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: November 29, 2012
RE: HOUSING COMMISSION PACKET FOR 12-05-2012 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 November 2012 Regular Meeting
- **Agenda Item V. Scheduled Business**
  - **1. (Action Needed)** Items for Omnibus Vote Consideration
    - Payment of Invoices: None at present
  - **2. (Discussion and Consideration) Housing Commission Peers, Walnut Place, Ravinia, and Sunset Woods. Supporting Materials:**
    - November 2012 Management Report
    - Summary of Capital Improvements for Peers and Walnut Place
    - Accounts Receivable Up-Date
    - Summary Spreadsheets: Highland Park Housing Reserve Balances prepared 10/31/12
    - Housing Trust Fund Fiscal Year 2012, Unaudited through 10/31/12
    - Peers Window Replacement Bids. Supporting Material:
      - Email from Ms. Polly Kuehl to Planner M. Smith
      - Summary from Bruce Sterling
  - **3. (Discussion)** Report on November 26th City Council Pre-Session discussion regarding the demolition tax. **Supporting Materials:**
    - Staff Memo November 28, 2012
  - **4. (Discussion and Consideration)** Revisions to the Inclusionary Housing Ordinance. Supporting Materials:
    - Staff Memo November 28, 2012
    - Inclusionary Housing Ordinance Mark-Up

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 October 31, 2012

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, December 5, 2012 at City Hall, 1707 St. Johns Avenue, Highland Park**, Illinois. The Meeting will be held in the **Lower Level Conference Room**.

City of Highland Park
Housing Commission
Wednesday, December 5, 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 – November 7 Regular Meeting

V. Scheduled Business

1. Items for Omnibus Vote Consideration
   - Payment of Invoices:
   - None at present

2. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods
   - Management Report
   - Property Report
   - Discussion and Consideration of Peers window replacement and ac project bids
   - Discussion regarding Commission representative at January 2013 events at Peers and Walnut Place
   - Sunset Woods:
     - Report from Commissioner Meek regarding the Sunset Woods Condominium Association Board Meeting in November
     - Other

3. Report on November 26th City Council Pre-Session discussion regarding the demolition tax

4. Discussion and Consideration of Revisions to the Inclusionary Housing Ordinance

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 November 7, 2012

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

CALL TO ORDER

At 6:30 p.m., Chairman David Wigodner called to order the regular meeting of the Highland Park Housing Commission, the Peers Housing Association, the Ravinia Housing Association, the Walnut Housing Association, and the Sunset Woods Association. Each of the Commissioners also serves as Directors of each of the Housing Associations. The Chairman asked Planner M. Smith to call the roll.

ROLL CALL

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

Commissioners Absent: Barber, Meek

Student Representative Present: Gordon

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

Council Liaison Present: Blumberg

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

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

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

APPROVAL OF MINUTES

Regular Meeting of the Housing Commission –October 3, 2012
Commissioner Glasner moved approval of minutes of the regular meeting of the Housing Commission, the Peers Housing Association, the Ravinia Housing Association, the Walnut Housing Association, and the Sunset Woods Association held on October 3, 2012. Commissioner Naftzger seconded the motion.

On a roll call vote:
Voting Yea: Adler, Glasner, Naftzger, Sharfman, and Wigodner
Voting Nay: None

The Chairman declared that the motion passed.

SCHEDULED BUSINESS

1. Items for Omnibus Vote Consideration
   - Ratification of Payment:
   - Mason, Wenk & Berman L.L.C. for Invoice #35520 for legal services for Sunset Woods for $450.00
   - Payment of Invoices:
   - None

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

Chairman Wigodner entertained a motion to ratify the payment to Mason, Wenk & Berman L.L. C. for Invoice #35520 for legal services for Sunset Woods for $450.00. Commissioner Adler moved ratification of the payment to Mason, Wenk & Berman L.L. C. for Invoice #35520 for legal services for Sunset Woods for $450.00. Commissioner Naftzger seconded the motion.

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

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

Chairman Wigodner reviewed highlights of the Management and Property Reports.

Property Operations Report
See above, "Management Report."

Consideration of 2013 Operating Budgets for Peers, Walnut Place, and Ravinia
Chairman Wigodner summarized the significant budget increases for 2013, including increases for staffing as the social service coordinator position changes from three-quarters time to full-time as well as the increases in the insurance premiums. Ms. Polly Kuehl, Senior Vice President, Evergreen Real Estate Services, answered questions and pointed out that the actual Walnut Place 2012 insurance escrow expenses will be higher than what was originally budgeted, because the Illinois Housing Development Authority required additional money deposited into the insurance escrow in 2012 due to the insurance increase.

After discussion, Chairman Wigodner entertained a motion to approve the 2013 operating budgets for Peers, Walnut Place, and Ravinia Housing. Commissioner Adler moved approval of the 2013 operating budgets for Peers, Walnut Place, and Ravinia Housing. Commissioner Sharfman seconded the motion.

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

Discussion and Consideration of Peers window replacement and ac project bids
Chairman Wigodner updated the Commissioners on the project's status. Last week, consultant Bruce Sterling led a tour of the building for contractors interested in submitting proposals. Ms.

Kuehl expects that they will receive bids within the next two weeks. The plan is for the Commission to consider the bids at the December Meeting.

Discussion regarding development proposal that identifies the Ravinia Pleasant Avenue's parking lot for possible acquisition

Chairman Wigodner summarized the discussions that have occurred to date between Al Klairmont, a property owner adjacent to the Ravinia family housing development on Pleasant Avenue, and City staff regarding his potential interest in acquiring Ravinia's parking lot as part of a redevelopment proposal that includes the site of the vacant 7-11. Mr. Klairmont's preliminary concept is for a residential building with ground floor retail space. If the Housing Commission and City were willing to sell the Ravinia Housing parking lot, the sale also would require permission from U.S. Housing and Urban Development (HUD), who holds the second mortgage on the property. Ms. Kuehl outlined the information that HUD would require, including such items as a survey and appraisal, in order to make a decision. Staff communicated this information to Mr. Klairmont at a meeting on October 10th. HUD would require the developer to pay these costs. No action is needed from the Housing Commission or City staff at this point. It is up to Mr. Klairmont to decide whether he wants to proceed with a proposal. If he were to do so, staff suggests establishing a memo of understanding between the Housing Commission and Mr. Klairmont in order to be clear about HUD's requirements and his responsibilities in that process.

Sunset Woods:

Ratification of Extension of Management Agreement with HODC for 12 rentals

After discussion, Chairman Wigodner entertained a motion to ratify the Extension of the Management Agreement with Housing Opportunity Development Corporation from September 1, 2012 through August 31, 2014 for the twelve rentals. Commissioner Naftzger moved approval of the Extension of the Management Agreement with Housing Opportunity Development Corporation from September 1, 2012 through August 31, 2014 for the twelve rentals at Sunset Woods. Commissioner Sharfman seconded the motion.

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

Other Sunset Woods Items

There were no other Sunset Woods items.

3. Report on upcoming City Council Pre-Session discussion on November 13, 2012 regarding the demolition tax

Planner M. Smith reported that a discussion on the demolition tax would not be on the November 13th City Council agenda, but was likely to be on the City Council Pre-Session Agenda on December 10th. The upcoming City Council discussion stems from a request from a property owner to City Council to waive the demolition tax. The property owner maintains that the tax hinders his ability to demolish a dilapidated property. When the City Council places the item on the pre-session agenda, Chairman Wigodner, Commissioner Glasner, and City staff plan to attend in order to answer questions.

4. Discussion of Interfaith Housing's Report, *Outsider Perspectives on Chicago's Northern Suburbs*

The Commissioners briefly discussed the Interfaith Housing Report that was in the packet. The Report summarizes the results of six focus groups with fifty-six participants regarding perceptions of the northern suburbs. The goal of the project was to determine possible reasons why people of color choose to move, or not to move, to the North Shore. Most of the participants indicated that they knew little about the northern suburbs. The Commissioners expressed disappointment that the Interfaith project did not seem to include educating participants about the northern suburbs. Such a step would enable Interfaith to assess whether and how participants' perceptions changed after learning more about the northern suburbs. The Commissioners concurred that it was difficult to draw any conclusions from this project.

EXECUTIVE SESSION
There was no Executive Session.

OTHER BUSINESS
There was no other business.

ADJOURNMENT

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

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

The Housing Commission adjourned its meeting at 7:52 p.m.

Submitted respectfully:

Mary Cele Smith
Housing Planner

EVERGREEN
Real Estate Services, L.L.C.
566 West Lake Street, Suite 400
Chicago, IL 60661-1414
www.evergreen-housing.com
Phone: 312-234-9400
Fax: 312-382-3220

MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl, Management Agent

RE: **November Management Report/October Financials**

DATE: November 28, 2012

Ravinia renovations continue at a fast pace. Lead-based remediation/containment work will begin inside the two houses this next week and families will be relocated. The Pumah family will be moved to Frank B. Peers the last week in November and arrangements are being made for the Garcia family to be moved to Staybridge Suites in Glenview for approximately $150/night. The family will be there from 12/2/2012 – 12/20/2012. We will, also, be giving them a gas allowance of $5/day for bringing their children back and forth to Highland Park for school. This was the closest place for relocation that could accommodate a family of 6. Both families will be out of their houses for between 2-3 weeks. In addition, other Ravinia renovation tasks have been completed since the last Housing Commission up-date.

The kitchen renovations at Pleasant have been completed, as well as all up-grades to the Fire Alarm system, which the City just approved yesterday. All work at Pleasant will be done prior to the December Housing Commission meeting. The Fire Panel work has started at St. Johns and exterior light receptacles have been installed at both houses. The kitchen renovation work at St. Johns will begin on December 3rd. The kitchens at St. Johns should be completed by December 10th. By the end of the first week in December, the Fire Alarm up-grades at St. Johns should be completed.

The Frank B. Peers window project has, also, progressed. Bids have been received for the two scopes of work and the cost estimates are more "firm". Options #1 is approximately $532,000 and Option #2 is 1,046,000. Both options include the following work:

- Window replacements
- Corrections to the fire wall issues
- A/C Units

Option #2 adds the following tasks to the scope of work:

- Add-ons for the mini-split system for 2 floors
- Preparatory work to add the mini-split equipment on the two remaining floors in the future
- Movement of the electrical panel from the closet
- Condensate drain lines

This will be further discussed at the up-coming Housing Commission meeting.

Frank B. Peers

Occupancy: There is one vacant unit: Unit #105(1-bedroom) – vacated September 1 and the unit is being held for use by the Pumah family (Ravinia) for relocation (see above).

Physical: The spense valve repair is still pending a cost refinement from the vendor. Only routine maintenance was conducted at the site.

Social Programs: The typical monthly programs were conducted in addition to Jill's going away party. Tri-con is a day care facility behind Peers and their children came to the site to "trick-or-treat" door to door, which the residents requested.

Financial: **Net Operating Income (NOI) for the month was positive to budget by $2,217. YTD NOI is positive to budget by $27,715. Cash was good at $20,106.**

Income – Income was slightly negative to budget for the month due to higher than anticipated vacancy loss (unit being held for Ravinia temporary use). The laundry payment was received and YTD is accurate for this line item – slightly less than budgeted.

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

- Consulting (#6380) – This reflects the payments to Sterling Renaissance for their work related to the window replacement/fire wall projects. I kept this cost separate from the maintenance line items so that we could eventually move this cost into the overall capital costs for the project.
- Tenant Retention (#6395) – This is a timing issue of when bills are paid, but does reflect the higher cost of activities near the end of the fiscal year.
- Employee Health Insurance (#6723) – This reflects the retroactive Union benefit payments for Troy Vanderwyst back to June 2012. It took some time before the Union was able to get Troy into its "system" and generate a bill for his benefits (June-October).
- Janitorial Cleaning Supplies (#6515) – This is a timing issue of when bulk purchasing occurs. YTD is within budget for this line item.
- Grounds Contractor (#6537) – As indicated in previous financial statement reviews, the two line items (#6536 and #6537) need to be combined for an overall

view of landscaping costs (materials and contract). We purchased additional materials this year, which will result in the property being slightly over budget YTD.

- Capital Expenditures (#6991) – This reflects payment of the parking lot resurfacing. Given cash flow, there will not be a reserve request made for the work.

Walnut Place

Occupancy: The property is at 100% occupancy.

Physical Site: Only routine maintenance was reflected.

Social Programs: Walnut Place residents participated in routine social programs during the month in addition to the going-away party for Jill. The children from Bethany Day Care Center came to the site for a Halloween Party. Residents at Walnut did not want the door-to-door trick-or-treating as did the residents at Peers.

Financial: **Net Operating Income (NOI) for the month was negative to budget by ($2,015), and the YTD NOI is positive to budget by $31,055. The cash position remains poor at $3,927.**

Income – Income was positive to budget by $3,058, primarily due to lower vacancy loss than anticipated and the receipt of Laundry Income. This line item is within budget parameters YTD.

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

- Employee Health Insurance (#6723) – Same as above
- Janitorial Supplies (#6515) – Same as above except that YTD is negative to budget. We anticipate that this line item will be close to break-even at the end of the fiscal year.
- Misc. Operating Expense (#6490) – Timing of expenses; YTD is within budget
- Grounds Contractor (#6537) – Same as above
- Heating/Cooling (#6546) – This reflects repairs made by JNJ for $1,640 and PM by Emcor.
- Boiler Repairs (#6592) – This reflects preventive maintenance on the boilers.
- Plumbing Repairs (#6595) – This reflects repair of shower valve in #215 and rodding of a floor drain on the 4th floor.
- Floor Repairs (#6596) – This reflects partial carpet replacement.
- Property Insurance (#6720) – This reflects the change in billing that occurred in July with the renewal.

Ravinia Housing

Occupancy: 100% occupied.

Physical Site: Routine maintenance was conducted in addition to the renovation work identified above.

Financial: **The proforma operating budget is being utilized in the 2012 budget for reporting purposes. NOI for October is positive to budget by $1,140 and YTD NOI is positive to budget by $22,487. The cash position is very good at $86,790, but this includes funds from Replacement Reserve that will be used in December to pay for some of the renovation work at Ravinia (Fire Panel work – approximately $56,000).**

Income – Income is positive to budget due to 100% occupancy.

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

- Employee Health Insurance (#6723) – Same as above.
- Repairs Contracts (#6520) – This is a timing issue related to landscaping contract payments and end of year materials, i.e. mulch.
- Mortgage Interest (#6820) – This reflects interest for the second mortgage and is only paid out if surplus cash exists at the end of the fiscal year.
- Replacement Reserve Reimbursement (#7105) – This reflects receipt of the Fire Panel funds from Replacement Reserves, which is why the cash balance is skewed.

Summary of Capital Improvements for 2012				Frank B. Peers	
				Prepared:	9/30/2012
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	560,000		Estimate	
	March				
Parking Lot Resurface	May	12,000	18,600	Done	
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	6,782	Purchase of 8 units	
	TOTAL	696,240	106,553		
Breakdown of Cost:					
	Replacement Res.	70,000			
	Operating	20,075			
	Owner Funds	606,165			
Reserve Balances:	149,498	Balances as of 12/31/2011			
2012 Deposits	24,240				
Minimum Balance	-102,000	IHDA requirement $1,500/unit			
Available for 2011	71,738				

Summary of Capital Expenditures for 2012					Walnut Place	
					Prepared:	9/30/2012
Item	Month	Cost Est.	Actual	Status		
Masonry	June	15,000				
TH Furnaces (2)	As needed	4,800	1,865	Furnace replaced (1)		
TH Hot Water Htrs.	As needed	2,300				
A/C	As needed	4,000	7,964	Purchase of 9 A/C		
Kitchen Replacement (1 kitchen)	Sept.	17,690	8,228	Done		
Cycle Painting	February	10,750	13,350	14 units painted		
Carpet/Tile	As needed	7,800	1,836	Turnover		
Appliances	As needed	2,400	528	Purchased 1 refrigerator		
Concrete Repairs	As needed	2,200	2,800	Ramp repairs		
Parking Lot Sealant		10,000	4,800	Done		
TOTAL		76,940	41,371			
Breakdown of Cost:						
Replacement Res.		50,000		TOTAL BEING USED $64,000		
Residual Receipts		14,000				
Reserve Balances:		168,615	Balance 12/31/2011			
Pending Request		-15,000	Reimbursement for hot water boiler			
Deposits for 2012		24,660				
Minimum Balance		-102,000	IHDA requirement $1,500/unit			
Available for Use in 2012		76,275				

Accounts Receivable Up-Date

October, 2012

Frank B. Peers

Tenant A/R decreased slightly from $1,001 at the end of September to $982 at the end of October. The breakdown is as follows:

Current	$737
30 Days	$176
60 Days	$ 67
90 Days	($ 21)
Prepaid	($ 23)

Subsidy A/R increased slightly in October from $49,187 at the end of September to $49,554 at the end of October. The breakdown is as follows:

Current	$11,449
30 Days	$ 4,466
60 Days	$ 3,965
90+ Days	($ 6,718)
Total Prepaid	($36,392)

Walnut Place

Tenant A/R decreased slightly from $19,707 at the end of September to $19,627 at the end of October. The breakdown is as follows:

Current	$ 1,874
30 Days	$ 735
60 Days	$ 775
90+ Days	$15,800
Net Prepaid	($ 443)

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

Subsidy A/R increased from $41,010 at the end of September to $43,998 at the end of October. This increase occurred with the Current month, which should be reversed in November/December. The breakdown is as follows:

Current	$ 13,047
30 Days	$ 2,772

60 Days	$ 3,374
90+ Days	$ 12,101
Net Prepaid	($ 12,704)

Ravinia Housing

Tenant A/R increased slightly from $35,414 at the end of September to $35,606 at the end of October. The breakdown is as follows:

Current	$ 3,792
30 Days	$ 2,577
60 Days	$ 10,674
90+ Days	$ 16,545
Net Prepaid	($ 2,008)

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

Subsidy A/R increased slightly from $8,363 at the end of September to $8,427 at the end of October. The current breakdown is as follows:

Current	($ 3,235)
30 Days	($ 1,521)
60 Days	$ 2,114
90+ Days	($ 1,613)
Net Prepaid	($12,682)

Highland Park Housing Commission

Reserve Balances

Date: 10/31/2012

Account Name		Frank B. Peers		Walnut Place	Ravinia Housing	Sunset Woods	Housing Trust Fund	TOTAL
Checking (Property)		20,106		3,927	86,790	24,954		
Security Deposit		20,826		20,885	7,158	10,485		
Replacement Reserve		136,175		159,727	661,803	0		
Residual Receipts		31,875		27,095	0	0		
Operating Reserve		0		0	321,835	9,102		
					(Construction Escrow)			
Association Money Market Checking				104,482	81,859	136,721		
Association Small Business Checking		13,193				10,430		
Association Receivable/(Liability)						-258,832		
1) Due from Hsg. Trst. Fd 277 GB		7,492	Total					
2) Due from Hsg. Trst Fd. Emerg.		689	A/R					
3) Due from Sunset Woods		258,832	267,014					
Association CDs	Maturity							
CD #1	1/7/2013	504,981						
CD #2	4/7/2013	505,461						
Association MaxSafe Money Market		1,112,156						
TOTAL		2,611,786		316,116	1,159,445	-67,140		

Housing Trust Fund		
Fiscal Year 2012		
January 1 - December 31 - Unaudited	**Unaudited**	
	Through 10/31	
Beginning Balance, Jan 1 (Unaudited)	$1,091,261	
Revenue:		
Demolition Tax	86,671	
Demolition Permits	18,000	
Interest Revenue	539	
Contributions/Donations/Other	0	
Proceeds of Ceding Volume Cap	0	
	105,210	
Expenditures:		
Program Costs	(212,550)	
	(212,550)	
Ending Balance	**$983,920**	
Pending Obligations		
CPAH Scattered Site Program	($101,512)	
Employer Assisted Housing	($50,000)	
HPI CLT Operating Grant 2012	$0	Zeroed out this line item
Emergency Housing Assistance	($10,000)	
Housing Planner	($6,208)	
CPAH Affordable Rental Pilot Program	($57,750)	approved by HC 07-2012
Total Pending Obligations	**($225,470)**	
Net Balance (09-30-12)	**$758,450**	
Prior Month Balance (07-31-12)	$727,700	
Month to Month Change	**$30,750**	since 07-30-12

Smith, Mary

From: Polly Kuehl [PKuehl@evergreenres.com]
Sent: Tuesday, November 27, 2012 3:24 PM
To: Dave Wigodner; cfalaw@att.net; Smith, Mary; Smith, Lee
Cc: HIGHLAND PARK SENIOR HOUSING HIGHLAND PARK SENIOR HOUSING; Richard Royce
Subject: Frank B. Peers - Windows
Attachments: 1217_001.pdf

Attached are the following documents from Bruce Sterling:

- Bid Recap (1 page) – This document includes each major category in the scope of work and a summary of the bids received. The bidder that is highlighted is the recommended bidder and that cost is included on the succeeding cost pages.

