

## **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: January 10, 2013

RE: HOUSING COMMISSION PACKET FOR 1-16-2013 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 December 2012 Regular Meeting
- **Agenda Item V. Scheduled Business**
  - **1. (Action Needed) Items for Omnibus Vote Consideration**
    - Payment of Invoices:
    - Mason, Wenk & Berman for Invoice #36201 for legal services for Sunset Woods closing for \$5,775.00
  - **2. Consideration of a Request from a Homeowner of an Inclusionary Unit to Permit him to Rent his Home. Supporting Materials:**
    - Letter from Homeowner emailed under separate cover due to confidential information
  - **3. Consideration regarding the Affordable Rental Period for CPAH's Pilot Rental Program. Supporting Material:**
    - Staff Memo January 3, 2013
  - **4. Consideration of Possible Revisions to the Demolition Tax Ordinance. Supporting Material:**
    - Staff Memo January 3, 2013
    - North Shore-Barrington Association of Realtors Letter to Hsg. Comm. January 3, 2013
  - **5. (Discussion and Consideration) Housing Commission Peers, Walnut Place, Ravinia, and Sunset Woods. Supporting Materials:**
    - December 2012 Management Report
    - Summary of Capital Improvements for Peers and Walnut Place
    - Accounts Receivable Up-Date
    - Summary Spreadsheets: Highland Park Housing Reserve Balances prepared 11/30/12
    - Housing Trust Fund Fiscal Year 2012, Unaudited through 11/30/12
    - Sunset Woods: Discussion regarding rental restrictions. Supporting Material: Memo from Staff to be emailed Tuesday.
  - **6. (Discussion and Consideration) Revisions to the Inclusionary Housing Ordinance. Supporting Materials:**
    - Staff Memo November 28, 2012
    - Inclusionary Housing Ordinance Mark-Up
  - **7. (Discussion and Consideration) Recommendation to City Council to Support State Enabling Legislation for a Lake County Affordable Housing Trust Fund. Supporting Materials:**

- Staff Memo January 3, 2013

**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 November 30, 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 **Special 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, January 16, 2013 at City Hall, 1707 St. Johns Avenue, Highland Park, Illinois.** The Meeting will be held in the Pre-Session Room on the second floor.

City of Highland Park  
**Housing Commission**  
**Wednesday, January 16, 2013, at 6:30 p.m.**

### **SPECIAL MEETING 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 – December 5, 2012 Regular Meeting**
- V. Scheduled Business**
  1. Items for Omnibus Vote Consideration
    - Payment of Invoices:
    - Mason, Wenk & Berman for Invoice #36201 for legal services for the Sunset Woods closing for \$5,775.00
  2. Consideration of a Request from a Homeowner of an Inclusionary Unit to Permit him to Rent his Home
  3. Discussion and Consideration Regarding the Affordable Rental Period for CPAH's Pilot Rental Program
  4. Discussion and Consideration of Possible Revisions to the Demolition Tax Ordinance
  5. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods
    - Management Report
    - Property Report
    - Update on Peers window replacement and ac project
    - Reminder regarding Commission representatives at January 2013 luncheons at Peers and Walnut Place
    - Sunset Woods:
      - Discussion regarding rental restrictions
      - Other
  6. Discussion and Consideration of Revisions to the Inclusionary Housing Ordinance

***Housing Commission Agenda  
January 16, 2012***

7. Discussion and Consideration of a Recommendation to City Council to Support State Enabling Legislation for a Lake County Affordable Housing Trust Fund

**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 December 5, 2012

**MEETING LOCATION:** Mayor's Conference 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, Barber, Meek, Naftzger, Sharfman, and Wigodner

Commissioners Absent: Glasner

Student Representative Absent: Gordon

Chairman Wigodner declared that a quorum was present.

Council Liaison Absent: 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 –November 7, 2012

Commissioner Sharfman 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 November 7, 2012.

Commissioner Naftzger seconded the motion.

On a roll call vote:

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

Voting Nay: None

The Chairman declared that the motion passed.

## **SCHEDULED BUSINESS**

### 1. Items for Omnibus Vote Consideration

There were no invoices or other items for omnibus vote consideration.

### 2. Report on November 26<sup>th</sup> City Council Pre-Session discussion regarding the demolition tax

Chairman Wigodner summarized the City Council discussion regarding the demolition tax that occurred at the City Council Pre-Session Meeting on November 26<sup>th</sup>. The City Council discussion stemmed 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 vacant, dilapidated property. The property owner is represented by his son, attorney Paul Diambri. Mr. Diambri attended the City Council Meeting and was in attendance at this Housing Commission Meeting. The result of the City Council discussion was the direction to the Housing Commission to consider the following questions:

- Whether to consider reducing the demolition tax on properties below some threshold, for example, \$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.

The purpose of the Housing Commission discussion was to determine the research needed to answer the City Council's questions. The Commission also invited Mr. Diambri to present his point of view. Mr. Diambri stated that his father's property on McGovern has been vacant for approximately six years and boarded up many years ago. Mr. Diambri is opposed to the tax and to the payment escalator in the deferral provision. Mr. Diambri reiterated that he believes the tax is an impediment to demolishing dilapidated properties. Planner L. Smith expressed concern that eliminating the tax on dilapidated properties could act as an incentive to property owners to allow their properties to deteriorate.

The Commissioners directed staff to conduct the following research in order to answer the City Council's questions:

- collect County assessment data to find out the market value of single family properties in the City,
- report on how the Housing Commission originally arrived at the recommendation to set the demolition tax at \$10,000, and
- find out how much revenue the Multi-modal Transportation Fund receives from the demolition tax and what percent of the fund's budget comes from the tax.

The Commissioners will review the staff research at the January 9<sup>th</sup> Meeting and develop a recommendation to City Council.

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

The Management Report was in the packet.

Property Operations Report

Treasurer Barber reviewed highlights of the financial reports.

Discussion and Consideration of Peers window replacement and ac project bids

Chairman Wigodner summarized the bid proposals that consultant Bruce Sterling collected. The window replacement component of the project, although not identical, is similar for the two options. The chief difference between the two options is the air conditioning system proposed for the second and third floor apartments. Option one consists of window a.c. units mounted on top of the plenum in the bay windows, while option two proposes mini-split cassettes located between the bedroom and living room walls with compressors installed on the roof. In both scenarios, the existing window units remain on the first and fourth floors, but all apartments receive transfer grills with fans to circulate the air conditioning between the living room and bedroom.

The Commissioners compared the costs and benefits of the two options. While the split system is more energy-efficient, the cost for this proposal, \$1,046,000, would be almost twice as much as option one, which is estimated to cost \$532,000. The Commissioners selected window a.c. units in option one, but questions remained regarding placement of the window units. The Commissioners agreed that they would like more information regarding the feasibility of installing window units through the bedroom wall or in a different configuration within the bay windows. Chairman Wigodner and staff will talk to Polly Kuehl, Vice President, Evergreen Real Estate Services, about obtaining this information before authorizing option one.

Discussion regarding Commission representation at January 2013 events at Peers and Walnut Place

Planner M. Smith asked whether any Commissioners would like to attend the monthly resident luncheons at Peers and Walnut Place in January. Ms. Polly Kuehl and she plan to attend. Chairman Wigodner volunteered to attend the Peers luncheon on January 23<sup>rd</sup>, and Commissioner Naftzger said that she would attend the one at Walnut on January 17<sup>th</sup>. The other Commissioners said that they would check their calendars to see if they are available.

Sunset Woods:Report from Commissioner Meek regarding the Sunset Woods Condominium Association Board Meeting in November

Commissioner Meek reported that he was re-appointed to the Condominium Board at the meeting in November. In addition to conducting the election, the Condominium Association members discussed the issue of revising the condominium declaration to permit owners to rent their units. Although the sentiment among people attending was mostly negative to this idea, the members agreed to engage attorney John Bickley, who specializes in condominium law, to prepare a memo outlining the options and the process for revising the condominium declaration as a first step for a more extended discussion. The Commissioners directed Planner M. Smith to investigate whether any of the original funding agreements would prohibit such a change to the condominium declaration and what the rules are for Federal Housing Administration insured mortgages.

Other Sunset Woods Items

There were no other Sunset Woods items.

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

The Commissioners decided to postpone this item until the January 9<sup>th</sup> Meeting in order to have more time to consider the issues.

**EXECUTIVE SESSION**

There was no Executive Session.

**OTHER BUSINESS**

Vice Chairman Sharfman introduced a resolution to honor Chairman Wigodner for his exemplary service to the Housing Commission as Chairman from January 2011 through December 2012 and as Vice Chairman from January 2009 through December 2010. Among his many contributions were leading the plans for extensive capital improvements at the affordable housing developments and guiding the refinancing of both Ravinia Family Housing and the Sunset Woods senior rentals. In addition, Chairman Wigodner generously contributed his expertise to numerous Commission working groups while also serving as Commission Chair and Vice Chair.

Vice Chairman Sharfman moved approval of the resolution to commend Chairman Wigodner for his exemplary service to the Housing Commission as Chairman from January 2011 through December 2012 and as Vice Chairman from January 2009 through December 2010. Commissioner Meek seconded the motion.

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

**ADJOURNMENT**

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

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

The Housing Commission adjourned its meeting at 8:45 p.m.

Submitted respectfully:

Mary Cele Smith  
Housing Planner

# **MEMORANDUM**

Date: January 3, 2013

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

**RE: Mason, Wenk & Berman Invoice #36201**

The attached invoice in the amount of \$5,775.00 for legal services for the new mortgage with First Bank of Highland Park is the second and final invoice from Mason, Wenk & Berman. The previous invoice was for \$3,525.00 (Invoice #35138 paid June 6, 2012). The total for Bruce Mason's legal services for the refinance of the twelve rentals is \$9,300.00. In January 2012, Mr. Mason estimated that costs would be \$6,500-\$7,000. The actual costs are higher due to the numerous\* additional reviews and negotiations between Mr. Mason, the Illinois Housing Development Authority staff attorney, and First Bank of Highland Park's attorney, which were beyond what was anticipated.

\*Numerous seems like an inadequate adjective to describe the process. Seemingly endless more accurately captures City staff's experience.

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

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

December 06, 2012

Sunset Woods Association  
c/o City of Highland Park  
1150 Half Day Road  
Highland Park, IL 60035  
Attention: Mary Cele Smith

Invoice #36201

In Reference To: Refinance of 12 rental units in  
Sunset Woods Condominiums

Professional services

		<u>Hours</u>	<u>Amount</u>
5/2/2012	BPM Telephone call with David Spak; miscellaneous emails.	0.75	225.00
5/24/2012	BPM Review and revise Allonge to IHDA Note and Subordination Agreement; emails to MS; emails to Chicago Title; review existing recorded documents.	2.00	600.00
6/1/2012	BPM Review revised IHDA Subordination; email to MS regarding: same.	0.25	75.00
6/20/2012	BPM Review revised IHDA Subordination; emails with MS revise IHDA Subordination to add legal.	0.50	150.00
7/5/2012	BPM Emails with DS and email to MS regarding: status of rider.	0.25	75.00
7/9/2012	BPM Review Rider to loan documents.	1.75	525.00
7/10/2012	BPM Revising Rider; email to MS; telephone call with MS; emails to DS; email to MS.	2.00	600.00
7/11/2012	BPM Miscellaneous emails regarding: authority documents and closing; review and respond to email with open loan document issues.	1.25	375.00
7/18/2012	BPM Review DS email regarding: open loan document issues; telephone call with MS regarding: same; miscellaneous emails; telephone call with DS regarding: open issues.	0.50	150.00

	<u>Hours</u>	<u>Amount</u>
7/23/2012 BPM Review revised Rider; miscellaneous emails regarding: closing.	0.25	75.00
7/24/2012 BPM Scheduling closing; review and revising Rider; email to Gina; email to Brad Mulay; telephone call and emails with MS regarding IHDA Subordination signatures; review revised Rider; miscellaneous emails regarding: loan documents; review Settlement Statement.	2.50	750.00
7/25/2012 BPM Miscellaneous telephone calls and emails regarding: IHDA comments; telephone call with TJ regarding: same; review revised loan documents; miscellaneous telephone calls and emails regarding: same.	3.50	1,050.00
7/26/2012 BPM Review revised Riders; telephone calls with DS regarding: same; telephone calls and emails regarding: figures and closing; review Disbursement Statement and mark-up title; prepare ALTA and Gap; closing.	3.50	1,050.00
7/27/2012 BPM Review and revise marked-up title commitment.	0.25	75.00
For professional services rendered	<u>19.25</u>	<u>\$5,775.00</u>
Previous balance		\$3,525.00
6/11/2012 Payment - thank you. Check No. 1131		(\$3,525.00)
Total payments and adjustments		<u>(\$3,525.00)</u>
Balance due		<u><u>\$5,775.00</u></u>

Payment of the above amount is due upon receipt.

