

**Housing Authority of St. Louis County
Board of Commissioners
Regular Meeting**

Tuesday, November 14, 2023 at 12 pm
Housing Authority of St. Louis County
8865 Natural Bridge Rd., St. Louis, MO 63121

Agenda Item	Individual	Action
1. Call to Order	Chairman	Informational
2. Roll Call	Terri Acoff-States	Informational
3. Reading and Approval of Minutes Regular Meeting held September 12, 2023	Chairman	Motion Second Vote
4. Reading and Approval of Minutes Special Meeting held October 3, 2023	Chairman	Motion Second Vote
5. Public Comments	Chairman	Informational
6. Report of the Executive Director	Shannon Koenig	Informational
7. Reports of Officers and Employees		
A. Financial Reports for period ending August 31, 2023	Carolyn Riddle	Motion Second Vote
B. Housing Choice Voucher Program Report	Katrina Sommer	Informational
C. Housing Administration Report	Kawanna Tate	Informational
D. Facilities and Maintenance Report	Katrina Sommer	Informational
E. Real Estate Development Report	Kurt Schulte	Informational
F. Agency Performance Report	Anna Holyan	Informational
8. Unfinished Business	Chairman	Informational
9. New Business		
A. Bond Inducement for Kittle Property Group, Inc., Triton Pointe, Resolution No. 1430	Kurt Schulte Brenda Haddad, Development Director, Kittle Property Group, Inc.	Motion Second Vote
B. Housing Authority of St. Louis County, FY 2024 Budget, Resolution No. 1431	Carolyn Riddle	Motion Second Vote
C. Consolidated PHAs, FY 2024 Budgets: Hillsdale, Olivette, and Pagedale, Resolution No. 1432	Carolyn Riddle	Motion Second Vote
D. Admissions and Continued Occupancy Policy (ACOP)	Emily Smith	Motion Second Vote
E. Authorization for Shannon Koenig to execute real estate documents as President of West County Properties, Inc., Resolution No. 1429	Kawanna Tate	Motion Second Vote

F. 2024 Board Meeting Schedule

Shannon Koenig

Motion
Second
Vote

10. Executive Session

Chairman

Motion
Second
Vote

Subject to an affirmative vote of the Board of Commissioners, an Executive Session may be held to discuss personnel issues, real estate, or litigation matters pursuant to RSMo Sections 610.021 to 610.022.

11. Announcements

Next Regular Meeting January 9, 2024

Chairman

Informational

12. Adjournment

Chairman

Motion
Second
Vote

HOUSING AUTHORITY OF ST. LOUIS COUNTY
BOARD OF COMMISSIONERS MEETING
TUESDAY, SEPTEMBER 12, 2023
MEETING MINUTES

ATTENDANCE:

COMMISSIONERS:

Bishop Calvin Scott, Chairman
David Nehrt-Flores, Vice Chairman
Lora Gulley, Commissioner
Joan Kelly Horn, Commissioner
Reverend Gabrielle N.S. Kennedy, Commissioner
LaToya Scott, Commissioner

STAFF:

Shannon Koenig, Executive Director and CEO
Terri Acoff-States, Executive Assistant
Mike Chapman, Chief Operating Officer
Katrina Sommer, Deputy Chief Operating Officer
Judy Ricks, Chief Administrative Officer
Joe Jacobson, General Counsel
William Barry, Director, Maintenance and Facilities
Nicole O'Dell, Director, Housing Choice Voucher Program
Kawanna Tate, Director, Housing Administration
Emily Smith, Director, Program Compliance and Training
Anna Holyan, Director, Strategic Initiatives
Carolyn Riddle, Interim Finance Director
Kurt Schulte, Development Officer
Pete Wells, IT Business Analyst

PUBIC:

Nick Territo, Clifton Larson Allen, LLP
Gaby Miller, Clifton Larson Allen, LLP

Public Hearing:

The board meeting opened with a public hearing for the 2024 Annual PHA Plan. The purpose of this hearing was to allow the public an opportunity to comment on the Plan.

Chairman Bishop Calvin Scott called to order the public hearing and invited anyone from the public to comment. There were no public comments. The hearing was adjourned.

Chairman Bishop Calvin Scott called to order and opened the regular meeting.

Reading and Approval of Minutes of Regular Board Meeting held Tuesday, May 9, 2023:

Chairman Bishop Calvin Scott asked for a motion to approve the minutes of the regular board meeting held Tuesday, May 9, 2023. Commissioner Lora Gulley motioned for approval, Commissioner Joan Kelly Horn seconded the motion and upon roll call the "Ayes" and "Nays" were as follows:

AYES

C. Scott
D. Nerht-Flores
L. Gulley
J. Kelly Horn
G. Kennedy
L. Scott

NAYS

None

The Chairman declared the motion passed.

PUBLIC COMMENTS:

No public comments.

Presentation of the Housing Authority of St. Louis County Draft Audit Reports for years ending 2021 and 2022.

Nick Territo and Gaby Miller, representatives from Clifford Larson Allen, LLP gave a presentation of the Housing Authority of St. Louis County Draft Audit Reports for years ending 2021 and 2022.

After discussion, Chairman Bishop Calvin Scott asked for a motion to approve the Housing Authority of St. Louis County Draft Audit Reports for years ending 2021 and 2022. Commissioner Joan Kelly Horn motioned for approval, Vice Chairman David Nerht-Flores seconded the motion. Upon roll call, "Ayes" and "Nays" were as follows:

<u>AYES</u>	<u>NAYS</u>
C. Scott	None
D. Nerht-Flores	
L. Gulley	
J. Kelly Horn	
G. Kennedy	
L. Scott	

The Chairman declared the motion passed.

REPORT OF THE EXECUTIVE DIRECTOR:

Ms. Koenig welcomed everyone to the meeting and thanked them for attending.

Ms. Koenig informed the board that the Admissions and Continued Occupancy Policy (ACOP) is currently under revision and will be available online for review on the first of October. She stated staff would request approval of this document at the November 14, 2023 regular commission meeting.

Ms. Koenig updated the board on communications. She stated staff continue to work with Bailey & Co. on modernizing the County housing authority's brand and updating the website to provide information better and faster to residents, landlords, and the public.

Ms. Koenig stated the Housing Authority of St. Louis County 2024 budget will be presented to the board for approval at the November meeting.

Ms. Koenig informed the board of human resources completion of an affirmative action plan for the Authority. She stated this plan provides a framework for ensuring the Authority is an equal opportunity employer.

Ms. Koenig said staff are actively working with HDA on mapping out physical needs for the Agency's main facility.

Ms. Koenig acknowledged and thanked Joe Jacobson for his many years serving as general counsel for the Authority. She stated that additional legal support will now also be provided by the law offices of Lewis Rice, LLC and Reno & Cavanaugh.

REPORTS OF OFFICERS AND EMPLOYEES:

A. Financial Reports for the period ending May 31, 2023:

Ms. Riddle reviewed the Financial Reports for the period ending May 31, 2023. After discussion, Chairman Bishop Calvin Scott asked for a motion to approve the May 31, 2023 Financial Reports as read. Commissioner LaToya Scott moved for approval, Commissioner Gabrielle Kennedy seconded the motion. Upon roll call the "Ayes" and "Nays" were as follows:

<u>AYES</u>	<u>NAYS</u>
C. Scott D. Nerht-Flores L. Gulley J. Kelly Horn G. Kennedy L. Scott	None

The Chairman declared the motion passed.

B. Housing Authority of St. Louis County Write-Offs, Resolution No. 1424:

Ms. Riddle presented the board with the quarterly write-offs of uncollectable rents.

After discussion, Chairman Bishop Calvin Scott asked for a motion to approve Resolution No. 1424, Housing Authority of St. Louis County Write-Offs. Commissioner Gabrielle Kennedy motioned for approval, Commissioner Lora Gulley seconded the motion. Upon roll call the "Ayes" and "Nays" were as follows:

<u>AYES</u>	<u>NAYS</u>
C. Scott D. Nerht-Flores L. Gulley J. Kelly Horn G. Kennedy L. Scott	None

The Chairman declared the motion passed.

C. 2024 Annual PHA Plan and Certification of Compliance:

Ms. Smith presented the board with the 2024 Annual PHA Plan. She stated the 2024 Annual PHA Plan is a U.S. Department of Housing and Urban Development (HUD) required document that details the agency's policies, programs, and strategies for meeting local housing needs and goals. Ms. Smith stated the Authority's 2024 Annual PHA Plan describes the updates made to the organization's policies and planned activities for the upcoming fiscal year.

After discussion, Chairman Bishop Calvin Scott asked for a motion to approve the Housing Authority of St. Louis County 2024 Annual PHA Plan. Commissioner Joan Kelly Horn motioned for approval, Vice Chairman David Nerht-Flores seconded the motion. Upon roll call the "Ayes" and "Nays" were as follows:

<u>AYES</u>	<u>NAYS</u>
C. Scott D. Nerht-Flores L. Gulley J. Kelly Horn G. Kennedy L. Scott	None

The Chairman declared the motion passed.

D. Capital Funds Action Plans for 2027 and 2028:

Mr. Barry presented the board with the Capital Funds Action Plans for 2027 and 2028. He stated the Capital Fund Program (CFP) provides funds annually to Public Housing Agencies (PHAs) for the development, financing, and modernization of public housing developments and management improvements. By providing financial support for capital improvements, the program helps PHAs address the backlog of repairs, create healthier living environments, and promote the overall well-being of residents in public housing communities.

After discussion, Chairman Bishop Calvin Scott asked for a motion to approve the Capital Funds Action Plans for 2027 and 2028. Commissioner LaToya Scott motioned for approval, Commissioner Gabrielle Kennedy seconded the motion. Upon roll call the "Ayes" and "Nays" were as follows:

<u>AYES</u>	<u>NAYS</u>
C. Scott	None
D. Nerht-Flores	
L. Gulley	
J. Kelly Horn	
G. Kennedy	
L. Scott	

The Chairman declared the motion passed.

E. National Standards for the Physical Inspection of Real Estate (NSPIRE):

Ms. Smith presented information about changes to HUD's inspection standards. She stated on July 1, 2023, HUD implemented the National Standards for the Physical Inspection of Real Estate (NSPIRE) as the new physical inspection model designed to promote HUD's goal of reducing health and safety hazards in the home. NSPIRE replaces the Uniform Physical Condition Standards (UPCS) and Housing Quality Standards (HQS), standardizing the inspection process for HUD programs so the same expectations of housing quality can be achieved across all programs.

F. Agency Performance Report:

Ms. Holyan reviewed the Agency Performance Report.

G. Housing Administration Report:

Ms. Tate reviewed the Housing Administration Report.

H. Facilities and Maintenance Report:

Mr. Barry reviewed the monthly maintenance and supply costs for the Housing Authority of St. Louis County public housing from April 1 through August 31, 2023.

I. Housing Choice Voucher Report:

Ms. O'Dell presented the Authority's status report for the Housing Choice Voucher Program's Section Eight Management Assessment Program (SEMAP) with the final score of the 2022 SEMAP assessment.

J. Real Estate Development Report:

Mr. Schulte provided an overview of the current development activities of the Housing Authority. He gave an update on the Wellington Family Homes redevelopment. He stated this project is underway and construction is progressing on schedule with the first set of units being ready for occupancy in October.

Mr. Schulte updated the Board on the Arbor Hill Apartments redevelopment. He stated the Authority and the development have made significant progress with the RAD and HUD loan processes. He said the Authority has worked diligently with the City of Maryland Heights and has achieved re-zoning of the site to a planned use development district. Final plans for the off-site detention area have been completed and are under review.

Mr. Schulte informed the board of future development plans. He stated the Authority was approached by St. Louis County to assist with a transitional housing project on the site of the Weinman Center. The Authority is developing a plan for 50 LIHTC-assisted units at the site and will act as the developer and owner of the project. An application for 4% LIHTC is in process and will be submitted on September 22nd. The Authority also met with representatives of Peace United Church of Christ in Webster Groves to examine the possibility of locating affordable housing on their former church grounds. After studying the property, assessing market demand, and meeting with local leaders and stakeholders, the Authority decided to team up with Peace and act as co-developer and co-owner of a LIHTC-assisted senior housing development. An application for 9% LIHTC is in process and will be submitted on September 22nd.

UNFINISHED BUSINESS:

No unfinished business was discussed.

NEW BUSINESS:

No new business was introduced.

EXECUTIVE SESSION:

An Executive Session was not held.

ANNOUNCEMENTS:

The next meeting is scheduled for Tuesday, November 14, 2023.

ADJOURNMENT OF MEETING:

There being no further business to come before the Board, Chairman Bishop Calvin Scott asked for a motion to adjourn the meeting. Commissioner Joan Kelly Horn moved for adjournment, which was seconded by Vice Chairman David Nerht-Flores. Upon roll call the "Ayes" and "Nays" were as follows:

<u>AYES</u>	<u>NAYS</u>
C. Scott	None
D. Nerht-Flores	
L. Gulley	
J. Kelly Horn	
G. Kennedy	
L. Scott	

The Chairman declared the motion passed.

Chairman

Secretary

Date

HOUSING AUTHORITY OF ST. LOUIS COUNTY
BOARD OF COMMISSIONERS
SPECIAL MEETING
TUESDAY, OCTOBER 3, 2023
MEETING MINUTES

ATTENDANCE:

COMMISSIONERS:

Bishop Calvin Scott, Chairman
David Nehrt-Flores, Vice Chairman
Lora Gulley, Commissioner
Joan Kelly Horn, Commissioner
Reverend Gabrielle N.S. Kennedy, Commissioner
LaToya Scott, Commissioner

STAFF:

Shannon Koenig, Executive Director
Terri Acoff-States, Executive Assistant
Katrina Sommer, Interim Chief Operating Officer
Nicole O'Dell, Director, Housing Choice Voucher Program
Kurt Schulte, Development Officer

PUBLIC:

Tory Sprehe, Skyline, LLC
Weylin Watson, Gilmore Bell, P.C.

Moderate Rehabilitation Voucher Program, Resolution No.1426:

Ms. O'Dell presented the Moderate Rehabilitation Voucher Program, Resolution No. 1426, which authorizes the Housing Authority of St. Louis County to transfer an existing Moderate Rehabilitation project to the Housing Authority of the City of St. Charles.

After discussion, Chairman Bishop Calvin Scott asked for a motion to approve Resolution No. 1426. Commissioner Joan Kelly Horn motioned for approval, Commissioner Gabrielle Kennedy seconded the motion. Upon roll call the "Ayes" and "Nays" were as follows:

<u>AYES</u>	<u>NAYS</u>
C. Scott D. Nerht-Flores L. Gulley J. Kelly Horn G. Kennedy L. Scott	None

The Chairman declared the motion passed.

Bond Inducement for Hawkins Village Apartments - Resolution No. 1427:

Mr. Schulte presented Resolution No. 1477 authorizing the Executive Director to deliver a request to the Industrial Development Authority of St. Louis County of St. Louis, Missouri ("IDA") to issue tax-exempt bonds to finance a portion of the cost and acquisition of the proposed rehabilitation of 140 dwelling units in Fenton, Missouri.

After discussion, Chairman Bishop Calvin Scott asked for a motion to approve Resolution No. 1427, Bond Inducement for Hawkins Village Apartments. Commissioner Gabrielle Kennedy motioned for approval, Commissioner LaToya Scott seconded the motion. Upon roll call the "Ayes" and "Nays" were as follows:

<u>AYES</u>	<u>NAYS</u>
C. Scott D. Nerht-Flores L. Gulley J. Kelly Horn G. Kennedy L. Scott	None

The Chairman declared the motion passed.

NEXT BOARD MEETING:

November 14, 2023

ADJOURNMENT OF MEETING:

There being no further business to come before the Board, Chairman Bishop Calvin Scott asked for a motion to adjourn the meeting. Commissioner Joan Kelly Horn moved for adjournment, which was seconded by Commissioner LaToya Scott. Upon roll call the "Ayes" and "Nays" were as follows:

<u>AYES</u>	<u>NAYS</u>
C. Scott D. Nerht-Flores L. Gulley J. Kelly Horn G. Kennedy L. Scott	None

The Chairman declared the motion passed.

Secretary

Chairman

Date

Memorandum



To: Board of Commissioners, Housing Authority of St. Louis County

From: Shannon Koenig, Executive Director and CEO

Date: November 14, 2023

Subject: *Executive Director's Report*

This memo provides information about select Housing Authority activities.

I. Celebration of Service

Thanks to commissioners who were able to attend the first annual celebration of service. It was a pleasure to honor your contributions and share food and fellowship with commissioners from all four housing authorities managed by County Housing.

II. County Housing Brand

The Housing Authority's new brand elements are coming together. Commissioners and elected officials saw a preview of some of those elements at the recent celebration of service. Staff anticipate introducing the new brand early next year, including using the new logos and launching the new website.

III. HUD Officials Visited Wellston Last Month

The HUD Region 7 public housing director for our area, Craig Dobson, requested a tour of the Wellington Family Homes project for Principal Deputy Assistant Secretary Richard Monocchio and Deputy Assistant Secretary Dr. Felecia Gaither last month. All the HUD officials on the tour were very pleased with the progress of the rehabilitation and were impressed with the amount of collaboration taking place in Wellston.

IV. The Year Ahead

Staff are beginning to assess the Authority's accomplishments for the year and plan activities for next year. In 2024, our core objectives will remain the same:

- 1) Deliver services safely, effectively, and efficiently.
- 2) Ensure residents, landlords, and employees feel respected during interactions with the Authority.
- 3) Help our residents and families gain self-sufficiency through partnerships with other organizations in the community.
- 4) Expand access to desirable and affordable housing.

Commissioners are welcome to provide input into goals for 2024.



To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: Carolyn Riddle, Interim Finance Director

Date: November 14, 2023

Subject: *Financial Summary*

This memo provides a financial summary of activities through August 31, 2023.

I. Recommendation

Staff recommend the Board approve the financial statements, as prepared.

II. Highlights

A. Revenue

The total operating income is under budget by \$1,608,691. The timing of the capital funds drawdowns contributed to this variance. In addition, the operating subsidy has been less than anticipated this year. Bad debt on HCV for \$327,000 was not anticipated. The anticipated developer fee income has not been realized yet for the sale of AMP 4 (Arbor Hill). Lastly, no funds have been received for the mobility grant which was anticipated through April.

B. Expense

Total operating expense is over budget by \$862,334. This variance is primarily due to tenant services and tenant rent and utility reimbursements being more than anticipated.

C. Net Income (Loss)

The total net operating loss is \$2,048,616. However, the total net loss is \$2,251,983 including depreciation and gain/ loss on treasury investments.

D. Cash

- i. As of August 31, 2023, the cash balance in the USB Agency Disbursing operating bank account was \$3,020,970, of which \$352,941 is restricted. The operating subsidy received for the month was \$341,722 and total rent received was \$114,627.
- ii. The cash balance for the FSS Escrow bank account was \$286,782, all of which is restricted.
- iii. HCV cash balance was \$2,254,346 with \$0 restricted. The total Housing Assistance Payment (HAP) received was \$4,716,231 and admin fee received was \$537,881. HAP expenses were \$5,125,726.
- iv. The ending cash balance for the Wellston bank account was \$66,297.

- III. **Attachments**
 - A. Budgeted Income Statement
 - B. Cash Report

**Housing Authority of St. Louis County
Budgeted Income Statement
SUMMARY - ALL
August 31, 2023**

		Entity Wide			COCC			AMP's			HCV - ALL			BA			Mod Rehab		
		YTD Actual	YTD Budget	Variance	YTD Actual	YTD Budget	Variance	YTD Actual	YTD Budget	Variance	YTD Actual	YTD Budget	Variance	YTD Actual	YTD Budget	Variance	YTD Actual	YTD Budget	Variance
OPERATING ITEMS																			
4099-00-940	Total Voucher Grants	41,208,523	41,259,868	(51,345)	-	-	-	-	-	-	41,208,523	41,259,868	(51,345)	-	-	-	-	-	-
4199-00-940	Total Operating Subsidy	799,460	942,750	(143,290)	-	-	-	742,411	837,440	(95,029)	-	-	-	-	-	-	57,049	105,310	(48,261)
4299-00-940	Total Capital Grants	-	1,145,478	(1,145,478)	-	-	-	-	1,145,478	(1,145,478)	-	-	-	-	-	-	-	-	-
4399-00-940	Total Tenant Charges	645,514	468,459	177,056	1,000	960	40	618,176	452,626	165,551	4	-	4	14,440	14,873	(433)	-	-	-
4499-00-940	Total Fraud Recovery	636	23,333	(22,697)	-	-	-	-	-	-	636	23,333	(22,697)	-	-	-	-	-	-
4599-00-250	Total Investment Income	123,059	263,514	(140,455)	2,135	332	1,803	-	-	-	70,990	33,440	37,551	49,934	229,743	(179,809)	-	-	-
4699-00-950	Total Miscellaneous Other Income	(26,148)	238,890	(265,038)	81,456	58,318	23,138	150,837	17,168	133,670	(272,963)	37,328	(310,290)	14,521	126,076	(111,555)	-	-	-
4997-00-950	Total Internal Income	1,289,166	1,306,610	(17,444)	1,289,166	1,306,610	(17,444)	-	-	-	-	-	-	-	-	-	-	-	-
	Total Income	44,040,211	45,648,902	(1,608,691)	1,373,757	1,366,220	7,538	1,511,425	2,452,711	(941,286)	41,007,191	41,353,969	(346,778)	78,895	370,692	(291,798)	57,049	105,310	(48,261)
5999-00-940	Total Rents and Utility Reimbursements	38,961,375	37,601,726	1,359,649	-	-	-	33,389	32,082	1,307	38,838,567	37,486,632	1,351,935	-	-	-	89,419	83,012	6,407
6299-00-940	Total Salaries	2,532,526	2,930,212	(397,686)	660,512	586,920	73,592	431,492	745,174	(313,682)	1,345,412	1,531,638	(186,226)	95,111	53,480	41,630	-	13,000	(13,000)
6599-00-940	Total Benefits and Taxes	681,953	1,142,008	(460,055)	148,568	224,606	(76,038)	117,060	295,238	(178,178)	398,126	570,064	(171,938)	18,199	48,460	(30,262)	-	3,640	(3,640)
6699-00-940	Total Other Employee Costs	329	1,688	(1,358)	329	1,521	(1,192)	-	1,521	(1,192)	-	167	(167)	-	-	-	-	-	-
6799-00-940	Total Training, Seminars, Conferences	20,571	24,740	(4,169)	18,236	15,899	2,337	78	1,003	(925)	2,257	7,209	(4,952)	-	630	(630)	-	-	-
	Total Admin Expenses	42,196,754	41,700,373	496,382	827,645	828,945	(1,300)	582,019	1,073,496	(491,477)	40,584,362	39,595,710	988,653	113,309	102,570	10,739	89,419	99,652	(10,233)
7099-00-950	Total Utilities	274,845	236,097	38,748	34,974	29,635	5,339	222,565	196,023	26,542	13,548	8,479	5,069	1,920	1,959	(39)	-	-	-
7199-00-950	Total Materials	133,123	29,543	103,579	25,631	415	25,216	98,972	29,006	69,966	-	-	-	-	122	(122)	-	-	-
7299-00-950	Total Contract Costs	609,944	426,833	183,110	36,471	41,850	(5,379)	437,662	381,396	56,266	113	333	(220)	132,928	3,254	129,673	-	-	-
7399-00-950	Total Tenant Services Expense	298,488	84,624	213,865	-	-	-	188,739	18,651	170,089	90,767	31,648	59,118	18,982	34,325	(15,342)	-	-	-
7499-00-950	Total Other Maintenance Expenses	16,452	20,062	(3,610)	1,305	503	801	15,147	19,559	(4,411)	-	-	-	-	-	-	-	-	-
7599-00-950	Total Outside Services	11,400	37	11,363	10,400	-	10,400	1,000	-	1,000	-	-	-	-	37	(37)	-	-	-
7699-00-950	Total Other Occupancy Expenses	142,616	121,954	20,662	224	-	224	75,461	38,672	36,788	66,194	83,220	(17,025)	709	62	647	-	-	-
	Total Occupancy Expenses	1,486,867	919,150	567,718	109,005	72,404	36,601	1,039,546	683,306	356,240	170,623	123,681	46,942	154,539	39,760	114,780	-	-	-
8099-00-950	Total Insurance	149,765	129,324	20,442	20,560	37,063	(16,503)	81,781	75,155	6,626	6,871	13,982	(7,111)	657	3,123	(2,466)	-	-	-
8199-00-950	Total Outside Services	224,194	325,027	(100,833)	109,286	284,029	(174,743)	60,466	-	60,466	54,390	27,333	27,056	53	13,665	(13,612)	-	-	-
8299-00-950	Total Professional Fees	280,135	151,285	128,850	164,235	80,000	84,235	5,980	3,479	2,500	108,455	67,091	41,364	-	537	(537)	291	178	113
8399-00-950	Total Other Fees	115,103	234,333	(119,230)	40,651	43,687	(3,037)	(22,274)	2,519	(24,792)	96,726	187,827	(91,101)	0	300	(300)	-	-	-
8499-00-950	Total Telephone and Technology	178,934	228,907	(49,974)	72,304	54,912	17,392	16,394	15,120	1,274	89,177	157,066	(67,889)	843	1,728	(886)	157	81	76
8599-00-950	Total Other Administrative Expenses	171,281	131,852	39,429	87,754	45,406	42,348	22,698	37,107	(14,409)	61,259	48,584	12,675	16	755	(738)	-	-	-
8996-00-950	Total Internal Charges	1,285,794	1,406,243	(120,449)	-	-	-	172,685	259,156	(86,471)	1,109,181	1,142,368	(33,187)	1,800	975	825	-	-	-
	Total Other General Expenses	2,405,206	2,606,971	(201,766)	494,790	545,097	(50,307)	337,729	392,537	(54,808)	1,526,058	1,644,251	(118,193)	3,369	21,083	(17,715)	448	4,003	(3,555)
	Total Expenses	46,088,827	45,226,494	862,334	1,431,440	1,446,446	(15,006)	1,959,293	2,149,338	(190,045)	42,281,044	41,363,642	917,402	271,217	163,413	107,804	89,867	103,655	(13,788)
	Total Operating Income (Loss)	(2,048,616)	422,409	(2,471,025)	(57,683)	(80,226)	22,544	(447,868)	303,373	(751,241)	(1,273,853)	(9,673)	(1,264,180)	(192,323)	207,279	(399,602)	(32,818)	1,655	(34,473)
NON-OPERATING ITEMS																			
Investment Gain/ Loss on Treasury Strips																			
9099-00-930	Total Depreciation Expense	(203,367)	(178,441)	(24,926)	(5,455)	(5,455)	0.40	(163,886.89)	(153,423.54)	(10,463.35)	-	-	-	(33,534.88)	(19,562.08)	(13,972.80)	-	-	-
	Total Non- Operating Items	(203,367)	(178,441)	(24,926)	(5,455)	(5,455)	0.40	(163,886.89)	(153,423.54)	(10,463.35)	-	-	-	(33,534.88)	(19,562.08)	(13,972.80)	-	-	-
	Net Income (Loss)	(2,251,983)	243,968	(2,495,951)	(63,138)	(85,682)	22,544	(611,755)	149,949	(761,704)	(1,273,853)	(9,673)	(1,264,180)	(225,857)	187,717	(413,575)	(32,818)	1,655	(34,473)

**St. Louis County Housing Authority
Cash Report
August 2023**

	USB Agency Disbursing	FSS Escrow	HCV Cash	Housing Authority Wellston Act	Other Small Bank Accounts	HASLC	TOTAL	Component Unit Cash
BEGINNING BOOK CASH BALANCE 8/1/2023	\$ 3,994,031.65	\$ 286,745.69	\$ 2,117,314.80	\$ 66,288.46	\$ 418,361.04	# \$ 6,882,741.64	\$ 2,308,131.00	
ADD:								
Tenant Rent	114,627.00	\$ -	\$ -	\$ -	\$ -	\$ 114,627.00	\$ -	
Security Deposits	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
FSS Deposits	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Deposits	41,053.76	\$ -	\$ 8,644.59	\$ -	\$ -	\$ 49,698.35	\$ -	
HAP Income	-	\$ -	\$ 4,716,231.00	\$ -	\$ -	\$ 4,716,231.00	\$ -	
Operating Subsidy / Admin Fee	341,722.01	\$ -	\$ 537,881.00	\$ -	\$ -	\$ 879,603.01	\$ -	
Interest	-	\$ 36.53	\$ -	\$ 8.44	\$ 53.16	\$ 98.13	\$ -	
Transfer	3,560.77	\$ -	\$ -	\$ -	\$ -	\$ 3,560.77	\$ -	
Other Revenue - Housing Enterprise Insurance	351,244.40	\$ -	\$ -	\$ -	\$ -	\$ 351,244.40	\$ -	
TOTAL DEPOSITS	852,207.94	\$ 36.53	\$ 5,262,756.59	\$ 8.44	\$ 53.16	\$ 6,115,062.66	\$ -	
LESS:								
Other Transfers	(19,152.34)	\$ -	\$ -	\$ -	\$ -	\$ (19,152.34)	\$ -	
Manual Checks	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Checks	(1,380,585.50)	\$ -	\$ -	\$ -	\$ -	\$ (1,380,585.50)	\$ -	
NSF	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
HAP payments	-	\$ -	\$ (5,125,725.77)	\$ -	\$ -	\$ (5,125,725.77)	\$ -	
Withdraws/Other Deductions	(425,531.87)	\$ -	\$ -	\$ -	\$ -	\$ (425,531.87)	\$ -	
Operating Subsidy Out	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL PAYMENTS	(1,825,269.71)	\$ -	\$ (5,125,725.77)	\$ -	\$ -	\$ (6,950,995.48)	\$ -	
ENDING BOOK CASH BALANCE 8/31/2023	\$ 3,020,969.88	\$ 286,782.22	\$ 2,254,345.62	\$ 66,296.90	\$ 418,414.20	\$ 6,046,808.82	\$ 2,308,131.00	
	<i>USB Agency Disbursing</i>	<i>FSS Escrow</i>	<i>HCV Cash</i>	<i>Housing Authority Wellston Act</i>			<i>Component Unit Cash</i>	
Ending Bank Balance 8/31/2023	\$ 3,020,969.88	\$ 286,782.22	\$ 2,269,085.74	\$ 66,296.90	\$ 418,414.20	\$ 6,061,548.94	\$ 2,308,131.00	
Outstanding Checks	-	\$ -	\$ (14,740.12)	\$ -	\$ -	\$ (14,740.12)	\$ -	
ACH in Transit	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other Items	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Adjusted Bank Balance 8/31/2023	3,020,969.88	\$ 286,782.22	\$ 2,254,345.62	\$ 66,296.90	\$ 418,414.20	\$ 6,046,808.82	\$ 2,308,131.00	
Variance	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Unrestricted Cash	2,668,028.80	\$ -	\$ 2,224,497.62	\$ 58,257.92	\$ (0.00)	\$ 4,950,784.34	\$ 2,308,131.00	
Unrestricted Cash - Bentwood sale	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Security Deposit Cash	101,358.00	\$ -	\$ -	\$ 8,038.98	\$ 8,041.02	\$ 117,438.00	\$ -	
Restricted Cash	251,583.08	\$ 286,782.22	\$ 29,848.00	\$ -	\$ 410,373.18	\$ 978,586.48	\$ -	
	3,020,969.88	\$ 286,782.22	\$ 2,254,345.62	\$ 66,296.90	\$ 418,414.20	\$ 6,046,808.82	\$ 2,308,131.00	
	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Other Small Bank Accounts include: Bentwood Social Services, Scholarship Account, Wellston HA Security Deposits, and Windfall Trace



Memorandum

To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: Nicole O'Dell, Housing Choice Voucher Director

Date: November 14, 2023

Subject: *Housing Choice Voucher Update*

At our last meeting, we presented the final scores we received for Section Eight Management Assessment Program (SEMAP) for 2022. Today we will provide another SEMAP update as well as programmatic updates.