- Cost Recap (3 pages) – This document is separated into Option #1 and Option #2 and summarizes the costs based on the recommended bidder. The total for Option #1 is $532,752.30 and the total for Option #2 is $1,046,235.49.

- Option #1 Detail (5 pages) – This document has "back-up" at the top and provides a more detailed scope of work for Option #1.

- Option #2 Detail (8 pages) – Similar to the Option #1 "back-up", this document provides the same detailed scope of work for Option #2.

- Proposed Contract with Bruce Sterling to be the Construction Manager of the project (4 pages).

In summary, both option #1 and #2 include window replacements, corrections to the fire wall issues and a/c units. Option #2 provides add-ons for the mini-split system on two floors; preparatory work to add mini-split equipment on the other two floors (in the future); movement of the electrical panel; and condensate drain lines.

Please let me know if you would like to schedule a meeting and some good dates/times. Thanks.

Polly Kuehl
Evergreen Real Estate Services, LLC

From: copier@evergreenres.com [mailto:copier@evergreenres.com]
Sent: Tuesday, November 27, 2012 8:35 AM
To: Polly Kuehl
Subject: Attached Image

Sterling Renaissance, Inc.

Frank B Peers Remodeling - Bid recap 11/12/2012 modified 11/21/2012

Trade	bid received	Company Name	Option 1	Option 2	transfer fans	bid remarks
Aluminum and Glass	still bidding	McHenry County Glass and Mirror, Inc.	still bidding	Not applicable	Not applicable	
Aluminum and Glass	still bidding	G&C Glass	still bidding	Not applicable	Not applicable	
Aluminum and Glass	yes	Arcadia Residential, Inc.	$370,417.00	Not applicable	Not applicable	
Aluminum and Glass	yes	***Dymond Glass & Energy Center***	$165,317.44	Not applicable	Not applicable	
Aluminum and Glass	yes	Chicago Window Systems, Inc.	$102,406.00	Not applicable	Not applicable	This bidder did not figure the horizontal mullions for the air conditioners, or replacing the sliding units with new sliders
Architecture and MEP	yes	Full Circle Architects	see bid	see bid	see bid	
Carpentry / drywall / demo	dropped out	Kane Construction Group, LLC	dropped out	dropped out	dropped out	
Carpentry / drywall / demo	yes	***Phoenix Builders, Ltd.***	$61,770.00	$122,145.00	Not applicable	
Carpentry / drywall / demo	yes	Tuscany Construction	$214,140.00	$546,080.00	Not applicable	
Electrical	yes	Baltaglia Industries	$5,400.00	$139,268.00	Not applicable	
Electrical	yes	***Elgin Electrical Contracting, Inc.***	$9,900.00	$131,555.00	Not applicable	
Electrical	dropped out	Lakeview Networks, Inc.	dropped out	dropped out	Not applicable	
HVAC	yes	Direct Mechanical, Inc.	Not applicable	$176,800.00	$35,700.00	did not include the transfer fan power wiring
HVAC	yes	Baltaglia Industries	Not applicable	$231,000.00	$25,750.00	did not include the transfer fan power wiring
HVAC	yes	***Galas, Inc.***	Not applicable	$174,364.00	$36,253.00	did not include the transfer fan power wiring
HVAC	yes	Roberts Heating & Air Conditioning	Not applicable	$225,611.00	$36,051.00	did not include the transfer fan power wiring
Painting	yes	Ascher Brothers Co., Inc.	$34,900.00	$62,850.00	Not applicable	
Painting	yes	Demos Painting & Decorating Co.	$40,000.00	$90,000.00	Not applicable	
Painting	yes	Divinci Painters	$11,200.00	$25,720.00	Not applicable	this bidder was not at the site visit
Painting	yes	***Teschner and Sons***	$30,560.00	$19,900.00	Not applicable	
metal roofing and roof patching	yes	***Argo Roofing***	$21,700.00	$16,400.00	Not applicable	
metal roofing and roof patching	yes	Allendorfer Roofing	$39,674.00	$23,670.00	Not applicable	
metal roofing and roof patching	dropped out	Showalter Roofing Service, Inc.	dropped out	dropped out	dropped out	
Closed cell foam	yes	***RJR Insulation***	$13,715.00	Not applicable	Not applicable	this bidder was at the site walk thru
Closed cell foam	yes	Midwest Insulation Co., Inc.	$9,000.00	Not applicable	Not applicable	low bidder did not see the building conditions
Closed cell foam	still bidding	Prairie State Foam Insulation	still bidding	still bidding	still bidding	
solid surface bay sills	yes	***Marblecast Products***	$10,840.00	Not applicable	Not applicable	
solid surface bay sills	yes	Mikron Designs	$29,700.00	Not applicable	Not applicable	

	Sterling Renaissance, Inc.					
	Cost recap: Bay work at 2nd and 3rd floors; a/c work at 2nd and 3rd; future piping for air conditioning at the 1st and 4th floors; glass work at 1st and 4th			***revised 11/12/2012; modified 11/21/12***		
	Option 1					
	Cost for the new glass, window frames and hardware replacement			see below		
	new glass and hardware for the second and third floor bays	36	units	***$52,262.44***		
	new double hung windows for the bedrooms of the bay units	36	units	***$22,680.00***		
	new fixed window glass and new sliding windows for the fourth floor units	18	units	***$50,360.04***		
	new fixed window glass and new sliding windows for the first floor units	13	each	***$40,015.04***		
	Subtotal for the glass work				***$165,317.52***	
	Cost for the work associated with the second and third floor bay fire separation and water infiltration corrections correction				***$202,645.00***	
	Appliance and electrical costs for new sleeve air conditioners installed in the window wall at the second and third floors (36 units total):				***$30,852.00***	
	existing air conditioners remain as-is at the 1st and 4th floors	49	units		**existing to remain**	
	Furnish and install a low-sone transfer fan from the living room areas to the bedroom of all 67 units				***$25,750.00***	
	electrical panels remain in all units with no work	67	units		**Existing to remain**	
	Subtotal for the above work				***$424,564.52***	
	Workman's compensation and general liability insurance from the general contractor				***$4,245.65***	
	general conditions costs to perform the above				***$64,479.00***	
	overhead and profit for this work				***$39,463.13***	
A	**Option 1 Grand total for window work on all four floors, fire separation work or the bays, sleeve air conditioners on 2nd/3rd floors and transfer fan work in 67 units**					***$532,752.30***

	Sterling Renaissance, Inc.					
	Cost recap: Bay work at 2nd and 3rd floors; a/c work at 2nd and 3rd; future piping for air conditioning at the 1st and 4th floors; glass work at 1st and 4th			*revised 11/12/2012; modified 11/21/12*		
	Option 2 work:					
	In lieu of sleeve air conditioners at the 2nd and 3rd floors, Furnish and install a mini split system for the living rooms of the second and third floor units only. Sleeve air conditioners will remain at the first and the fourth floors. All refrigerant piping and power wiring will be installed now for the future air conditioners on the first and fourth floors. Transfer fans are still needed for the bedrooms. THIS ASSUMES THAT THE ELECTRICAL PANELS CAN REMAIN IN THE CLOSET AREAS AND NOT BE RELOCATED				*$483,844.00*	
	deduct the cost of the sleeve air conditioner work listed above				*-$30,852.00*	
	add the cost of the difference between the low HVAC bid and the original bider for the transfer fans ($10,503 for the difference in the fan cost plus $7,245 to wire them)				*$17,748.00*	
	Cost of moving the electrical panels out of the closets and into the bedrooms including a new panel and circuit breakers, arc fault breakers for the bedrooms and an additional neutral wire for the bedroom circuit				Included above	
	add a GFCI for maintenance at the roof (per code) at each riser - 18 units at $250 each				Included above	
	additional general conditions costs to cover this work (10 rubbish baskets)				Included above	
B	Option 2 Subtotal additional for the 2nd and 3rd floor mini split system air conditioners for the living rooms only					*$470,740.00*
C	additional workman's compensation and general libility insurance					*$4,707.40*
D	overhead and profit for this work					*$38,035.79*

	Sterling Renaissance, Inc.					
	Cost recap: Bay work at 2nd and 3rd floors; a/c work at 2nd and 3rd; future piping for air conditioning at the 1st and 4th floors; glass work at 1st and 4th			*revised 11/12/2012; modified 11/21/12*		
E	**Grand total for Option 1 and Option 2: Grand total for window work on all 4 floors, fire separation work for the bays, and mini-split air conditioners for the second and third floors (living rooms only), future piping for the future mini-splits on the 1st and 4th floors, and transfer fan work (Cost A+B+C+D)**					***$1,046,235.49***

Back-up

Sterling Renaissance, Inc.

Option 1

Cost breakdown: window wall and fire separation work for the 18 bays; 1st floor and 4th floor glass costs **11/12/2012**
Frank B Peers Building - 400 Central

trade	item	quantity	unit	unit price	total cost	window related portion of the cost	leakage or fire separation related portion of the cost
	Option 1: 2nd & 3rd Floor Bay Remodeling work for 18 Bays (36 units): Note: Please verify dimensions in field						
aluminum	remove existing fixed bay glass- 60"x80"	36	each	$62.22	$2,239.92	$2,239.92	
aluminum	provide new horizontal aluminum tube for new air conditioner - 60" - see ASK 1.1 and ASK 1.2	36	each	$90.83	$3,269.88	$3,269.88	
aluminum	provide new vertical 15" high mullion for new air conditioner - see ASK 1.1 and ASK 1.2	72	each	$31.11	$2,239.92	$2,239.92	
aluminum	new low E insulated glass above a/c sleeve - 48" x60"	36	each	$176.67	$6,360.12	$6,360.12	
aluminum	new low E insulated glass on side of a/c sleeve - 24"x24"	72	each	$42.03	$3,026.16	$3,026.16	
aluminum	louver for the a/c unit glazed into the mullions with four stud screws to anchor the sleeve to (24" wide x 15" tall) - see ASK 1.2	36	each	$176.00	$6,336.00	$6,336.00	
aluminum	unload, carry in and set a/c sleeve supplied by the general contractor	36	each	$46.67	$1,680.12	$1,680.12	
aluminum	caulk a/c sleeves	36	each	$25.00	$900.00	$900.00	
aluminum	purchase a pair of new glide hardware for the bay casement	36	pairs	$65.00	$2,340.00	$2,340.00	
aluminum	install new top and bottom glide hardware in the casement units	36	pairs	$35.00	$1,260.00	$1,260.00	
aluminum	new latch for the hopper bay units	36	each	$30.00	$1,080.00	$1,080.00	
aluminum	install new latch for the hoppers	36	each	$30.00	$1,080.00	$1,080.00	
aluminum	furnish and install new casement glass - two pieces 32" x 60"	36	pairs	$272.22	$9,799.92	$9,799.92	
aluminum	furnish and install new hopper glass - 30"x30"	36	pieces	$100.70	$3,625.20	$3,625.20	
aluminum	furnish a new piece of fixed glass above the hopper - 30" x 30"	36	pieces	$100.70	$3,625.20	$3,625.20	
aluminum	lift for the bay area work	1	unit	$3,400.00	$3,400.00	$3,400.00	
blinds	new window blinds for any of the units	67	units	not included	not included		
appliances	sleeve for the a/c units	36	each	See HVAC $	See HVAC $		See HVAC $
appliances	12,000 btu 208 volt air conditioner	36	each	See HVAC $	See HVAC $		See HVAC $

Sterling Renaissance, Inc.

Option 1

Cost breakdown: window wall and fire separation work for the 18 bays; 1st floor and 4th floor glass costs **11/12/2012**

Frank B Peers Building - 400 Central

trade	item	quantity	unit	unit price	total cost	window related portion of the cost	leakage or fire separation related portion of the cost
appliances	unload, carry in and set a/c unit supplied by the general contractor	36	each	See HVAC $	**See HVAC $**		**See HVAC $**
electrical	remove the 208 volt a/c outlet in the ceiling between the 1st and 2nd floor - pipe new outlet to the second floor sill	18	each	See HVAC $	**See HVAC $**		**See HVAC $**
electrical	remove the 208 volt a/c outlet on the wall of the third floor - leave the box and pipe a new outlet and box to the third floor sill	18	each	See HVAC $	**See HVAC $**		**See HVAC $**
carpentry	furnish and install plastic dust protection for the 36 units along the bay area.	36	each	$140.00	**$5,040.00**		$5,040.00
carpentry	remove the second floor 3/4" bay sill, remove vertical drywall (leaving framing), remove ceiling drywall and framing and all insulation. Remove a/c unit, sleeve and ductwork for the second floor.	18	units	$300.00	**$5,400.00**		$5,400.00
carpentry	rubbish baskets for the second floor demo (1 per 3 units)	6	each	$400.00	**$2,400.00**		$2,400.00
carpentry	new 2 hour vertical wall at the second floor soffit - see ASK 2	18	units	$125.00	**$2,250.00**		$2,250.00
carpentry	new two hour shaft wall ceiling at second floor bay (shaft wall, shaftwall studs and three layers of drywall - see ASK 2	18	units	$225.00	**$4,050.00**		$4,050.00
carpentry	drywall new vertical jambs	18	units	$110.00	**$1,980.00**		$1,980.00
carpentry	second floor taping of bay areas	18	units	$350.00	**$6,300.00**		$6,300.00
solid surface	supply new 3/4" solid surface sills for second floor	18	each	$450.00	**$8,100.00**		$8,100.00
caulking	repair caulking at the bays - allowance	18	bays	$500.00	**$9,000.00**		$9,000.00
caulking	lift for the caulking	1	unit	$3,500.00	**$3,500.00**		$3,500.00
carpentry	unload, carry in and install a two piece solid surface sill at the second floors	18	units	$165.00	**$2,970.00**		$2,970.00
carpentry	caulk the second floor solid surface sills	18	units	$50.00	**$900.00**		$900.00
carpentry	remove the third floor sills, 3rd floor a/c units and sleeves, 3rd floor drywall ceilings in the bay (leaving the framing), third floor vertical drywall	18	units	$300.00	**$5,400.00**		$5,400.00
carpentry	rubbish baskets for the third floor bays	6	each	$400.00	**$2,400.00**		$2,400.00
carpentry	single layer drywall for the 3rd floor bay ceilings	18	units	$110.00	**$1,980.00**		$1,980.00
carpentry	new vertical drywall at 3rd floor bays	18	units	$110.00	**$1,980.00**		$1,980.00

Sterling Renaissance, Inc.

Option 1

Cost breakdown: window wall and fire separation work for the 18 bays; 1st floor and 4th floor glass costs **11/12/2012**

Frank B Peers Building - 400 Central

trade	item	quantity	unit	unit price	total cost	window related portion of the cost	leakage or fire separation related portion of the cost
carpentry	furnish and install 1/2" treated plywood to cover the inside of the existing louver so that it can be sprayed with foam - see ASK 2	18	units	$150.00	**$2,700.00**		$2,700.00
carpentry	fill in two old air conditioner openings in the vertical wall at the third floor - studs and single layer of drywall - each is 24" x 15"	18	units	$75.00	**$1,350.00**		$1,350.00
carpentry	third floor taping	18	units	$450.00	**$8,100.00**		$8,100.00
solid surface	supply new 3/4" solid surface sills for third floor	18	units	$450.00	**$8,100.00**		$8,100.00
carpentry	unload, carry in and install a two piece solid surface sill at the third floors	18	units	$165.00	**$2,970.00**		$2,970.00
carpentry	caulk the 3rd floor sills	18	units	$50.00	**$900.00**		$900.00
carpentry	remove all dust protection and broom - clean the units	36	each	$75.00	**$2,700.00**		$2,700.00
insulation	spray insulation for the second and third floor bays including floors at the second floor and the roof at the third floor	36	each	$380.97	**$13,715.00**		$13,715.00
insulation	spray the new piece of plywood that was installed to cover to the old exterior a/c louvers - see ASK 2.	36	each	incl. above	**incl. above**		
SRI	final clean the bay units	36	each	$300.00	**$10,800.00**		$10,800.00
painting	paint one wall and the bay area (including ceilings) in each bay unit	36	units	$350.00	**$12,600.00**		$12,600.00
painting	paint the exterior bay steel framing (for the entire two story bay) and the wood infill panels	18	bays	$820.00	**$14,760.00**		$14,760.00
painting	lift for the bay area work	1	unit	$3,200.00	**$3,200.00**		$3,200.00
landscaping	remove and replace landscaping for the south bay area work	1	unit	$3,000.00	**$3,000.00**		$3,000.00
roofing	***remove and replace metal roofing on the bays - Note: both bidders felt that the metal roofing was in a good enough condition to levae it and just repair the flashing and recaulk - that would save $16,000***	18	units	$1,166.67	**$21,000.00**		$21,000.00
roofing	new bay roof blocking	18	units	$450.00	**$8,100.00**		$8,100.00
SRI	contingency factor				**$25,000.00**		$25,000.00
	Subtotal for bay remodeling work				**$254,907.44**	**$52,262.44**	**$202,645.00**

work for bedroom single hungs at bays - 36 units

Note: Please verify dimensions in field

Sterling Renaissance, Inc.