# **MEMORANDUM**

Date: January 3, 2013

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

**RE: Consideration of the Affordable Rental Period for CPAH's Pilot Rent Program**

On July 11, 2012 the Housing Commission considered and approved a motion to provide a grant in the amount of **\$57,750** for the purchase and development of one or more residential units for a pilot affordable rental program of Community Partners for Affordable Housing (CPAH). The attached Housing Trust Fund policy stipulates a rental period of twenty-five years. Staff asks the Commission whether you would wish to revise the policy to permit a shorter period of affordability of fifteen years for this CPAH pilot program given:

1. That is the period of affordability of the Lake County grant for the project, which would make administration easier, and
2. That would permit CPAH the flexibility to sell the unit as an affordable unit after fifteen years, which would remain affordable in perpetuity.

## **HIGHLAND PARK AFFORDABLE HOUSING TRUST FUND POLICIES REGARDING USE OF FUNDS FOR DEVELOPMENT ACTIVITIES**

It is the intent of the City of Highland Park that a significant portion of the funds available in its Affordable Housing Trust Fund (HTF) be used to facilitate the development of affordable housing in Highland Park for low- and moderate-income households who live or work in the community.

The HTF was established by City ordinance in May 2002 and is administered by the Housing Commission of Highland Park. A Housing Trust Fund Advisory Committee (HTFAC) serves in an advisory capacity to the Housing Commission in the management and administration of the HTF program. Decisions to approve or deny funding are made by the Housing Commission.

Affordable housing is decent, safe, sanitary and appropriate housing that low- and moderate-income households can own or rent without having to devote more than approximately 30 percent of their gross income for monthly housing expenses.

Affordable housing development activities include new construction of sale or rental housing, rehabilitation of existing housing for sale or rent, new construction or rehabilitation of mixed-use buildings, acquisition of property, and adaptive reuse. Housing may be either single-family or multi-family. Eligible applicants are developers (for-profit and not-for-profit), owners or operators of housing developments, and units of government.

Funds awarded to eligible applicants will be in the form of grants. The City expects its grants to be leveraged with other resources that may include county, state, and federal programs, and loans from commercial lending institutions.

### THRESHOLD ELIGIBILITY CRITERIA

Proposed developments must meet the minimum criteria as set forth below to be considered for funding. Developments that provide affordable units pursuant to the City's inclusionary zoning ordinance are not eligible for funding from the HTF except to the extent that the affordable housing component of such developments exceeds the minimum requirements of said ordinance – for example, by providing more than the required number of affordable units or by making a greater number of units than required affordable to households with incomes that do not exceed 80% of the Chicago Area Median Income (AMI).

***Affordability.*** To be considered affordable and eligible for assistance from the HTF, at least 20% of the proposed units must be affordable to households whose incomes do not exceed 100% of the Chicago AMI, adjusted for household size. For purposes of calculating affordability requirements, a fraction of .5 or more shall be rounded up, and a fraction of less than .5 shall be rounded down.

- ***In a rental development***, at least 80% of the minimum affordable units required must be affordable to households whose incomes do not exceed 80% of the Chicago AMI. Of the total required affordable units, at least 10% (but in no event less than 1 unit) must be affordable to households whose incomes do not exceed 50% of the Chicago AMI.
  - *For example, in a proposed 30-unit development, at least 6 units must be affordable. At least 5 must be affordable to households whose income does not exceed 80% AMI. At least 1 must be affordable to a household whose income does not exceed 50% of the Chicago AMI; it may be counted as 1 of the 5 units affordable to households whose income does not exceed 80% AMI.*
- ***In a for-sale development***, at least 75% of the minimum affordable units required must be affordable to households whose incomes do not exceed 80% of the Chicago AMI.
  - *For example, in a proposed 20-unit development, at least 4 units must be affordable. At least 3 must be affordable to households whose income does not exceed 80% AMI.*

The following table below shows Chicago AMI levels by household size, effective as of March 8, 2006:

<b>Household Size</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>
<b>50% AMI</b>	\$ 26,400	\$ 30,150	\$ 33,950	\$ 37,700	\$ 40,700	\$ 43,750	\$ 46,750	\$ 49,750
<b>80% AMI</b>	\$ 41,700	\$ 47,700	\$ 53,650	\$ 59,600	\$ 64,350	\$ 69,150	\$ 73,900	\$ 78,650
<b>100% AMI</b>	\$ 52,800	\$ 60,300	\$ 67,900	\$ 75,400	\$ 81,400	\$ 87,500	\$ 93,500	\$ 99,500

***Period of Affordability.*** As a condition of any funding award, the HTF will impose restrictions on the use, rental and/or resale of units assisted by the HTF to ensure the required period of affordability. Units assisted by the HTF must be maintained as affordable units as follows:

- ***In a rental development***, affordable units must be kept affordable for 25 years.
- ***In a for-sale development***, affordable units must be kept affordable in perpetuity or as long as is legally permissible.

***Resident Selection.*** There must be a priority in resident selection for low- and moderate-income individuals and families who live in Highland Park or in which the head of household or spouse/domestic partner is currently employed, or has a *bona fide* offer to work, in Highland Park.

#### PRIORITIES

Priority will be given to proposals as follows:

- Proposals to develop rental housing
- Proposals to develop housing (rental or ownership) that benefits families with children
- Proposals that exceed the minimum affordability requirements by targeting more households at lower income levels

## CRITERIA

The following criteria will be used to evaluate proposed housing developments submitted to the HTF:

1. The number of affordable units to be provided
2. Proposal provides a range of affordability within the permissible income ceilings
3. Proposal provides justification for requested financial assistance
4. Total project cost; cash flow statements document the economic feasibility of the project
5. The relative amount of HTF dollars per affordable unit
6. The proposal leverages funding from other funding sources
7. The applicant and/or applicant team has the experience and administrative capacity to successfully implement the proposal
8. The applicant and/or applicant team has experience in providing affordable housing
9. The applicant demonstrates the ability to fiscally manage and monitor the requested funds
10. In the case of homeownership proposals, the proposal provides support services such as pre-purchase counseling for applicants for affordable units
11. The proposal does not result in permanent displacement of low- or moderate-income residents from the community
12. The proposal provides affordable housing opportunities for persons with physical, mental, or emotional disabilities
13. The timeframe for development, construction, and completion clearly identifies milestones and is realistic
14. Project will be completed within 18 months of the execution of a grant agreement
15. Project is designed and constructed to be energy efficient

## REQUIREMENTS FOR SUBMITTAL

To be considered for funding, applicants must submit a completed Application. The Application requires the following information and supporting documentation:

1. Not-for-profit owners must provide
  - a. Internal Revenue Service documentation of tax-exempt status
  - b. Articles of Incorporation certified by the Illinois Secretary of State indicating that one of the purposes of the organization is fostering low-income or low- and moderate-income housing and by-laws
2. Private for-profit applicants must provide
  - a. Nature of ownership entity: partnership, with evidence of current ownership percentages of partners; sole proprietorship; corporation
  - b. If a corporation, Articles of Incorporation and by-laws
  - c. If a partnership, Partnership Agreement and, if applicable, Certificate of Limited Partnership
3. Not-for-profit and private for-profit owners must also provide:

- a. A copy of the latest audit/ financial statements, or, if there is no audited financial statement, a signed and certified copy of an accountant's compilation reports. If no entity has been created, owner must provide a personal financial statement (one copy for confidential internal review).
  - b. At least two bank references and two trade references from contractors or other housing-related businesses or entities that applicant has done business with.
  - c. A certificate of good standing from the Illinois Secretary of State.
4. Detailed information about the proposed project, site and building information, project financing, the applicant and development team, and a project timetable, as requested in the Application, attached hereto.

#### REQUIREMENTS FOR FUNDING

Successful applicants will be required to enter into a regulatory agreement with the Housing Commission, requiring among other things, the recording of appropriate covenants or deed restrictions that run with the property to ensure compliance with HTF program requirements. Conditions on funding awards will require, among other things, that

- The affordable units must be provided in the number, bedroom size, square footage, and distribution approved, pursuant to approved plans and specifications
- The affordable units must be provided to income-qualified buyers as approved, in accordance with approved marketing and resident selection plans
- The affordable units must be maintained as affordable for the approved period of affordability, in accordance with an approved mechanism for maintaining such affordability
- The HTF funds must be used for the approved purpose
- If the proposed project will result in displacement, applicants must provide an approved relocation plan and, if applicable, notify tenants of their rights to relocation assistance in accordance with the federal Uniform Relocation Act, 42 U.S.C. 61, *et seq.*
- The applicant must provide evidence of ownership or site control
- The applicant must provide a copy of an audited financial statement current within the last 12 months or other acceptable evidence of financial position
- The applicant must comply with applicable laws and regulations, including restrictions and contract requirements imposed by other funding sources; all applicable local, state, and federal housing and building codes, as well as any more restrictive standards identified in the application; and fair housing and equal opportunity laws
- The applicant must report on a quarterly basis on a form to be provided to ensure compliance with the conditions relating to affordability, including reporting on pricing of affordable units and income-qualifications of renters and initial buyers
- The applicant must comply with any other conditions the Housing Commission may require

Payment requests must be submitted within 18 months of execution of a grant agreement. Any funds not requested by that date may be unavailable for that specific project, and may be made available for other affordable housing activities. Any request for an extension is subject to review by the HTFAC and approval by the Housing Commission in its sole discretion.

#### FUNDING CONDITIONS

The Housing Commission and Housing Trust Fund Advisory Committee reserve the right to request additional information from applicants, reject any and all submittals, or waive any irregularities in the submittal requirements. The Housing Commission contemplates that the review process will take approximately 90 days from the receipt of a complete application. The Housing Commission reserves the right to deny any and all requests for funding submitted to the Housing Trust Fund. By submitting a proposal, applicants acknowledge and agree to the terms and conditions of Housing Trust Fund and the accuracy of the information they submit in response.

Questions on the preparation of materials, or any aspect of these HTF funding policies, should be directed to Lee Smith, Senior Planner, at 847.926.1612.

## Agenda Item 4

# **MEMORANDUM**

Date: January 3, 2013

To: Housing Commissioners

From: Mary Cele Smith, Housing Planner

### **RE: Discussion and Consideration of Possible Revisions to the Demolition Tax Ordinance**

#### **Background:**

Chairman Wigodner, Community Development Director Michael Blue, and Planner M. Smith attended the City Council discussion regarding the demolition tax that occurred at the City Council Pre-Session Meeting on November 26<sup>th</sup>. The City Council discussion stemmed 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 vacant, dilapidated property. The property owner is represented by his son, attorney Paul Diambri. Mr. Diambri attended the City Council Meeting. The result of the City Council discussion was the direction to the Housing Commission to consider the following questions:

- Whether to consider reducing the demolition tax on properties below some threshold, for example, \$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 (HTF).

At the December 5<sup>th</sup> Housing Commission Meeting, the Commissioners discussed the information needed to respond to the City Council's questions and listened to Mr. Diambri, who provided his perspective. Mr. Diambri stated that his father's property on McGovern has been vacant for approximately six years and boarded up many years ago. Mr. Diambri is opposed to the tax and to the payment escalator in the deferral provision. Mr. Diambri reiterated that he believes the tax is an impediment to demolishing dilapidated properties.

The Commissioners directed staff to conduct the following research in order to answer the City Council's questions:

- collect County assessment data to find out the market value of single family properties in the City,
- report on how the Housing Commission originally arrived at the recommendation to set the demolition tax at \$10,000, and
- find out how much revenue the Multi-modal Transportation Fund receives from the demolition tax and what percent of the fund's budget comes from the tax.

