highland Park is no exception. Between 2000 and 2007, the median home sales price in Lake County increased by 47%, while personal income increased by only 16% (when adjusted for inflation, the median home sales price increased 22% and incomes decreased 3.5%). While 2009 saw a decline in the median home sales price, growth in home prices since 2000 has dramatically outpaced the growth in personal income, making housing less affordable for everyone and not affordable at all for many. A minimum-wage worker would still have to work 97 hours per week, or 2.4 full-time jobs in order to afford a two-bedroom apartment at HUD’s fair market rent in Highland Park (\$1,016). These trends have made it increasingly difficult, if not impossible, to maintain diverse, healthy and sustainable communities.

The median rental price of a two-bedroom apartment in Highland Park is \$1,650. More than 25% of Highland Park homeowners and more than 35% of Highland Park renters pay greater than 30% of their income for housing, which HUD considers housing cost burdened. The Illinois Housing Development Authority (IHDA) identified Highland Park as one of the forty nine “non-exempt” communities under the Illinois Affordable Housing Planning and Appeals Act, meaning that it is one of forty nine communities in Illinois which has less than 10% of its housing stock as affordable. CPAH receives over 500 calls per year for information about affordable housing and it currently has 28 households on its waiting list. Highland Park’s existing subsidized rental programs for seniors and families report a waiting list of over 550 households, nearly half of whom have been on the waiting list for three or more years.

Data from the Illinois Department of Employment Security shows that of nearly 12,000 people who work for Highland Park businesses, 80% are employed in the service and retail sectors, where the average annual salary in Lake County is below \$35,000. Interviews with public sector employers tell a similar story. Salaries for teacher assistants, nonprofit staff, artists, city employees, health care workers, retail staff and others put housing in the area out of reach. Less than 20 percent of Highland Park’s municipal employees live in Highland Park, according to estimates. In addition, workers making long commutes add to traffic congestion, have negative impacts on the environment and are forced to spend more time away from their families on a daily basis.

Safe, decent and affordable housing is a basic, under met need for Lake County residents and employees, particularly in southern Lake County. The County has wisely made it a policy priority to encourage affordable housing in traditionally non low-income communities in order to integrate affordable housing throughout the County and avoid the concentration of affordable housing in traditionally low-income communities. Further, in coordination with the County’s transportation, environmental sustainability and economic development plans, the County has made it a policy priority to encourage affordable housing close to transit and employment. The largest number of low to moderate income jobs are located in the southern part of Lake County where the jobs – housing mismatch is most extreme. CPAH is one of the few entities addressing this problem in southern Lake County and it is the only provider of permanently affordable housing in Lake County.

- **Past Experience**

In its second year of operation, CPAH completed construction of 6 affordable town homes on Temple Avenue in Highland Park. All units have 3 bedrooms, 2 baths and a two-car attached garage. The homes were sold to households earning \$30,000 - \$75,000 per year. The total project cost of \$1,475,000 was funded through the Highland Park Housing Trust Fund (\$335,800), Lake County Affordable Housing Program (\$120,000), Illinois Housing Development Authority (\$80,000), the Federal Home Loan Bank of Chicago (\$30,000) and private mortgages (\$909,200).

In early 2009, CPAH completed construction of fourteen 3 bedroom, 2.5 bath LEED-Gold certified town homes located at Hyacinth Place. The townhomes (for-sale and rental) feature geo-thermal heating and cooling, permeable pavers, wind turbine energy generation, bamboo flooring and many other environmentally sustainable features. The project received the “2008 Development of the Year” award from the Lake County Stormwater Management Commission, a 2010 Chicago Association of Realtors’ “Good Neighbor Award,” was one of seven national finalist in the Urban Land Institute’s

prestigious “Jack Kemp Workforce Housing Award,” and was a nominee for the Chicago Neighborhood Development Award. The project was funded through IHDA Trust Funds, Federal Home Loan Bank, Illinois Affordable Housing Tax Credits, City of Highland Park Housing Trust Fund, the Illinois Department of Commerce and Economic Opportunity and \$210,000 of Lake County HOME funds.

In addition to new construction, CPAH’s scattered site program has acquired and rehabilitated twenty scattered-site homes throughout Highland Park and Lake Forest. Two recent scattered-site properties will be LEED certified. CPAH is also currently piloting an affordable lease-to-own unit. CPAH is widely recognized as a leader in affordable housing and it is a model for other communities in the region. CPAH’s scattered-site units are as follows:

- 1789 Richfield Avenue
- 277 Green Bay Road
- 967 Burton Avenue
- 1251 Arbor Avenue
- 839 Burton Avenue
- 1733 Rosemary Road
- 1420 Cavell Avenue
- 1378 Ferndale Avenue
- 1342 Sherwood Avenue
- 1030 Estes Avenue, Lake Forest
- 1377 Arbor Avenue
- 560 Vine Avenue, #106
- 1141 Central Avenue
- 525 Barberry Road
- 1245 Eastwood Avenue
- 598 Barberry Road
- 765 Broadview Avenue
- 1918 Midland Avenue
- 863 Mckinley Ave, Lake Forest
- 538 Barberry Road

CPAH’s Executive Director, Rob Anthony, has significant experience administering federal and local grant funds for homeless and affordable housing programs, including the Lake County HOME program. He was also certified by HUD as a Certified HOME Specialist and is credentialed as a LEED Green Associate. Amy Kaufman, CPAH’s Director of Community Relations is also extremely capable and handles a significant portion of the organization’s fundraising, marketing and ongoing supportive services to renters and homebuyers. In addition, CPAH has a very talented and experienced Board of Directors who has led the organization and the City of Highland Park to be at the forefront of affordable housing.

• **Timeline**

Lake County AHP funds available	09/2012
Identify unit	11/2012
Purchase unit	12/2012
Complete rehab	02/2013
Rent unit to tenant	03/2013

Development Financial Information

Development Budget

		\$ COST
ACQUISITION		
Purchase of Existing Building		\$135,500
Sub Total		\$135,500
HARD COSTS		
Rehabilitation/Construction		\$10,000
Sub Total		\$10,000

DEVELOPMENT EXPENSES		
Appraisal		\$400
Title & Recording Expenses		\$2,100
Construction Interest		\$300
Construction Utilities		\$150
Real Estate Taxes (Construction)		\$500
Sub Total		\$3,450
		\$ COST
PROJECT RESERVES*		
Rent-Up Reserve Account		\$1,760
Sub Total		\$1,760
Total Project Costs		\$150,710

Funding Sources

Name of Source 1: Lake Forest Bank & Trust				Phone: 847-266-7600
Amount	Interest Rate	Amortization Period	Loan Term	Annual Debt Service
\$30,000	4.5%	30 Years:	1 (renewable) Years	\$1,800

Name of Source 2: Highland Park Housing Trust Fund				Phone:
Amount	Interest Rate	Amortization Period	Loan Term	Annual Debt Service
\$57,750	GRANT	Years:	Years:	NA

Name of Source 3: Lake County Affordable Housing Program				Phone: 847-377-2152
Amount	Interest Rate	Amortization Period	Loan Term	Annual Debt Service
\$57,750	GRANT	Years:	Years:	NA

Name of Source 4: CPAH				Phone: 847-681-8746
Amount	Interest Rate	Amortization Period	Loan Term	Annual Debt Service
\$5,210	NA	Years:	Years:	NA

Funding Summary	Acquisition	Development Expense/Resrv	Rehabilitation	Total
Source 1	\$30,000	\$	\$	\$30,000
Source 2	47,750	\$	\$10,000	\$57,750
Source 3	\$57,750	\$	\$	\$57,750
Source 4	\$	\$5,210	\$	\$5,210
TOTAL	\$135,500	\$5,210	\$10,000	\$150,710

Unit Mix & Rental Income Information

All Units

# of Bedrooms	# of Units
0	
1	
2	1
3	
4	
Total	1

Low Income Units ($\leq 80\%$ of Area Median Income)

# of BR	# of Units	Average Square Feet	Monthly Contract Rent*	+	Utility Allowance	=	Monthly Gross Rent*
0				+		=	
1				+		=	
2	3	950	\$880	+	\$132	=	\$1,012
3				+		=	
4				+		=	

Utilities Included in Rent

(Mark all that apply with an "X")

	YES	NO
Electricity		X
Heat		X
Air Conditioning		X
Water	X	
Sewer	X	
Trash	X	

Community Partners for Affordable Housing - Pilot Rental Program Pro Forma

Expense Inflation Factor	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Rent Inflation Factor	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Year	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>	<u>Year 11</u>	<u>Year 12</u>	<u>Year 13</u>	<u>Year 14</u>	<u>Year 15</u>
Revenues															
Rent	\$10,560	\$10,824	\$11,095	\$11,372	\$11,656	\$11,948	\$12,246	\$12,553	\$12,866	\$13,188	\$13,518	\$13,856	\$14,202	\$14,557	\$14,921
Less 5% Vacancy	-\$528	-\$541	-\$555	-\$569	-\$583	-\$597	-\$612	-\$628	-\$643	-\$659	-\$676	-\$693	-\$710	-\$728	-\$746
Late & NSF fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$10,032	\$10,283	\$10,540	\$10,803	\$11,073	\$11,350	\$11,634	\$11,925	\$12,223	\$12,529	\$12,842	\$13,163	\$13,492	\$13,829	\$14,175
Expenses															
Electrical & Plumbing	\$120	\$124	\$129	\$133	\$138	\$143	\$148	\$153	\$158	\$164	\$169	\$175	\$181	\$188	\$194
Painting & Decorating	\$120	\$124	\$129	\$133	\$138	\$143	\$148	\$153	\$158	\$164	\$169	\$175	\$181	\$188	\$194
Appliance Repairs	\$120	\$124	\$129	\$133	\$138	\$143	\$148	\$153	\$158	\$164	\$169	\$175	\$181	\$188	\$194
General Maintenance	\$240	\$248	\$257	\$266	\$275	\$285	\$295	\$305	\$316	\$327	\$339	\$350	\$363	\$375	\$388
Regular Assessment	\$3,300	\$3,416	\$3,535	\$3,659	\$3,787	\$3,919	\$4,057	\$4,199	\$4,345	\$4,498	\$4,655	\$4,818	\$4,987	\$5,161	\$5,342
RE Tax Expense	\$3,000	\$3,105	\$3,214	\$3,326	\$3,443	\$3,563	\$3,688	\$3,817	\$3,950	\$4,089	\$4,232	\$4,380	\$4,533	\$4,692	\$4,856
Insurance Expense	\$600	\$621	\$643	\$665	\$689	\$713	\$738	\$763	\$790	\$818	\$846	\$876	\$907	\$938	\$971
Total Expenses	\$7,500	\$7,763	\$8,034	\$8,315	\$8,606	\$8,908	\$9,219	\$9,542	\$9,876	\$10,222	\$10,579	\$10,950	\$11,333	\$11,730	\$12,140
Net Operating Income	\$2,532	\$2,520	\$2,506	\$2,488	\$2,467	\$2,443	\$2,415	\$2,383	\$2,347	\$2,307	\$2,262	\$2,213	\$2,159	\$2,100	\$2,035
Mortgage Debt Service	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800
Debt Coverage Ratio	1.41	1.40	1.39	1.38	1.37	1.36	1.34	1.32	1.30	1.28	1.26	1.23	1.20	1.17	1.13
Projected Cash Flow	\$732	\$720	\$706	\$688	\$667	\$643	\$615	\$583	\$547	\$507	\$462	\$413	\$359	\$300	\$235

CPAH Rental Budget
(\$145,500 acq & rehab costs, \$30,000 financed at 4.5%)

	Month Budget	Year Budget
Revenues		
Rent	\$ 880.00	\$ 10,560.00
Late & NSF fees	0.00	0.00
Interest Income	0.00	0.00
	<hr/>	<hr/>
Total Revenues	880.00	10,560.00
	<hr/>	<hr/>
Cost of Sales		
Vacancy	(44.00)	(528.00)
	<hr/>	<hr/>
Gross Profit	836.00	10,032.00
	<hr/>	<hr/>
Expenses		
Electrical & Plumbing Maint.	10.00	120.00
Painting & Decorating	10.00	120.00
Appliance Repairs	10.00	120.00
General Maintenance	20.00	240.00
Regular Assessment	275.00	3,300.00
RE Tax Expense	250.00	3,000.00
Insurance Expense	50.00	600.00
Loan Interest	150.00	1,800.00
	<hr/>	<hr/>
Total Expenses	775.00	9,300.00
	<hr/>	<hr/>
Net Income	\$ 61.00	\$ 732.00
	<hr/>	<hr/>



CITY OF HIGHLAND PARK

1707 ST. JOHNS AVENUE
HIGHLAND PARK, ILLINOIS 60085 • (847) 926-1009

NANCY RODKIN ROTERING
MAYOR

June 14, 2012

Mr. Ray Rose, Chair
Community Development Commission
18 North County St - 6th Floor
Waukegan, IL 60085

Dear Mr. Rose:

I offer the following in support of the Community Partners for Affordable Housing (CPAH) request for funding for its scattered site rental program from the Lake County Affordable Housing Program. As you know, the City of Highland Park conceived of and started CPAH to increase our community capacity to develop affordable housing. To date, the creation of CPAH has been a tremendous success.