I. 2023 SEMAP Updates

The final scoring of the 2023 SEMAP will be available for Board approval in February 2024 with a submission deadline of February 29, 2024 to HUD.

II. Programmatic Updates

A. Wellington Family Homes

The Wellington Family Homes project is underway. We expect the first substantially rehabbed units to be completed later this month and into the new year. The twenty-two households who are still living in the former Wellston Housing Authority units will be relocated first. We will be opening a special waitlist for this development. All former Wellston Housing Authority residents with the right to return to the development will be invited to join the waitlist on December 13th. The waitlist will be open to the general public next year.

B. Project-Based Voucher Awards

HUD permits a percentage of our Housing Choice Vouchers to be reserved for specific housing units, which allows us to stabilize affordable housing in select areas by leveraging additional resources such as low-income housing tax credits. In July of this year, the Authority released a Request for Proposals for Project-Based Vouchers. We received requests from five housing providers.

C. New HCV Positions

As part of our commitment to enhancing customer service and streamlining operations within the HCV program, we are pleased to announce the creation of two new HCV Generalist positions. These HCV Generalists will receive comprehensive training to provide support for HCV-related issues, which will help us to serve residents more quickly when they contact us with questions or need support.

D. Mobility Grant

Our team at the Authority has recently applied to HUD for another mobility grant. Should our application be successful, these funds have the potential to greatly benefit our residents by providing support for security deposits, outstanding utility payments, and assistance with locating units in high opportunity areas. This would be a continuation of the work that was started under previous mobility initiatives. Award determinations will be announced in 2024.



Memorandum

To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: Kawanna Tate, Director of Housing Administration

Date: November 14, 2023

Subject: *Housing Administration Report*

At our last meeting I discussed our 2022 Public Housing Assessment System (PHAS) scores that had been released by the U.S. Department of Housing and Urban Development (HUD). Today I will discuss our current performance for the Management Assessment Sub-System (MASS).

I. Current MASS Performance

Below is a snapshot of our current performance in each of the sub-indicators of the MASS. The MASS represents 25% of the total PHAS, so it is not a true projection of the final overall score. However, it serves as a good benchmark for our progress.

Sub-Indicator	Performance	Projected Points	Max Points
Occupancy (Average)	96.40	12	16
Accounts Payable Ratio	0.21	4	4
Tenant Account Receivable	0.291	0	5
Current Snapshot	Standard Performer	16	25

II. Public Housing Updates

A. Tenant Repayment Agreement

The Housing Authority has implemented tenant repayment agreements for residents with past due balances now that the COVID relief funding is no longer available. As the balances are paid down this will improve our MASS score for the Tenant Account Receivable (TAR).

A. NSPIRE Inspections

As previously reported, the National Standards for the Physical Inspection of Real Estate (NSPIRE) went into effect for public housing in July of this year. Our first NSPIRE self-inspections are now underway.



Memorandum

To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: William Barry, Director of Maintenance and Facilities

Date: November 14, 2023

Subject: *Maintenance Report*

This memo summarizes the monthly maintenance and supply costs for the Housing Authority of St. Louis County Public Housing from September 1 through October 31, 2023.

I. Maintenance Supply Costs

The following are repair and replacement costs for janitorial supplies, electrical, water heater, door, plumbing, and window repairs required to ensure the units meet Housing Quality Standards.

September	\$ 10,136
<u>October</u>	<u>\$ 10,218</u>
TOTAL	\$ 20,354

A. Attachment: Work Orders from September - October 2023.

II. Contracted Repair Costs

These costs include groundskeeping, pest control, janitorial and alarm monitoring, elevator services, six-unit rehabs, trash services, heating and cooling system repairs, roof and siding repairs, floor restorations, bathtub resurfacing, and electrical and plumbing contractors services.

September	\$ 55,749
<u>October</u>	<u>\$ 55,137</u>
TOTAL	\$ 110,886

III. Other Maintenance Costs

These costs include vehicle maintenance and vehicle fuel costs.

September	\$ 355
<u>October</u>	<u>\$ 2,842</u>
TOTAL	\$ 3,197



Work Order Detail

Multiple Properties

Work Orders active between 09/01/2023 and 11/01/2023

Unit	WO	WO Category	WO Brief Description	Call Date	Date Completed	Days to Complete	Days open in Period Reported
A14712	35996	Doors	door off track	09/05/2023	09/22/2023	17	17
APP193	36018		toilet back-up	09/07/2023	09/07/2023	1	1
A14534	36040	Doors	door knob	09/12/2023	10/04/2023	22	22
A14533	36067		filters	09/15/2023	10/04/2023	19	19
A14732	36173	Appliance	stove	09/25/2023	09/29/2023	4	4
A14522	36267	Doors	furnace door	10/02/2023	10/05/2023	3	3
PLU129	36271	Electrical		10/02/2023	10/04/2023	2	2
APP155	36273		Light	10/02/2023	10/04/2023	2	2
PLU162	36318	Doors	mailkey	10/06/2023	10/18/2023	12	12
PLU119	36319		kitchen light bulb	10/06/2023	10/06/2023	1	1
PLU196	36327	Doors	mailbox	10/09/2023	10/12/2023	3	3
PLU164	36342	Electrical	pouch light	10/10/2023	10/19/2023	9	9
A14722	36357	Doors	key	10/11/2023	10/18/2023	7	7
PLU172	36358	Plumbing	toilet/cabinet/showerhead	10/11/2023	10/19/2023	8	8
A14722	36360		house key	10/11/2023	10/18/2023	7	7
AHCOMCEN	36361	Electrical	battery in laundry room	10/11/2023	10/12/2023	1	1
PLU168	36366	Doors	mailbox	10/12/2023	10/26/2023	14	14
A14512	36367	Electrical	light bulb	10/12/2023	10/24/2023	12	12
APP193	36386	HVAC	filter	10/16/2023	10/19/2023	3	3
APP177	36470	Doors	Front screen door handle f	10/29/2023		2	2
APP185	36474	HVAC	Needing someone to turn	10/29/2023		2	2
FF178E	35767		Re-inspection #219533	08/08/2023	09/20/2023	43	19
FF162I	35783		re inspection 219686	08/08/2023	09/25/2023	48	24
FF170C	35789		re inspection 219536	08/08/2023	09/22/2023	45	21
FF170A	35812		gutter	08/10/2023	09/25/2023	46	24
FF182B	35824		Reinspection	08/11/2023	09/20/2023	40	19
FF162C	35838		reinspection	08/11/2023	09/25/2023	45	24
FF178D	35844		reinspection	08/14/2023	09/22/2023	39	21
FF178A	35941	HVAC	filter	08/24/2023	09/22/2023	29	21
FF190C	36088	HVAC	need filter	09/19/2023	10/03/2023	14	14
FF166A	36089	Plumbing	toilet seat	09/19/2023	09/19/2023	1	1
FF194B	36090		Make Ready	09/19/2023	10/09/2023	20	20
FF190A	36139		sink/faucet	09/21/2023	10/03/2023	12	12
FF190B	36140		inspection	09/21/2023	10/03/2023	12	12
FF190C	36141	Appliance	Inspection	09/21/2023	10/03/2023	12	12
FF190D	36142		Reinspection	09/21/2023	10/03/2023	12	12
FF194A	36143		Inspection	09/21/2023	10/02/2023	11	11
FF194C	36144		inspection	09/21/2023	10/10/2023	19	19
FF194E	36146		inspection	09/21/2023	10/10/2023	19	19
FFBLDG4	36147		inspection	09/21/2023	10/10/2023	19	19
FF194F	36148		inspection	09/21/2023	10/10/2023	19	19
FF194G	36149		inspection	09/21/2023	10/10/2023	19	19
FF194H	36150		inpsecton	09/21/2023	10/10/2023	19	19
FF166A	36167	HVAC	3 vents	09/25/2023	10/06/2023	11	11
FF186E	36246	Doors	mailbox key	09/27/2023	10/06/2023	9	9
FF162C	36248	Electrical	exhaust fan	09/28/2023	09/29/2023	1	1
FF166E	36249		A/C	09/28/2023	10/06/2023	8	8
FF166E	36254	Flooring-Steps	amg	09/28/2023	10/06/2023	8	8
FF166C	36265		a/c	09/29/2023	10/06/2023	7	7
FF190B	36277		toilet	10/02/2023	10/03/2023	1	1
FF166E	36298	Plumbing	toilet seat	10/05/2023	10/06/2023	1	1
FF166E	36310	Appliance	stove/blinds/tiles	10/06/2023	10/21/2023	15	15
FF186E	36317	Plumbing	toilet seat	10/06/2023	10/06/2023	1	1
FF194D	36339	Doors	door	10/09/2023	10/26/2023	17	17
FF170B	36340		crack on patio	10/09/2023	10/18/2023	9	9
FF170B	36346	Electrical	pouch light out	10/10/2023	10/19/2023	9	9
FF194A	36347	Electrical	lights out	10/10/2023	10/17/2023	7	7
FFBLDG4	36369	Doors	door	10/13/2023	10/18/2023	5	5
FF178E	36376	Doors	door	10/16/2023	10/26/2023	10	10
FF170F	36380		screen door	10/16/2023		16	16
FF170B	36394		light	10/17/2023	10/19/2023	2	2
FF190A	36408		LIGHTS	10/17/2023	10/19/2023	2	2
FF194E	36418	Doors	door knob/laundry	10/18/2023	10/19/2023	1	1
FFBLDG4	36419	Doors	door knob	10/18/2023	10/21/2023	3	3
FFBLDG4	36420	Appliance	washer	10/18/2023	10/28/2023	10	10

FFBLDG4	36427	Electrical	light bulb	10/19/2023	10/21/2023	2	2
FF166E	36430		kitchen drawer	10/20/2023	10/26/2023	6	6
FF166E	36435	Doors	door closet	10/23/2023		9	9
FF166J	36469	Walls-Ceilings	holes in wall	10/27/2023		5	5
FF178B	36495	Walls-Ceilings	soap dispenser/wall tiles	10/30/2023		2	2
VD1529	35961	Grounds	tree hanging	08/30/2023	09/01/2023	2	1
V12370	35981		smoke detector	09/01/2023	09/01/2023	1	1
VD1519	35993	Electrical	lights bulb	09/05/2023	09/05/2023	1	1
VD1532	36009		gas smell	09/07/2023	09/12/2023	5	5
VD1532	36023	Grounds	cut grass	09/08/2023	09/12/2023	4	4
V12260	36028	Plumbing	seal bathtub	09/08/2023	09/12/2023	4	4
V12254	36031		change lock	09/08/2023	09/12/2023	4	4
VD1532	36045	HVAC	new hot water tank	09/12/2023	09/13/2023	1	1
V12250	36053		toilet seat/unclogged bath	09/13/2023	09/18/2023	5	5
VD1543	36054		house keys	09/13/2023	09/18/2023	5	5
VD1553	36059	Flooring-Steps	tile floor	09/15/2023	09/18/2023	3	3
V12286	36082	Electrical	light bulb/ceiling fan	09/19/2023	09/25/2023	6	6
V12363	36156	Grounds	weed	09/22/2023	10/04/2023	12	12
V12260	36257	Plumbing	kitchen faucet	09/29/2023	10/04/2023	5	5
VLBLDG11	36260		court 1	09/29/2023	10/03/2023	4	4
VD1571	36269	Electrical	light bulb	10/02/2023	10/04/2023	2	2
V12364	36282	Doors	storm door	10/02/2023	10/05/2023	3	3
V12338	36294	Building Exterior		10/04/2023	10/04/2023	1	1
VD1571	36296	Doors	door/hood stove	10/04/2023	10/05/2023	1	1
V12363	36362	Grounds	bush in back	10/21/2023		11	11
VD1516	36374		kitchen sink	10/13/2023	10/17/2023	4	4
VD1521	36387	Electrical	light bulb/filter	10/16/2023	10/18/2023	2	2
VD1533	36393		holes	10/17/2023	10/17/2023	1	1
V12342	36464	Appliance	Stove is not working	10/27/2023	10/31/2023	4	4
	36484		laundry room	10/30/2023		2	2
VD1516	36498	Electrical	kitchen/tub	10/31/2023		1	1
WS1422	35893		Tile in bathroom lifting	08/18/2023	09/08/2023	21	7
WS1486	35918	Plumbing	Needing a handicap/raisec	08/22/2023	09/01/2023	10	1
WP2835	35980	Plumbing	Hall toilet still runniog	08/31/2023	09/05/2023	5	4
WP2808	35983	Grounds	Two big hole in front of yar	09/01/2023	09/01/2023	1	1
E11108	35987	Plumbing	Toilet constancely running	09/01/2023	09/01/2023	1	1
WP2873	35994	Doors	Front scrfeen door chain is	09/05/2023	09/05/2023	1	1
WP2873	35995	General	Mirror in bathroom is brokt	09/05/2023	09/05/2023	1	1
WS1486	35997	Plumbing	Toilet stopped up and kitcl	09/05/2023	09/06/2023	1	1
EL1476	35999	Doors	Front door closer is broken	09/06/2023	09/06/2023	1	1
WP2864	36000	HVAC	A/C is not working	09/06/2023	09/06/2023	1	1
WP2894	36003	HVAC	A/C is not working.	09/06/2023	09/11/2023	5	5
WP2808	36016	Doors	door sweep for front and b	09/07/2023	09/11/2023	4	4
WP2808	36024	General	Foul sewer smell	09/05/2023	09/11/2023	6	6
WP2835	36029		garage wont open	09/08/2023	09/11/2023	3	3
WP2835	36030		Something is stuck in the o	09/08/2023	09/11/2023	3	3
HE4647	36035	Appliance	Refrigerator is not cooling	09/11/2023	09/12/2023	1	1
WP2824	36049		Put sticks in all windows	09/13/2023	09/13/2023	1	1
WS1487	36050	Windows	Front window busted out.	09/13/2023	09/13/2023	1	1
HE4647	36058	General	Mice	09/15/2023	09/15/2023	1	1
WP2808	36060		Fill holes and gaps to prev	09/15/2023	09/27/2023	12	12
MP2813	36068	Windows	Replace window in bedroo	09/15/2023	09/18/2023	3	3
MP2813	36069	General	Secure Kitchen cabinet	09/15/2023	09/18/2023	3	3
C10516	36077		Bath sink stopper stuck	09/18/2023	09/20/2023	2	2
NEW404	36098		Pipes in basement leaking	09/19/2023	09/21/2023	2	2
WP2880	36166		A/C not working	09/25/2023	09/27/2023	2	2
WP2889	36171	Plumbing	Toilet not secure in hall bat	09/25/2023	09/27/2023	2	2
E11104	36207	HVAC	A/C is not working	09/26/2023	09/27/2023	1	1
WP2812	36208	Plumbing	Moisture under the vanity	09/26/2023	09/27/2023	1	1
HE4647	36247	Plumbing	Basement flooded	09/28/2023	10/02/2023	4	4
AR1114	36251	Building Exterior	Front porch concrete	09/28/2023	10/17/2023	19	19
EL1492	36253	Electrical	Smoke detector in master l	09/28/2023	09/29/2023	1	1
AR1114	36261	Plumbing	Leaking under the vanity	09/29/2023	10/04/2023	5	5
EL1492	36283	Plumbing	When flushing the toilet, w	10/03/2023	10/05/2023	2	2
AR1114	36286		Bathroom sink leaks	10/03/2023	10/04/2023	1	1
WP2808	36289		Fill holes	10/03/2023	10/05/2023	2	2
NEW404	36291	Walls-Ceilings	Hole in hallway wall.	10/03/2023	10/17/2023	14	14
WP2808	36301	Walls-Ceilings	Hole in wall, kitchen and br	10/05/2023	10/05/2023	1	1
WP2808	36303	Doors	Black scratches on front an	10/05/2023	10/06/2023	1	1
WP2808	36304	General	Secure toilet seat.	10/05/2023	10/05/2023	1	1
WS1431	36311	Windows	Kitchen window crack	10/06/2023	10/09/2023	3	3
WS1431	36312	Plumbing	Low water pressure	10/06/2023	10/06/2023	1	1
WS1455	36325	Electrical	Light fixture in sin's room.	10/09/2023	11/01/2023	23	23
WP2815	36334	Appliance	Smell coming from the sto	10/09/2023	10/10/2023	1	1

WP2815	36335	Doors	Front door hard to lock.	10/09/2023	10/10/2023	1	1
EL1460	36350		Water pressure low in show	10/10/2023	10/17/2023	7	7
EL1460	36351		Screen door scratching grc	10/10/2023	10/17/2023	7	7
WP2873	36370		Patch holes in hallway near	10/13/2023	10/16/2023	3	3
WP2873	36371		Outlets in daughters room	10/13/2023	10/16/2023	3	3
WP2873	36372		Replace towel rack	10/13/2023	10/16/2023	3	3
EL1460	36377	Doors	Front screen door is scratcl	10/16/2023	11/01/2023	16	16
EL1460	36378	General	Damaged showerhead	10/16/2023	10/17/2023	1	1
E11136	36383	General	Replace toilet seat cover.	10/16/2023	10/16/2023	1	1
HE4647	36384	Building Exterior	Porch needs to be nailed d	10/16/2023	10/17/2023	1	1
SAR310	36398	HVAC	Water heater is not working	10/17/2023	10/18/2023	1	1
SAR310	36399	Appliance	oven comes on and goes c	10/17/2023	10/18/2023	1	1
ELE308	36400	HVAC	No hot water	10/17/2023	10/18/2023	1	1
ELE308	36401	Appliance	Oven is not coming on	10/17/2023	10/18/2023	1	1
WS1486	36406	Flooring-Steps	Pieces of floor tile is missin	10/17/2023	10/20/2023	3	3
WS1486	36407	General	Needing handicap rails at t	10/17/2023	10/19/2023	2	2
ELE308	36409		Resident is home	10/18/2023	10/18/2023	1	1
ELE308	36410		Oven not getting hot	10/18/2023	10/18/2023	1	1
ER9910	36422	Electrical	Outlet in kitchen behind st	10/19/2023	10/20/2023	1	1
ER9910	36423	Appliance	When using the stove, the	10/19/2023	10/20/2023	1	1
ER9910	36424	General	Pieces of tile falling apart ir	10/19/2023	11/01/2023	13	13
ER9910	36425	Walls-Ceilings	fill hole outside.	10/19/2023	11/01/2023	13	13
MEA428	36426	Appliance	Refrigerator is not cooling	10/19/2023	10/20/2023	1	1
E11128	36428	Grounds	Replace mailbox.	10/19/2023	10/20/2023	1	1
E11125	36429	Grounds	Replace mailbox.	10/19/2023	10/20/2023	1	1
WS1487	36431	Plumbing	Low water pressure.	10/20/2023	10/20/2023	1	1
WP2862	36443	General	Baseboards are coming ap	10/24/2023		8	8
E11139	36450	Doors	Door leading to basement,	10/25/2023	10/25/2023	1	1
MP2806	36460	General	Cannot hook up her washe	10/26/2023		6	6
MEA428	36461		fridge not working	10/28/2023		2	2
WS1486	36466	General	Needing a rail installed for	10/27/2023		5	5
WS1486	36467	Flooring-Steps	Peices of floor tile is missin	10/27/2023		5	5
E11124	36468	Plumbing	kitchen sink is stopped up	10/27/2023		5	5
WS1422	36471	Doors	Front screen door closer is	10/27/2023		5	5
WS1422	36472	General	When using the shower wa	10/27/2023		5	5
WS1422	36473	Electrical	Brought some smoke dete	10/27/2023		5	5
WP2812	36475		kitchen sink clogged	10/30/2023		2	2
WP2873	36476	Plumbing	Hall toilet backing up	10/30/2023		2	2
WP2803	36479	HVAC	No heat	10/31/2023		1	1
E11125	36505	Plumbing	Water leaking under the ki	10/31/2023		1	1
E11125	36506	General	Secure toilet seat in both b	10/31/2023		1	1
CHI336	36509	General	Re-caulk around the tub.	10/31/2023		1	1

Work Orders closed within 25 days

181

APP173	36019	Doors	stripe on door	09/07/2023	10/26/2023	49	49
AHCOMCEN	36099	Janitorial	spider on mailbox	09/19/2023	10/18/2023	29	29
A14733	36169	Doors	door/holder	09/25/2023	11/01/2023	37	37
FF194E	35817		Reinspection	08/11/2023	10/10/2023	60	39
FF194F	35833		reinspection	08/11/2023	10/16/2023	66	45
FF170F	35843		reinspection	08/14/2023	10/10/2023	57	39
FF194B	35847		reinspection	08/14/2023	10/10/2023	57	57
FF166E	35972	Windows	screen/shower head/vents	08/31/2023	10/17/2023	47	46
FF186D	35978			08/31/2023	10/10/2023	40	40
FF170B	36027		patio, tub, light	09/08/2023	10/25/2023	47	47
FF194E	36091		Make Ready	09/19/2023	10/16/2023	27	27
FF194F	36092		Make Ready	09/19/2023	10/16/2023	27	27
FF194D	36145		Inspection	09/21/2023	10/21/2023	30	30
FF162I	36165		wall painted	09/25/2023		37	37
VLBLDG11	35740	Doors	laundry door paint	08/04/2023	09/27/2023	54	54
NEW333	35998	Building Exterior	Needing a ramp	09/05/2023	10/17/2023	42	42

Work Orders open more than 25 days

16

Total number of work orders:	197
Average completion days:	9.57
Average completion days for reporting period 2 years prior:	2.00
Reduction in average completion days over the past three years:	-7.57



Memorandum

To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: Kurt Schulte, Development Coordinator

Date: November 14, 2023

Subject: *Development Report*

This memo provides an overview of current development activities of the Housing Authority of St. Louis County as well as future development plans.

I. Recommendation

No Board action is required.

II. Discussion

A. Wellington Family Homes

- i. Project is underway and construction is progressing on schedule.
- ii. First units are coming on-line.
- iii. Management and staff continue the qualifying process for residents and notifications of former Wellston Housing Authority residents about their right to return.
- iv. Bi-weekly calls continue with the Authority and the development team to ensure construction remains on schedule.

B. Arbor Hill Apartments Redevelopment

- i. The Authority and the development have made significant progress with the RAD and HUD loan process.
- ii. Final plans for the off-site detention area have been completed and are being priced.
- iii. The Authority is pushing to get this closed by the end of Q1 2024.

A. Future Development Plans

- i. The Authority was approached by St. Louis County to assist with a transitional housing project on the site of the Weinman Center. The Authority applied for 51 LIHTC-assisted units at the site and will act as the developer and owner of the project. The application for 4% LIHTC is in process and was submitted on September 22nd.
- ii. The Authority worked with Peace United Church of Christ in Webster Groves to examine the possibility of locating affordable housing on their former church grounds. After studying the property, assessing market demand and meeting with local leaders and stakeholders, the Authority decided to team up with Peace and act as co-developer and co-owner of a 52 unit, LIHTC-assisted senior housing development. The application for 9% LIHTC was submitted on September 22nd.

Memorandum



To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: Anna Holyan, Director of Strategic Initiatives

Date: November 14, 2023

Subject: *Agency Performance Report*

This memo provides an overview of the Agency Performance Report. This report is designed to communicate how the agency is performing by U.S. Housing and Urban Development (HUD) standards and by the internal measures the organization uses to track its own performance. This update is provided on a quarterly basis.

I. Updates Since Third Quarter

Below are highlighted changes from the previous performance report.

A. Key Result: Increase Customer Satisfaction

Staff are working on several initiatives to improve customer satisfaction. In October and November of this year, staff from every department and at every level of the organization had a full day of customer service training. In addition, staff will receive more training later this week specifically geared toward promoting a better understanding of our residents and the challenges they face.

In addition, the HCV team has hired two new generalists to supplement customer service by creating a new first point of contact for residents that are dedicated solely to answering questions and responding to requests.

Staff has also distributed another customer service survey to residents of the Housing Choice Voucher program and public housing and landlords to measure whether we have made improvements over the last year. The results of that survey will be reported at the next board meeting.

B. Key Result: Formally Establish 3-5 Level 1 Partnerships

Staff met the goal of establishing at least three partnerships by the end of the year. Agreements are in place with the Community Action Agency of St. Louis County, Heat Up/Cool Down St. Louis, and St. Louis County's Weinman Shelter. Additionally, we are awaiting signatures on agreements with the Urban League and YWCA.

II. Attachments

Agency Performance Report, Fourth Quarter

AGENCY PERFORMANCE REPORT

Housing Authority of St. Louis County
Fourth Quarter, 2023

Service
Respect
Integrity
Excellence
Collaboration

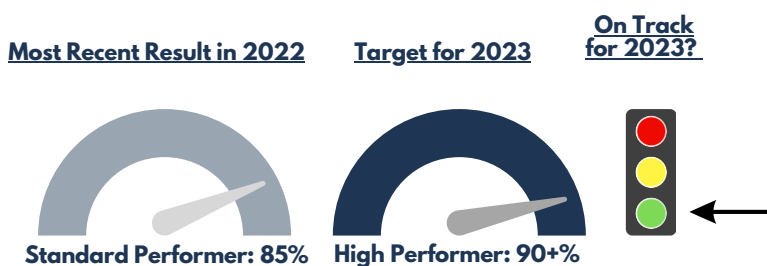
WHAT HUD MEASURES

SEMAP SCORES

HUD assesses the health of a PHA's **Housing Choice Voucher program** through an indicator called the Section Eight Management Assessment Program, or SEMAP.

Why it matters

The Housing Authority's SEMAP score communicates how well the agency is performing and impacts the amount of HUD funding it receives for the fiscal year.

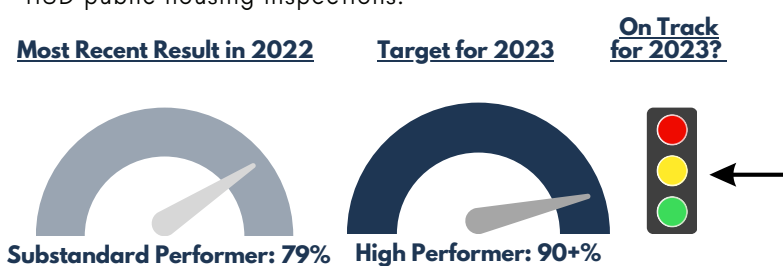


PHAS SCORES

HUD assesses the health of a PHA's **Public Housing program** through an indicator called the Public Housing Assessment System, or PHAS.

Why it matters

The Housing Authority's PHAS score communicates how well the agency is performing, impacts the amount of HUD funding it receives for the fiscal year, and determines the frequency of HUD public housing inspections.



WHAT THE AUTHORITY MEASURES

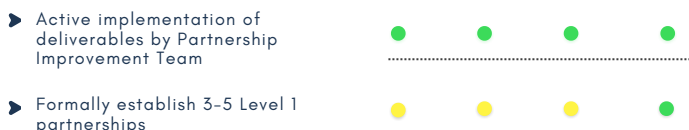
Objective 1: Deliver services safely, effectively, and efficiently.

RESULTS



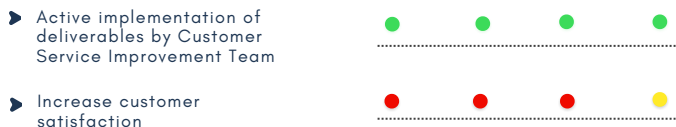
Objective 3: Help our residents and families gain self-sufficiency through partnerships with other organizations in the community.

RESULTS



Objective 2: Ensure residents, landlords, and employees feel respected during interactions with the Authority.

RESULTS



Objective 4: Expand access to desirable and affordable housing.

RESULTS





Memorandum

To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: Kurt Schulte, Development Consultant

Date: November 14, 2023

Subject: *Tax Exempt Bond Application for Triton Pointe Apartments, Resolution No. 1430*

This memo provides a recommendation and background information regarding a proposed bond issuance for Triton Pointe Apartments. Funds would be used for a portion of the new construction of 252 dwelling units in Normandy, Missouri.

I. Recommendation

Staff recommend the Board approve the financing and authorize the Executive Director and CEO to deliver a request to the Industrial Development Authority of St. Louis County of St. Louis, Missouri ("IDA") to issue tax-exempt bonds in an amount not to exceed \$55,000,000 to finance a portion of the cost and acquisition of the proposed rehabilitation of the project.

II. Background

A. Cooperation Agreement with the IDA

There is presently a Cooperation Agreement in place between the Authority and the IDA for the issuance of tax-exempt bond applications.

B. Bond Application Process

The Housing Authority of St. Louis County, in partnership with the IDA, can facilitate new issuances of tax-exempt bond applications for the development of multi-family housing in the County. Applications must meet all local building codes and comply with the St. Louis County Office of Community Development's consolidated plan, among other criteria.

III. Triton Pointe Bond Application

A. Proposal Overview

On October 19, 2023, the Authority received a full application (including the required application fee) requesting a tax-exempt bond issuance for \$55,000,000 for Triton Pointe Apartments. This proposed new construction development will be located on land adjacent to the University of Missouri-St. Louis.

The site is in a redevelopment area and will result in the demolition of several vacant single-family homes that had been previously acquired by another developer for a project that stalled.

Triton Pointe will be a low-income housing tax credit 252-unit development with a community building, a fitness center, business office with computer lab, pool, playground, pet park, bike racks, and for-rent garages and storage units. In addition, this will be a gated community with a security company monitoring system that will provide extra security for the tenants. The units will be designed to comply with universal design standards and be energy efficient, designed to meet the bronze level according to the National Association of Home Builders Green Standards.

