

MEMORANDUM

To: Members of the Housing Commission
From: Mary Cele Smith, Housing Planner (msmith@cityhpil.com) and
Lee Smith, Senior Planner (lsmith@cityhpil.com)
Date: March 28, 2013

RE: HOUSING COMMISSION PACKET FOR 4-3-2013 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 March 6, 2013 Regular Meeting
- **Agenda Item V. Scheduled Business**
 - **1. (Action Needed) Items for Omnibus Vote Consideration**
 - Payment of Invoices: None at present
 - **2. (Discussion and Consideration) Housing Commission Peers, Walnut Place, Ravinia, and Sunset Woods. Supporting Materials:**
 - March 2013 Management Report
 - Summary of Capital Improvements for Peers and Walnut Place
 - Accounts Receivable Up-Date
 - Summary Spreadsheets: Highland Park Housing Reserve Balances prepared 2/28/13
 - Housing Trust Fund Fiscal Year 2013, Unaudited through 2/28/13
 - **4. (Discussion and Consideration) Revisions to the Inclusionary Housing Ordinance. Supporting Materials:**
 - Staff Memo November 28, 2012
 - Inclusionary Housing Ordinance Mark-Up
 - Excerpt from July 11, 2012 Minutes regarding Condominium Conversion Ordinance Recommendation

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 February 28, 2013

c:

- David Knapp, City Manager
- Michael Blue, Director of Community Development
- Linda Sloan, Planning Division Manager
- Peter Friedman, Corporation Counsel

Public Notice

In accordance with the Statutes of the State of Illinois, and the Ordinances of the City of Highland Park, the **Regular Meeting** of the City of Highland Park Housing Commission, the Peers Housing Association, Walnut Housing Association, Ravinia Housing Association and Sunset Woods Association will be held at the hour of **6:30 P.M. on Wednesday, April 3, 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, April 3, 2013, at 6:30 p.m.
AGENDA

- I. Call to order**
- II. Roll Call**
- III. Business from the Public (Citizens Wishing to Be Heard Regarding Items not Listed on the Agenda)**
- IV. Approval of Minutes –March 6, 2013 Regular Meeting**
- V. Scheduled Business**
 1. Items for Omnibus Vote Consideration
 - Payment of Invoices: None at present
 2. Housing Commission Peers, Walnut, Ravinia, and Sunset Woods
 - Management Report
 - Property Report
 - Update on Peers window replacement and ac project
 - Sunset Woods
 - Section 8 vouchers
 - Other Sunset Woods Business
 3. Report on City Council consideration of the Housing Commission Recommendation regarding the Demolition Tax on March 11, 2013
 4. Discussion and Consideration of Revisions to the Inclusionary Housing Ordinance
 5. Update on 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 March 6, 2013

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

CALL TO ORDER

At 6:35 p.m., Chair Jami Sharfman 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 Chair asked Planner M. Smith to call the roll.

ROLL CALL

Commissioners Present: Adler, Kaltman, Meek, Naftzger, Sharfman, and Wigodner

Commissioners Absent: Barber

Student Representatives Absent: Gordon and Gerber

Chair Sharfman 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

January 16, 2013 Special Meeting of the Housing Commission and February 6, 2013 Regular Meeting

Commissioner Wigodner moved approval of minutes for both the special meeting on January 16, 2013 and the regular meeting on February 6, 2013 of the Housing Commission, the Peers Housing Association, the Ravinia Housing Association, the Walnut Housing Association, and the Sunset Woods Association. Commissioner Kaltman seconded the motion.

On a roll call vote:

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

Voting Nay: None

The Chair declared that the motion passed unanimously.

SCHEDULED BUSINESS

1. Items for Omnibus Vote Consideration

Payment of Invoices

The Commissioners unanimously consented to take a single vote by yeas and nays on an item under the designation “omnibus vote –payment of invoices.” Planner M. Smith submitted two invoices that came in after the packet went out:

- Mason, Wenk & Berman L.L.C. for Invoice #36471 for legal services for Sunset Woods for \$75.00 and
- Manning Silverman & Company for Invoice #200921034 for the initial retainer (1 of 2) for the 2012 Sunset Woods audit. The audit contract was approved previously.

Chair Sharfman entertained a motion to approve payments to Mason, Wenk & Berman L.L.C. for Invoice #36471 for legal services for Sunset Woods for \$75.00 and to Manning Silverman & Company for Invoice #200921034 for the initial retainer (1 of 2) for the 2012 Sunset Woods audit. Commissioner Naftzger moved approval of the payments to Mason, Wenk & Berman L.L.C. for Invoice #36471 for legal services for Sunset Woods for \$75.00 and to Manning Silverman & Company for Invoice #200921034 for the initial retainer (1 of 2) for the 2012 Sunset Woods audit. Commissioner Adler seconded the motion.

Commissioner Kaltman recused herself from voting.

On a voice vote, Chair Sharfman declared that the motion passed.

2. Discussion of Request from HP Zelp, L.L.C. regarding Inclusionary Housing Fee-in-Lieu Payment

Commissioner Meek recused himself as soon as Chair Sharfman announced agenda item 2 and before any discussion began, because he is providing legal services for this project.

Planner L. Smith summarized the background to the request from HP Zelp, L.L.C. for the proposed Grange Woods development. The proposed development would contain 6 lots for single-family homes, including the existing spring house. Under the Inclusionary Housing Ordinance, the developers have the responsibility to provide an affordable unit on-site or pay the fee-in-lieu. David Goldman and Ryan Goldstein from HP Zelp L.L.C. outlined their request to the Housing Commission. With regard to meeting their inclusionary housing requirement, they propose either:

- Paying a reduced fee-in-lieu of \$115,000 rather than the current amount of \$200,000 per unit or
- Maintaining the option to transfer an appropriate housing unit to Community Partners for Affordable Housing to their inventory of permanently affordable homes.

With regard to the rationale for lowering the fee, they looked at the methods that the Housing Commission used to set the fee-in-lieu and consulted with Rob Anthony, Executive Director of Community Partners for Affordable Housing (CPAH), regarding the amount of subsidy needed

to create a permanently affordable home. From the information they collected, they concluded that residential sales prices declined 30 to 40% between 2008, when the City Council increased the fee to \$200,000 from \$100,000, and 2012. They consulted Mr. Anthony about the actual cost of creating an affordable home, because the Ordinance provides that the “per unit amount shall be based on an estimate of the cost of providing an affordable housing unit.” Mr. Anthony indicated to them that the amount of subsidy needed ranges from \$100,000 to \$125,000 per unit. As a result, they are proposing that the fee-in-lieu be reduced to \$115,000 per unit.

The Commissioners asked Mr. Goldman and Mr. Goldstein about their proposal to retain the option to provide an appropriate affordable housing unit to Community Partners for Affordable Housing (CPAH) to be determined jointly by CPAH staff and themselves. They propose maintaining this option until the earlier date of either (a) the transfer of a suitable affordable housing unit to CPAH or (b) final approval of their Planned Unit Development, at which time they would pay the \$115,000 fee-in-lieu. The Commissioners agreed that this would be an acceptable option.

After discussion, Chair Sharfman entertained a motion to:

1. Forward a recommendation to City Council to set the Inclusionary Housing fee-in-lieu payment to \$125,000 per unit subject to confirmation from Community Partners for Affordable Housing (CPAH) that this amount is sufficient subsidy for the creation of an affordable housing unit and
2. To permit HP Zelp L.L.C. to meet their inclusionary housing requirement by either paying the fee-in-lieu or through an alternative means of compliance, such as transferring an affordable housing unit to CPAH, consistent with their proposal in an email dated February 28, 2013 to Planner Lee Smith.

Commissioner Naftzger moved approval of the following two recommendations:

1. To City Council to set the Inclusionary Housing fee-in-lieu payment to \$125,000 per unit subject to confirmation from Community Partners for Affordable Housing (CPAH) that this amount is sufficient subsidy for the creation of an affordable housing unit and
2. To permit HP Zelp L.L.C. to meet their inclusionary housing requirement by either paying the fee-in-lieu or through an alternative means of compliance, such as transferring an affordable housing unit to CPAH, consistent with their proposal in an email dated February 28, 2013 to Planner Lee Smith.

Commissioner Wigodner seconded the motion.

On a voice vote, Chair Sharfman declared that the motion passed unanimously.

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

The Management Report was in the packet. Planner M. Smith reported on Evergreen Senior Vice President Polly Kuehl’s responses to the Commissioners questions from last month.

- Ventilation in the Peers stairwells—Ms. Kuehl said that the windows are not operable and are not included in the upcoming window replacement project. Commissioner Wigodner observed that operable stairwell windows would not be desirable and followed up with some additional questions about the condition of the windows, the ventilation in the stairwells, and any means used for insulation, such as film on the glass. Planner M. Smith said that she would follow up with Ms. Kuehl.

- Accessible units—at the February Meeting, Commissioner Wigodner asked about accessible apartments at Peers and Walnut Place and the possibility of converting units to accessible ones at turnover. Ms. Kuehl said that Evergreen could provide cost estimates of the improvements that would be needed. The Commissioners discussed the logistics if units were made accessible at turnover. They agreed they would like more information about the developments' accessibility obligations before asking Evergreen to investigate the costs of modifying units at turnover. Planner M. Smith said that she would ask Ms. Kuehl for more information.

Property Operations Report

There were no other questions about property operations or the financial reports.

Update on Peers window replacement and air conditioning project

Commissioner Wigodner reported on a conference call that he had with Commissioner Adler (the other member of the Buildings and Grounds Working Group), Ms. Kuehl, and Planner L. Smith. With regard to placement of the air conditioning units on the 2nd and 3rd floors, Commissioner Wigodner suggested that the consultants should consider whether an air conditioning unit could be placed in the bedroom window if the window were changed to a casement type as well as the alternative of placing the air conditioner through the bedroom wall. Commissioner Wigodner directed staff to contact Ms. Kuehl to organize a meeting with the Buildings and Grounds Working Group, City and Evergreen staff, and the project consultants to examine these air conditioning alternatives for the 2nd and 3rd floor apartments.