Option 1

Cost breakdown: window wall and fire separation work for the 18 bays; 1st floor and 4th floor glass costs **11/12/2012**

Frank B Peers Building - 400 Central

trade	item	quantity	unit	unit price	total cost	window related portion of the cost	leakage or fire separation related portion of the cost
aluminum	leave existing window frames. Remove and replace the existing double hung windows and replace with a new single hung Low E insulated unit (units are about 36" x 66")	36	each	$630.00	**$22,680.00**	**$22,680.00**	
	Subtotal for double hung work at bay bedrooms				**$22,680.00**	**$22,680.00**	**$0.00**
	fourth floor window work - 18 units Note: Please verify dimensions in field						
aluminum	leave existing frames - remove and replace fixed unit in living rooms with new Low E insulated unit - 84" x 60"	18	each	$563.61	**$10,144.98**	**$10,144.98**	
aluminum	leave existing frames - remove living room 36" wide x 60" high slider and replace with new Low E insulated slider	18	each	$630.00	**$11,340.00**	**$11,340.00**	
aluminum	leave existing frames - remove and replace 16" wide x 60" high slider in living with new 16" Low E insulated slider	18	each	$571.67	**$10,290.06**	**$10,290.06**	
aluminum	leave existing frames - remove and replace 60" x 60" fixed unit in bedrooms with new Low E insulated unit	18	each	$402.50	**$7,245.00**	**$7,245.00**	
aluminum	leave existing frames - remove bedroom 36" wide x 60" high slider and replace with new Low E insulated slider	18	each	$630.00	**$11,340.00**	**$11,340.00**	
	Subtotal for 4th floor window work				**$50,360.04**	**$50,360.04**	**$0.00**
	first floor unit window work - 13 units Note: Please verify dimensions in field						
aluminum	leave existing frames - remove and replace fixed upper unit in living rooms with new 84x60 Low E insulated unit	13	each	$563.85	**$7,330.05**	**$7,330.05**	
aluminum	leave existing frames - remove living room 36" wide slider and replace with new Low E insulated slider 36" x 60"	13	each	$630.00	**$8,190.00**	**$8,190.00**	
aluminum	leave existing frames - remove and replace 16" slider in living with new 16" Low E insulated slider 16" x 60"	13	each	$571.92	**$7,434.96**	**$7,434.96**	
aluminum	leave existing frames - remove and replace fixed upper unit in bedrooms with new Low E insulated unit	13	each	$197.70	**$2,570.10**	**$2,570.10**	
aluminum	leave existing frames - remove bedroom 36" wide slider and replace with new Low E insulated slider 36" x 60"	13	each	$630.00	**$8,190.00**	**$8,190.00**	
aluminum	existing louver for air conditioner will remain in living room	13	each	$0.00	**$0.00**	**$0.00**	

Sterling Renaissance, Inc.

Option 1

Cost breakdown: window wall and fire separation work for the 18 bays; 1st floor and 4th floor glass costs **11/12/2012**

Frank B Peers Building - 400 Central

trade	item	quantity	unit	unit price	total cost	window related portion of the cost	leakage or fire separation related portion of the cost
aluminum	replace 84" x 24" fixed glass lower unit in living with Low E	13	each	$226.15	**$2,939.95**	**$2,939.95**	
aluminum	replace 36" x 24" fixed glass lower unit in bedroom with Low E	13	each	$96.92	**$1,259.96**	**$1,259.96**	
aluminum	replace 60" x 24" fixed glass lower unit in bedroom with Low E	13	each	$161.54	**$2,100.02**	**$2,100.02**	
	Subtotal for first floor window work				**$40,015.04**	**$40,015.04**	**$0.00**
	Subtotal if all window related work and all fire separation work is done on all four floors				**$367,962.52**	**$165,317.52**	**$202,645.00**
	General Conditions costs for the above						
GC	architecture / engineering	**Not included**					
GC	moving of tenant's furniture and posessions	**Not included**					
GC	additional rubbish baskets besides demo for window wall work	10	each	$400.00	**$4,000.00**		
GC	parking lot storage container rental allowance for material storage	2	each	$750.00	**$1,500.00**		
GC	Full time supervision: 4 months at 4.33 weeks / month * 40 hours per week	692.8	hours	$65.00	**$45,032.00**		
GC	misc hardware and supplies	67	units	$150.00	**$10,050.00**		
GC	project management 3 hours / week	51.96	hours	$75.00	**$3,897.00**		
	Subtotal for the general conditions				**$64,479.00**		

Back-up

Sterling Renaissance, Inc.

Option 2

Cost breakdown: Option 2 - HVAC and Electrical revisions **11/12/2012**

Frank B Peers Building - 400 Central, Highland Park, IL

trade	item	quantity	unit	unit price	total cost
	Appliance and electrical costs for new sleeve air conditioners installed in the window wall at the second and third floors:				
qualification	**all existing sleeve air conditioners on the first and fourth floors remain as - is**				no work
electrical	remove the 208 volt a/c outlet in the ceiling space between the 1st and 2nd floor - pipe new outlet to the second floor sill	18	each	$325.00	**$5,850.00**
electrical	remove the 208 volt a/c outlet on the wall of the third floor and install a blank plate - leave the box and pipe a new outlet and box to the third floor sill	18	each	$225.00	**$4,050.00**
electrical	**under this scenario, there is no new electrical panel work**	36	each	$0.00	**no work**
appliances	sleeve for the a/c units	36	each	$39.00	**$1,404.00**
appliances	sleeve delivery cost	36	each	$20.00	**$720.00**
appliances	12,000 btu 208 volt air conditioner	36	each	$399.00	**$14,364.00**
appliances	custom painted dark bronze anodized architectural grill	36	each	$55.00	**$1,980.00**
appliances	deliver air conditioner	36	each	$29.00	**$1,044.00**
appliances	unload, carry in and set a/c unit supplied by the general contractor	36	each	$40.00	**$1,440.00**
	Subtotal for sleeve air conditioners and related electrical work - 2nd & 3rd floor only				**$30,852.00**
	Furnish and install a low-sone transfer fan from the living room areas to the bedroom of all 67 units - this is only needed in scenarios where there is no new air conditioner provided for the bedroom				
HVAC	labor and materials to furnish and install the low -sone fan powered off of an existing wall outlet - includes thermostat and wiring for low voltage and power - cut existing drywall on both sides of the wall and install fans and grills - See plans and AireShare Model AS1 and Honeywell T651 cut sheets.	61	each	$422.13	**$25,750.00**
electrical	power to the fan and thermostat (assume by HVAC contractor)	**61**	**each**	**included**	**included**
	Subtotal for HVAC transfer fans for all 67 units				**$25,750.00**

Sterling Renaissance, Inc.

Option 2

Cost breakdown: Option 2 - HVAC and Electrical revisions **11/12/2012**

Frank B Peers Building - 400 Central, Highland Park, IL

trade	item	quantity	unit	unit price	total cost
	Furnish and install a mini split system for the living rooms of the second and third floor units only. Sleeve air conditioners will remain at the first and the fourth floors. Provide all refrigerant lines, power feeds and control wiring to the future 1st and 4th floor units.				
carpentry	remove a section of drywall 4' wide by 8' high on the living room side of the wall between the bedroom and the living room in order to run lines to the roof - second floor	18	each	$75.00	**$1,350.00**
carpentry	remove a section of drywall 4' wide by 8' high on the living room side of the wall between the bedroom and the living room in order to run lines to the roof - third floor	18	each	$75.00	**$1,350.00**
carpentry	remove a section of drywall 4' wide by 8' high on the living room side of the wall between the bedroom and the living room in order to run lines to the roof - fourth floor	18	each	$75.00	**$1,350.00**
carpentry	remove a section of drywall 4' wide by 8' high on the living room side of the wall between the bedroom and the living room in order to run lines to the roof - first floor	13	units	$75.00	**$975.00**
carpentry	remove a section of drywall 4' wide x 8' high in the apartment unit closets where the electrical panels are located so that power can run up to the new electrical panel locations - second floor	18	each	$75.00	**$1,350.00**
carpentry	remove a section of drywall 4' wide x 8' high in the apartment unit closets where the electrical panels are located so that power can run up to the new electrical panel locations - third floor	18	each	$75.00	**$1,350.00**

Sterling Renaissance, Inc.

Option 2

Cost breakdown: Option 2 - HVAC and Electrical revisions **11/12/2012**

Frank B Peers Building - 400 Central, Highland Park, IL

trade	item	quantity	unit	unit price	total cost
carpentry	remove a section of drywall 4' wide x 8' high in the apartment unit closets where the electrical panels are located so that power can run up to the new electrical panel locations - fourth floor	18	each	$75.00	**$1,350.00**
carpentry	remove a section of drywall 4' wide x 8' high in the apartment unit closets where the electrical panels are located so that power can run up to the new electrical panel locations - first floor	13	each	$75.00	**$975.00**
HVAC	**Base price for all HVAC work specified in Option 2 and listed below**	**1**	**lump sum**	**$174,364.00**	**$174,364.00**
HVAC	**Base HVAC cost for new mini-split air conditioning systems at the second and third floor bay units - living rooms only - see Panasonic cut sheets for the wall casette and the condensor**	36	units	$0.00	**Incl. in HVAC total**
HVAC	**First and fourth floor mini-split system wall casette and compressor to be furnished and installed later.**		**Not included in the base bid**		
HVAC	furnish a 72" equipment rail (curb) pair on the roof that will support two condensers at each riser location for the second and third floors	18	each	$0.00	**Incl. in HVAC total**
HVAC	furnish a 72" equipment rail (curb) pair on the roof that will support two condensers at each riser location for the future first and fourth floor units	18	each	$0.00	**Incl. in HVAC total**
HVAC	Supply and install a single 72" equipment rail for the electrician to use to anchor the junction box and disconnect switches.	18	each	$0.00	**Incl. in HVAC total**
HVAC	furnish an 18" x 18" portal box for the refrigerant lines and electrical lines from the roof down to the units - to service all four floors in each tier - see cut sheet.	18	each	$0.00	**Incl. in HVAC total**
electrical	furnish a rubber sleeve portal at the top of the electrical panel riser locations at the roof - see cut sheet.	18	each	$100.00	**$1,800.00**

Sterling Renaissance, Inc.

Option 2

Cost breakdown: Option 2 - HVAC and Electrical revisions **11/12/2012**

Frank B Peers Building - 400 Central, Highland Park, IL

trade	item	quantity	unit	unit price	total cost
HVAC	furnish a mini-split condenser for each unit on the second and third floors	36	each	$0.00	**Incl. in HVAC total**
HVAC	core a penetration for the refrigerant lines and condensate riser at the HVAC risers: roof deck (2 cores at each unit)	36	each	$0.00	**Incl. in HVAC total**
HVAC	core a penetration for the refrigerant lines and condensate riser at the HVAC risers: 4th floor (2 cores at each unit)	36	each	$0.00	**Incl. in HVAC total**
HVAC	core a penetration for the refrigerant lines and condensate riser at the HVAC risers: 3rd floor (2 cores at each unit)	36	each	$0.00	**Incl. in HVAC total**
HVAC	core a penetration for the refrigerant lines and condensate riser at the HVAC risers: 2nd floor (2 cores at each unit)	26	each	$0.00	**Incl. in HVAC total**
electrical	core a penetration for the electrical riser: roof	18	each	$90.00	**$1,620.00**
electrical	core a penetration for the electrical riser: fourth floor	18	each	$90.00	**$1,620.00**
electrical	core a penetration for the electrical riser: third floor	18	each	$90.00	**$1,620.00**
electrical	core a penetration for the electrical riser: second floor	13	each	$90.00	**$1,170.00**
roofing	total for Option 2 roofing listed below	1	unit	$16,400.00	**$16,400.00**
roofing	flash pairs of 72" equipment curbs	36	pairs	$0.00	**in roofing $**
roofing	flash single 72" equipment curb	18	each	$0.00	**in roofing $**
roofing	flash 18x18 portals	18	each	$0.00	**in roofing $**
roofing	flash electrical round riser portals	18	each	$0.00	**in roofing $**
HVAC	firestop all roof deck cores	36	each	$0.00	**Incl. in HVAC total**
HVAC	firestop 4th floor plank cores	36	each	$0.00	**Incl. in HVAC total**
HVAC	firestop 3rd floor plank cores	36	each	$0.00	**Incl. in HVAC total**
HVAC	firestop 2nd floor plank cores	26	each	$0.00	**Incl. in HVAC total**
electrical	firestop all roof deck cores	18	each	$40.00	**$720.00**
electrical	firestop 4th floor plank cores	18	each	$40.00	**$720.00**
electrical	firestop 3rd floor plank cores	18	each	$40.00	**$720.00**
electrical	firestop 2nd floor plank cores	13	each	$40.00	**$520.00**

Sterling Renaissance, Inc.

Option 2

Cost breakdown: Option 2 - HVAC and Electrical revisions **11/12/2012**

Frank B Peers Building - 400 Central, Highland Park, IL

trade	item	quantity	unit	unit price	total cost
HVAC	run refrigerant lines and control wiring from the roof down through the 4th floor to the 3rd floor	18	units	$0.00	**Incl. in HVAC total**
HVAC	run refrigerant lines and control wiring from the roof down through the 4th floor and 3rd floor to the 2nd floor	18	units	$0.00	**Incl. in HVAC total**
HVAC	run refrigerant lines and control wiring from the roof down to the 4th floor for future units	18	each	$0.00	**Incl. in HVAC total**
HVAC	run refrigerant lines and control wiring from the roof down to the 1st floor for future units	13	each	$0.00	**Incl. in HVAC total**
HVAC	run condensate riser piping in the riser cavity from the fourth floor unit down to the first floor unit - core hole in the exterior wall to discharge condensate to the exterior - caulk the perimeter of the pipe.	18	risers	$0.00	**Incl. in HVAC total**
carpentry	open a 12x12 hole near the ceiling in the bedroom to access future piping at the 4th and first floors - install 12 x 12 access panel supplied by the general contractor.	31	units	$120.00	**$3,720.00**
SRI	furnish 12x12 access panels	31	each	$75.00	**$2,325.00**
SRI	spray paint 12x12 access panels	31	each	$30.00	**$930.00**
HVAC	fixed wall mounted non-removable thermostat controls for the new mini - splits	36	each	$0.00	**Incl. in HVAC total**
carpentry	blocking for the second and third floor wall casettes - 12" x 36"	36	each	$65.00	**$2,340.00**
carpentry	blocking for the first and fourth floor wall casettes - 12" x 36"	36	each	$65.00	**$2,340.00**
carpentry	close up the 48 x 96 opening, finish tape: 4th floor living	18	units	$285.00	**$5,130.00**
carpentry	close up the 48 x 96 opening, finish tape: 3rd floor living	18	units	$285.00	**$5,130.00**
carpentry	close up the 48 x 96 opening, finish tape: 2nd floor living	18	units	$285.00	**$5,130.00**
carpentry	close up the 48 x 96 opening, finish tape: 1st floor living	13	units	$285.00	**$3,705.00**
carpentry	close up the 24 x 96 opening, finish tape: 4th floor existing electrical closet	18	units	$285.00	**$5,130.00**
carpentry	close up the 24 x 96 opening, finish tape: 3rd floor existing electrical closet	18	units	$285.00	**$5,130.00**
carpentry	close up the 24 x 96 opening, finish tape: 2nd floor existing electrical closet	18	units	$285.00	**$5,130.00**

Sterling Renaissance, Inc.

Option 2

Cost breakdown: Option 2 - HVAC and Electrical revisions **11/12/2012**

Frank B Peers Building - 400 Central, Highland Park, IL

trade	item	quantity	unit	unit price	total cost
carpentry	close up the 24 x 96 opening, finish tape: 1st floor existing electrical closet	13	units	$285.00	**$3,705.00**
carpentry	remove a piece of glue down carpeting 3.5" wide by 30" long for the new electrical panel wall in each unit (near the bedroom).	67	units	$35.00	**$2,345.00**
carpentry	furnish and install a new 30" long by 8' high metal stud partition for the new electrical panels at all A and B units. Wall is uninsulated. Install 5/8" drywall on each side and finish tape.	57	units	$375.00	**$21,375.00**
carpentry	create a 24" x 96" drywall opening for the new electrical panel in an existing wall - C units.	6	units	$65.00	**$390.00**
carpentry	create a 24" x 96" drywall opening for the new electrical panel in an existing wall - D units.	8	units	$65.00	**$520.00**
carpentry	close up the 24" x 96" opening at the new electrical panel in the C and D units	14	units	$65.00	**$910.00**
HVAC	furnish in install the wall cassettes and thermostats in the living rooms at the 2nd and 3rd floor	36	each	$0.00	**Incl. in HVAC total**
electrical	use the existing 8 circuit panels in the closets as a junction box. Remove the existing circuits and install a fixed blank cover over it.	67	units	$60.00	**$4,020.00**
electrical	run a new conduit feed from the old panel locations across the ceiling of the closet and out into the entry vestibule and over to the new panel walls. Furnish and install a new 12 circuit panel at each unit. Units A, B and C. Run existing circuit wiring from the old panel to the new panel.	63	each	$775.00	**$48,825.00**
electrical	In the D units, remove the existing panels in the closet and install a new panel on the hall side of the closet - see drawings.	8	each	$780.00	**$6,240.00**
carpentry	furnish and install a 6' long 4" x 2" high soffit to cover the new electrical feed at the ceiling from the closet to the new electrical panel wall. Each soffit will be 6' long. (All A, B and C units).	63	each	$250.00	**$15,750.00**
electrical	run power from the roof down to the 3rd floor wall casette	18	each	$320.00	**$5,760.00**
electrical	run power from the roof down to the 2nd floor wall casette	18	each	$340.00	**$6,120.00**

Sterling Renaissance, Inc.

Option 2

Cost breakdown: Option 2 - HVAC and Electrical revisions **11/12/2012**

Frank B Peers Building - 400 Central, Highland Park, IL

trade	item	quantity	unit	unit price	total cost
electrical	run a single conduit riser from the 1st floor new electrical panel location up through each floor to the roof, through the roof portal and over to a weather proof junction box at each HVAC riser. Install a junction box next to each panel.	18	risers	$540.00	**$9,720.00**
electrical	furnish and install a weather proof disconnect switch and a whip to each second and third floor unit.on the roof	36	each	$100.00	**$3,600.00**
electrical	furnish and install just the weather proof disconnect switch for the 1st and 4th floor units	31	each	$80.00	**$2,480.00**
electrical	run power wiring from the rooftop compressor down to a junction box at the wall casette: 3rd floor. Install a disconnect switch.	18	each	$160.00	**$2,880.00**
electrical	run power wiring from the rooftop compressor down to a junction box at the wall casette: 2nd floor. Install a disconnect switch.	18	each	$180.00	**$3,240.00**
electrical	run power wiring from the rooftop compressor down to a junction box at the wall casette: 4th floor future unit. Install disconnect switch.	18	each	$140.00	**$2,520.00**
electrical	run power wiring from the rooftop compressor down to a junction box at the wall casette: 1st floor future unit. Install disconnect switch.	13	each	$200.00	**$2,600.00**
painting	paint the wall of the living room (living bedroom wall) from the window wall to the corner - second and third floors - 128sf / unit	67	each	$110.00	**$7,370.00**
painting	paint the new 30" long wall 8' high at the new electrical panels: 60 sf	67	units	$70.00	**$4,690.00**
painting	paint the new soffit for the conduit feed to the new electrical panel : 6 lf of soffit	63	each	$50.00	**$3,150.00**
painting	paint the closet areas where the original panel was located	67	units	$60.00	**$4,020.00**
painting	paint the closet ceilings	67	units	10	**$670.00**
painting	paint the hall area outside the bathrooms	67	units	75	**$5,025.00**
electrical	provide an arc fault breaker for all bedroom circuits	67	units	$110.00	**$7,370.00**
electrical	assume that the existing bedroom circuit shares a neutral with another circuit. Pull an additional neutral to the bedroom outlets.	67	units	$80.00	**$5,360.00**

Sterling Renaissance, Inc.