Rents will target 60% AMI and are projected to be \$1,015 for the 84 1-bedroom/1 bath units; \$1,221 for the 96 2-bedroom/2 bath units; \$1,389 for the 60 3-bedroom/2 bath units; and \$1,501 for the 12 4-bedroom/2 bath units. The square footage of these units will range from 823 sq ft to 1654 sq ft, all in 3-story buildings.

The bond issuance would be subject to a successful application for 4% LIHTC next fall. The applicant is submitting for bond approval at this point to preserve the Qualified Census Tract status of the property, since the census tract is projected to no longer be in a QCT next year.

B. Required Application Attachments

Enclosed is a copy of the application with the required attachments:

- i. Brief narrative of the proposed development.
- ii. Current financials.
- iii. Construction cost estimates for labor and materials.
- iv. Description of previous participation.
- v. Preliminary Opinion of the Bond Counsel. A letter from Bond Counsel providing an opinion that the project qualified as a "Project: as that term is defined in Section 349.010 R.S.Mo. 1986, as amended.
- vi. Bond Purchase Letter. A preliminary letter of commitment to purchase the bonds when a favorable opinion as to the marketability of the bonds by an established underwriter or financial institution.

HOUSING AUTHORITY OF ST. LOUIS COUNTY
8865 NATURAL BRIDGE ROAD ST. LOUIS, MO 63121

(314) 428-3200

Tax Exempt Bond Application

I. BORROWER INFORMATION

A. Borrower* Kittle Property Group, Inc. Contact Person Brenda Haddad
Address 310 E 96th St, Suite 400 Phone (417) 529-8929
City Indianapolis State IN Zip Code 46240
Email Address bhaddad@kittleproperties.com Alt. Phone _____
Federal ID No. 26-0002273 Referred by Gilmore & Bell

B. Is the Borrower a: corp. ptrshp. individuals LLC
Referred by _____

Name of each owner	% owner	Name of each owner	% owner
<u>Jeffrey L Kittle Trust</u>	<u>100%</u>	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

D. State the general nature of the Borrower's business. _____
Kittle Property Group, Inc. is a national leader in bringing together community, financial and governmental partners,
with affordable and market rate developments in seventeen states. Since 1948, we have developed more than 20,000
homes representing more than \$2.5 billion in investments.

*Legal name of borrowing entity for this project.

II. PROJECT INFORMATION

<u>Project Costs</u>		<u>Project Sources</u>	
Acquisition - Land	\$ <u>2,050,000</u>	Bond Issue Amount	\$ <u>55,000,000</u>
Site Development	\$ <u>8,211,000</u>	HOME/CDBG	\$ <u>27,701,032</u>
New Construction	\$ <u>34,221,261</u>	LIHTC Equity	\$ _____
Rehabilitation	\$ _____	Owner Equity	\$ <u>1,937,600</u>
Development Soft Costs	\$ <u>4,775,534</u>	Other	\$ <u>1,970,180</u>
Relocation	\$ _____		
FFE/Lease-Up	\$ <u>150,000</u>		
Contingency(s)	\$ <u>2,114,113</u>		
Reserves	\$ <u>1,528,239</u>		
Builder Profit, OH, GR	\$ <u>5,849,517</u>		
Developer Fee	\$ <u>3,875,000</u>		
Const Interest & Ins	\$ <u>6,109,336</u>		
Total Project Uses	\$ <u>68,884,000</u>	Total Sources	\$ <u>68,884,000</u>

B. Project Address: 8724 University Place Drive, St Louis, MO

Current # of Units 0 Projected # of Units 252

Current Bedroom Distribution (0br) _____ (1br) _____ (2br) _____ (3br) _____ (4br) _____ (5br) _____
 Projected Bedroom Distribution (0br) _____ (1br) 84 (2br) 96 (3br) 60 (4br) 12 (5br) _____

Current Rents (0br) _____ (1br) _____ (2br) _____ (3br) _____ (4br) _____ (5br) _____
 Projected Rents (0br) _____ (1br) 1029 (2br) 1249 (3br) 1440 (4br) 1620 (5br) _____

Site Size/Density 11.87 acres

C. Census Tract: 2137.01

D. School District Normandy

E. Is the project located within the corporate limits of a St. Louis County municipality? No
 If yes, which municipality? _____
 Has that municipality approved the project? N/A
 If no, when do you plan to obtain municipal approval? _____

F. Please describe form of site control (fee simple title, long term lease, option, contract to purchase, other)
Contract to purchase

G Is the proposed site properly zoned? No
If not briefly describe what changes will be needed to obtain proper zoning, and the status of the changes.
This property is currently zoned single-family and will need to be rezoned to multi-family, which is indicated on the future use map. Application for a rezone is underway.

C. Briefly describe the economic impact this project will have on the St. Louis area economy, including the number of jobs created or retained.
Construction will take approximately 2 years and all subcontracts will be by bid in the St Louis area. This will mean around 400+ workers on site. Most materials will also be purchased locally. When completed, the complex will have a permanent staff of three management/leasing personnel & two full-time maintenance personnel. All local hires.

D. Provide required attachments.

III. PROJECT FINANCING

A. Please provide target dates on the follow:

1. Issue the bonds July 2025
2. Begin the project August 2025
3. Complete the project July 2027

B. Regarding the placement of the bonds, will there be a private placement X or public issuance _____?
(Check one.)

C. Do you anticipate credit enhancement for the bonds? Yes _____ No X

If yes, provide the name, address, telephone number, and contact for the credit enhancer: _____

D. Will the bonds be rated? No If so, by which rating agency _____
What is the projected rating? _____

E. Bond Purchaser KeyBank Real Estate Capital David Lacki 614-460-3438
Firm name Contact Person Phone

F. Are you seeking companion Federal and/or State Low Income Housing Tax Credits Yes

G. What is the total projected federal equity? \$27,460,961

H. What is the total projected state equity? \$9,814,227

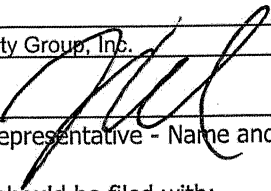
I. Federal equity partner US Bank

J. State equity partner US Bank

IV. MISCELLANEOUS INFORMATION

Bond Counsel	<u>Gilmore & Bell, P.C.</u>	<u>Weylin Watson</u>	<u>816-218-7566</u>
	Firm Name	Contact Person	Phone
Borrower Counsel	<u>Kittle Property Group, Inc.</u>	<u>David Thompson</u>	<u>317-663-6814</u>
	Firm Name	Contact Person	Phone

The undersigned acknowledges receipt of the Authority's current Schedule of Charges for Bond-Related Services and hereby agrees to pay all such fees and expenses in an amount and such time as stipulated therein.

Dated 10/4/2023, ~~2023~~
Kittle Property Group, Inc.
Borrower 
Borrower's Representative - Name and Title Jeffrey L. Kittle, President

Applications should be filed with:

HOUSING AUTHORITY OF ST. LOUIS COUNTY
8865 Natural Bridge Road
St. Louis, MO 63121

NOTE: A complete fee schedule is attached.

HOUSING AUTHORITY OF ST. LOUIS COUNTY

ATTACHMENTS

The following attachments are required:

Brief narrative of the proposed development.

Most recent audited annual financial statement and balance sheet, including profit & loss statement.

Most recent quarter's income statements and balance sheet, including profit & loss statement.

Construction cost estimates for labor & materials (MHDC FIN 115, HASLC Exhibit A, HUD 2328 or equivalent).

Description of previous participation (HUD 2530, MHDC FIN 105 or equivalent) for owner/developer.

Preliminary Opinion of Bond Counsel. A letter from Bond Counsel providing an opinion that the project qualifies as a "Project" as that term is defined in Section 349.010 R.S.Mo. 1986, as amended.

Bond Purchaser Letter. A preliminary letter of commitment to purchase the bonds when issued or a favorable opinion as to the marketability of the bonds by an established underwriter or financial institution.

\$2,500 Check payable to the Housing Authority of St. Louis County. This includes a non-refundable \$500 application fee, a non-refundable \$1,000 financial advisory deposit/fee and a \$1,000 inducement fee.

The following attachments are optional:

Capital Needs Assessment

Project Pro Forma

Appraisal

Relocation Plan

Letters of Support

Site Plan and/or Survey

Architectural Renderings

Subordinate Debt and Equity Commitments

APPLICATION PROCEDURE

1. The Board of Directors' regular meeting is scheduled on the second Tuesday of each month. In order for an application to be eligible for initial consideration it must be received by the Housing Authority of St. Louis County no later than 12:00 p.m. CST or CDT 30 days prior to the scheduled meeting of the board.
2. The application, and all required attachments including application fee, must be sent by the applicant to the following address:

Housing Authority of St. Louis County
8865 Natural Bridge Road
St. Louis, MO 63121
Attn: Katrina Sommer
3. During initial consideration of the application, a representative of the applicant should be prepared to make a brief oral presentation to the board.
4. Please contact the Housing Authority of St. Louis County office with questions regarding meeting dates, times, agenda, etc. Katrina Sommer (314) 227-3116 ksommer@haslc.com
5. Fees due to the issuer at time of initial (first) issuance of bonds. One-half of 1% of the face amount of bonds.
6. Fees due to the issuer at refunding of bonds one-half of 1% of the face amount of bonds.
7. This application, including required attachments, is subject to change without notice.

NARRATIVE

Triton Pointe will be a LIHTC a 252-unit development with a community building, a fitness center, business office with computer lab, pool, playground, pet park, bike racks, and for-rent garages and storage units. In addition, this will be a gated community, with a security company monitoring system, that will provide extra security to the tenants. The units will be designed to comply with Universal Design standards and be energy efficient, designed to meet the bronze level according to the National Association of Home Builders Green Standards.

Rents for the LIHTC will target 60% AMI and are project to be \$1015 for the 84 1-bedroom/1 bath units; \$1221 for the 96 2-bedroom/2 bath units; \$1389 for the 60 3-bedroom/2 bath units; and \$1501 for the 12 4-bedroom/2 bath units. The square footage of these units will range from 823 sq ft to 1654 sq ft, all in 3-story buildings.

This site is in a redevelopment area near the University of Missouri St Louis North Campus, the Metrolink and near the growing industrial park. This development will mean tearing down several boarded-up houses and adding a modern, attractive multi-family property that will appeal to the workforce of the area. By offering affordable, workforce family housing with rents the residents can manage, this property will spark infusion of investment into the local community. Giving the residents the ability to provide stability for their families will prove to be a positive effect on the local economy. The development will create construction jobs during the building process and office, managerial, and maintenance jobs after completion.

New construction with NGBS Bronze energy efficiency design; free Wi-Fi in the community building, washers and dryers in units. Pet park and bike storage are included with rent while garages and storage units will be available for a fee. This property will also include an agreement with AT&T for internet and cable that will provide for below-market cost to the residents. KPG's energy efficient design and site & unit amenities will be attractive to future residents. The intention of the project is to provide amenities that will appeal to the open market but with a rent advantage to those below the 60% AMI. Providing garages, storage units, bike storage and in-unit washers and dryers will help residents with costs while also appealing to the larger market. This will ensure a quick rent-up and successful property. This is a much-needed investment in a redevelopment area that is growing quickly.

Kittle Property Group Inc.
Balance Sheet
June 30, 2023

	Prior Year Balance	Prior Month	Current Month
<u>ASSETS</u>			
Cash			
Checking - Key Bank	\$ 928,906	\$ 161,966	\$ 1,821,512
CDA - Key Bank	-	(157,938)	(1,761,703)
Cash - Prop Billing Acct (Key)	138,554	158,843	158,843
Checking - First Merchants	993	994	994
Checking - Payroll 5/3rd	18,453	18,334	18,334
Busey - Credit Card	200	200	200
Total Cash	\$ 1,087,106	\$ 182,400	\$ 238,180
Accounts Receivable			
Properties	\$ 8,774,368	\$ 8,706,610	\$ 9,007,066
Less Long Term Prop Receivables	(6,394,130)	(7,027,351)	(7,027,351)
Total Intercompany Receivables	\$ 2,380,238	\$ 1,679,260	\$ 1,979,715
Construction Receivables			
Construction Receivables	\$ 4,431,084	\$ 8,176,488	\$ 3,972,775
Total Construction Receivables	\$ 4,431,084	\$ 8,176,488	\$ 3,972,775
Retention Receivables			
Retention Receivables	\$ 13,645,380	\$ 16,714,673	\$ 11,991,516
Total Retention Receivables	\$ 13,645,380	\$ 16,714,673	\$ 11,991,516
Earned Architect, Legal & Financing Fees			
Earned Fees	\$ 7,078,294	\$ 8,563,135	\$ 8,578,368
Earned Fees - NPV	(288,860)	(260,104)	(259,440)
Less Long Term Fees	(1,585,249)	(1,394,697)	(1,386,416)
Total Earned Arch, Legal & Fin Fees	\$ 5,204,184	\$ 6,908,334	\$ 6,932,511
Work in Progress			
WIP - Underbilled	\$ 4,522,141	\$ 12,172,378	\$ 11,964,629
Underbilled Soft Costs	7,114,524	6,637,307	6,714,823
Total Work in Progress	\$ 11,636,665	\$ 18,809,686	\$ 18,679,452
Development Fees			
Dev Fees - Fremont, OH	\$ 350,724	\$ 345,724	\$ 345,724
Dev Fees - Lammers Pike	405,500	373,500	373,500
Dev Fees - Antigo, WI	162,885	162,885	162,885
Dev Fees - Kokomo II	-	403,327	403,327
Dev Fees - New Braunfels, TX	309,113	309,113	309,113
Dev Fees - Hartford City, IN	2,150	2,150	2,150
Dev Fees - Clinton, IN	55,754	55,754	55,754
Dev Fees - Oak Forest	223,547	227,681	228,507
Dev Fees - Enclave	313,438	313,438	313,438
Dev Fees - The VUE	1,360,731	1,360,731	1,360,731
Dev Fees - Niles, MI	264,564	264,564	264,564
Dev Fees - Riverview D'ville	100,512	100,512	100,512
Dev Fees - Berrien Homes	101,484	101,484	101,484
Dev Fees - New Richmond, WI	25,330	20,282	20,282
Dev Fees - Commerce St Manor	200,000	200,000	200,000
Dev Fees - Madison Glen	30,625	30,625	30,625
Dev Fees - Purdue Village	200,000	200,000	200,000
Dev Fees - Alton, IL	71,519	71,519	71,519
Dev Fees - Odessa, TX	430,610	430,610	430,610
Dev Fees - Justin, TX	654,619	654,619	654,619
Dev Fees - Beaumont, TX	489,695	267,377	267,377
Dev Fees - Talladega, AL	62,028	62,028	62,028
Dev Fees - Liberty	206,726	206,726	206,726
Dev Fees - Milwaukee, WI	165,935	165,935	165,935
Dev Fees - Slidell III	2,500,000	2,500,000	2,500,000
Dev Fees - Greenwood (The Gables)	2,016,656	2,016,656	2,016,656
Acq Fees - Jerman Place - Greensburg,	160,000	160,000	160,000
Dev Fees - Lakes at Crossbridge	2,010,930	2,010,930	2,010,930
Dev Fees - Overlook Point (Lafayette)	3,585,108	3,585,108	3,585,108
Dev Fees - Jackson	-	(3,000)	-
Dev Fees - Cedarwood	22,400	22,400	22,400
Dev Fees - Ligonier, IN	7,264	7,264	7,264
Dev Fees - Beaumont II	307,337	307,337	307,337

Kittle Property Group Inc.
Balance Sheet
June 30, 2023

	Prior Year Balance	Prior Month	Current Month
Dev Fees - McGregor, TX	\$ 194,208	\$ 194,208	\$ 194,208
Dev Fees - Avon, IN (Mosaic Apts)	913,581	913,581	913,581
Dev Fees - Savannah	755,167	705,167	755,167
Dev Fees - Michigan City	194,195	279,507	279,507
Dev Fees - Slidell	843,585	860,314	863,660
Dev Fees - Columbus, OH Whispering Cr	5,895,340	5,776,160	5,776,160
Dev Fees - Estates at Ellington (Houston)	439,513	439,513	439,513
Dev Fees - Grove City	2,434,928	2,434,928	2,434,928
Dev Fees - River Bend (Idaho Springs, C	191,867	167,867	167,867
Dev Fees - Houston (Vireo)	4,964,037	4,964,037	4,964,037
Dev Fees - Owasso, OK (Centennial)	532,756	522,756	522,756
Dev Fees - Lofts at Ashford (Columbus, I	320,879	87,703	87,703
Dev Fees - Flats at Sundown (North Port)	3,629,086	3,629,086	3,629,086
Dev Fees - Riverside Trail (Columbus OH	3,708,541	3,454,859	3,354,859
Dev Fees - Limestone Crossing (Bloomin	1,018,520	898,520	858,520
Dev Fees - Magnolia St (Winnie)	87,678	87,678	87,678
Dev Fees - Laural Vista (Beaumont)	78,473	78,473	-
Dev Fees - Reserve at White River	4,715,251	1,718,579	1,718,579
Dev Fees - The Promenade (Beaumont)	3,272,356	3,272,356	3,272,356
Dev Fees - Trillium at Sunlake (Melbourn	3,404,001	3,000,364	2,980,364
Dev Fees - Monon Crossing (New Albany)	4,841,155	4,841,155	4,841,155
Dev Fees - Cityline Apts (Kentwood, MI)	5,469,120	5,469,120	5,469,120
Dev Fees - Aurora Apts (Huntsville, AL)	1,716,440	1,716,440	1,716,440
Dev Fees - Windmill Pointe (Columbus	9,764,405	9,764,405	9,764,405
Dev Fees - Brookhaven	697,847	697,847	697,847
Dev Fees - Westfield Landing	3,500,000	3,470,000	3,470,000
Dev Fees - Spire Apts (Charlotte, NC)	589,101	589,101	589,101
Dev Fees - The Montage (San Antonio, T	2,820,000	2,820,000	2,820,000
Dev Fees - Meadows on Main	6,830,140	6,830,140	6,830,140
Dev Fees - Nine North	388,726	388,726	388,726
Dev Fees - Swiftwater (Port Charlotte)	2,298,666	2,298,666	2,298,666
Dev Fees - Agave East	4,477,641	4,477,641	4,477,641
Dev Fees - Vantage Apts (Cape Coral, FL	2,097,336	2,097,336	2,097,336
Dev Fees - Darby Crossing (Galloway, O	10,700,000	10,700,000	10,700,000
Dev Fees - Legacy Square (San Marcos	5,650,000	5,572,317	5,572,317
Dev Fees - Southern Meadows	4,608,615	4,608,615	4,608,615
Dev Fees - The Vanguard (Gainesville, F	2,622,839	2,622,839	2,622,839
Dev Fees - Whispering Pointe	-	2,506,387	2,506,387
Dev Fees - Palm Breeze Apts (Palm Bay	-	1,912,500	1,912,500
Dev Fees - Tailor Apartments	-	5,046,641	5,046,641
Dev Fees - Saxony Townhomes	145,633	145,633	-
Dev Fees - Zephyr Apts	-	-	2,439,905
Dev Fees - Slidell II	188,640	188,640	188,640
Dev Fees - Lynhurst Park II	82,208	82,208	82,208
Dev Fees - Brownsburg I	77,004	37,004	37,004
Dev Fees - Michigan City II	325,112	71,531	71,531
Dev Fees - Sheek Road	20,383	20,383	20,383
Unearned Development Fees	(20,446,082)	(21,795,617)	(22,574,108)
Allowance for NPV	(22,775,914)	(24,934,723)	(25,626,026)
Less Long Term Dev Fees	(68,000,691)	(70,899,104)	(71,640,656)
Total Development Fees	\$ 13,079,466	\$ 11,768,762	\$ 11,670,389
Other Current Assets			
Predevelopment	\$ 4,297,805	\$ 3,961,489	\$ 3,893,182
Prepaid Expenses	1,116,278	1,489,574	3,820,679
Prepaid Payroll	-	1,785	-
Community Development Bank PDV	-	-	10,000
Options	1,805,110	2,569,660	2,814,891
Total Other Current Assets	\$ 7,219,193	\$ 8,022,509	\$ 10,538,752
Property & Equipment			
Furniture & Equipment	\$ 1,223,920	\$ 1,223,920	\$ 1,223,920
IT Assets	1,300,382	1,372,252	1,386,340
Computer Software	2,191,989	2,263,736	2,273,492
Leasehold Improvements	1,597,882	1,597,882	1,597,882
Accumulated Depreciation	(3,475,615)	(3,765,615)	(3,830,615)
Total Property & Equipment	\$ 2,838,557	\$ 2,692,175	\$ 2,651,018
Other Assets			
Loans	\$ 15,169,498	\$ 15,266,703	\$ 15,209,754
Accounts Receivable - Other	18,098,767	14,244,490	14,231,884

Kittle Property Group Inc.
Balance Sheet
June 30, 2023

	Prior Year Balance	Prior Month	Current Month
Construction Receivables	\$ 12,974,551	\$ 12,935,026	\$ 12,306,181
Right of Use Asset	7,287,967	7,016,680	7,016,680
Accumulated Amort - Operating Lease	(1,011,064)	(1,011,064)	(1,011,064)
Right of Use Asset - Finance	173,109	173,109	173,109
Accumulated Depreciation - Finance	(71,261)	(71,261)	(71,261)
Investment - Arborwood	879,117	879,117	879,117
Dev Fees - Long Term	68,001,358	70,899,771	71,641,323
Property Receivables - LT	6,394,130	7,027,351	7,027,351
Arch Fees - LT	<u>1,585,249</u>	<u>1,394,697</u>	<u>1,386,416</u>
Total Other Assets	\$ 129,481,422	\$ 128,754,620	\$ 128,789,489
Total Assets	<u>\$ 191,003,295</u>	<u>\$ 203,708,905</u>	<u>\$ 197,443,798</u>

Kittle Property Group Inc.
Balance Sheet
June 30, 2023

	Prior Year Balance	Prior Month	Current Month
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>			
Accounts Payable			
Central Accounts Payable	\$ 13,337,947	\$ 16,611,483	\$ 18,032,629
Total Accounts Payable	\$ 13,337,947	\$ 16,611,483	\$ 18,032,629
Retainage Payable			
Retainage	\$ 16,850,333	\$ 16,919,377	\$ 17,672,292
Total Retainage Payable	\$ 16,850,333	\$ 16,919,377	\$ 17,672,292
Other Accruals			
Accounts Payable - HAI	-	-	\$ (500,000)
Accounts Payable - 310 E 96th	-	1,600,000	1,600,000
Accounts Payable - HKP Capital	19,056,428	20,399,737	17,274,021
Accounts Payable - Eagle Capital	930,689	930,689	930,689
Payables - Other	6,438,981	17,990,167	13,870,219
Credit Card Payable	20,506	60,745	(75,422)
Credit Card Payable - Construction	1,286	1,286	1,286
Accrued Warranty	55,000	55,000	55,000
Payables - Est. Rent	57,553	72,697	80,270
Accrued Bonuses	2,622,323	-	-
Deferred Compensation Plan Payable	12,795,326	12,795,326	12,795,326
Deferred Revenue - Leed/Green	523,972	523,972	523,972
Accrued Design Costs	735,904	939,864	949,552
Property Taxes Payable	100,101	107,570	111,627
WIP - Overbilled Hard Costs	5,592,112	5,522,573	5,229,326
Notes Payable - Current	5,700,000	-	-
Key Bank - LOC	1,500,000	1,000,000	-
Accrued Interest	2,420	2,420	2,420
Total Other Accruals	\$ 56,132,600	\$ 62,002,046	\$ 52,848,284
Notes Payable			
Cap Lease - Lenovo Nutanix	-	\$ (14,298)	-
Capital Leases	-	(13,937)	-
Lease Liability	6,325,449	6,054,162	6,054,162
Lease Liability - Finance	118,879	118,879	85,354
Total Notes Payable	\$ 6,444,328	\$ 6,144,805	\$ 6,139,516
Stockholders' Equity			
Common Stock - J. Kittle	\$ 250,000	\$ 250,000	\$ 250,000
PIC Capital - J. Kittle	2,100,918	2,100,918	2,100,918
AAA - J. Kittle	58,088,600	58,088,600	58,088,600
Retained Earnings - Prior	27,708,225	37,798,568	37,798,568
Current Year Income	10,090,344	3,793,108	4,512,992
Total Stockholders' Equity	\$ 98,238,086	\$ 102,031,194	\$ 102,751,078
Total Liabilities & Stockholders' Equity	\$ 191,003,294	\$ 203,708,905	\$ 197,443,798

Kittle Property Group Inc.
Comparative Income Statement
For the Month and Year-to-Date Ending June 30, 2023

	Current Month	Current Month Budget	Variance	YTD Balance	YTD Budget	Variance
REVENUE						
Development Fee Income	\$ 940,067	\$ 1,049,626	\$ (109,559)	\$ 7,300,579	\$ 7,850,703	\$ (550,125)
Development Land Sales and Other	-	-	-	(5,500)	-	(5,500)
Finance Fee Income	-	257,500	(257,500)	3,877	961,047	(957,170)
Design & Architect Fee Income	771,343	1,108,055	(336,712)	4,359,084	5,942,069	(1,582,985)
Legal & Document Fee Income	35,583	28,583	7,000	174,889	133,000	41,889
Construction Sales (Net)	495,781	663,245	(167,463)	2,533,303	4,476,477	(1,943,174)
Prop Mgmt Fee Income	590,302	662,527	(72,225)	3,452,817	3,809,314	(356,497)
Portfolio Mgmt Income	74,645	199,645	(125,000)	484,890	690,790	(205,900)
Total Revenue	\$ 2,907,721	\$ 3,969,181	\$ (1,061,460)	\$ 18,303,939	\$ 23,863,399	\$ (5,559,461)
EXPENSES						
Wages	\$ 1,399,459	\$ 1,408,860	\$ 9,401	\$ 8,452,913	\$ 8,335,752	\$ (117,161)
Overtime	1,239	52,982	51,742	10,205	317,889	307,684
Bonuses	183,260	121,796	(61,464)	677,438	528,544	(148,894)
Temporary Labor	-	-	-	833	-	(833)
Payroll Taxes	93,401	112,059	18,658	652,704	693,875	41,171
Insurance - Group & Life	122,742	137,307	14,566	762,736	823,844	61,108
Workmens Comp Ins	-	-	-	1,441	-	(1,441)
Other Employment Costs	-	-	-	1,635	-	(1,635)
Labor in GR	(453,485)	(322,451)	131,035	(1,998,379)	(1,669,177)	329,201
401 K Contributions	43,179	59,135	15,956	281,529	330,277	48,748
Total Payroll	\$ 1,389,794	\$ 1,569,687	\$ 179,893	\$ 8,843,055	\$ 9,361,004	\$ 517,949
Insurance	-	\$ 200	\$ 200	\$ 1,013	\$ 1,200	\$ 188
Accounting & Audit	30,480	18,400	(12,080)	177,139	110,400	(66,739)
Advertising	-	8,000	8,000	8,685	48,000	39,315
Bank Fees	11,344	23,000	11,656	137,486	138,000	514
Computer Expense	90,109	94,490	4,381	515,129	573,540	58,411
Consulting Fees	4,091	7,185	3,094	27,984	43,350	15,366
Copier Expense	2,966	1,970	(996)	17,105	11,820	(5,285)
Contributions	10,000	10,017	17	68,405	68,272	(133)
Dues, Fees & Subscriptions	65,776	54,137	(11,639)	393,420	318,174	(75,246)
Insurance - Property/Liab	275,868	139,050	(136,818)	1,547,265	834,300	(712,965)
Legal Fees	127,213	26,617	(100,596)	287,140	159,702	(127,438)
Legal Fees - Tax Appeals	3,501	25,000	21,499	71,740	150,000	78,260
Marketing	18,077	13,402	(4,675)	195,154	80,410	(114,744)
Meetings & Seminars	10,699	9,705	(994)	37,194	42,230	5,036
Office Supplies	3,085	3,130	45	25,800	19,430	(6,370)
Other Cost of Emplmnt	28,332	20,320	(8,012)	205,480	121,920	(83,560)
Postage	2,421	1,900	(521)	12,285	11,300	(985)
Rent Expense	60,249	59,402	(847)	406,784	356,412	(50,372)
Maintenance & Repairs	3,937	200	(3,737)	18,967	1,200	(17,767)
Shipping & Courier	4,859	3,410	(1,449)	17,297	20,460	3,163
Taxes - Property/Real Est	7,607	4,500	(3,107)	27,890	27,000	(890)
Taxes Other	(183)	30,000	30,183	21,382	180,000	158,618
Telephone Expense	41,270	29,675	(11,595)	172,769	178,050	5,281
Training	6,673	14,629	7,956	47,367	76,276	28,909
Travel	10,902	59,792	48,889	318,167	358,750	40,583
Meals - Travel	4,989	6,634	1,645	29,871	39,942	10,071
Meals & Entertainment	907	1,786	879	23,993	15,716	(8,277)
Vehicle	134	800	666	789	4,800	4,011
Auto Lease	2,747	3,429	682	16,485	20,574	4,089
Subsidized costs - Monon Crossing	-	-	-	4,689	-	(4,689)
Airplane Expense	9,000	24,800	15,800	105,000	151,300	46,300
Allocated Accounting	(2,622)	(2,622)	-	(15,424)	(15,424)	-
Allocated Human Resources	(396)	(396)	-	(2,362)	(2,362)	-
Allocated IT	(917)	(917)	-	(5,468)	(5,468)	-
Interest Expense	51,831	750	(51,081)	142,085	4,500	(137,585)
Interest Income	(8,288)	(12,492)	(4,204)	(70,298)	(74,952)	(4,654)
Miscellaneous Income	(143,621)	-	143,621	(393,621)	-	393,621
Depreciation Expense	65,000	58,000	(7,000)	355,000	348,000	(7,000)

Kittle Property Group Inc.
Comparative Income Statement
For the Month and Year-to-Date Ending June 30, 2023

	Current Month	Current Month Budget	Variance	YTD Balance	YTD Budget	Variance
Tax Expense	-	-	-	\$ 200	-	\$ (200)
Abandoned Projects	-	-	-	(3,206)	-	3,206
Total Admin	\$ 798,044	\$ 737,903	\$ (60,141)	\$ 4,946,780	\$ 4,416,822	\$ (529,958)
Total Expense	\$ 2,187,838	\$ 2,307,590	\$ 119,752	\$ 13,789,835	\$ 13,777,826	\$ (12,009)
Net Income/(Loss)	\$ 719,883	\$ 1,661,591	\$ (941,708)	\$ 4,514,104	\$ 10,085,573	\$ (5,571,469)

Kittle Property Group Inc.
Corporate Statement of Cash Flow
For the Month and Year-to-Date Ending June 30, 2023

	Current Month	Year-to- Date
Cash Flows from Operating Activities:		
Net Income/(Loss)	\$ 719,883	\$ 4,512,992
Adjustment to Reconcile Net Income/(Loss) Provided by (Used in) Operating Activities		
Depreciation	65,000	355,000
(Increase)/Decrease in Current Assets:		
(Increase)/Decrease in Intercompany Accounts Receivable	(287,849)	4,267,406
(Increase)/Decrease in Construction Accounts Receivable	4,832,558	1,126,679
(Increase)/Decrease in Retention Receivable	4,723,157	1,653,864
(Increase)/Decrease in Earned Architect, Legal & Financing Fees	(24,177)	(1,728,327)
(Increase)/Decrease in Work in Progress	130,233	(7,042,787)
(Increase)/Decrease in Development Fees	98,373	1,409,077
(Increase)/Decrease in Predevelopment	68,307	404,622
(Increase)/Decrease in Prepaid Expenses	(2,339,320)	(2,714,401)
(Increase)/Decrease in Options	(245,231)	(1,009,781)
(Increase)/Decrease in Current Liabilities:		
Increase/(Decrease) in Accounts Payable	1,421,146	4,694,681
Increase/(Decrease) in Retention Payable	752,915	821,959
Increase/(Decrease) in Other Accruals	(8,153,762)	3,915,684
Net Cash Provided by (Used in) Operating Activities	\$ 1,761,235	\$ 10,666,668
Cash Flows From Investing Activities:		
(Acquisition)/Disposition of Property & Equipment	\$ (23,844)	\$ (167,461)
(Increase)/Decrease in Other Assets	(733,271)	(3,803,065)
(Proceeds to) Principal Payments from Related Party Loans Receivable	56,950	(40,256)
Net Cash Provided by (Used in) Investing Activities	\$ (700,165)	\$ (4,010,781)
Cash Flows from Financing Activities:		
Proceeds From (Principal Payments on) LOC	\$ (1,000,000)	\$ (1,500,000)
Proceeds From (Principal Payments on) Mortgages	(5,290)	(6,004,813)
Net Cash Provided by (Used in) Financing Activities	\$ (1,005,290)	\$ (7,504,813)
Net Increase (Decrease) in Cash	\$ 55,780	\$ (848,926)
Cash, Beginning of Period	\$ 182,400	\$ 1,087,106
Cash, End of Period	\$ 238,180	\$ 238,180

Date: August 18, 2023

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2022 and 2021

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES

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Independent Accountant's Review Report

**To the Board of Directors
Kittle Property Group, Inc. and Subsidiaries
Indianapolis, Indiana**

We have reviewed the accompanying consolidated financial statements of Kittle Property Group, Inc. and Subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of operations, shareholder's equity and cash flows for the years then ended, and the related notes to the consolidated financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Kittle Property Group, Inc. and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2022, the entity adopted new accounting guidance regarding leasing of property and equipment under FASB Accounting Standards Codification Topic 842.