Sunset Woods:

Planner M. Smith reported that the Lake County Housing Authority did not renew the subsidy for the nine rentals at Sunset Woods after the initial ten-year agreement providing project-based vouchers ended in November. The Lake County Housing Authority staff sent out a request for proposals (RFP) last year that announced the availability of project-based vouchers, but City staff did not receive any information from the Lake County Housing Authority about this.

The loss of the subsidy does not pose an immediate problem for the rentals. The nine existing tenants will receive personal vouchers, which will enable them to afford to stay. When tenants vacate, however, it will be a challenge to find renters with income below 60% of Chicago Area Median Income, as the project agreements require, who will be able to afford the market-based rent. Planner M. Smith will get more information from Housing Opportunity Development Corporation staff about why they did not respond to the Lake County Housing Authority's RFP and will investigate to find out if there are any other options for obtaining subsidy.

4. Announcement about City Council Consideration on March 11, 2013 of the Housing Commission Recommendation regarding the Demolition Tax

Chair Sharfman and Commissioner Wigodner will represent the Commission at the City Council discussion at the Pre-Session Meeting on March 11, 2013. Their remarks will follow the staff PowerPoint presentation summarizing the Commission's recommendation. A number of Commissioners said that they planned to attend also.

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

The Commissioners decided to defer the continuing discussion to the next Housing Commission Meeting on April 3rd.

6. Update on Recommendation to City Council to Support State Enabling Legislation for a Lake County Affordable Housing Trust Fund

Planner M. Smith said that the recommendation had not been forwarded to City Council yet.

EXECUTIVE SESSION

There was no Executive Session.

OTHER BUSINESS

Planner M. Smith mentioned that there were two remaining Lake County Strategic Planning Forums: one in Waukegan at the Lake County Health Department on March 12th, and the other in Wauconda at the Lakewood Forest Preserve on March 13th in case any Commissioners were interested in attending.

Planner M. Smith also distributed an article from the *Atlantic Cities* website by Emily Badger entitled “The Great Senior Sell-Off Could Cause the Next Housing Crisis.”

ADJOURNMENT

Chair Sharfman entertained a motion to adjourn the meeting. Commissioner Adler moved to adjourn. Commissioner Naftzger seconded the motion.

On a voice vote, Chair Sharfman declared that the motion passed unanimously.

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

Submitted respectfully:

Mary Cele Smith
Housing Planner



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MEMORANDUM

TO: Highland Park Housing Commission

FROM: Polly Kuehl, Management Agent *Polly Kuehl*

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

DATE: March 24, 2013

The final reimbursement from Ravinia's Replacement Reserves has been received and the last vendor will be paid (mold testing) related to the Ravinia Construction. Staff conducted apartment inspections to assess how the residents were maintaining the renovated units. Several residents were found to have caused some damages. Pictures were taken and lease violations were sent, including damage costs. Those units will be inspected every couple of months with further action taken, if needed.

The attorney who monitors the property assessments protested the Walnut Place assessment and received a response from the Lake County Board of Review. The assessment complaint was denied, thereby confirming the 2012 assessed valuation of \$1,708,668. The final assessment will result in taxes of approximately \$127,465 (an estimate based on the 2011 tax rate and equalization factor). The 2013 budget reflects \$120,000 in Property Taxes, so that will result in an additional \$7,000+ for that line item. A final tax will be confirmed in April when the 2012 tax rate and equalization factor are set. Based on the attorney's analysis, the final assessment falls within constitutional and statutory mandates and he recommends that no further challenge be made.

Most resident survey responses should have been received by LSN and the results are pending.

Drafts of the annual audits have been reviewed and revisions are in process. The final audits should be available for review within the next week or so. Questions regarding the Operating Agreement terms for Walnut Place were raised and further research is being conducted.

Due to the inability of Congress to pass legislation on balanced deficit reduction to avoid sequestration, the President was required by law to issue a sequestration order on March 1, 2013, canceling approximately \$85 billion in budgetary resources across the Federal government for the remainder of the federal fiscal year (October 1, 2012 – September 30, 2013). While HUD is taking steps to mitigate the impact of these cuts, it is likely that properties may be affected with denial of rent increase requests, delays in subsidy renewals and use of Residual Receipts in lieu of subsidy payments.

While both Frank B. Peers and Walnut Place have long-term Section 8 contracts, which would probably not be impacted, they, also, have Residual Receipts Accounts. IHDA has already requested information on the Residual Receipts accounts in case HUD changes the policies/rules on access to these monies.

Ravinia Housing comes, directly, under HUD control and if OCAF freezes are made, it would eliminate rent increases. The refinancing proforma assumed OCAF increases each year. The Housing Commission is extremely fortunate that it refinanced Ravinia in early 2012. In late 2012 HUD changes would have required all but \$30,000 of Ravinia's Residual Receipts to be used in place of Section 8 payments. If you recall, the balance in Residual Receipts was approximately \$480,000 prior to refinancing. At refinancing, Ravinia was able to transfer its Residual Receipts money to Replacement Reserves, which belongs to the property and cannot be utilized in lieu of subsidy payments.

The current fiscal year budget has not been passed and both House and Senate versions assume that the cuts made with the sequestration continue. Additional cuts would further impact HUD's budget. As new information becomes available, we will up-date the Housing Commission and staff.

Frank B. Peers

Occupancy: There is one vacant unit: Unit #301. This unit has been leased and should be occupied by 4/1/2013.

Physical: There was an elevator repair (pulley/motor that had to be replaced). Otherwise, only routine maintenance was conducted and the make-ready for #301 turnover.

Social Programs: The new Administrative Assistant meets with residents monthly and has initiated regular "get-togethers" in the afternoons where residents can gather for a short activity and have a snack. Games Day was started this month. In addition, the regular activities took place, including the monthly luncheon, Catholic Charity food packages and the weekly Bingo.

Financial: Net Operating Income (NOI) for February was positive to budget by \$4,069. YTD NOI was positive to budget by \$19,655. This is typical as cash is accumulated to initiate spring/summer preventive maintenance and capital improvements. Cash carryover has improved to \$12,349.

Income – Income was slightly negative to budget for the month due to the higher turnover of units. Laundry income is received quarterly – received in January.

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

- Gas (#6452) – Seasonal
- Elevator (#6551) – Timing of the payment (every other month); YTD within budget.
- Decorating (#6560) – Painting of #401 and #105
- Plumbing (#6595) – This reflects payment of the plumbing repairs that occurred the previous month (hot water heater tank leak)
- Floor Repairs/Cleaning (#6596) – Carpet cleaning after the domestic hot water tank leak.

Walnut Place

Occupancy: There is one vacancy in a 3-bedroom townhome (#1583). Processing for the townhome families is more lengthy as some applicants do not pass criminal screening. The current applicant household who is in processing is expected to take possession by April 1st.

Physical Site: The heating boilers shut down twice in March and the staff had to manually re-set. The turnover unit required replacement of the two bathroom vanities and a new kitchen counter in addition to the normal painting/carpeting, etc. Otherwise, normal maintenance was done.

Social Programs: A Games Day was started at Walnut Place. Residents meet weekly for small groups and the monthly luncheon was corned beef and cabbage for St. Patrick's Day. Similar programming as Peers took place at the building. The new Administrative Assistant is being well-received and residents are pleased with her programming.

Financial: Net Operating Income (NOI) for February was positive to budget by \$4,094 and YTD NOI is positive to budget by \$9,210. Cash carryover increased slightly to \$13,266.

Income – Income was positive to budget by \$1,960, primarily due to lower vacancy loss than anticipated. The vacancy loss for the turnover townhome will be reflected in March.

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

- Gas (#6452) – Seasonal
- Plumbing Repairs (#6595) – This reflects plumbing changes in the laundry room for \$1,500.
- Roof Repairs (#6598) – This reflects two minor roof leak repairs at the main building and above townhome #1581.

Ravinia Housing

Occupancy: Unit #743 Pleasant turned over in early March. The unit has been leased with an anticipated move-in date of April 1st. Legal proceedings continue against a Ravinia resident for non-payment of rent, not adhering to the approved payment plan and

for not complying with the annual certification process. This household has a significant amount of past due rent caused by unreported income and has been uncooperative with certifications for several years.

Physical Site: Only regular maintenance occurred at both campuses except for the turnover of Unit #743. Rose Paving visited each site to develop a scope of work for parking lot resurfacing. Additional bids will be obtained and Replacement Reserves will be utilized for the expense. Quarterly inspections were conducted of each unit (see above).

Social Programming: The newsletter resumed.

Financial: NOI for February was close to “breakeven” and YTD NOI was positive to budget by \$2,216. The cash position at the end of the month was excellent at \$53,440, but the final payment for mold testing (\$18,000) will have to be paid from this balance.

Income – Income is slightly positive to budget for the month.

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

- Legal (#6340) – This reflects the eviction that is in process
- Bad Debts (#6370) – This is a timing issue as to when uncollectible rents are written-off.
- Rubbish Removal (#6525) – This reflects the extra pick-up required for the turnover unit and repairs that were made to the unit impacted by the water leak last month.
- Snow Removal (#6548) – Seasonal
- Mortgage Interest (#6820) – This reflects accrual of the second mortgage, which is only paid if surplus cash exists.