**Summary of Staff Research:**

**2012 Total Market Value**

Planner M. Smith received 2012 data on total market value of single-family properties from the Moraine Township Assessor. Total market value is the sum of the land market value and the improvement's market value. Central to answering the City Council's first question is how many properties are at the lower end of the market. The following summarizes key information from the attached **Table 1** that presents detail on the 9,188 single-family properties in the City (Note: this number excludes 12 properties that do not have a dwelling unit).

- Below \$50,000 in total market value are 5 properties (0.05% of all single family properties);
- Below \$150,000, there are 24 (0.26%);
- Below \$200,000, 111 (1.21%), and
- Below \$250,000, 466 (5.07%).

While there are few properties at the low end of the range, staff cautions against exempting these properties or reducing the teardown tax on them for the following reasons:

- first, the obvious reason that these few properties are ones that are more affordable;
- second, the record that these properties are the source of the majority of the permanently affordable housing created to date. Community Partners for Affordable Housing relies on a supply of the least expensive properties for their rehabs that remain affordable in perpetuity, and
- third, the concern that eliminating or reducing the tax for the least expensive properties could serve as an incentive to property owners to allow their properties to deteriorate.

One of the other findings from reviewing these data is that, despite the depreciation in the housing market, the overwhelming majority of Highland Park homes remain out of reach of low and moderate-income families. The Inclusionary Housing Ordinance defines low and moderate-income households as 80% and 120%, respectively, of Chicago Area Median Income (AMI). Affordability is defined as paying no more than thirty percent of total income for housing costs. A family of four at 80% of AMI (\$60,650 in total household income), assuming an interest rate of 4.07%, can afford a three-bedroom home up to \$175,000. The 2012 data indicate that there are only 60 single-family properties below this threshold, less than 1 percent of single-family homes. A family of four at 120% of AMI (\$90,960 household income) can afford a three-bedroom home up to \$284,000. Less than 15% of homes fall below that threshold. The persisting gap between middle-class income and the price of Highland Park homes is not surprising given stagnation in income growth and how much even larger the gap was before the recession. The Affordable Housing Trust Fund remains an essential resource for the preservation and development of affordable housing.

### **Report on Rationale for Setting the Demolition Tax at \$10,000**

Once the demolition tax was selected as the primary mechanism for funding the Affordable Housing Trust Fund, the question became how to determine the amount for the tax. Conversations with current and former staff indicate that the starting point for the analysis was consideration of the minimum annual revenue needed for a viable affordable housing program. The Commission and staff determined that \$400,000 to \$500,000 would be needed annually to support the preservation and development of permanently affordable housing. Given that at the time of these discussions there were forty to fifty teardowns a year, a tax of \$10,000 would yield the minimum needed for a viable Affordable Housing Trust Fund (HTF).

### **Rationale for Payment Escalator for Deferrals**

The Commission recommended providing a deferral provision as a response to a request from a property owner who planned to demolish a dilapidated house and who had no immediate plans for redevelopment, but was willing to maintain the vacant property with a suitable landscape plan. While the Housing Commission recognized the benefit of removing a dilapidated structure, the Commission weighed the disadvantages of not receiving income for the HTF. The chief disadvantage is lost opportunity cost for affordable housing, both from the time value of money and from the present opportunity that today's lower housing values provide. Community Partners for Affordable Housing has been able to purchase and rehab additional homes beyond the number that their HTF grants require due to lower housing prices. For these reasons, the escalator payment is meant to discourage deferring payment. With the guidance of Corporation Counsel, the deferral payment was established as the greater of the amount of the tax imposed on the date on which payment is due or 150% of the amount of the tax as of the date of recordation of the deferral covenant. There were two basic reasons for selecting one escalator, which goes into effect once the deferral is in place:

- First, the Commission did not want to create an incentive to defer, and
- Second, the intent to keep it simple, both for the public to understand and for City staff to administer.

If the Housing Commission were to recommend delaying the escalator requirement for some time period after recordation of the deferral covenant, for example, nine months or a year, it is important to avoid making a change that would provide an incentive to defer or that would make the process very complicated.

### **Revenue Generated from the Demolition Tax to the Affordable Housing Trust Fund and to the Multi-Modal Transportation Fund**

The demolition tax is the single most important source of revenue for the HTF, ranging from more than 75% to 87% in the past three years. The HTF now receives two-thirds of the demolition tax amount. Prior to April 24, 2006, the HTF received the entire tax. In April 2006, the Demolition Tax Amendment allocating 1/3 of revenue to the Multi-Modal Transportation Fund went into effect. In contrast to the HTF, the Multi-modal Transportation Fund has more diversified funding. Among the most significant sources are property taxes, vehicle licenses and sewer maintenance charges. Over the past three years, the demolition tax

has accounted for less than one percent to one and 1/2 %. Table 2 below provides this information.

Table 2

Year	Number of Demos	Affordable Housing Trust Fund			Multi-Modal Transportation Fund			
		Demolition Tax Collected	Demo Permit Fees Collected	Total Revenue	Demo Tax % of Total	Demo Tax Collected	Total Revenue	Demo Tax % of Total
1/1/10 - 12/31/10	14	\$93,338.00	\$12,000.00	\$107,181.44	87.08%	\$46,662.00	\$6,036,546.94	0.77%
1/1/11 - 12/31/11	7	\$46,669.00	\$13,500.00	\$60,827.62	76.72%	\$23,331.00	\$2,872,710.51	0.81%
1/1/12 - 12/19/12	16	\$106,671.00	\$21,000.00	\$128,278.40	83.16%	\$43,329.00	\$2,903,929.56	1.49%

**Next Steps**

After consideration, the Housing Commission will prepare a recommendation to City Council.

**Table 1**  
**2012 Total Market Value of Single-Family Properties**

<b>Total Market Value 2012*</b>	<b>Number of Properties</b>	<b>Percent of Total Properties</b>
Below \$50,000	5	0.05%
\$50,000 - \$99,999.99	4	0.04%
\$100,000 - \$149,999.99	15	0.16%
\$150,000 - \$199,999.99	87	0.95%
\$200,000 - \$249,999.99	355	3.86%
\$250,000 - \$299,999.99	867	9.44%
\$300,000 - \$349,999.99	1032	11.23%
\$350,000 - \$399,999.99	1055	11.48%
\$400,000 - \$449,999.99	939	10.22%
\$450,000 - \$499,999.99	724	7.88%
\$500,000 - \$549,999.99	583	6.35%
\$550,000 - \$599,999.99	519	5.65%
\$600,000 - \$649,999.99	428	4.66%
\$650,000 - \$699,999.99	372	4.05%
\$700,000 - \$749,999.99	290	3.16%
\$750,000 - \$799,999.99	257	2.80%
\$800,000 - \$849,999.99	210	2.29%
\$850,000 - \$899,999.99	208	2.26%
\$900,000 - \$949,999.99	155	1.69%
\$950,000 - \$999,999.99	147	1.60%
\$1,000,000 - \$1,499,999.99	639	6.95%
\$1,500,000 - \$1,999,999.99	165	1.80%
\$2,000,000+	132	1.44%
<b>TOTAL</b>	<b>9188</b>	<b>100.00%</b>

\*Total Market Value = Land Market Value + Improvement's Market Value

**Source: Moraine Township Assessor**  
**December 11, 2012**



The Gateway to Education, Information and Technology

January 3, 2013

Chair David F. Wigodner and Members of the Housing Commission  
CITY OF HIGHLAND PARK

RE: Modifications to the Demolition Tax

Dear Chair Wigodner and Members of the Housing Commission:

The North Shore – Barrington Association of REALTORS® (NSBAR) adopted Statement of Public Policy states: demolition taxes “are unfairly assessed on persons who happen to own older properties and disproportionately affect seniors and those on the lower end of a community’s socio-economic scale; subsequently we oppose their implementation.” Therefore we strongly urge the City of Highland Park Housing Commission to recommend substantially abating the impact of the city’s demolition tax and suggest more equitable policies to generate revenue for affordable housing initiatives.

The Demolition Tax is Unfair

Optimal tax theory suggests that taxing a broad based group at a low rate is the most efficient form of taxation because it does not distort market activity. A demolition tax is contrary to optimal tax theory as a small group of individuals are taxed relatively infrequently.

Those that happen to own older homes must pay a substantial share to fund affordable housing initiatives in Highland Park while the vast majority of property owners never have to contribute. As a consulting firm retained by the Village of Wilmette put it: “Its cost [a demolition tax] would likely fall on residents selling houses destined for demolition, because builders (who may be the persons actually paying the tax) would factor the tax into the price they would be willing to pay for the property.”

The Demolition Tax is Regressive

Highland Park’s demolition tax is targeted toward those that own the least expensive, most obsolete housing in Highland Park. By and large, those that can most afford \$10,000 pay nothing while those that need every dollar the most pay one of the largest demolition taxes in the nation. The same aforementioned consulting opined to Wilmette Village officials: “[A demolition] tax would impact mainly older, functionally obsolescent single family detached houses, typically owned by longtime, older residents whose major assets are their homes.” In other words, those that are most often moving on to a stage of life with limited income and a high reliance on existing assets are taxed while the rest of the community remains unaffected.

Again, we urge the Housing Commission to be mindful that real Highland Park residents, without regard to financial means, are paying \$10,000 to \$15,000 out of their own pocket while the remainder of the community is not even asked to pay \$100. We look forward to reviewing the recommendations from your committee. Please be sure to contact me at [hhandler@iar.org](mailto:hhandler@iar.org) or 847-480-7177 if we can be of any assistance.

Sincerely,



Howard Handler, MPPA  
Government Affairs Director

cc: Mary Smith, Staff Liaison

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## MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl, Management Agent 

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

DATE: December 31, 2012

Ravinia renovations are complete, approved by the City inspectors and we are waiting for an inspection from Signet. The two families living in the houses returned before Christmas and moved their belongings back into the houses – “storage pods” were picked-up. The paperwork for contractor payments continues as some tasks are being paid from construction funds and other tasks (kitchens and fire panel) are being paid from Replacement Reserves. There will, also, need to be a final inspection of work before “close-out” of the construction proceeds.

Information on the Frank B. Peers window project has been sent to an outside consultant who will take a “fresh” look at the project and options.

The new Administrative Assistant has been hired and will begin on January 7<sup>th</sup>. Marcia Segel has a background in banking and social work and has been volunteering with the Highland Park Senior Center. She will be an asset to the property and will be, primarily, working out of the Walnut Place office.

### **Frank B. Peers**

**Occupancy:** There is one vacant unit: Unit #105(1-bedroom) – which was kept vacant for the Ravinia relocation (Pumah household). Now that this is no longer needed, the new senior household will be moving into the unit in early January.

**Physical:** Only routine maintenance was conducted at the site.

**Social Programs:** There were several holiday events, including holiday decorating, holiday luncheon and a show put-on by the senior center Laurel Larks. In addition, the property had routine programs.

**Financial:** Net Operating Income (NOI) for the month was positive to budget by \$5,107. YTD NOI is positive to budget by \$32,822. Cash was poor at (\$290) and several checks were being held. This was caused by window consultant payments and the purchase of the AED Defibrillator.

**Income** – Income was negative to budget for the month due to higher than anticipated vacancy loss (unit being held for Ravinia temporary use) and the timing for receipt of laundry income.

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

- Telephone (#6360) – This is a timing issue for payment. YTD is within budget.
- Payroll line items – November was a 3 payroll month
- Elevator (#6545) – This reflects the quarterly maintenance agreement payment.
- Insurance (#6720) – As indicated in previous reports, this reflects the increase in insurance premiums.
- Capital (#6991) – This reflects purchase of the AED Difibrilator

### **Walnut Place**

**Occupancy:** The property is at 100% occupancy.

**Physical Site:** A plumbing line was rodded during the month and the laundry room was up-graded with new machines. At the same time, the washer and dryer locations were switched to shorten the dryer venting and help to cool the space.

**Social Programs:** The property had holiday events including holiday decorating and the holiday luncheon on 12/20<sup>th</sup>. Walnut Place residents, also, participated in routine social programs during the month.

**Financial:** Net Operating Income (NOI) for the month was positive to budget by \$5,951, and the YTD NOI is positive to budget by \$37,006. The cash position remains modest at \$6,686.