Accountant's Conclusion

Based on our reviews, with the exception of the matter described in the following paragraph, we are not aware of any material modifications that should be made to the consolidated financial statements in order for them to be conformity with accounting principles generally accepted in the United States of America.

Known Departure from Accounting Principles Generally Accepted in the United States of America

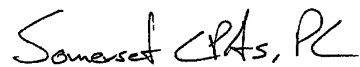
As disclosed in Note 15 to the consolidated financial statements, generally accepted accounting principles require the primary beneficiary of a variable interest entity to present consolidated financial statements. Management has determined that the Company is a primary beneficiary of various variable interest entities and has elected not to include these entities in the consolidated financial statements and related disclosures. The effect of this departure from generally accepted accounting principles on the financial position, results of operations and cash flows has not been determined.

Limitations of the Consolidated Financial Statements

Because of the significance and pervasiveness of the matters in the *Known Departure from Accounting Principles Generally Accepted in the United States of America* paragraph makes it difficult to assess their impact on the consolidated financial statements as a whole, users of these consolidated financial statements should recognize that they might reach different conclusions about the Company's financial position, results of operations and cash flows if they had access to revised consolidated financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

Other Matters

As disclosed in Notes 1 and 14 to the consolidated financial statements, the Company engages primarily in transactions with related parties.



Indianapolis, Indiana
June 8, 2023

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2022 and 2021

	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,088,119	\$ 906,046
Related party receivables (Note 2)	34,460,438	34,011,490
Predevelopment costs	4,297,805	3,573,589
Related party contract assets (Note 4)	16,135,509	15,755,226
Prepaid expenses	1,116,278	681,347
Advances to related parties (Note 14)	664,683	5,273,574
Total Current Assets	57,762,832	60,201,272
Property and Equipment		
Leasehold improvements	1,597,882	1,573,581
Furniture and equipment	2,524,302	2,545,494
Computer software	2,191,989	2,066,765
Accumulated depreciation and amortization	(3,475,615)	(2,824,811)
Total Property and Equipment	2,838,558	3,361,029
Other Assets		
Right-of-use assets - financing lease (Note 8)	101,848	-
Right-of-use assets - operating lease (Note 8)	6,276,903	-
Advances to related parties (Note 14)	31,655,925	21,473,278
Related party receivables, less current maturities (Note 2)	88,103,410	77,300,623
Equity investments in limited liability companies	879,117	879,266
Land to be developed	19,078,449	9,767,556
Options in land	1,805,110	1,653,230
Total Other Assets	147,900,762	111,073,953
Total Assets	\$ 208,502,152	\$ 174,636,254

See accompanying notes and independent accountant's review report.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current Liabilities		
Line of credit (Note 6)	\$ 1,500,000	\$ 3,000,000
Current maturities of long-term debt (Note 7)	5,700,000	2,000,000
Capital lease obligations, current maturities (Note 8)	-	78,000
Finance lease liability, current maturities (Note 8)	67,003	-
Operating lease liability, current maturities (Note 8)	874,839	-
Deferred compensation payable, current maturities (Note 10)	516,474	192,950
Accounts payable:		
Trade	13,360,089	19,065,755
Retainage	16,849,983	15,652,368
Related party accounts payable	1,246,066	1,392,050
Advances from related parties (Note 14)	2,296,811	2,188,549
Related party contract liabilities (Note 4)	3,560,100	220,482
Related party deferred revenue	523,972	690,479
Other liabilities	8,219,826	5,924,698
	<u>54,715,163</u>	<u>50,405,331</u>
Total Current Liabilities		
Long-term Liabilities, less current maturities		
Deferred compensation payable (Note 10)	12,278,852	11,871,133
Advances from related parties (Note 14)	25,115,572	20,434,351
Long-term debt (Note 7)	11,858,743	2,424,188
Capital lease obligations (Note 8)	-	127,976
Finance lease liability (Note 8)	51,876	-
Operating lease liability (Note 8)	5,450,610	-
	<u>54,755,653</u>	<u>34,857,648</u>
Total Long-term Liabilities		
	<u>54,755,653</u>	<u>34,857,648</u>
Total Liabilities	<u>109,470,816</u>	<u>85,262,979</u>
Shareholder's Equity		
Common stock (Note 11)	250,000	250,000
Additional paid-in capital	2,100,918	2,100,918
Retained earnings	96,680,418	87,022,357
	<u>99,031,336</u>	<u>89,373,275</u>
Total Shareholder's Equity		
	<u>99,031,336</u>	<u>89,373,275</u>
Total Liabilities and Shareholder's Equity	<u>\$ 208,502,152</u>	<u>\$ 174,636,254</u>

See accompanying notes and independent accountant's review report.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
Revenues				
Contracts	\$ 171,457,375	78.6	\$ 179,911,054	80.0
Development cost reimbursements	12,795,541	5.9	11,070,292	4.9
Development fees	20,233,231	9.3	21,626,820	9.6
Architectural, financing and document fees	6,601,509	3.0	5,444,653	2.4
Property management fees	6,114,598	2.8	5,954,724	2.6
Digital marketing fees	397,525	0.2	395,725	0.2
Asset management fees	576,814	0.3	597,153	0.3
	<u>218,176,593</u>	<u>100.0</u>	<u>225,000,421</u>	<u>100.0</u>
Cost and Expenses				
Contract costs	165,596,736	75.9	170,892,251	76.0
Development costs	12,795,541	5.9	11,070,291	4.9
Predevelopment expenses	262,759	0.1	684,345	0.3
General and administrative expenses	30,861,555	14.1	33,604,964	14.9
	<u>209,516,591</u>	<u>96.0</u>	<u>216,251,851</u>	<u>96.1</u>
Income from Operations	<u>8,660,002</u>	<u>4.0</u>	<u>8,748,570</u>	<u>3.9</u>
Other Income (Expense)				
Interest income	295,426	0.1	214,368	0.1
Interest expense	(510,156)	(0.2)	(355,509)	(0.2)
Loss on sale of assets	-	-	(58,104)	-
Other income	1,212,938	0.6	378,608	0.2
Equity in operating losses of limited partnerships	(149)	-	(139)	-
	<u>998,059</u>	<u>0.5</u>	<u>179,224</u>	<u>0.1</u>
Net Income	<u>\$ 9,658,061</u>	<u>4.4</u>	<u>\$ 8,927,794</u>	<u>4.0</u>

See accompanying notes and independent accountant's review report.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY
For the Years Ended December 31, 2022 and 2021

	Shares Outstanding	Common Stock	Additional Paid-in Capital	Retained Earnings	Total Shareholder's Equity
Balance, January 1, 2021	10,000	\$ 250,000	\$ 2,100,918	\$ 78,094,563	\$ 80,445,481
Net income	-	-	-	8,927,794	8,927,794
Balance, December 31, 2021	10,000	250,000	2,100,918	87,022,357	89,373,275
Net income	-	-	-	9,658,061	9,658,061
Balance, December 31, 2022	10,000	\$ 250,000	\$ 2,100,918	\$ 96,680,418	\$ 99,031,336

See accompanying notes and independent accountant's review report.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Net income	\$ 9,658,061	\$ 8,927,794
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	722,065	643,493
Amortization of debt issuance costs	9,145	10,000
Loss on sale of assets	-	58,104
Abandonment loss of land options	50,000	581,654
Equity in operating losses of limited partnerships	149	139
Operating lease expense adjustment	48,546	-
Change in certain assets:		
Receivables and predevelopment costs	(11,975,951)	(7,098,324)
Related party contract assets	(380,283)	(4,787,118)
Prepaid expenses	(434,931)	(177,192)
Changes in certain liabilities:		
Trade, retainage and related party payables	(4,654,035)	525,618
Related party contract liabilities	3,339,618	(3,819,184)
Other liabilities	2,859,864	4,385,644
Net cash used in operating activities	<u>(757,752)</u>	<u>(749,372)</u>
Cash Flows from Investing Activities		
Repayment of advances from (advances to) related parties	4,915,727	12,530,119
Capital expenditures	(301,442)	(2,818,348)
Purchase of land to be developed	-	(9,128,180)
Proceeds from sale of land to be developed	1,573,357	-
Land options purchased	(1,891,880)	(2,737,190)
Land options refunded	1,690,000	1,183,645
Net cash provided by (used in) investing activities	<u>5,985,762</u>	<u>(969,954)</u>
Cash Flows from Financing Activities		
Net repayments on line of credit	(1,500,000)	(1,896,440)
Borrowings on long-term debt	974,493	2,100,000
Principal payments on long-term debt	(4,433,333)	(2,000,000)
Principal payments on finance lease obligations	(87,097)	(91,108)
Net cash used in financing activities	<u>(5,045,937)</u>	<u>(1,887,548)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	182,073	(3,606,874)
Cash and Cash Equivalents, Beginning of Year	906,046	4,512,920
Cash and Cash Equivalents, End of Year	<u>\$ 1,088,119</u>	<u>\$ 906,046</u>
Supplemental Cash Flows Disclosure		
Interest paid	<u>\$ 504,290</u>	<u>\$ 358,585</u>

See accompanying notes and independent accountant's review report.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations, Revenues from Related Parties and Business Concentration

Kittle Property Group, Inc. and Subsidiaries (the "Company") revenues are derived from the design, development, construction and management of income producing properties owned by partnerships or limited liability companies in which the Company's shareholder is a general partner or managing member.

The Company legally changed its name effective December 10, 2020, to Kittle Property Group, Inc., from Herman and Kittle Properties, Inc.

The Company's primary focus is affordable rental housing properties in Indiana, Illinois, Kentucky, Michigan, Ohio, Louisiana, Texas, South Carolina, Florida, Alabama, Georgia, Kansas, Mississippi, Oklahoma, Wisconsin, Missouri, Tennessee, Colorado and North Carolina. These developments have utilized some form of conventional or governmental financing including the Farmer's Home Administration, Housing and Urban Development, Federal Home Loan Bank, HOME Investment Partnership Program, Housing Finance Authority Trust Fund, Low Income Housing Tax Credit Program, tax-exempt bond financing or a combination of the above.

In addition, the Company develops, builds and manages self-storage facilities owned by related limited liability companies in which the shareholder of the Company is a member.

Consolidation

The accompanying consolidated financial statements include the accounts of Development Partners, LLC and HKP Fund Management, LLC, which are wholly-owned subsidiaries of Kittle Property Group, Inc., Development Partners, LLC and HKP Fund Management, LLC, were formed for real estate development purposes.

The Company has ownership interest in two entities (see Note 5 - Equity in Limited Partnership and Limited Liability Company) that are reported using the single line equity method on the Consolidated Balance Sheets and the proportionate consolidation method on the Consolidated Statements of Operations. The investments are carried at cost and are adjusted for the Company's share of the entities' net income or loss and by cash distributions received.

The Company also has ownership interest in several limited partnerships in which the Company's ownership interest ranges from .0001% to .005% and receives pro-rata share of profits, losses and capital of the limited partnerships. The ownership interests in the limited partnerships are reported using the cost method of accounting.

All material intercompany accounts and transactions have been eliminated.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Cost Recognition

The Company adopted the requirements of Accounting Standards Codification ("ASC") Topic 606 ("Topic 606"), *Revenue from Contracts with Customers*, under the full retrospective transition approach effective January 1, 2019, with application to all existing contracts that were not substantially completed as of January 1, 2019. There was no difference between the recognition criteria under Topic 606 and the Company's previous revenue recognition practices under ASC Topic 605-35.

Topic 606 replaces numerous requirements in GAAP, including industry-specific requirements, and provides companies with a single revenue recognition model for recognizing revenue from contracts with customers. Under Topic 606, revenue is recognized when, or as, control of promised goods and services is transferred to customers, and the amount of revenue recognized reflects the consideration to which an entity expects to be entitled in exchange for the goods and services transferred. As a result of the adoption of Topic 606, retainage receivable is now recorded in "Contract Assets" or "Contract Liabilities" in our Consolidated Balance Sheets when the right to payment of the retainage is conditional under terms of the contracts.

Contract Combination

To determine the proper revenue recognition method for contracts, the Company evaluates whether two or more contracts should be combined and accounted for as one single contract and whether the combined or single contract should be accounted for as more than one performance obligation. This evaluation requires significant judgment, and the decision to combine a group of contracts or separate a combined or single contract into multiple performance obligations could change the amount of revenue and profit recorded in a given period. Contracts are considered to have a single performance obligation if the promise to transfer the individual goods or services is not separately identifiable from other promises in the contracts, primarily because the Company provides a significant service of integrating a complex set of tasks and components into a single project or capability.

Generally, the Company's contracts contain one performance obligation. The Company reviews its contracts at contract inception to determine if the contract represents multiple performance obligations or a single performance obligation. When a contract has a single performance obligation, the entire transaction price is attributed to that performance obligation. For contracts with multiple performance obligations, the Company allocates the transaction price to each performance obligation using management's best estimate of the standalone selling price of each distinct good or service in the contract, which typically is determined using cost plus an appropriate margin.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Cost Recognition (Continued)

Construction Contracts

The Company derives revenue primarily from fixed price contracts. Performance obligations related to contracts are satisfied over time because the Company's performance typically creates or enhances an asset that the customer controls as the asset is created or enhanced. The Company recognizes revenue as performance obligations are satisfied and control is transferred to the customer. Revenue is recognized as control is continuously transferred to the customer by measuring progress toward complete satisfaction of the performance obligation using the cost-to-cost input method, based primarily on contract costs incurred to date compared to total estimated contract costs. Under the cost-to-cost method, costs incurred to-date are generally the best depiction of transfer of control.

The payment terms of our construction contracts require the customer to make payments as work progresses. The payments generally are not considered a significant financing component as we expect to recognize those amounts in revenue within a year of receipt as work progresses on the related performance obligation.

Variable Consideration

At times, the Company's contracts may contain variable consideration in the form of incentive fees, performance bonuses, award fees, liquidated damages or penalties. Other contract provisions also give rise to variable consideration such as claims and unapproved and unpriced change orders that may either increase or decrease the transaction price. The Company estimates the amount of variable consideration at the most likely amount it expects to be entitled. Variable consideration is included in the transaction price when it is probable that a significant reversal of cumulative revenue recognized will not occur or when the uncertainty associated with the variable consideration is resolved. The Company's estimates of variable consideration and determination of whether to include such amounts in the transaction price are based largely on the Company's assessment of legal enforceability, anticipated performance and any other information (historical, current or forecasted) that is reasonably available to us.

The Company provides limited warranties to customers for work performed under contracts that typically extend for a limited duration following substantial completion of the Company's work on a project. Such warranties are not sold separately and do not provide customers with a service in addition to assurance of compliance with agreed-upon specifications. Accordingly, these types of warranties are not considered to be separate performance obligations. Historically, warranty claims have not resulted in material costs incurred.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Cost Recognition (Continued)

Contract Estimates and Modifications

The estimation process for recognizing revenue over time under the cost-to-cost method is based on the professional knowledge and experience of the Company's project managers, owners and financial professionals. Management reviews estimates of total contract transaction price and total project costs on an ongoing basis. Changes in job performance, job conditions and management's assessment of expected variable considerations are factors that influence estimates of total contract transaction price, total costs to complete those contracts and the Company's profit recognition. Changes in these factors may result in revisions to revenue in the period in which the revisions are determined, which could materially affect the Company's results of operations for that period. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determined.

Contracts are often modified to account for changes in contract specifications and requirements. Most of the Company's contract modifications are for goods or services that are not distinct from existing contracts, due to the significant integration provided in the context of the contract and are accounted for as if they were part of the original contract. The effect of a contract modification on the transaction price, and the Company's measure of progress for the performance obligation to which it relates, is recognized as an adjustment to revenue (either as an increase in or a reduction of revenue) on a cumulative catch-up basis.

The Company accounts for contract modifications when the modification results in the promise to deliver additional goods or services that are distinct, and the increase in price of the contract is for the same amount as the stand-alone selling price of the additional goods or services included in the modification.

Contract Assets and Liabilities

Contract assets include amounts due under contractual retainage provisions as well as costs and estimated earnings in excess of billings. Costs and estimated earnings in excess of billings also represent amounts earned and reimbursable under contracts, including customer affirmative claim recovery estimates, but have a conditional right for billing and payment such as achievement of milestones or completion of the project. With the exception of customer affirmative claims, generally, such unbilled amounts will become billable according to the contract terms and generally will be billed and collected over the next 12 months. Settlement with the customer of outstanding affirmative claims is dependent on the claims resolution process and could extend beyond one year. Based on historical experience, the Company generally considers the collection risk related to billable amounts to be low. When events or conditions indicate that it is probable that the amounts outstanding become unbillable, the transaction price and associated contract asset is reduced.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Cost Recognition (Continued)

Contract Assets and Liabilities (Continued)

Contract liabilities consist of provisions for losses, billings in excess of costs and estimated earnings and may include retainage. Provisions for losses are recognized in the Consolidated Statements of Operations at the uncompleted performance obligation level for the amount of total estimated losses in the period that evidence indicates that the estimated total cost of a performance obligation exceeds its estimated total revenue. Billings in excess of costs and estimated earnings are billings to customers in excess of revenue recognized to date on contracts, including billings negotiated as a contract condition. Generally, unearned project-related costs will be earned over the next 12 months.

Retainage, included in contract assets or liabilities, represents the amounts withheld from billings by the Company's clients pursuant to provisions in the contracts and may not be paid to the Company until the completion of specific tasks or the completion of the project and, in some instances, for even longer periods. Retainage may also be subject to restrictive conditions such as performance guarantees. The Company has determined there are no significant financing components in contracts during the years ended December 31, 2022 and 2021.

Contract Costs

Contract costs include all direct material, labor and subcontractor costs and indirect costs related to contract performance. These costs are recorded as incurred and revisions to estimated total costs are reflected as soon as the obligation to perform is determined. Changes in job performances, job conditions and estimated profitability may result in revisions to costs and income, which are recognized in the period in which the revisions are determined.

Project mobilization costs are generally charged to the project as incurred when they are an integrated part of the performance obligation being transferred to the client.

The Company has elected to use the practical expedient that allows the recognition of the incremental costs of obtaining a contract as an expense when incurred since the majority of its contracts are less than a year in duration.

Development Costs

Development cost reimbursements and related development costs, including construction period interest, insurance, architectural fees and other related development costs, are recognized as incurred, generally at a zero margin. On occasion, the Company incurs development costs outside the original project scope which are not reimbursable.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Cost Recognition (Continued)

Predevelopment Costs

Predevelopment costs represent expenses incurred on properties that the Company is attempting to secure for development. Any expense incurred prior to closing on the property is capitalized as a predevelopment cost. If the Company is awarded the development, all predevelopment expenses are transferred to contract costs and included in the work in process valuation. If the Company is not awarded the development, these predevelopment expenses are written off as a period expense.

Development Fees

Revenues from development fees are recognized according to the terms specified in the co-development agreements. At the beginning of the construction phase of a property, the Company earns a fixed percentage of a development fee. As the construction phase progresses, the remaining development fee is recognized pro rata according to the intervals specified in the co-development agreements. By the end of the construction phase, the development fees are deemed 100% earned.

Development fees receivable represent fees earned and collectible over a period spanning 1-10 years. When recording the development fees receivable, management estimates the number of years it will take to collect 100% of the development fees, uses a 10% discount rate to compute the net present value and then records an allowance for the difference between the net present value and the gross receivable. The allowance is adjusted on an annual basis, based on management's expectations of the future cash flows.

Architectural, Financing and Document Fees

Revenues from architectural, financing and document fees related to the design and development of certain properties are recognized over a period spanning 1-3 years. When recording the receivable, management estimates the number of years it will take to collect 100% of the fees, uses a 10% discount rate to compute the net present value and then records an allowance for the difference between the net present value and the gross receivable. This allowance is adjusted on an annual basis based on management's expectations of future cash flows.

Acquisition and Guaranty Fees

Revenues from acquisition and guaranty fees are recognized upon assumptions and guaranty of general partner obligations of certain debts and obligations of a partnership. Collection of the fees is based on a cash flow priority schedule established in the partnership agreement.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Cost Recognition (Continued)

Property Management Fees

Revenues from fees charged to manage affordable rental housing properties and self-storage facilities are recognized as earned.

Asset Management Fees

Revenues from fees charged to manage credit risk and ensure the long-term success of affordable housing properties and self-storage facilities are recognized as earned.

Contracts and Other Receivables

Contracts and other receivables are recognized when the Company's right to consideration is unconditional and are presented net of an allowance for doubtful accounts. On a periodic basis, the Company evaluates its contracts receivable and other receivables and establishes an allowance for doubtful accounts, based on history of past write-offs and collections and current credit conditions. The Company considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts is currently provided. The Company's policy is not to accrue interest on past due receivables.

Retainage Receivable

Retainage receivable, which has been billed, but is not due until completion of performance and acceptance by customers, is expected to be collected within one year of completion of a contract. Receivables expected to be collected beyond one year are recorded as long-term assets.

Performance and Payment Bonds

In certain circumstances, the Company is required to provide performance and payment bonds in connection with its future performance on certain contractual commitments. The Company has indemnified its sureties for any expenses paid out under these bonds. As of December 31, 2022 and 2021, an aggregate of approximately \$41,947,000 and \$55,830,000, respectively, in original face amount of bonds issued by the Company's sureties were outstanding. The Company's estimated remaining cost to complete these bonded projects was approximately \$32,647,000 and \$2,599,000 as of December 31, 2022 and 2021, respectively.

Property, Equipment and Depreciation

Property and equipment are carried at cost and include expenditures for new additions and those, which substantially increase the useful lives of existing assets. Depreciation is computed at various rates by use of the straight-line method. Depreciable lives range from 5 to 10 years.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Equipment and Depreciation (Continued)

Expenditures for normal repairs and maintenance are charged to operations as incurred. The cost of property or equipment retired or otherwise disposed of and the related accumulated depreciation are removed from the accounts in the year of disposal with the resulting gain or loss reflected in earnings or in the cost of the replacement asset.

The provision for depreciation amounted to \$579,623 and \$506,579 for the years ended December 31, 2022 and 2021, respectively.

Computer Software and Amortization

Costs incurred by the Company to purchase computer software and software licenses are capitalized and amortized on a straight-line basis over a period of three years. The following table sets forth the gross carrying amount and accumulated amortization of the Company's computer software assets at December 31, 2022 and 2021:

	2022		2021	
	Gross Amount	Accumulated Amortization	Gross Amount	Accumulated Amortization
Computer Software	\$ 2,191,989	\$ 2,016,007	\$ 2,066,765	\$ 1,873,565

The provision for amortization amounted to \$142,442 and \$136,914 for the years ended December 31, 2022 and 2021, respectively.

Amortization expense on other intangible assets for each of the next three years is approximately as follows:

<u>Years Ending December 31,</u>		
2023		\$ 101,918
2024		57,855
2025		16,209
		\$ 175,982

Construction Warranty Costs

The Company provides a construction warranty on some projects it develops to replace or repair any portion of the project which proves defective within two years from the date of the final certificate of occupancy for the project. The Company determines its estimated liability for warranty claims based on the Company's experience of the amount of claims actually made.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Construction Warranty Costs (Continued)

It is reasonably possible that the Company's estimate of the accrued construction warranty claims will change in the near term. Estimated costs for product warranties are recognized at the time revenue is recognized.

The following is a reconciliation of the changes in the Company's aggregate construction warranty liability for the years ended December 31, 2022 and 2021:

	2022	2021
Accrued liability at beginning of period	\$ 55,000	\$ 55,000
Payments made	(155,709)	(140,518)
Cost recognized for warranties issued during the period	155,709	140,518
Accrued liability at end of period	\$ 55,000	\$ 55,000

Cash Flows

For purposes of the Consolidated Statements of Cash Flows, the Company considers all highly liquid instruments that are purchased within three months or less of an instrument's maturity date to be cash equivalents. Cash equivalents consist of money market accounts.

Noncash investing and financing activities are summarized as follows:

- During the year ended December 31, 2022, the Company entered into new lease agreements which created a right-of-use assets and related liabilities of \$6,942,758.
- During the year ended December 31, 2022, the Company entered into a loan agreement for the purchase of land for \$4,550,000.
- During the year ended December 31, 2022, the Company entered into a loan agreement for the purchase of land for \$2,925,000.
- During the year ended December 31, 2022, the Company entered into a loan agreement for the purchase of land for \$2,613,000.
- During the year ended December 31, 2022, the Company entered into a loan agreement for the purchase of land for \$796,250.
- During the year ended December 31, 2022, the Company entered into a loan agreement with a related party for the amount of \$5,700,000.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash Flows (Continued)

- The Company acquired fixed assets totaling \$99,350 through capital leases during the year ended December 31, 2021.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates used in preparing these consolidated financial statements include those assumed in computing profit percentages under the cost-to-cost revenue recognition method as well as those assumed in computing the cash flow and net present value of contracts, development and architectural fees receivable.

Additionally, the Company makes significant estimates regarding the timing of planned receipts of its various related party receivables and advances. It is reasonably possible that the significant estimates used will change within the next year.

Leases

The Company adopted Accounting Standards Codification Topic 842, Leases, under the modified retrospective transition approach effective January 1, 2022. The adoption of this standard required classification of leases as either finance leases or operating leases and resulted in the recognition of right-of-use assets and lease liabilities in the amount of \$345,209 on January 1, 2022. The adoption had no effect on shareholders' equity. Before the adoption of Topic 842, the Company accounted for leases under Topic 840, which required different accounting treatment based on classification between capital leases and operating leases.

The Company applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The Company determines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the appropriate discount rate.

The Company elected to utilize the transition package of practical expedients permitted within the new standard, which among other things, allows the Company to carryforward the historical lease classification.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from short-term leases for any class of underlying asset. Short-term leases have an initial term of 12 months or less with purchase options or extension options that are not reasonably certain to be exercised.

The Company has made an accounting policy election to use a risk-free discount rate for present value lease calculations when the rate implicit in the lease is not readily determinable.

Finance Leases

The Company leases certain computer equipment under finance leases. The right-of-use assets for these leases are included in the consolidated balance sheets, net of accumulated amortization, with a corresponding amount recorded in current portion of finance lease liabilities or noncurrent portion of finance lease liabilities, as appropriate.

The finance lease right-of-use assets are amortized over the life of the lease or, if shorter, the life of the leased asset, on a straight-line basis and included in amortization expense. The interest associated with finance lease liabilities is included in interest expense.

Operating Leases

Operating leases are included in right-of-use assets, and current portion of lease liability and noncurrent portion of lease liability, as appropriate. Right-of-use assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The right-of-use asset also includes any lease payments made and initial direct costs incurred at lease commencement and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

Advertising

The Company charges advertising costs to expense as incurred. Advertising expenses amounted to \$380,610 and \$208,704 for the years ended December 31, 2022 and 2021, respectively.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update 2016-13, Financial Instruments - Credit Losses (Topic 326): *Measurement of Credit Losses on Financial Instruments*, which introduces a forward-looking approach, based on expected losses, to estimate credit losses on certain types of financial instruments, including trade and other receivables, and modifies the impairment model for available-for-sale debt securities. The estimate of expected credit losses will require entities to incorporate considerations of historical information, current information and reasonable and supportable forecasts.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements (Continued)

As a result, these changes may result in earlier recognition of credit losses. This accounting standards update also expands the disclosure requirements to enable users of financial statements to understand the entity's assumptions, models and methods for estimating expected credit losses. This guidance is effective for fiscal years beginning after December 15, 2022. The Company is currently evaluating the impact of this accounting standards update.

Management Evaluation of Subsequent Events

Management has evaluated subsequent events through June 8, 2023, the date on which the consolidated financial statements were available to be issued.

In March 2023, the Company paid the related party note payable of \$5,700,000 (Note 7) in full.