Walnut Place Capital Improvements Up-Date									
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role Lead, Assist or None	Date Complete	\$ Actual Reserves Spent	Replacment Reserve Request Date
1 Renovate 3 kitchens		Fall	26,100		IHDA Reserves	None			
2 TH Furnaces (2)		As Need		4,800		None			
3 Replace 4 appliances (stoves/refrigerators)		As Need		1,600		None			
4 TH Hot Water Heaters		As Need		3,000		None			
5 A/C (estimate of 6)		As Need		4,000		None			
6 Carpet/Tile (Turnover and Cycle)		As Need	9,000		5 units cycle	None			
7 Hallway Carpet (as available from reserves)		Summer	15,000		Addition to Capital	None			
8 Painting (Turnover and Cycle)		As needed		12,000	8 Turnover; 12 Cycle	None			
9									
10									
11									
12									
<u>Reserves 2013 Cash Flow</u>									
Reserves Starting January 2013	\$ 190,494								
2013 Annual Escrow Deposit	\$ 22,044								
Expected Use of Reserves \$\$ in 2013	\$ (50,100)	Total	50,100	25,400			TOTAL	-	
Balance expected at start of 2014	\$ 162,438								

Frank B. Peers Capital Improvements Up-Date										
Task	Date for Bids	Date for Work	Estimated \$ Use of Reserves	Estimated \$ Use of Operating	Comments	FMCS Role	\$ Actual Complete Operations	\$ Actual Reserves Spent	Replacment Reserve Request Date	
						Lead, Assist or None				
1 Kitchen Replacement (11)	Done	Fall	98,000		Owner Reserves	None				
2 Window Replacement	Partial	Spring	544,998		Owner Reserves	Assist				
3 Concrete Repairs	N/A	Summer		2,500	After windows replaced	None				
4 Appliances (4)		As Need		1,440		None				
5 Carpet (8)		As Need		7,800	Turnover/3 Cycle	None	2,595			
6 A/C Replacement		As Need		2,700		None				
7 Water Heater Replacement	February	March	13,000		IHDA Reserves	Assist				
8 Painting (Turnover and Cycle)		Fall		12,000		None				
9										
10										
11										
12										
<u>Reserves 2013 Cash Flow</u>										
Reserves Starting January 2013	\$ 171,778									
2013 Annual Deposit to Reserves	\$ 22,368									
Expected Use of Reserves (\$\$) 2013	\$ (11,000)		Total	655,998	26,440		2,595	-		
IHDA Reserves			Note: Owner funds will be used for most reserve requests							
Balance expected at the start of 2014	\$ 183,146									

Accounts Receivable Up-Date

February, 2013

Frank B. Peers

Tenant A/R was slightly reduced from \$480 at the end of January to \$349 at the end of February. This reflects the modest payment plan payments. The breakdown is as follows:

Current	\$146
30 Days	\$ 0
60 Days	\$ 0
Prepaid	\$ 46
Credit 90 Days +	(\$157)

Subsidy A/R increased from \$58,755 at the end of January to \$63,007 at the end of February. The breakdown is as follows:

Current	\$15,710
30 Days	\$7,117
60 Days	\$5,243
90+ Days	(\$2,124)
Total Prepaid	(\$43,053)

Note: The March subsidy income recouped a portion of the past due.

Walnut Place

Tenant A/R decreased from \$20,120 at the end of January to \$18,758 at the end of February. The breakdown is as follows:

Current	\$ 385
30 Days	\$ 587
60 Days	\$ 656
90+ Days	\$15,931
Net Prepaid	(\$ 1,199)

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

Subsidy A/R increased from \$51,774 at the end of January to \$58,113 at the end of February. The breakdown is as follows:

Current	\$16,039
30 Days	\$ 6,509
60 Days	\$ 5,717
90+ Days	\$12,551
Net Prepaid	(\$17,297)

Ravinia Housing

Tenant A/R decreased from \$36,485 at the end of January to \$34,424 at the end of February. The breakdown is as follows:

Current	\$ 3,565
30 Days	\$ 3,720
60 Days	\$ 1,758
90+ Days	\$24,061
Net Prepaid	(\$ 1,320)

The 90+ Days A/R is comprised of EIV payments (2 residents). One resident is no longer making this payment and is in legal action.

Subsidy A/R increased from \$15,959 at the end of January to \$19,306 at the end of February. The breakdown is as follows:

Current	(\$ 40)
30 Days	\$ 2,857
60 Days	\$ 1,015
90+ Days	\$ 1,767
Net Prepaid	(\$13,707)

Highland Park Housing Commission										
Reserve Balances										
Date: 2/28/2013										
Account Name		Frank B. Peers		Walnut Place		Ravinia Housing		Sunset Woods	Housing Trust Fund	TOTAL
Checking (Property)		12,349		13,266		53,441		26,096		
Security Deposit		20,829		21,087		7,158		10,494		
Replacement Reserve		143,630		167,074		607,183		0		
Residual Receipts		31,875		27,095		0		0		
Operating Reserve		0		0		176,637		9,109		
Association Money				104,518		81,887		128,338		
Market Checking										
Association Small Business Checking		12,893						20,062		
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	7/7/2013	505,152								
CD #2	4/7/2013	505,700								
Association MaxSafe Money Market		1,112,581								
TOTAL		2,612,022		333,040		926,306		-64,733		

Housing Trust Fund		
Fiscal Year 2013		
January 1 - December 31 - Unaudited	Unaudited	
	Through 2/28/2013	
Beginning Balance, Jan 1 (Unaudited)	\$1,001,088	
Revenue:		
Demolition Tax	28,334	
Demolition Permits	1,500	
Interest Revenue	23	
Contributions/Donations/Other	0	
Proceeds of Ceding Volume Cap	0	
	29,857	
Expenditures:		
Program Costs	(4,615)	
	(4,615)	
Ending Balance	\$1,026,330	
Pending Liabilities		
CPAH Scattered Site Program	(\$101,512)	
Employer Assisted Housing	(\$20,000)	
HPI CLT Operating Grant 2013	(\$85,000)	
Emergency Housing Assistance	(\$10,000)	
Housing Planner	(\$30,385)	
CPAH Affordable Rental Pilot Program	(\$57,750)	(approved 07-2012)
Total Pending Obligations	(\$304,647)	
Net Balance (02-28-13)	\$721,683	(reflects increased bud liabilities for 2013)
Prior Month Balance (12-31-12)	\$781,826	
<i>Month to Month Change (2 months)</i>	<i>(\$60,143)</i>	

Agenda Item 4

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 <u>(with amendments)</u>
150.2103	Application and Inclusionary Housing Plan
150.2104	Development Agreement and Other Documents <u>(with amendments)</u>
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 provision requiring the execution and recordation by the applicant of a development agreement, as required pursuant to Section 150.2104 of this Article. **(Ord. 16-09, J. 35, p. 32-48, passed 2/9/09)**

(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)

Excerpt from July 11, 2012 Housing Commission Minutes regarding the Recommendation for a Condominium Conversion Ordinance

Consideration of Recommendation from Condominium Conversion Ordinance Working Group
Planner M. Smith summarized the recommendation from the Working Group (Commissioners Meek and Naftzger) and the previous Housing Commission discussions. At the request of the Commissioners, former Housing Commissioner Stephen Kant, Vice President, Robin Companies, attended the Meeting and shared his perspective from his extensive experience as a developer of both rental and condominium housing.

Previously, the Commissioners concurred with the minimum recommendation as described in the staff memo and Attachment 1 dated July 1st. The Working Group's minimum recommendation reinforces and mirrors provisions in the State of Illinois Statute with the following additions or changes:

- the addition of **requiring that the notice of intent to convert be sent to the City of Highland Park concurrent with notice to tenants**. This will meet the City's need to monitor conversions in order to ensure compliance with the Inclusionary Housing Ordinance;
- the **requirement of 120 days notice to tenants of intent to convert**. This provision extends the State's requirement of thirty days notice to tenants in order to provide sufficient time for the owner to submit an Inclusionary Housing Plan (IHP), for the Housing Commission to make a recommendation to City Council on the IHP, and for the City Council to consider it;
- the **requirement that the owner give two days notice of entry to tenants** in the last 90 days of the expiring tenancy. The State statute is more general, limiting showings to "a reasonable number of times and at appropriate hours during the last 90 days of any expiring tenancy;" and
- Reinforcement of the City's requirement for a fire detection system.

The Commissioners discussed the remaining elements and reached the following consensus:

- smaller condominium conversions should have a lower percentage requirement than other developments covered under the Inclusionary Housing Ordinance, because it is unlikely that the developer could receive a density bonus; for condo conversions of five to nineteen units, the Commission recommends revising the Ordinance to require that ten percent of the units are affordable;
- the Commissioners recommend another revision to the Inclusionary Housing Ordinance to permit developers of condominium conversions to pay the fee-in-lieu if they choose and directed staff to re-examine, at a later date, the fee-in-lieu for rental and condo conversion projects;
- the Commissioners recommend additional elements for a condominium conversion ordinance in order to protect affordable purchasers. Many of these elements would have the additional benefit of providing protections for all purchasers. The additional elements to include are:
 - relocation assistance for tenants who are below 80% of Chicago Area median income in the amount of one month's rent;

- developer warranties and escrow for the common building elements; the amount of the escrow should be one percent of the sales price of each unit sold, and the warranty should extend for one year from the date of transfer of control to the Board of Managers;
- the requirement for a Property Report;
- a provision for record-keeping that applies to the original developer and remains an obligation for seven years for the new Board of Managers;
- an amendment to the City's guarantee deposit requirement to add condo conversions with construction or rehabilitation costs of \$25,000 or more;
- quarterly reports from the developer regarding assessment collections; the Commission directed staff to work on the details for this recommendation;
- the additional elements will mirror the City's Inclusionary Housing Ordinance and apply to condominium conversions of five or more units; this standard also is typical of condo conversion ordinances of other Chicago area communities; and
- there is no clear benefit from departing from the State of Illinois' requirement to transfer control to the Board of Managers when 75% of the units are sold; as a result, the Commissioners recommend retaining the State's requirement.

Planner M. Smith said that staff would seek guidance from Community Development Director Michael Blue regarding when and how to present the Commission's recommendation to City Council. With regard to the Commission's recommendations for revisions to the Inclusionary Housing Ordinance, staff will include these in a future discussion on the Ordinance to be scheduled at a Housing Commission Meeting in the fall.