In 2004, CPAH completed construction of six affordable town homes on Temple Avenue. In 2009, CPAH completed Hyacinth Place - the first LEED-GOLD affordable housing development (14 units) in the State. CPAH has also acquired and rehabilitated 20 single-family homes through its scattered-site preservation program. CPAH is unique to Lake County because it employs the community land trust model of affordable housing to ensure these homes remain affordable in perpetuity and it creates a permanent inventory of affordable housing.

CPAH's scattered site program is completely consistent with Highland Park's Master Plan and Affordable Housing Plan. The City desires to see affordable housing dispersed throughout the community, to the greatest degree possible. This vests each and every neighborhood with the benefits of a diverse community. To date, the existing CPAH scattered site units can be found throughout Highland Park. We very much want this trend to continue. In support, the Highland Park Housing Commission allocated \$200,000 in local housing trust fund dollars to CPAH for on-going support of the scattered-site homeownership program. The Housing Commission will consider a request for \$188,250 for the scattered site pilot rental program at their July 11th Meeting. We recognize that it takes a lot of subsidy to achieve affordable housing in a high cost community like Highland Park, so we urge Lake County to support the CPAH grant request as submitted.

Thank you for your consideration of CPAH's request. CPAH continues to be at the forefront of affordable housing and serves as a model throughout the region. Should you have any questions, please contact me at your convenience.

Sincerely,

Nancy R. Rotering
Mayor

NRR:MCS:dkg



Memorandum

To: Housing Commission
From: Mary Cele Smith, Housing Planner
Date: July 1, 2012
Re: **Consideration of Elements for a Condominium Conversion Ordinance**

Summary from March 7th Housing Commission Meeting

At the March 7th Housing Commission Meeting, Chairman Wigodner confirmed that there was consensus to support the minimum recommendation that the Working Group developed. This minimum recommendation reinforces and mirrors 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. See **Attachment 1** for details on the minimum recommendation.

Discussion then centered on the remaining elements that form the Working Group's more comprehensive recommendation. Consensus emerged on a number of key items such as the requirement for a property report and warranties for common building elements, but two central questions remained:

1. The first question centers on the Inclusionary Housing Ordinance itself. Should condo conversions be treated differently than other residential development under the Inclusionary Housing Ordinance?
2. Assuming no revisions to the Inclusionary Housing Ordinance, should the threshold for certain requirements of a condo conversion ordinance pertain only to larger developments, such as conversions of ten or more units or twelve or more units rather than five units or more? This is a common question for most of the additional requirements under consideration: the Property Report, record-keeping, warranties and escrows, guarantee for project completion, and assessment collection reporting.

The Commissioners directed staff to conduct additional research and to consult former Housing Commissioner Stephen Kant, Vice President, Robin Companies, a developer of rental and condominium housing as well as commercial projects. In addition to contacting Mr. Kant, staff:

- took a closer look at the thirteen ordinances collected from Chicago area communities,
- collected ordinances from communities outside the state that have enacted both a condominium conversion ordinance and an inclusionary housing ordinance,
- contacted the research library at the American Planning Association for assistance and posed questions on the inclusionary housing on-line forum, and
- reviewed 2010 Census information to see how the rental picture changed from 2000.

The balance of this memo will:

1. Summarize Census rental information,

2. Address the central questions regarding the Inclusionary Housing Ordinance,
3. Confirm the items that had emerging consensus at the March 7th Meeting,
4. Respond to the remaining questions on the items that otherwise have emerging consensus. These items include the requirements for a property report, record-keeping, developer warranties and escrow for common elements, a construction guarantee, and financial reporting,
5. State the recommendation, and
6. Outline next steps.

Staff will incorporate former Commissioner Kant's comments within sections 2 through 4 of the memo. **Attachment 2** summarizes the elements identified for additional discussion.

1. Census Rental Information

Staff checked the 2010 Census to see if it was possible to update the table below showing rentals by units in structure. Unfortunately, the detailed Census information for 2010 is not yet available. The only update for this table is from the American Community Survey (ACS) with a three-year average for 2008 to 2010. There is a substantial margin of error for this sample data, which makes it difficult to draw any conclusions. In the packet, in the section for detailed and optional information, there are a table and printouts from the 2010 Census that includes the ACS information.

Comparing the limited information available for 2010 to the 2000 Census establishes that while the total Highland Park population declined overall, approximately 5.1 percent, the number of renters declined 12.2 percent from 5,477 to 4,810 people. The City also lost 96 renter-occupied units between 2000 and 2010. In 2000, according to the Census, Highland Park had over 1,000 rental units that fell under the Inclusionary Housing Ordinance.¹ As displayed in the table below, over 600 units were in developments with 20 or more units.

Rentals by Units in Structure in 2000

Number of Units in Structure	City of Highland Park
Total, Renter Occupied	2080
1, Detached	403
1, Attached	184
2	196
3 or 4	252
5 to 9	254
10 to 19	182
20 to 49	342
50 or more	267

Source: US Census Bureau, 2000

¹ According to the Zoning Code, Inclusionary Housing requirements apply to developments with five or more units. Of the 2,080 rental units in Highland Park in 2000, 1,045 were in developments with five or more units.

2. Questions for Inclusionary Housing Ordinance

Although previously there was consensus to postpone this question for another discussion dedicated to the Inclusionary Housing Ordinance, staff now suggests addressing the question of whether condo conversions should be treated differently from other residential developments. Former Commissioner Kant concurred that it was a good idea to revisit the inclusionary requirements for condominium conversions. Resolving this question may answer some of the remaining details for the condo conversion ordinance, such as the unit threshold that triggers the requirement for a Property Report.

The questions under consideration are:

- Should there be a different threshold before a condo conversion falls under the Inclusionary Housing Ordinance requirements? Instead of requiring condo conversions of five or more units to comply with the Ordinance, should the threshold be ten or more units or twelve or more units, for example?
- Should there be a different percentage requirement for provision of affordable units for condo conversions? Instead of the established twenty percent affordable units required, should it be ten or fifteen percent for condo conversions?
- Should developers of condo conversions be allowed to pay the fee-in-lieu?

Background:

To date, the discussion has centered on two concerns:

1. balancing the interests of the developer with the community's need for affordable housing and
2. the technical issue that Corporation Counsel raised.

With regard to the first concern, the Commissioners acknowledged that the developer is unlikely to be able to obtain a density bonus in a conversion. The developer's constraint of redeveloping an existing building with minimal (less than 50%) demolition is likely to prevent adding new units. The rationale for the density bonus is to offset the cost of providing affordable units. On the other hand, rental housing is a relatively scarce resource, and it is difficult to create it in a mature community like Highland Park where development typically occurs on small infill lots or as part of redevelopment. This second viewpoint informs the Village of Niles' condominium conversion ordinance. Their ordinance applies to all conversions and contains the following justification in the Purpose section:

conversions may significantly affect the balance between rental and ownership housing within the village, and thereby reduce the variety of individual choices of tenure, type, price, and location of housing; increase overall rents; decrease the supply of rental housing for all income groups; displace individuals and families; and disregard the needs of the prevailing consumer market and careful consideration must apply in granting the zoning requirement of a special use in approving any conversion.

This concern for the loss of affordable rental housing is explicit in a number of the inclusionary housing ordinances from around the country that staff collected in order to see how communities with inclusionary housing programs treated condo conversions. **Attachment 3** summarizes information from a dozen programs. The local governments sampled include a number with well-established inclusionary housing programs, such as Boulder, CO, Montgomery County, MD, and Burlington, VT as well as the more recent inclusionary housing ordinance from St. Charles, IL. Not surprisingly, there are as many approaches as there are communities. St. Charles, IL excludes condominium

conversions from its inclusionary housing requirements, while Santa Monica, CA prohibited conversions altogether.

With regard to the technical issue that Corporation Counsel raised, this stems from a potential scenario Holland & Knight identified, which would prevent the condo conversion developer from complying with the Inclusionary Housing Ordinance. This problematic situation would occur if enough tenants exercised their right of first refusal that the developer would not have enough available units set-aside as affordable housing. To prevent this problem, Holland & Knight staff suggests either:

1. broadening the payment-in-lieu provision to include developers of condo conversions, or
2. changing the manner in which a developer's affordable housing requirement is calculated so that the calculation excludes the units that are sold to tenants pursuant to the tenants' right of first refusal.

3. Elements with Emerging Consensus from March 7th Meeting

Relocation Assistance for low and moderate-income renters:

At the March 7th Meeting, the Commissioners generally expressed support for providing relocation assistance for households up to 80 percent of Chicago area median income (AMI) 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. Chicago is the other community of the thirteen examined in the area that also requires relocation assistance. Chicago requires relocation assistance for households up to 120% of AMI, and the amount is the greater of \$1500 or the highest monthly rent paid up to \$2500. The Working Group recommended the Evanston provision. Note: Former Commissioner Kant thinks that relocation assistance is not necessary.

Transfer of Control to the Board of Managers

While there was general Commission support for establishing the transfer of control from the developer to the Board of Managers when sixty percent of the units were sold, this provision merits a second look given the concerns that Mr. Kant raised. The State of Illinois requirement is when seventy-five percent of the units are sold. The rationale for reducing the percent was to permit the purchasers to form an association sooner. In cases where the developer went bankrupt, the association's authority would be stronger than individual owners. Sixty percent is the threshold that Evanston established.

Former Commissioner Steven Kant opposes reducing the percent from seventy-five. He believes that this would be a disadvantage to both developers and purchasers. The lower percentage would impose a burden on the developer, who would be in a position to have to negotiate with the Board on the completion of the project, while the new owners lack the experience to create an effective Board of Managers and the finances to complete the project. Mr. Kant also said that the transfer to the Board of Managers is usually the most litigious part of the conversion process. Moreover, the reduction also may have the unintended consequence of allowing the developer to control the Board, because, if the developer's forty percent is accompanied with low turnout among the new owners, the developer could decide the election. Mr. Kant concluded that if the concern is the problems that purchasers face in failed developments then a better solution would be a guarantee deposit requirement.

Research Associate Ann Dillemoth of the American Planning Association made many of the same points to me in her email response to my queries:

Regarding your third question ...about the pros and cons of different percentage thresholds, I could not find a discussion of the optimal percentage of unit sales at which developer transition should be required. I did come across a number of articles on the transition process in general and the responsibilities of both parties at this time (and the potential for conflict and litigiousness). Most basically, the issue at hand is control of the board and responsibility for the building's financial and physical state, and all the powers and liabilities that come along with that. The lower the percentage, the sooner the owners can take control of the board, but the sooner they need to take responsibility of the building as well. If the owners feel that the developer has instituted policies or is acting in ways that favor his or her interests over that of the owners, however, a lower percentage for turnover control would be beneficial to them.

This is a difficult standard to establish. I began to look at other states' requirements for additional guidance, but so far, I only found Connecticut's, which sets the threshold at sixty percent.

4. Remaining Questions

Property Report

The purpose of the Property Report is to provide adequate information for a potential buyer to make an informed decision. The Property Report is the backbone of the majority of the municipal ordinances studied. Ten of thirteen of the Chicago area ordinances have this requirement in essentially the same form. Commissioner Kant strongly supports the requirement for a Property Report and said that his firm has prepared them for many condo conversion projects in the past. See **Attachment 4** for the outline for the preliminary and complete Property Report.

Question: what is the appropriate unit threshold to trigger the Property Report requirement?

Guidance: Discussion at the March 7th Meeting included the suggestion that the requirement apply to conversions in buildings with ten or more units rather than for conversions with five or more units. For comparison, the following table indicates the thresholds established in the ten Chicago area ordinances collected that require a **Property Report**:

Required for all conversions	Buildings of 5+ units	Buildings of 6+ units	Buildings of 7+ units
Evanston	Arlington Heights	Elmwood Park	Chicago
Niles	Palatine		Harwood Heights*
Oak Park			
Park Forest			
Wheeling			

*Note: Harwood Heights requires all developers to submit a property report to the Village, but only requires distribution to tenants and potential purchasers for buildings with seven or more units.