**Income** – Income was positive to budget by \$2,383, primarily due to lower vacancy loss than anticipated.

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

- Payroll line items – Same as above
- Repairs Contract (#6520) – This reflects replacement of an exterior door from Great Lakes Auto Door for \$1,558.
- Property Insurance (#6720) – This reflects the change in billing that occurred in July with the renewal.
- Capital (#6991) – This reflects payment of the AED and seal-coating of the parking lot.

### **Ravinia Housing**

**Occupancy:** 100% occupied.

**Physical Site:** Routine maintenance was conducted in addition to completion of the renovation work.

**Social Programming:** The annual Holiday party/dinner was held on 12/17<sup>th</sup> and, unfortunately, only 10 people came (4 households) – much less than the number who registered. We will need to look at other options for 2013.

**Financial:** The proforma operating budget is being utilized in the 2012 budget for reporting purposes. NOI for October is positive to budget by \$605 and YTD NOI is positive to budget by \$22,092. The cash position is good at \$43,281, but it should be noted that this account is being used for receipt of reserves and payment of capital work at the property – so the cash position varies, significantly, based on receipts and payments.

**Income** – Income is close to breakeven due to 100% occupancy.

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

- Payroll line items – Same as above.
- Supplies (#6515) – This is a timing issue related to bulk purchasing and payments.
- Repairs Contracts (#6520) – This includes a heating/cooling repair and landscaping.
- 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.

## Accounts Receivable Up-Date

November, 2012

### Frank B. Peers

Tenant A/R decreased slightly from \$982 at the end of October to \$936 at the end of November. The breakdown is as follows:

Current	\$785
30 Days	\$ 82
60 Days	\$ 0
90 Days	\$ 46
Prepaid	(\$ 23)

Subsidy A/R increased slightly in November from \$49,554 at the end of October to \$51,606 at the end of November. The breakdown is as follows:

Current	\$12,503
30 Days	\$ 5,995
60 Days	\$ 2,893
90+ Days	(\$ 5,569)
Total Prepaid	(\$35,784)

### Walnut Place

Tenant A/R increased slightly from \$19,627 at the end of October to \$19,658 at the end of November. The breakdown is as follows:

Current	\$ 2,115
30 Days	\$ 735
60 Days	\$ 735
90+ Days	\$15,813
Net Prepaid	(\$ 260)

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

Subsidy A/R decreased from \$443,998 at the end of October to \$40,018 at the end of November. This decrease occurred with the Current month, which was the reversal of the previous month. The breakdown is as follows:

Current	\$ 7,434
30 Days	\$ 1,681

60 Days	\$ 2,152
90+ Days	\$ 11,224
Net Prepaid	(\$ 17,527)

**Ravinia Housing**

Tenant A/R increased slightly from \$35,606 at the end of October to \$35,993 at the end of November. The breakdown is as follows:

Current	\$ 3,950
30 Days	\$ 2,587
60 Days	\$ 2,371
90+ Days	\$ 25,520
Net Prepaid	(\$ 1,565)

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

Subsidy A/R decreased slightly from \$8,427 at the end of October to \$7,499 at the end of November. The current breakdown is as follows:

Current	(\$ 3,508)
30 Days	(\$ 1,529)
60 Days	\$ 684
90+ Days	(\$ 675)
Net Prepaid	(\$12,527)

Item	Month	Cost Est.	Actual	Status
Summary of Capital Improvements for 2012				Frank B. Peers Prepared: 9/30/2012
Kitchen Replacement (11 kitchens)	August	97,300	78,511	Done; this is a final payment
Tuckpointing	June	15,000		Moved from 2011
Windows	February March	560,000		Estimate
Parking Lot Resurface	May	12,000	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			



Highland Park Housing Commission									
Reserve Balances									
Date: 11/30/2012									
Account Name	Frank B. Peers	Walnut Place	Ravinia Housing	Sunset Woods	Housing Trust Fund	TOTAL			
Checking (Property)	-290	6,686	43,281	27,002					
Security Deposit	20,827	20,936	7,158	10,485					
Replacement Reserve	138,039	161,564	663,164	0					
Residual Receipts	31,875	27,095	0	0					
Operating Reserve	0	0	321,835	9,103					
Association Money Market Checking		104,493	81,867	136,735					
Association Small Business Checking	12,903			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	1,112,293								
TOTAL	2,593,102	320,774	1,117,305	-65,077					

<b>Housing Trust Fund</b>			
<b>Fiscal Year 2012</b>			
January 1 - December 31 - Unaudited	<b>Unaudited</b>		
	Through 11/30		
<b>Beginning Balance, Jan 1 (Unaudited)</b>	<b>\$1,091,261</b>		
Revenue:			
Demolition Tax	93,338		
Demolition Permits	20,250		
Interest Revenue	667		
Contributions/Donations/Other	0		
Proceeds of Ceding Volume Cap	0		
<b>Total Annual Revenue</b>	<b>114,255</b>		
Expenditures:			
Program Costs	(216,439)		
<b>Total Expenditures</b>	<b>(216,439)</b>		
<b>Ending Balance</b>	<b>\$989,076</b>		
<b>Pending Obligations</b>			
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	(\$2,319)		
CPAH Affordable Rental Pilot Program	(\$57,750)	approved by HC 07-2012	
<b>Total Pending Obligations</b>	<b>(\$221,581)</b>		
<b>Net Balance (11-30-12)</b>	<b>\$767,495</b>		
Prior Month Balance (10-31-12)	\$758,450		
<i>Month to Month Change</i>	<i>\$9,045</i>	since 10-31-12	

# 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.]

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(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~~ 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.

(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; and only if, the covered development is a single family detached development that 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.]

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(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.]

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(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?]

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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.

(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 provisions 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)

(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)

Number of Bedrooms	Unit Type	
	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?].

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(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?]

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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)

(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)

## Agenda Item 7



### Memorandum

To: Housing Commission  
From: Mary Cele Smith, Housing Planner  
Date: January 1, 2013  
Re: **Consideration of a Recommendation to City Council regarding draft Illinois Legislation for Permissive Authority for a Lake County Affordable Housing Trust Fund**

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#### Summary

Last March, the Housing Commission made a recommendation to City Council to support draft Illinois enabling legislation for a Lake County Affordable Housing Trust Fund (HTF). The City Council adopted the recommendation, and Mayor Rotering sent a letter of support. The City Council's support also enabled the Housing Commission to express support directly for the legislation.

While there is no legislation pending at present, in the interest of positioning the Housing Commission to take action when needed, staff is submitting this to you now for consideration. The County Board once again adopted an HTF as one of three top legislative priorities. Supporters anticipate that the bill will be identical to last year's with the same lead sponsors (Representative Osmond, the senior Republican on the County's state legislative delegation in the House, and Senator Link, the senior Democrat in the Senate).

#### Background

##### **The Problem:**

*Financially-strapped families, deteriorating neighborhoods, and inadequate resources*

- Lake County families and individuals of low and moderate incomes are struggling to afford safe and decent housing, with 2 out of 5 households paying more than the federally-recommended 30% of their income towards housing costs.<sup>1</sup>
- The foreclosure crisis is devastating families and de-stabilizing communities. In 2011 there were nearly 6,000 foreclosure filings in Lake County.<sup>2</sup> A recent GAO report

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<sup>1</sup> U.S. Census Bureau, 2006-2010 American Community Survey (ACS).

<sup>2</sup> Woodstock Institute, 2<sup>nd</sup> Half 2011 Foreclosure Filings and Auctions.

found that one foreclosed, demolished vacant property decreased the value of the surrounding 13 homes by an average of \$17,000 per property.<sup>3</sup>

- Applications for funding in Lake County far exceed the resources available. Demonstration of a local funding commitment is key to leveraging federal and state dollars, and nearly all housing projects require multiple funding sources.
- State and federal resources for affordable housing often come with “one-size-fits-all” strings attached that do not address the unique needs of suburban and rural communities.

### **The Solution:**

#### **A Lake County Trust Fund:**

- By establishing its own affordable housing trust fund with a dedicated revenue source, the County Board can create its own priorities and rules to ensure that funds are used to address **Lake County’s most important housing needs** – e.g., workforce housing near jobs or transit centers, acquisition and rehab of vacant or foreclosed properties, new construction on vacant land, down-payment assistance to put more people in housing, production of rental housing, etc.
- A Lake County Trust Fund would be funded by a \$5 recording fee on real estate related documents. To impose such a fee, the County needs the permission of the state legislature.
- The Lake County Recorder’s Office estimated that based on the number of filings in 2011 revenue collected from such fee would generate more than \$600,000 per year for the trust fund. **All of the funds will remain in the county.**
- **Nationally, every dollar invested in affordable housing by a county trust fund leverages an average of \$10.46 in other public and private resources.** At that rate, a county investment of \$600,000 a year would translate into infusion of more than \$60 million over 10 years in the County’s real estate market.

### **Recommendation**

Staff requests that the Housing Commission consider whether to make a recommendation to City Council to support the legislation providing permissive authority for a Lake County Affordable Housing Trust Fund and to take action when necessary to communicate that support to county and state officials.

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<sup>3</sup> Government Accounting Office, *Vacant Properties: Growing Number Increases Communities’ Costs and Challenges*, Nov. 2011.

# FRANK B. PEERS HOUSING

## Balance Sheet

Month Ending 11/30/12

### ASSETS

#### Current Assets

1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	(289.63)
1130-0000 - Tenant/member accounts receivable	936.00
1131-0000 - Accounts receivable - subsidy	51,606.00
1240-0000 - Prepaid property and liability insurance	14,256.28
Total Current Assets	<u>66,808.65</u>

#### Other Assets

1290-0000 - Misc Prepaid Expenses	606.65
1192-0000 - Tenant Sec Dep	20,827.08
1310-0000 - Real estate tax escrow	91,067.29
1311-0000 - Insurance escrow	15,762.95
1330-0000 - Debt Service Escrow	138,749.66
1140-0000 - Accounts Receivable - Other	3,284.36
1320 - Replacement Reserve	138,039.16
1340 - Residual Receipt	31,874.69
Total Other Assets	<u>440,211.84</u>

#### Fixed Assets

1420-0000 - Building	1,848,860.15
1430-0000 - Land Improvements	1,619,406.39
1450-0000 - Furniture for project/tenant use	497,004.28
1497-0000 - Site improvements	172,218.77
4120-0000 - Accum depr - buildings	(2,989,647.56)
1498-0000 - Current F/A	126,379.43
Total Fixed Assets	<u>1,274,221.46</u>

#### Financing Costs

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

#### Partnership Assets

1701-0000 - Cash - Partnership	12,902.66
1702-0000 - Partnership MM	2,122,734.72
1703-0000 - Partnership Receivable	267,013.69
Total Partnership Assets	<u>2,402,651.07</u>

#### Total Assets

4,326,917.29

**FRANK B. PEERS HOUSING**  
**Balance Sheet**  
Month Ending 11/30/12

**Liabilities & Equity**

Current Liabilities

2110-0000 - Accounts payable	(4,251.05)
2113-0000 - Flex Benefit Payable	11.00
2120-0000 - Accrued wages and p/r taxes payable	2,600.09
2150-0000 - Accrued property taxes	86,295.00
2180-0000 - Misc current liabilities	21,842.45
Total Current Liabilities	<u>106,497.49</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	6,222.00
2191-0000 - Security deposits-residential	16,817.00
2191-0001 - Pet Deposit	895.00
2210-0000 - Prepaid Rent	23.00
2211-0000 - Prepaid HUD	36,413.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	1,890,748.97
Total Non-Current Liabilities	<u>4,241,118.97</u>

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	163,324.68
Current YTD Earnings	14,386.04
Total Owner's Equity	<u>(20,699.17)</u>