Option 2

Cost breakdown: Option 2 - HVAC and Electrical revisions **11/12/2012**

Frank B Peers Building - 400 Central, Highland Park, IL

trade	item	quantity	unit	unit price	total cost
electrical	***relocate one duplex outlet and one telephone / cable TV outlet in the living room area due to the new HVAC riser***	67	units	$200.00	**$13,400.00**
rubbish	rubbish baskets for demolition (one pier tier)	18	each	$400.00	**$7,200.00**
carpentry	***create a 3' wide stud wall at the HVAC risers - existing wall cavities have conduits and outlets that will obstruct the running of piping***	***67***	***each***	***$375.00***	***$25,125.00***
	Subtotal for new mini-split system HVAC units for the 2nd and 3rd floor - living rooms only; all condensate piping, refrigerant and wiring for the future 1st and 4th floor units				**$483,844.00**

FULL CIRCLE architects LLC
85 Revere Drive
Suite B
Northbrook, Illinois 60062
TEL 847.564.0884
FAX 847.564.3880

AGREEMENT FOR LIMITED PROFESSIONAL SERVICES

Client: City of Highland Park (Senior Housing)
Highland Park, Illinois
c/o Mr. Bruce A. Sterling (Construction Manager)
Sterling Renaissance, Inc.
430 East Il. Route 22, Lake Zurich, IL. 60047
T: 847-307-4400 x223, F: 847-307-4410
E: Bruce Sterling (bruce@buildwithsterling.com)

Date: November 5, 2012

Project Name / Location: ***Windows, Bays, and Air-Conditioning Improvement Project***
Frank B. Peers Building, 400 Central, Highland Park, IL

Scope of Work: Provide the improvements noted on the attached "Exhibit A" (Sterling Renaissance Inc., Invitation to bid and request for pricing, 11/22/12).

Scope of Services / Fee: Full Circle Architects, LLC (Architect) shall provide architectural basic services. Additionally, the Architect shall coordinate the basic services of a specialized mechanical, electrical, and plumbing engineering consultant (MEP Consultant). Services shall be provided in the following Phases:

1. *Contract Document Phase:* Provide Contract Documents (drawings and specifications) for Contractor competitive pricing, permitting, and construction.
   "Option 1" Fee: $15,000 (Architect)
   "Modified Option 1 + Option 2" Fee: $20,000 (Architect) + $15,000 (MEP Consultant)

2. *Bidding, Contract Negotiation, and Permitting:* On an "as-needed" basis, assist with soliciting bids from qualified Contractors, assist with developing an Owner/Contractor agreement, and assist with City permitting.
   "Option 1" Fee: Hourly Rates not-to-exceed $2,500 (Architect)
   "Modified Option 1 + Option 2" Fee: Hourly Rates not-to-exceed $2,500 (Architect)
   + Hourly Rates not-to-exceed $2,500 (MEP Consultant)

3. *Construction Phase:* On an "as-needed" basis, review any Contractor shop drawings and submittals, provide periodic site visits to verify compliance with the design, review Contractor payment requests, and answer any Contractor and/or Client questions related to construction.
   "Option 1" Fee: Hourly Rates, not-to-exceed $5,000 (Architect)
   "Modified Option 1 + Option 2" Fee: Hourly Rates, not-to-exceed $5,000 (Architect)
   + Hourly Rates, not-to-exceed $5,000 (MEP Consultant)

Compensation: Architect's basic services compensation shall be billed at the fixed "Fee" noted above. Architect's services provided on an "as-needed" basis shall be billed at the Hourly Rates noted in the attached Terms and Conditions. The MEP Consultant's services shall be billed as an Additional Service.

Retainer: A Two Thousand Five Hundred Dollar ($2,500) retainer shall be due upon acceptance of the agreement; the retainer shall be credited to the final invoice.

(The Terms and Conditions of this form, as well as on any attachments, are a part of this Agreement.)

Full Circle Architects, LLC	**Accepted By:**
Daniel Baigelman	
Signature	Signature
Daniel Baigelman, Manager	
Printed Name/Title	Printed Name/Title
11/5/12	
Date	Date

MEMBER OF THE AMERICAN INSTITUTE OF ARCHITECTS

U.S. GREEN BUILDING COUNCIL MEMBER

BBB MEMBER

2010 KEY AWARDS GOLD KEY WINNER

Terms and Conditions

1. **Hourly Rates, Additional Services and Reimbursables.** Hourly Rates and Additional Services shall be billed at the following hourly rates: Principal(s) - $175 per hour ($350 per hour for work on a scaffold or lift); Project Architect/Manager(s) - $125 per hour ($250 per hour for work on a scaffold or lift); Draftsmen/Travel/Clerical - $95 per hour. Expert Witness and legal related assistance shall be billed at $350 per hour. Architect reserves the right to implement the services of any staff member as deemed appropriate to satisfy the objectives of the Project. Client shall reimburse Architect as Reimbursable Expenses for all actual out-of-pocket expenses incurred by Architect in performing its services, including but not limited to special renderings, long distance communication, parking, mileage, postage or messenger service, expense of reproduction of drawings and specifications or other documents for Client's use, Client requested reproduction, computer generated reproduction and photographic reproduction. Reimbursable Expenses shall be billed at 110% of the Architect's actual out-of-pocket costs. If required, special engineering services (structural, mechanical, etc.) shall be billed as an Additional Service at 110% of the consultant's standard hourly rates. Client may request or it may become necessary for Architect to perform Additional Services in order to further the objectives of the project, and such charges shall be paid by Client above and beyond any charges for Basic Services set forth in the Proposal. Whenever reasonably possible, Architect will notify Client in advance of Architect's intention to perform the particular Additional Service, and Client's failure to instruct Architect not to perform the Additional Service shall be considered Client's acquiescence to the performance of the Additional Service and agreement to pay for it. Notwithstanding any other description of Basic or Additional Services, any services which Client requests Architect to perform after final payment has been made to the contractor(s) or more than thirty (30) days after the project has been certified to be substantially complete shall be considered Additional Services. Any modifications or changes requested by Client inconsistent with Client's prior approval(s) shall be considered Additional Services. Architect shall be entitled to rely on the accuracy of any drawings or other information supplied to it by Client, its employees, representatives or other consultants, and any services necessitated because of an error or omission in any drawing or other information supplied by Client, its employees, representatives or other consultants shall be an Additional Service.

2. **Time of Performance.** Architect will use its best efforts to perform its services with reasonable professional promptness and in accordance with any deadlines or schedules mutually established and agreed to. If Architect is delayed, hindered or prevented from performing its services for any reason beyond Architect's control, including but not limited to war, riots or insurrections; strikes, lockouts or other labor troubles; flood, fire, storm or other natural disaster; death or illness; power or computer failures; or any act or omission of Client, vendors or other third parties; Architect shall be granted an extension of time equivalent to the period of delay in which to complete Architect's services.

3. **Pricing Estimates.** Neither Architect nor Client has any control over the costs of labor, materials, equipment, over contractors' methods of determining bid prices, or over competitive bidding, market or negotiation conditions. Accordingly, Architect cannot and does not warrant or represent that bids or negotiated prices will not vary from any established budgetary constraints. Client may perform its own cost analysis or retain its own cost consultant and shall be solely responsible for the accuracy and preparation of cost estimates at each appropriate stage of the project. Architect will cooperate and work closely with any cost consultant so that the project can be constructed within any appropriate budgetary constraints. However, if Client fails to heed Architect's warning that the design criteria are not consistent with the budget limitations, then any value engineering or redesign subsequently performed by Architect to reduce the construction cost shall be considered an Additional Service.

4. **Hidden Conditions.** Client acknowledges that there may be hidden conditions that are concealed by existing finishes or not susceptible to reasonable visual observation. If such a hidden condition requires a change in the design or construction work, the costs of such a change are solely the Client's, and Architect shall have no responsibility for any resulting costs or damages. If Architect's services include the design of repairs based on a review of existing conditions of the building, Client acknowledges that Architect is working from imperfect information and does not warrant that he will have seen and designed repairs for every defective condition.

5. **Invoicing and Payment.** Invoices shall be submitted monthly for services and reimbursable expenses and are due upon receipt. Invoices for each Phase of services must be paid in full prior to the Architect proceeding with the next Phase. Simple interest will accrue at the rate of 1.5% per month (18% annually) on any balances unpaid for more than 30 days, and Client shall reimburse Architect for all costs of collection, including reasonable attorney's fees, on invoices unpaid for 30 days or more. Architect may suspend or terminate this agreement in the event that any balances remain unpaid more than 60 days after Client's receipt of invoice. Within 14 days of receipt of Architect's invoice, Client shall examine the invoice in detail to satisfy himself as to its accuracy and completeness and shall raise any questions or objections which he may have regarding the invoice within this 14 days period. After 14 days from receipt of Architect's invoice, Client waives any questions or objection to the invoice not previously raised. In the event that Client fails to make payment when it is due, or if Client and Architect disagree as to whether Client has improperly failed to make a payment, Architect shall be entitled to suspend performing services until either the dispute has been resolved or else Client places a sum equal to the amount in dispute in an escrow account, reasonably satisfactory to both parties, which specifies that the escrow agent shall distribute the escrow sum between the parties in accordance with any settlement agreement, arbitration award or court judgment entered resolving the dispute. Any retainer shall be credited to the final payment(s) owed.

6. **Submittals.** Architect shall review and approve or take other appropriate action upon contractor submittals such as shop drawings only for the limited purpose of checking for conformance with information given and the design concept, but not for determining accuracy or completeness of other details such as dimensions or quantities or for substantiating instructions for installation or performance of equipment or systems. Architect's review shall not be for the purpose of approving any safety precautions or temporary arrangements, and Architect may review without approving submittals outside the scope described herein. If Architect requires a contractor to retain a design professional to submit stamped and sealed calculations, certifications or other instruments of professional service, Architect shall be entitled to rely upon the adequacy, accuracy and completeness of such stamped and sealed certifications, services or approvals.

7. **Ownership of Documents.** All documents including calculations, computer files, drawings and specifications prepared by Architect under this Agreement ("Plans") are instruments of professional service all aspects of which, including the copyright, are owned by Architect. Upon acceptance of this Agreement, Architect grants Client a non-exclusive license to use and reproduce the Plans solely for the purpose of constructing this project, but for no other purpose. In the event that Client breaches this Agreement, Architect shall have the right upon written notice to Client to revoke this license and to forbid Client (or others claiming rights under the license) from reproducing or continuing to use the Plans.

8. **Construction Administration.** Architect shall have no responsibility for construction administration unless explicitly described in the Proposal. If construction observation services are performed or Architect is performing owner representation services, Architect shall not have control or charge of and shall not be responsible for construction means, methods, techniques, sequences or procedures, or for safety precautions and programs in connection with the construction work, for any defects, deficiencies or other acts or omissions of the contractor or any other persons performing any of the construction work or for the failure of any of them to carry out the work in accordance with the plans and specifications. In particular, Architect shall have no responsibility for or oversight of temporary bracing or other temporary conditions. Architect's visits to the construction site shall be for the purpose of becoming generally familiar with the progress and quality of the construction work within Architect's scope and to determine in general if the work when completed will be in accordance with the plans and specifications. Architect is not authorized to stop the construction work or take any other action relating to jobsite safety, which are solely the contractors' right and responsibility. If Architect reviews contractors' applications for payment, such reviews shall be made to the best of Architect's knowledge, information and belief based on Architect's limited observation of the construction work, and Architect shall be entitled to rely on documentation submitted by the contractor(s) or others which is not inconsistent with Architect's own observations.

9. **Claims.** Client and Architect each agrees to waive any and all claims for consequential damages against the other. Client acknowledges that Architect is a corporation and agrees to make any claim arising out of or relating to the project against Architect only, and not against any of Architect's directors, officers, employees or agents. In recognition of the relative risks, rewards and benefits of the project to both Client and Architect, the parties have agreed to allocate such risks so that Architect's total liability to Client for any and all injuries, claims, losses, expenses or damages arising out of this agreement, whether sounding in negligence, contract, warranty or strict liability, from any cause or causes, shall not exceed $10,000 or the sum of the fees for professional services paid to Architect, whichever is greater. In the event that a component of any claim against Architect includes increased costs of construction or failure to require a particular repair, Architect shall not be liable for any "betterment" or "enhancement" costs for which Client would ultimately have been responsible.

If a dispute arises out of or relates to this Agreement or its breach, the parties shall endeavor to settle the dispute first through direct discussions by their appointed representatives. If settlement does not result, principals of both the Owner and Architect shall meet in person to endeavor to settle the dispute. If the dispute cannot be settled through direct discussions, the parties shall endeavor to settle the dispute by mediation under the Construction Industry Mediation Rules of the American Arbitration Association before recourse to arbitration. Once one party files a request for mediation with the other contracting party and with the American Arbitration Association, the parties agree to conclude such mediation within sixty (60) days of filing of the request. Any controversy or claim arising out of or relating to this Agreement or its breach not resolved by mediation, except for claims which have been waived by the making or acceptance of Final Payment, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association then in effect unless the parties mutually agree otherwise. The arbitration award shall be final, and Judgment upon it may be confirmed in any court having jurisdiction. The parties agree that all parties necessary to resolve a claim shall be parties to the same arbitration proceeding. Appropriate provisions shall be included in all other contracts relating to the Work to provide for the consolidation of arbitrations.

10. **Termination.** Either party may terminate this agreement upon at least ten (10) days' advance written notice to other. In the event that Client terminates the agreement without fault of Architect, Client shall compensate Architect for all services provided and reimbursable expenses incurred to the date on which Architect received the notice of termination plus any expenses, lost profits and unabsorbed overhead incurred by Architect due to premature termination of the project.

11. **Insurance.** Architect shall keep and maintain its current insurance policies, including professional liability, commercial general liability, automobile liability and workers' compensation insurance, for the duration of the project. Certificates evidencing such coverage are available upon request. If client desires additional insurance, Architect shall use its best efforts to obtain the additional insurance, but Client shall reimburse Architect for any additional premium or other related costs that Architect thereby incurs. Client shall ensure that the construction contractor(s) (i) name Architect as an additional insured on their general liability insurance policies, and (ii) agree to indemnify Client and Architect against construction defects or problems in language reasonably satisfactory to both Client and Architect.

12. **Miscellaneous.** To the extent within Client's control, Architect shall have the right to take photographs and make other reasonable promotional use of the project, and Architect shall be given appropriate credit on all construction signs or other promotional materials concerning the project. Client may accept Architect's Proposal either by signature, oral assent, authorizing Architect to commence providing services or making any payments to Architect in consideration of services, and any of the above modes of acceptance shall be deemed to incorporate these Business Terms into the contract between the parties thereby formed. This agreement shall be governed by the laws of the state of Illinois.

14. **Responsibility for Code Compliance.** The Architect shall conform the Work documents to applicable local laws, regulations and ordinances relating to the Work existing on the date of this Agreement. However, Client recognizes that interpretations by governmental officials ("Code Authority") are often subject to change or different interpretations. If after submitting the required documents, modifications to the Work are required because of an interpretation by the Code Authority which had not been previously given, or which if given, was different than a prior interpretation of the Code Authority, Architect shall make the required modifications, but the cost of such modifications shall be compensated as a Contingent Additional Service. Nothing contained herein shall relieve the Architect of its obligations to modify at its own expense contract documents where the Architect has negligently failed to prepare them in compliance with the applicable Governmental Requirements.

15. **Indemnity for Deviations.** The Client may choose to disregard the advice of the Architect or may otherwise choose to deviate during construction from the recommendations prepared by the Architect. Accordingly, Client hereby agrees to indemnify and hold harmless the Architect, its agents, employees and consultants from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees and economic damages, arising out of, in connection with, or resulting from the performance of (or failure to perform) any aspect of construction of the Project, where the Client has knowingly authorized or permitted a deviation from any document prepared by Architect which, over Architect's objection, has not been corrected or where the Client has elected not to follow any written recommendation of the Architect. In the event that Architect or any other party indemnified hereunder is required to bring an action to enforce the provisions of this indemnity, the indemnifying party shall pay the attorneys' fees and costs incurred by the indemnified party in bringing this action.

MEMORANDUM

Date: November 28, 2012

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

RE: Report from City Council Pre-Session Meeting regarding the Demolition Tax

Chairman Wigodner will report on the City Council Pre-Session Meeting that he and staff attended on Monday November 26th at the Housing Commission Meeting on December 5th. This report precedes a more detailed Commission discussion to be scheduled at the January 9, 2013 Housing Commission Meeting.

In anticipation of Chairman Wigodner's report, staff will summarize the direction, as she understands it, that City Council gave to the Housing Commission, requesting the Housing Commission to reconsider several questions regarding the demolition tax. These questions will be subject to revision once the City Council Minutes are available. The City Council requests that the Housing Commission consider recommendations regarding:

- Whether to reduce the demolition tax on properties below $100,000,
- Whether to adjust the escalator payment for deferrals, perhaps to waive it for short-term deferrals or to phase it in over time, and
- Whether to restore the entire tax payment to the Affordable Housing Trust Fund.

Staff is seeking Commission guidance to develop the research necessary for the Commission to answer these questions at the January 9, 2013 Housing Commission and to prepare a recommendation to City Council.

MEMORANDUM

Date: November 28, 2012

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

RE: Consideration of Revisions to Inclusionary Housing Ordinance

The need to revise the Inclusionary Housing Ordinance emerged from the discussions regarding the recommendations for a Condominium Conversion Ordinance. The revisions now under discussion fall into the following categories:

- Reducing the affordable unit percentage to ten percent for condominium conversions with no more than nineteen units. The rationale is the recognition that in a simple conversion, a developer would not be able to avail themselves of the density bonus. Previous Commission discussion included the suggestion to apply this reduced standard to rental projects and possibly new condo developments as well. It is not clear, however, that it is any more difficult for new multifamily projects to obtain the density bonus compared to single family developments.
- Permitting developers of condo conversions to pay the fee-in-lieu. Again, the previous discussions included the idea of permitting this for rental projects and perhaps new condo developments. The argument against extending the fee in lieu to all covered multifamily developments under twenty units is that it is contrary to the "intent and preference of this Article ...for the provision of permanently affordable housing units constructed on-site and privately produced, owned, and managed." (Section 150.2100 Policy, page 2)
- Establishing additional provisions for quality assurance for the affordable housing units:
    - **Energy-efficiency audits**. One of the questions that emerged from the discussion was who should pay for these: should the developer be expected to bear the cost or should the Housing Commission provide the funds?
    - **Developer warranties** for major mechanical systems and appliances for 1 year from the transfer of title.
    - **Escrow** of one percent of the sales price of each affordable housing unit to cover warranties.
    - **Building inspections** to insure that the affordable housing units meet City Code and the requirements of the Inclusionary Housing Ordinance.

  One question I have about these requirements, if recommended, is whether they should apply only to the initial sale. City policy is that there are no required building inspections for the resale of existing market-rate housing.