Record-keeping

The Commissioners generally were in favor of requiring that the owner transfer the Property Report and other records, such as utility accounts and make and model of common building equipment and appliances in the affordable condos to the Board of Managers. In addition, this provision would require that the Board of Managers retains a copy of the latest Property Report for seven years after its initial distribution. Mr. Kant is comfortable with this requirement.

Question: What is the appropriate unit threshold to trigger the record-keeping requirement?

Guidance: Niles requires all Board of Managers and Chicago requires the Board of Managers in buildings with seven or more units to keep a copy of the latest property report for seven years following the Property Report's initial distribution.

Developer Warranties and escrow for common elements

The warranties for common elements would include structural elements and mechanical components and systems, such as common HVAC, electrical, and plumbing. The Commissioners generally supported developer warranties and escrow for the common elements given some unit threshold and a limited time period, such as a year from the date of sale. Former Commissioner Kant supports requiring warranties and an escrow for the common elements. He suggested that it is not needed for individual units.

With regard to the threshold for triggering warranties, Holland & Knight declined to recommend one.

Questions:

- **What is the appropriate unit threshold?** whichever threshold is selected for the Property Report and Record-keeping
- **What amount of escrow should be required?**

Guidance: Staff recommends Evanston's ordinance: the total of one percent of the sales price of each unit sold. Please see **Attachment 5**, a table summarizing the warranties and escrow policies from the six area communities that require warranties.

- **What is the appropriate time period for the warranty?**

Guidance: Staff recommends one year from the transfer of control to the Board of Managers. This time frame is roughly in the middle of the time periods of the six area communities that require warranties for common building elements.

Guarantee for project completion

The Commissioners concurred with the Working Group's recommendation for a project guarantee, as a mechanism to help prevent the problems of failed developments.

Questions: what should be the project thresholds for requiring evidence of a surety bond for project completion:

- **the unit threshold?** whichever threshold is selected for the Property Report and Record-keeping
- **project dollar amount?**

Guidance: The City of Highland Park's current guarantee deposit requirement is for construction costs of \$25,000 and more. This could be amended to include condominium conversion projects in which construction or rehabilitation costs exceed \$25,000 or more. Former Commissioner Kant thinks that a deposit guarantee requirement is unnecessary.

Reporting on Assessment Collection

Commissioner Adler suggested the following addition at the March 7th Meeting: 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 City of Evanston includes a short provision reinforcing the State's requirement:

Evanston Condominium Conversion Ordinance

5-4-5-2: - PAYMENT OF ASSESSMENTS:

The declarant shall be required to pay all assessments on condominium units which he/she owns pursuant to the Illinois Condominium Property Act.

Questions:

- **what should be the reporting mechanism?**
- **who should receive it? and**
- **how often should it be distributed in order to insure that the requirement is met?**

Guidance: One suggestion from the March 7th Meeting was to require that the developer send a quarterly report to City staff, renters, and potential purchasers. Mr. Kant's concern with this proposed requirement centers on the question of who would provide oversight. He noted that this could be burdensome for City staff to evaluate, particularly since the developer may use assessments for some project costs, such as elevator repairs. Like the Property Report, however, staff's role could be to see that the developer prepares and distributes it, not to verify the accuracy of the information.

5. Recommendation

Staff requests that the Housing Commission:

- Considers and approves the minimum recommendation;
- Considers whether condominium conversions require special treatment in the Inclusionary Housing Ordinance, and
- Discusses and considers the remaining elements to include in a condominium conversion ordinance.

6. Next Steps

Following the Commission's recommendation for a Condominium Conversion Ordinance, staff will confer with Community Development Director Blue about how to prepare the recommendation for City Council.

In addition, staff will prepare information for a subsequent Commission discussion regarding revisions to the Inclusionary Housing Ordinance. The topic areas for discussion will be:

- recommended revisions, if any are approved today, for condominium conversions;
- possible additional protections for affordable purchasers, such as:
 - 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, and
 - An escrow account to ensure sufficient funds for the warranties for the affordable condos; as well as
- revisions to the selection criteria for purchasers, if necessary, to conform to Community Partner's for Affordable Housing's revised selection criteria.

Attachment 1 Elements of the Minimum Recommendation

As noted, the Working Group's minimum recommendation mirrors many of the State's requirements. Like the State of Illinois's provisions, the Working Group's minimum recommendation requires a 120 day period for:

- the tenant's right of first refusal to purchase the unit, and
- the tenant's right to extend their lease on the same terms.

Exhibit A shows the time line comparing the State of Illinois's time frame to the proposed one for the City. The differences between the proposed Highland Park ordinance and the State requirements are:

- The key difference is that the **proposed Highland Park timeline extends the Notice of intent to convert to 120 days** rather than thirty days in order to provide adequate time for the Housing Commission and City Council to consider the Inclusionary Housing Plan.
- Another departure from the State statute is to **require that the owner give two days notice of entry to tenants** in the last 90 days of the expiring tenancy. The State statute is more general, limiting showings to "a reasonable number of times and at appropriate hours during the last 90 days of any expiring tenancy."
- The **addition of a section regarding fire detection systems** stemmed from the examples found in a number of municipal condo conversion ordinances. Professional staff met with Fire Chief Pat Tanner and other fire department staff for their recommendation regarding requirements for fire detection and suppression systems. Because fire detection and suppression systems are addressed thoroughly in other sections of the City Code and because the Department already inspects rental properties, Chief Tanner recommended a simple statement requiring an acceptable fire detection system in the condominium development. The Fire Department would assist with drafting this section. Note: this presupposes that there is no other change in use. If, for example, the conversion established retail on the ground floor, then a fire suppression system would be required.

Exhibit A

Timeline for the Condominium Conversion Process:
Comparison of State Requirements to Proposed City of Highland Park Requirements

-120 days	-90 days	-60 days	-30 days	0	30 days	60 days	90 days
				Developer files Condo dec			
			State: Notice of intent to convert;				
			State: tenant right of first refusal; existing rental price in effect				
			State: showings-a reasonable number and at reasonable times				
HP: Notice of intent to convert							
HP: tenant right of first refusal; existing rental price in effect							
	HP: showings require two days notice						
HP: preliminary property report							
HP: developer submits IHP; Hsg. Comm. and City Council consider it.							

Notes:

1. In this proposed time line, the Highland Park requirements for the tenant's right of first refusal and for the owner to maintain the existing rental period are the same as the State's: 120 days. The difference is that the proposed Highland Park timeline moves up the Notice of intent to convert 90 days in order to provide adequate time for the Housing Commission and City Council to consider the Inclusionary Housing Plan.
2. There are other time sensitive steps in the condominium conversion process, but these occur after other actions have occurred:
 - a. **Final Property Report** provided to potential purchasers upon execution of the first sales contract and delivered with every executed sales contract thereafter.
 - b. **Records** transmitted to Condominium Board after its formation.

Attachment 2

Inclusionary Housing Questions and Condominium Conversion Ordinance Elements Identified for Additional Discussion

Below is a table designed to help focus the discussion at the July 11th Meeting on the remaining items under consideration for a condominium conversion ordinance recommendation as well as the questions pertaining to any recommended revisions to the Inclusionary Housing Ordinance pertaining to condominium conversions.

Inclusionary Housing Questions	Emerging Consensus from March 7th Meeting	Remaining Questions
<p>Different threshold for condo conversions?</p> <ul style="list-style-type: none"> • Ord applies to five or more units; • Increase threshold to 10 or more units or 12 or more units, for example? 	<p>Relocation Assistance to:</p> <ul style="list-style-type: none"> • Households up to 80% of Chicago Area Median Income; • Amount = one month's rent 	<p>Common Question: Unit threshold to trigger requirement? Pertains to:</p> <ul style="list-style-type: none"> • Property Report • Record-keeping • Developer Warranties and escrow • Guarantee for project completion • Reporting on Assessment Collection
<p>Different percentage requirement for provision of affordable units?</p> <ul style="list-style-type: none"> • Ord = 20% • Revise to 10% or 15% for condo conversions? 	<p>*Transfer of Control to Board of Managers:</p> <ul style="list-style-type: none"> • When 60% of units are sold • Contrast to State: when 75% of units sold <p>*Revisit given the issues Mr. Kant raised</p>	<p>Developer Warranties and Escrow for Common Elements:</p> <ul style="list-style-type: none"> • 1% of sales price of each unit sold? • Time period for warranty: 1 year from transfer to Board of Managers?
<p>Permit payment of fee-in-lieu for condo conversions?</p>		<p>Guarantee for Project Completion:</p> <ul style="list-style-type: none"> • When costs are \$25,000 or more? • Amend HP's guarantee deposit requirement to include condo conversions?
		<p>Assessment Collection Reporting:</p> <ul style="list-style-type: none"> • Quarterly report? • To City, tenants, potential purchasers?

**Attachment 3
Inclusionary Housing and Condo Conversion Requirements**

Community	2010 Population	Unit Threshold	General Requirement	Condo Conversion Requirements	Density Bonus
Atascadero, CA	28,310	4+ (applies to condo conversions only)	Inclusionary policy, not ordinance	20%	no
Boulder, CO	97,385	1-4 units pay fee; 5+ units require 20%	20% with 50% of these on-site; 50% can pay fee	???	no
Burlington, VT	42,417	5+	15%	15%	yes
Chapel Hill, NC	57,233	5+ for single-family; 2+ for multifamily	15% generally; 10% in town center	15% generally; 10% in town center; also affordable hsg transfer fee on resale of market-rate condos	yes
Davidson, NC	10,944		12.5%	12.5%	no
Montgomery County, MD	971,777	20+ units	12.5% to 15% depending on density bonus	1. only if there were affordable rentals and 2. may pay fee	yes
Newton, MA	85,146	6+ units	15%; Fee required for dev. Of 3-5 units	if adding 2+ units	yes
St. Charles, IL	32,974	1+	5% for 1-10 units; 10% for 11-50 units; 15% for >50	none	yes
San Diego, CA	1,307,402	2+ units	10% or fee	5% on-site or Fee	yes, if built on-site
San Leandro, CA	84,950	2+ units	15%	15%	no
Santa Monica, CA	89,736	2+	new multi-family only: 2-3 units pay fee; 4-15 units =20%; 16+ units =25%	Conversions prohibited by Charter XX in 1996	yes
Walnut Creek, CA	64,173	2+ units	complicated: on separate page	complicated: on separate page	yes

Attachment 3

Page Two

Walnut Creek CA Inclusionary Housing Requirements

Population: 64,173 in 2010
Ordinance applies to 2+ units
Density bonus: yes

Basically, the requirements are similar for condo conversions as other types of developments with the exception that condo conversions of 10-26 units are held to a higher standard.

Ownership Projects:

<u>Threshold</u>	<u>Requirements</u>
2-9 units	provide unit or pay Fee-in-Lieu
10-26 units	10% moderate income or 7% low income or 6% very low income or Or pay fee.
27+ units	10% moderate income or 7% low income or 6% very low income.

Condo Conversion Projects:

<u>Threshold</u>	<u>Requirements</u>
< 10 units	can pay fee
10-26 units	15% low income or 11% very low income.
27+ units	10% moderate income or 7% low income or 6% very low income.