NOTE 2 - RELATED PARTY RECEIVABLES

Information with respect to related party receivables is as follows at December 31, 2022 and 2021:

	2022		
	Current	Long-term	Total
Contracts (See Note 3)	\$ 4,955,594	\$ 11,614,549	\$ 16,570,143
Development fees	13,079,471	68,001,358	81,080,829
Architectural, financing, acquisition and document fees	5,204,185	1,585,249	6,789,434
Property management fees and other	4,106,664	6,902,254	11,008,918
Development costs	7,114,524	-	7,114,524
	<u>\$ 34,460,438</u>	<u>\$ 88,103,410</u>	<u>\$ 122,563,848</u>
	2021		
	Current	Long-term	Total
Contracts (See Note 3)	\$ 5,714,090	\$ 10,556,459	\$ 16,270,549
Development fees	13,466,742	59,765,291	73,232,033
Architectural, financing, acquisition and document fees	5,008,202	1,708,010	6,716,212
Property management fees and other	7,134,746	5,270,863	12,405,609
Development costs	2,687,710	-	2,687,710
	<u>\$ 34,011,490</u>	<u>\$ 77,300,623</u>	<u>\$ 111,312,113</u>

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 2 - RELATED PARTY RECEIVABLES (CONTINUED)

The scheduled due dates of the long-term portion at December 31, 2022, are as follows:

	<u>Contracts</u>	<u>Development Fees</u>	<u>Architectural, Financing, Acquisition and Document Fees</u>	<u>Property Management and Other Fees</u>	<u>Development Costs</u>	<u>Total</u>
2024	\$ 639,368	\$ 24,978,335	\$ 440,419	\$ 6,902,254	\$ -	\$ 32,960,376
2025	705,000	18,744,451	1,433,691	-	-	20,883,142
2026	740,073	15,770,281	-	-	-	16,510,354
2027	717,760	8,551,793	-	-	-	9,269,553
2028	694,379	7,311,532	-	-	-	8,005,911
Future	8,117,969	15,420,879	-	-	-	23,538,848
Less discount to net present value	-	(22,775,913)	(288,861)	-	-	(23,064,774)
	<u>\$ 11,614,549</u>	<u>\$ 68,001,358</u>	<u>\$ 1,585,249</u>	<u>\$ 6,902,254</u>	<u>\$ -</u>	<u>\$ 88,103,410</u>

NOTE 3 - RELATED PARTY CONTRACTS RECEIVABLE

Further information with respect to related party contracts receivable at December 31, 2022 and 2021, in addition to 2020, is summarized as follows:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Completed contracts	\$ 12,820,882	\$ 12,634,240	\$ 14,426,493
Contracts in process	3,749,261	3,636,309	3,687,607
Total (See Note 2)	<u>\$ 16,570,143</u>	<u>\$ 16,270,549</u>	<u>\$ 18,114,100</u>

NOTE 4 - RELATED PARTY CONTRACT ASSETS AND LIABILITIES

Information with respect to contract assets and contract liabilities is summarized as follows at December 31, 2022, in addition to December 31, 2021 and 2020:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Costs and estimated earnings in excess of billings	\$ 4,522,141	\$ 3,772,140	\$ 468,582
Retainage	11,613,368	11,983,086	10,499,526
Related party contract assets	<u>\$ 16,135,509</u>	<u>\$ 15,755,226</u>	<u>\$ 10,968,108</u>

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 4 - RELATED PARTY CONTRACT ASSETS AND LIABILITIES (CONTINUED)

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Billings in excess of costs and estimated earnings	\$ 5,592,112	\$ 3,198,252	\$ 4,413,245
Retainage	<u>(2,032,012)</u>	<u>(2,977,770)</u>	<u>(373,579)</u>
Related party contract liabilities	<u>\$ 3,560,100</u>	<u>\$ 220,482</u>	<u>\$ 4,039,666</u>

NOTE 5 - EQUITY IN A LIMITED PARTNERSHIP AND LIMITED LIABILITY COMPANY

Brookhaven Apartments, L.P.

The Company has a 1% interest in Brookhaven Apartments, L.P., as of December 31, 2022 and 2021. Brookhaven Apartments, L.P., was formed during the year ended December 31, 2008. This limited partnership was formed to develop and own a residential rental community for elderly households in Indianapolis, Indiana. The Company is involved with the development, construction and management of the property.

Summary information for the above equity investment is as follows at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial data:		
Total assets	\$ 22,724,968	\$ 21,573,105
Less liabilities	<u>(28,533,937)</u>	<u>(28,879,116)</u>
Net assets	<u>\$ (5,808,969)</u>	<u>\$ (7,306,011)</u>
Revenues	<u>\$ 2,646,993</u>	<u>\$ 2,577,919</u>
Net profit	<u>\$ 1,497,042</u>	<u>\$ 332,880</u>
Company's interest:		
Share of net income	<u>\$ 14,970</u>	<u>\$ 3,329</u>
Capital account in limited partnership	<u>\$ (1,182,997)</u>	<u>\$ (1,197,967)</u>

The equity investment in Brookhaven Apartments, L.P., was \$0 as of December 31, 2022 and 2021. During the year ended December 31, 2014, the Company's equity investment in Brookhaven Apartments, L.P., was reduced to \$0, and the Company is not required to fund the operating deficits of Brookhaven Apartments, L.P., thus no further adjustments are necessary to reflect the Company's capital account deficit in Brookhaven Apartments, L.P.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 - EQUITY IN A LIMITED PARTNERSHIP AND LIMITED LIABILITY COMPANY (CONTINUED)

Arborwood Apartments - Indianapolis, LLC

The Company has a .01% membership interest in Arborwood Apartments - Indianapolis, LLC, which was formed during the year ended December 31, 2013. This limited liability company was formed to develop, own, maintain and operate an apartment community in Indianapolis, Indiana. The Company is involved with the development, construction and management of the property.

Summary information for the above equity investment is as follows at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Financial data:		
Total assets	\$ 18,326,185	\$ 18,746,500
Less liabilities	(25,933,056)	(24,864,759)
Net assets	<u>\$ (7,606,871)</u>	<u>\$ (6,118,259)</u>
Revenues	<u>\$ 3,361,089</u>	<u>\$ 3,078,276</u>
Net loss	<u>\$ (1,488,612)</u>	<u>\$ (1,389,804)</u>
Company's interest:		
Share of net loss	<u>\$ (149)</u>	<u>\$ (139)</u>
Capital account in limited partnership	<u>\$ 2,039,020</u>	<u>\$ 2,039,169</u>

NOTE 6 - LINE OF CREDIT

In August 2020, the Company entered into a \$20,000,000 revolving credit agreement with maturity in August 2021. In August 2021, the credit agreement was amended to \$25,000,000 with maturity in August 2022. In August 2022, the credit agreement was amended to \$30,000,000 with maturity in August of 2023. Borrowings bear interest at the SOFR plus 2.30% (6.60% and 2.35% at December 31, 2022 and 2021, respectively). Outstanding borrowings amounted to \$1,500,000 and \$3,000,000 at December 31, 2022 and 2021, respectively. Amounts borrowed are secured by substantially all of the assets of the Company and the personal guaranteed by the Company's shareholder. The Company is required to maintain compliance with specified financial covenants.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 7 - LONG-TERM DEBT

Long-term debt consist of the following at December 31, 2022 and 2021:

	2022	2021
Notes payable to financial institution:		
Due in monthly installments of \$166,667, plus accrued interest at the SOFR rate plus 2.30% (6.60% and 2.35% at December 31, 2022 and 2021, respectively), through February 2023. The note was paid in full in 2022.	\$ -	\$ 2,333,333
Monthly payments of interest at 8.5% through January 2024 followed by a payment of \$2,100,000 on January 1, 2024. Secured by real estate and rents of purchased property. The note was paid in full in 2022.	-	2,100,000
Monthly payments of interest at the banks Prime rate plus 1.5% (8.5% at December 31, 2022) through February 2024 followed by a payment of \$947,493 on February 29, 2024. Secured by the land to be developed.	974,493	-
Monthly payments of interest at the banks Prime rate plus 1.5% (8.5% at December 31, 2022) through April 2024 followed by a payment of \$4,550,000 on April 30, 2024. Secured by the land to be developed.	4,550,000	-
Monthly payments of interest at the banks Prime rate plus 1.5% (8.5% at December 31, 2022) through December 2024 followed by a payment of \$2,925,000 on December 31, 2024. Secured by the land to be developed.	2,925,000	-
Monthly payments of interest at the banks Prime rate plus 1.5% (8.5% at December 31, 2022) through February 2024 followed by a payment of \$2,613,000 on February 15, 2024. Secured by the land to be developed.	2,613,000	-
Monthly payments of interest at the banks Prime rate plus 1.5% (8.5% at December 31, 2022) through May 2024 followed by a payment of \$796,250 on May 31, 2024. Secured by the land to be developed.	796,250	-

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 7 - LONG-TERM DEBT (CONTINUED)

	2022	2021
Note payable to related party: Annual payments of interest at 4.45% compounding semi-annually through March 2023. Outstanding principal amount and interest payable in full on maturity date.	5,700,000	-
	17,558,743	4,433,333
Less unamortized debt issuance costs	-	(9,145)
Less current maturities	(5,700,000)	(2,000,000)
Long-term portion	\$ 11,858,743	\$ 2,424,188

Principal payments due on long-term debt outstanding at December 31, 2022, are as follows:

<u>Year Ending December 31.</u>		
2023	\$	5,700,000
2024		11,858,743
		11,858,743
	\$	17,558,743

NOTE 8 - LEASES

The Company leases its facility from an entity related under common ownership pursuant to an agreement that expires December 31, 2031, with no automatic renewal options. The lease requires monthly payments of \$50,500 as well as payment of variable costs, including taxes, insurance and maintenance.

The Company also leases certain office furniture and equipment, software and vehicle under agreements that have expiration dates through May 2026.

Related party operating lease amounts as of and for the year ended December 31, 2022, are as follows:

	Related Party	Third Party	Total
Operating lease right-of-use assets, net	\$ 5,542,595	\$ 734,309	\$ 6,276,904
Operating lease liabilities	\$ 5,600,148	\$ 725,301	\$ 6,325,449
Operating lease expense	\$ 663,553	\$ 445,925	\$ 1,109,478

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 8 - LEASES (CONTINUED)

Lease related costs recognized in the Statement of Operations for the year ended December 31, 2022, are as follows:

Operating lease cost:		
Operating lease cost	\$	<u>1,109,478</u>
Total operating lease cost		<u>1,109,478</u>
Finance lease cost:		
Amortization of right-of-use assets		71,261
Interest on lease liabilities		<u>258</u>
Total finance lease cost		<u>71,519</u>
Total lease cost	\$	<u><u>1,180,997</u></u>

Other information related to leases included on the Balance Sheet as of and for the year ended December 31, 2022, is as follows:

	<u>Operating Leases</u>	<u>Finance Leases</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating activities cash flows	\$ 1,060,932	\$ 258
Financing activities cash flows	\$ -	\$ 87,097
Right-of-use assets obtained in exchange for lease liabilities	\$ 6,942,758	\$ -
Weighted average remaining lease term	8.2 years	2.1 years
Weighted average discount rate	1.49%	0.08%

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 8 - LEASES (CONTINUED)

Future expected lease payments on lease liabilities as of December 31, 2022, are as follows:

<u>Year Ending December 31.</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2023	\$ 963,303	\$ 67,069
2024	953,715	45,143
2025	688,237	15,790
2026	671,002	-
2027	669,073	-
Thereafter	2,812,810	-
	<hr/>	<hr/>
Total minimum lease payments	6,758,140	128,002
Less amounts representing interest	(432,691)	(9,123)
	<hr/>	<hr/>
Present value of lease liabilities	6,325,449	118,879
Less current portion	(874,839)	(67,003)
	<hr/>	<hr/>
Long-term portion	<u>\$ 5,450,610</u>	<u>\$ 51,876</u>

Leases Pre-adoption of ASC 842

Prior to January 1, 2022, long-term lease relating to the financing of certain fixed assets were accounted for as installment purchases. The capital lease obligations reflect the present value of future rental payments, discounted at the interest rate implicit in the leases, and a corresponding amount is capitalized as the cost of the assets. The assets are being depreciated over a period of five years.

The following is an analysis of capital lease obligations at December 31, 2021:

Furniture and equipment	\$ 576,426
Less allowance for depreciation	<u>(328,444)</u>
	<u>\$ 247,982</u>

The provision for amortization of fixed assets under capital leases is included in depreciation expense as disclosed in Note 1.

NOTE 9 - RETIREMENT PLAN

The Company maintains a profit-sharing plan that covers all employees who meet the eligibility requirements set forth in the plan. Contributions are made at management's discretion and are allocated based upon each participant's eligible compensation.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 9 - RETIREMENT PLAN (CONTINUED)

The plan includes a 401(k) savings plan whereby employees can contribute and defer taxes on compensation contributed to the plan. The Company is not required to contribute to the plan but may make a matching contribution equal to a uniform percentage of employee salary deferrals, which percentage will be determined each year.

KPG Corp., a related entity through common ownership, assumed responsibility for the plan effective January 1, 2005. Included in the Company's monthly management fee with KPG Corp. (refer to Note 14), is the reimbursement for the Company's profit-sharing and 401(k) employer matching contribution.

The following summarizes the Company's contributions for the years ended December 31, 2022 and 2021:

	2022	2021
Profit-sharing contribution	\$ -	\$ -
401(k) employer matching contribution	587,062	541,140
	\$ 587,062	\$ 541,140

NOTE 10 - OTHER BENEFIT PLANS

Deferred Compensation

The Company maintains a deferred compensation plan to attract and retain selected key employees. Participation in the plan was limited to key senior managerial employees as designated by the shareholder. Effective January 1, 2016, the plan was amended to key senior and mid-level managerial employees as designated by the shareholder.

In accordance with the plan, the Company establishes a bonus pool to be allocated to the participants, based upon the Company's earnings. Yearly accounts vest individually over a five-year period. Vested amounts are payable annually as of the last day of the fifth year following the establishment of the yearly account.

The benefits under the plan will be paid from the Company's general assets. The Company is not required to segregate or otherwise establish any funding procedure under the plan.

The deferred compensation is being accrued over the remaining vesting period of each participant on a present value basis. Deferred compensation expense amounted to \$617,585 and \$3,123,758 for the years ended December 31, 2022 and 2021, respectively.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 10 - OTHER BENEFIT PLANS (CONTINUED)

Long-term Incentive Plan

The Company maintains a long-term incentive plan to attract and retain selected key employees. Participation in the plan was limited to key senior managerial employees as designated by the shareholder. In accordance with the plan, the Company establishes an incentive pool to be allocated to the participants, based upon the participant's incentive units and a portion of the net proceeds from capital transactions of plan portfolio properties. Participants incentive units vest at the earlier of January 1, 2016, upon change in control, or upon the participant's death while an employee. Vested amounts are payable in five approximately equal annual installments following the establishment of the payment event.

The benefits under the plan will be paid from the Company's general assets. The Company is not required to segregate or otherwise establish any funding procedure under the plan.

The long-term incentive plan compensation is being accrued over the remaining vesting period of each participant on a present value basis. Long-term incentive plan compensation expense amounted to \$1,985,973 and \$3,181,537 for the years ended December 31, 2022 and 2021, respectively.

NOTE 11 - COMMON STOCK

The Company has voting stock with equal voting rights. All the stock is no par value. The following summarizes the Company's shares of common stock as of December 31, 2022 and 2021:

Authorized	10,000
Issued	10,000
Outstanding	10,000

NOTE 12 - INCOME TAXES

The Company, with the consent of its stockholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the stockholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision for income taxes has been included in the consolidated financial statements.

Authoritative accounting standards require the Company to examine its tax positions for uncertain positions. Management is not aware of any tax positions that are more likely than not to change in the next 12 months or that would not sustain an examination by applicable taxing authorities.

The Company's policy is to recognize penalties and interest as incurred in its Consolidated Statements of Operations.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 13 - CONCENTRATIONS OF CREDIT RISK

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivables. The Company places its cash and cash equivalents with primarily one financial institution. At times, such amounts may be in excess of the FDIC insured limit. The Company has never experienced any losses related to these balances.

The Company performs contracts and grants credit to its related party customers. The Company generally does not require collateral on its related party receivables or advances. The Company routinely assesses the financial strength of its related party customers and, consequently, believes that its credit risk exposure is limited.

NOTE 14 - OTHER RELATED PARTY TRANSACTIONS

The Company engages in various related party activities during the normal course of business as discussed in Notes 1, 2, 3, 4, 5, 7, and 8. Additional related party activities are discussed below.

Management Fees

The Company has entered into a management agreement with KPG Corp., a company related through common ownership, for the performance of management and advisory services. As part of the agreement, KPG Corp., pays for all salaries, payroll taxes, fringe benefits, rent and certain other expenses. The Company reimburses KPG Corp., for such expenses and classifies the reimbursement based upon the character of the reimbursement.

Notes Receivable

The Company entered into a promissory note for \$1,400,000 on August 5, 2016, due from Ashford Park, LP. The note matures August 5, 2023. The note calls for interest only payments at 3.495% through August 31, 2018. Beginning September 5, 2018, monthly principal payments of \$15,116, including interest at 5.31% through July 31, 2023, and with a final balance at maturity. The balance due at December 31, 2022 and 2021, amounted to \$139,379.

Advances

As needs arise, the Company makes and receives noninterest bearing operating advances with related parties that are not consolidated in the financial statements. The amounts are recorded in related party accounts receivables and payables on the Consolidated Balance Sheets.

Guaranty Fees

The Company earns a fee for guaranteeing the completion of construction on specific projects as discussed in Note 1. Revenues are recognized when construction on the project is completed. Fees received prior to completion of construction are recorded in related party deferred revenue.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 14 - OTHER RELATED PARTY TRANSACTIONS (CONTINUED)

Guaranty Fees (Continued)

The Company is assigned incentive management fees generated from management services performed by the Company's owner relating to affordable rental housing properties.

Office Lease Agreement

The Company entered into an office lease agreement with 310 East 96th Street, LLC., a Company related through common ownership, for the lease of their Corporate office. Operating rent which is effective January 1, 2022, as discussed in Note 8.

Construction Costs

The Company purchases materials and services from Midwest Building Supplies, LLC; Midwest Building Equipment, LLC; and Michigan Building Supplies, LLC, companies related through common ownership, for use on construction contracts. The materials costs include an additional markup on the original distributor sales price.

Following is a summary of the activity with related parties disclosed in the notes at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Asset (Liability)		
Construction payables (Note 1)	\$ (1,246,066)	\$ (1,392,050)
Related party receivables (Note 2)	122,563,848	111,312,113
Contracts in process, net (Note 4)	12,575,409	15,534,744
Related party note payable - KPG Corp (Note 7)	(5,700,000)	-
Advances to - KPG Corp (Note 14)	12,080,964	3,464,311
Advances to - Kittle Funding LLC	1,954,830	1,013,412
Advances to - 210 E 91st Street LLC	-	481,299
Advances to - 310 E 96st Street LLC	166,811	-
Advances to - The Vireo (Houston, TX) (Note 14)	171,500	107,808
Advances to - Slidell II, LLC (Note 14)	1,126,206	1,126,206
Advances to - HAI (Note 14)	-	344,912
Advances to - Kokomo Summerset II (Note 14)	428,459	159,391
Advances to - Washington Pointe (Note 14)	-	124,800
Advances to - Tipton (Note 14)	297,718	327,797
Advances to - Joliet SS (Note 14)	-	201,711
Advances to - The Gables (Note 14)	399,249	858,134
Advances to - Odessa, TX The Grove (Note 14)	395,429	483,776
Advances to - Silver Oaks (Note 14)	160,698	59,162
Advances to - Casey Acres (Note 14)	2,258	11,258

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 14 - OTHER RELATED PARTY TRANSACTIONS (CONTINUED)

Construction Costs (Continued)

	<u>2022</u>	<u>2021</u>
Asset (Liability)		
Advances to - Brookhaven (Note 14)	818,962	822,164
Advances to - Enclave (Note 14)	226,301	173,024
Advances to - Residences at Solms Village (Note 14)	142,204	142,204
Advances to - Arborwood (Note 14)	669,640	160,075
Advances to - HK Aviation (Note 14)	1,442,713	1,089,556
Advances to - Midwest Building Equipment (Note 14)	(20,350)	98,425
Advances to - Woodlands at Montgomery (Note 14)	631,084	572,471
Advances to - Midwest Building Supply (Note 14)	358,990	985,217
Advances to - Chapparral Townhomes (Note 14)	652,568	646,168
Advances to - Cypress Place (Note 14)	111,106	286,271
Advances to - The VUE (Note 14)	2,239,537	719,608
Advances to - Slidell III (Note 14)	1,231,148	1,278,326
Advances to - Bishop Gardens (Note 14)	-	173,631
Advances to - Haymarket Lofts (Note 14)	311,915	262,478
Advances to - North Village Apts (Note 14)	-	544,953
Advances to - Sherwood (Note 14)	940,912	-
Advances to - Slidell I (Note 14)	1,284,523	611,391
Advances to - Cedarwood Apts (Note 14)	-	207,753
Advances to - Riverside Villa (Note 14)	209,009	338,936
Advances from - Mosaic Apartments (Note 14)	(10,000)	(10,000)
Advances to - Lakes at Crossbridge (Note 14)	22,413	331,209
Advances to - Crossing at Grove City (Note 14)	595,954	595,954
Advances to - Trillium at Sunlake (Note 14)	448,939	515,461
Advances to - Perdue Village (Note 14)	116,103	86,993
Advances to - Landings at Belle Meadows (Note 14)	264,089	171,773
Advances to - Niles, MI (Note 14)	80,352	80,352
Advances to - Villages at Van Cleve (Note 14)	36,087	60,320
Advances to - Owasso (Note 14)	278,943	283,433
Advances to - Wingate (Note 14)	297,718	327,797
Advances to - Autumn Breeze (Note 14)	66	4,683,881
Advances to - Commerce Street Manor (Note 14)	25,000	25,000
Advances to - Franklin Place (Note 14)	167,647	-
Advances to - Other (Note 14)	1,562,913	1,718,051
Advances from - KPG Capital (Note 14)	(25,115,572)	(20,434,351)
Advances from - Copper Chase (Note 14)	(190,000)	(190,000)
Advances from - Houston (Note 14)	(432,269)	(432,269)
Advances from - Lofts at Ashford (Note 14)	-	(103,201)

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 14 - OTHER RELATED PARTY TRANSACTIONS (CONTINUED)

Construction Costs (Continued)

	2022	2021
Asset (Liability)		
Advances from - Pilgrim Place (Note 14)	(89,000)	(89,000)
Advances from - Limestone (Note 14)	(89,108)	-
Advances from - Batesville (Note 14)	(110,000)	(110,000)
Advances from - Arborwood (Note 14)	(161,264)	(161,264)
Advances from - CWA Morris (Note 14)	(175,000)	(275,000)
Advances from - CHA Morris (Note 14)	(20,000)	(65,000)
Advances from - Logansport (Note 14)	(400,000)	(400,000)
Advances from - Promenade (Note 14)	(111,415)	-
Advances from - Other (Note 14)	(518,755)	(362,815)
Equity investments in limited liability companies (Note 5)	879,117	879,266
Deferred completion guaranty/LEED fee revenue (Note 14)	(523,972)	(690,479)
	\$ 133,456,561	\$ 129,767,546
Revenues		
Revenues	\$ 218,176,593	\$ 225,000,421
Interest earned on notes (Note 14)	295,426	214,368
Expenses		
Construction costs	(174,541,654)	(177,612,427)
Investment in limited partnership losses (Note 5)	(149)	(139)
Allocated salaries, taxes, benefits and rent - KPG Corp. (Note 14)	(23,840,027)	(28,608,006)
Materials (Note 14)	(4,113,382)	(5,034,460)
Rent (Note 13)	(663,553)	(600,000)

NOTE 15 - VARIABLE INTEREST ENTITIES AND RELATED GAAP DEPARTURE

Authoritative accounting standards defines the concept of variable interest entity and requires consolidation by the primary beneficiary where the variable interest entity does not have sufficient equity at risk to finance its activities without additional subordinated financial support from other parties.

Under certain conditions where the Company (i) enters into option agreements for the purchase of land or lots from an entity and pays a nonrefundable deposit, (ii) enters into certain leasing and other arrangements with related parties or (iii) guarantees debt of related party entities or enters into co-borrowing arrangements with related parties, a variable interest entity may be created. Such co-borrowing arrangements, or outstanding letters of credit, amounted to \$0 for both of the years ended December 31, 2022 and 2021.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 15 - VARIABLE INTEREST ENTITIES AND RELATED GAAP DEPARTURE (CONTINUED)

These outstanding letters of credit reduce the Company's availability under its line of credit (see Note 6 - Line of Credit).

The Company has concluded that it is the primary beneficiary of variable interest entities. Generally accepted accounting principles require the assets, liabilities and operations of these entities to be consolidated. Management has elected not to consolidate the financial information of these entities with its financial statements, as required by general accepted accounting principles. The effect of not consolidating the financial information of these entities has not been determined.

NOTE 16 - CONTINGENCIES

The Company has guaranteed the debt of rental housing properties and self-storage facilities held in partnerships or limited liability companies in which the Company or its shareholders are general partners or managing members. The rates of interest on these guaranteed obligations range up to 9%. The guaranteed mortgage balances are secured by the related land, building and building improvements.

The following summarizes the original cost basis of land, building and building improvements, as well as principal mortgage balances of the partnerships and limited liability companies at December 31, 2022 and 2021:

	2022	2021
Land, building and improvements, net	\$ 827,656,605	\$ 731,253,460
Mortgage, bonds and other debt balances	\$ 549,598,543	\$ 481,074,542

Certain of these obligations may contain features, including, but not limited to, prepayment penalties, balloon payments and subordination agreements. The Company has not recorded any liability with respect to these guarantees. The Company has also guaranteed the debt of Kittle Funding, LLC, related by common ownership. The outstanding borrowings are limited to \$15,300,000 and \$12,600,000 as of December 31, 2022 and 2021, respectively.

The rate of interest of the guaranteed obligations is 8.0% and is secured by the ownership interests in multifamily real estate properties. Outstanding debt obligations of the company were approximately \$13,686,000 and \$12,494,500 as of December 31, 2022 and 2021, respectively.

The Company has also guaranteed the debt of KPG Capital, LLC, related by common ownership. The outstanding borrowings are limited to \$35,500,000 and \$30,000,000 as of December 31, 2022 and 2021, respectively. The rate of interest of the guaranteed obligations is 8.0% and is secured by the ownership interests in multifamily real estate properties. The outstanding debt obligation of the company were approximately \$33,500,000 and \$26,865,000 as of December 31, 2022 and 2021, respectively.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 16 - CONTINGENCIES (CONTINUED)

The Company has guaranteed the debt of other operating companies related by common ownership. The guaranteed debt balances are secured by the related equipment of those companies. The outstanding debt obligations of the companies were approximately \$15,738,000 and \$15,884,000 as of December 31, 2022 and 2021, respectively.

NOTE 17 - BACKLOG

The Company had backlog of construction contracts with revenues of approximately \$254,000,000 and \$243,000,000 as of December 31, 2022 and 2021, respectively. This is based on signed contracts whose cancellation is not anticipated.

NOTE 18 - PENDING LITIGATION

The Company is subject to legal proceedings and claims which arise in the ordinary course of business. Management of the Company believes the resolution of any pending or threatened actions will not have a material effect on the Company's financial position or results of operations.



Independent Accountant's Review Report on the Supplementary Information

**To the Board of Directors
Kittle Property Group, Inc. and Subsidiaries
Indianapolis, Indiana**

Our report on our reviews of the basic consolidated financial statements of Kittle Property Group, Inc. and Subsidiaries, for the years ended December 31, 2022 and 2021, appears on page 1. The objective of the reviews was to perform procedures to obtain limited assurance as a basis for reporting whether we were aware of any material modifications that should be made to the consolidated financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. The supplementary information listed in the table of contents is prepared for the purpose of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements. The supplementary information has been subjected to the review procedures applied in our reviews of the basic consolidated financial statements. Except for the matter described in the following paragraph, we are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Management has determined that the Company is a primary beneficiary of various variable interest entities and has elected not to include these entities in the consolidated supplementary information. The effect of this departure from generally accepted accounting principles on the consolidated supplementary information has not been determined.