Chairman Wigodner entertained a motion to approve a recommendation for a condominium conversion ordinance that incorporates the minimum recommendation and the discussion summarized above and to direct staff to prepare this recommendation for a presentation to City Council. Commissioner Meek moved approval of the recommendation for a condominium conversion ordinance that incorporates the minimum recommendation and the discussion summarized above and directed staff to prepare this recommendation for a presentation to City Council. Commissioner Naftzger seconded the motion.

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

FRANK B. PEERS HOUSING

Balance Sheet

Month Ending 02/28/13

ASSETS

Current Assets

1110-0000 - Petty Cash	300.00
1121-0000 - Cash - Operating	12,348.69
1130-0000 - Tenant/member accounts receivable	349.00
1131-0000 - Accounts receivable - subsidy	63,007.00
1240-0000 - Prepaid property and liability insurance	8,146.42
Total Current Assets	<u>84,151.11</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	761.96
1192-0000 - Tenant Sec Dep	20,828.62
1310-0000 - Real estate tax escrow	118,967.29
1311-0000 - Insurance escrow	22,182.95
1330-0000 - Debt Service Escrow	138,749.66
1140-0000 - Accounts Receivable - Other	3,284.36
1320 - Replacement Reserve	143,630.40
1340 - Residual Receipt	31,874.46
Total Other Assets	<u>480,279.70</u>

Fixed Assets

1420-0000 - Building	1,848,860.15
1420-0001 - Building Improvements	97,993.87
1430-0000 - Land Improvements	1,638,303.39
1450-0000 - Furniture for project/tenant use	507,019.34
1497-0000 - Site improvements	172,218.77
4120-0000 - Accum depr - buildings	(3,131,499.64)
Total Fixed Assets	<u>1,132,895.88</u>

Financing Costs

1900-0001 - Deferred Financing Costs	192,398.85
1999-0000 - Accum Amort - Bond Costs	(57,387.22)
Total Financing Costs	<u>135,011.63</u>

Partnership Assets

1701-0000 - Cash - Partnership	12,892.66
1702-0000 - Partnership MM	2,123,432.59
1703-0000 - Partnership Receivable	267,013.69
Total Partnership Assets	<u>2,403,338.94</u>

Total Assets

4,235,677.26

FRANK B. PEERS HOUSING

Balance Sheet

Month Ending 02/28/13

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	15,869.93
2113-0000 - Flex Benefit Payable	7.92
2120-0000 - Accrued wages and p/r taxes payable	3,206.52
2150-0000 - Accrued property taxes	112,140.00
2180-0000 - Misc current liabilities	9,502.28
Total Current Liabilities	<u>140,726.65</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	25.00
2191-0000 - Security deposits-residential	15,201.00
2191-0001 - Pet Deposit	895.00
2210-0000 - Prepaid Rent	157.00
2211-0000 - Prepaid HUD	37,690.00
2320-1000 - Mortgage payable - 2nd note	2,290,000.00
2320-0000 - Mortgage Payable (long term)	1,860,114.97
Total Non-Current Liabilities	<u>4,204,082.97</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	72,374.46
Current YTD Earnings	16,903.07
Total Owner's Equity	<u>(109,132.36)</u>

Total Liability & Owner Equity

4,235,677.26

FRANK B. PEERS HOUSING

Actual vs Budget Accrual Operating Statement

	Month Ending 02/28/13			Year To Date 02/28/13			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	20,449.00	36,910.00	(16,461.00)	40,893.00	73,820.00	(32,927.00)	442,920.00
5121-0000 - Tenant assistant payments	63,499.00	46,976.00	16,523.00	127,003.00	93,952.00	33,051.00	563,712.00
5140-0000 - Commercial base rent	60.00	60.00	0.00	544.66	120.00	424.66	720.00
TOTAL RESIDENTIAL RENTAL INCOME	84,008.00	83,946.00	62.00	168,440.66	167,892.00	548.66	1,007,352.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	(3,729.00)	(2,468.00)	(1,261.00)	(7,378.00)	(4,936.00)	(2,442.00)	(22,212.00)
5221-0000 - Non-Revenue Units	(1,243.00)	(1,234.00)	(9.00)	(2,486.00)	(2,468.00)	(18.00)	(14,808.00)
TOTAL VACANCIES & ADJUSTMENTS	(4,972.00)	(3,702.00)	(1,270.00)	(9,864.00)	(7,404.00)	(2,460.00)	(37,020.00)
OTHER INCOME							
5910-0000 - Laundry income	0.00	205.00	(205.00)	448.00	410.00	38.00	2,460.00
5922-0000 - Late fees	0.00	5.00	(5.00)	0.00	10.00	(10.00)	60.00
5945-0000 - Damages	0.00	50.00	(50.00)	0.00	100.00	(100.00)	600.00
5990-0000 - Misc other income	0.00	0.00	0.00	0.00	0.00	0.00	600.00
5410-0000 - Interest Income Project Operations	7.42	0.00	7.42	7.42	0.00	7.42	0.00
5413-0000 - Interest income - escrow	0.00	2.00	(2.00)	0.00	4.00	(4.00)	24.00
TOTAL OTHER INCOME	7.42	262.00	(254.58)	455.42	524.00	(68.58)	3,744.00
GROSS OPERATING INCOME	79,043.42	80,506.00	(1,462.58)	159,032.08	161,012.00	(1,979.92)	974,076.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	0.00	25.00	25.00	40.19	50.00	9.81	300.00
6253-0000 - Credit Report Fees	28.00	30.00	2.00	28.00	60.00	32.00	360.00
TOTAL ADVERTISING & RENTING EXPENSE	28.00	55.00	27.00	68.19	110.00	41.81	660.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	291.48	225.00	(66.48)	790.00	450.00	(340.00)	2,700.00
6316-0000 - Office Equipment	0.00	405.00	405.00	167.79	810.00	642.21	4,860.00
6320-0000 - Management fee	3,785.25	4,167.00	381.75	7,650.48	8,334.00	683.52	50,004.00
6340-0000 - Legal Expense - Project	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6350-0000 - Audit Expense	0.00	0.00	0.00	0.00	2,283.00	2,283.00	13,700.00
6360-0000 - Telephone	251.11	750.00	498.89	932.78	1,500.00	567.22	9,000.00
6360-0001 - Answering Service/ Pagers	0.00	61.00	61.00	60.89	122.00	61.11	732.00
6365-0000 - Training & Education Expense	0.00	125.00	125.00	0.00	250.00	250.00	1,500.00
6370-0000 - Bad debts	0.00	417.00	417.00	0.00	834.00	834.00	5,004.00
6380-0000 - Consulting/study costs	0.00	250.00	250.00	0.00	500.00	500.00	3,000.00
6385-0000 - Temporary Help	0.00	84.00	84.00	0.00	168.00	168.00	1,008.00
6390-0000 - Misc administrative expenses	(146.20)	184.00	330.20	675.00	368.00	(307.00)	2,208.00
6390-0002 - Computer Supplies/Data Processing	0.00	150.00	150.00	230.69	300.00	69.31	1,800.00
6395-0000 - Tenant Retention	0.00	500.00	500.00	648.28	1,000.00	351.72	7,000.00
6431-0000 - Travel & Expense Reimbursement	0.00	170.00	170.00	492.57	340.00	(152.57)	2,040.00
6860-0000 - Security Deposit Interest	(0.48)	0.00	0.48	(1.01)	0.00	1.01	0.00
TOTAL ADMINISTRATIVE EXPENSE	4,181.16	7,588.00	3,406.84	11,647.47	17,459.00	5,811.53	105,756.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	3,634.40	4,752.00	1,117.60	8,952.36	9,504.00	551.64	63,145.00
6510-0000 - Janitor and cleaning payroll	2,483.36	2,468.00	(15.36)	5,022.84	4,936.00	(86.84)	32,120.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 02/28/13			Year To Date 02/28/13			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6540-0000 - Repairs payroll	2,527.79	2,144.00	(383.79)	5,382.50	4,288.00	(1,094.50)	27,903.00
6900-0000 - Social Service Coordinator	2,252.80	1,389.00	(863.80)	2,252.80	2,778.00	525.20	17,093.00
6715-0000 - Payroll Taxes	1,813.71	2,026.00	212.29	3,615.69	4,188.00	572.31	14,198.00
6722-0000 - Workers compensation	14.25	275.00	260.75	285.50	550.00	264.50	3,300.00
6723-0000 - Employee health insurance	2,012.94	550.00	(1,462.94)	3,642.08	1,100.00	(2,542.08)	6,894.00
6724-0000 - Union Benefits	(184.80)	1,200.00	1,384.80	(184.80)	2,400.00	2,584.80	14,415.00
6726-0001 - Contingency	0.00	235.00	235.00	0.00	470.00	470.00	5,504.00
TOTAL PAYROLL & RELATED COSTS	14,554.45	15,039.00	484.55	28,968.97	30,214.00	1,245.03	184,572.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	13.90	300.00	286.10	408.07	600.00	191.93	3,600.00
6516-0000 - Bulbs & Tubes	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	500.00	500.00	500.00
6519-0000 - Exterminating Contract	105.00	110.00	5.00	315.00	220.00	(95.00)	1,320.00
6525-0000 - Rubbish removal	351.24	310.00	(41.24)	669.08	620.00	(49.08)	3,720.00
6490-0000 - Misc operating expenses	0.00	50.00	50.00	0.00	100.00	100.00	600.00
TOTAL OPERATING EXPENSES	470.14	870.00	399.86	1,392.15	2,240.00	847.85	12,440.00
UTILITIES							
6450-0000 - Electricity	(11.77)	1,800.00	1,811.77	1,718.52	3,600.00	1,881.48	21,600.00
6451-0000 - Water	911.57	950.00	38.43	(3,692.01)	1,900.00	5,592.01	11,400.00
6452-0000 - Gas	3,485.90	1,500.00	(1,985.90)	6,167.09	3,500.00	(2,667.09)	16,000.00
TOTAL UTILITIES	4,385.70	4,250.00	(135.70)	4,193.60	9,000.00	4,806.40	49,000.00
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	0.00	292.00	292.00	0.00	584.00	584.00	3,504.00
6537-0000 - Grounds Contractor (Landscaper)	0.00	0.00	0.00	0.00	0.00	0.00	5,200.00
6541-0000 - Repair materials (general supplies)	164.25	560.00	395.75	201.05	1,120.00	918.95	6,720.00
6541-0001 - Appliance Parts	167.91	50.00	(117.91)	335.82	100.00	(235.82)	600.00
6541-0002 - Plumbing Supplies	33.43	100.00	66.57	303.88	200.00	(103.88)	1,200.00
6541-0003 - Electrical Supplies	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6541-0004 - Heating/Cooling Supplies	0.00	50.00	50.00	24.56	100.00	75.44	600.00
6541-0005 - Hand Tools	0.00	0.00	0.00	0.00	300.00	300.00	300.00
6541-0006 - Expendable Tools	0.00	0.00	0.00	0.00	400.00	400.00	400.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6541-0009 - Window Supplies	0.00	0.00	0.00	0.00	200.00	200.00	200.00
6541-0010 - Carpentry/Hardware	95.00	50.00	(45.00)	389.55	100.00	(289.55)	600.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	587.10	290.00	(297.10)	587.10	580.00	(7.10)	3,480.00
6546-0000 - Heating/Cooling Contractor	0.00	213.00	213.00	0.00	426.00	426.00	2,556.00
6548-0000 - Snow removal	1,750.00	2,608.00	858.00	1,750.00	5,216.00	3,466.00	15,648.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	125.00	125.00	0.00	200.00	250.00	1,500.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	2,595.00	1,000.00	(1,595.00)	2,595.00	2,000.00	(595.00)	12,000.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	208.00	208.00	0.00	416.00	416.00	2,496.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6582-0000 - Fire Protection	0.00	400.00	400.00	0.00	800.00	800.00	4,800.00
6582-0001 - Fire Safety Equipment	0.00	500.00	500.00	0.00	1,000.00	1,000.00	6,000.00
6590-0000 - Miscellaneous Repair	156.00	100.00	(56.00)	156.00	200.00	44.00	1,200.00
6591-0000 - Electrical Repairs	0.00	300.00	300.00	0.00	600.00	600.00	3,600.00