**Total Liability & Owner Equity**

**4,326,917.29**

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

	Month Ending 11/30/12			Year To Date 11/30/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6540-0000 - Repairs payroll	6,595.45	5,570.00	(1,025.45)	44,205.87	45,340.00	1,134.13	49,140.00
6900-0000 - Social Service Coordinator	81.24	1,800.00	1,718.76	9,483.23	14,400.00	4,916.77	15,600.00
6715-0000 - Payroll Taxes	1,329.09	1,230.00	(99.09)	12,980.84	13,530.00	549.16	14,760.00
6722-0000 - Workers compensation	271.25	285.00	13.75	2,985.40	3,054.12	68.72	3,339.12
6723-0000 - Employee health insurance	395.01	1,724.00	1,328.99	19,699.31	18,306.52	(1,392.79)	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
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>17,492.09</b>	<b>19,264.00</b>	<b>1,771.91</b>	<b>153,095.11</b>	<b>165,116.64</b>	<b>12,021.53</b>	<b>178,950.64</b>
<b>OPERATING EXPENSES</b>							
6515-0000 - Janitors and cleaning supplies	293.34	300.00	6.66	2,882.27	3,300.00	417.73	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	1,215.00	2,155.00	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	300.00	310.00	10.00	3,808.20	3,710.00	(98.20)	4,120.00
6490-0000 - Misc operating expenses	0.00	50.00	50.00	222.01	550.00	327.99	600.00
<b>TOTAL OPERATING EXPENSES</b>	<b>698.34</b>	<b>765.00</b>	<b>66.66</b>	<b>8,127.48</b>	<b>10,215.00</b>	<b>2,087.52</b>	<b>12,080.00</b>
<b>UTILITIES</b>							
6450-0000 - Electricity	1,079.96	1,500.00	420.04	14,276.69	21,015.36	6,738.67	22,515.36
6451-0000 - Water	1,010.32	790.00	(220.32)	9,708.06	8,620.80	(1,087.26)	9,420.80
6452-0000 - Gas	4,400.50	4,730.00	329.50	13,216.07	31,000.63	17,784.56	36,000.63
6453-0000 - Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL UTILITIES</b>	<b>6,490.78</b>	<b>7,020.00</b>	<b>529.22</b>	<b>37,200.82</b>	<b>60,636.79</b>	<b>23,435.97</b>	<b>67,936.79</b>
<b>MAINTENANCE EXPENSES</b>							
6536-0000 - Ground supplies	9.55	0.00	(9.55)	18.94	4,000.00	3,981.06	4,000.00
6537-0000 - Grounds Contractor (Landscaper)	600.00	650.00	50.00	12,716.66	6,400.00	(6,316.66)	6,400.00
6541-0000 - Repair materials (general supplies)	2.10	400.00	397.90	5,453.06	4,400.00	(1,053.06)	4,800.00
6541-0001 - Appliance Parts	5.98	50.00	44.02	98.93	200.00	101.07	250.00
6541-0002 - Plumbing Supplies	81.87	100.00	18.13	986.61	1,100.00	113.39	1,200.00
6541-0003 - Electrical Supplies	166.47	100.00	(66.47)	356.43	1,100.00	743.57	1,200.00
6541-0004 - Heating/Cooling Supplies	26.80	0.00	(26.80)	26.80	400.00	373.20	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	550.00	550.00	600.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	550.00	550.00	600.00
6541-0009 - Window Supplies	0.00	0.00	0.00	0.00	200.00	200.00	200.00
6541-0010 - Carpentry/Hardware	0.00	50.00	50.00	419.67	550.00	130.33	600.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	2,600.10	300.00	(2,300.10)	7,097.20	3,200.00	(3,897.20)	3,500.00
6546-0000 - Heating/Cooling Contractor	0.00	500.00	500.00	3,831.09	8,527.79	4,696.70	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	500.00	500.00	625.00
6560-0000 - Decorating (Tenant Prtg-Cycle/Turnover by Contractor)	0.00	500.00	500.00	6,995.50	11,500.00	4,504.50	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	0.00	0.00	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	280.00	400.00	120.00	4,399.68	4,400.00	0.32	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	755.00	755.00	855.00

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

	Month Ending 11/30/12			Year To Date 11/30/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6591-0000 - Electrical Repairs	0.00	300.00	300.00	2,375.39	1,971.69	(403.70)	2,271.69
6592-0000 - Boiler Repairs	404.50	500.00	95.50	2,663.06	5,500.00	2,836.94	6,000.00
6594-0000 - Carpentry Repairs	0.00	100.00	100.00	105.00	555.44	450.44	655.44
6595-0000 - Plumbing Repairs	245.00	790.00	545.00	8,105.08	6,647.06	(1,458.02)	7,457.06
6596-0000 - Floor Repairs/Cleaning	0.00	150.00	150.00	710.90	1,650.00	939.10	1,800.00
6598-0000 - Roof Repairs	0.00	0.00	0.00	0.00	1,200.00	1,200.00	1,200.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>4,422.37</b>	<b>5,215.00</b>	<b>792.63</b>	<b>59,226.49</b>	<b>91,116.46</b>	<b>31,889.97</b>	<b>96,701.46</b>
<b>TAXES AND INSURANCE</b>							
6710-0000 - Real estate taxes	7,845.00	7,845.00	0.00	106,156.41	86,295.00	(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)	18,886.58	16,328.48	(2,558.10)	17,853.48
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	22.00	91.00	69.00	91.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>9,881.62</b>	<b>9,370.00</b>	<b>(511.62)</b>	<b>125,064.99</b>	<b>102,714.48</b>	<b>(22,350.51)</b>	<b>112,084.48</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>45,363.93</b>	<b>51,780.00</b>	<b>6,416.07</b>	<b>482,637.77</b>	<b>526,516.84</b>	<b>43,879.07</b>	<b>572,616.84</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>34,915.07</b>	<b>29,808.00</b>	<b>5,107.07</b>	<b>404,803.16</b>	<b>371,981.35</b>	<b>32,821.81</b>	<b>407,544.35</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	20,376.15	20,425.72	49.57	226,824.09	227,356.15	532.06	247,732.30
7104-0000 - Replacement Reserve	1,863.67	2,020.00	156.33	47,184.91	22,220.00	(24,964.91)	24,240.00
7108-0000 - Mortgage Payable (long term)	10,111.39	10,111.39	0.00	108,538.85	108,538.85	0.00	118,700.05
<b>TOTAL FINANCIAL EXPENSES</b>	<b>32,351.21</b>	<b>32,557.11</b>	<b>205.90</b>	<b>382,547.85</b>	<b>358,115.00</b>	<b>(24,432.85)</b>	<b>390,672.35</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>2,563.86</b>	<b>(2,749.11)</b>	<b>5,312.97</b>	<b>22,255.31</b>	<b>13,866.35</b>	<b>8,388.96</b>	<b>16,872.00</b>
<b>NET INCOME (LOSS)</b>	<b>2,563.86</b>	<b>(2,749.11)</b>	<b>5,312.97</b>	<b>22,255.31</b>	<b>13,866.35</b>	<b>8,388.96</b>	<b>16,872.00</b>
<b>Partnership Income</b>							
8005-0000 - Mortgagor Entity Income	137.12	200.00	(62.88)	3,365.65	3,620.37	(254.72)	3,820.37
8010-0000 - Other Entity Expense	(290.00)	0.00	(290.00)	(3,634.00)	606,164.50	(609,798.50)	606,164.50
<b>Total Partnership Activity</b>	<b>(152.88)</b>	<b>200.00</b>	<b>(352.88)</b>	<b>(268.35)</b>	<b>609,784.87</b>	<b>(610,053.22)</b>	<b>609,984.87</b>
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
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	2,087.05	0.00	(2,087.05)	104,684.92	15,000.00	(89,684.92)	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	0.00	120.00	120.00	1,036.00	1,320.00	284.00	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	1,550.00	650.00	(900.00)	3,761.00	7,150.00	3,389.00	7,800.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<b>3,637.05</b>	<b>770.00</b>	<b>(2,867.05)</b>	<b>47,867.89</b>	<b>625,470.00</b>	<b>577,602.11</b>	<b>626,240.00</b>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<b>(1,226.07)</b>	<b>(3,319.11)</b>	<b>2,093.04</b>	<b>(25,880.93)</b>	<b>(1,818.78)</b>	<b>(24,062.15)</b>	<b>616.87</b>

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

	Month Ending 11/30/12			Year To Date 11/30/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	19,710.00	16,789.60	2,920.40	213,905.00	184,686.00	29,219.00	201,475.60
5121-0000 - Tenant assistant payments	64,238.00	67,158.40	(2,920.40)	709,523.00	738,742.40	(29,219.40)	805,900.80
5140-0000 - Commercial base rent	60.00	60.00	0.00	1,099.81	660.00	439.81	720.00
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>84,008.00</b>	<b>84,008.00</b>	<b>0.00</b>	<b>924,527.81</b>	<b>924,086.40</b>	<b>439.41</b>	<b>1,008,096.40</b>
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(2,486.00)	(1,500.00)	(986.00)	(25,565.00)	(16,500.00)	(9,065.00)	(18,000.00)
5221-0000 - Non-Revenue Units	(1,243.00)	(1,243.00)	0.00	(13,673.00)	(13,673.00)	0.00	(14,916.00)
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>(3,729.00)</b>	<b>(2,743.00)</b>	<b>(986.00)</b>	<b>(39,238.00)</b>	<b>(30,173.00)</b>	<b>(9,065.00)</b>	<b>(32,916.00)</b>
OTHER INCOME							
5910-0000 - Laundry income	0.00	208.00	(208.00)	1,962.75	2,288.00	(325.25)	2,500.00
5922-0000 - Late fees	0.00	15.00	(15.00)	49.00	165.00	(116.00)	180.00
5945-0000 - Damages	0.00	100.00	(100.00)	0.00	1,100.00	(1,100.00)	1,200.00
5990-0000 - Misc other income	0.00	0.00	0.00	136.08	999.40	(863.32)	1,050.40
5413-0000 - Interest income - escrow	0.00	0.00	0.00	3.29	30.39	(27.10)	50.39
<b>TOTAL OTHER INCOME</b>	<b>0.00</b>	<b>323.00</b>	<b>(323.00)</b>	<b>2,151.12</b>	<b>4,582.79</b>	<b>(2,431.67)</b>	<b>4,980.79</b>
<b>GROSS OPERATING INCOME</b>	<b>80,279.00</b>	<b>81,588.00</b>	<b>(1,309.00)</b>	<b>887,440.93</b>	<b>898,498.19</b>	<b>(11,057.26)</b>	<b>980,161.19</b>
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	40.18	0.00	(40.18)	355.80	300.00	(55.80)	300.00
6253-0000 - Credit Report Fees	0.00	30.00	30.00	218.00	330.00	112.00	360.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>40.18</b>	<b>30.00</b>	<b>(10.18)</b>	<b>573.80</b>	<b>630.00</b>	<b>56.20</b>	<b>660.00</b>
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	49.85	247.00	197.15	2,209.00	2,717.00	508.00	2,964.00
6316-0000 - Office Equipment	226.26	300.00	73.74	3,418.97	3,300.00	(118.97)	3,600.00
6320-0000 - Management fee	3,886.70	4,150.00	263.30	44,077.88	45,650.00	1,572.12	49,800.00
6340-0000 - Legal Expense - Project	0.00	80.00	80.00	1,320.00	880.00	(440.00)	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	913.86	725.00	(188.86)	8,058.24	7,975.00	(83.24)	8,700.00
6360-0001 - Answering Service/ Pagers	0.00	61.00	61.00	545.53	671.00	125.47	732.00
6365-0000 - Training & Education Expense	105.60	110.00	4.40	105.60	1,210.00	1,104.40	1,320.00
6370-0000 - Bad debts	67.00	3,000.00	2,933.00	1,144.00	6,000.00	4,856.00	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	0.00	0.00	0.00	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	19.90	120.00	100.10	1,355.31	1,320.00	(35.31)	1,440.00
6390-0002 - Computer Supplies/Data Processing	161.94	150.00	(11.94)	1,930.66	1,850.00	(80.66)	1,800.00
6395-0000 - Tenant Retention	719.40	1,000.00	280.60	5,931.20	5,299.00	(632.20)	7,299.00
6431-0000 - Travel & Expense Reimbursement	188.85	185.00	(3.85)	1,770.50	2,035.00	264.50	2,220.00
6860-0000 - Security Deposit Interest	(0.81)	(12.00)	(11.19)	(9.41)	(69.53)	(60.12)	(81.53)
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>6,338.55</b>	<b>10,116.00</b>	<b>3,777.45</b>	<b>99,349.08</b>	<b>96,087.47</b>	<b>(3,261.61)</b>	<b>104,203.47</b>
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	7,136.37	6,904.00	(232.37)	49,000.53	53,660.00	4,659.47	58,088.00
6510-0000 - Janitor and cleaning payroll	1,683.68	1,751.00	67.32	13,441.93	14,005.00	563.07	15,172.00