Attached is a red-lined copy of the Inclusionary Housing Ordinance incorporating these draft revisions along with staff comments and questions.

ARTICLE XXI. INCLUSIONARY HOUSING

SECTION

150.2100	Policy
150.2101	Covered Development Projects
150.2102	Percentage of Affordable Housing Units Required (with amendments)
150.2103	Application and Inclusionary Housing Plan
150.2104	Development Agreement and Other Documents (with amendments)
150.2105	Development Cost Off-Sets
150.2106	Density Bonuses
150.2107	Integration of Affordable Housing Units
XXXX	Quality Assurance for Affordable Housing Units
150.2108	Alternative to On-Site Affordable Housing Units
150.2109	Target Income Levels for Affordable Housing Units
150.2110	Eligibility of Households
150.2111	Marketing of the Affordable Housing Units
150.2112	Period of Affordability
150.2113	Affordability Controls
150.2114	Departures from Requirements
150.2115	Administrative Guidelines

Sec. 150.2100 Policy.

The purpose of this Article is to promote the public health, safety, and welfare by promoting housing of high quality located in neighborhoods throughout the community for households of all income levels, ages and sizes in order to meet the City's goal of preserving and promoting a culturally and economically diverse population in the City. Based upon the review and consideration of reports and analyses of the housing situation in the City, it is apparent that the diversity of the City's housing stock has declined as a result of increasing property values and housing costs and a reduction in the availability of affordable housing; that demolition of certain existing dwellings has led to a reduction in the diversity of the City's housing stock and affordable housing opportunities, and that subsequent redevelopment has in many cases contributed to property value increases that further the difficulty of providing affordable housing in the City; and that, with the exception of housing developed in partnership with the City or its Housing Commission, the privately developed new residential housing that is being built in the City generally is not affordable to low- and moderate-income households. The City recognizes the need to provide affordable housing to low- and moderate-income households in order to maintain a diverse population and to provide housing for those who live or work in the City. Without intervention, the trend toward increasing housing prices will result in an inadequate supply of affordable housing for City residents and local employees, which will have a negative impact upon the ability of local employers to maintain an adequate local work force and will otherwise be detrimental to the public health, safety, and welfare of the City and its residents. Since the remaining land appropriate for new residential development within the City is limited, it is essential that a reasonable proportion of such land be developed into housing units affordable to low- and moderate-income households and working families.

While this Article provides specific alternatives to the production of on-site affordable housing units, the intent and preference of this Article is for the provision of permanently affordable housing units constructed on-site and privately produced, owned, and managed.

The provisions of this Article may be supplemented by a set of Administrative Guidelines adopted pursuant to Section 150.2115 of this Article. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

Sec. 150.2101 Covered Development Projects.

(A) General. The provisions of this Article shall apply to all developments that result in or contain five or more residential dwelling units. The types of development subject to the provisions of this Article include, but are not limited to, the following:

(1) A development that is new residential construction or new mixed-use construction with a residential component.

(2) A development that is the renovation or reconstruction of an existing multiple family residential structure that increases the number of residential units from the number of units in the original structure.

(3) A development that will change the use of an existing building from non-residential to residential or that will change the type of residential use. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(4) A development that includes the conversion of rental property to private ownership of individual housing units. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(B) Development on Multiple Parcels. For purposes of this Article, a development that occurs on adjacent parcels under common ownership shall be considered one development. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

Sec. 150.2102 Percentage of Affordable Housing Units Required.

(A) General Requirement. Except as otherwise specifically provided in Subsection (C) below and Section 150.2108 of this Article and in developments that include the conversion of rental property to private ownership of individual housing units, 20 percent of the total number of residential units within any covered development shall be affordable housing units and shall be located on the site of the covered development. For developments that include the conversion of rental property to private ownership of individual housing units and that have no more than nineteen units, 10 percent of the total number of residential units shall be affordable housing units and shall be located on the site of the covered development. [Question: does the Housing Commission wish to add rental developments or new condo projects to this exception? It should be noted that new developments might be better able to incorporate density bonuses available as mitigation for the provision of affordable units.]

Formatted: Highlight

(B) Calculation. To calculate the number of affordable housing units required in a covered development, the total number of proposed units shall be multiplied by 20 percent with the exception of a development that includes the conversion of rental property to private ownership with no more than nineteen units. For this exception, the total number of proposed shall be multiplied by 10 percent. If the product includes a fraction, a fraction of .5 or more shall be rounded up, and a fraction of less than .5 shall be rounded down.

Deleted: 20

Deleted:

(C) Cash Payment In-Lieu of Housing Units.

(1) General Applicability. The applicant may make a cash payment in lieu of constructing some or all of the required affordable housing units if the covered development has no more than nineteen units. [Note: This language assumes that permitting the fee-in-lieu would apply to rental projects and new condos as well as condo conversions. Staff realizes that this remains a matter for discussion.]

Deleted:

Deleted: and only if,

Deleted: is a single-family detached development that

Formatted: Highlight

(2) Amount and Use of Cash in Lieu. The per unit payment amount shall be determined by the City Council and set forth in the City's annual fee resolution. The per unit amount shall be based on an estimate of the cost of providing an affordable housing unit and shall be reviewed and modified periodically by the City Council. All cash payments received pursuant to this Article shall be deposited directly into the Affordable Housing Trust Fund for purposes authorized under Section 33.1133 of this Code. [Note: there was some discussion about setting a lower cash in lieu for condo conversions and rental developments. If that is the Commission's recommendation, it will require some thought regarding how to do this. Simply applying a percent (such as 75 or 50) to lower the fee could result in very low cash payments that are not reflective of market conditions if the City Council were to lower the cash in lieu payment overall. Moreover, if the payment in lieu is calculated on 10% of the units in condo conversions with fewer than nineteen units, this may be a sufficient reduction.]

Formatted: Highlight

(3) Calculation. For purposes of determining the total in lieu payment amount, the per unit amount established by the City pursuant to Paragraph (C)(2) of this Section shall be multiplied by 20 percent of the number of units proposed in the covered development. For purposes of such calculation, if 20 percent of the number of proposed units results in a fraction, the fraction shall not be rounded up or down. If the cash payment is in lieu of providing one or more but not all of the required units, the calculation shall be prorated as appropriate. [Question: does the Commission wish to change the cash payment in lieu formula for condo conversions and rental developments (and possibly new condo developments) to 10%, mirroring the ten percent unit obligation for developments that have no more than nineteen units?]

Formatted: Highlight

Sec. 150.2103 Application and Inclusionary Housing Plan.

(A) Application. For all covered development projects, the Applicant shall file an application for approval thereof on a form provided and required by the City. The application shall require, and the Applicant shall provide, among other things, general information about the nature and scope of the covered development, as well

as such other documents and information as the Director of the City's Department of Community Development, or his or her designee (***"Director"***), may require. The Director shall also have the authority to require, as part of the application submittal, such portions of the inclusionary housing plan required under Subsection (B) of this Section as the Director shall deem necessary to properly evaluate the proposed covered development under the requirements and provisions of this Article.

(B) Inclusionary Housing Plan. As part of the approval of a covered development project, the Applicant shall present to the Housing Commission and the City Council an inclusionary housing plan that outlines and specifies the covered development's compliance with each of the applicable requirements of this Article, in accordance with the following: **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(1) Required Submittals for Inclusionary Housing Plan. The plan shall specifically contain, at a minimum, the following information regarding the covered development project;

(a) Preliminary Plan.

(i) A general description of the development, including whether the development will contain rental units or individually owned units, or both;

(ii) The total number of market rate units and affordable units in the development;

(iii) The total number of attached and detached residential units; **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(iv) The number of bedrooms in each market rate unit and each affordable unit;

(v) The square footage of each market rate unit and each affordable unit;

(vi) The location within any multiple-family residential structure and any single-family residential development of each market rate unit and each affordable unit.

(vii) Floor plans for each affordable unit; **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(viii) The amenities that will be provided to and within each market rate unit and affordable unit; and **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(ix) The pricing for each market rate unit and each affordable housing unit.

(b) Final Plan.

(i) All of the information required for the preliminary Inclusionary Housing Plan pursuant to Section 150.2103(B)(1)(a) of this Article; **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(ii) The phasing and construction schedule for each market rate unit and each affordable unit;

(iii) Documentation and plans regarding the exterior and interior appearances, materials, and finishes of the development and each of its individual units;

(iv) A description of the marketing plan that the applicant proposes to utilize and implement to promote the sale or rental of the affordable units within the development; and

(v) A description of the specific efforts that the applicant will undertake to provide affordable housing units to households pursuant to the priorities set forth in Section 150.2110 of this Article.

(2) Review Procedure.

Deleted: ¶

(a) Preliminary Plan.

(i) Housing Commission Review. Within 60 days after the filing of a complete preliminary Inclusionary Housing Plan, the Housing Commission shall review the Inclusionary Housing Plan, and shall recommend either the approval (with or without modifications) or the rejection of the Inclusionary Housing Plan. The Housing Commission shall transmit its findings of fact and recommendation to the City Council. The failure of the Housing Commission to provide a recommendation within such 60 day period, or such further time to which the applicant may, in writing, agree, shall be deemed a recommendation against the approval of the Inclusionary Housing Plan. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(ii) City Council Consideration.

(A) Upon receipt of the Housing Commission recommendation pursuant to Section 150.2103(B)(2)(a)(i) of this Article, the City Council may, by resolution duly adopted, approve or reject the Preliminary Inclusionary Housing Plan. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(B) Approval of the preliminary Inclusionary Housing Plan by the City Council shall neither: (1) be deemed or interpreted as obligating the City Council to approve a final Inclusionary Housing Plan; nor (2) vest any right to the applicant other than the right to submit a final Inclusionary Housing Plan for the proposed Covered Development Project. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(b) Final Plan.

(i) Housing Commission Review. Within 60 days after the filing of a complete final Inclusionary Housing Plan, the Housing Commission shall review the Inclusionary Housing Plan, and shall recommend either the approval (with or without modifications) or the rejection of the Inclusionary Housing Plan. The Housing Commission shall transmit its findings of fact and recommendation to the City Council. The failure of the Housing Commission to provide a recommendation within such 60 day period, or such further time to which the applicant may, in writing, agree, shall be deemed a recommendation against the approval of the Inclusionary Housing Plan. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(ii) City Council Consideration. Upon receipt of the Housing Commission recommendation pursuant to Section 150.2103(B)(2)(b)(i) of this Article, the City Council may, by ordinance duly adopted, approve or reject the Inclusionary Housing Plan. Any ordinance approving a final Inclusionary Housing Plan shall include, without limitation, the following: **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(A) All standards, conditions, or restrictions deemed necessary or applicable by the City Council to effectuate the proposed development and protect the public interest, health, safety and welfare; and **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(B) A provision requiring the execution and recordation by the applicant of a development agreement, as required pursuant to Section 150.2104 of this Article. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

Deleted: s

(c) Concurrent Review of Preliminary and Final Plans. Notwithstanding any provision of this Article to the contrary, the Housing Commission and City Council shall review the preliminary and final Inclusionary Housing Plans concurrently for all Covered Development Projects that are not Planned Developments, pursuant to the final Inclusionary Housing Plan review procedure set forth in Section 150.2103(B)(2)(b) of this Article. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(3) Standards of Review. The Housing Commission shall not recommend the approval of a preliminary or final Inclusionary Housing Plan, and the City Council shall not approve a preliminary or final Inclusionary Housing Plan, except upon making the following findings: **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(a) That the applicant has demonstrated that the proposed affordable housing units are designed to accommodate the needs of the target households; **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(b) That the location, floor plan, fixtures and finishes, and amenities of each proposed affordable housing unit satisfy the applicable provisions of this Article and are suitable for the needs of the target households; **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(c) That each affordable housing unit is designed to accommodate family living needs for common space and dining areas; and **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(d) That the proposed affordable housing units, and the development as a whole, conform to the applicable standards and requirements of this Chapter. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

Sec. 150.2104 Development Agreement and Other Documents.

Prior to issuance of a building permit for any covered development, the applicant shall have entered into a development agreement with the City regarding the specific requirements and restrictions regarding affordable housing and the covered development. The applicant shall execute any and all documents deemed necessary by the City, including without limitation, restrictive covenants and other related instruments, to ensure the continued affordability of the affordable housing units in accordance with this Article. The development agreement shall set forth the commitments and obligations of the City and the applicant and shall incorporate, among other things, the inclusionary housing plan and quality assurance requirements. The development agreement shall also contain the agreements and decisions regarding the applicability of any one or more of the alternatives to the provision of on-site affordable housing units as set forth in Section 150.2108 of this Article.

Sec. 150.2105 Development Cost Off-Sets.

An applicant that fully complies with the requirements of this Article shall, upon written request, receive from the City, with regard to the affordable housing units in the covered development, a waiver of all of the otherwise applicable application fees, building permit fees, plan review fees, inspection fees, sewer and water tap-on fees, demolition permit fees, the demolition tax, and such other development fees and costs which may be imposed by the City; provided, however, that this waiver shall not apply to third-party legal, engineering, and other consulting or administrative fees, costs, and expenses incurred or accrued by the City in connection with the review and processing of plans for the covered development. The waiver of fees and costs under this Section shall only apply to the affordable units. All applicable fees and costs under this Code shall apply to all market rate units. To the extent that there are impact fees attributable to the affordable housing units, those impact fees shall be paid from funds in the Affordable Housing Trust Fund. (Ord. 45-07, J. 33, p. 251-253, passed 6/11/07)

Sec. 150.2106 Density Bonuses.

(A) Bonus Units for Affordable Housing Provided. For all covered developments under this Article, a density bonus shall be provided equal to one market rate unit for each affordable housing unit that is required and provided under this Article. The density bonus set forth in this Section 150.2106(A) shall be provided regardless of whether the affordable housing unit or units are provided on-site pursuant to Section 150.2102 of this Article, or off-site pursuant to Section 150.2108(B)(3) of this Article. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(B) PUD Discretionary Bonus. If an applicant is required or chooses to utilize the Planned Unit Development process as outlined in Article V of this Chapter and provides affordable housing units on the site of the covered development in accordance with this Article, then the applicant may, as part of the Planned Unit Development process, seek a density bonus in addition to the density bonus authorized under Subsection (A) of this Section. The additional density bonus under this Subsection may be authorized up to 0.5 market rate units for each affordable housing unit required under this Article that is provided within the Development, but only upon the recommendation of the Plan Commission and the approval of the City Council, in accordance with and pursuant to the standards and procedures for Planned Developments, as set forth in Article V of this Chapter. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(C) No Density Bonuses with Payment of Fee-In-Lieu. No density bonus shall be provided pursuant to this Section 150.2106 for any development for which a cash payment in lieu of construction of the required affordable units is made pursuant to Section 150.2103 of this Article. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

Sec. 150.2107 Integration of Affordable Housing Units.

(A) Location of Affordable Housing Units. Affordable housing units shall be dispersed among the market rate units throughout the covered development.

(B) Phasing of Construction. The inclusionary housing plan and the development agreement shall include a phasing plan that provides for the timely and integrated development of the affordable housing units as the covered development project is built out. The phasing plan shall provide for the development of the affordable housing units concurrently with the market rate units. Building permits shall be issued for the covered development project based upon the phasing plan. The phasing plan may be adjusted by the Director when necessary in order to account for the different financing and funding environments, economies of scale, and infrastructure needs applicable to development of the market rate and the affordable housing units. The phasing plan shall also provide that the affordable housing units shall not be the last units to be built in any covered development.

(C) Exterior Appearance. The exterior appearance of the affordable housing units in any covered development shall be visually compatible with the market rate units in the development. External building materials and finishes shall be substantially the same in type and quality for affordable housing units as for market rate units.

(D) Unit Amenities: Amenities that are provided with a market rate unit shall also be provided, with the affordable units. For purposes of this Subsection (D), "amenities" shall include, without limitation, basements, front porches, storage lockers, balconies, roof decks, outdoor patios, off-street parking, enclosed parking, appliances, and similar unit features and additions. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(E) Interior Appearance and Finishes. Affordable housing units may differ from market rate units with regard to interior finishes and gross floor area, provided that:

(1) The bedroom mix of affordable units shall be in equal proportion to the bedroom mix of the market rate units.

(2) The differences between the affordable housing units and the market rate units shall not include improvements related to energy efficiency, including mechanical equipment and plumbing, insulation, windows, and heating and cooling systems.

(3) The interior gross floor area for the affordable housing units shall be no less than the lesser of (a) 75 percent of the gross floor area of market rate units with a comparable number of bedrooms, or (b) the minimum size requirements outlined in the table below; provided, however, that interior gross floor area shall not include areas devoted to vertical circulation, basements, off-street parking, lockers and similar storage areas, and mechanical rooms. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

	Unit Type	
Number of Bedrooms	**Single Story Dwelling Units**	**Multi-Story Dwelling Units**
Studio	450 square feet	--
1	750 square feet	--
2	950 square feet	1,000 square feet
3	1,175 square feet	1,350 square feet
4	1,350 square feet	1,600 square feet

(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)

Sec. XXXX Quality Assurance for Affordable Housing Units

(A) Energy-efficiency Audit of Affordable Housing Units. Prior to issuance of a certificate of occupancy, an energy-efficiency audit must be conducted for the affordable housing units, and any defect identified in the audit must be corrected. The cost for the energy –efficiency audit by a licensed or certified auditor shall be paid from funds in the Affordable Housing Trust Fund. [Note: staff recalls this suggestion from previous Meeting, so placed here for additional discussion.] Correction of any defect identified in the energy-efficiency audit is the responsibility of the seller. The seller shall submit proof of remediating any defects to the Director of Community Development or their designee [or to the Building Department?].

(B) Inspection of Affordable Housing Units. Prior to issuance of a certificate of occupancy, the Building Department will inspect all affordable housing units to insure compliance with City Code and compliance with Section 150.2107.

(C) Warranties for Affordable Housing Units. The seller must provide a warranty for major mechanical systems and appliances for one year from the date of transfer of title.

(D) Escrow. The seller must provide an escrow of one percent of the sales price of each affordable housing unit sold in order to insure payment of the warranties.

[Question: Should these requirements only apply to the initial sale?]

Deleted: ¶

Formatted: Highlight

Formatted: Highlight

Sec. 150.2108 Alternatives to On-Site Affordable Housing Units.

(A) Applicability. In lieu of the provision of affordable housing on the site of the covered development as otherwise required by Section 150.2102 of this Article, the City Council, following consideration by and a recommendation from the Housing Commission, may approve one or more of the three alternatives for affordable housing as set forth in Subsection B of this Section. Utilization and the requirements of the provisions of this Section shall be specifically set forth in the affordable housing development agreement for the covered development. This Section shall not be utilized unless the applicant demonstrates to the satisfaction of the City Council that the alternate means of compliance will further affordable housing opportunities in the City to an equal or greater extent than compliance with the otherwise applicable on site requirements of this Article.

(B) Available Alternatives. Any one or more of the following affordable housing alternatives may be utilized in lieu of all or part of the otherwise applicable on site requirements set forth in Section 150.2102 of this Article: **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(1) A cash payment to be deposited directly into the Affordable Housing Trust Fund for purposes authorized under Section 33.1133 of this Code in an amount not less than the per unit payment established pursuant to Section 150.2102(C)(2) of this Article; **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(2) A dedication of land to the Highland Park Housing Commission or the Commission's not-for-profit designee; or

(3) The provision of affordable housing units at another site within the City.