FRANK B. PEERS HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 02/28/13			Year To Date 02/28/13			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6592-0000 - Boiler Repairs	0.00	500.00	500.00	656.43	1,000.00	343.57	6,000.00
6594-0000 - Carpentry Repairs	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6595-0000 - Plumbing Repairs	1,189.94	790.00	(399.94)	1,797.94	1,580.00	(217.94)	9,480.00
6596-0000 - Floor Repairs/Cleaning	605.00	150.00	(455.00)	605.00	300.00	(305.00)	1,800.00
6598-0000 - Roof Repairs	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
TOTAL MAINTENANCE EXPENSES	7,343.63	8,636.00	1,292.37	9,402.33	18,172.00	8,769.67	96,084.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	9,000.00	9,000.00	0.00	18,000.00	18,000.00	0.00	108,000.00
6720-0000 - Property and liability insurance	2,036.62	2,083.00	46.38	4,073.24	4,166.00	92.76	24,996.00
6721-0000 - Fidelity bond insurance	0.00	10.00	10.00	0.00	20.00	20.00	120.00
TOTAL TAXES AND INSURANCE	11,036.62	11,093.00	56.38	22,073.24	22,186.00	112.76	133,116.00
TOTAL OPERATING EXPENSES	41,999.70	47,531.00	5,531.30	77,745.95	99,381.00	21,635.05	581,628.00
NET OPERATING INCOME (LOSS)	37,043.72	32,975.00	4,068.72	81,286.13	61,631.00	19,655.13	392,448.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	20,225.99	20,227.00	1.01	40,502.28	40,504.00	1.72	239,947.00
7104-0000 - Replacement Reserve	1,863.67	1,864.00	0.33	3,727.34	3,728.00	0.66	22,368.00
7108-0000 - Mortgage Payable (long term)	10,261.55	10,211.00	(50.55)	20,472.80	20,372.00	(100.80)	125,294.00
TOTAL FINANCIAL EXPENSES	32,351.21	32,302.00	(49.21)	64,702.42	64,604.00	(98.42)	387,609.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	4,692.51	673.00	4,019.51	16,583.71	(2,973.00)	19,556.71	4,839.00
NET INCOME (LOSS)	4,692.51	673.00	4,019.51	16,583.71	(2,973.00)	19,556.71	4,839.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	85.34	0.00	85.34	282.22	0.00	282.22	0.00
8010-0000 - Other Entity Expense	0.00	0.00	0.00	(10.00)	0.00	(10.00)	0.00
Total Partnership Activity	85.34	0.00	85.34	272.22	0.00	272.22	0.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	(181,666.00)	(181,666.00)	0.00	(363,332.00)	(363,332.00)	(660,998.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	0.00	0.00	0.00	98,000.00
6991-0002 - Windows	0.00	181,666.00	181,666.00	0.00	363,332.00	363,332.00	544,998.00
6991-0016 - Concrete Repairs	0.00	0.00	0.00	0.00	0.00	0.00	2,500.00
6993-0000 - Appliance Replacement	0.00	120.00	120.00	0.00	240.00	240.00	1,440.00
6993-0002 - Water Heaters	0.00	0.00	0.00	0.00	0.00	0.00	11,000.00
6993-0003 - A/C Replacements	0.00	225.00	225.00	0.00	450.00	450.00	2,700.00
6994-0000 - Carpet & tile	0.00	650.00	650.00	0.00	1,300.00	1,300.00	7,800.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	0.00	995.00	995.00	0.00	1,990.00	1,990.00	7,440.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	4,777.85	(322.00)	5,099.85	16,855.93	(4,963.00)	21,818.93	(2,601.00)

WALNUT PLACE

Balance Sheet

Month Ending 02/28/13

ASSETS

Current Assets

1110-0000 - Petty Cash	900.00
1121-0000 - Cash - Operating	13,266.38
1130-0000 - Tenant/member accounts receivable	18,758.43
1131-0000 - Accounts receivable - subsidy	58,113.00
1240-0000 - Prepaid property and liability insurance	8,146.42
Total Current Assets	<u>99,184.23</u>

Other Assets

1290-0000 - Misc Prepaid Expenses	952.61
1192-0000 - Tenant Sec Dep	21,087.18
1310-0000 - Real estate tax escrow	154,041.40
1311-0000 - Insurance escrow	25,022.77
1330-0000 - Debt Service Escrow	136,095.53
1320 - Replacement Reserve	167,073.92
1340 - Residual Receipt	27,094.53
Total Other Assets	<u>531,367.94</u>

Fixed Assets

1410-0000 - Land	220,000.00
1420-0000 - Building	2,907,088.00
1420-0001 - Building Improvements	23,774.27
1430-0000 - Land Improvements	321,376.00
1440-0000 - Building Equipment Portable	354,185.56
1450-0000 - Furniture for project/tenant use	398,382.24
4120-0000 - Accum depr - buildings	(3,402,414.59)
1498-0000 - Current F/A	569.00
Total Fixed Assets	<u>822,960.48</u>

Financing Costs

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

Partnership Assets

1701-0000 - Cash - Partnership	104,518.43
Total Partnership Assets	<u>104,518.43</u>

Total Assets

1,690,242.60

WALNUT PLACE

Balance Sheet

Month Ending 02/28/13

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	17,134.02
2113-0000 - Flex Benefit Payable	7.92
2120-0000 - Accrued wages and p/r taxes payable	3,206.46
2150-0000 - Accrued property taxes	135,920.00
2155-0000 - Accrued professional services	14,714.00
2180-0000 - Misc current liabilities	5,410.85
Total Current Liabilities	<u>176,393.25</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	(12,407.00)
2191-0000 - Security deposits-residential	18,889.00
2191-0001 - Pet Deposit	1,175.00
2210-0000 - Prepaid Rent	1,199.00
2211-0000 - Prepaid HUD	17,297.00
2320-1000 - Mortgage payable - 2nd note	2,546,000.00
2320-4000 - Deferred Revenue	247,127.00
2320-0000 - Mortgage Payable (long term)	1,898,492.26
Total Non-Current Liabilities	<u>4,717,772.26</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	300,442.19
Current YTD Earnings	19,016.47
Total Owner's Equity	<u>(3,203,922.91)</u>