Attachment 4 Outline for Property Report

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

1. Preliminary Property Report at 120 days with notice of intent to tenants and City
 1. List of tenants who were notified, including names (Note: this list is for City use only, not for public distribution)
 2. Name of building, address and number of units
 3. Name(s) of the developer, address, and phone number
 4. Timeline of project
 5. Statement of expected sales price
 6. Estimated monthly assessment with information on maintenance and amenity costs that the assessment covers
 7. Estimated real estate taxes based on previous year's tax bill
 8. Maintenance and amenity costs that are not covered by the monthly assessment for which optional charges are or may be levied
 9. List of appliances and property in units post conversion, stating whether new or existing
 10. Time and circumstances upon which the initial Board of Managers shall be established
 11. Brief description of rights and obligations retained by the sellers and the duration of such rights and obligations
 12. Rights and obligations of unit purchasers after closing and prior to the election of the initial Board of Managers
 13. Description of any financing offered by the developer
 14. Disclaimers like those required in the Arlington Heights and Chicago Ordinances (e.g., City law specifically prohibits any representation to the effect that the City has passed upon the merits of or given any approval to make or cause to be made...)
 15. Condominium Conversion Ordinance attached to preliminary property report
2. Final Property Report provided upon execution of the first sales contract and delivered with every executed sales contract thereafter. The proposed information required:
 1. Includes all the information from the Preliminary Property Report
 2. Additional ownership information including all general partners of a partnership and officers and the registered agent of a corporation

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

Attachment 5
Area Communities requiring Warranties

	Elmwood Park	Evanston	Niles	Oak Park	Park Forest	Wheeling
Threshold trigger	7+ units	All conversions	All conversions	All conversions	All conversions	All conversions
Common Elements	2 yrs. from transfer to Bd. Of Managers	detailed*	6 mo. from transfer to Bd. Of Managers	15 mo. from transfer to Bd. Of Managers	1 yr. from transfer to Bd. Of Managers	1 yr. from transfer of title of last unit
Time Period						
Individual Units	no	yes	yes	no	no	yes
Time Period	N/A	1 yr. from title transfer	1 yr. from title transfer	N/A	N/A	1 yr. from title transfer
Escrow or Bond	escrow	escrow	no	escrow	bond	no
Amount	2% of sales price of each ind. Unit	1% of sales price of each ind. Unit	N/A	2% of sales price of each ind. Unit	satisfactory to Vg. Manager	N/A

*Evanston's time frame: Either 4 yrs. from the date of title transfer of the first unit sold or 2 years from date of title transfer, which brings the total number of units transferred to 60% of total units, whichever occurs first.



EVERGREEN

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MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl, Management Agent *PK*

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

DATE: June 30, 2012

Subsequent to the City of Highland Park's review of plans and specifications for Ravinia, the contractor has completed an overall Change Order in the amount of \$45,050. This relates to City of Highland Park additions:

- Installation of addressable fire alarm panel with battery back-up, LCD annunciator panel, addressable heat detectors and smoke detectors at both Pleasant and St. Johns locations
- Addition of closet light fixtures with glass domes

The renovation contingency escrow is \$18,815, which results in a shortfall of \$26,235. Since the fire alarm panels are a new addition to the sites, we will try to get approval to utilize Replacement Reserves for this shortfall.

The City is, also, requiring about \$11,000 in change orders to the kitchen replacement work, but we had already removed the kitchens from the renovation scope of work and had received approval to utilize Replacement Reserves. There should not be a problem in obtaining HUD approval for the kitchen change order from Replacement Reserves.

There has been a staffing change at the property and we are seeking someone to fill the Recertification position. There is a temporary staff person in that position until it can be filled.

The bay window replacement at Frank B. Peers is still in the "design" stage and cost comparisons for several scenarios are in process of being developed by the architect and contractor. The scenarios include: reconfiguration of the bay window with the a/c unit on top of the bay and installation of a transfer grill to cool the bedroom; adding a masonry sleeve a/c unit through the façade with a transfer grill or a secondary a/c in the bedroom; rooftop condenser units to replace the individual a/c units; and a central system with chiller.

The townhome roofs at Walnut Place were inspected and the cost estimates for repair are approximately \$2,425 for the east townhomes and \$2,610 for the west townhomes. This results in a total roof repair cost for Walnut Place of \$13,585, which will have to come

from Replacement Reserves. This might eliminate the ability to replace any kitchens at Walnut Place in 2012.

We have not received a final quote for property insurance yet from the Broker.

Frank B. Peers

Occupancy: There is one vacant unit: Unit #312 (studio) – vacated June 10th. An applicant is in processing.

Physical: The property had a “brown-out” last week in the late afternoon resulting in half the building being without electricity. Staff monitored residents and common areas were utilized as a cooling center. Otherwise, just routine maintenance was conducted.

Social Programs: Weekly blood pressure checks are being done by Walgreens; Monthly luncheon; afternoon of “games”; Catholic Charities food distribution and the usual fare of other activities, i.e. bingo, movie nights, luncheons, exercise class, coffees. Circuit breaker for the State of Illinois for drug assistance was terminated on 6/30/12, but other options exist and a presentation was given to discuss those with residents.

Financial: Net Operating Income (NOI) for the month was negative to budget by (\$15,154). YTD NOI is positive to budget by \$26,431. Cash is modest at \$17,747, after payment of the Residual Receipts to IHDA. The property is still waiting for reimbursement of that same amount to pay for the kitchen renovation (2011).

Income – Income was negative to budget for the month due to higher than anticipated vacancy loss. The laundry income was received, which brings the YTD variance close to breakeven for that line item.

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

- Legal (#6340) – This reflects payment for the annual property tax appeal.
- Consulting (#6380) – This reflects NHC’s costs for auditing certification files during the period of time when the Recertification person was on medical leave.
- Temporary Help (#6385) – Temporary Help was utilized during the Assistant Manager’s medical leave.
- Tenant Retention (#6560) – Greater social programming at the site.
- Payroll Line Items – This reflects a 3 payroll period.
- Water (#6451) – Timing (YTD is close to breakeven)
- Real Estate Taxes (#6710) – This includes a \$19,861 audit adjustment to 2011 accruals to reflect the actual property tax paid in 2011.

Walnut Place

Occupancy: 100% occupied.

Summary of Capital Improvements for 2012				Frank B. Peers Prepared - 6/30/2012			
Item	Month	Cost Est.	Actual	Status			
Kitchen Replacement (11 kitchens)	August	97,300	78,511	Done; this is a final payment			
Tuckpointing	June	15,000		Moved from 2011			
Windows	February March	560,000		Estimate			
Parking Lot Resurface	May	12,000					
Appliances	As needed	1,440	449	1 Refrigerator			
Carpet Replacement	As needed	7,800	2,211	4 units (turnover)			
A/C Replacement	As needed	2,700	900	Purchased 2			
	TOTAL	696,240	82,071				
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						

Accounts Receivable Up-Date

May, 2012

Frank B. Peers

Tenant A/R increased from \$687 at the end of April to \$1,245 at the end of May. The breakdown is as follows:

Current	\$1,038
30 Days	\$ 134
60 Days	\$ 34
90 Days	(\$ 72)
Prepaid	\$ 111

Subsidy A/R continued to decrease slightly from \$52,473 at the end of April to \$52,395 at the end of May. The breakdown is as follows:

Current	\$ 9,026
30 Days	\$3,749
60 Days	\$3,865
90+ Days	(\$2,535)
Total Prepaid	\$38,290

Walnut Place

Tenant A/R increased slightly from \$19,739 at the end of April to \$20,272 (\$534 more). The current balance decreased, but the 30 day balances increased by a similar amount. The breakdown is as follows:

Current	\$ 2,525
30 Days	\$ 794
60 Days	\$ 1,100
90+ Days	\$15,573
Net Prepaid	\$ 280

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

Subsidy A/R increased by \$2,681 from \$34,075 at the end of April to \$36,756 at the end of May. The breakdown is as follows:

Current	\$ 9,029
30 Days	\$ 2,315

60 Days	\$ 830
90+ Days	\$ 9,325
Net Prepaid	\$ 15,257

Ravinia Housing

Tenant A/R decreased slightly from \$33,019 at the end of April to \$32,652 at the end of May. The breakdown is as follows:

Current	\$ 2,727
30 Days	\$ 1,610
60 Days	\$ 1,878
90+ Days	\$ 23,133
Net Prepaid	\$ 3,304

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

Subsidy A/R has increased from \$6,715 at the end of April to \$8,495 at the end of May. The vacating tenant's A/R must be written-off (additional month was added to the previous report). The current breakdown is as follows:

Current	(\$ 535)
30 Days	\$ 1,836
60 Days	(\$ 5,458)
90+ Days	(\$ 794)
Net Prepaid	\$13,446

Highland Park Housing Commission							
Reserve Balances							
Date:	5/30/2012						
Account Name	Frank B. Peers	Walnut Place	Ravinia Housing	Sunset Woods	Housing Trust Fund	TOTAL	
Checking (Property)	17,747	1,049	13,719	16,551			
Security Deposit	20,562	23,154	7,092	10,409			
Replacement Reserve	158,732	150,542	711,710	0			
Residual Receipts	Note #1 51,827	27,095	0	0			
Operating Reserve	0	0	321,835 (Construction Escrow)	9,024			
Association Money Market Checking		104,435	81,827	141,646			
Association Small Business Checking	16,277			26,705			
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	7/7/2012	504,375					
CD #2	10/7/2012	504,827					
Association MaxSafe Money Market	1,111,457						
TOTAL	2,570,817	306,275	1,136,183	-54,497			

Housing Trust Fund	
Fiscal Year 2012	
January 1 - December 31 - Unaudited	Unaudited Through 05/30
Beginning Balance, Jan 1 (Unaudited)	\$1,091,261
Revenue:	
Demolition Tax	46,669
Demolition Permits	10,500
Interest Revenue	324
Contributions/Donations/Other	0
Proceeds of Ceding Volume Cap	0
	57,493
Expenditures:	
Program Costs	(37,105)
	(37,105)
Ending Balance	\$1,111,648
Pending Obligations	
CPAH Scattered Site Program	(\$176,512)
Employer Assisted Housing	(\$50,000)
HPI CLT Operating Grant 2012	(\$115,000)
Emergency Housing Assistance	(\$10,000)
Housing Planner	(\$21,653)
Total Pending Obligations	(\$373,165)
Net Balance (04-30-12)	\$738,483
Prior Month Balance (03-31-12)	\$699,809
Month to Month Change	\$38,674

MEMORANDUM

To: Housing Commission

From: Mary Cele Smith, Housing Planner

Date: July 2, 2012

Subject: Consideration of Resident Satisfaction Surveys for Peers and Walnut Place

Evergreen Real Estate Services has commissioned resident satisfaction surveys for other properties they manage. They typically contract with LSN, Life Services Network, an association that focuses on senior services providers. Evergreen recommends waiting on considering a survey for Ravinia Housing until after the rehab is complete.

The cost for a survey is:

Survey form - \$8 each

Postage paid return envelopes to LSN - \$2.15/survey

Customization of Surveys - \$250 for both properties

The cost for Peers and Walnut would be \$763.70 each.

Recommendation

Staff requests that the Commission considering authorizing resident satisfaction surveys for Peers and Walnut Place.

FRANK B. PEERS HOUSING

Balance Sheet

Month Ending 05/31/12

ASSETS

Current Assets

1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	17,747.33
1130-0000 - Tenant/member accounts receivable	1,245.00
1131-0000 - Accounts receivable - subsidy	46,403.00
1240-0000 - Prepaid property and liability insurance	1,450.58
Total Current Assets	67,145.91

Other Assets

1290-0000 - Misc Prepaid Expenses	271.51
1192-0000 - Tenant Sec Dep	20,561.93
1310-0000 - Real estate tax escrow	150,075.70
1311-0000 - Insurance escrow	31,063.85
1330-0000 - Debt Service Escrow	138,749.66
1140-0000 - Accounts Receivable - Other	3,284.36
1320 - Replacement Reserve	158,731.83
Total Other Assets	502,738.84

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	13,791.00
Total Fixed Assets	1,161,633.03

Financing Costs

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

Partnership Assets

1701-0000 - Cash - Partnership	16,276.66
1702-0000 - Partnership MM	2,120,658.60
1703-0000 - Partnership Receivable	267,013.69
Total Partnership Assets	2,403,948.95

Total Assets

4,278,491.00

FRANK B. PEERS HOUSING

Balance Sheet

Month Ending 05/31/12

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	769.00
2113-0000 - Flex Benefit Payable	11.00
2120-0000 - Accrued wages and p/r taxes payable	2,600.09
2150-0000 - Accrued property taxes	145,306.41
2180-0000 - Misc current liabilities	9,812.37
Total Current Liabilities	158,498.87

Non-Current Liabilities

2191-0000 - Security deposits-residential	17,389.00
2191-0001 - Pet Deposit	820.00
2210-0000 - Prepaid Rent	111.00
2211-0000 - Prepaid HUD	32,927.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	1,950,678.66
Total Non-Current Liabilities	4,291,925.66

Owner's Equity

3100-0000 - Limited Partners Equity	2,402,918.63
3112-0000 - Distributions - Current Year	(51,827.00)
3209-0000 - Prior Year Retained Earnings	(2,601,328.52)
3210-0000 - Retained earnings	84,726.37
Current YTD Earnings	(6,423.01)
Total Owner's Equity	(171,933.53)