**WALNUT PLACE**  
**Balance Sheet**  
Month Ending 11/30/12

**ASSETS**

Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	6,686.05
1130-0000 - Tenant/member accounts receivable	19,658.43
1131-0000 - Accounts receivable - subsidy	40,018.00
1240-0000 - Prepaid property and liability insurance	14,256.28
<b>Total Current Assets</b>	<u>81,518.76</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	734.96
1192-0000 - Tenant Sec Dep	20,935.63
1310-0000 - Real estate tax escrow	120,051.12
1311-0000 - Insurance escrow	18,602.74
1330-0000 - Debt Service Escrow	136,095.17
1320 - Replacement Reserve	161,563.50
1340 - Residual Receipt	27,094.46
<b>Total Other Assets</b>	<u>485,077.58</u>

Fixed Assets

1410-0000 - Land	220,000.00
1420-0000 - Building	2,907,088.00
1430-0000 - Land Improvements	317,988.00
1440-0000 - Building Equipment Portable	354,185.56
1450-0000 - Furniture for project/tenant use	369,718.19
4120-0000 - Accum depr - buildings	(3,344,854.25)
1498-0000 - Current F/A	55,826.32
<b>Total Fixed Assets</b>	<u>879,951.82</u>

Financing Costs

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

Partnership Assets

1701-0000 - Cash - Partnership	104,492.67
<b>Total Partnership Assets</b>	<u>104,492.67</u>

**Total Assets**

1,683,252.35

# WALNUT PLACE

## Balance Sheet

Month Ending 11/30/12

### Liabilities & Equity

Current Liabilities	
2110-0000 - Accounts payable	1,555.31
2113-0000 - Flex Benefit Payable	11.00
2120-0000 - Accrued wages and p/r taxes payable	2,600.04
2150-0000 - Accrued property taxes	106,260.00
2155-0000 - Accrued professional services	14,714.00
2180-0000 - Misc current liabilities	14,923.17
Total Current Liabilities	<u>140,063.52</u>
Non-Current Liabilities	
2190-0000 - Sec. Dep. In Transit	(12,407.00)
2191-0000 - Security deposits-residential	18,799.00
2191-0001 - Pet Deposit	1,175.00
2210-0000 - Prepaid Rent	260.00
2211-0000 - Prepaid HUD	17,527.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-4000 - Deferred Revenue	247,127.00
2320-0000 - Mortgage Payable (long term)	1,934,249.29
Total Non-Current Liabilities	<u>4,752,730.29</u>
Owner's Equity	
3100-0000 - Limited Partners Equity	104,375.87
3209-0000 - Prior Year Retained Earnings	(3,627,757.44)
3210-0000 - Retained earnings	294,166.44
Current YTD Earnings	19,673.67
Total Owner's Equity	<u>(3,209,541.46)</u>
<b>Total Liability &amp; Owner Equity</b>	<b><u>1,683,252.35</u></b>

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

	Month Ending 11/30/12			Year To Date 11/30/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	20,008.00	19,926.28	81.72	230,352.00	219,189.08	11,162.92	239,115.36
5121-0000 - Tenant assistant payments	66,628.00	66,709.72	(81.72)	722,644.00	733,806.92	(11,162.92)	800,516.64
5140-0000 - Commercial base rent	0.00	0.00	0.00	269.99	0.00	269.99	0.00
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>86,636.00</b>	<b>86,636.00</b>	<b>0.00</b>	<b>953,265.99</b>	<b>952,996.00</b>	<b>269.99</b>	<b>1,039,632.00</b>
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	0.00	(2,750.00)	2,750.00	(17,176.00)	(30,250.00)	13,074.00	(33,000.00)
5221-0000 - Non-Revenue Units	(1,260.00)	(1,260.00)	0.00	(13,867.00)	(13,848.00)	(19.00)	(15,108.00)
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>(1,260.00)</b>	<b>(4,010.00)</b>	<b>2,750.00</b>	<b>(31,043.00)</b>	<b>(44,098.00)</b>	<b>13,055.00</b>	<b>(48,108.00)</b>
OTHER INCOME							
5910-0000 - Laundry income	0.00	286.00	(286.00)	2,802.25	3,146.00	(343.75)	3,432.00
5920-0000 - Nsf check fee	25.00	0.00	25.00	25.00	0.00	25.00	0.00
5922-0000 - Late fees	19.00	10.00	9.00	39.00	110.00	(71.00)	120.00
5990-0000 - Misc other income	0.00	100.00	(100.00)	348.00	1,100.00	(752.00)	1,200.00
5413-0000 - Interest income - escrow	0.00	15.00	(15.00)	3.67	165.00	(161.33)	180.00
<b>TOTAL OTHER INCOME</b>	<b>44.00</b>	<b>411.00</b>	<b>(367.00)</b>	<b>3,217.92</b>	<b>4,521.00</b>	<b>(1,303.08)</b>	<b>4,932.00</b>
<b>GROSS OPERATING INCOME</b>	<b>85,420.00</b>	<b>83,037.00</b>	<b>2,383.00</b>	<b>925,440.91</b>	<b>913,419.00</b>	<b>12,021.91</b>	<b>996,456.00</b>
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	40.18	0.00	(40.18)	355.80	300.00	(55.80)	300.00
6253-0000 - Credit Report Fees	25.00	30.00	5.00	263.50	330.00	66.50	360.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>65.18</b>	<b>30.00</b>	<b>(35.18)</b>	<b>619.30</b>	<b>630.00</b>	<b>10.70</b>	<b>660.00</b>
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	33.84	300.00	266.16	2,089.05	3,300.00	1,210.95	3,600.00
6316-0000 - Office Equipment	226.25	300.00	73.75	3,418.94	3,300.00	(118.94)	3,600.00
6320-0000 - Management fee	4,736.45	4,083.00	(653.45)	46,087.41	44,913.00	(1,174.41)	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	749.75	850.00	100.25	9,459.07	9,350.00	(109.07)	10,200.00
6360-0001 - Answering Service/ Pagers	0.00	61.00	61.00	545.51	671.00	125.49	732.00
6365-0000 - Training & Education Expense	105.60	110.00	4.40	105.60	1,210.00	1,104.40	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	19.90	155.00	135.10	852.70	1,705.00	852.30	1,860.00
6390-0002 - Computer Supplies/Data Processing	162.12	150.00	(12.12)	1,932.64	1,850.00	(82.64)	1,800.00
6395-0000 - Tenant Retention	261.91	500.00	238.09	4,884.47	5,500.00	615.53	6,500.00
6431-0000 - Travel & Expense Reimbursement	188.85	187.00	(1.85)	1,770.46	2,057.00	286.54	2,244.00
6851-0000 - Bank Service Fees	9.00	0.00	(9.00)	13.50	0.00	(13.50)	0.00
6860-0000 - Security Deposit Interest	(0.81)	(12.00)	(11.19)	(10.16)	(72.35)	(62.19)	(84.35)
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>6,492.86</b>	<b>6,684.00</b>	<b>191.14</b>	<b>89,543.78</b>	<b>97,333.65</b>	<b>7,789.87</b>	<b>106,517.65</b>
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	7,132.02	6,904.00	(228.02)	48,965.71	53,660.00	4,694.29	58,088.00

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

	Month Ending 11/30/12			Year To Date 11/30/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6510-0000 - Janitor and cleaning payroll	1,683.68	1,751.00	67.32	13,441.87	14,005.00	563.13	15,172.00
6540-0000 - Repairs payroll	6,151.05	5,570.00	(581.05)	42,668.73	45,340.00	2,671.27	49,140.00
6900-0000 - Social Service Coordinator	81.24	1,800.00	1,718.76	9,483.23	14,400.00	4,916.77	15,600.00
6715-0000 - Payroll Taxes	1,328.77	1,230.00	(98.77)	12,976.37	13,530.00	553.63	14,760.00
6722-0000 - Workers compensation	271.25	305.00	33.75	3,088.45	3,257.20	168.75	3,562.20
6723-0000 - Employee health insurance	399.36	1,724.00	1,324.64	19,734.11	18,306.52	(1,427.59)	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
<b>TOTAL PAYROLL &amp; RELATED COSTS</b>	<b>17,047.37</b>	<b>19,284.00</b>	<b>2,236.63</b>	<b>151,656.47</b>	<b>165,319.72</b>	<b>13,663.25</b>	<b>179,173.72</b>
<b>OPERATING EXPENSES</b>							
6515-0000 - Janitors and cleaning supplies	259.29	310.00	50.71	3,614.73	3,410.00	(204.73)	3,720.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	500.00	500.00	500.00
6519-0000 - Exterminating Contract	90.00	400.00	310.00	1,050.00	4,400.00	3,350.00	4,800.00
6520-0000 - Miscellaneous Repair Contractors	1,558.00	0.00	(1,558.00)	1,558.00	0.00	(1,558.00)	0.00
6525-0000 - Rubbish removal	300.00	350.00	50.00	3,897.60	3,850.00	(47.60)	4,200.00
6490-0000 - Misc operating expenses	0.00	50.00	50.00	357.01	400.00	42.99	450.00
<b>TOTAL OPERATING EXPENSES</b>	<b>2,207.29</b>	<b>1,110.00</b>	<b>(1,097.29)</b>	<b>10,477.34</b>	<b>12,560.00</b>	<b>2,082.66</b>	<b>13,670.00</b>
<b>UTILITIES</b>							
6450-0000 - Electricity	1,233.57	1,500.00	266.43	12,058.27	14,810.04	2,751.77	16,310.04
6451-0000 - Water	511.37	400.00	(111.37)	5,728.39	5,940.49	212.10	6,340.49
6452-0000 - Gas	2,947.48	3,000.00	52.52	12,694.58	24,004.14	11,309.56	28,504.14
6453-0000 - Sewer	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL UTILITIES</b>	<b>4,692.42</b>	<b>4,900.00</b>	<b>207.58</b>	<b>30,481.24</b>	<b>44,754.67</b>	<b>14,273.43</b>	<b>51,154.67</b>
<b>MAINTENANCE EXPENSES</b>							
6536-0000 - Ground supplies	0.00	0.00	0.00	260.00	4,000.00	3,740.00	4,000.00
6537-0000 - Grounds Contractor (Landscaper)	650.00	650.00	0.00	6,819.23	5,200.00	(1,619.23)	5,200.00
6541-0000 - Repair materials (general supplies)	5.06	200.00	194.94	3,974.52	2,200.00	(1,774.52)	2,400.00
6541-0001 - Appliance Parts	5.98	50.00	44.02	82.36	550.00	467.64	600.00
6541-0002 - Plumbing Supplies	60.00	100.00	40.00	314.70	1,100.00	785.30	1,200.00
6541-0003 - Electrical Supplies	74.77	100.00	25.23	450.81	1,100.00	649.19	1,200.00
6541-0004 - Heating/Cooling Supplies	26.80	0.00	(26.80)	26.80	1,000.00	973.20	1,000.00
6541-0005 - Hand Tools	10.36	0.00	(10.36)	10.36	600.00	589.64	600.00
6541-0006 - Expendable Tools	0.00	50.00	50.00	0.00	550.00	550.00	600.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	550.00	550.00	600.00
6541-0009 - Window Supplies	0.00	200.00	200.00	0.00	2,200.00	2,200.00	2,400.00
6541-0010 - Carpentry/Hardware	0.00	50.00	50.00	167.72	550.00	382.28	600.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	587.10	190.00	(397.10)	4,518.20	2,090.00	(2,428.20)	2,280.00
6546-0000 - Heating/Cooling Contractor	0.00	385.00	385.00	6,374.46	7,235.00	860.54	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	1,100.00	184.00	1,200.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	68.31	500.00	431.69	12,605.81	11,500.00	(1,105.81)	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	140.00	300.00	160.00	3,147.85	3,300.00	152.15	3,600.00
6582-0001 - Fire Safety Equipment	0.00	25.00	25.00	0.00	5,275.00	5,275.00	5,300.00
6590-0000 - Miscellaneous Repair	0.00	100.00	100.00	0.00	400.00	400.00	500.00