Somerset CPAs, PC

Indianapolis, Indiana
June 8, 2023

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF CONTRACTS IN PROGRESS
December 31, 2022

Job	Total Contract			From Inception to December 31, 2022				At December 31, 2022				For the Year Ended December 31, 2022			
	Revenues	Estimated Gross Profit (Loss)	Revenues Earned	Costs Incurred	Gross Profit (Loss)	Billed to Date	Estimated Cost to Complete	Estimated Earnings in Excess of Billings	Costs and Billings in Excess of Estimated Earnings	Revenues Earned	Costs Incurred	Gross Profit (Loss)	Revenues Earned	Costs Incurred	Gross Profit (Loss)
18-016	\$ 26,626,736	\$ 1,779,565	\$ 25,478,989	\$ 23,776,133	\$ 1,702,856	\$ 26,476,736	\$ 1,071,038	\$ -	\$ 997,747	\$ 13,800,240	\$ 12,877,918	\$ 922,322	\$ 13,800,240	\$ 12,877,918	\$ 922,322
18-022	28,512,932	(222,639)	26,561,010	26,783,649	(222,639)	24,209,388	1,951,922	2,351,622	-	15,714,743	16,687,751	(973,008)	15,714,743	16,687,751	(973,008)
18-028	37,332,274	2,987,410	11,641,447	10,709,873	931,574	14,034,560	23,634,991	-	2,393,113	11,640,631	10,709,111	931,520	11,640,631	10,709,111	931,520
19-001	37,122,208	1,800,783	33,802,285	32,162,551	1,639,734	33,791,527	3,158,874	10,758	-	17,828,615	17,219,710	608,905	17,828,615	17,219,710	608,905
19-006	42,093,640	1,479,585	38,607,867	37,250,807	1,357,060	37,176,681	3,363,248	1,431,186	-	23,933,454	23,590,112	343,342	23,933,454	23,590,112	343,342
19-007	28,994,734	2,095,953	28,994,734	26,898,781	2,095,953	29,867,266	-	-	872,532	7,600,696	7,044,299	556,397	7,600,696	7,044,299	556,397
19-010	40,451,594	2,582,854	22,138,652	20,725,089	1,413,563	21,982,874	17,143,651	155,778	-	16,768,700	15,729,133	1,039,567	16,768,700	15,729,133	1,039,567
20-005	29,358,248	1,098,409	1,179,046	1,134,933	44,113	1,432,902	27,124,906	-	253,856	1,179,046	1,134,933	44,113	1,179,046	1,134,933	44,113
20-009	33,907,270	2,279,480	27,393,727	25,552,131	1,841,596	28,019,528	6,075,659	-	625,801	25,264,384	23,565,938	1,698,446	25,264,384	23,565,938	1,698,446
20-011	39,460,428	1,689,277	13,922,204	13,326,203	596,001	14,199,543	24,444,948	-	277,339	13,360,072	12,802,903	557,169	13,360,072	12,802,903	557,169
20-015	41,946,726	1,253,266	8,294,078	8,046,271	247,807	8,413,334	32,647,189	-	119,256	8,294,078	8,046,271	247,807	8,294,078	8,046,271	247,807
21-001	43,713,984	2,304,100	790,885	749,198	41,687	787,639	40,660,686	3,246	-	790,885	749,198	41,687	790,885	749,198	41,687
21-005	27,859,612	1,872,915	895,232	835,048	60,184	947,700	25,151,649	-	52,468	895,232	835,048	60,184	895,232	835,048	60,184
21-008	37,771,246	2,650,613	1,779,186	1,654,331	124,855	1,209,635	33,466,302	569,551	-	1,779,186	1,654,331	124,855	1,779,186	1,654,331	124,855
Warranty	-	(155,709)	-	155,709	(155,709)	-	-	-	-	-	155,709	(155,709)	-	155,709	(155,709)
	\$ 495,151,632	\$ 25,495,862	\$ 241,479,342	\$ 229,760,707	\$ 11,718,635	\$ 242,549,313	\$ 239,895,063	\$ 4,522,141	\$ 5,592,112	\$ 158,849,962	\$ 152,802,365	\$ 6,047,597	\$ 158,849,962	\$ 152,802,365	\$ 6,047,597

See independent accountant's review report on the supplementary information.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF COMPLETED CONTRACTS
December 31, 2022

Contract	Contract Totals			Through December 31, 2021			For the Year Ended December 31, 2022		
	Revenue Earned	Costs Incurred	Gross Profit (Loss)	Revenues Earned	Costs Incurred	Gross Profit (Loss)	Revenues Earned	Costs Incurred	Gross Profit (Loss)
14-034	\$ 11,171,327	\$ 11,509,182	\$ (337,855)	\$ 11,171,327	\$ 11,528,738	\$ (357,411)	\$ -	\$ (19,556)	\$ 19,556
14-039	18,484,378	18,525,972	(41,594)	18,484,378	18,795,935	(311,557)	-	(269,963)	269,963
15-021	6,272,409	6,492,911	(220,502)	6,272,409	6,532,098	(259,689)	-	(39,187)	39,187
15-029	8,612,099	8,160,576	451,523	8,612,099	8,166,982	445,117	-	(6,406)	6,406
15-034	23,629,708	22,390,803	1,238,905	23,629,708	22,409,710	1,219,998	-	(18,907)	18,907
16-001	26,685,781	25,998,885	686,896	26,685,781	25,971,073	714,708	-	27,812	(27,812)
16-007	21,358,245	20,666,240	692,005	21,358,245	20,668,876	689,369	-	(2,636)	2,636
16-009	28,136,685	25,920,199	2,216,486	28,136,685	25,904,441	2,232,244	-	15,758	(15,758)
16-011	20,624,255	20,984,129	(359,874)	20,624,255	20,979,574	(355,319)	-	4,555	(4,555)
16-016	10,021,800	9,416,569	605,231	10,021,800	9,416,459	605,341	-	110	(110)
16-018	5,803,919	5,608,743	195,176	5,803,919	5,589,630	214,289	-	19,113	(19,113)
17-004	28,568,227	28,183,951	384,276	28,172,993	27,719,198	453,795	395,234	464,753	(69,519)
17-009	6,105,115	5,710,257	394,858	6,105,115	5,710,376	394,739	-	(119)	119
17-020	4,852,974	4,364,066	488,908	4,852,974	4,363,994	488,980	-	72	(72)
18-001	27,261,552	26,922,134	339,418	25,005,954	24,505,840	500,114	2,255,598	2,416,294	(160,696)
18-007	29,449,914	27,245,260	2,204,654	29,449,914	27,244,795	2,205,119	-	465	(465)
18-008	23,782,646	22,045,347	1,737,299	22,784,318	21,157,016	1,627,302	998,327	888,330	109,997
18-018	6,779,626	6,368,606	411,020	6,779,626	6,370,007	409,619	-	(1,401)	1,401
18-020	8,463,651	7,856,908	606,743	8,416,287	7,825,670	590,617	47,363	31,237	16,126
18-027	34,127,430	34,298,099	(170,669)	31,208,087	29,836,131	1,371,956	2,919,343	4,461,968	(1,542,625)
19-008	29,604,163	27,198,510	2,405,653	24,350,249	23,111,127	1,239,122	5,253,912	4,087,381	1,166,531
21-007	1,030,694	1,027,756	2,938	293,057	293,057	-	737,636	734,698	2,938
	\$ 380,826,598	\$ 366,895,103	\$ 13,931,495	\$ 368,219,180	\$ 354,100,727	\$ 14,118,453	\$ 12,607,413	\$ 12,794,371	\$ (186,958)

See independent accountant's review report on the supplementary information.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>%</u>	<u>2021</u>	<u>%</u>
Salaries and wages	\$ 21,382,424	9.8	\$ 26,161,076	11.6
Insurance	3,189,317	1.5	2,240,762	1.0
Payroll taxes	1,343,538	0.6	1,575,005	0.7
Computer supplies and maintenance	1,096,163	0.5	805,581	0.4
Legal and professional fees	1,019,504	0.5	1,058,655	0.5
Travel and lodging	772,055	0.4	521,675	0.2
Rent	753,380	0.3	632,634	0.3
Depreciation and amortization	722,065	0.3	643,493	0.3
Retirement contributions	587,062	0.3	541,140	0.2
Dues and subscriptions	575,897	0.3	411,331	0.2
Advertising	380,610	0.2	208,704	0.1
Employee benefits	360,685	0.2	239,291	0.1
Bank service charges	354,943	0.2	146,264	0.1
Telephone	346,799	0.2	420,403	0.2
State and local taxes	338,864	0.2	205,942	0.1
Meeting and seminar expenses	253,233	0.1	191,405	0.1
Aircraft expenses	225,167	0.1	181,291	0.1
Contributions	170,497	0.1	155,377	0.1
Meals and entertainment	127,145	0.1	96,097	-
Office supplies	73,469	-	55,792	-
Postage and printing	62,078	-	61,549	-
Vehicle expenses	55,812	-	54,597	-
Property management expenses	38,860	-	1,607	-
Repairs and maintenance	10,965	-	23,961	-
Job costed overhead	(3,378,977)	(1.5)	(3,028,668)	(1.3)
Total General and Administrative Expenses	<u>\$ 30,861,555</u>	<u>14.1</u>	<u>\$ 33,604,964</u>	<u>14.9</u>

See independent accountant's review report on the supplementary information.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF CONTINGENT DEBT
For the Year Ended December 31, 2022

Property Name	Assets, Net	Mortgage	Bonds	Other	Total	Contingent Debt	
						Assets	Debt
CHA - Batesville, LP	\$ 2,795,845	\$ 1,475,791	-	\$ -	1,475,791	\$ 2,795,845	\$ 1,475,791
CH - Columbus, LP	6,860,118	5,759,387	-	-	5,759,387	6,860,118	5,759,387
Conner Court Apts. II, LP	2,296,859	1,158,393	-	-	1,158,393	2,296,859	1,158,393
Frankfort Place Apartments, LP	796,234	882,253	-	-	882,253	796,234	882,253
Franklin Place Apartments, LP	4,048,153	5,813,922	-	250,000	6,063,922	4,048,153	6,063,922
CH - Franklin Road, LP	2,725,411	1,743,873	-	-	1,743,873	2,725,411	1,743,873
Summerset Apts-Kokomo, LP (II)	3,335,179	2,261,997	-	-	2,261,997	3,335,179	2,261,997
Maple Tree - LaPorte, LP	3,006,507	2,686,000	-	-	2,686,000	3,006,507	2,686,000
Maple Tree II, LP (LaPorte II)	4,260,146	3,634,000	-	-	3,634,000	4,260,146	3,634,000
CH - Lebanon, LP	8,874,560	8,000,000	-	-	8,000,000	8,874,560	8,000,000
Patriot Pointe Apts, LP	627,213	646,262	-	-	646,262	627,213	646,262
CHA - Logansport, LP	1,152,578	1,660,626	-	-	1,660,626	1,152,578	1,660,626
CH - Mann Road, LP	8,143,829	8,000,000	-	-	8,000,000	8,143,829	8,000,000
CHA - Monticello, LP	1,992,429	1,296,145	-	100,000	1,396,145	1,992,429	1,396,145
Cameron Ct Apts-New Haven, LP	3,382,768	2,880,000	-	-	2,880,000	3,382,768	2,880,000
Cameron Ct. II - New Haven, LP	2,124,197	1,680,000	-	-	1,680,000	2,124,197	1,680,000
Nora Commons, LP	14,347,728	3,859,635	12,085,000	-	15,944,635	14,347,728	15,944,635
CHA - Frankfort, LP	1,329,061	1,438,628	-	-	1,438,628	1,329,061	1,438,628
CHA - Tipton, LP	783,304	766,286	-	267,285	1,033,571	783,304	1,033,571
CHA - Warsaw, LP	2,841,667	1,489,165	-	-	1,489,165	2,841,667	1,489,165
CH - Southgate, LP	17,858,966	6,935,000	12,565,000	-	19,500,000	17,858,966	6,935,000
Saxony Townhomes, LP -Hammond II	6,167,114	1,388,232	-	-	1,388,232	6,167,114	360,000
Lynhurst Park II, LP	2,632,239	1,632,141	-	-	1,632,141	2,632,239	75,927
CH II - Slidell, LLC	4,425,319	2,438,876	-	-	2,438,876	4,425,319	2,438,876
Hoosier Place, LP	2,003,185	158,081	-	300,000	458,081	2,003,185	458,081
Pilgrim Place Senior Housing, LP	1,645,881	633,156	-	400,000	1,033,156	1,645,881	1,033,156
Vue, LLC	34,465,191	35,760,269	-	-	35,760,269	34,465,191	35,760,269
Mosaic Apartments	26,890,164	26,715,926	-	-	26,715,926	26,890,164	26,715,926
CHA - Monticello, LP	2,145,637	1,296,145	-	100,000	1,396,145	2,145,637	1,396,145

See independent accountant's review report on the supplementary information.

KITTLE PROPERTY GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED SCHEDULE OF CONTINGENT DEBT
For the Year Ended December 31, 2022

Property Name	Assets, Net	Mortgage	Bonds	Other	Total	Contingent Debt	
						Assets	Debt
Magnolia Station Apartments	7,652,509	-	-	1,481,666	1,481,666	7,652,509	1,481,666
The Reserve at White River	34,686,155	-	-	20,195,533	20,195,533	34,686,155	20,195,533
Trillium at Sunlake	44,146,557	-	-	38,450,000	38,450,000	44,146,557	38,450,000
Monon Crossing	42,554,089	-	-	24,660,000	24,660,000	42,554,089	24,660,000
Cityline Apartments	43,020,209	-	-	25,000,000	25,000,000	43,020,209	25,000,000
Aurora Apartments	56,037,478	-	-	47,950,000	47,950,000	56,037,478	47,950,000
Windmillier Pointe Apartments, LP	59,963,447	-	-	42,000,000	42,000,000	59,963,447	9,400,000
Westfield Landing Apartments, LP	34,687,535	-	-	22,894,335	22,894,335	34,687,535	22,894,335
Spire Apartments	31,431,873	-	-	25,193,913	25,193,913	31,431,873	25,193,913
Montage Apartments	44,051,769	-	34,000,000	-	34,000,000	44,051,769	34,000,000
Meadows on Main, LP	45,445,914	-	-	32,442,472	32,442,472	45,445,914	32,442,472
Swiftwater Apartments, LLC	25,840,366	-	-	6,611,663	6,611,663	25,840,366	6,611,663
Agave East Apartments, LP	33,563,201	-	-	18,795,925	18,795,925	33,563,201	18,795,925
Vantage Apartments	19,310,013	-	-	13,985,081	13,985,081	19,310,013	13,985,081
Darby Crossing	18,448,409	-	-	3,694,623	3,694,623	18,448,409	3,694,623
Legacy Square	40,984,856	-	-	25,000,000	25,000,000	40,984,856	25,000,000
Southern Meadows	9,717,799	-	-	2,410,305	2,410,305	9,717,799	2,410,305
Vanguard Apartments	62,156,945	-	-	52,425,000	52,425,000	62,156,945	52,425,000
	\$ 827,656,605	\$ 134,090,189	\$ 58,650,000	\$ 404,607,800	\$ 597,347,989	\$ 827,656,605	\$ 549,598,543

See independent accountant's review report on the supplementary information.

Preliminary Budget - N SL County (Henley)

	Work	Labor Cost	Material Cost	Total Cost
1	Off Site Work			
2	Concrete	\$2,496,748	\$0	\$2,496,748
3	Masonry	\$437,903	\$404,303	\$842,205
4	Structural Metals	\$989,100	\$0	\$989,100
5	Rough Carpentry	\$2,229,728	\$4,931,651	\$7,161,378
6	Finish Carpentry	\$535,135	\$356,756	\$891,891
7	Cabinets	\$807,742	\$0	\$807,742
8	Waterproofing			
9	Insulation	\$660,000	\$0	\$660,000
10	Roofing Systems	\$537,836	\$0	\$537,836
11	Siding	\$1,884,060	\$0	\$1,884,060
12	Gutters & Downspouts	\$5,880	\$0	\$5,880
13	Doors & Hardware	\$120,267	\$0	\$120,267
14	Windows	\$408,871	\$0	\$408,871
15	Drywall	\$2,116,800	\$0	\$2,116,800
16	Flooring	\$592,200	\$0	\$592,200
17	Carpet			
18	Painting	\$1,194,775	\$0	\$1,194,775
19	Signage	\$45,428	\$0	\$45,428
20	Bathroom Accessories			
21	Appliances	\$787,769	\$0	\$787,769
22	Window Coverings	\$205,065	\$0	\$205,065
23	Plumbing	\$3,135,195	\$0	\$3,135,195
24	Fire Sprinklers	\$539,490	\$0	\$539,490
25	HVAC	\$1,587,600	\$0	\$1,587,600
26	Electrical	\$3,126,926	\$0	\$3,126,926
27	Fire Alarm Systems	\$2,044,350	\$0	\$2,044,350
28	Special Equipment	\$55,566	\$0	\$55,566
29	Landscaping	\$587,208	\$0	\$587,208
30	MHDC Impact Fees			
31	Accessory Building	\$398,459	\$54,721	\$453,180
32	Demo (Interior)	\$0	\$0	\$0
33	Demo (Land)	\$446,593	\$0	\$944,731
34	Sheet Metal			
35	Other			
	SUM	\$27,976,693	\$5,747,430	\$34,222,261

Accounts:

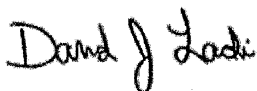
To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each customer who opens an account. Therefore, all new and existing customers are subject to the identity verification requirements.

When a customer opens an account with any entity within the KeyCorp family of companies, we will ask for the customer's name, address and identification number, and in the case of an individual, his or her date of birth. For business accounts, we may also obtain this information for individuals associated with the business. We may also request to see a valid driver's license or other approved identifying documents. In all cases, Key is committed to protecting the privacy and identity of each of its customers.

The undersigned acknowledges and agrees that: (i) the transaction contemplated by this Term Sheet is an arm's length, commercial transaction between you and KeyBank in which KeyBank is not acting as a municipal advisor or financial advisor to you; (iii) KeyBank has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to you with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether KeyBank has provided other services or is currently providing other services to you on other matters); (iv) the only obligations KeyBank has to you with respect to the transaction contemplated hereby expressly are set forth in this Term Sheet; and (v) KeyBank is not recommending that you take an action with respect to the transaction contemplated by this Term Sheet, and before taking any action with respect to the contemplated transaction, you should discuss the information contained herein with its own legal, accounting, tax, financial and other advisors, as it deems appropriate. If you would like a municipal advisor in this transaction that has legal fiduciary duties to you, you are free to engage a municipal advisor to serve in that capacity. This Term Sheet is provided to you pursuant to and in reliance upon the "bank exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 et seq.

Should you have any questions, please don't hesitate to contact me. If you find the above terms and conditions to be acceptable, please indicate so by signing below and returning a pdf copy to my attention by January 10, 2022 along with a fee of \$8,000 representing the non-refundable underwriting fee. I look forward to working with you on this transaction.

Many thanks,



David Lacki
Senior Vice President
Community Development Lending

Interest Rate:	Tax Exempt Rate: A fixed rate equal to the 10-year note plus 179 bps. As of October 6, 2023, the all-in rate would be 6.50% based on the 10-year note of 4.71%.
Prepayment:	10-year lockout, 6.5 years of yield maintenance, 1% for 90 days and 90 days prior to maturity at par.
Guaranty/Recourse:	Non-recourse; execution of an exception to non-recourse obligations is required by a guarantor approved by KeyBank.
Loan Documentation:	Documented on KeyBank standard permanent loan documents.
Rate Lock:	5 business days prior to the closing of the construction loan (subject to KeyBank's approval)
Rate Lock Deposit:	2% Rate Lock Deposit required prior to Rate Lock and refunded at Conversion. (Can be in the form of a Subordinate Note.) Forfeited if the loan fails to convert to the Permanent Loan on or before the Conversion Deadline
Conversion Requirements:	<ul style="list-style-type: none"> a) Project CofO b) 90% or greater occupancy for 90 days or more c) 1.15 DSCR based on actual NOI (assume no sub debt) for 90 days or more before conversion d) Receipt of Equity installment necessary to payoff construction loan

General Terms and Requirements

Insurance Requirements:	Standard insurance requirements, satisfactory to KeyBank provided when the due diligence period is initiated.
Bond Payments:	Principal and interest payments will be based on a monthly schedule and will be paid to KeyBank as the Bondholder.
Subordinate Debt:	Soft subordinate debt is permitted subject to KeyBank's underwriting review and approval.
Developer Fee:	The developer fee shall be paid according to a schedule acceptable to KeyBank.
Fees and Expenses:	Borrower will pay all reasonable costs incurred by KeyBank in connection with the financing including, but not limited to, legal, environmental, front-end costs and document review, inspections, and appraisal.
Security:	A first priority (i) mortgage and security interest in the Project; (ii) security interest in all personal property used in conjunction with the construction, operation and maintenance of the Project; (iii) assignment of all leases and rents; (iv) assignment of all construction, architect and engineering contracts; (v) assignment of all permits, leases and agreements; (vi) assignment of interests in the Borrower; and (vii) pledge of replacement reserve accounts.
Special Conditions:	Final loan amount is subject to appraisal and its restricted valuation for the subject property
Financing Sign:	Borrower will work in coordination with KeyBank to display financing signs at the Project locations, at Bank's expense, and to use photographs and general information describing the Project in advertising or publicity articles concerning the financing of the Project.

Collateral:

1. An Open-End Mortgage Deed and Security Agreement (the "Mortgage") which Mortgage shall convey to Bank (1) a first lien upon the unencumbered fee simple title to the Land and the Improvements and easements and rights of way appurtenant thereto, which Land shall be more fully described in a legal description to be provided by the Borrower to satisfaction of the Bank, and (2) a first lien and security interest in all fixtures and personal property owned by Borrower and relating to or located on the Project;
2. An Assignment to the Bank of all of Borrower's right, title and interest in and to all present and future rents, leases and profits related to the Project;
3. An Assignment to the Bank of all contracts, permits, licenses and approvals and all construction, service and other contracts and the plans and specification relating to the Project;
4. UCC Financing Statements for personal property relating to the Project;
5. An Environmental Indemnity Agreement executed by Borrower and Guarantors;
6. A Collateral Assignment of all of the right, title and interest of the General Partner in the Limited Partnership Agreement;
7. Capital Contribution Pledge Agreement, assigning the Borrower's right to receive equity contributions from the Limited Partner under the Limited Partnership Agreement to the Bank;
8. Such other documents as may be requested by the Bank at or prior to Closing.

Costs of Issuance:

Borrower will pay all costs of issuance, including, without limitation, any upfront and/or ongoing issuer fees, all bond counsel fees, Issuer's counsel fees, if any, and all fees to the Trustee to close the issuance of the Bonds and administer the Bonds. These fees are not included in the above stated rates.

Permanent Loan:

Permanent Period
Bond Amount:

\$27.7MM tax exempt

Term:

17-year term (fixed rate) from Conversion.

Forward Period:

30 months.

Debt Coverage Ratio:

A minimum of 1.15x for all hard debt (senior and subordinate) and rate-locked forward permanent loan commitment. All subordinate debt must be approved by KeyBank & be compliant with the equivalent of Freddie Mac standards.

Amortization:

40 years

Origination Fee:

0.50% of the Permanent Loan Amount. Payable at closing of construction loan.

Underwriting Fee:

\$8,000 non-refundable

Conversion Fee:

\$18,000 paid at declaration of conversion

Loan to Value:

Maximum 90% of as-restricted value, as determined by an MAI appraisal acceptable to KeyBank performed to Freddie Mac requirements.

Applicant Track Record - Multifamily Portfolio

Alabama																	
Name	BIN	Location	Award Type	HKP Mgmt.	HKP Devel.	HKP Owner	HKP Arch.	HKP Consultant	Total Units	RHTC Units	Market Units	Project Status	Current Occupancy %/ % Complete	Syndicator/In investor	LIHTC Allocation	Allocation Year/ Year Built	Population Served
Perdue Village	AL-00-00012	Greenville, AL	9% LIHTC	X		X			56	56		Stabilized	93.00%	NA	\$3,242,790	2000/ 2001	Family
Commerce Street Manor	AL-00-00085	Greenville, AL	9% LIHTC	X		X			56	56		Stabilized	98.00%	NA	\$3,047,740	2001/ 2002	Senior
Brentwood Park	AL-14-00033	Talladega, AL	9% LIHTC	X	X	X	X		50	50		Stabilized	100.00%	Alliant	\$530,576	2014/ 2015	Family
Aurora Apartments	Market Rate	Huntsville, AL	NA	X	X	X			324		324	Lease-Up	20.00%	NA	NA	2022.00	Family
Colorado																	
River Bend Apartments	CO-19-00021	Idaho Springs, CO	9% LIHTC	X	X	X	X		47	47		Stabilized	100.00%	NEF	\$ 1,157,614	2018/ 2020	Family
Florida																	
Name	BIN	Location	Award Type	HKP Mgmt.	HKP Devel.	HKP Owner	HKP Arch.	HKP Consult	Total Units	RHTC Units	Market Units	Project Status	Current Occupancy %/ % Complete	Syndicator/In investor	LIHTC Allocation	Allocation Year/ Year Built	Population Served
The Flats at Sundown	Market Rate	North Port, Florida	NA	X	X	X			224		224	Lease-Up	95.00%	NA	NA	2021	Family
Trillium at Sunlake	Market Rate	Melbourne, Florida	NA	X	X	X			256		256	Lease-Up	78.00%	NA	NA	2022	Family
Swiftwater	Market Rate	Port Charlotte, Florida	NA	X	X	X			288		288	Under Construction	60.00%	NA	NA	NA	Family
Vanguard	Market Rate	Gainesville, Florida	NA	X	X	X			264		264	Under Construction	14	NA	NA	NA	Family
Vantage	Market Rate	Cape Coral, Florida	NA	X	X	X			292		292	Under Construction	54.00%	NA	NA	NA	Family
The Tailor	Market Rate	Fort Myers, FL	NA	X	X	X	X		380		380	Under Construction	6.00%	NA	NA	NA	Family

Georgia

Name	BIN	Location	Award Type	HKP Mgmt.	HKP Devel.	HKP Owner	HKP Arch.	HKP Consult	Total Units	RHTC Units	Market Units	Project Status	Current Occupancy %/ % Complete	Syndicator/in vestor	LHTC Allocation	Allocation Year/ Year Built	Population Served	
Oak Forest Apartments	2013-503	Scottsdale, Georgia	4% LHTC	X	X	X	X		150	150		Stabilized	98.00%	Raymond James	\$785,876	2013/ 2014	Family	
Cedarwood Apartments	05-04501	Augusta, GA	9% LHTC	X					184	184		Stabilized	93.00%	NA	\$7,481,520	2005/ 2007	Family	
Woodlands at Montgomery	2017-503	Savannah, GA	4% LHTC	X	X	X	X		246	246		Stabilized	99.00%	US Bank	\$994,912	2017/ 2019	Family	
Westfield Landing	2019-511	Macon, GA	4% LHTC	X	X	X			252	252		Under Construction	98.00%	US Bank	\$1,468,139	2019	Family	
Illinois																		
Carterbury House Apartments	IL-94-00200	Morris, Illinois	9% LHTC	X	X	X	X		48	48		Stabilized	94.00%	NA	\$262,716	1994/ 1995	Family	
Carterbury Woods Apartments	IL-02-00284	Morris, Illinois	9% LHTC	X	X	X	X		50	45	5	Stabilized	100.00%	NA	\$250,443	2002/ 2003	Family	
Turnberry Court Apartments	IL-03-00193	Ottawa, Illinois	9% LHTC	X	X	X	X		60	55	5	Stabilized	93.00%	NA	\$414,213	2003/ 2004	Family	
Turnberry Court Apartments II	IL-05-00426	Ottawa, Illinois	9% LHTC	X	X	X	X		50	50		Stabilized	92.00%	NA	\$432,840	2005/ 2007	Family	
Carterbury House Apartments	IL-06-00648	Dixon, Illinois	9% LHTC	X	X	X	X		50	50		Stabilized	95.00%	RBC	\$444,867	2006/ 2008	Family	
Sandstone Hills	IL-08-00268	Hopkins Park, Illinois	9% LHTC	X	X	X	X		29	29		Stabilized	97.00%	Jacquelyn & Ira Sneed	\$830,413	2008/ 2010	Family	
Carterbury House Apartments II	IL-10-00196	Dixon, Illinois	9% LHTC	X	X	X	X		58	52	6	Stabilized	95.00%	RBC	\$779,215	2008/ 2012	Family	
Silver Oaks	IL-98-00042	Aurora, Illinois	9% LHTC	X					96	96		Stabilized	99.00%	NA	\$566,999	1998/ 1999	Family	
Belle Manor	IL-14-11099	Alton, Illinois	9% LHTC	X	X	X	X		60	60		Stabilized	95.00%	BOA	\$595,533	2014/ 2015	Family	
Indiana																		
Name	BIN	Location	Award Type	HKP Mgmt.	HKP Devel.	HKP Owner	HKP Arch.	HKP Consult	Total Units	RHTC Units	Market Units	Project Status	Current Occupancy %/ % Complete	Syndicator/in vestor	LHTC Allocation	Allocation Year/ Year Built	Population Served	

Arborwood at Mann Road	Market Rate	Indianapolis, Indiana	NA	X	X	X						260		260	Stabilized	92.00%	NA	NA	2014	Family
Ashford Park	IN-16-02100	Columbus, Indiana	4% LHHTC	X	X	X						209	124	85	Stabilized	92.00%	Cinnaire	\$470,000	2016/ 2018	Family
Beacon Pointe	IN-09-05100	Greenwood, Indiana	9% LHHTC	X	X	X	X					68	65	3	Stabilized	93.00%	Wells Fargo	\$800,000	2009/ 2011	Family
Broadstone Pointe	IN-09-04800	Brownsburg, Indiana	9% LHHTC	X	X	X	X					76	76		Stabilized	99.00%	Key Bank	\$800,000	2009/ 2011	Senior
Brookhaven at County Line	IN-08-00200	Indianapolis, Indiana	4% LHHTC	X	X	X	X		X			271	165	106	Stabilized	95.00%	Bussey Bank	\$460,607	2008/ 2010	Senior
Cameron Court Apartments	IN-01-01700	New Haven, Indiana	9% LHHTC	X	X	X						80	80		Stabilized	96.00%	NA	\$435,000	2001/ 2002	Family
Cameron Court II Apartments	IN-03-00300	New Haven, Indiana	9% LHHTC	X	X	X						74	74		Stabilized	92.00%	NA	\$385,204	2003/ 2004	Family
Canterbury House Apartments	IN-01-03901	Warsaw, Indiana	9% LHHTC	X	X	X						80	80		Stabilized	93.00%	NA	\$448,946	2001/ 2003	Family
Canterbury House Apartments II-Franklin Road	IN-05-00500	Lawrence, Indiana	9% LHHTC	X	X	X	X		X			46	40	6	Stabilized	91.00%	NA	\$259,518	2005/ 2006	Family
Canterbury House Apartments II-Newburgh	IN-06-00600	Newburgh, Indiana	4% LHHTC	X	X	X	X		X			65	60	5	Stabilized	97.00%	AIG	\$421,043	2006/ 2008	Family
Canterbury House Apartments-Batesville	IN-00-00300	Batesville, Indiana	9% LHHTC	X	X	X						64	64		Stabilized	95.00%	NA	\$358,003	2000/ 2001	Family
Canterbury House Apartments-Columbus	IN-02-01100	Columbus, Indiana	4% LHHTC	X	X	X						144	128	16	Stabilized	93.00%	NA	\$721,449	2002/ 2003	Family
Canterbury House Apartments-Frankfort	IN-96-01000	Frankfort, Indiana	9% LHHTC	X	X	X						64	64		Stabilized	94.00%	NA	\$343,609	1996/ 1997	Family
Canterbury House Apartments-Franklin Road	IN-02-01000	Lawrence, Indiana	9% LHHTC	X	X	X						64	56	8	Stabilized	91.00%	NA	\$314,430	2002/ 2003	Family