Total Liability & Owner Equity

4,278,491.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 05/31/12			Year To Date 05/31/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME	20,922.00	16,789.60	4,132.40	95,323.00	83,948.40	11,374.60	201,475.60
5120-0000 - Apartment rent	63,026.00	67,158.40	(4,132.40)	324,417.00	335,792.00	(11,375.00)	805,900.80
5121-0000 - Tenant assistant payments	60.00	60.00	0.00	739.81	300.00	439.81	720.00
5140-0000 - Commercial base rent	84,008.00	84,008.00	0.00	420,479.81	420,040.40	439.41	1,008,096.40
TOTAL RESIDENTIAL RENTAL INCOME							
VACANCIES & ADJUSTMENTS	(3,633.00)	(1,500.00)	(2,133.00)	(9,963.00)	(7,500.00)	(2,463.00)	(18,000.00)
5220-0000 - Vacancy loss - apartments	(1,243.00)	(1,243.00)	0.00	(6,215.00)	(6,215.00)	0.00	(14,916.00)
5221-0000 - Non-Revenue Units	(4,876.00)	(2,743.00)	(2,133.00)	(16,178.00)	(13,715.00)	(2,463.00)	(32,916.00)
TOTAL VACANCIES & ADJUSTMENTS							
OTHER INCOME	512.00	208.00	304.00	1,016.00	1,040.00	(24.00)	2,500.00
5910-0000 - Laundry income	0.00	15.00	(15.00)	0.00	75.00	(75.00)	180.00
5922-0000 - Late fees	0.00	100.00	(100.00)	0.00	500.00	(500.00)	1,200.00
5945-0000 - Damages	0.00	0.00	0.00	0.00	799.40	(799.40)	1,050.40
5990-0000 - Misc other income	0.00	0.00	0.00	1.10	2.40	(1.30)	50.39
5413-0000 - Interest income - escrow	512.00	323.00	189.00	1,017.10	2,416.80	(1,399.70)	4,980.79
TOTAL OTHER INCOME							
GROSS OPERATING INCOME	79,644.00	81,588.00	(1,944.00)	405,318.91	408,742.20	(3,423.29)	980,161.19
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	58.96	0.00	(58.96)	279.40	300.00	20.60	300.00
6253-0000 - Credit Report Fees	14.00	30.00	16.00	81.00	150.00	69.00	360.00
TOTAL ADVERTISING & RENTING EXPENSE	72.96	30.00	(42.96)	360.40	450.00	89.60	660.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	133.08	247.00	113.92	986.74	1,235.00	248.26	2,964.00
6316-0000 - Office Equipment	0.00	300.00	300.00	395.24	1,500.00	1,104.76	3,600.00
6320-0000 - Management fee	4,061.35	4,150.00	88.65	20,076.74	20,750.00	673.26	49,800.00
6340-0000 - Legal Expense - Project	1,320.00	80.00	(1,240.00)	1,320.00	400.00	(920.00)	960.00
6350-0000 - Audit Expense	0.00	1,100.00	1,100.00	11,600.00	13,700.00	2,100.00	13,700.00
6360-0000 - Telephone	798.16	725.00	(73.16)	2,885.48	3,625.00	739.52	8,700.00
6360-0001 - Answering Service/ Pagers	60.60	61.00	0.40	302.45	305.00	2.55	732.00
6365-0000 - Training & Education Expense	0.00	110.00	110.00	0.00	550.00	550.00	1,320.00
6370-0000 - Bad debts	50.00	3,000.00	2,950.00	543.00	3,000.00	2,457.00	6,000.00
6371-0000 - Fees Dues & Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6380-0000 - Consulting/study costs	2,052.00	0.00	(2,052.00)	2,052.00	1,500.00	(552.00)	3,750.00
6385-0000 - Temporary Help	947.36	0.00	(947.36)	1,865.36	0.00	(1,865.36)	0.00
6390-0000 - Misc administrative expenses	131.64	120.00	(11.64)	822.34	600.00	(222.34)	1,440.00
6390-0002 - Computer Supplies/Data Processing	155.30	150.00	(5.30)	992.22	750.00	(242.22)	1,800.00
6395-0000 - Tenant Retention	626.14	281.00	(345.14)	2,415.98	1,797.46	(618.52)	7,299.00
6431-0000 - Travel & Expense Reimbursement	327.91	185.00	(142.91)	759.68	925.00	165.32	2,220.00
6860-0000 - Security Deposit Interest	(0.87)	(3.31)	(2.44)	(4.26)	(15.23)	(10.97)	(81.53)
TOTAL ADMINISTRATIVE EXPENSE	10,662.67	10,505.69	(156.98)	47,012.97	50,622.23	3,609.26	104,203.47
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	6,540.20	4,428.00	(2,112.20)	22,903.05	22,140.00	(763.05)	58,088.00
6510-0000 - Janitor and cleaning payroll	1,713.99	1,167.00	(546.99)	6,144.19	5,835.00	(309.19)	15,172.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 05/31/12			Year To Date 05/31/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6540-0000 - Repairs payroll	4,814.06	3,800.00	(1,014.06)	17,466.46	19,000.00	1,533.54	49,140.00
6900-0000 - Social Service Coordinator	1,761.93	1,200.00	(561.93)	4,184.42	6,000.00	1,815.58	15,600.00
6715-0000 - Payroll Taxes	1,867.72	1,230.00	(637.72)	7,177.86	6,150.00	(1,027.86)	14,760.00
6722-0000 - Workers compensation	271.52	271.52	0.00	1,357.60	1,357.60	0.00	3,339.12
6723-0000 - Employee health insurance	1,589.99	1,614.42	24.43	8,629.74	8,072.10	(557.64)	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	1,298.00	2,821.00	1,523.00	2,821.00
TOTAL PAYROLL & RELATED COSTS	18,559.41	13,710.94	(4,848.47)	69,161.32	71,375.70	2,214.38	178,950.64
OPERATING EXPENSES	71.83	300.00	228.17	407.63	1,500.00	1,092.37	3,600.00
6515-0000 - Janitors and cleaning supplies	0.00	0.00	0.00	0.00	500.00	500.00	500.00
6518-0000 - Uniforms	105.00	105.00	0.00	450.00	525.00	75.00	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	560.99	410.00	(150.99)	1,817.30	1,750.00	(67.30)	4,120.00
6525-0000 - Rubbish removal	0.00	50.00	50.00	0.00	250.00	250.00	600.00
6490-0000 - Misc operating expenses	737.82	865.00	127.18	2,674.93	4,525.00	1,850.07	12,080.00
TOTAL OPERATING EXPENSES	1,374.64	1,630.00	255.36	4,952.26	7,550.00	2,597.74	22,515.36
UTILITIES	(447.02)	1,907.71	2,354.73	7,007.83	11,746.99	4,739.16	22,515.36
6450-0000 - Electricity	1,738.53	718.76	(1,019.77)	3,968.07	3,802.14	(165.93)	9,420.80
6451-0000 - Water	857.52	2,000.00	1,142.48	6,258.09	17,574.04	11,315.95	36,000.63
6452-0000 - Gas	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6453-0000 - Sewer	2,149.03	4,626.47	2,477.44	17,233.99	33,123.17	15,889.18	67,936.79
TOTAL UTILITIES	4,745.08	7,345.23	2,599.15	24,460.15	54,500.15	30,039.98	104,367.22
MAINTENANCE EXPENSES	0.00	3,500.00	3,500.00	0.00	3,500.00	3,500.00	4,000.00
6536-0000 - Ground supplies	826.59	650.00	(176.59)	2,550.59	1,300.00	(1,250.59)	6,400.00
6537-0000 - Grounds Contractor (Landscaper)	867.28	400.00	(467.28)	3,527.56	2,000.00	(1,527.56)	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	500.00	229.57	1,200.00
6541-0002 - Plumbing Supplies	0.00	100.00	100.00	0.00	500.00	500.00	1,200.00
6541-0003 - Electrical Supplies	0.00	400.00	400.00	0.00	400.00	400.00	400.00
6541-0004 - Heating/Cooling Supplies	0.00	0.00	0.00	0.00	300.00	300.00	600.00
6541-0005 - Hand Tools	0.00	50.00	50.00	0.00	250.00	250.00	600.00
6541-0006 - Expendable Tools	0.00	50.00	50.00	0.00	250.00	250.00	600.00
6541-0007 - Safety Equipment	0.00	0.00	0.00	0.00	200.00	200.00	200.00
6541-0009 - Window Supplies	0.00	50.00	50.00	244.17	250.00	5.83	600.00
6541-0010 - Carpentry/Hardware	570.00	290.00	(280.00)	1,275.00	1,450.00	175.00	3,500.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	0.00	1,007.50	1,007.50	877.56	3,720.29	2,842.73	9,027.79
6546-0000 - Heating/Cooling Contractor	0.00	4,652.00	4,652.00	2,517.00	14,659.48	12,142.48	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	2,870.50	2,500.00	(370.50)	12,000.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6562-0000 - Laundry Expense	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	0.00	0.00	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	450.93	400.00	(50.93)	450.93	0.00	450.93	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	355.00	355.00	855.00
6590-0000 - Miscellaneous Repair	0.00	0.00	0.00	0.00	0.00	0.00	0.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 05/31/12			Year To Date 05/31/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6591-0000 - Electrical Repairs	0.00	0.00	0.00	1,147.69	771.69	(376.00)	2,271.69
6592-0000 - Boiler Repairs	637.31	500.00	(137.31)	637.31	2,500.00	1,862.69	6,000.00
6594-0000 - Carpentry Repairs	0.00	0.00	0.00	0.00	155.44	155.44	655.44
6595-0000 - Plumbing Repairs	597.67	245.00	(352.67)	4,868.39	3,185.06	(1,683.33)	7,457.06
6596-0000 - Floor Repairs/Cleaning	0.00	150.00	150.00	0.00	750.00	750.00	1,800.00
6598-0000 - Roof Repairs	0.00	0.00	0.00	0.00	0.00	0.00	1,200.00
TOTAL MAINTENANCE EXPENSES	3,949.78	13,044.50	9,094.72	21,411.62	47,496.96	26,085.34	96,701.46
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	27,706.41	7,845.00	(19,861.41)	59,086.41	39,225.00	(19,861.41)	94,140.00
6719-0000 - Miscellaneous Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6720-0000 - Property and liability insurance	1,450.58	1,450.58	0.00	7,252.90	7,252.90	0.00	17,853.48
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	22.00	0.00	(22.00)	91.00
TOTAL TAXES AND INSURANCE	29,156.99	9,295.58	(19,861.41)	66,361.31	46,477.90	(19,883.41)	112,084.48
TOTAL OPERATING EXPENSES	65,288.66	52,078.18	(13,210.48)	224,216.54	254,070.96	29,854.42	572,616.84
NET OPERATING INCOME (LOSS)	14,355.34	29,509.82	(15,154.48)	181,102.37	154,671.24	26,431.13	407,544.35
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	20,669.93	20,718.05	48.12	103,828.54	104,066.82	238.28	247,732.30
7104-0000 - Replacement Reserve	1,863.67	2,020.00	156.33	9,318.35	10,100.00	781.65	24,240.00
7108-0000 - Mortgage Payable (long term)	9,817.61	9,817.61	0.00	48,609.16	48,609.16	0.00	118,700.05
TOTAL FINANCIAL EXPENSES	32,351.21	32,555.66	204.45	161,756.05	162,775.98	1,019.93	390,672.35
NET OPER INC/(LOSS) BEFORE CAP. EXP.	(17,995.87)	(3,045.84)	(14,950.03)	19,346.32	(8,104.74)	27,451.06	16,872.00
NET INCOME (LOSS)	(17,995.87)	(3,045.84)	(14,950.03)	19,346.32	(8,104.74)	27,451.06	16,872.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	141.58	147.20	(5.62)	1,289.53	1,596.79	(307.26)	3,820.37
8010-0000 - Other Entity Expense	(250.00)	0.00	(250.00)	(260.00)	559,915.00	(560,175.00)	606,164.50
Total Partnership Activity	(108.42)	147.20	(255.62)	1,029.53	561,511.79	(560,482.26)	609,984.87
CAPITAL EXPENDITURES & ESCROWS							
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	11,580.00	560,000.00	548,420.00	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	12,000.00	12,000.00	0.00	12,000.00	12,000.00	12,000.00
6993-0000 - Appliance Replacement	0.00	120.00	120.00	0.00	600.00	600.00	1,440.00
6993-0003 - A/C Replacements	0.00	1,400.00	1,400.00	0.00	1,400.00	1,400.00	2,700.00
6994-0000 - Carpet & tile	1,606.50	650.00	(956.50)	2,211.00	3,250.00	1,039.00	7,800.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	1,606.50	14,170.00	12,563.50	13,791.00	577,250.00	563,459.00	626,240.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	(19,710.79)	(17,068.64)	(2,642.15)	6,584.85	(23,842.95)	30,427.80	616.87