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

	Month Ending 11/30/12			Year To Date 11/30/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6591-0000 - Electrical Repairs	0.00	450.00	450.00	2,351.63	2,787.08	435.45	3,237.08
6592-0000 - Boiler Repairs	0.00	200.00	200.00	2,412.11	2,200.00	(212.11)	2,400.00
6594-0000 - Carpentry Repairs	0.00	100.00	100.00	730.16	1,100.00	369.84	1,200.00
6595-0000 - Plumbing Repairs	245.00	600.00	355.00	9,150.74	6,600.00	(2,550.74)	7,200.00
6596-0000 - Floor Repairs/Cleaning	0.00	100.00	100.00	1,563.00	1,100.00	(463.00)	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	1,100.00	1,100.00	1,200.00
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>1,873.38</b>	<b>4,600.00</b>	<b>2,726.62</b>	<b>64,299.56</b>	<b>81,134.18</b>	<b>16,834.62</b>	<b>86,084.18</b>
<b>TAXES AND INSURANCE</b>							
6710-0000 - Real estate taxes	9,660.00	9,660.00	0.00	131,496.23	106,260.00	(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)	18,024.08	14,715.98	(3,308.10)	16,090.98
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	23.00	97.00	74.00	97.00
<b>TOTAL TAXES AND INSURANCE</b>	<b>11,696.62</b>	<b>11,035.00</b>	<b>(661.62)</b>	<b>150,743.31</b>	<b>121,072.98</b>	<b>(29,670.33)</b>	<b>132,107.98</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>44,075.12</b>	<b>47,643.00</b>	<b>3,567.88</b>	<b>497,821.00</b>	<b>522,805.20</b>	<b>24,984.20</b>	<b>569,368.20</b>
<b>NET OPERATING INCOME (LOSS)</b>	<b>41,344.88</b>	<b>35,394.00</b>	<b>5,950.88</b>	<b>427,619.91</b>	<b>390,613.80</b>	<b>37,006.11</b>	<b>427,087.80</b>
<b>FINANCIAL EXPENSES</b>							
6820-0000 - Mortgage interest	21,682.03	21,682.03	0.00	241,570.31	241,570.31	0.00	263,195.48
7104-0000 - Replacement Reserve	1,836.95	2,055.00	218.05	20,206.45	22,605.00	2,398.55	24,660.00
7108-0000 - Mortgage Payable (long term)	11,804.92	11,804.92	0.00	126,786.14	126,786.14	0.00	138,647.92
<b>TOTAL FINANCIAL EXPENSES</b>	<b>35,323.90</b>	<b>35,541.95</b>	<b>218.05</b>	<b>388,562.90</b>	<b>390,961.45</b>	<b>2,398.55</b>	<b>426,503.40</b>
<b>NET OPER INC/(LOSS) BEFORE CAP. EXP.</b>	<b>6,020.98</b>	<b>(147.95)</b>	<b>6,168.93</b>	<b>39,057.01</b>	<b>(347.65)</b>	<b>39,404.66</b>	<b>584.40</b>
<b>NET INCOME (LOSS)</b>	<b>6,020.98</b>	<b>(147.95)</b>	<b>6,168.93</b>	<b>39,057.01</b>	<b>(347.65)</b>	<b>39,404.66</b>	<b>584.40</b>
<b>Partnership Income</b>							
8005-0000 - Mortgagor Entity Income	10.82	0.00	10.82	126.80	258.56	(131.76)	258.56
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(10.00)	(10.00)	0.00	(10.00)
<b>Total Partnership Activity</b>	<b>10.82</b>	<b>0.00</b>	<b>10.82</b>	<b>116.80</b>	<b>248.56</b>	<b>(131.76)</b>	<b>248.56</b>
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	(50,000.00)	(50,000.00)	(50,000.00)
7107-0000 - Residual Receipt Reserve Reimbursement	0.00	0.00	0.00	0.00	(14,000.00)	(14,000.00)	(14,000.00)
6991-0000 - Capital expenditures	2,087.05	0.00	(2,087.05)	31,500.32	15,000.00	(16,500.32)	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	3,388.00	0.00	(3,388.00)	3,388.00	10,000.00	6,612.00	10,000.00
6993-0000 - Appliance Replacement	0.00	200.00	200.00	2,393.00	2,200.00	(193.00)	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	1,950.00	650.00	(1,300.00)	1,950.00	7,150.00	5,200.00	7,800.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	<b>7,425.05</b>	<b>850.00</b>	<b>(6,575.05)</b>	<b>55,826.32</b>	<b>(860.00)</b>	<b>(56,686.32)</b>	<b>(10.00)</b>
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	<b>(1,393.25)</b>	<b>(997.95)</b>	<b>(395.30)</b>	<b>(16,652.51)</b>	<b>760.91</b>	<b>(17,413.42)</b>	<b>842.96</b>

**RAVINIA HOUSING**  
**Balance Sheet**  
Month Ending 11/30/12

**ASSETS**

Current Assets	
1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	43,281.29
1130-0000 - Tenant/member accounts receivable	35,992.60
1131-0000 - Accounts receivable - subsidy	7,499.00
1240-0000 - Prepaid property and liability insurance	3,773.74
1250-0000 - Prepaid Mortgage Insurance	510.62
Total Current Assets	<u>91,207.25</u>
Other Assets	
1290-0000 - Misc Prepaid Expenses	244.93
1192-0000 - Tenant Sec Dep	7,157.80
1310-0000 - Real estate tax escrow	10,270.90
1311-0000 - Insurance escrow	3,101.43
1312-0000 - Mortgage Insurance Escrow	1,418.56
1140-0000 - Accounts Receivable - Other	635.36
1350-0000 - Construction Escrow	321,835.31
1320 - Replacement Reserve	663,164.28
Total Other Assets	<u>1,007,828.57</u>
Fixed Assets	
1420-0000 - Building	1,074,166.20
1430-0000 - Land Improvements	214,491.66
1450-0000 - Furniture for project/tenant use	137,161.38
1497-0000 - Site improvements	102,351.00
4120-0000 - Accum depr - buildings	(1,035,491.65)
1498-0000 - Current F/A	52,196.66
Total Fixed Assets	<u>544,875.25</u>
Financing Costs	
1800-0000 - Organization costs	41,848.00
1900-0001 - Deferred Financing Costs	35,658.71
1999-0000 - Accum Amort - Bond Costs	(29,117.54)
Total Financing Costs	<u>48,389.17</u>
Partnership Assets	
1701-0000 - Cash - Partnership	81,867.06
Total Partnership Assets	<u>81,867.06</u>
<b>Total Assets</b>	<b><u>1,774,167.30</u></b>

**RAVINIA HOUSING**  
**Balance Sheet**  
Month Ending 11/30/12

**Liabilities & Equity**

Current Liabilities

2110-0000 - Accounts payable	(3,715.00)
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	1,543.08
2131-0001 - Accrued Interest - 2nd Note	5,941.08
2150-0000 - Accrued property taxes	30,250.00
2180-0000 - Misc current liabilities	4,649.12
<b>Total Current Liabilities</b>	<u>39,349.77</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	341.00
2191-0000 - Security deposits-residential	6,901.06
2210-0000 - Prepaid Rent	1,565.00
2211-0000 - Prepaid HUD	12,527.00
2320-1000 - Mortgage payable - 2nd note	713,396.28
2320-0000 - Mortgage Payable (long term)	411,489.11
<b>Total Non-Current Liabilities</b>	<u>1,146,219.45</u>

Owner's Equity

3100-0000 - Limited Partners Equity	144,465.21
3111-0000 - Contributions - Current Year	62,062.71
3209-0000 - Prior Year Retained Earnings	388,704.59
3210-0000 - Retained earnings	(11,468.44)
Current YTD Earnings	4,834.01
<b>Total Owner's Equity</b>	<u>588,598.08</u>

**Total Liability & Owner Equity**

**1,774,167.30**

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

	Month Ending 11/30/12			Year To Date 11/30/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
<b>GROSS OPERATING INCOME</b>							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	5,946.00	8,685.20	(2,739.20)	69,777.00	95,537.20	(25,760.20)	104,222.40
5121-0000 - Tenant assistant payments	15,767.00	13,027.80	2,739.20	168,588.00	143,305.80	25,282.20	156,333.60
<b>TOTAL RESIDENTIAL RENTAL INCOME</b>	<b>21,713.00</b>	<b>21,713.00</b>	<b>0.00</b>	<b>238,365.00</b>	<b>238,843.00</b>	<b>(478.00)</b>	<b>260,556.00</b>
<b>VACANCIES &amp; ADJUSTMENTS</b>							
5220-0000 - Vacancy loss - apartments	0.00	(1,275.00)	1,275.00	(8,780.00)	(14,025.00)	5,245.00	(15,300.00)
<b>TOTAL VACANCIES &amp; ADJUSTMENTS</b>	<b>0.00</b>	<b>(1,275.00)</b>	<b>1,275.00</b>	<b>(8,780.00)</b>	<b>(14,025.00)</b>	<b>5,245.00</b>	<b>(15,300.00)</b>
<b>OTHER INCOME</b>							
5413-0000 - Interest income - escrow	28.09	0.00	28.09	314.31	0.00	314.31	0.00
<b>TOTAL OTHER INCOME</b>	<b>28.09</b>	<b>0.00</b>	<b>28.09</b>	<b>314.31</b>	<b>0.00</b>	<b>314.31</b>	<b>0.00</b>
<b>GROSS OPERATING INCOME</b>	<b>21,741.09</b>	<b>20,438.00</b>	<b>1,303.09</b>	<b>229,899.31</b>	<b>224,818.00</b>	<b>5,081.31</b>	<b>245,256.00</b>
<b>ADVERTISING &amp; RENTING EXPENSE</b>							
6213-0000 - Employee Recruitment	10.97	0.00	(10.97)	13.97	0.00	(13.97)	0.00
6253-0000 - Credit Report Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL ADVERTISING &amp; RENTING EXPENSE</b>	<b>10.97</b>	<b>0.00</b>	<b>(10.97)</b>	<b>13.97</b>	<b>0.00</b>	<b>(13.97)</b>	<b>0.00</b>
<b>ADMINISTRATIVE EXPENSE</b>							
6311-0000 - Office supplies	416.24	521.00	104.76	5,628.81	5,731.00	102.19	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	822.96	765.00	(57.96)	8,276.51	8,732.07	455.56	9,497.07
6340-0000 - Legal Expense - Project	0.00	36.00	36.00	391.40	396.00	4.60	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
6365-0000 - Training & Education Expense	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	4,763.00	2,986.00	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	80.30	350.00	269.70	1,150.76	3,850.00	2,699.24	4,200.00
6390-0002 - Computer Supplies/Data Processing	72.51	66.00	(6.51)	825.99	726.00	(99.99)	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	(0.28)	0.00	0.28	(3.26)	0.00	3.26	0.00
<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>1,391.73</b>	<b>2,171.00</b>	<b>779.27</b>	<b>28,528.02</b>	<b>36,018.07</b>	<b>7,490.05</b>	<b>38,189.07</b>
<b>PAYROLL &amp; RELATED COSTS</b>							
6310-0000 - Office salaries	1,953.63	1,175.00	(778.63)	14,054.98	12,925.00	(1,129.98)	14,100.00
6510-0000 - Janitor and cleaning payroll	2,136.74	1,717.00	(419.74)	15,126.16	18,887.00	3,760.84	20,604.00
6540-0000 - Repairs payroll	444.40	0.00	(444.40)	444.40	0.00	(444.40)	0.00
6715-0000 - Payroll Taxes	361.37	238.00	(123.37)	3,289.97	2,618.00	(671.97)	2,856.00
6722-0000 - Workers compensation	71.46	134.00	62.54	786.06	1,474.00	687.94	1,608.00
6723-0000 - Employee health insurance	155.01	444.00	288.99	5,890.17	4,884.00	(1,006.17)	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