Canterbury House Apartments-Lebanon	IN-04-01100	Lebanon, Indiana	4% LIHTC	X	X	X	X					166	139	27	Stabilized	95.00%	NA	\$750,000	2004/ 2006	Family
Canterbury House Apartments-Logansport	IN-95-01900	Logansport, Indiana	9% LIHTC	X	X	X						48	48		Stabilized	94.00%	NA	\$233,739	1995/ 1996	Family
Canterbury House Apartments-Mann Road	IN-03-00400	Indianapolis, Indiana	9% LIHTC	X	X	X						156	138	18	Stabilized	94.00%	NA	\$750,000	2003/ 2004	Family
Canterbury House Apartments-Michigan City	IN-06-00500	Michigan City, Indiana	9% LIHTC	X	X	X	X					140	132	8	Stabilized	99.00%	BOA	\$1,010,735	2006/ 2010	Family
Canterbury House Apartments-Monticello	IN-99-01400	Monticello, Indiana	9% LIHTC	X	X	X						60	60		Stabilized	90.00%	NA	\$301,128	1999/ 2001	Family
Canterbury House Apartments-Newburgh	IN-04-01000	Newburgh, Indiana	9% LIHTC	X	X	X	X					68	64	4	Stabilized	99.00%	NA	\$327,776	2004/ 2005	Family
Canterbury House Apartments-Tipton	IN-97-01100	Tipton, Indiana	4% LIHTC	X	X	X						40	40		Stabilized	100.00%	NA	\$220,824	1997	Family
Canterbury House II - Michigan City	Market Rate	Michigan City, Indiana	NA	X								160		160	Stabilized	96.00%	NA	NA	2013	Family
Canterbury House II Apartments-Warsaw	IN-04-00900	Warsaw, Indiana	9% LIHTC	X	X	X	X					68	68		Stabilized	94.00%	NA	\$421,569	2004/ 2005	Family
Casey Acres	IN-13-02400	Westfield, Indiana	4% LIHTC	X	X		X					252	227	25	Stabilized	94.00%	Regions Bank	\$719,500	2013	Family
Central Living Apartments	IN-10-10700	Huntington, Indiana	9% LIHTC	X								35	35		Stabilized	94.00%	NA	\$597,090	2010/ 2011	Senior
Central School Apartments	IN-06-00700	Anderson, Indiana	9% LIHTC	X								35	28	7	Stabilized	100.00%	Enterprise	\$463,164	2006/ 2007	Senior
Commons at Spring Mill	IN-10-00700	Westfield, Indiana	9% LIHTC	X			X					72	66	6	Stabilized	93.00%	Key Bank	\$800,000	2010/ 2012	Family
Commons at Wynne Farms	IN-10-04300	Brownsburg, Indiana	9% LIHTC	X			X					72	70	2	Stabilized	99.00%	US Bank	\$800,000	2010/ 2012	Family

Conner Court Apartments	IN-99-01500	Connersville, Indiana	9% LIHTC	X	X							64	51	13	Stabilized	97.00%	NA	\$255,952	1999/ 2000	Family
Conner Court II Apartments	IN-01-02500	Connersville, Indiana	9% LIHTC	X	X							64	64		Stabilized	95.00%	NA	\$342,095	2001/ 2003	Family
Cottages at Sheek Road	IN-10-04200	Greenwood, Indiana	9% LIHTC	X	X	X	X					68	68		Stabilized	96.00%	Redstone	\$800,000	2010/ 2012	Senior
Crosswinds at Tradition Lane	IN-12-00300	Danville, Indiana	9% LIHTC	X	X	X	X					80	80		Stabilized	95.00%	Key Bank	\$1,033,918	2012/ 2013	Family
Delphi Housing for Seniors	IN-06-02400	Delphi, Indiana	9% LIHTC	X								32	28	2	Stabilized	91.00%	NA	\$269,600	2006/ 2007	Senior
Enclave at Meridian	IN-10-02000	Indianapolis, Indiana	9% LIHTC	X				X	X			75	75		Stabilized	95.00%	Key Bank	\$800,000	2010/ 2012	Family
Frankfort Place Apartments	IN-98-02500	Frankfort, Indiana	9% LIHTC	X	X	X	X					36	36		Stabilized	95.00%	NA	\$195,636	1998/ 1999	Senior
Franklin Place Apartments	IN-00-08000	Franklin, Indiana	4% LIHTC	X	X	X	X					120	120		Stabilized	96.00%	NA	\$255,600	2000	Family
Golden Manor Apartments	IN-06-01000	Hammond, Indiana	9% LIHTC	X				X				80	76	4	Stabilized	98.00%	NA	\$766,720	2006/ 2008	Senior
Hoosier Place	IN-05-01200	Union City, Indiana	9% LIHTC	X								31	31	2	Stabilized	100.00%	NA	\$253,580	2005/ 2006	Senior
Jerman Place	IN-02-01800	Greensburg, Indiana	9% LIHTC	X			X					36	36		Stabilized	97.00%	NA	\$274,085	2002/ 2003	Senior
Lafayette Landing	IN-10-03200	Indianapolis, Indiana	9% LIHTC	X				X	X			72	72		Stabilized	97.00%	RJ, Raymond James	\$800,000	2010/ 2012	Senior
Lammers Pike	IN-06-01200	Batesville, Indiana	9% LIHTC			X						33	33		Stabilized	97.00%	US Bank	\$278,025	2006/ 2007	Family
Limestone Crossing	IN-18-03400	Bloomington, Indiana	4% LIHTC	X	X	X	X					208	208		Stabilized	100.00%	Regions Bank	\$852,100	2018/ 2021	Family
Lynhurst Park Apartments	IN-05-01500	Indianapolis, Indiana	4% LIHTC	X	X	X	X					154	129	25	Stabilized	92.00%	Wells Fargo	\$750,000	2005/ 2007	Family
Lynhurst Park Apartments II	IN-08-02100	Indianapolis, Indiana	4% LIHTC	X	X	X	X		X			62	52	10	Stabilized	90.00%	Wells Fargo	\$687,481	2008/ 2010	Family
Maple Tree Apartments	IN-03-03100	La Porte, Indiana	9% LIHTC	X	X	X	X					68	68		Stabilized	97.00%	NA	\$363,041	2003/ 2005	Family

Maple Tree Apartments II	IN-05-01600	La Porte, Indiana	9% LIHTC	X	X	X	X	X	92	81	11	Stabilized	98.00%	NA	\$490,355	2005/ 2006	Family
Meadow Park Apartments	IN-13-00900	Clinton, Indiana	9% LIHTC	X			X		60	60		Stabilized	97.00%	US Bank	\$764,500	2013/ 2014	Family
Meadows on Main	IN-21-02000	Whitestown, IN	4% LIHTC	X	X	X	X	X	264	264		Under Construction	97.00%	Key Bank	\$2,435,000	2021	Family
Monon Crossing Apartments	IN-20-02600	New Albany, Indiana	4% LIHTC	X	X	X	X	X	240	240		Lease-Up	94.00%	Aegon	\$1,626,300	2020	Family
Mosaic Apartments	Market Rate	Avon, Indiana	NA	X	X	X	X	X	240		240	Stabilized	92.00%	NA	NA	2019	Family
Nine North	IN-08-02300	Richmond, Indiana	9% LIHTC	X	X	X	X	X	58	55	3	Stabilized	98.00%	Redstone	\$641,858	2008/ 2011	Family
Nora Commons on the Monon	IN-04-03200	Indianapolis, Indiana	4% LIHTC	X	X	X			272	242	30	Stabilized	91.00%	NA	\$616,880	2004/ 2007	Senior
Overlook Pointe	IN-17-04200	Lafayette, Indiana	4% LIHTC	X	X	X	X	X	248	248		Stabilized	92.00%	Aegon	\$1,250,612	2017/ 2019	Family
Patriot Point Apartments	IN-01-01400	Liberty, Indiana	9% LIHTC	X	X				36	36		Stabilized	92.00%	NA	\$210,000	2001/ 2003	Family
Pilgrim Place	IN-00-00900	Yorktown, Indiana	9% LIHTC	X					36	34		Stabilized	100.00%	NA	\$205,695	2000/ 2001	Senior
Portland Place	IN-02-02200	Portland, Indiana	9% LIHTC	X					30	30		Stabilized	93.00%	NA	\$221,175	2002/ 2004	Senior
Preston Pointe	IN-09-4300	Indianapolis, Indiana	9% LIHTC	X	X	X	X	X	76	76		Stabilized	97.00%	RBC	\$790,680	2009/ 2011	Senior
Riverside Villa Apartments	IN-16-01400	Ligonier, Indiana	9% LIHTC	X	X	X			54	54		Stabilized	98.00%	Aegon	\$725,000	2016/ 2018	Family
Saxony Town Homes	IN-08-04700	Hammond, Indiana	9% LIHTC	X			X		68	57	11	Stabilized	99.00%	Apollo Housing Capital	\$830,607	2007/ 2009	Family
Serenity Terrace	IN-11-01800	Rensselaer, Indiana	4% LIHTC	X	X	X	X	X	52	52		Stabilized	96.00%	Stratford	\$715,000	2011/ 2012	Family
Summerset Apartments	IN-00-03800	Kokomo, Indiana	9% LIHTC	X	X	X	X	X	72	72		Stabilized	91.00%	NA	\$280,580	2000/ 2002	Family
The Gables	IN-16-02000	Greenwood, Indiana	4% LIHTC	X	X	X	X	X	274	222	52	Stabilized	97.00%	Key Bank	\$783,317	2016/ 2018	Family
The Lakes at Crossbridge	IN-17-03700	Indianapolis, Indiana	4% LIHTC	X	X	X	X	X	252	252		Stabilized	91.00%	Key Bank	\$704,150	2017/ 2018	Family
The Lofts at Asiford	IN-19-01400	Columbus, Indiana	9% LIHTC	X	X	X	X	X	36	36		Stabilized	92.00%	Raymond James	\$525,000	2019/ 2020	Family

The Reserve at White River	IN-19-03100	Indianapolis, Indiana	4% LIHTC	X	X	X	X	X			210	210		Lease-Up	98.00%	Key Bank	\$1,345,840	2019/2022	Senior
The Villages at Van Cleve	IN-13-01700	Hartford City, Indiana	9% LIHTC	X			X				46	46		Stabilized	98.00%	CREA	\$520,000	2013/2014	Senior
Thirty-Four North	IN-08-03000	Indianapolis, Indiana	9% LIHTC	X				X	X		71	60	11	Stabilized	93.00%	Key Bank	\$806,546	2008/2010	Family
Tyson School Apartments	IN-02-02600	Versailles, Indiana	9% LIHTC	X			X				36	36		Stabilized	97.00%	NA	\$286,811	2002/2004	Senior
Vue	Market Rate	Indianapolis, Indiana	NA	X							249		249	Stabilized	95.00%	NA	NA	2017	Family
Williamsburg on the Wabash	Market Rate	West Lafayette, Indiana	NA	X			X				473		473	Stabilized	93.00%	NA	NA	2013	Family
Southern Meadows	IN-22-02600	Indianapolis, Indiana	4% LIHTC	X	X	X	X	X			210	210		Under Construction	36.00%	Key Bank	\$1,465,911	2022	Senior
Kentucky																			
Canterbury House Apartments	KY-09-10101	Southgate, Kentucky	4% LIHTC	X	X	X	X	X			230	160	70	Stabilized	95.00%	CenterLine Corporate Partners	\$543,946	2007/2009	Family
Lancaster Estates	KY-15-011	Lancaster, Kentucky	9% LIHTC	X	X	X	X	X			51	51		Stabilized	92.00%	CREA	\$517,876	2015/2016	Family
Louisiana																			
Canterbury House Apartments	NA	Baton Rouge, Louisiana	4% LIHTC	X	X	X	X				216	44	172	Stabilized	92.00%	Fannie May	NA	2007	Family
Canterbury House Apartments	LA-06(2)-04912	Slidell, Louisiana	4% LIHTC	X	X	X					120	120		Stabilized	93.00%	RBC	\$1,229,073	2006	Family
Canterbury House Apartments II	n/a	Slidell, Louisiana	9% LIHTC	X	X	X	X				48		48	Stabilized	92.00%	NA	\$4,000,000	2010	Family
Katherine Square Apartments	1112-24	Port Allen, Louisiana	9% LIHTC	X	X	X	X	X			60	60		Stabilized	93.00%	Wincoffin Circle	\$708,500	2011	Family
Edgewood Square Apartments	1112-25	Ruston, Louisiana	9% LIHTC	X	X	X	X	X			60	60		Stabilized	100.00%	Wincoffin Circle	\$689,400	2011	Family

LaSalle Apartments	12-00051	New Orleans, Louisiana	9% LIHTC	X			X														33	33		Stabilized	93.00%	NEF	\$1,024,138	2011	Family
D'ville Village Apartments	2014-024	Donaldsonville, Louisiana	9% LIHTC	X	X				X												100	100		Stabilized	99.00%	Regions Bank	\$1,000,000	2014	Family
Riverview Apartments	2014-025	Donaldsonville, Louisiana	9% LIHTC	X	X			X	X												50	50		Stabilized	94.00%	Regions Bank	\$502,000	2014/2015	Family
The Lofts at Canterbury - Siddle III	Market Rate	Siddle, Louisiana	NA	X																	135		135	Stabilized	92.00%	NA	NA	2019	Family

Michigan

Canterbury House Apartments	MI-05-00301	Kalamazoo, Michigan	9% LIHTC	X	X			X	X												192	153	39	Stabilized	93.00%	NA	\$363,743	2003	Family
Canterbury House Apartments	MI-08-00901	Jackson, Michigan	9% LIHTC	X	X			X	X												208	160	48	Stabilized	95.00%	NA	\$480,221	2005	Family
Parkview Apartments	MI-14-01001	Niles, Michigan	9% LIHTC	X	X			X	X												80	80		Stabilized	93.00%	Key Bank	\$542,000	2013/2014	Family
Berrien Homes	MI-14-02901	Benton Harbor, Michigan	9% LIHTC	X	X			X	X												160	160		Stabilized	96.00%	CREA	\$1,408,400	2014/2015	Family
Cityline Apartments	NA	Kentwood, MI	4% LIHTC	X	X			X	X												240	240		Lease-Up	94.00%	NDC	\$1,598,367	2020/2022	Family

Missouri

Cottages at Bluebird Creek	16-052 MHT	Liberty, Missouri	9% LIHTC	X	X			X	X												48	48		Stabilized	100.00%	US Bank	\$ 460,000	2016/2018	Family
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North Carolina

Name	BIN	Location	Award Type	HKP Mgmt.	HKP Devel.	HKP Owner	HKP Arch.	HKP Consult	Total Units	RHTC Units	Market Units	Project Status	Current Occupancy %/ % Complete	Syndicator/investor	LIHTC Allocation	Year Built	Population Served
Spire	Market Rate	Charlotte, NC	Market Rate	X	X	X	X		288		288	Under Construction	82.00%	NA	NA	NA	Family

Oklahoma

Name	BIN	Location	Award Type	HKP Mgmt.	HKP Devel.	HKP Owner	HKP Arch.	HKP Consult	Total Units	RHTC Units	Market Units	Project Status	Current Occupancy %	Syndicator/investor	LIHTC Allocation	Allocation Year/ Year Built	Population Served
North Village Apartments	OK-05-94001	Oklahoma City, OK	4% LIHTC	X		X			216	216		Stabilized	93.00%	NA	\$ 219,725	2005/2007	Family

Centennial Park Apartments		OK-18-06-35	Owasso, OK	9% LIHTC	X	X	X			56	56		Stabilized	100.00%	Regions Bank	\$ 588,000	2018/ 2020	Senior	
Ohio																			
Name	BIN	Location	Award Type	HKP Mgmt.	HKP Devel.	HKP Owner	HKP Arch.	HKP Consult	Total Units	RHTC Units	Market Units	Project Status	Current Occupancy %/ % Completed	Syndicator/In vestor	LIHTC Allocation	Allocation Year/Year Built	Population Served		
Beacon Pointe Townhomes	OH-11-0010	Hamilton, Ohio	9% LIHTC	X	X		X		60	60		Stabilized	93.00%	Raymond James	\$ 966,518	2011/ 2013	Family		
Point Village Apartments	OH-12-0065	Russells Point, Ohio	9% LIHTC	X	X		X		58	58		Stabilized	97.00%	OEF Investment Fund	\$ 748,700	2012/ 2013	Family/ Senior		
Commons at Little Bark Creek	OH-14-0011	Fremont, Ohio	9% LIHTC	X	X		X		66	66		Stabilized	995.00%	OCCH	\$ 848,949	2014/ 2015	Family/ Senior		
Whispering Creek	OH-17-00015	Columbus, Ohio	4% LIHTC	X	X		X		188	188		Stabilized	93.00%	CREA	\$ 1,248,364	2017/ 2019	Family		
Riverside Trail Apartments	OH-18-00312	Columbus, Ohio	4% LIHTC	X	X		X		248	248		Stabilized	98.00%	US Bank	\$ 1,831,000	2018/ 2020	Family		
Crossing at Grove City Apartment	Market Rate	Grove City, Ohio	4% LIHTC	X	X		X		178		178	Stabilized	95.00%	NA	N/A	2020	Family		
Windmillier Pointe	OH-20-0232	Columbus, Ohio	4% LIHTC	X	X		X		244	244		Lease-Up	41.00%	Aegon	\$ 2,096,611	2020	Family		
Darby Crossing	OH-22-0200	Galloway, OH	4% LIHTC	X	X		X		260	260		Under Construction	26	US Bank	\$ 2,127,970	2022	Family		
South Carolina																			
Name	BIN	Location	Award Type	HKP Mgmt.	HKP Devel.	HKP Owner	HKP Arch.	HKP Consult	Total Units	RHTC Units	Market Units	Project Status	Current Occupancy %/ % Completed	Syndicator/In vestor	LIHTC Allocation	Allocation Year/Year Built	Population Served		
Arcadia Park	SC-112-1034	Columbia, SC	9% LIHTC			X			60	60		Stabilized	98.00%	NA	\$ 8,485,070	2011/ 2012	Family		
Zephyr Apartments	SC-21-002	Port Royal, SC	9% LIHTC			X			60	60		Under Construction	1.00%	NA	\$ 8,485,070	2011/ 2012	Family		
Texas																			
Name	BIN	Location	Award Type	HKP Mgmt.	HKP Devel.	HKP Owner	HKP Arch.	HKP Consult	Total Units	RHTC Units	Market Units	Project Status	Current Occupancy %/ % Completed	Syndicator/In vestor	LIHTC Allocation	Allocation Year/Year Built	Population Served		
Main Street Commons Senior Apartments	TX-11-11077	Taylor, Texas	9% LIHTC	X	X		X		75	75		Stabilized	95.00%	Raymond James	\$1,061,857	2011/ 2013	Family		
The Residences at Solms Village	TX-12-12336	New Braunfels, Texas	9% LIHTC	X	X		X		80	71	9	Stabilized	96.00%	Wells Fargo	\$6,501,944	2012/ 2014	Family		

Chapparelle Townhomes	TX-02-00500	Allen, Texas	4% LHTC	X			X					126	103	23	Stabilized	98.00%	NA	\$533,777	2002/2003	Family
The Grove	TX-14-14154	Odessa, Texas	9% LHTC	X	X	X	X	X				68	56	12	Stabilized	91.00%	BOA	\$701,226	2014/2016	Family
Bishop Gardens	TX-14-14158	Justin, Texas	9% LHTC	X	X	X	X	X				72	62	10	Stabilized	93.00%	BOA	\$721,167	2014/2016	Family
Cypress Place	TX-14-15501	Beaumont, Texas	9% LHTC	X	X	X	X	X				72	68	4	Stabilized	92.00%	BOA	\$921,000	2014/2016	Family
Estates at Ellington	TX	Houston, Texas	9% LHTC	X			X					72	50	22	Stabilized	91.00%	NEF	\$613,361	2013/2015	Family
Rachael Commons	TX-16-00008	McGregor, Texas	9% LHTC	X	X	X	X	X				48	43	5	Stabilized	90.00%	Raymond James	\$501,703	2016/2017	Family
Old Dowlen Cottages	TX-17-0004	Beaumont, Texas	9% LHTC	X	X	X	X	X				72	62	10	Stabilized	93.00%	Boston Capital	\$1,049,712	2017	Senior
The Vireo	TX-18-43101	Houston, Texas	4% LHTC	X	X	X	X	X				264	264		Stabilized	91.00%	Regions Bank	\$1,848,560	2018/2020	Family
Laurel Vista Apartments	TX-19-094	Beaumont, Texas	9% LHTC	X	X	X	X	X				69	60	9	Stabilized	96.00%	Regions Bank	\$1,007,473	2019/2022	Senior
Magnolia Station Apts	CDBG	Wirine, Texas	9% LHTC	X	X	X	X	X				44	32	12	Lease-Up	98.00%	NA	NA	2019/2022	Family
Promenade	Market Rate	Beaumont, TX	NA	X	X	X	X	X				212		212	Lease-Up	68	NA	NA	2021	Family
Montage	TX-20-615	San Antonio, TX	4% LHTC	X	X	X	X	X				216	216		Lease-Up	87.69%	NA	\$19,144,020	2021	Family
Legacy Square	TX-21-476	San Marcos, TX	4% LHTC	X	X	X	X	X				210	210		Under Construction	38	NA	\$20,302,400	2022	Family
Agave East	TX-21-464	Austin, TX	4% LHTC	X	X	X	X	X				240		240	Under Construction	69.00%	NA	\$21,141,010	2021	Family
Northwind	TX-22-451	Austin, TX	4% LHTC	X	X	X	X	X				240		240	Award Received	NA	NA	\$22,731,170	2022	Family
Summerdale Apts	TX-23-407	Houston, Texas	4% LHTC	X	X	X	X	X				272		272	Award Received	NA	NA	\$32,703,000	2023	Family
Wisconsin																				
Name	BIN	Location	Award Type	HKP Mgmt.	HKP Devel.	HKP Owner	HKP Arch.	HKP Consult	Total Units	RHTC Units	Market Units	Project Status	Current Occupancy %	Syndicator/investor	LHTC Allocation	Allocation Year/Year Built	Population Served			
Pebble Ridge Apartments	5930	Antigo, Wisconsin	9% LHTC	X	X		X		50	50		Stabilized	92.00%	NEF	\$596,193	2013/2015	Family			
Jackson Square	6010	Oshkosh, Wisconsin	9% LHTC	X	X		X		54	54		Stabilized	98.00%	US Bank	\$652,740	2014/2016	Family			
Croft Place	6009	New Richmond, Wisconsin	9% LHTC	X	X		X		52	52		Stabilized	92.00%	Wells Fargo	\$590,700	2014/216	Family			

Haymarket Lofts	6121	Milwaukee, Wisconsin	9% LIHTC	X	X				72	64	8	stabilized	93.00%	US Bank	\$ 791,814	2015/2017	Family
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GILMORE BELL

2405 Grand Boulevard, Suite 1100
Kansas City, Missouri 64108-2521

(816) 221-1000 / (816) 221-1018 FAX / gilmorebell.com

October 6, 2023

Housing Authority of St. Louis County
8865 Natural Bridge Road
St. Louis, Missouri 63121

The Industrial Development Authority
of the County of St. Louis, Missouri
7733 Forsyth Boulevard, Suite 2200
St. Louis, Missouri 63105

Re: Proposed \$55,000,000 Multifamily Housing Revenue Bonds (Triton Pointe) of The Industrial Development Authority of the County of St. Louis, Missouri

Ladies and Gentlemen:

We have been requested by Kittle Property Group, Inc., an Indiana corporation (the "Applicant"), to furnish you with our preliminary opinion with respect to the availability of private activity revenue bond financing pursuant to Chapter 349, Revised Statutes of Missouri, and Sections 103 and 141-150 of the Internal Revenue Code of 1986, as amended, for a project. We have been informed that the project consists of the acquisition and construction of approximately 252 apartment units located at 8724 University Place Drive in an unincorporated portion of St. Louis County, Missouri. We have reviewed preliminary sources and uses of funds that are included in the Applicant's application to be filed with the Housing Authority of St. Louis County.

It is our preliminary opinion that the project as described above qualifies for private activity revenue bond financing by The Industrial Development Authority of the County of St. Louis, Missouri pursuant to Chapter 349, RSMo. This preliminary opinion is subject to the completion of documentation satisfactory to this firm and the verification of certain facts with results satisfactory to this firm.

If you have any questions or wish to discuss this matter further, please contact me.

Very truly yours,



Weylin T. Watson



David Lacki
Senior Vice President
Senior Banker
Community Development Lending
88 East Broad Street
Columbus, OH 43215
Phone: 614-460-3438

October 6, 2023

Via Email

Kittle Property Group
Jeff Kittle
President & CEO
300 E. 96th Street, Suite 400
Indianapolis, IN 46240

Re: **North St Louis County**
252 Units in North St. Louis County, MO

Dear Jeff:

Thank you for the opportunity to provide you with the following terms pertaining to the construction and permanent financing of a proposed project located in North St. Louis County, MO. KeyBank Real Estate Capital ("KeyBank") has a strong interest in providing the financing for this property and we appreciate your consideration. Based upon our preliminary review of your Proforma Budget, we believe that there are several options available to you. This term sheet (the "Term Sheet") summarizes terms available for a **KeyBank Construction Loan with a KeyBank Private Placement Permanent Loan**. The proposed terms of the construction and permanent financing are summarized below. Please note that this proposal is a conditional commitment, since all terms and conditions are subject to review and approval by Lender's Credit Underwriting Department, in its sole discretion.

Borrower:	TBD partnership related to Kittle Property Group – Form and substance of Borrower must be acceptable to KeyBank.
Purpose:	To assist Borrower in the financing of the construction of a 252-unit apartment complex in North St. Louis County, MO.
Product:	The Bonds will be directly purchased by KeyBank. Additional financing above the amount of the private activity bonds will be provided by the bank on a taxable basis.
Bond Issuer:	The Bonds will be issued by the Missouri Housing Development Corporation ("MHDC")
Funding:	The construction loan will be based on a drawn-down structure over the construction period.
Construction Loan Amount:	Up to \$55.0MM (or as otherwise approved by KeyBank) consisting of \$55.0MM of private activity bonds and \$0.0MM taxable

Term:	30 months from the closing date (the "Conversion Date"), with one six-month extension option for 25bps and compliance with the below conditions: <ul style="list-style-type: none"> - Written notice no earlier than 60 days and no later than 30 days prior to the maturity date - No events of default - No material changes in guarantor's financial position - Guarantor must be compliant with all financial covenants - Construction must be complete - Capitalized interest account must be adequately funded
Construction Interest Rate:	A variable rate equal to SOFR plus 200bps on the tax-exempt portion and SOFR plus 250bps on any necessary taxable portion prior to the Conversion Date. A SOFR floor of 0.75% will be instituted. As of October 6, 2023 the all-in construction rates would be 7.30% and 7.80% respectively based on SOFR of 5.30%
Guaranty:	25% Repayment Guaranty from Kittle Property Group & Jeff Kittle 100% Completion Guaranty from Kittle Property Group & Jeff Kittle
Covenants:	<p>Minimum Liquidity:</p> <p style="padding-left: 40px;">\$9.0MM Kittle Property Group</p> <p style="padding-left: 40px;">\$1.0MM Jeff Kittle</p> <p>Minimum Net Worth:</p> <p style="padding-left: 40px;">\$15.0MM Kittle Property Group</p> <p style="padding-left: 40px;">\$50.0MM Jeff Kittle</p> <p>Liquidity and Net Worth requirements are subject to change based on full guarantor analysis completed prior to closing.</p>
Accounts:	Borrower will be required to maintain the Operating Account, Operating Reserve, and Construction Loan Accounts at KeyBank. Upon Conversion to the perm loan KeyBank will impound for T&I and R4R.
Origination Fee:	0.75% of the Construction Period Loan Amount.
LTV:	Shall not exceed 80% of appraised value of property, as stabilized, with restrictions, including value of the low-income housing tax credits.
LTC:	Shall not exceed 85% of cost of building the project.
Minimum Equity:	Minimum Equity is 15% based on KeyBank-approved construction budget, paid in during the construction period prior to completion. Eligible equity sources include low-income housing and state tax credit equity and cash flow-contingent, subordinated debt with all terms acceptable to KeyBank.
LIHTC Equity:	The LIHTC limited partnership agreement must obligate the tax credit investor(s) to make equity payments into the Project according to a pay-in schedule acceptable to KeyBank.
General Contractor:	Borrower shall enter into a fixed price or guaranteed maximum price construction contract with a general contractor acceptable to the Bank, and upon terms and conditions acceptable to the Bank in its reasonable discretion.



Memorandum

To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: Carolyn Riddle, Interim Finance Director

Date: November 14, 2023

Subject: *FY24 Proposed Budget, Resolution No. 1431*

This memo accompanies the proposed FY24 budget and provides a list of budget assumptions and notes.

I. Recommendation

Staff recommend the Board approve Resolution No. 1431, Proposed FY24 budget as submitted.

II. Budget Assumptions and Notes

- Includes a 3% cost-of-living-increase for employees with one year or more of service that had no salary or promotion increase within the last year.
- Overall benefits expense increased due to an increase in health insurance (4%), which the Authority is covering.
- Retains expenses for consultants including BDO, Development Resource Partners, and communications.
- Budget removes most capital funds, which are for public housing capital improvements. Soft costs associated with capital funds remain in the budget.

III. Entity-wide

Significant expenses included in the budget, allocated across programs include:

- Legal: \$239,000
- Audit: \$184,630
- IT and laptop expense: \$450,000
- Conferences: \$28,284
- Trainings: \$48,045
- Security/Law Enforcement: \$122,704

IV. Public Housing (LIPH)

- Subsidy based on approved Form 52723 for 2023.
- Capital fund subsidy for soft costs based on 5-year plan: \$236,500 for AMP 1, \$236,500 for AMP 2 that can be used for operating costs and fees paid to the COCC (\$173,000 total). Hard costs are not included in the budget because they are used for repairs and replacements and should be capitalized.
- AMP 4 (Arbor Hill) is expected to close on a RAD deal by early 2024 so the budget is for ¼ of the year. Future gains will show up in Business Activities instead of public housing.
- Salaries expense include salaries from new employees expected in 2024. Employee benefits expense was also increased along with full time salary expense.
- Insurance expenses are estimated with 30% inflation.
- PILOT expense calculation based on 10% of estimated rental income less utilities costs.
- Management fee expense is based on units months leased (UML) multiplied by the property management fee of \$53.07 which may increase in 2024. Bookkeeping fee expense is based on UML multiplied by \$7.50. Asset management fee is based on unit months available (UMA) multiplied by \$10.
- AMP 1 and 2 total net operating loss is \$141,295 but including depreciation it is \$311,078.
- For AMP 1, net operating loss of \$19,796 is expected for 2024. Including depreciation, net loss would be \$69,572.
- For AMP 2, net operating loss of \$121,499 is expected for 2024. Including depreciation, net loss would be \$241,506.
- For AMP 4, net operating loss of \$66,030 is expected for 2024. Including depreciation, net loss would be \$78,943. This is for 3 months of activity.

V. COCC

- Fee Income is based on asset management, bookkeeping, and management fees charged to each AMP and program.
- Part of the authority-wide capital fund budget from the 5-year plan is being allocated to COCC for soft costs (\$173,000, which is 10% of total funds). This will be in the form of fees from the AMPs.
- There are external management fees received from the small PHAs.
- Net operating income of \$235,003 is expected for 2024. Including depreciation, net income would be \$226,821.