WALNUT PLACE
Balance Sheet
Month Ending 05/31/12

ASSETS

Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	1,049.29
1130-0000 - Tenant/member accounts receivable	20,246.43
1131-0000 - Accounts receivable - subsidy	36,756.00
1240-0000 - Prepaid property and liability insurance	1,306.83
Total Current Assets	<u>60,258.55</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	290.70
1192-0000 - Tenant Sec Dep	23,154.30
1310-0000 - Real estate tax escrow	191,519.34
1311-0000 - Insurance escrow	34,984.84
1330-0000 - Debt Service Escrow	136,095.17
1320 - Replacement Reserve	150,541.80
1340 - Residual Receipt	27,094.46
Total Other Assets	<u>563,680.61</u>

Fixed Assets

1410-0000 - Land	220,000.00
1420-0000 - Building	2,907,088.00
1430-0000 - Land Improvements	317,988.00
1440-0000 - Building Equipment Portable	354,185.56
1450-0000 - Furniture for project/tenant use	369,718.19
4120-0000 - Accum depr - buildings	(3,344,854.25)
1498-0000 - Current F/A	24,308.75
Total Fixed Assets	<u>848,434.25</u>

Financing Costs

1900-0001 - Deferred Financing Costs	174,813.03
1999-0000 - Accum Amort - Bond Costs	(42,601.51)
Total Financing Costs	<u>132,211.52</u>

Partnership Assets

1701-0000 - Cash - Partnership	104,434.93
Total Partnership Assets	<u>104,434.93</u>

Total Assets

1,709,019.86

WALNUT PLACE
Balance Sheet
Month Ending 05/31/12

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	19,710.56
2113-0000 - Flex Benefit Payable	11.00
2120-0000 - Accrued wages and p/r taxes payable	2,600.04
2150-0000 - Accrued property taxes	177,732.24
2155-0000 - Accrued professional services	14,714.00
2180-0000 - Misc current liabilities	6,261.28
Total Current Liabilities	<u>221,029.12</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(12,407.00)
2191-0000 - Security deposits-residential	18,279.00
2191-0001 - Pet Deposit	950.00
2210-0000 - Prepaid Rent	255.00
2211-0000 - Prepaid HUD	15,257.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-4000 - Deferred Revenue	247,127.00
2320-0000 - Mortgage Payable (long term)	2,004,235.41
Total Non-Current Liabilities	<u>4,819,696.41</u>

Owner's Equity

3100-0000 - Limited Partners Equity	104,375.87
3209-0000 - Prior Year Retained Earnings	(3,627,757.44)
3210-0000 - Retained earnings	216,775.60
Current YTD Earnings	(25,099.70)
Total Owner's Equity	<u>(3,331,705.67)</u>

Total Liability & Owner Equity

1,709,019.86

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 05/31/12			Year To Date 05/31/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	22,734.00	19,926.28	2,807.72	107,569.00	99,631.40	7,937.60	239,115.36
5121-0000 - Tenant assistant payments	63,902.00	66,709.72	(2,807.72)	325,611.00	333,548.60	(7,937.60)	800,516.64
5140-0000 - Commercial base rent	0.00	0.00	0.00	269.99	0.00	269.99	0.00
TOTAL RESIDENTIAL RENTAL INCOME	86,636.00	86,636.00	0.00	433,449.99	433,180.00	269.99	1,039,632.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(3,495.00)	(2,750.00)	(745.00)	(12,514.00)	(13,750.00)	1,236.00	(33,000.00)
5221-0000 - Non-Revenue Units	(1,260.00)	(1,260.00)	0.00	(6,307.00)	(6,288.00)	(19.00)	(15,108.00)
TOTAL VACANCIES & ADJUSTMENTS	(4,755.00)	(4,010.00)	(745.00)	(18,821.00)	(20,038.00)	1,217.00	(48,108.00)
OTHER INCOME							
5910-0000 - Laundry income	724.00	286.00	438.00	1,422.25	1,430.00	(7.75)	3,432.00
5922-0000 - Late fees	0.00	10.00	(10.00)	0.00	50.00	(50.00)	120.00
5990-0000 - Misc other income	0.00	100.00	(100.00)	348.00	500.00	(152.00)	1,200.00
5413-0000 - Interest income - escrow	0.00	15.00	(15.00)	1.24	75.00	(73.76)	180.00
TOTAL OTHER INCOME	724.00	411.00	313.00	1,771.49	2,055.00	(283.51)	4,932.00
GROSS OPERATING INCOME	82,605.00	83,037.00	(432.00)	416,400.48	415,197.00	1,203.48	996,456.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	58.96	0.00	(58.96)	279.40	300.00	20.60	300.00
6253-0000 - Credit Report Fees	14.00	30.00	16.00	14.00	150.00	136.00	360.00
TOTAL ADVERTISING & RENTING EXPENSE	72.96	30.00	(42.96)	293.40	450.00	156.60	660.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	94.68	300.00	205.32	891.98	1,500.00	608.02	3,600.00
6316-0000 - Office Equipment	0.00	300.00	300.00	395.23	1,500.00	1,104.77	3,600.00
6320-0000 - Management fee	3,918.40	4,083.00	164.60	20,693.01	20,415.00	(278.01)	48,996.00
6340-0000 - Legal Expense - Project	1,320.00	0.00	(1,320.00)	1,320.00	2,000.00	680.00	2,000.00
6350-0000 - Audit Expense	10,500.00	0.00	(10,500.00)	10,500.00	11,500.00	1,000.00	13,000.00
6360-0000 - Telephone	1,192.51	850.00	(342.51)	3,923.75	4,250.00	326.25	10,200.00
6360-0001 - Answering Service/ Pagers	60.60	61.00	0.40	302.45	305.00	2.55	732.00
6365-0000 - Training & Education Expense	0.00	110.00	110.00	0.00	550.00	550.00	1,320.00
6370-0000 - Bad debts	0.00	0.00	0.00	0.00	1,000.00	1,000.00	7,000.00
6371-0000 - Fees Dues & Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6385-0000 - Temporary Help	2,552.00	0.00	(2,552.00)	2,552.00	750.00	(1,802.00)	3,750.00
6390-0000 - Consulting/study costs	947.35	0.00	(947.35)	1,865.35	0.00	(1,865.35)	0.00
6390-0002 - Computer Supplies/Data Processing	126.05	155.00	28.95	623.23	775.00	151.77	1,860.00
6395-0000 - Tenant Retention	155.48	150.00	(5.48)	993.12	750.00	(243.12)	1,800.00
6431-0000 - Travel & Expense Reimbursement	489.03	500.00	10.97	2,387.17	2,500.00	112.83	6,500.00
6860-0000 - Security Deposit Interest	327.90	187.00	(140.90)	759.67	935.00	175.33	2,244.00
	(0.98)	(3.81)	(2.83)	(4.83)	(17.24)	(12.41)	(84.35)
TOTAL ADMINISTRATIVE EXPENSE	21,683.02	6,692.19	(14,990.83)	47,202.13	48,712.76	1,510.63	106,517.65
PAYROLL & RELATED COSTS							
6510-0000 - Office salaries	6,535.83	4,428.00	(2,107.83)	22,887.06	22,140.00	(747.06)	58,088.00
6540-0000 - Repairs payroll	1,713.97	1,167.00	(546.97)	6,144.17	5,835.00	(309.17)	15,172.00
6540-0000 - Janitor and cleaning payroll	4,814.08	3,800.00	(1,014.08)	16,818.14	19,000.00	2,181.86	49,140.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 05/31/12			Year To Date 05/31/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6900-0000 - Social Service Coordinator	1,761.93	1,200.00	(561.93)	4,184.42	6,000.00	1,815.58	15,600.00
6715-0000 - Payroll Taxes	1,867.36	1,230.00	(637.36)	7,174.83	6,150.00	(1,024.83)	14,760.00
6722-0000 - Workers compensation	288.70	288.70	0.00	1,443.50	1,443.50	0.00	3,562.20
6723-0000 - Employee health insurance	1,594.36	1,614.42	20.06	8,645.71	8,072.10	(573.61)	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	1,298.00	2,821.00	1,523.00	2,821.00
TOTAL PAYROLL & RELATED COSTS	18,576.23	13,728.12	(4,848.11)	68,595.83	71,461.60	2,865.77	179,173.72
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	160.41	310.00	149.59	995.43	1,550.00	554.57	3,720.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	500.00	500.00	500.00
6519-0000 - Exterminating Contract	120.00	400.00	280.00	390.00	2,000.00	1,610.00	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	528.74	350.00	(178.74)	1,780.05	1,750.00	(30.05)	4,200.00
6490-0000 - Misc operating expenses	0.00	200.00	200.00	0.00	200.00	200.00	450.00
TOTAL OPERATING EXPENSES	809.15	1,260.00	450.85	3,165.48	6,000.00	2,834.52	13,670.00
UTILITIES							
6450-0000 - Electricity	401.09	1,312.57	911.48	5,147.28	5,355.45	208.17	16,310.04
6451-0000 - Water	511.79	506.84	(4.95)	2,755.72	2,923.25	167.53	6,340.49
6452-0000 - Gas	(487.68)	(4,407.46)	(3,919.78)	7,769.44	11,866.08	4,096.64	28,504.14
6453-0000 - Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL UTILITIES	425.20	(2,588.05)	(3,013.25)	15,672.44	20,144.78	4,472.34	51,154.67
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	0.00	3,500.00	3,500.00	260.00	3,500.00	3,240.00	4,000.00
6537-0000 - Grounds Contractor (Landscaper)	659.16	650.00	(9.16)	659.16	1,300.00	640.84	5,200.00
6541-0000 - Repair materials (general supplies)	746.80	200.00	(546.80)	2,052.27	1,000.00	(1,052.27)	2,400.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	0.00	250.00	250.00	600.00
6541-0002 - Plumbing Supplies	0.00	100.00	100.00	0.00	500.00	500.00	1,200.00
6541-0003 - Electrical Supplies	0.00	100.00	100.00	231.40	500.00	268.60	1,200.00
6541-0004 - Heating/Cooling Supplies	0.00	500.00	500.00	0.00	500.00	500.00	1,000.00
6541-0005 - Hand Tools	0.00	0.00	0.00	0.00	300.00	300.00	600.00
6541-0006 - Expendable Tools	0.00	50.00	50.00	0.00	250.00	250.00	600.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	250.00	250.00	600.00
6541-0009 - Window Supplies	0.00	200.00	200.00	0.00	1,000.00	1,000.00	2,400.00
6541-0010 - Carpentry/Hardware	0.00	50.00	50.00	23.91	250.00	226.09	600.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	0.00	190.00	190.00	570.00	950.00	380.00	2,280.00
6546-0000 - Heating/Cooling Contractor	0.00	385.00	385.00	2,767.19	1,925.00	(842.19)	7,620.00
6548-0000 - Snow removal	3,087.00	0.00	(3,087.00)	6,365.00	8,495.48	2,130.48	11,832.48
6551-0000 - Elevator Contractor (Special Repairs)	0.00	100.00	100.00	0.00	500.00	500.00	1,200.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	1,610.00	500.00	(1,110.00)	7,462.50	2,500.00	(4,962.50)	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	0.00	0.00	0.00	574.48	0.00	(574.48)	500.00
6581-0000 - Window Washing	0.00	1,400.00	1,400.00	0.00	1,400.00	1,400.00	1,400.00
6582-0000 - Fire Protection	344.35	300.00	(44.35)	344.35	1,500.00	1,155.65	3,600.00
6582-0001 - Fire Safety Equipment	0.00	25.00	25.00	0.00	5,125.00	5,125.00	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	372.00	372.00	0.00	447.00	447.00	3,237.08
6592-0000 - Boiler Repairs	547.19	200.00	(347.19)	1,340.84	1,000.00	(340.84)	2,400.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 05/31/12			Year To Date 05/31/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6594-0000 - Carpentry Repairs	179.60	100.00	(79.60)	179.60	500.00	320.40	1,200.00
6595-0000 - Plumbing Repairs	245.00	600.00	355.00	2,259.26	3,000.00	740.74	7,200.00
6596-0000 - Floor Repairs/Cleaning	510.00	100.00	(410.00)	510.00	500.00	(10.00)	1,200.00
6598-0000 - Roof Repairs	0.00	0.00	0.00	0.00	814.62	814.62	2,014.62
6599-0000 - Window repairs	0.00	100.00	100.00	0.00	500.00	500.00	1,200.00
TOTAL MAINTENANCE EXPENSES	7,929.10	9,822.00	1,892.90	25,599.96	38,757.10	13,157.14	86,084.18
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	34,896.23	9,660.00	(25,236.23)	73,536.23	48,300.00	(25,236.23)	115,920.00
6719-0000 - Miscellaneous Taxes	0.00	0.00	0.00	1,200.00	0.00	(1,200.00)	0.00
6720-0000 - Property and liability insurance	1,306.83	1,306.83	0.00	6,534.15	6,534.15	0.00	16,090.98
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	23.00	0.00	(23.00)	97.00
TOTAL TAXES AND INSURANCE	36,203.06	10,966.83	(25,236.23)	81,293.38	54,834.15	(26,459.23)	132,107.98
TOTAL OPERATING EXPENSES	85,698.72	39,911.09	(45,787.63)	241,822.62	240,360.39	(1,462.23)	569,368.20
NET OPERATING INCOME (LOSS)	(3,093.72)	43,125.91	(46,219.63)	174,577.86	174,836.61	(258.75)	427,087.80
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	22,017.51	22,017.51	0.00	110,634.73	110,634.73	0.00	263,195.48
7104-0000 - Replacement Reserve	1,836.95	2,055.00	218.05	9,184.75	10,275.00	1,090.25	24,660.00
7108-0000 - Mortgage Payable (long term)	11,469.44	11,469.44	0.00	56,800.02	56,800.02	0.00	138,647.92
TOTAL FINANCIAL EXPENSES	35,323.90	35,541.95	218.05	176,619.50	177,709.75	1,090.25	426,503.40
NET OPER INC/(LOSS) BEFORE CAP. EXP.	(38,417.62)	7,583.96	(46,001.58)	(2,041.64)	(2,873.14)	831.50	584.40
NET INCOME (LOSS)	(38,417.62)	7,583.96	(46,001.58)	(2,041.64)	(2,873.14)	831.50	584.40
Partnership Income							
8005-0000 - Mortgagor Entity Income	11.53	45.74	(34.21)	59.06	215.66	(156.60)	258.56
8010-0000 - Other Entity Expense	0.00	0.00	0.00	0.00	0.00	0.00	(10.00)
Total Partnership Activity	11.53	45.74	(34.21)	59.06	215.66	(156.60)	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	1,865.00	0.00	(1,865.00)	23,774.27	0.00	(23,774.27)	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	10,000.00	10,000.00	0.00	10,000.00	10,000.00	10,000.00
6993-0000 - Appliance Replacement	0.00	200.00	200.00	534.48	1,000.00	465.52	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	2,000.00	2,000.00	0.00	2,000.00	2,000.00	4,000.00
6994-0000 - Carpet & tile	0.00	650.00	650.00	0.00	3,250.00	3,250.00	7,800.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	1,865.00	12,850.00	10,985.00	24,308.75	16,250.00	(8,058.75)	(10.00)
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	(40,271.09)	(5,220.30)	(35,050.79)	(26,291.33)	(18,907.48)	(7,383.85)	842.96