Sec. 150.2109 Target Income Levels for Affordable Housing Units.

(A) For-Sale Affordable Housing Units. In covered development projects that contain for-sale units, at least one affordable housing unit and no less than 50 percent of the affordable housing units shall be sold to low-income households at a price, as determined pursuant to Subsection (C) of this Section, that, on average, is affordable to a household with an annual income that is 65 percent of area median income. Any remaining affordable units shall be sold to moderate-income households at a price, as determined pursuant to Subsection (C) of this Section, that, on average, is affordable to a household with an annual income that is 100 percent of area median income. The owner shall execute and record any documents required by Section 150.2104 of this Article to ensure compliance with this Subsection.

(B) Rental of Affordable Housing Units. In covered development projects that contain rental units: (i) no less than 33 percent of the affordable housing units shall be rented or leased to households with gross incomes from zero percent to 50 percent of the Chicago area median income at a price, as determined pursuant to Subsection (C) of this Section, that, on average, is affordable to a household with an annual income that is 45 percent of area median income; (ii) no less than 33 percent of the affordable housing units shall be rented or leased to households with gross incomes between 51 percent and 80 percent of the Chicago area median income at a price, as determined pursuant to Subsection (C) of this Section, that, on average, is affordable to a household with an annual income that is 65 percent of area median income; and (iii) no more than 33 percent of the affordable housing units shall be rented or leased to households with gross incomes between 81 percent and 120 percent of the Chicago area median income at a price, as determined pursuant to Subsection (C) of this Section, that, on average, is affordable to a household with an annual income that is 100 percent of area median income. If fewer than three affordable units will be provided, such units shall be rented or leased to low-income households at a price, as determined pursuant to Subsection (C) of this Section, that does not exceed what is affordable to a household with an annual income that is 65 percent of area median income.

(C) Pricing Schedule. The City, through the Director of Community Development, shall publish a pricing schedule of rental and sales prices for affordable housing units ("Pricing Schedule"), which Pricing Schedule shall be updated at least once every 12 months. The Director of Community Development may, in his or her discretion, include the Pricing Schedule within administrative guidelines adopted pursuant to Section 150.2115 of this Article. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

Sec. 150.2110 Eligibility of Households.

(A) For-Sale Affordable Housing Units. Only eligible households shall be permitted to purchase an affordable housing unit for purposes of this Article.

Priority will be given first to households who live in Highland Park or households in which the head of the household or the spouse or domestic partner works in Highland Park as part of employment by the City of Highland Park, the Highland Park Library District, the Park District of Highland Park, the Lake County Forest Preserve District, the County of Lake, Moraine Township, West Deerfield Township, School Districts 112 or 113, the Northern Suburban Special Education District, the North Shore Sanitary District, or the South Lake County Mosquito Abatement District, and then to households in which the head of the household or the spouse or domestic partner works in Highland Park for any other employer. At the applicant's request, the City or its not-for-profit designee shall select eligible households for the affordable housing units at an additional charge to the applicant at an amount to be determined by the City. If, during possession, the gross income of the eligible household increases above the eligible income levels, set forth in Section 150.2109 of this Article, the eligible household may continue to own the affordable housing unit. The owner shall execute and record any documents required by Section 150.2104 of this Article to ensure compliance with this Subsection. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(B) Rental Affordable Housing Units. Only eligible households shall be permitted to rent an affordable housing unit for purpose of this Article. Priority will be given first to households who live in Highland Park or households in which the head of the household or the spouse or domestic partner works in Highland Park as part of employment by the City of Highland Park, the Highland Park Library District, the Park District of Highland Park, the Lake County Forest Preserve District, the County of Lake, Moraine Township, West Deerfield Township, School Districts 112 or 113, the Northern Suburban Special Education District, or the South Lake County Mosquito Abatement District, and then to households in which the head of the household or the spouse or domestic partner works in Highland Park for any other employer. At the applicant's request, the City or its not-for-profit designee shall select eligible households for the affordable housing units at an additional charge to the applicant at an amount to be determined by the City. If, during possession, the gross income of the eligible household increases above the eligible income levels, set forth in Section 150.2109 of this Article, the eligible household may continue to lease the unit and may renew the lease as well. The owner shall execute and record any documents required by Section 150.2104 of this Article to ensure compliance with this Subsection. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

Sec. 150.2111 Marketing of the Affordable Housing Units.

(A) Good Faith Marketing Required. All sellers and lessors of affordable units are responsible for marketing the affordable units, and shall engage in good faith marketing efforts to inform members of the public who are qualified to purchase or rent affordable units of the availability of such units for sale or rent. Prior to the initiation of public marketing efforts to sell or lease an affordable housing unit, the seller or lessor thereof shall submit to the Director of Community Development a description of the marketing plan that the applicant proposes to utilize and implement to promote the sale or rental of the affordable units within the development to the appropriate income groups. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(B) City Assistance with Marketing. At the applicant's request, the City or its designee shall assist the applicant in marketing the affordable housing units to eligible households, for an additional charge to be determined by the City. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

Sec. 150.2112 Period of Affordability.

(A) Sale of Affordable Housing Units. In covered developments that contain for-sale units, affordable housing units shall be resold to low and moderate income households in perpetuity or as long as permissible by law. The owner shall execute and record any documents required by Section 150.2104 of this Article to ensure compliance with this Subsection.

(B) Rental of Affordable Housing Units. In developments that contain rental units, affordable housing units shall be rented to low and moderate income households in accordance with Section 150.2110 of this Article for 25 years from the date of the issuance of the certificate of occupancy for the respective unit. The owner shall execute and record any documents required by Section 150.2104 of this Article to ensure compliance with this Subsection.

(1) In the event that the owner of a covered rental development sells the development before the end of the 25-year affordability period, the new owner shall be required to continue to provide the affordable housing units in accordance with Section 150.2110 of this Article for the remainder of the 25-year period.

(2) If the owner of a covered rental development converts the development to condominiums or other form of individual unit ownership, the development shall be subject to the for-sale development requirements set forth in Subsection 150.2109(A) of this Article. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(3) The Housing Commission or its designee shall have the right, but not the obligation, to purchase any for-sale affordable housing units in the development pursuant to Section 150.2113 of this Article.

Sec. 150. 2113 Affordability Controls.

(A) For-Sale Affordable Housing Units.

(1) Housing Commission Purchases. The Housing Commission, or a not-for-profit agency designated by the Housing Commission, shall have the pre-emptive option and right, but not an obligation, to purchase each of the for-sale affordable housing units prior to any sale of any such unit. If the City, or the designated not-for-profit, exercises the option and purchases the affordable housing unit, the affordable housing unit shall be subject to such documents deemed necessary by the City, including, without limitation, restrictive covenants and other related instruments, to ensure the continued affordability of the affordable housing units in accordance with this Article. Such documentation shall include the provisions of this Article and shall provide, at a minimum, each of the following: **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(a) The calculated maximum resale price is an upper limit, but shall not be construed as a guarantee that the unit will be resold at that price. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(b) Market conditions, and characteristics of the affordable housing unit, may result in the sale of an affordable housing unit at a price lower than the calculated maximum resale price. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(2) Private Party Purchases. In all other sales of for-sale affordable housing units, the parties to the transaction shall execute and record such documentation as required by Section 150.2104 of this Article to ensure the provision and continuous maintenance of the affordable housing units. Such documentation shall include the provisions of this Article and shall provide, at a minimum, each of the following:

(a) The affordable housing unit shall be sold to and occupied by an eligible household.

(b) The affordable housing unit shall be conveyed subject to restrictions that shall permanently maintain the affordability of such affordable housing units for eligible households.

(c) Preference for the affordable housing units shall be given to eligible households pursuant to the priorities set forth in Section 150.2110 of this Article. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(d) The calculated maximum resale price is an upper limit, but shall not be construed as a guarantee that the unit will be resold at that price. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(e) Market conditions, and characteristics of the affordable housing unit, may result in the sale of an affordable housing unit at a price lower than the calculated maximum resale price. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(B) Rental Affordable Housing Units. For covered rental developments that contain affordable housing units, the owner of the development shall execute and record such documentation as required by Section 150.2104 of this Article to ensure the provision and continuous maintenance of the affordable housing units. Such documentation shall include the provisions of this Article and shall provide, at a minimum, each of the following:

(1) The affordable housing units must be leased and occupied by eligible households.

(2) The affordable housing units must be leased at rent levels affordable to eligible households for a period of 25 years from the date of the initial certificate of occupancy.

(3) Preference for the affordable housing units shall be given to eligible households pursuant to the priorities set forth in Section 150.2110 of this Article.

(4) The calculated maximum rental price is an upper limit, but shall not be construed as a guarantee that the unit will be rented at that price. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(5) Market conditions, and characteristics of the affordable housing unit, may result in the rental of an affordable housing unit at a price lower than the calculated maximum rental price. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

Deleted: ¶

(C) Subleasing Prohibited. Subleasing of affordable units shall not be permitted without the express written consent of the Director. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

Section 150.2114 Departures from Requirements.

The Housing Commission may recommend, and the City Council may approve, departures from any of the standards set forth in this Article, upon making each of the following findings: **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(A) Due to specific and unique circumstances, undue hardship would be caused by the literal enforcement of the standards and requirements set forth in this Article; **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(B) By virtue of excellence in design, the proposed departure from the standards does not result in a diminished or lower quality affordable dwelling unit, but provides a functionally equivalent dwelling unit; and **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(C) The proposed affordable housing units otherwise meet the purpose and intent of this Article. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

Section 150.2115 Administrative Guidelines.

The City Director of Community Development shall have the right, but not the obligation, to adopt, and to amend from time to time, administrative guidelines to assist in the effective implementation of this Article by participants in the Inclusionary Housing Program; provided, however, that any administrative guidelines adopted or amended pursuant to this Section 150.2115 shall not be inconsistent with this Article, and that in the event of a conflict between the administrative guidelines and this Article, this Article shall control **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(Article 21 added by Ord. 52-03, J. 29, p. 174-185, passed 8/25/03)

FRANK B. PEERS HOUSING
Balance Sheet
Month Ending 10/31/12

ASSETS

Current Assets	
1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	20,106.42
1130-0000 - Tenant/member accounts receivable	982.00
1131-0000 - Accounts receivable - subsidy	49,554.00
1240-0000 - Prepaid property and liability insurance	16,292.90
Total Current Assets	87,235.32
Other Assets	
1290-0000 - Misc Prepaid Expenses	554.88
1192-0000 - Tenant Sec Dep	20,826.27
1310-0000 - Real estate tax escrow	83,221.79
1311-0000 - Insurance escrow	14,239.87
1330-0000 - Debt Service Escrow	138,749.66
1140-0000 - Accounts Receivable - Other	3,284.36
1320 - Replacement Reserve	136,175.49
1340 - Residual Receipt	31,874.69
Total Other Assets	428,927.01
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	122,742.38
Total Fixed Assets	1,270,584.41
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	13,192.66
1702-0000 - Partnership MM	2,122,597.60
1703-0000 - Partnership Receivable	267,013.69
Total Partnership Assets	2,402,803.95
Total Assets	**4,332,574.96**

FRANK B. PEERS HOUSING
Balance Sheet
Month Ending 10/31/12

Liabilities & Equity

Current Liabilities	
2110-0000 - Accounts payable	772.55
2113-0000 - Flex Benefit Payable	11.00
2120-0000 - Accrued wages and p/r taxes payable	2,600.09
2150-0000 - Accrued property taxes	78,450.00
2180-0000 - Misc current liabilities	40,185.17
Total Current Liabilities	122,018.81
Non-Current Liabilities	
2190-0000 - Sec. Dep. In Transit	25.00
2191-0000 - Security deposits-residential	16,817.00
2191-0001 - Pet Deposit	895.00
2210-0000 - Prepaid Rent	23.00
2211-0000 - Prepaid HUD	37,021.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	1,900,860.36
Total Non-Current Liabilities	4,245,641.36
Owner's Equity	
3100-0000 - Limited Partners Equity	2,402,918.63
3209-0000 - Prior Year Retained Earnings	(2,601,328.52)
3210-0000 - Retained earnings	149,169.35
Current YTD Earnings	14,155.33
Total Owner's Equity	(35,085.21)
Total Liability & Owner Equity	**4,332,574.96**

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/12			Year To Date 10/31/12			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	19,414.00	16,789.60	2,624.40	194,195.00	167,896.40	26,298.60	201,475.60
5121-0000 - Tenant assistant payments	64,534.00	67,158.40	(2,624.40)	645,285.00	671,584.00	(26,299.00)	805,900.80
5140-0000 - Commercial base rent	60.00	60.00	0.00	1,039.81	600.00	439.81	720.00
TOTAL RESIDENTIAL RENTAL INCOME	84,008.00	84,008.00	0.00	840,519.81	840,080.40	439.41	1,008,096.40
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(2,486.00)	(1,500.00)	(986.00)	(23,079.00)	(15,000.00)	(8,079.00)	(18,000.00)
5221-0000 - Non-Revenue Units	(1,243.00)	(1,243.00)	0.00	(12,430.00)	(12,430.00)	0.00	(14,916.00)
TOTAL VACANCIES & ADJUSTMENTS	(3,729.00)	(2,743.00)	(986.00)	(35,509.00)	(27,430.00)	(8,079.00)	(32,916.00)
OTHER INCOME							
5910-0000 - Laundry income	486.50	208.00	278.50	1,962.75	2,080.00	(117.25)	2,500.00
5922-0000 - Late fees	11.00	15.00	(4.00)	49.00	150.00	(101.00)	180.00
5945-0000 - Damages	0.00	100.00	(100.00)	0.00	1,000.00	(1,000.00)	1,200.00
5990-0000 - Misc other income	136.08	50.00	86.08	136.08	999.40	(863.32)	1,050.40
5413-0000 - Interest income - escrow	0.00	20.00	(20.00)	3.29	30.39	(27.10)	50.39
TOTAL OTHER INCOME	633.58	393.00	240.58	2,151.12	4,259.79	(2,108.67)	4,980.79
GROSS OPERATING INCOME	80,912.58	81,658.00	(745.42)	807,161.93	816,910.19	(9,748.26)	980,161.19
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	11.00	0.00	(11.00)	315.62	300.00	(15.62)	300.00
6253-0000 - Credit Report Fees	0.00	30.00	30.00	218.00	300.00	82.00	360.00
TOTAL ADVERTISING & RENTING EXPENSE	11.00	30.00	19.00	533.62	600.00	66.38	660.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	138.74	247.00	108.26	2,159.15	2,470.00	310.85	2,964.00
6316-0000 - Office Equipment	564.42	300.00	(264.42)	3,192.71	3,000.00	(192.71)	3,600.00
6320-0000 - Management fee	4,019.88	4,150.00	130.12	40,191.18	41,500.00	1,308.82	49,800.00
6340-0000 - Legal Expense - Project	0.00	80.00	80.00	1,320.00	800.00	(520.00)	960.00
6350-0000 - Audit Expense	0.00	0.00	0.00	12,700.00	13,700.00	1,000.00	13,700.00
6360-0000 - Telephone	1,031.10	725.00	(306.10)	7,144.38	7,250.00	105.62	8,700.00
6360-0001 - Answering Service/ Pagers	0.00	61.00	61.00	545.53	610.00	64.47	732.00
6365-0000 - Training & Education Expense	0.00	110.00	110.00	0.00	1,100.00	1,100.00	1,320.00
6370-0000 - Bad debts	18.00	0.00	(18.00)	1,077.00	3,000.00	1,923.00	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	4,617.50	0.00	(4,617.50)	11,520.00	3,750.00	(7,770.00)	3,750.00
6385-0000 - Temporary Help	0.00	0.00	0.00	3,271.60	0.00	(3,271.60)	0.00
6390-0000 - Misc administrative expenses	89.61	120.00	30.39	1,335.41	1,200.00	(135.41)	1,440.00
6390-0002 - Computer Supplies/Data Processing	155.30	150.00	(5.30)	1,768.72	1,500.00	(268.72)	1,800.00
6395-0000 - Tenant Retention	1,238.70	625.00	(613.70)	5,211.80	4,299.00	(912.80)	7,299.00
6431-0000 - Travel & Expense Reimbursement	226.10	185.00	(41.10)	1,581.65	1,850.00	268.35	2,220.00
6860-0000 - Security Deposit Interest	(0.94)	(12.00)	(11.06)	(8.60)	(57.53)	(48.93)	(81.53)
TOTAL ADMINISTRATIVE EXPENSE	12,098.41	6,741.00	(5,357.41)	93,010.53	85,971.47	(7,039.06)	104,203.47
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	4,077.88	4,428.00	350.12	41,864.16	46,756.00	4,891.84	58,088.00
6510-0000 - Janitor and cleaning payroll	1,122.45	1,167.00	44.55	11,758.25	12,254.00	495.75	15,172.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/12			Year To Date 10/31/12			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6540-0000 - Repairs payroll	3,771.19	3,800.00	28.81	37,610.42	39,770.00	2,159.58	49,140.00
6900-0000 - Social Service Coordinator	873.37	1,200.00	326.63	9,401.99	12,600.00	3,198.01	15,600.00
6715-0000 - Payroll Taxes	803.20	1,230.00	426.80	11,651.75	12,300.00	648.25	14,760.00
6722-0000 - Workers compensation	271.25	285.00	13.75	2,714.15	2,769.12	54.97	3,339.12
6723-0000 - Employee health insurance	5,369.58	1,724.00	(3,645.58)	19,304.30	16,582.52	(2,721.78)	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	16,288.92	13,834.00	(2,454.92)	135,603.02	145,852.64	10,249.62	178,950.64
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	791.69	300.00	(491.69)	2,588.93	3,000.00	411.07	3,600.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	500.00	500.00	500.00
6519-0000 - Exterminating Contract	105.00	105.00	0.00	1,110.00	2,050.00	940.00	3,260.00
6520-0000 - Miscellaneous Repair Contractors	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6525-0000 - Rubbish removal	438.06	410.00	(28.06)	3,508.20	3,400.00	(108.20)	4,120.00
6490-0000 - Misc operating expenses	222.01	50.00	(172.01)	222.01	500.00	277.99	600.00
TOTAL OPERATING EXPENSES	1,556.76	865.00	(691.76)	7,429.14	9,450.00	2,020.86	12,080.00
UTILITIES							
6450-0000 - Electricity	1,042.09	1,500.00	457.91	13,196.73	19,515.36	6,318.63	22,515.36
6451-0000 - Water	969.99	791.00	(178.99)	8,697.74	7,830.80	(866.94)	9,420.80
6452-0000 - Gas	395.87	2,000.00	1,604.13	8,815.57	26,270.63	17,455.06	36,000.63
6453-0000 - Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL UTILITIES	2,407.95	4,291.00	1,883.05	30,710.04	53,616.79	22,906.75	67,936.79
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	9.39	0.00	(9.39)	9.39	4,000.00	3,990.61	4,000.00
6537-0000 - Grounds Contractor (Landscaper)	2,188.65	1,850.00	(338.65)	12,116.66	5,750.00	(6,366.66)	6,400.00
6541-0000 - Repair materials (general supplies)	277.47	400.00	122.53	5,450.96	4,000.00	(1,450.96)	4,800.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	92.95	150.00	57.05	250.00
6541-0002 - Plumbing Supplies	109.32	100.00	(9.32)	904.74	1,000.00	95.26	1,200.00
6541-0003 - Electrical Supplies	189.96	100.00	(89.96)	189.96	1,000.00	810.04	1,200.00
6541-0004 - Heating/Cooling Supplies	0.00	0.00	0.00	0.00	400.00	400.00	400.00
6541-0005 - Hand Tools	0.00	0.00	0.00	0.00	600.00	600.00	600.00
6541-0006 - Expendable Tools	0.00	50.00	50.00	0.00	500.00	500.00	600.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	500.00	500.00	600.00
6541-0009 - Window Supplies	0.00	0.00	0.00	0.00	200.00	200.00	200.00
6541-0010 - Carpentry/Hardware	175.50	50.00	(125.50)	419.67	500.00	80.33	600.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	400.00	290.00	(110.00)	4,497.10	2,900.00	(1,597.10)	3,500.00
6546-0000 - Heating/Cooling Contractor	0.00	500.00	500.00	3,831.09	8,027.79	4,196.70	9,027.79
6548-0000 - Snow removal	0.00	0.00	0.00	2,517.00	14,659.48	12,142.48	15,659.48
6551-0000 - Elevator Contractor (Special Repairs)	0.00	125.00	125.00	0.00	375.00	375.00	625.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	6,500.00	6,500.00	6,995.50	11,000.00	4,004.50	12,000.00
6562-0000 - Laundry Expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	2,000.00	2,000.00	0.00	2,000.00	2,000.00	2,000.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	349.49	500.00	150.51	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	1,500.00	1,500.00	1,500.00
6582-0000 - Fire Protection	0.00	400.00	400.00	4,119.68	4,000.00	(119.68)	4,800.00
6582-0001 - Fire Safety Equipment	0.00	0.00	0.00	0.00	6,000.00	6,000.00	6,000.00
6590-0000 - Miscellaneous Repair	0.00	100.00	100.00	0.00	655.00	655.00	855.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/12			Year To Date 10/31/12			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6591-0000 - Electrical Repairs	0.00	300.00	300.00	2,375.39	1,671.69	(703.70)	2,271.69
6592-0000 - Boiler Repairs	977.92	500.00	(477.92)	2,258.56	5,000.00	2,741.44	6,000.00
6594-0000 - Carpentry Repairs	0.00	100.00	100.00	105.00	455.44	350.44	655.44
6595-0000 - Plumbing Repairs	0.00	790.00	790.00	7,860.08	5,857.06	(2,003.02)	7,457.06
6596-0000 - Floor Repairs/Cleaning	0.00	150.00	150.00	710.90	1,500.00	789.10	1,800.00
6598-0000 - Roof Repairs	0.00	0.00	0.00	0.00	1,200.00	1,200.00	1,200.00
TOTAL MAINTENANCE EXPENSES	4,328.21	14,405.00	10,076.79	54,804.12	85,901.46	31,097.34	96,701.46
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	7,845.00	7,845.00	0.00	98,311.41	78,450.00	(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	2,036.62	1,525.00	(511.62)	16,849.96	14,803.48	(2,046.48)	17,853.48
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	22.00	91.00	69.00	91.00
TOTAL TAXES AND INSURANCE	9,881.62	9,370.00	(511.62)	115,183.37	93,344.48	(21,838.89)	112,084.48
TOTAL OPERATING EXPENSES	46,572.87	49,536.00	2,963.13	437,273.84	474,736.84	37,463.00	572,616.84
NET OPERATING INCOME (LOSS)	34,339.71	32,122.00	2,217.71	369,888.09	342,173.35	27,714.74	407,544.35
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	20,425.72	20,475.04	49.32	206,447.94	206,930.43	482.49	247,732.30
7104-0000 - Replacement Reserve	1,863.67	2,020.00	156.33	45,321.24	20,200.00	(25,121.24)	24,240.00
7108-0000 - Mortgage Payable (long term)	10,061.82	10,061.82	0.00	98,427.46	98,427.46	0.00	118,700.05
TOTAL FINANCIAL EXPENSES	32,351.21	32,556.86	205.65	350,196.64	325,557.89	(24,638.75)	390,672.35
NET OPER INC/(LOSS) BEFORE CAP. EXP.	1,988.50	(434.86)	2,423.36	19,691.45	16,615.46	3,075.99	16,872.00
NET INCOME (LOSS)	1,988.50	(434.86)	2,423.36	19,691.45	16,615.46	3,075.99	16,872.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	241.34	200.00	41.34	3,228.53	3,420.37	(191.84)	3,820.37
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(3,344.00)	606,164.50	(609,508.50)	606,164.50
Total Partnership Activity	241.34	200.00	41.34	(115.47)	609,584.87	(609,700.34)	609,984.87
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	(78,511.54)	(70,000.00)	8,511.54	(70,000.00)
6991-0000 - Capital expenditures	18,897.00	0.00	(18,897.00)	102,597.87	15,000.00	(87,597.87)	15,000.00
6991-0002 - Windows	0.00	0.00	0.00	14,293.00	560,000.00	545,707.00	560,000.00
6991-0006 - Kitchen - Rehab	0.00	0.00	0.00	0.00	97,300.00	97,300.00	97,300.00
6991-0010 - Parking Lot	0.00	0.00	0.00	0.00	12,000.00	12,000.00	12,000.00
6993-0000 - Appliance Replacement	508.00	120.00	(388.00)	1,036.00	1,200.00	164.00	1,440.00
6993-0003 - A/C Replacements	0.00	0.00	0.00	2,604.51	2,700.00	95.49	2,700.00
6994-0000 - Carpet & tile	0.00	650.00	650.00	2,211.00	6,500.00	4,289.00	7,800.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	19,405.00	770.00	(18,635.00)	44,230.84	624,700.00	580,469.16	626,240.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	(17,175.16)	(1,004.86)	(16,170.30)	(24,654.86)	1,500.33	(26,155.19)	616.87