Total Liability & Owner Equity

1,690,242.60

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 02/28/13			Year To Date 02/28/13			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	19,727.00	38,120.00	(18,393.00)	39,242.00	76,240.00	(36,998.00)	457,440.00
5121-0000 - Tenant assistant payments	66,909.00	48,516.00	18,393.00	134,030.00	97,032.00	36,998.00	582,192.00
5140-0000 - Commercial base rent	0.00	0.00	0.00	304.18	0.00	304.18	0.00
TOTAL RESIDENTIAL RENTAL INCOME	86,636.00	86,636.00	0.00	173,576.18	173,272.00	304.18	1,039,632.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	0.00	(2,000.00)	2,000.00	0.00	(4,000.00)	4,000.00	(24,000.00)
5221-0000 - Non-Revenue Units	(1,260.00)	(1,260.00)	0.00	(2,520.00)	(2,520.00)	0.00	(15,120.00)
TOTAL VACANCIES & ADJUSTMENTS	(1,260.00)	(3,260.00)	2,000.00	(2,520.00)	(6,520.00)	4,000.00	(39,120.00)
OTHER INCOME							
5910-0000 - Laundry income	0.00	0.00	0.00	724.00	0.00	724.00	2,800.00
5922-0000 - Late fees	0.00	10.00	(10.00)	0.00	20.00	(20.00)	120.00
5930-0000 - Credit Check Fees	0.00	30.00	(30.00)	0.00	60.00	(60.00)	360.00
TOTAL OTHER INCOME	0.00	40.00	(40.00)	724.00	80.00	644.00	3,280.00
GROSS OPERATING INCOME	85,376.00	83,416.00	1,960.00	171,780.18	166,832.00	4,948.18	1,003,792.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	0.00	0.00	0.00	40.19	0.00	(40.19)	0.00
6253-0000 - Credit Report Fees	0.00	30.00	30.00	0.00	60.00	60.00	360.00
TOTAL ADVERTISING & RENTING EXPENSE	0.00	30.00	30.00	40.19	60.00	19.81	360.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	129.34	225.00	95.66	618.03	450.00	(168.03)	2,700.00
6316-0000 - Office Equipment	0.00	405.00	405.00	167.78	810.00	642.22	4,860.00
6320-0000 - Management fee	4,048.35	4,137.00	88.65	8,075.91	8,274.00	198.09	49,644.00
6340-0000 - Legal Expense - Project	0.00	167.00	167.00	0.00	334.00	334.00	2,004.00
6350-0000 - Audit Expense	0.00	1,083.00	1,083.00	2,179.00	2,166.00	(13.00)	12,996.00
6360-0000 - Telephone	405.49	850.00	444.51	1,031.90	1,700.00	668.10	10,200.00
6360-0001 - Answering Service/ Pagers	0.00	62.00	62.00	60.88	124.00	63.12	744.00
6365-0000 - Training & Education Expense	0.00	110.00	110.00	0.00	220.00	220.00	1,320.00
6370-0000 - Bad debts	0.00	583.00	583.00	452.00	1,166.00	714.00	6,996.00
6380-0000 - Consulting/study costs	0.00	0.00	0.00	0.00	0.00	0.00	3,500.00
6390-0000 - Misc administrative expenses	(116.70)	155.00	271.70	586.90	310.00	(276.90)	1,860.00
6390-0002 - Computer Supplies/Data Processing	0.00	150.00	150.00	230.87	300.00	69.13	1,800.00
6395-0000 - Tenant Retention	205.52	400.00	194.48	823.93	800.00	(23.93)	7,000.00
6431-0000 - Travel & Expense Reimbursement	0.00	188.00	188.00	492.56	376.00	(116.56)	2,256.00
6860-0000 - Security Deposit Interest	(0.48)	0.00	0.48	(1.02)	0.00	1.02	0.00
TOTAL ADMINISTRATIVE EXPENSE	4,671.52	8,515.00	3,843.48	14,718.74	17,030.00	2,311.26	107,880.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	3,631.50	4,752.00	1,120.50	8,946.56	9,504.00	557.44	63,145.00
6510-0000 - Janitor and cleaning payroll	(1,045.10)	1,122.00	2,167.10	1,494.38	2,244.00	749.62	14,605.00
6540-0000 - Repairs payroll	6,056.25	3,490.00	(2,566.25)	8,910.96	6,980.00	(1,930.96)	45,418.00
6900-0000 - Social Service Coordinator	2,252.80	1,389.00	(863.80)	2,252.80	2,778.00	525.20	17,093.00
6715-0000 - Payroll Taxes	1,813.22	2,026.00	212.78	3,614.72	4,188.00	573.28	14,198.00
6722-0000 - Workers compensation	(259.75)	271.00	530.75	11.50	542.00	530.50	3,252.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 02/28/13			Year To Date 02/28/13			
	Actual	Budget	Variance	Actual	Budget	Variance	Annual Budget
6723-0000 - Employee health insurance	2,015.84	537.00	(1,478.84)	3,647.88	1,074.00	(2,573.88)	6,738.00
6724-0000 - Union Benefits	(184.80)	1,200.00	1,384.80	(184.80)	2,400.00	2,584.80	14,415.00
6726-0001 - Contingency	0.00	0.00	0.00	0.00	0.00	0.00	2,684.00
TOTAL PAYROLL & RELATED COSTS	14,279.96	14,787.00	507.04	28,694.00	29,710.00	1,016.00	181,548.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	0.00	320.00	320.00	386.00	640.00	254.00	3,840.00
6516-0000 - Bulbs & Tubes	0.00	75.00	75.00	0.00	150.00	150.00	900.00
6517-0000 - Outside Cleaning Service	0.00	0.00	0.00	0.00	0.00	0.00	1,500.00
6518-0000 - Uniforms	0.00	0.00	0.00	0.00	500.00	500.00	500.00
6519-0000 - Exterminating Contract	90.00	150.00	60.00	270.00	300.00	30.00	1,800.00
6525-0000 - Rubbish removal	346.24	355.00	8.76	664.08	710.00	45.92	4,260.00
6490-0000 - Misc operating expenses	0.00	50.00	50.00	0.00	100.00	100.00	600.00
TOTAL OPERATING EXPENSES	436.24	950.00	513.76	1,320.08	2,400.00	1,079.92	13,400.00
UTILITIES							
6450-0000 - Electricity	988.57	1,200.00	211.43	2,004.03	2,400.00	395.97	14,400.00
6451-0000 - Water	946.67	600.00	(346.67)	2,033.78	1,200.00	(833.78)	7,200.00
6452-0000 - Gas	3,670.47	1,666.00	(2,004.47)	6,617.47	3,332.00	(3,285.47)	20,000.00
TOTAL UTILITIES	5,605.71	3,466.00	(2,139.71)	10,655.28	6,932.00	(3,723.28)	41,600.00
MAINTENANCE EXPENSES							
6536-0000 - Ground supplies	0.00	333.00	333.00	0.00	666.00	666.00	3,996.00
6537-0000 - Grounds Contractor (Landscape)	0.00	0.00	0.00	0.00	0.00	0.00	5,200.00
6541-0000 - Repair materials (general supplies)	0.00	250.00	250.00	63.92	500.00	436.08	3,000.00
6541-0001 - Appliance Parts	0.00	50.00	50.00	167.91	100.00	(67.91)	600.00
6541-0002 - Plumbing Supplies	0.00	100.00	100.00	270.45	200.00	(70.45)	1,200.00
6541-0003 - Electrical Supplies	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6541-0004 - Heating/Cooling Supplies	0.00	85.00	85.00	24.55	170.00	145.45	1,020.00
6541-0005 - Hand Tools	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6541-0006 - Expendable Tools	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6541-0007 - Safety Equipment	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6541-0009 - Window Supplies	0.00	100.00	100.00	169.44	200.00	30.56	1,200.00
6541-0010 - Carpentry/Hardware	0.00	60.00	60.00	0.00	120.00	120.00	720.00
6545-0000 - Elevator Contractor (Annual Maintenance Contract)	587.10	300.00	(287.10)	587.10	600.00	12.90	3,600.00
6546-0000 - Heating/Cooling Contractor	504.00	385.00	(119.00)	504.00	770.00	266.00	4,620.00
6548-0000 - Snow removal	2,367.00	1,973.00	(394.00)	2,367.00	3,946.00	1,579.00	11,838.00
6551-0000 - Elevator Contractor (Special Repairs)	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6560-0000 - Decorating (Tenant Pntg-Cycle/Turnover by Contractor)	0.00	1,000.00	1,000.00	0.00	2,000.00	2,000.00	12,000.00
6564-0000 - Decorating (Common Areas - by Contractor)	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6580-0000 - Equipment repairs	0.00	0.00	0.00	0.00	0.00	0.00	500.00
6581-0000 - Window Washing	0.00	0.00	0.00	0.00	0.00	0.00	2,000.00
6582-0000 - Fire Protection	0.00	300.00	300.00	0.00	600.00	600.00	3,600.00
6582-0001 - Fire Safety Equipment	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6590-0000 - Miscellaneous Repair	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6591-0000 - Electrical Repairs	0.00	300.00	300.00	0.00	600.00	600.00	3,600.00
6592-0000 - Boiler Repairs	1,155.15	200.00	(955.15)	3,017.00	400.00	(2,617.00)	2,400.00
6594-0000 - Carpentry Repairs	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
6595-0000 - Plumbing Repairs	1,869.00	700.00	(1,169.00)	1,869.00	1,400.00	(469.00)	8,400.00
6596-0000 - Floor Repairs/Cleaning	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00

WALNUT PLACE
Actual vs Budget Accrual Operating Statement

	Month Ending 02/28/13			Year To Date 02/28/13			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
6598-0000 - Roof Repairs	1,344.62	170.00	(1,174.62)	1,814.63	340.00	(1,474.63)	2,040.00
6599-0000 - Window repairs	0.00	100.00	100.00	0.00	200.00	200.00	1,200.00
TOTAL MAINTENANCE EXPENSES	7,826.87	7,206.00	(620.87)	10,855.00	14,412.00	3,557.00	82,334.00
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	10,000.00	10,000.00	0.00	20,000.00	20,000.00	0.00	120,000.00
6720-0000 - Property and liability insurance	2,036.62	2,037.00	0.38	4,073.24	4,074.00	0.76	24,444.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	0.00	0.00	25.00
TOTAL TAXES AND INSURANCE	12,036.62	12,037.00	0.38	24,073.24	24,074.00	0.76	144,469.00
TOTAL OPERATING EXPENSES	44,856.92	46,991.00	2,134.08	90,356.53	94,618.00	4,261.47	571,591.00
NET OPERATING INCOME (LOSS)	40,519.08	36,425.00	4,094.08	81,423.65	72,214.00	9,209.65	432,201.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	21,510.62	21,511.00	0.38	43,078.65	43,079.00	0.35	254,965.00
7104-0000 - Replacement Reserve	1,836.67	1,850.00	13.33	3,673.34	3,700.00	26.66	22,200.00
7108-0000 - Mortgage Payable (long term)	11,976.33	11,919.00	(57.33)	23,895.25	23,781.00	(114.25)	146,175.00
TOTAL FINANCIAL EXPENSES	35,323.62	35,280.00	(43.62)	70,647.24	70,560.00	(87.24)	423,340.00
NET OPER INC/(LOSS) BEFORE CAP. EXP.	5,195.46	1,145.00	4,050.46	10,776.41	1,654.00	9,122.41	8,861.00
NET INCOME (LOSS)	5,195.46	1,145.00	4,050.46	10,776.41	1,654.00	9,122.41	8,861.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	8.01	0.00	8.01	16.89	0.00	16.89	0.00
Total Partnership Activity	8.01	0.00	8.01	16.89	0.00	16.89	0.00
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	(41,550.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	0.00	0.00	0.00	30,900.00
6993-0000 - Appliance Replacement	0.00	0.00	0.00	569.00	400.00	(169.00)	1,600.00
6993-0002 - Water Heaters	0.00	0.00	0.00	0.00	0.00	0.00	3,000.00
6993-0003 - A/C Replacements	0.00	0.00	0.00	0.00	0.00	0.00	4,000.00
6994-0000 - Carpet & tile	0.00	750.00	750.00	0.00	1,500.00	1,500.00	9,000.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	0.00	750.00	750.00	569.00	1,900.00	1,331.00	6,950.00
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	5,203.47	395.00	4,808.47	10,224.30	(246.00)	10,470.30	1,911.00