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

	Month Ending 11/30/12			Year To Date 11/30/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
TOTAL PAYROLL & RELATED COSTS	5,122.61	3,708.00	(1,414.61)	39,945.74	40,799.11	853.37	44,507.11
OPERATING EXPENSES	341.16	215.00	(126.16)	934.52	2,365.00	1,430.48	2,580.00
6515-0000 - Janitors and cleaning supplies	2,810.81	2,575.00	(235.81)	18,941.84	28,325.00	9,383.16	30,900.00
6520-0000 - Miscellaneous Repair Contractors	496.60	632.00	135.50	5,143.89	6,952.00	1,808.11	7,584.00
6525-0000 - Rubbish removal	3,648.47	3,422.00	(226.47)	25,020.25	37,642.00	12,621.75	41,064.00
TOTAL OPERATING EXPENSES							
UTILITIES	232.68	268.00	35.32	2,028.27	2,948.00	919.73	3,218.00
6450-0000 - Electricity	21.45	27.00	5.55	209.09	297.00	87.91	324.00
6451-0000 - Water	0.00	125.00	125.00	360.40	1,375.00	1,014.60	1,500.00
6452-0000 - Gas	0.00	89.00	89.00	25.54	979.00	953.46	1,068.00
6453-0000 - Sewer	254.13	509.00	254.87	2,623.30	5,599.00	2,975.70	6,110.00
TOTAL UTILITIES							
MAINTENANCE EXPENSES	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	42.00	42.00	86.75	462.00	375.25	500.00
6546-0000 - Heating/Cooling Contractor	0.00	0.00	0.00	5,101.00	9,500.00	4,399.00	10,840.00
6548-0000 - Snow removal	0.00	0.00	0.00	0.00	0.00	0.00	0.00
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	9,962.00	4,774.25	11,340.00
TAXES AND INSURANCE	2,750.00	2,750.00	0.00	40,140.00	30,250.00	(9,890.00)	33,000.00
6710-0000 - Real estate taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6719-0000 - Miscellaneous Taxes	539.10	417.00	(122.10)	5,380.50	4,587.00	(793.50)	5,002.00
6720-0000 - Property and liability insurance	0.00	0.00	0.00	7.00	0.00	(7.00)	28.00
6721-0000 - Fidelity bond insurance	3,289.10	3,167.00	(122.10)	45,527.50	34,837.00	(10,690.50)	38,030.00
TOTAL TAXES AND INSURANCE							
TOTAL OPERATING EXPENSES	13,717.01	13,019.00	(698.01)	146,846.53	164,857.18	18,010.65	179,240.18
NET OPERATING INCOME (LOSS)	8,024.08	7,419.00	605.08	83,052.78	59,960.82	23,091.96	66,015.82
FINANCIAL EXPENSES	3,028.35	1,545.00	(1,483.35)	24,890.63	20,829.88	(4,060.75)	22,372.88
6820-0000 - Mortgage interest	170.19	156.00	(14.19)	2,199.78	2,052.00	(147.78)	2,208.00
6850-0000 - Mortgage Service Fee	1,333.33	2,046.00	712.67	11,999.97	19,838.00	7,838.03	21,884.00
7104-0000 - Replacement Reserve	565.14	565.14	0.00	5,010.89	11,406.50	6,395.61	11,973.76
7108-0000 - Mortgage Payable (long term)	5,097.01	4,312.14	(784.87)	44,101.27	54,126.38	10,025.11	58,438.64
TOTAL FINANCIAL EXPENSES							
NET OPER INC/(LOSS) BEFORE CAP. EXP.	2,927.07	3,106.86	(179.79)	38,951.51	5,834.44	33,117.07	7,577.18
NET INCOME (LOSS)	2,927.07	3,106.86	(179.79)	38,951.51	5,834.44	33,117.07	7,577.18
Partnership Income	8.47	0.00	8.47	105.69	0.00	105.69	0.00
8005-0000 - Mortgageor Entity Income	0.00	0.00	0.00	(62,702.49)	0.00	(62,702.49)	0.00
8010-0000 - Other Entity Expense							

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

	Month Ending 11/30/12			Year To Date 11/30/12			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
Total Partnership Activity	8.47	0.00	8.47	(62,596.80)	0.00	(62,596.80)	0.00
<b>CAPITAL EXPENDITURES &amp; ESCROWS</b>							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	(56,750.00)	0.00	56,750.00	0.00
6991-0000 - Capital expenditures	46,000.00	0.00	(46,000.00)	52,196.66	0.00	(52,196.66)	0.00
6994-0000 - Carpet & tile	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL CAPITAL EXPENDITURES &amp; ESCROWS</b>	46,000.00	0.00	(46,000.00)	(4,553.34)	0.00	4,553.34	0.00
<b>GAIN/(LOSS) AFTER CAPITAL EXP. &amp; ESCROWS</b>	(43,064.46)	3,106.86	(46,171.32)	(19,091.95)	5,834.44	(24,926.39)	7,577.18

Sunset Woods Housing  
Balance Sheet  
November 30, 2012

ASSETS

Current Assets

Assn Money Mkt HP B&T	\$	136,734.67	
Assn FBHP Checking		500.00	
FBHP General Checking		25,502.44	
Assn Checking HP B&T		10,430.28	
FBHP Security Dep. Savings		10,485.44	
Assn FBHP Savings		5,005.20	
FBHP Savings		9,101.57	
Financing Costs		9,635.00	
Tax Reserve		3,254.82	
Accounts Receivable		(710.00)	
A/R, Transfers		(20.00)	
		209,919.42	
<b>Total Current Assets</b>			<b>209,919.42</b>

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)	
		1,463,857.34	
<b>Total Property and Equipment</b>			<b>1,463,857.34</b>

Other Assets

		0.00	
<b>Total Other Assets</b>			<b>0.00</b>

<b>Total Assets</b>		<b>\$ 1,673,776.76</b>	
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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	
		293,448.40	
<b>Total Current Liabilities</b>			<b>293,448.40</b>

Long-Term Liabilities

Notes Payable, Lake Co		69,391.35	
Notes Payable, FHLB		437,765.58	
Notes Payable, IHDA		125,369.30	
		632,526.23	

Total Long-Term Liabilities		<u>632,526.23</u>
Total Liabilities		925,974.63
Capital		
Equity-Retained Earnings	740,158.88	
Net Income	<u>7,643.25</u>	
Total Capital		<u>747,802.13</u>
Total Liabilities & Capital		<u><u>\$ 1,673,776.76</u></u>

Sunset Woods Housing  
Income Statement  
Compared with Budget  
For the Eleven Months Ending November 30, 2012

	Current Month Actual	Current Month Budget	Current Month	Year to Date Actual	Year to Date Budget	Year to Date
Revenues						
Rents	\$ 9,010.00	\$ 9,388.00	(378.00)	\$ 98,066.00	\$ 103,267.00	(5,201.00)
Misc. Income	0.00	333.00	(333.00)	0.00	3,667.00	(3,667.00)
Interest Income Assn	15.22	0.00	15.22	181.14	0.00	181.14
Interest Income	0.00	0.00	0.00	24.75	0.00	24.75
<b>Total Revenues</b>	<b>9,025.22</b>	<b>9,721.00</b>	<b>(695.78)</b>	<b>98,271.89</b>	<b>106,934.00</b>	<b>(8,662.11)</b>
Cost of Sales						
<b>Total Cost of Sales</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Gross Profit</b>	<b>9,025.22</b>	<b>9,721.00</b>	<b>(695.78)</b>	<b>98,271.89</b>	<b>106,934.00</b>	<b>(8,662.11)</b>
Expenses						
Office Supplies	0.00	4.00	(4.00)	267.99	46.00	221.99
Management Fee	585.65	632.00	(46.35)	6,499.33	6,951.00	(451.67)
Legal and Accounting Assn	0.00	0.00	0.00	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	44.00	(44.00)
Government 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	458.00	62.82
Electrical & Plumbing Maint	95.00	42.00	53.00	800.00	458.00	342.00
Painting & Decorating Assn	0.00	83.00	(83.00)	0.00	917.00	(917.00)
Appliance Repairs	0.00	42.00	(42.00)	729.00	458.00	271.00
Supplies	0.00	42.00	(42.00)	515.54	458.00	57.54
Locks Assn	0.00	0.00	0.00	38.50	0.00	38.50
Locks	0.00	0.00	0.00	104.97	0.00	104.97
Carpet	0.00	42.00	(42.00)	0.00	458.00	(458.00)
Maintenance	0.00	42.00	(42.00)	1,559.96	458.00	1,101.96
Security	0.00	10.00	(10.00)	168.00	92.00	76.00
Condo Assessment Rental Units	2,442.94	3,167.00	(724.06)	26,872.34	34,833.00	(7,960.66)
Cable TV	448.20	583.00	(134.80)	4,930.20	6,417.00	(1,486.80)
Postage/Shipping Assn	0.00	0.00	0.00	28.71	0.00	28.71
Real Estate tax expense	0.00	1,667.00	(1,667.00)	13,019.38	18,333.00	(5,313.62)
Loan Interest	1,698.46	3,038.00	(1,339.54)	22,419.75	33,417.00	(10,997.25)
Filing Fees Assn	0.00	0.00	0.00	10.00	0.00	10.00
Bank Service Charge Assn	(1,500.00)	0.00	(1,500.00)	(1,485.00)	0.00	(1,485.00)
Bank Service Charges	0.00	0.00	0.00	45.00	0.00	45.00
Bldg Insurance	2,188.00	250.00	1,938.00	2,188.00	2,750.00	(562.00)
<b>Total Expenses</b>	<b>5,958.25</b>	<b>9,690.00</b>	<b>(3,731.75)</b>	<b>90,628.64</b>	<b>106,548.00</b>	<b>(15,919.36)</b>
<b>Net Income</b>	<b>\$ 3,066.97</b>	<b>\$ 31.00</b>	<b>3,035.97</b>	<b>\$ 7,643.25</b>	<b>\$ 386.00</b>	<b>7,257.25</b>

Sunset Woods Housing  
Account Register  
For the Period From Nov 1, 2012 to Nov 30, 2012  
1103M13 - FBHP General Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			24,953.87
11/1/12	11/1/12	Deposit	Tenant	348.00		25,301.87
		Deposit	Tenant	381.00		25,682.87
		Deposit	Tenant	257.00		25,939.87
		Deposit	Tenant	695.00		26,634.87
		Deposit	Tenant	717.00		27,351.87
		Deposit	Tenant	663.00		28,014.87
		Deposit	Tenant	241.00		28,255.87
		Deposit	Tenant	302.00		28,557.87
		Deposit	Tenant	411.00		28,968.87
11/1/12	1490	Withdrawal	RC Paint & Home Improvements		95.00	28,873.87
11/1/12	1491	Withdrawal	Sunset Woods Condominium Assoc		2,891.14	25,982.73
11/1/12	loan1211	Other	ihda/auto pymt		100.00	25,882.73
11/6/12	11/8/12	Deposit	Tenant	316.00		26,198.73
		Deposit	Tenant	835.00		27,033.73
		Deposit	Tenant	473.00		27,506.73
		Deposit	Tenant	362.00		27,868.73
		Deposit	Tenant	407.00		28,275.73
		Deposit	Tenant	137.00		28,412.73
		Deposit	Tenant	795.00		29,207.73
		Deposit	Tenant	423.00		29,630.73
		Deposit	Tenant	145.00		29,775.73
		Deposit	Tenant	159.00		29,934.73
		Deposit	Tenant	253.00		30,187.73
11/14/12	1492	Withdrawal	Schwartz Insurance		2,188.00	27,999.73
11/15/12	11/20/12	Deposit	Tenant	710.00		28,709.73
11/15/12	1493	Withdrawal	Schwartz Insurance		2,553.00	26,156.73
11/15/12	1493V	Withdrawal	Schwartz Insurance		-2,553.00	28,709.73
11/20/12	1494	Withdrawal	Housing Opportunity Dev. Corp.		585.65	28,124.08
11/26/12	loan1211	Other	FBHP/auto pymt		3,331.64	24,792.44
11/30/12	11/30/12	Deposit	Tenant	710.00		25,502.44
			Total	9,740.00	9,191.43	

Sunset Woods - November 30, 2012

Ending balance checking	\$	27,002
Ending balance operating reserv	\$	9,103
TOTAL	\$	<u>36,105</u>