WALNUT PLACE
Balance Sheet
Month Ending 10/31/12

ASSETS

Current Assets	
1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	3,927.37
1130-0000 - Tenant/member accounts receivable	19,627.43
1131-0000 - Accounts receivable - subsidy	43,998.00
1240-0000 - Prepaid property and liability insurance	16,292.90
Total Current Assets	84,745.70
Other Assets	
1290-0000 - Misc Prepaid Expenses	662.41
1192-0000 - Tenant Sec Dep	20,884.82
1310-0000 - Real estate tax escrow	110,390.45
1311-0000 - Insurance escrow	17,259.86
1330-0000 - Debt Service Escrow	136,095.17
1320 - Replacement Reserve	159,726.55
1340 - Residual Receipt	27,094.46
Total Other Assets	472,113.72
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	48,401.27
Total Fixed Assets	872,526.77
Financing Costs	
1900-0001 - Deferred Financing Costs	174,813.03
1999-0000 - Accum Amort - Bond Costs	(42,601.51)
Total Financing Costs	132,211.52
Partnership Assets	
1701-0000 - Cash - Partnership	104,481.85
Total Partnership Assets	104,481.85
Total Assets	**1,666,079.56**

WALNUT PLACE
Balance Sheet
Month Ending 10/31/12

Liabilities & Equity

Current Liabilities	
2110-0000 - Accounts payable	615.06
2113-0000 - Flex Benefit Payable	11.00
2120-0000 - Accrued wages and p/r taxes payable	2,600.04
2150-0000 - Accrued property taxes	96,600.00
2155-0000 - Accrued professional services	14,714.00
2180-0000 - Misc current liabilities	20,909.38
Total Current Liabilities	135,449.48
Non-Current Liabilities	
2190-0000 - Sec. Dep. In Transit	(12,407.00)
2191-0000 - Security deposits-residential	18,749.00
2191-0001 - Pet Deposit	1,175.00
2210-0000 - Prepaid Rent	443.00
2211-0000 - Prepaid HUD	12,704.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-4000 - Deferred Revenue	247,127.00
2320-0000 - Mortgage Payable (long term)	1,946,054.21
Total Non-Current Liabilities	4,759,845.21
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	276,583.33
Current YTD Earnings	17,583.11
Total Owner's Equity	(3,229,215.13)
Total Liability & Owner Equity	**1,666,079.56**

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/12			Year To Date 10/31/12			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	19,787.00	19,926.28	(139.28)	210,344.00	199,262.80	11,081.20	239,115.36
5121-0000 - Tenant assistant payments	66,849.00	66,709.72	139.28	656,016.00	667,097.20	(11,081.20)	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	866,629.99	866,360.00	269.99	1,039,632.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	0.00	(2,750.00)	2,750.00	(17,176.00)	(27,500.00)	10,324.00	(33,000.00)
5221-0000 - Non-Revenue Units	(1,260.00)	(1,260.00)	0.00	(12,607.00)	(12,588.00)	(19.00)	(15,108.00)
TOTAL VACANCIES & ADJUSTMENTS	(1,260.00)	(4,010.00)	2,750.00	(29,783.00)	(40,088.00)	10,305.00	(48,108.00)
OTHER INCOME							
5910-0000 - Laundry income	719.00	286.00	433.00	2,802.25	2,860.00	(57.75)	3,432.00
5922-0000 - Late fees	0.00	10.00	(10.00)	20.00	100.00	(80.00)	120.00
5990-0000 - Misc other income	0.00	100.00	(100.00)	348.00	1,000.00	(652.00)	1,200.00
5413-0000 - Interest income - escrow	0.00	15.00	(15.00)	3.67	150.00	(146.33)	180.00
TOTAL OTHER INCOME	719.00	411.00	308.00	3,173.92	4,110.00	(936.08)	4,932.00
GROSS OPERATING INCOME	86,095.00	83,037.00	3,058.00	840,020.91	830,382.00	9,638.91	996,456.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	11.00	0.00	(11.00)	315.62	300.00	(15.62)	300.00
6253-0000 - Credit Report Fees	28.00	30.00	2.00	238.50	300.00	61.50	360.00
TOTAL ADVERTISING & RENTING EXPENSE	39.00	30.00	(9.00)	554.12	600.00	45.88	660.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	138.75	300.00	161.25	2,055.21	3,000.00	944.79	3,600.00
6316-0000 - Office Equipment	564.42	300.00	(264.42)	3,192.69	3,000.00	(192.69)	3,600.00
6320-0000 - Management fee	4,117.50	4,083.00	(34.50)	41,350.96	40,830.00	(520.96)	48,996.00
6340-0000 - Legal Expense - Project	0.00	0.00	0.00	1,320.00	2,000.00	680.00	2,000.00
6350-0000 - Audit Expense	0.00	0.00	0.00	10,500.00	13,000.00	2,500.00	13,000.00
6360-0000 - Telephone	1,093.94	850.00	(243.94)	8,709.32	8,500.00	(209.32)	10,200.00
6360-0001 - Answering Service/ Pagers	0.00	61.00	61.00	545.51	610.00	64.49	732.00
6365-0000 - Training & Education Expense	0.00	110.00	110.00	0.00	1,100.00	1,100.00	1,320.00
6370-0000 - Bad debts	0.00	0.00	0.00	751.00	5,000.00	4,249.00	7,000.00
6371-0000 - Fees Dues & Contributions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6380-0000 - Consulting/study costs	0.00	0.00	0.00	2,552.00	3,750.00	1,198.00	3,750.00
6385-0000 - Temporary Help	0.00	0.00	0.00	3,271.59	0.00	(3,271.59)	0.00
6390-0000 - Misc administrative expenses	89.61	155.00	65.39	832.80	1,550.00	717.20	1,860.00
6390-0002 - Computer Supplies/Data Processing	155.48	150.00	(5.48)	1,770.52	1,500.00	(270.52)	1,800.00
6395-0000 - Tenant Retention	895.50	500.00	(395.50)	4,622.56	5,000.00	377.44	6,500.00
6431-0000 - Travel & Expense Reimbursement	226.09	187.00	(39.09)	1,581.61	1,870.00	288.39	2,244.00
6851-0000 - Bank Service Fees	4.50	0.00	(4.50)	4.50	0.00	(4.50)	0.00
6860-0000 - Security Deposit Interest	(0.95)	(12.00)	(11.05)	(9.35)	(60.35)	(51.00)	(84.35)
TOTAL ADMINISTRATIVE EXPENSE	7,284.84	6,684.00	(600.84)	83,050.92	90,649.65	7,598.73	106,517.65
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	4,074.98	4,428.00	353.02	41,833.69	46,756.00	4,922.31	58,088.00
6510-0000 - Janitor and cleaning payroll	1,122.46	1,167.00	44.54	11,758.19	12,254.00	495.81	15,172.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/12			Year To Date 10/31/12			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6540-0000 - Repairs payroll	3,771.21	3,800.00	28.79	36,517.68	39,770.00	3,252.32	49,140.00
6900-0000 - Social Service Coordinator	873.37	1,200.00	326.63	9,401.99	12,600.00	3,198.01	15,600.00
6715-0000 - Payroll Taxes	803.02	1,230.00	426.98	11,647.60	12,300.00	652.40	14,760.00
6722-0000 - Workers compensation	271.25	305.00	33.75	2,817.20	2,952.20	135.00	3,562.20
6723-0000 - Employee health insurance	5,372.48	1,724.00	(3,648.48)	19,334.75	16,582.52	(2,752.23)	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	16,288.77	13,854.00	(2,434.77)	134,609.10	146,035.72	11,426.62	179,173.72
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	634.13	310.00	(324.13)	3,355.44	3,100.00	(255.44)	3,720.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	500.00	500.00	500.00
6519-0000 - Exterminating Contract	180.00	400.00	220.00	960.00	4,000.00	3,040.00	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	417.55	350.00	(67.55)	3,597.60	3,500.00	(97.60)	4,200.00
6490-0000 - Misc operating expenses	357.01	50.00	(307.01)	357.01	350.00	(7.01)	450.00
TOTAL OPERATING EXPENSES	1,588.69	1,110.00	(478.69)	8,270.05	11,450.00	3,179.95	13,670.00
UTILITIES							
6450-0000 - Electricity	894.22	1,500.00	605.78	10,824.70	13,310.04	2,485.34	16,310.04
6451-0000 - Water	489.06	400.00	(89.06)	5,217.02	5,540.49	323.47	6,340.49
6452-0000 - Gas	270.05	2,000.00	1,729.95	9,747.10	21,004.14	11,257.04	28,504.14
6453-0000 - Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL UTILITIES	1,653.33	3,900.00	2,246.67	25,788.82	39,854.67	14,065.85	51,154.67
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	0.00	500.00	500.00	260.00	4,000.00	3,740.00	4,000.00
6537-0000 - Grounds Contractor (Landscaper)	1,303.65	650.00	(653.65)	6,169.23	4,550.00	(1,619.23)	5,200.00
6541-0000 - Repair materials (general supplies)	202.43	200.00	(2.43)	3,969.46	2,000.00	(1,969.46)	2,400.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	76.38	500.00	423.62	600.00
6541-0002 - Plumbing Supplies	254.70	100.00	(154.70)	254.70	1,000.00	745.30	1,200.00
6541-0003 - Electrical Supplies	129.24	100.00	(29.24)	376.04	1,000.00	623.96	1,200.00
6541-0004 - Heating/Cooling Supplies	0.00	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00
6541-0005 - Hand Tools	0.00	0.00	0.00	0.00	600.00	600.00	600.00
6541-0006 - Expendable Tools	0.00	50.00	50.00	0.00	500.00	500.00	600.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	500.00	500.00	600.00
6541-0009 - Window Supplies	0.00	200.00	200.00	0.00	2,000.00	2,000.00	2,400.00
6541-0010 - Carpentry/Hardware	32.81	50.00	17.19	167.72	500.00	332.28	600.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	400.00	190.00	(210.00)	3,931.10	1,900.00	(2,031.10)	2,280.00
6546-0000 - Heating/Cooling Contractor	2,187.18	385.00	(1,802.18)	6,374.46	6,850.00	475.54	7,620.00
6548-0000 - Snow removal	0.00	0.00	0.00	6,365.00	10,832.48	4,467.48	11,832.48
6551-0000 - Elevator Contractor (Special Repairs)	0.00	100.00	100.00	916.00	1,000.00	84.00	1,200.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	500.00	500.00	12,537.50	11,000.00	(1,537.50)	12,000.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	0.00	0.00	0.00	1,000.00	1,000.00	1,000.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	574.48	500.00	(74.48)	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	1,400.00	1,400.00	1,400.00
6582-0000 - Fire Protection	0.00	300.00	300.00	3,007.85	3,000.00	(7.85)	3,600.00
6582-0001 - Fire Safety Equipment	0.00	25.00	25.00	0.00	5,250.00	5,250.00	5,300.00
6590-0000 - Miscellaneous Repair	0.00	100.00	100.00	0.00	300.00	300.00	500.00
6591-0000 - Electrical Repairs	724.53	450.00	(274.53)	2,351.63	2,337.08	(14.55)	3,237.08

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/12			Year To Date 10/31/12			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6592-0000 - Boiler Repairs	1,071.27	200.00	(871.27)	2,412.11	2,000.00	(412.11)	2,400.00
6594-0000 - Carpentry Repairs	159.00	100.00	(59.00)	730.16	1,000.00	269.84	1,200.00
6595-0000 - Plumbing Repairs	1,243.00	600.00	(643.00)	8,905.74	6,000.00	(2,905.74)	7,200.00
6596-0000 - Floor Repairs/Cleaning	526.50	100.00	(426.50)	1,563.00	1,000.00	(563.00)	1,200.00
6598-0000 - Roof Repairs	0.00	0.00	0.00	1,483.62	2,014.62	531.00	2,014.62
6599-0000 - Window repairs	0.00	100.00	100.00	0.00	1,000.00	1,000.00	1,200.00
TOTAL MAINTENANCE EXPENSES	8,234.31	5,100.00	(3,134.31)	62,426.18	76,534.18	14,108.00	86,084.18
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	9,660.00	9,660.00	0.00	121,836.23	96,600.00	(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	2,036.62	1,375.00	(661.62)	15,987.46	13,340.98	(2,646.48)	16,090.98
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	23.00	97.00	74.00	97.00
TOTAL TAXES AND INSURANCE	11,696.62	11,035.00	(661.62)	139,046.69	110,037.98	(29,008.71)	132,107.98
TOTAL OPERATING EXPENSES	46,785.56	41,713.00	(5,072.56)	453,745.88	475,162.20	21,416.32	569,368.20
NET OPERATING INCOME (LOSS)	39,309.44	41,324.00	(2,014.56)	386,275.03	355,219.80	31,055.23	427,087.80
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	21,738.61	21,738.61	0.00	219,888.28	219,888.28	0.00	263,195.48
7104-0000 - Replacement Reserve	1,836.95	2,055.00	218.05	18,369.50	20,550.00	2,180.50	24,660.00
7108-0000 - Mortgage Payable (long term)	11,748.34	11,748.34	0.00	114,981.22	114,981.22	0.00	138,647.92
TOTAL FINANCIAL EXPENSES	35,323.90	35,541.95	218.05	353,239.00	355,419.50	2,180.50	426,503.40
NET OPER INC/(LOSS) BEFORE CAP. EXP.	3,985.54	5,782.05	(1,796.51)	33,036.03	(199.70)	33,235.73	584.40
NET INCOME (LOSS)	3,985.54	5,782.05	(1,796.51)	33,036.03	(199.70)	33,235.73	584.40
Partnership Income							
8005-0000 - Mortgagor Entity Income	12.28	0.00	12.28	115.98	258.56	(142.58)	258.56
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(10.00)	(10.00)	0.00	(10.00)
Total Partnership Activity	12.28	0.00	12.28	105.98	248.56	(142.58)	248.56
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	(50,000.00)	(50,000.00)	0.00	(50,000.00)	(50,000.00)	(50,000.00)
7107-0000 - Residual Receipt Reserve Reimbursement	0.00	(14,000.00)	(14,000.00)	0.00	(14,000.00)	(14,000.00)	(14,000.00)
6991-0000 - Capital expenditures	2,500.00	0.00	(2,500.00)	29,413.27	15,000.00	(14,413.27)	15,000.00
6991-0006 - Kitchen - Rehab	0.00	0.00	0.00	0.00	17,690.00	17,690.00	17,690.00
6991-0011 - Miscellaneous	0.00	0.00	0.00	6,695.39	4,800.00	(1,895.39)	4,800.00
6991-0012 - Parking Lot - Reseal	0.00	0.00	0.00	0.00	10,000.00	10,000.00	10,000.00
6993-0000 - Appliance Replacement	0.00	200.00	200.00	2,393.00	2,000.00	(393.00)	2,400.00
6993-0002 - Water Heaters	0.00	0.00	0.00	0.00	2,300.00	2,300.00	2,300.00
6993-0003 - A/C Replacements	0.00	0.00	0.00	9,899.61	4,000.00	(5,899.61)	4,000.00
6994-0000 - Carpet & tile	0.00	650.00	650.00	0.00	6,500.00	6,500.00	7,800.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	2,500.00	(63,150.00)	(65,650.00)	48,401.27	(1,710.00)	(50,111.27)	(10.00)
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	1,497.82	68,932.05	(67,434.23)	(15,259.26)	1,758.86	(17,018.12)	842.96