RAVINIA HOUSING

Balance Sheet

Month Ending 02/28/13

ASSETS

Current Assets

1110-0000 - Petty Cash	150.00
1121-0000 - Cash - Operating	53,440.50
1130-0000 - Tenant/member accounts receivable	34,424.00
1131-0000 - Accounts receivable - subsidy	19,306.00
1240-0000 - Prepaid property and liability insurance	2,156.44
1250-0000 - Prepaid Mortgage Insurance	0.05

Total Current Assets 109,476.99

Other Assets

1290-0000 - Misc Prepaid Expenses	285.85
1192-0000 - Tenant Sec Dep	7,158.33
1310-0000 - Real estate tax escrow	21,873.96
1311-0000 - Insurance escrow	4,485.45
1312-0000 - Mortgage Insurance Escrow	1,875.34
1140-0000 - Accounts Receivable - Other	635.36
1350-0000 - Construction Escrow	176,636.51
1320 - Replacement Reserve	607,182.74

Total Other Assets 820,133.54

Fixed Assets

1420-0000 - Building	1,074,166.20
1421-0000 - Construction In Progress	51,975.82
1430-0000 - Land Improvements	214,491.66
1450-0000 - Furniture for project/tenant use	218,491.84
1497-0000 - Site improvements	102,351.00
4120-0000 - Accum depr - buildings	(1,111,480.47)
1498-0000 - Current F/A	48,569.00

Total Fixed Assets 598,565.05

Financing Costs

1800-0000 - Organization costs	41,848.00
1900-0001 - Deferred Financing Costs	35,658.71
1999-0000 - Accum Amort - Bond Costs	(30,360.30)

Total Financing Costs 47,146.41

Partnership Assets

1701-0000 - Cash - Partnership	81,887.25
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Total Partnership Assets 81,887.25

Total Assets

1,657,209.24

RAVINIA HOUSING

Balance Sheet

Month Ending 02/28/13

Liabilities & Equity

Current Liabilities

2110-0000 - Accounts payable	2,284.30
2113-0000 - Flex Benefit Payable	2.16
2114-0000 - 401K Payable	24.00
2120-0000 - Accrued wages and p/r taxes payable	874.49
2130-0000 - Accrued interest - mortgage	1,536.68
2131-0001 - Accrued Interest - 2nd Note	19,595.98
2150-0000 - Accrued property taxes	40,000.00
2180-0000 - Misc current liabilities	(69,232.57)
Total Current Liabilities	<u>(4,914.96)</u>

Non-Current Liabilities

2190-0000 - Sec. Dep. In Transit	537.00
2191-0000 - Security deposits-residential	6,901.06
2210-0000 - Prepaid Rent	1,320.00
2211-0000 - Prepaid HUD	13,707.00
2320-1000 - Mortgage payable - 2nd note	713,396.28
2320-0000 - Mortgage Payable (long term)	409,780.95
Total Non-Current Liabilities	<u>1,145,642.29</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	(80,773.92)
Current YTD Earnings	2,023.32
Total Owner's Equity	<u>516,481.91</u>

Total Liability & Owner Equity

1,657,209.24

RAVINIA HOUSING

Actual vs Budget Accrual Operating Statement

	Month Ending 02/28/13			Year To Date 02/28/13			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
GROSS OPERATING INCOME							
RESIDENTIAL RENTAL INCOME							
5120-0000 - Apartment rent	5,108.00	9,554.00	(4,446.00)	8,815.00	19,108.00	(10,293.00)	114,648.00
5121-0000 - Tenant assistant payments	16,605.00	12,159.00	4,446.00	34,611.00	24,318.00	10,293.00	145,908.00
TOTAL RESIDENTIAL RENTAL INCOME	21,713.00	21,713.00	0.00	43,426.00	43,426.00	0.00	260,556.00
VACANCIES & ADJUSTMENTS							
5220-0000 - Vacancy loss - apartments	0.00	(833.00)	833.00	0.00	(1,666.00)	1,666.00	(10,000.00)
TOTAL VACANCIES & ADJUSTMENTS	0.00	(833.00)	833.00	0.00	(1,666.00)	1,666.00	(10,000.00)
OTHER INCOME							
5413-0000 - Interest income - escrow	32.48	30.00	2.48	54.50	60.00	(5.50)	360.00
TOTAL OTHER INCOME	32.48	30.00	2.48	54.50	60.00	(5.50)	360.00
GROSS OPERATING INCOME	21,745.48	20,910.00	835.48	43,480.50	41,820.00	1,660.50	250,916.00
ADVERTISING & RENTING EXPENSE							
6213-0000 - Employee Recruitment	0.00	0.00	0.00	10.95	0.00	(10.95)	0.00
6250-0000 - Renting expenses	0.00	20.00	20.00	0.00	40.00	40.00	240.00
TOTAL ADVERTISING & RENTING EXPENSE	0.00	20.00	20.00	10.95	40.00	29.05	240.00
ADMINISTRATIVE EXPENSE							
6311-0000 - Office supplies	312.91	521.00	208.09	687.06	1,042.00	354.94	6,252.00
6320-0000 - Management fee	832.43	765.00	(67.43)	1,899.20	1,530.00	(369.20)	9,180.00
6340-0000 - Legal Expense - Project	525.00	100.00	(425.00)	525.00	200.00	(325.00)	1,200.00
6350-0000 - Audit Expense	0.00	985.00	985.00	0.00	1,970.00	1,970.00	11,820.00
6360-0000 - Telephone	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6365-0000 - Training & Education Expense	0.00	50.00	50.00	0.00	100.00	100.00	600.00
6370-0000 - Bad debts	1,270.60	433.00	(837.60)	1,984.60	866.00	(1,118.60)	5,196.00
6390-0000 - Misc administrative expenses	0.00	100.00	100.00	3,905.49	200.00	(3,705.49)	1,200.00
6390-0002 - Computer Supplies/Data Processing	0.00	70.00	70.00	91.26	140.00	48.74	840.00
6860-0000 - Security Deposit Interest	(0.16)	0.00	0.16	(0.35)	0.00	0.35	0.00
TOTAL ADMINISTRATIVE EXPENSE	2,940.78	3,024.00	83.22	9,092.26	6,048.00	(3,044.26)	36,288.00
PAYROLL & RELATED COSTS							
6310-0000 - Office salaries	990.39	1,295.00	304.61	2,439.93	2,590.00	150.07	17,216.00
6510-0000 - Janitor and cleaning payroll	1,366.68	1,246.00	(120.68)	2,837.80	2,492.00	(345.80)	16,214.00
6900-0000 - Social Service Coordinator	614.40	378.00	(236.40)	614.40	756.00	141.60	4,661.00
6715-0000 - Payroll Taxes	494.50	552.00	57.50	985.89	1,141.00	155.11	3,867.00
6722-0000 - Workers compensation	12.46	71.00	58.54	83.92	142.00	58.08	852.00
6723-0000 - Employee health insurance	756.17	144.00	(612.17)	1,247.13	288.00	(959.13)	1,818.00
6724-0000 - Union Benefits	0.00	327.00	327.00	0.00	654.00	654.00	3,927.00
6726-0001 - Contingency	0.00	0.00	0.00	0.00	0.00	0.00	732.00
TOTAL PAYROLL & RELATED COSTS	4,234.60	4,013.00	(221.60)	8,209.07	8,063.00	(146.07)	49,287.00
OPERATING EXPENSES							
6515-0000 - Janitors and cleaning supplies	0.00	100.00	100.00	27.12	200.00	172.88	1,200.00
6520-0000 - Miscellaneous Repair Contractors	407.07	2,575.00	2,167.93	1,419.89	5,150.00	3,730.11	30,900.00
6525-0000 - Rubbish removal	919.06	500.00	(419.06)	1,369.65	1,000.00	(369.65)	6,000.00