RAVINIA HOUSING
Balance Sheet
Month Ending 05/31/12

ASSETS

Current Assets

1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	13,719.24
1130-0000 - Tenant/member accounts receivable	32,652.60
1131-0000 - Accounts receivable - subsidy	8,495.00
1240-0000 - Prepaid property and liability insurance	447.50
1250-0000 - Prepaid Mortgage Insurance	1,405.68
Total Current Assets	<u>56,870.02</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	156.55
1192-0000 - Tenant Sec Dep	7,092.03
1310-0000 - Real estate tax escrow	8,350.82
1311-0000 - Insurance escrow	4,654.01
1312-0000 - Mortgage Insurance Escrow	653.43
1140-0000 - Accounts Receivable - Other	635.36
1350-0000 - Construction Escrow	321,835.31
1320 - Replacement Reserve	711,710.11
Total Other Assets	<u>1,055,087.62</u>

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)
Total Fixed Assets	<u>492,678.59</u>

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)
Total Financing Costs	<u>48,389.17</u>

Partnership Assets

1701-0000 - Cash - Partnership	81,826.99
Total Partnership Assets	<u>81,826.99</u>

Total Assets

1,734,852.39

RAVINIA HOUSING
Balance Sheet
Month Ending 05/31/12

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	(3,831.00)
2113-0000 - Flex Benefit Payable	3.00
2120-0000 - Accrued wages and p/r taxes payable	654.49
2130-0000 - Accrued interest - mortgage	1,555.68
2150-0000 - Accrued property taxes	35,195.00
2180-0000 - Misc current liabilities	366.77
Total Current Liabilities	<u>33,943.94</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(1,523.00)
2191-0000 - Security deposits-residential	6,837.06
2210-0000 - Prepaid Rent	3,304.00
2211-0000 - Prepaid HUD	13,446.00
2320-1000 - Mortgage payable - 2nd note	713,396.28
2320-0000 - Mortgage Payable (long term)	414,848.43
Total Non-Current Liabilities	<u>1,150,308.77</u>

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	(42,898.07)
Current YTD Earnings	(1,734.76)
Total Owner's Equity	<u>550,599.68</u>

Total Liability & Owner Equity

1,734,852.39

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 05/31/12			Year To Date 05/31/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	6,066.00	8,685.20	(2,619.20)	37,359.00	43,426.00	(6,067.00)	104,222.40
5121-0000 - Tenant assistant payments	15,647.00	13,027.80	2,619.20	70,728.00	65,139.00	5,589.00	156,333.60
TOTAL RESIDENTIAL RENTAL INCOME	21,713.00	21,713.00	0.00	108,087.00	108,565.00	(478.00)	260,556.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(1,300.00)	(1,275.00)	(25.00)	(6,500.00)	(6,375.00)	(125.00)	(15,300.00)
TOTAL VACANCIES & ADJUSTMENTS	(1,300.00)	(1,275.00)	(25.00)	(6,500.00)	(6,375.00)	(125.00)	(15,300.00)
OTHER INCOME							
5413-0000 - Interest income - escrow	40.85	0.00	40.85	110.12	0.00	110.12	0.00
TOTAL OTHER INCOME	40.85	0.00	40.85	110.12	0.00	110.12	0.00
GROSS OPERATING INCOME	20,453.85	20,438.00	15.85	101,697.12	102,190.00	(492.88)	245,256.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	16.08	0.00	(16.08)	16.08	0.00	(16.08)	0.00
6253-0000 - Credit Report Fees	81.00	0.00	(81.00)	81.00	0.00	(81.00)	0.00
TOTAL ADVERTISING & RENTING EXPENSE	97.08	0.00	(97.08)	97.08	0.00	(97.08)	0.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	377.62	521.00	143.38	2,073.96	2,605.00	531.04	6,252.00
6316-0000 - Office Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6320-0000 - Management fee	366.77	765.00	398.23	3,670.19	4,142.07	471.88	9,497.07
6340-0000 - Legal Expense - Project	360.00	36.00	(324.00)	391.40	180.00	(211.40)	432.00
6350-0000 - Audit Expense	0.00	2,820.00	2,820.00	8,900.00	11,820.00	2,920.00	11,820.00
6360-0000 - Telephone	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6360-0001 - Answering Service/ Pagers	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	2,165.00	2,165.00	5,196.00
6371-0000 - Fees Dues & Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6385-0000 - Temporary Help	97.29	0.00	(97.29)	97.29	0.00	(97.29)	0.00
6390-0000 - Misc administrative expenses	206.07	350.00	143.93	675.87	1,750.00	1,074.13	4,200.00
6390-0002 - Computer Supplies/Data Processing	69.54	66.00	(3.54)	405.78	330.00	(75.78)	792.00
6395-0000 - Tenant Retention	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6431-0000 - Travel & Expense Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6860-0000 - Security Deposit Interest	(0.30)	0.00	0.30	(1.49)	0.00	1.49	0.00
TOTAL ADMINISTRATIVE EXPENSE	1,476.99	4,991.00	3,514.01	16,213.00	22,992.07	6,779.07	38,189.07
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	1,968.03	1,175.00	(793.03)	6,385.10	5,875.00	(510.10)	14,100.00
6510-0000 - Janitor and cleaning payroll	1,780.38	1,717.00	(63.38)	6,085.65	8,585.00	2,499.35	20,604.00
6715-0000 - Payroll Taxes	457.01	238.00	(219.01)	1,780.78	1,190.00	(590.78)	2,856.00
6722-0000 - Workers compensation	71.46	134.00	62.54	357.30	670.00	312.70	1,608.00
6723-0000 - Employee health insurance	451.32	444.00	(7.32)	2,443.53	2,220.00	(223.53)	5,328.00
6724-0000 - Union Benefits	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6726-0000 - Other employee benefits	0.00	0.00	0.00	0.00	11.11	11.11	11.11
6726-0001 - Contingency	0.00	0.00	0.00	354.00	0.00	(354.00)	0.00
TOTAL PAYROLL & RELATED COSTS	4,728.20	3,708.00	(1,020.20)	17,406.36	18,551.11	1,144.75	44,507.11

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 05/31/12			Year To Date 05/31/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	106.43	215.00	108.57	387.33	1,075.00	687.67	2,580.00
6520-0000 - Miscellaneous Repair Contractors	361.67	2,575.00	2,213.33	4,290.98	12,875.00	8,584.02	30,900.00
6525-0000 - Rubbish removal	460.97	632.00	171.03	1,844.06	3,160.00	1,315.94	7,584.00
TOTAL OPERATING EXPENSES	<u>929.07</u>	<u>3,422.00</u>	<u>2,492.93</u>	<u>6,522.37</u>	<u>17,110.00</u>	<u>10,587.63</u>	<u>41,064.00</u>
UTILITIES							
6450-0000 - Electricity	67.06	268.00	200.94	1,255.36	1,340.00	84.64	3,218.00
6451-0000 - Water	40.95	27.00	(13.95)	90.14	135.00	44.86	324.00
6452-0000 - Gas	18.12	125.00	106.88	199.64	625.00	425.36	1,500.00
6453-0000 - Sewer	25.54	89.00	63.46	25.54	445.00	419.46	1,068.00
TOTAL UTILITIES	<u>151.67</u>	<u>509.00</u>	<u>357.33</u>	<u>1,570.68</u>	<u>2,545.00</u>	<u>974.32</u>	<u>6,110.00</u>
MAINTENANCE EXPENSES							
6537-0000 - Grounds Contractor (Landscaper)	0.27	0.00	(0.27)	0.27	0.00	(0.27)	0.00
6541-0000 - Repair materials (general supplies)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6546-0000 - Heating/Cooling Contractor	0.00	42.00	42.00	86.75	210.00	123.25	500.00
6548-0000 - Snow removal	0.00	0.00	0.00	5,101.00	9,500.00	4,399.00	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
6594-0000 - Carpentry Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6595-0000 - Plumbing Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL MAINTENANCE EXPENSES	<u>0.27</u>	<u>42.00</u>	<u>41.73</u>	<u>5,188.02</u>	<u>9,710.00</u>	<u>4,521.98</u>	<u>11,340.00</u>
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	12,640.00	2,750.00	(9,890.00)	23,640.00	13,750.00	(9,890.00)	33,000.00
6719-0000 - Miscellaneous Taxes	15.00	0.00	(15.00)	15.00	0.00	(15.00)	0.00
6720-0000 - Property and liability insurance	447.50	417.00	(30.50)	2,237.50	2,085.00	(152.50)	5,002.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	7.00	0.00	(7.00)	28.00
TOTAL TAXES AND INSURANCE	<u>13,102.50</u>	<u>3,167.00</u>	<u>(9,935.50)</u>	<u>25,899.50</u>	<u>15,835.00</u>	<u>(10,064.50)</u>	<u>38,030.00</u>
TOTAL OPERATING EXPENSES	20,485.78	15,839.00	(4,646.78)	72,897.01	86,743.18	13,846.17	179,240.18
NET OPERATING INCOME (LOSS)	(31.93)	4,599.00	(4,630.93)	28,800.11	15,446.82	13,353.29	66,015.82
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	1,555.68	1,558.00	2.32	9,659.43	11,526.88	1,867.45	22,372.88
6850-0000 - Mortgage Service Fee	156.19	156.00	(0.19)	1,136.64	1,116.00	(20.64)	2,208.00
7104-0000 - Replacement Reserve	1,333.33	2,046.00	712.67	3,999.99	7,562.00	3,562.01	21,884.00
7108-0000 - Mortgage Payable (long term)	552.59	552.59	0.00	1,651.57	8,047.18	6,395.61	11,973.76
TOTAL FINANCIAL EXPENSES	<u>3,597.79</u>	<u>4,312.59</u>	<u>714.80</u>	<u>16,447.63</u>	<u>28,252.06</u>	<u>11,804.43</u>	<u>58,438.64</u>
NET OPER INC/(LOSS) BEFORE CAP. EXP.	(3,629.72)	286.41	(3,916.13)	12,352.48	(12,805.24)	25,157.72	7,577.18
NET INCOME (LOSS)	(3,629.72)	286.41	(3,916.13)	12,352.48	(12,805.24)	25,157.72	7,577.18
Partnership Income							
8005-0000 - Mortgagor Entity Income	9.04	0.00	9.04	52.62	0.00	52.62	0.00
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(62,689.49)	0.00	(62,689.49)	0.00
Total Partnership Activity	<u>9.04</u>	<u>0.00</u>	<u>9.04</u>	<u>(62,636.87)</u>	<u>0.00</u>	<u>(62,636.87)</u>	<u>0.00</u>