RAVINIA HOUSING
Balance Sheet
Month Ending 10/31/12

ASSETS

Current Assets	
1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	86,790.07
1130-0000 - Tenant/member accounts receivable	35,606.60
1131-0000 - Accounts receivable - subsidy	8,427.00
1240-0000 - Prepaid property and liability insurance	4,312.84
1250-0000 - Prepaid Mortgage Insurance	680.81
Total Current Assets	135,967.32
Other Assets	
1290-0000 - Misc Prepaid Expenses	231.29
1192-0000 - Tenant Sec Dep	7,157.52
1310-0000 - Real estate tax escrow	5,959.16
1311-0000 - Insurance escrow	2,838.77
1312-0000 - Mortgage Insurance Escrow	1,266.30
1140-0000 - Accounts Receivable - Other	635.36
1350-0000 - Construction Escrow	321,835.31
1320 - Replacement Reserve	661,802.86
Total Other Assets	1,001,726.57
Fixed Assets	
1420-0000 - Building	1,074,166.20
1430-0000 - Land Improvements	214,491.66
1450-0000 - Furniture for project/tenant use	137,161.38
1497-0000 - Site improvements	102,351.00
4120-0000 - Accum depr - buildings	(1,035,491.65)
1498-0000 - Current F/A	6,196.66
Total Fixed Assets	498,875.25
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	48,389.17
Partnership Assets	
1701-0000 - Cash - Partnership	81,858.59
Total Partnership Assets	81,858.59
Total Assets	**1,766,816.90**

RAVINIA HOUSING
Balance Sheet
Month Ending 10/31/12

Liabilities & Equity

Current Liabilities	
2110-0000 - Accounts payable	(3,754.44)
2113-0000 - Flex Benefit Payable	3.00
2114-0000 - 401K Payable	24.00
2120-0000 - Accrued wages and p/r taxes payable	654.49
2130-0000 - Accrued interest - mortgage	1,545.20
2131-0001 - Accrued Interest - 2nd Note	4,455.81
2150-0000 - Accrued property taxes	27,500.00
2180-0000 - Misc current liabilities	5,242.18
Total Current Liabilities	35,670.24
Non-Current Liabilities	
2190-0000 - Sec. Dep. In Transit	341.00
2191-0000 - Security deposits-residential	6,901.06
2210-0000 - Prepaid Rent	2,008.00
2211-0000 - Prepaid HUD	12,682.00
2320-1000 - Mortgage payable - 2nd note	713,396.28
2320-0000 - Mortgage Payable (long term)	412,054.25
Total Non-Current Liabilities	1,147,382.59
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	(16,823.19)
Current YTD Earnings	5,354.75
Total Owner's Equity	583,764.07
Total Liability & Owner Equity	**1,766,816.90**

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/12			Year To Date 10/31/12			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	5,813.00	8,685.20	(2,872.20)	63,831.00	86,852.00	(23,021.00)	104,222.40
5121-0000 - Tenant assistant payments	15,900.00	13,027.80	2,872.20	152,821.00	130,278.00	22,543.00	156,333.60
TOTAL RESIDENTIAL RENTAL INCOME	21,713.00	21,713.00	0.00	216,652.00	217,130.00	(478.00)	260,556.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	0.00	(1,275.00)	1,275.00	(8,780.00)	(12,750.00)	3,970.00	(15,300.00)
TOTAL VACANCIES & ADJUSTMENTS	0.00	(1,275.00)	1,275.00	(8,780.00)	(12,750.00)	3,970.00	(15,300.00)
OTHER INCOME							
5413-0000 - Interest income - escrow	29.07	0.00	29.07	286.22	0.00	286.22	0.00
TOTAL OTHER INCOME	29.07	0.00	29.07	286.22	0.00	286.22	0.00
GROSS OPERATING INCOME	21,742.07	20,438.00	1,304.07	208,158.22	204,380.00	3,778.22	245,256.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	3.00	0.00	(3.00)	3.00	0.00	(3.00)	0.00
6253-0000 - Credit Report Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ADVERTISING & RENTING EXPENSE	3.00	0.00	(3.00)	3.00	0.00	(3.00)	0.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	593.11	521.00	(72.11)	5,212.57	5,210.00	(2.57)	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	847.74	765.00	(82.74)	7,453.55	7,967.07	513.52	9,497.07
6340-0000 - Legal Expense - Project	0.00	36.00	36.00	391.40	360.00	(31.40)	432.00
6350-0000 - Audit Expense	0.00	0.00	0.00	10,000.00	11,820.00	1,820.00	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	1,777.00	4,330.00	2,553.00	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	0.00	0.00	0.00	480.81	0.00	(480.81)	0.00
6390-0000 - Misc administrative expenses	86.10	350.00	263.90	1,070.46	3,500.00	2,429.54	4,200.00
6390-0002 - Computer Supplies/Data Processing	69.54	66.00	(3.54)	753.48	660.00	(93.48)	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	(0.32)	0.00	0.32	(2.98)	0.00	2.98	0.00
TOTAL ADMINISTRATIVE EXPENSE	1,596.17	2,171.00	574.83	27,136.29	33,847.07	6,710.78	38,189.07
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	1,203.30	1,175.00	(28.30)	12,101.35	11,750.00	(351.35)	14,100.00
6510-0000 - Janitor and cleaning payroll	1,334.67	1,717.00	382.33	12,989.42	17,170.00	4,180.58	20,604.00
6715-0000 - Payroll Taxes	207.83	238.00	30.17	2,928.60	2,380.00	(548.60)	2,856.00
6722-0000 - Workers compensation	71.46	134.00	62.54	714.60	1,340.00	625.40	1,608.00
6723-0000 - Employee health insurance	1,653.58	444.00	(1,209.58)	5,735.16	4,440.00	(1,295.16)	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	4,470.84	3,708.00	(762.84)	34,823.13	37,091.11	2,267.98	44,507.11

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/12			Year To Date 10/31/12			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	145.56	215.00	69.44	593.36	2,150.00	1,556.64	2,580.00
6520-0000 - Miscellaneous Repair Contractors	2,979.59	2,575.00	(404.59)	16,131.03	25,750.00	9,618.97	30,900.00
6525-0000 - Rubbish removal	414.68	632.00	217.32	4,647.39	6,320.00	1,672.61	7,584.00
TOTAL OPERATING EXPENSES	3,539.83	3,422.00	(117.83)	21,371.78	34,220.00	12,848.22	41,064.00
UTILITIES							
6450-0000 - Electricity	262.90	268.00	5.10	1,795.59	2,680.00	884.41	3,218.00
6451-0000 - Water	21.45	27.00	5.55	187.64	270.00	82.36	324.00
6452-0000 - Gas	0.00	125.00	125.00	360.40	1,250.00	889.60	1,500.00
6453-0000 - Sewer	0.00	89.00	89.00	25.54	890.00	864.46	1,068.00
TOTAL UTILITIES	284.35	509.00	224.65	2,369.17	5,090.00	2,720.83	6,110.00
MAINTENANCE EXPENSES							
6537-0000 - Grounds Contractor (Landscaper)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6541-0000 - Repair materials (general supplies)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6546-0000 - Heating/Cooling Contractor	0.00	42.00	42.00	86.75	420.00	333.25	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	0.00	42.00	42.00	5,187.75	9,920.00	4,732.25	11,340.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	2,750.00	2,750.00	0.00	37,390.00	27,500.00	(9,890.00)	33,000.00
6719-0000 - Miscellaneous Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6720-0000 - Property and liability insurance	539.10	417.00	(122.10)	4,841.40	4,170.00	(671.40)	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	3,289.10	3,167.00	(122.10)	42,238.40	31,670.00	(10,568.40)	38,030.00
TOTAL OPERATING EXPENSES	13,183.29	13,019.00	(164.29)	133,129.52	151,838.18	18,708.66	179,240.18
NET OPERATING INCOME (LOSS)	8,558.78	7,419.00	1,139.78	75,028.70	52,541.82	22,486.88	66,015.82
FINANCIAL EXPENSES							
6820-0000 - Mortgage Interest	3,030.47	1,547.00	(1,483.47)	21,862.28	19,284.88	(2,577.40)	22,372.88
6850-0000 - Mortgage Service Fee	170.19	156.00	(14.19)	2,029.59	1,896.00	(133.59)	2,208.00
7104-0000 - Replacement Reserve	1,333.33	2,046.00	712.67	10,666.64	17,792.00	7,125.36	21,884.00
7108-0000 - Mortgage Payable (long term)	563.03	563.03	0.00	4,445.75	10,841.36	6,395.61	11,973.76
TOTAL FINANCIAL EXPENSES	5,097.02	4,312.03	(784.99)	39,004.26	49,814.24	10,809.98	58,438.64
NET OPER INC/(LOSS) BEFORE CAP. EXP.	3,461.76	3,106.97	354.79	36,024.44	2,727.58	33,296.86	7,577.18
NET INCOME (LOSS)	3,461.76	3,106.97	354.79	36,024.44	2,727.58	33,296.86	7,577.18
Partnership Income							
8005-0000 - Mortgagor Entity Income	9.63	0.00	9.63	97.22	0.00	97.22	0.00
8010-0000 - Other Entity Expense	(13.00)	0.00	(13.00)	(62,702.49)	0.00	(62,702.49)	0.00
Total Partnership Activity	(3.37)	0.00	(3.37)	(62,605.27)	0.00	(62,605.27)	0.00

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 10/31/12			Year To Date 10/31/12			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	(56,750.00)	0.00	56,750.00	(56,750.00)	0.00	56,750.00	0.00
6991-0000 - Capital expenditures	6,196.66	0.00	(6,196.66)	6,196.66	0.00	(6,196.66)	0.00
6994-0000 - Carpet & tile	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	(50,553.34)	0.00	50,553.34	(50,553.34)	0.00	50,553.34	0.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	54,011.73	3,106.97	50,904.76	23,972.51	2,727.58	21,244.93	7,577.18

Sunset Woods Housing
Income Statement
Compared with Budget
For the Ten Months Ending October 31, 2012

	Current Month	Current Month	Current Month	Year to Date	Year to Date	Year to Date
Revenues						
Rents	$ 9,010.00	$ 9,388.00	(378.00)	$ 89,056.00	$ 93,879.00	(4,823.00)
Misc. Income	0.00	333.00	(333.00)	0.00	3,334.00	(3,334.00)
Interest Income Assn	17.09	0.00	17.09	168.69	0.00	168.69
Interest Income	4.16	0.00	4.16	21.98	0.00	21.98
Total Revenues	9,031.25	9,721.00	(689.75)	89,246.67	97,213.00	(7,966.33)
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	9,031.25	9,721.00	(689.75)	89,246.67	97,213.00	(7,966.33)
Expenses						
Office Supplies	11.25	4.00	7.25	267.99	42.00	225.99
Management Fee	1,171.30	632.00	539.30	5,913.68	6,319.00	(405.32)
Legal and Accounting Assn	450.00	0.00	450.00	9,542.00	0.00	9,542.00
Exterminating	0.00	0.00	0.00	135.71	0.00	135.71
Credit Ck Fees	0.00	4.00	(4.00)	0.00	40.00	(40.00)
Gevernment Fees	0.00	0.00	0.00	1,150.00	0.00	1,150.00
Carpet Cleaning	0.00	0.00	0.00	568.44	0.00	568.44
Heating & Air	0.00	42.00	(42.00)	520.82	416.00	104.82
Electrical & Plumbing Maint	0.00	42.00	(42.00)	705.00	416.00	289.00
Painting & Decorating Assn	0.00	83.00	(83.00)	0.00	834.00	(834.00)
Appliance Repairs	0.00	42.00	(42.00)	729.00	416.00	313.00
Supplies	7.11	42.00	(34.89)	515.54	416.00	99.54
Locks Assn	0.00	0.00	0.00	38.50	0.00	38.50
Locks	20.00	0.00	20.00	104.97	0.00	104.97
Carpet	0.00	42.00	(42.00)	0.00	416.00	(416.00)
Maintenance	0.00	42.00	(42.00)	1,559.96	416.00	1,143.96
Security	168.00	10.00	158.00	168.00	82.00	86.00
Condo Assessment Rental Units	2,442.94	3,166.00	(723.06)	24,429.40	31,666.00	(7,236.60)
Cable TV	448.20	584.00	(135.80)	4,482.00	5,834.00	(1,352.00)
Postage/Shipping Assn	0.00	0.00	0.00	28.71	0.00	28.71
Real Estate tax expense	(6,509.74)	1,667.00	(8,176.74)	13,019.38	16,666.00	(3,646.62)
Loan Interest	1,645.92	3,038.00	(1,392.08)	20,721.29	30,379.00	(9,657.71)
Filing Fees Assn	0.00	0.00	0.00	10.00	0.00	10.00
Bank Service Charge Assn	0.00	0.00	0.00	15.00	0.00	15.00
Bank Service Charges	0.00	0.00	0.00	45.00	0.00	45.00
Bldg Insurance	0.00	250.00	(250.00)	0.00	2,500.00	(2,500.00)
Total Expenses	(145.02)	9,690.00	(9,835.02)	84,670.39	96,858.00	(12,187.61)
Net Income	$ 9,176.27	$ 31.00	9,145.27	$ 4,576.28	$ 355.00	4,221.28

Sunset Woods Housing
Balance Sheet
October 31, 2012

ASSETS

Current Assets		
Assn Money Mkt HP B&T	$ 136,720.51	
Assn FBHP Checking	500.00	
FBHP General Checking	24,953.87	
Assn Checking HP B&T	10,430.28	
FBHP Security Dep. Savings	10,485.44	
Assn FBHP Savings	5,004.14	
FBHP Savings	9,101.57	
Financing Costs	8,135.00	
Tax Reserve	2,169.87	
Total Current Assets		207,500.68
Property and Equipment		
Building	1,552,988.40	
Building Unit 231	135,000.32	
Building Unit 319	134,999.62	
Accum Dep Building	(359,131.00)	
Total Property and Equipment		1,463,857.34
Other Assets		
Total Other Assets		0.00
Total Assets		$ 1,671,358.02

LIABILITIES AND CAPITAL

Current Liabilities		
Accounts Payable	$ 9,600.00	
Due to Peers Housing Assn	258,832.40	
Accrued RE Tax	13,000.00	
Accrued RE Taxes Assn	2,500.00	
Security Deposits	9,516.00	
Total Current Liabilities		293,448.40
Long-Term Liabilities		
Notes Payable, Lake Co	69,391.35	
Notes Payable, FHLB	438,313.81	
Notes Payable, IHDA	125,469.30	
Total Long-Term Liabilities		633,174.46
Total Liabilities		926,622.86
Capital		
Equity-Retained Earnings	740,158.88	
Net Income	4,576.28	
Total Capital		744,735.16
Total Liabilities & Capital		$ 1,671,358.02

Sunset Woods Housing

Account Register

For the Period From Oct 1, 2012 to Oct 31, 2012

1103M13 - FBHP General Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			4,934.40
10/1/12	10/1/12	Deposit	tenant	252.00		5,186.40
		Deposit	tenant	368.00		5,554.40
		Deposit	tenant	281.00		5,835.40
		Deposit	tenant	695.00		6,530.40
		Deposit	tenant	717.00		7,247.40
		Deposit	tenant	663.00		7,910.40
		Deposit	tenant	241.00		8,151.40
		Deposit	tenant	302.00		8,453.40
		Deposit	tenant	406.00		8,859.40
10/1/12	10/9/12	Deposit	tenant	258.00		9,117.40
		Deposit	tenant	159.00		9,276.40
		Deposit	tenant	690.00		9,966.40
		Deposit	tenant	423.00		10,389.40
		Deposit	tenant	383.00		10,772.40
		Deposit	tenant	795.00		11,567.40
		Deposit	tenant	362.00		11,929.40
		Deposit	tenant	145.00		12,074.40
		Deposit	tenant	137.00		12,211.40
		Deposit	tenant	486.00		12,697.40
		Deposit	tenant	835.00		13,532.40
10/1/12	loan1210	Other	ihda/auto pymt		100.00	13,432.40
10/2/12	1485	Withdrawal	Sunset Woods Condominium Assoc		3,079.14	10,353.26
10/18/12	10/19/12	Deposit	tenant	412.00		10,765.26
10/19/12	1486	Withdrawal	Housing Opportunity Dev. Corp.		1,171.30	9,593.96
10/19/12	1487	Withdrawal	Sunset Woods Association		1,782.53	7,811.43
10/19/12	1487V	Withdrawal	Sunset Woods Association		-1,782.53	9,593.96
10/19/12	1488	Withdrawal	Sunset Woods Association		1,500.00	8,093.96
10/19/12	transf	Other	closing Chase ckg acct	13,700.17		21,794.13
10/24/12	10/25/12	Deposit	County of Lake	6,509.74		28,303.87
10/26/12	loan1210	Other	FBHP/auto pymt		3,331.64	24,972.23
10/30/12	1489	Withdrawal	Housing Opportunity Dev. Corp.		18.36	24,953.87
			Total	29,219.91	9,200.44	

Sunset Woods - October 30, 2012

Ending balance checking	$	26,472
Ending balance operating reserv	$	9,102
TOTAL	$	35,574