RAVINIA HOUSING
Actual vs Budget Accrual Operating Statement

	Month Ending 02/28/13			Year To Date 02/28/13			Annual Budget
	Actual	Budget	Variance	Actual	Budget	Variance	
TOTAL OPERATING EXPENSES	1,326.13	3,175.00	1,848.87	2,816.66	6,350.00	3,533.34	38,100.00
UTILITIES							
6450-0000 - Electricity	321.03	260.00	(61.03)	613.08	520.00	(93.08)	3,129.00
6451-0000 - Water	21.66	27.00	5.34	40.71	54.00	13.29	324.00
6452-0000 - Gas	0.00	125.00	125.00	0.00	250.00	250.00	1,500.00
6453-0000 - Sewer	0.00	50.00	50.00	320.00	100.00	(220.00)	600.00
TOTAL UTILITIES	<u>342.69</u>	<u>462.00</u>	<u>119.31</u>	<u>973.79</u>	<u>924.00</u>	<u>(49.79)</u>	<u>5,553.00</u>
MAINTENANCE EXPENSES							
6546-0000 - Heating/Cooling Contractor	170.00	42.00	(128.00)	170.00	84.00	(86.00)	504.00
6548-0000 - Snow removal	3,483.00	1,800.00	(1,683.00)	3,483.00	3,800.00	317.00	7,000.00
6591-0000 - Electrical Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6595-0000 - Plumbing Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL MAINTENANCE EXPENSES	<u>3,653.00</u>	<u>1,842.00</u>	<u>(1,811.00)</u>	<u>3,653.00</u>	<u>3,884.00</u>	<u>231.00</u>	<u>7,504.00</u>
TAXES AND INSURANCE							
6710-0000 - Real estate taxes	3,500.00	3,500.00	0.00	7,000.00	7,000.00	0.00	42,000.00
6720-0000 - Property and liability insurance	539.10	540.00	0.90	1,078.20	1,080.00	1.80	6,480.00
6721-0000 - Fidelity bond insurance	0.00	0.00	0.00	0.00	0.00	0.00	50.00
TOTAL TAXES AND INSURANCE	<u>4,039.10</u>	<u>4,040.00</u>	<u>0.90</u>	<u>8,078.20</u>	<u>8,080.00</u>	<u>1.80</u>	<u>48,530.00</u>
TOTAL OPERATING EXPENSES	16,536.30	16,576.00	39.70	32,833.93	33,389.00	555.07	185,502.00
NET OPERATING INCOME (LOSS)	5,209.18	4,334.00	875.18	10,646.57	8,431.00	2,215.57	65,414.00
FINANCIAL EXPENSES							
6820-0000 - Mortgage interest	3,021.95	1,537.00	(1,484.95)	6,046.04	3,076.00	(2,970.04)	18,323.00
6850-0000 - Mortgage Service Fee	170.19	152.00	(18.19)	340.38	304.00	(36.38)	1,824.00
7104-0000 - Replacement Reserve	1,333.33	1,333.00	(0.33)	2,666.66	2,666.00	(0.66)	15,996.00
7108-0000 - Mortgage Payable (long term)	571.52	572.00	0.48	1,140.90	1,141.00	0.10	6,976.00
TOTAL FINANCIAL EXPENSES	<u>5,096.99</u>	<u>3,594.00</u>	<u>(1,502.99)</u>	<u>10,193.98</u>	<u>7,187.00</u>	<u>(3,006.98)</u>	<u>43,119.00</u>
NET OPER INC/(LOSS) BEFORE CAP. EXP.	112.19	740.00	(627.81)	452.59	1,244.00	(791.41)	22,295.00
NET INCOME (LOSS)	112.19	740.00	(627.81)	452.59	1,244.00	(791.41)	22,295.00
Partnership Income							
8005-0000 - Mortgagor Entity Income	6.28	0.00	6.28	13.23	0.00	13.23	0.00
Total Partnership Activity	<u>6.28</u>	<u>0.00</u>	<u>6.28</u>	<u>13.23</u>	<u>0.00</u>	<u>13.23</u>	<u>0.00</u>
CAPITAL EXPENDITURES & ESCROWS							
7105-0000 - Replacement Reserve Reimbursement	0.00	0.00	0.00	(24,060.00)	0.00	24,060.00	(3,200.00)
6991-0000 - Capital expenditures	0.00	0.00	0.00	48,569.00	0.00	(48,569.00)	0.00
6994-0000 - Carpet & tile	0.00	0.00	0.00	0.00	0.00	0.00	3,200.00
TOTAL CAPITAL EXPENDITURES & ESCROWS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>24,509.00</u>	<u>0.00</u>	<u>(24,509.00)</u>	<u>0.00</u>
GAIN/(LOSS) AFTER CAPITAL EXP. & ESCROWS	<u>118.47</u>	<u>740.00</u>	<u>(621.53)</u>	<u>(24,043.18)</u>	<u>1,244.00</u>	<u>(25,287.18)</u>	<u>22,295.00</u>

Sunset Woods Housing
Balance Sheet
February 28, 2013

ASSETS

Current Assets		
Assn FBHP Checking	\$	20,061.90
FBHP General Checking		25,393.86
FBHP Security Dep. Savings		10,493.72
Assn FBHP Savings		128,338.40
FBHP Savings		9,108.77
Financing Costs		8,135.00
Tax Reserve		<u>6,509.67</u>
Total Current Assets		208,041.32
Property and Equipment		
Building		1,552,988.40
Building Unit 231		135,000.32
Building Unit 319		134,999.62
Accum Dep Building		<u>(359,131.00)</u>
Total Property and Equipment		1,463,857.34
Other Assets		
		<u>0.00</u>
Total Other Assets		<u>0.00</u>
Total Assets		<u>\$ 1,671,898.66</u>

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		<u>9,516.00</u>
Total Current Liabilities		293,448.40
Long-Term Liabilities		
Notes Payable, Lake Co		69,391.35
Notes Payable, FHLB		436,053.11
Notes Payable, IHDA		<u>125,069.30</u>
Total Long-Term Liabilities		<u>630,513.76</u>
Total Liabilities		923,962.16
Capital		
Equity-Retained Earnings		747,132.83
Net Income		<u>803.67</u>
Total Capital		<u>747,936.50</u>
Total Liabilities & Capital		<u>\$ 1,671,898.66</u>

Sunset Woods Housing
Income Statement
Compared with Budget
For the Two Months Ending February 28, 2013

	Current Month Actual	Current Month Budget	Current Month Variance	Year to Date Actual	Year to Date Budget	Year to Date Variance
Revenues						
Rents	\$ 9,010.00	\$ 9,388.00	(378.00)	\$ 18,020.00	\$ 18,776.00	(756.00)
Interest Income Assn	58.49	0.00	58.49	90.38	0.00	90.38
Interest Income	3.14	0.00	3.14	7.44	0.00	7.44
Total Revenues	9,071.63	9,388.00	(316.37)	18,117.82	18,776.00	(658.18)
Cost of Sales						
Total Cost of Sales	0.00	0.00	0.00	0.00	0.00	0.00
Gross Profit	9,071.63	9,388.00	(316.37)	18,117.82	18,776.00	(658.18)
Expenses						
Office Supplies	0.00	8.00	(8.00)	0.00	16.00	(16.00)
Management Fee	584.54	610.00	(25.46)	1,125.34	1,220.00	(94.66)
Legal and Accounting Assn	0.00	0.00	0.00	5,775.00	0.00	5,775.00
Credit Ck Fees	0.00	4.00	(4.00)	0.00	8.00	(8.00)
Heating & Air	0.00	41.00	(41.00)	0.00	82.00	(82.00)
Electrical & Plumbing Maint	0.00	41.00	(41.00)	411.45	82.00	329.45
Painting & Decorating Assn	0.00	84.00	(84.00)	0.00	167.00	(167.00)
Appliance Repairs	0.00	41.00	(41.00)	385.00	82.00	303.00
Supplies	0.00	41.00	(41.00)	0.00	82.00	(82.00)
Locks Assn	0.00	0.00	0.00	168.00	0.00	168.00
Locks	117.50	0.00	117.50	117.50	0.00	117.50
Carpet	0.00	41.00	(41.00)	0.00	82.00	(82.00)
Maintenance	0.00	41.00	(41.00)	40.00	82.00	(42.00)
Security	0.00	8.00	(8.00)	0.00	16.00	(16.00)
Condo Assessment Rental Units	2,442.94	3,167.00	(724.06)	4,885.88	6,334.00	(1,448.12)
Cable TV	510.00	583.00	(73.00)	1,020.00	1,166.00	(146.00)
Real Estate tax expense	0.00	1,250.00	(1,250.00)	0.00	2,500.00	(2,500.00)
Loan Interest	1,691.99	2,500.00	(808.01)	3,385.98	5,000.00	(1,614.02)
Bldg Insurance	0.00	216.00	(216.00)	0.00	432.00	(432.00)
Total Expenses	5,346.97	8,676.00	(3,329.03)	17,314.15	17,351.00	(36.85)
Net Income	\$ 3,724.66	\$ 712.00	3,012.66	\$ 803.67	\$ 1,425.00	(621.33)

Sunset Woods Housing
Account Register
For the Period From Feb 1, 2013 to Feb 28, 2013
1103M13 - FBHP General Checking

Date	Trans No	Type	Trans Desc	Deposit Amt	Withdrawal Amt	Balance
			Beginning Balance			23,473.48
2/1/13	1504	Withdrawal	Sunset Woods Condominium Assoc		2,952.94	20,520.54
2/1/13	2/1/13	Deposit	Tenant	348.00		20,868.54
		Deposit	Tenant	381.00		21,249.54
		Deposit	Tenant	257.00		21,506.54
		Deposit	Tenant	695.00		22,201.54
		Deposit	Tenant	614.00		22,815.54
		Deposit	Tenant	663.00		23,478.54
		Deposit	Tenant	241.00		23,719.54
		Deposit	Tenant	302.00		24,021.54
		Deposit	Tenant	411.00		24,432.54
2/1/13	loan1302	Other	ihda/auto pymt		100.00	24,332.54
2/7/13	2/8/13	Deposit	Tenant	835.00		25,167.54
		Deposit	Tenant	473.00		25,640.54
		Deposit	Tenant	423.00		26,063.54
		Deposit	Tenant	362.00		26,425.54
		Deposit	Tenant	145.00		26,570.54
		Deposit	Tenant	792.00		27,362.54
		Deposit	Tenant	159.00		27,521.54
		Deposit	Tenant	316.00		27,837.54
		Deposit	Tenant	253.00		28,090.54
		Deposit	Tenant	240.00		28,330.54
		Deposit	Tenant	690.00		29,020.54
2/14/13	1505	Withdrawal	Housing Opportunity Dev. Corp.		584.54	28,436.00
2/26/13	1506	Withdrawal	Mike Wilson's Plowing Service		117.50	28,318.50
2/26/13	loan1302	Other	FBHP/auto pymt		3,331.64	24,986.86
2/27/13	2/28/13	Deposit	Tenant	407.00		25,393.86
Total				9,007.00	7,086.62	

Sunset Woods - February 28, 2013

Ending balance checking	\$	26,096
Ending balance operating reserve	\$	<u>9,109</u>
TOTAL	\$	35,205