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 05/31/12			Year To Date 05/31/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
CAPITAL EXPENDITURES & ESCROWS							
6994-0000 - Carpet & tile	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	(3,620.68)	286.41	(3,907.09)	(50,284.39)	(12,805.24)	(37,479.15)	7,577.18

Sunset Woods Housing
Income Statement
Compared with Budget
For the Five Months Ending May 31, 2012

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
Rents	\$ 9,010.00	\$ 9,388.00	(378.00)	\$ 44,006.00	\$ 46,939.00	(2,933.00)
Misc. Income	0.00	334.00	(334.00)	0.00	1,668.00	(1,668.00)
Interest Income Assn	15.64	0.00	15.64	89.48	0.00	89.48
Interest Income	1.59	0.00	1.59	10.02	0.00	10.02
Total Revenues	9,027.23	9,722.00	(694.77)	44,105.50	48,607.00	(4,501.50)
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	9,027.23	9,722.00	(694.77)	44,105.50	48,607.00	(4,501.50)
Expenses						
Office Supplies	0.00	4.00	(4.00)	38.22	22.00	16.22
Management Fee	585.65	632.00	(46.35)	2,985.43	3,159.00	(173.57)
Legal and Accounting Assn	150.00	0.00	150.00	2,775.00	0.00	2,775.00
Credit Ck Fees	0.00	4.00	(4.00)	0.00	20.00	(20.00)
Government Fees	0.00	0.00	0.00	1,150.00	0.00	1,150.00
Heating & Air	0.00	42.00	(42.00)	85.00	206.00	(121.00)
Electrical & Plumbing Maint	365.00	42.00	323.00	545.00	206.00	339.00
Painting & Decorating Assn	0.00	84.00	(84.00)	0.00	419.00	(419.00)
Appliance Repairs	0.00	42.00	(42.00)	0.00	206.00	(206.00)
Supplies	0.00	42.00	(42.00)	217.23	206.00	11.23
Locks Assn	0.00	0.00	0.00	38.50	0.00	38.50
Locks	20.00	0.00	20.00	35.00	0.00	35.00
Carpet	0.00	42.00	(42.00)	0.00	206.00	(206.00)
Maintenance	600.00	42.00	558.00	1,559.96	206.00	1,353.96
Security	0.00	8.00	(8.00)	0.00	40.00	(40.00)
Condo Assessment Rental Units	2,442.94	3,167.00	(724.06)	12,214.70	15,835.00	(3,620.30)
Cable TV	448.20	583.00	(134.80)	2,241.00	2,915.00	(674.00)
Postage/Shipping Assn	0.00	0.00	0.00	28.71	0.00	28.71
Real Estate tax expense	6,509.64	1,667.00	4,842.64	6,509.64	8,331.00	(1,821.36)
Loan Interest	2,065.03	3,038.00	(972.97)	10,507.93	15,189.00	(4,681.07)
Bldg Insurance	0.00	250.00	(250.00)	0.00	1,250.00	(1,250.00)
Total Expenses	13,186.46	9,689.00	3,497.46	40,931.32	48,416.00	(7,484.68)
Net Income	(\$ 4,159.23)	\$ 33.00	(4,192.23)	\$ 3,174.18	\$ 191.00	2,983.18

Sunset Woods Housing
Balance Sheet
May 31, 2012

ASSETS

Current Assets	
General Checking Old	\$ 16,551.01
Assn Money Mkt HP B&T	141,645.95
Assn Checking HP B&T	26,705.35
Sec.Dep. Savings Old	10,409.19
Savings Account Old	9,023.97
Financing Costs	1,500.00
Accounts Receivable	<u>20.00</u>
Total Current Assets	205,855.47
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	<u>0.00</u>
Total Other Assets	<u>0.00</u>
Total Assets	<u><u>\$ 1,843,537.81</u></u>

LIABILITIES AND CAPITAL

Current Liabilities	
Due to Peers Housing Assn	\$ 258,832.40
Accrued RE Tax	32,400.00
Accrued RE Taxes Assn	10,330.50
Security Deposits	<u>9,516.00</u>
Total Current Liabilities	311,078.90
Long-Term Liabilities	
Notes Payable, Harris	436,070.70
Notes Payable, Lake Co	66,670.48
Notes Payable, IHDA	<u>121,456.45</u>
Total Long-Term Liabilities	<u>624,197.63</u>
Total Liabilities	935,276.53
Capital	
Equity-Retained Earnings	905,087.10
Net Income	<u>3,174.18</u>
Total Capital	<u>908,261.28</u>
Total Liabilities & Capital	<u><u>\$ 1,843,537.81</u></u>

Sunset Woods Housing
Account Register
For the Period From May 1, 2012 to May 31, 2012
1101M13 - General Checking Old

Filter Criteria includes: Report order is by Date.

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			21,650.33
5/1/12	1452	Withdrawal	Illinois Housing Development A		100.00	21,550.33
5/1/12	5/1/12	Deposit	Tenant	252.00		21,802.33
		Deposit	Tenant	368.00		22,170.33
		Deposit	Tenant	281.00		22,451.33
		Deposit	Tenant	524.00		22,975.33
		Deposit	Tenant	717.00		23,692.33
		Deposit	Tenant	669.00		24,361.33
		Deposit	Tenant	226.00		24,587.33
		Deposit	Tenant	290.00		24,877.33
		Deposit	Tenant	406.00		25,283.33
5/3/12	1453	Withdrawal	RC Paint & Home Improvements		705.00	24,578.33
5/3/12	1454	Withdrawal	Sunset Woods Condominium Assoc		2,911.14	21,667.19
5/6/12	5/7/12	Deposit	Tenant	412.00		22,079.19
		Deposit	Tenant	139.00		22,218.19
		Deposit	Tenant	374.00		22,592.19
		Deposit	Tenant	795.00		23,387.19
		Deposit	Tenant	383.00		23,770.19
		Deposit	Tenant	486.00		24,256.19
		Deposit	Tenant	137.00		24,393.19
		Deposit	Tenant	330.00		24,723.19
		Deposit	Tenant	438.00		25,161.19
		Deposit	Tenant	690.00		25,851.19
		Deposit	Tenant	835.00		26,686.19
		Deposit	Tenant	258.00		26,944.19
5/15/12	loan1205	Other	Harris Bank/auto pymt		3,037.89	23,906.30
5/23/12	1455	Withdrawal	Housing Opportunity Dev. Corp.		585.65	23,320.65
5/23/12	1456	Withdrawal	RC Paint & Home Improvements		260.00	23,060.65
5/23/12	1457	Withdrawal	Lake County Collector		3,056.58	20,004.07
5/23/12	1458	Withdrawal	Lake County Collector		3,453.06	16,551.01
			Total	9,010.00	14,109.32	

Sunset Woods - April 30, 2012

Ending balance checking	\$	23,320
Ending balance operating reserve	\$	<u>9,024</u>
TOTAL	\$	32,344

Selected Census Information for Highland Park

	2010 Census	2000 Census	Change	Percent Change
Total Population	29763	31365	-1602	-5.1%
Total Housing Units	12256	11934	322	2.7%
Occupied housing units	11410	11521	-111	-1.0%
owner-occupied	9447	9462	-15	-0.2%
population in owner-occupied	24,698	25737	-1039	-4.0%
renter-occupied units	1963	2059	-96	-4.7%
population in renter-occupied	4810	5477	-667	-12.2%

Renter-occupied Units by Units in Structure

comparison of the Census Bureau's American Community Survey to the 2000 Census. The American Community Survey is an average for the 3 year period, 2008-2010. The last column provides the margin of error from this sample: + or minus numbers of units from the reported average.

	2008-2010 ACS Average	2000 Census	Change	ACS Margin of Error
Renter-occupied:				
5 to 9	171	254	-83	+/-100
10 to 19	171	182	-11	+/-139
20 to 49	340	342	-2	+/-155
50 or more	119	267	-148	+/-95
Total Renter-occupied 5-50+ units	801	1045	-244	

Highland Park, Illinois
Selected Census Population Information
 prepared by Chicago Metropolitan Agency for Planning

Census Topic	Table Number	Count
2000: Total population: Total	P004001	31,365
2000: Total population: Hispanic or Latino	P004002	2,792
2000: Total population: Not Hispanic or Latino	P004003	28,573
2000: Total population: Not Hispanic or Latino; Population of one race	P004004	28,346
2000: Total population: Not Hispanic or Latino; Population of one race; White alone	P004005	27,112
2000: Total population: Not Hispanic or Latino; Population of one race; Black or African American alone	P004006	488
2000: Total population: Not Hispanic or Latino; Population of one race; American Indian and Alaska Native alone	P004007	8
2000: Total population: Not Hispanic or Latino; Population of one race; Asian alone	P004008	707
2000: Total population: Not Hispanic or Latino; Population of one race; Native Hawaiian and Other Pacific Islander alone	P004009	2
2000: Total population: Not Hispanic or Latino; Population of one race; Some other race alone	P004010	29
2000: Total population: Not Hispanic or Latino; Population of two or more races	P004011	227
2010:		
2010: Total population: Total	P0020001	29,763
2010: Total population: Hispanic or Latino	P0020002	2,167
2010: Total population: Not Hispanic or Latino	P0020003	27,596
2010: Total population: Not Hispanic or Latino; Population of one race	P0020004	27,267
2010: Total population: Not Hispanic or Latino; Population of one race; White alone	P0020005	25,845

2010: Total population: Not Hispanic or Latino; Population of one race; Black or African American alone	P0020006	516
2010: Total population: Not Hispanic or Latino; Population of one race; American Indian and Alaska Native alone	P0020007	22
2010: Total population: Not Hispanic or Latino; Population of one race; Asian alone	P0020008	848
2010: Total population: Not Hispanic or Latino; Population of one race; Native Hawaiian and Other Pacific Islander alone	P0020009	9
2010: Total population: Not Hispanic or Latino; Population of one race; Some other race alone	P0020010	27
2010: Total population: Not Hispanic or Latino; Population of two or more races	P0020011	329
2000 - 2010 Change: Total population: Total		
		-1,602
2000 - 2010 Change: Total population: Hispanic or Latino		
		-625
2000 - 2010 Change: Total population: Not Hispanic or Latino		
		-977
2000 - 2010 Change: Total population: Not Hispanic or Latino; Population of one race		
		-1,079
2000 - 2010 Change: Total population: Not Hispanic or Latino; Population of one race; White alone		
		-1,267
2000 - 2010 Change: Total population: Not Hispanic or Latino; Population of one race; Black or African American alone		
		28
2000 - 2010 Change: Total population: Not Hispanic or Latino; Population of one race; American Indian and Alaska Native alone		
		14
2000 - 2010 Change: Total population: Not Hispanic or Latino; Population of one race; Asian alone		
		141

2000 - 2010 Change: Total population: Not Hispanic or Latino; Population of one race; Native Hawaiian and Other Pacific Islander alone		7
2000 - 2010 Change: Total population: Not Hispanic or Latino; Population of one race; Some other race alone		-2
2000 - 2010 Change: Total population: Not Hispanic or Latino; Population of two or more races		102