VI. Housing Choice Vouchers

- Subsidy for this program is budgeted using projected 2023 HAP expense.
- Admin fee revenue budgeted using 94% occupancy for 2024 multiplied by the appropriate rate: first 7,200 vouchers leased use A Rate \$76.08, and the remaining use B Rate \$71.
- HAP expense is based on increased leasing and additional vouchers coming online.
- Total HCV salaries expense after moving part of salary cost to EHV and Mainstream is \$2,005,289.
- Employee benefits expense estimated to be about 20% of salaries expense.
- Management fee is calculated at 20% of admin fees received and bookkeeping fee calculated using 94% occupancy estimate UML X \$7.50.
- A net operating income of \$142,967 is expected for 2024.

VII. Mainstream Vouchers

- Subsidy for this program is budgeted using projected 2024 HAP expense.
- Admin Fee Revenue budgeted using 90% occupancy of UMA for 2024 multiplied by the A Rate \$76.08.
- Salaries are allocated to Mainstream for a total budget of \$106,190 with benefits estimated at about 20%.
- Management fee is calculated at 20% of admin fees received and bookkeeping fee calculated using 94% occupancy estimate UML X \$7.50.
- A net operating loss of \$8,008 is expected for 2024.

VIII. Emergency Housing Vouchers

- Subsidy for this program is budgeted using projected 2024 HAP expense. This program should start receiving the HAP funding as needed in 2024.
- Admin Fee Revenue budgeted using 109 vouchers leased per month for 2024 multiplied by the A Rate \$76.08.
- Salaries are allocated to EHV for a total budget of \$29,292 with benefits estimated at about 20%.
- Management fee is calculated at 20% of admin fees received and bookkeeping fee calculated using 94% occupancy estimate UML X \$7.50.
- A net operating loss of \$63,895 is expected for 2024.

IX. Moderate Rehab

- This program will not be operating in 2024 due to transfer to St. Charles.

X. Business Activities

- External management fee income based on prior year received from NSP.
- HASLC is expected to receive \$300,000 in developer fees from the AMP 4 RAD transition in 2024 with additional fees to come in following years.
- Salaries expense reflects management staffing plan for the year from salary spreadsheet.
- A net operating income of \$134,127 is expected for 2024, but after depreciation expense and unrealized gain, net income is expected to be \$83,826.

XI. Staff

Department	Full-time	Part-time	Headcount	Total FTE
Executive COCC	12	0	12	12
Finance	6	0	6	6
Housing Administration	7	0	7	7
Maintenance	8	0	8	8
HCV	32	1	33	32.5
Inspections	9	0	9	9
TOTAL	74	1	75	74.5 FTE

XII. FY24 Proposed Budget**A. Attachment**

FY24 Proposed Budget

**Housing Authority of St Louis County
2024 Budget**

*Will be disposed in
2024*

	Entity Wide	COCC	BA	HCV	Mainstream	EHV	BCU	AMP 1 & 2	AMP 4
OPERATING ITEMS									
Total Voucher Grants	64,186,159.36	-	-	60,787,311.64	2,254,856.47	1,143,991.25	-	-	-
Total Operating Subsidy	970,907.50	-	-	-	-	-	-	892,178.00	78,729.50
Total Capital Grants	473,000.00	-	-	-	-	-	-	473,000.00	-
Total Tenant Charges	931,413.84	1,765.71	22,309.80	-	-	-	155,178.41	714,388.28	37,771.65
Total Fraud Recovery	-	-	-	-	-	-	-	-	-
Total Investment Income	386,177.63	3,769.85	382,407.78	-	-	-	-	-	-
Total Miscellaneous Other Income	225,854.34	115,353.49	41,083.52	57,203.89	-	-	2,825.14	9,388.30	-
Total Internal Income	2,312,094.00	2,312,094.00	-	-	-	-	-	-	-
Total Income	69,485,606.67	2,432,983.06	445,801.09	60,844,515.53	2,254,856.47	1,143,991.25	158,003.55	2,088,954.58	116,501.15
Total Rents and Utility Reimbursements	58,203,796.73	-	-	55,104,452.62	2,016,855.43	1,044,475.25	-	33,681.00	4,332.43
Total Salaries	4,105,186.58	1,050,623.15	159,693.78	2,123,548.61	106,189.74	29,292.00	-	580,742.62	55,096.68
Total Benefits and Taxes	1,010,915.86	242,212.41	38,824.21	545,011.91	26,547.44	7,323.00	-	137,652.40	13,344.51
Total Other Employee Costs	581.54	581.54	-	-	-	-	-	-	-
Total Training, Seminars, Conferences	131,583.40	72,137.35	7,632.90	39,383.24	2,355.72	1,005.28	-	9,068.91	-
Total Utilities	366,387.92	52,914.25	2,980.12	5,383.38	-	18,539.15	17,699.08	253,847.07	15,024.87
Total Materials	94,483.80	6,085.00	-	-	-	-	2,650.55	77,018.01	8,730.24
Total Contract Costs	501,495.62	52,634.53	6,793.67	-	-	200.36	21,172.45	392,408.68	28,285.94
Total Tenant Services Expense	331,236.25	-	-	230,748.89	-	65,260.75	-	22,021.80	13,204.81
Total Other Maintenance Expenses	23,215.45	1,958.88	-	-	-	-	-	20,076.08	1,180.49
Total Outside Services	428.57	-	-	-	-	-	-	-	428.57
Total Outside Services	90,571.53	75,000.00	82.97	-	-	-	255.02	5,233.54	10,000.00
Total Other Occupancy Expenses	185,039.56	396.23	1,241.63	118,720.45	-	-	336.46	57,459.27	6,885.53
Total Insurance	217,962.67	59,307.45	1,463.90	14,402.88	-	-	14,432.03	120,931.56	7,424.85
Total Professional Fees	546,392.24	213,544.50	42,363.00	220,019.60	11,641.51	5,579.35	2,218.62	50,332.92	692.75
Total Other Fees	237,894.60	77,331.46	6.36	158,395.61	-	-	2.17	2,015.07	143.94
Total Telephone and Technology	528,408.22	132,031.04	47,068.36	258,580.37	16,940.07	6,058.35	310.70	66,132.48	1,286.85
Total Other Administrative Expenses	284,949.50	161,222.13	822.82	84,775.05	2,192.20	439.68	993.60	32,309.88	2,194.14
Total Internal Charges	2,312,094.00	-	2,700.00	1,798,125.80	80,142.05	29,713.20	17,820.00	369,318.38	14,274.57
Total Expenses	69,172,624.06	2,197,979.92	311,673.74	60,701,548.40	2,262,864.16	1,207,886.37	77,890.68	2,230,249.65	182,531.16
OPERATING NET INCOME	312,982.61	235,003.14	134,127.36	142,967.13	(8,007.69)	(63,895.12)	80,112.87	(141,295.07)	(66,030.01)
NON-OPERATING ITEMS									
Development Fee Income	-	-	-	-	-	-	-	-	-
Realized gain/loss	-	-	-	-	-	-	-	-	-
Unrealized Gain/Loss	-	-	-	-	-	-	-	-	-
Total Depreciation Expense	(247,412.91)	(8,182.46)	(50,301.38)	-	-	-	(6,233.00)	(169,782.92)	(12,913.15)
Total Non- Operating Items	(247,412.91)	(8,182.46)	(50,301.38)	-	-	-	(6,233.00)	(169,782.92)	(12,913.15)
Net Income (Loss)	65,569.71	226,820.68	83,825.98	142,967.13	(8,007.69)	(63,895.12)	73,879.87	(311,077.99)	(78,943.16)



Memorandum

To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: Carolyn Riddle, Interim Finance Director

Date: November 14, 2023

Subject: *FY24 Approved PHA Budgets, Resolution No. 1432*

This memo accompanies the Village of Hillsdale, City of Olivette, and City of Pagedale approved FY24 budgets.

I. Recommendation

Staff recommend the Board review and approve Resolution No. 1432, FY24 budgets for the managed municipal public housing authorities.

II. Attachments

- A. Village of Hillsdale FY24 Budget
- B. City of Olivette FY24 Budget
- C. City of Pagedale FY24 Budget

Hillsdale Housing Authority
FY24 Proposed Budget

		2023	2023	2024
		Annualized Actual	Annual Budget	2024 Budget
4000-00-120	OPERATING INCOME			
4000-00-130	Income			
4100-00-140	Operating Subsidy			
4100-00-240	HUD PHA Operating Grants/Subsidy	79,161.60	98,354.76	138,859.00
4200-00-240	Capital Fund Grants - Hard Costs	-	45,346.00	-
4200-00-240	Capital Fund Grants - Soft Costs	-	1,114.00	-
4100-10-240	Cares Grant	-	-	-
4199-00-940	Total Operating Subsidy	79,161.60	144,814.76	138,859.00
4300-00-140	Tenant Charges			
4300-00-240	Tenant Rent	66,288.00	54,583.32	66,288.00
4325-00-240	Legal Fees - Tenant	2,284.80	4,343.04	2,284.80
4390-00-240	Bad Debt-Tenant Rents	(10,494.00)	-	(10,494.00)
4399-00-940	Total Tenant Charges	58,078.80	58,926.36	58,078.80
4500-00-140	Other Income			
4500-00-150	Investment Income			
4500-00-250	Investment Income - Unrestricted	243.46	11.64	250.76
4599-00-250	Total Investment Income	243.46	11.64	250.76
4600-00-150	Miscellaneous Other Income			
4670-00-250	Miscellaneous Other Income	-	24.24	-
4699-00-950	Total Miscellaneous Other Income	-	24.24	-
4998-00-940	Total Other Income	243.46	35.88	250.76
4999-00-930	Total Income	137,483.86	203,777.00	197,188.56
5000-00-130	EXPENSES			
5000-00-140	Rents and Utility Reimbursements			
5050-00-240	Utility Reimbursement	2,851.20	5,490.96	2,936.74
5999-00-940	Total Rents and Utility Reimbursements	2,851.20	5,490.96	2,936.74
6000-00-140	Salaries			
6000-00-150	Salaries - Administrative			
6000-00-250	Salaries - Administrative	13,617.46	27,815.76	28,854.14
6099-00-950	Total Salaries - Administrative	13,617.46	27,815.76	28,854.14
6200-00-150	Salaries - Maintenance			
6200-00-250	Salaries - Maintenance	4,496.06	-	9,526.75
6298-00-950	Total Salaries - Maintenance	4,496.06	-	9,526.75
6299-00-940	Total Salaries	18,113.52	27,815.76	38,380.89
6300-00-140	Benefits and Taxes			
6300-00-150	Employee Benefits - Administrative			
6300-00-250	Insurance - Dental - Administrative	67.75	118.44	169.38
6305-00-250	Insurance - Health - Administrative	1,777.97	2,775.00	4,444.92
6315-00-250	Insurance - STD - Administrative	119.69	184.44	299.22
6320-00-250	Insurance - LTD - Administrative	80.83	96.60	202.08
6325-00-250	Insurance - Life - Administrative	118.90	154.08	297.24
6330-00-250	Insurance - Long-Term - Administrative	14.45	76.58	36.12
6335-00-250	Insurance - Vision - Administrative	6.19	10.56	15.48
6350-00-250	Other - Pension - Administrative	884.74	2,334.96	2,211.84
6365-00-250	Taxes - FICA - Administrative	996.94	1,900.80	2,492.34
6370-00-250	Taxes - Unemployment - Administrative	109.15	49.92	272.88
6399-00-950	Total Employee Benefits - Administrative	4,176.60	7,701.38	10,441.50
6500-00-150	Employee Benefits - Maintenance			
6505-00-250	Insurance - Health - Maintenance	1,346.04	-	1,386.42
6550-00-250	Other - Pension - Maintenance	135.82	-	139.89
6565-00-250	Taxes - FICA - Maintenance	311.23	-	320.57
6570-00-250	Taxes - Unemployment - Maintenance	47.93	-	49.37
6598-00-950	Total Employee Benefits - Maintenance	1,841.02	-	1,896.25
6599-00-940	Total Benefits and Taxes	6,017.62	7,701.38	12,337.75

Hillsdale Housing Authority
FY24 Proposed Budget

		2023	2023	2024
		Annualized Actual	Annual Budget	2024 Budget
6700-00-140	Training, Seminars, Conferences		-	
6720-00-240	Training - Administration	-	63.00	-
6730-00-240	Training - Maintenance	-	56.64	-
6799-00-940	Total Training, Seminars, Conferences	-	119.64	-
7000-00-140	Occupancy			
7000-00-150	Utilities			
7005-00-250	Electricity-Vacant Units	422.06	665.16	434.73
7010-00-250	Electricity - Office	367.13	456.24	378.14
7020-00-250	Gas - Vacant Units	1,055.66	261.84	1,087.33
7030-00-250	Sewer	12,720.34	15,027.24	13,101.95
7035-00-250	Sewer - Office	30.12	37.56	31.02
7045-00-250	Water - Vacant Units	73.66	-	75.87
7050-00-250	Water - Office	30.05	18.84	30.95
7099-00-950	Total Utilities	14,699.02	16,466.88	15,139.99
7100-00-150	Materials			
7100-00-250	Maintenance Paper/Supplies	177.07	-	182.38
7130-00-250	Supplies - Janitorial/Cleaning	157.58	38.64	162.31
7135-00-250	Supplies - Maintenance / Repairs	4,992.98	6,860.04	5,142.77
7140-00-250	Supplies - Plumbing	66.65	553.56	68.65
7199-00-950	Total Materials	5,394.29	7,452.24	5,556.12
7200-00-150	Contract Costs			
7200-00-250	Contract - Trash	7,920.98	6,437.52	8,158.61
7205-00-250	Contract - HVAC	-	137.52	-
7220-00-250	Contract - Grounds	1,920.00	1,529.52	1,977.60
7225-00-250	Contract - Unit Repair	23,160.00	5,000.04	23,854.80
7230-00-250	Contract - Electrical	1,346.35	-	1,386.74
7235-00-250	Contract - Plumbing	-	370.80	-
7240-00-250	Contract - Pest Control	-	3,915.96	-
7245-00-250	Contract - Janitorial/Cleaning	304.25	416.28	313.38
7255-00-250	Contract - Alarm Monitoring	132.91	99.36	136.90
7265-00-250	Contract - Building Repairs	-	324.36	-
7299-00-950	Total Contract Costs	34,784.50	18,231.36	35,828.03
7300-00-150	Tenant Services Expense			
7310-00-250	Other Tenant Services	2,344.63	-	742.00
7399-00-950	Total Tenant Services Expense	2,344.63	-	742.00
7400-00-150	Other Maintenance Expenses			
7400-00-250	Maintenance Uniforms	-	108.96	800.00
7420-00-250	Vehicle Maintenance	1,758.26	2,316.60	1,811.01
7499-00-950	Total Other Maintenance Expenses	1,758.26	2,425.56	2,611.01
7600-00-150	Other Occupancy Expenses			
7630-00-250	Payments in Lieu of Taxes	2,627.28	3,862.92	4,337.89
7640-00-250	Security/Law Enforcement	325.92	398.76	335.70
7699-00-950	Total Other Occupancy Expenses	2,953.20	4,261.68	4,673.59
7999-00-940	Total Occupancy	61,933.90	48,837.72	64,550.74
8000-00-140	Other Admin Expenses			
8000-00-150	Insurance			
8000-00-250	Insurance - Automobile	332.54	420.48	432.31
8010-00-250	Insurance - Liability	1,947.07	2,636.16	2,531.19
8020-00-250	Insurance - Property	7,195.90	7,173.60	9,354.66
8030-00-250	Insurance - Worker's Comp	41.71	108.48	54.23
8099-00-950	Total Insurance	9,517.22	10,338.72	12,372.39
8100-00-150	Outside Services			
8100-00-250	Consultants	239.35	-	246.53
8110-00-250	Temporary Administrative Labor	159.72	-	164.51
8199-00-950	Total Outside Services	399.07	-	411.04
8200-00-150	Professional Fees			

Hillsdale Housing Authority
FY24 Proposed Budget

		2023	2023	2024
		Annualized Actual	Annual Budget	2024 Budget
8200-00-250	Professional Fees - Legal	2,323.46	4,343.04	2,393.17
8220-00-250	Professional Fees - Audit	-	7,073.04	3,300.00
8299-00-950	Total Professional Fees	2,323.46	11,416.08	5,693.17
8300-00-150	Other Fees			
8300-00-250	Bank Fees	463.63	530.40	477.54
8920-00-250	Bookkeeping Management Fee Expense		-	1,980.00
8910-00-250	Asset Management Fee Expense		-	2,640.00
8320-10-250	Management Fee - HASLC	12,283.18	15,868.32	14,010.48
8340-00-250	Late Fees	-	1.20	-
8360-00-250	Tenant Screening	-	20.04	-
8399-00-950	Total Other Fees	12,746.81	16,419.96	19,108.02
8400-00-150	Telephone and Technology			
8410-00-250	Contract - Answer Service	112.49	111.72	115.86
8430-00-250	Internet	107.33	136.68	110.55
8440-00-250	Small Office Equipment	530.78	-	546.71
8450-00-250	Software/License Fees	491.14	643.20	3,553.37
8460-00-250	Telephone	367.97	589.68	379.01
8499-00-950	Total Telephone and Technology	1,609.70	1,481.28	4,705.50
8500-00-150	Other Administrative Expenses			
8504-00-250	Advertising	1,067.52	1,675.68	1,099.55
8508-00-250	Copiers/Printers	258.60	362.04	266.36
8524-00-250	Inspections	144.00	185.40	148.32
8540-00-250	Meetings	-	363.12	-
8544-00-250	Membership/Publications	29.62	19.08	30.50
8548-00-250	Office Supplies	151.97	191.04	156.53
8560-00-250	Postage / Delivery	171.60	515.52	176.75
8576-00-250	Travel	87.86	108.36	90.50
8580-00-250	Other Misc. Admin Expenses	739.30	2,955.00	761.47
8599-00-950	Total Other Administrative Expenses	2,650.46	6,375.24	2,729.98
8997-00-940	Total Other Administrative Expenses	29,246.74	46,031.28	45,020.10
8998-00-930	TOTAL EXPENSES	118,162.97	135,996.74	163,226.21
8999-00-920	Operating Income	19,320.89	67,780.26	33,962.35
9000-00-120	NON-OPERATING ITEMS			
9000-00-130	Depreciation Expense			
9000-00-230	Depreciation Expense	(27,788.04)	(29,025.48)	(31,854.00)
9099-00-930	Total Depreciation Expense	(27,788.04)	(29,025.48)	(31,854.00)
9997-00-920	TOTAL NON-OPERATING ITEMS	(27,788.04)	(29,025.48)	(31,854.00)
9998-00-910	NET INCOME	(8,467.15)	38,754.78	2,108.35

Olivette Housing Authority
 FY24 Proposed Budget

		2023	2023	
		Annualized Actual	Annual Budget	2024 Budget
4000-00-120	OPERATING INCOME			
4000-00-130	Income			
4100-00-140	Operating Subsidy			
4100-00-240	HUD PHA Operating Grants/Subsidy	87,477.60	43,215.72	94,885.00
4199-00-940	Total Operating Subsidy	87,477.60	43,215.72	94,885.00
4300-00-140	Tenant Charges			
4300-00-240	Tenant Rent	65,104.80	65,498.76	65,104.80
4399-00-940	Total Tenant Charges	65,104.80	65,498.76	65,104.80
4500-00-140	Other Income			
4500-00-150	Investment Income			
4500-00-250	Investment Income - Unrestricted	255.02	10.92	262.67
4599-00-250	Total Investment Income	255.02	10.92	262.67
4600-00-150	Miscellaneous Other Income			
4670-00-250	Miscellaneous Other Income	-	15.36	100.00
4699-00-950	Total Miscellaneous Other Income	-	15.36	100.00
4998-00-940	Total Other Income	255.02	26.28	362.67
4999-00-930	Total Income	152,837.42	108,740.76	160,352.47
5000-00-130	EXPENSES			
5000-00-140	Rents and Utility Reimbursements			
5050-00-240	Utility Reimbursement	-	537.72	-
5999-00-940	Total Rents and Utility Reimbursements	-	537.72	-
6000-00-140	Salaries			
6000-00-150	Salaries - Administrative			
6000-00-250	Salaries - Administrative	8,673.00	32,038.44	13,840.80
6099-00-950	Total Salaries - Administrative	8,673.00	32,038.44	13,840.80
6100-00-150	Salaries - Tenant Services			
6100-00-250	Salaries - Tenant Services	1,107.70	-	1,767.72
6199-00-950	Total Salaries - Tenant Services	1,107.70	-	1,767.72
6200-00-150	Salaries - Maintenance			
6200-00-250	Salaries - Maintenance	5,529.65	-	8,824.48
6298-00-950	Total Salaries - Maintenance	5,529.65	-	8,824.48
6299-00-940	Total Salaries	15,310.34	32,038.44	24,433.00
6300-00-140	Benefits and Taxes			
6300-00-150	Employee Benefits - Administrative			
6300-00-250	Insurance - Dental - Administrative	43.03	134.52	107.58
6305-00-250	Insurance - Health - Administrative	1,132.13	3,160.56	2,830.32
6315-00-250	Insurance - STD - Administrative	76.15	209.28	190.38
6320-00-250	Insurance - LTD - Administrative	51.48	109.68	128.70
6325-00-250	Insurance - Life - Administrative	75.72	175.32	189.30
6330-00-250	Insurance - Long-Term - Administrative	9.19	87.00	22.98
6335-00-250	Insurance - Vision - Administrative	3.86	11.40	9.66
6350-00-250	Other - Pension - Administrative	563.74	2,739.84	1,409.34
6365-00-250	Taxes - FICA - Administrative	634.85	2,163.12	1,587.12
6370-00-250	Taxes - Unemployment - Administrative	69.58	57.00	173.94
6399-00-950	Total Employee Benefits - Administrative	2,659.73	8,847.72	6,649.32
6400-00-150	Employee Benefits - Tenant Services			
6405-00-250	Insurance - Health - Tenant Services	442.66	-	455.94
6465-00-250	Taxes - FICA - Tenant Services	70.66	-	72.78
6499-00-950	Total Employee Benefits - Tenant Services	513.31	-	528.71
6500-00-150	Employee Benefits - Maintenance			
6505-00-250	Insurance - Health - Maintenance	1,471.03	-	1,515.16
6550-00-250	Other - Pension - Maintenance	78.12	-	80.46
6565-00-250	Taxes - FICA - Maintenance	385.39	-	396.95
6570-00-250	Taxes - Unemployment - Maintenance	55.70	-	57.38
6598-00-950	Total Employee Benefits - Maintenance	1,990.25	-	2,049.96

Olivette Housing Authority
 FY24 Proposed Budget

		2023	2023	
		Annualized Actual	Annual Budget	2024 Budget
6599-00-940	Total Benefits and Taxes	5,163.29	8,847.72	9,227.99
6700-00-140	Training, Seminars, Conferences			
6720-00-240	Training - Administration	-	40.08	-
6730-00-240	Training - Maintenance	-	36.48	-
6799-00-940	Total Training, Seminars, Conferences	-	76.56	-
7000-00-140	Occupancy			
7000-00-150	Utilities			
7005-00-250	Electricity-Vacant Units	755.88	947.16	778.56
7010-00-250	Electricity - Office	319.30	290.28	328.87
7030-00-250	Sewer	7,612.94	9,929.64	7,841.33
7035-00-250	Sewer - Office	19.15	24.00	19.73
7050-00-250	Water - Office	22.18	11.88	22.84
7099-00-950	Total Utilities	8,729.45	11,202.96	8,991.33
7100-00-150	Materials			
7100-00-250	Maintenance Paper/Supplies	112.56	-	115.94
7130-00-250	Supplies - Janitorial/Cleaning	100.25	24.60	103.26
7135-00-250	Supplies - Maintenance / Repairs	2,522.30	4,370.88	2,597.97
7140-00-250	Supplies - Plumbing	42.41	207.72	43.68
7199-00-950	Total Materials	2,777.52	4,603.20	2,860.85
7200-00-150	Contract Costs			
7200-00-250	Contract - Trash	1,497.60	2,829.84	2,500.00
7205-00-250	Contract - HVAC	-	4,163.76	2,500.00
7220-00-250	Contract - Grounds	1,440.00	9,115.56	13,000.00
7225-00-250	Contract - Unit Repair	-	14.16	6,000.00
7230-00-250	Contract - Electrical	480.00	-	494.40
7235-00-250	Contract - Plumbing	-	2,147.52	1,400.00
7245-00-250	Contract - Janitorial/Cleaning	193.58	2,698.08	1,800.00
7255-00-250	Contract - Alarm Monitoring	84.55	63.24	87.09
7265-00-250	Contract - Building Repairs	-	206.40	-
7299-00-950	Total Contract Costs	3,695.74	21,238.56	27,781.49
7300-00-150	Tenant Services Expense			
7310-00-250	Other Tenant Services			472.00
7399-00-950	Total Tenant Services Expense			472.00
7400-00-150	Other Maintenance Expenses			
7400-00-250	Maintenance Uniforms	-	69.36	800.00
7420-00-250	Vehicle Maintenance	1,118.81	1,422.48	1,152.37
7499-00-950	Total Other Maintenance Expenses	1,118.81	1,491.84	1,952.37
7600-00-150	Other Occupancy Expenses			
7630-00-250	Payments in Lieu of Taxes	3,304.37	5,462.16	5,648.49
7640-00-250	Security/Law Enforcement	207.36	253.68	213.58
7699-00-950	Total Other Occupancy Expenses	3,511.73	5,715.84	5,862.07
7999-00-940	Total Occupancy	19,833.24	44,252.40	47,920.11
8000-00-140	Other Admin Expenses			
8000-00-150	Insurance			
8000-00-250	Insurance - Automobile	325.63	411.36	358.20
8010-00-250	Insurance - Liability	1,704.38	2,323.68	1,874.82
8020-00-250	Insurance - Property	5,760.67	5,481.36	6,336.74
8030-00-250	Insurance - Worker's Comp	26.59	69.12	29.25
8099-00-950	Total Insurance	7,817.28	8,285.52	8,599.01
8100-00-150	Outside Services			
8100-00-250	Consultants	198.05	-	203.99
8110-00-250	Temporary Administrative Labor	101.64	-	104.69
8199-00-950	Total Outside Services	299.69	-	308.68
8200-00-150	Professional Fees			
8220-00-250	Professional Fees - Legal	24.60	-	25.34
8220-00-250	Professional Fees - Audit	-	3,244.56	4,600.00
8299-00-950	Total Professional Fees	24.60	3,244.56	4,625.34

Olivette Housing Authority
 FY24 Proposed Budget

		2023	2023	
		Annualized Actual	Annual Budget	2024 Budget
8300-00-150	Other Fees			
8300-00-250	Bank Fees	536.38	616.92	552.47
8920-00-250	Bookkeeping Management Fee Expense			1,234.80
8910-00-250	Asset Management Fee Expense			1,680.00
8320-10-250	Management Fee - HASLC	7,816.58	10,511.76	8,737.44
8399-00-950	Total Other Fees	8,352.96	11,128.68	12,204.71
8400-00-150	Telephone and Technology			
8410-00-250	Contract - Answer Service	71.59	71.04	73.74
8430-00-250	Internet	68.26	87.00	70.30
8440-00-250	Small Office Equipment	337.78	-	347.91
8450-00-250	Software/License Fees	327.74	419.88	2,261.24
8460-00-250	Telephone	234.14	375.24	241.17
8499-00-950	Total Telephone and Technology	1,039.51	953.16	2,994.36
8500-00-150	Other Administrative Expenses			
8504-00-250	Advertising	679.34	-	699.72
8508-00-250	Copiers/Printers	164.54	230.88	169.48
8540-00-250	Meetings	-	409.56	-
8544-00-250	Membership/Publications	18.84	12.12	19.41
8548-00-250	Office Supplies	96.82	25.68	99.72
8560-00-250	Postage / Delivery	215.54	446.88	222.01
8576-00-250	Travel	55.90	68.88	57.57
8580-00-250	Other Misc. Admin Expenses	470.38	1,886.04	2,000.00
8599-00-950	Total Other Administrative Expenses	1,701.36	3,080.04	3,267.91
8997-00-940	Total Other Administrative Expenses	19,235.40	26,691.96	32,000.01
8998-00-930	TOTAL EXPENSES	59,542.27	112,444.80	113,581.10
8999-00-920	Operating Income	93,295.15	(3,704.04)	46,771.37
9000-00-120	NON-OPERATING ITEMS			
9000-00-130	Depreciation Expense			
9000-00-230	Depreciation Expense	(227.40)	(234.24)	(1,399.00)
9099-00-930	Total Depreciation Expense	(227.40)	(234.24)	(1,399.00)
9997-00-920	TOTAL NON-OPERATING ITEMS	(227.40)	(234.24)	(1,399.00)
9998-00-910	NET INCOME	93,067.75	(3,938.28)	45,372.37

Pagedale Housing Authority
 FY24 Proposed Budget

		2023	2023	
		Annualized Actual	Annual Budget	2024 Budget
4000-00-120	OPERATING INCOME			
4000-00-130	Income			
4100-00-140	Operating Subsidy			
4100-00-240	HUD PHA Operating Grants/Subsidy	276,396.00	264,299.04	299,801.00
4199-00-940	Total Operating Subsidy	276,396.00	264,299.04	299,801.00
4300-00-140	Tenant Charges			
4300-00-240	Tenant Rent	309,568.80	290,568.12	316,018.15
4325-00-240	Legal Fees - Tenant	232.80	4,476.60	232.80
4330-00-240	Maintenance- Labor	-	3,259.92	-
4335-00-240	Maintenance- Materials	-	8,312.16	-
4340-00-240	Misc. Tenant Income	360.00	-	360.00
4390-00-240	Bad Debt-Tenant Rents	(10,779.60)	(14,528.40)	(2,322.30)
4399-00-940	Total Tenant Charges	299,382.00	292,088.40	314,288.65
4500-00-140	Other Income			
4500-00-150	Investment Income			
4500-00-250	Investment Income - Unrestricted	653.71	30.60	673.32
4599-00-250	Total Investment Income	653.71	30.60	673.32
4600-00-150	Miscellaneous Other Income			
4670-00-250	Miscellaneous Other Income	6,912.00	500.04	-
4699-00-950	Total Miscellaneous Other Income	6,912.00	500.04	-
4998-00-940	Total Other Income	7,565.71	530.64	673.32
4999-00-930	Total Income	583,343.71	556,918.08	614,762.98
5000-00-130	EXPENSES			
5000-00-140	Rents and Utility Reimbursements			
5050-00-240	Utility Reimbursement	15,590.40	14,674.44	16,058.11
5999-00-940	Total Rents and Utility Reimbursements	15,590.40	14,674.44	16,058.11
6000-00-140	Salaries			
6000-00-150	Salaries - Administrative			
6000-00-250	Salaries - Administrative	50,150.40	97,234.68	140,649.87
6099-00-950	Total Salaries - Administrative	50,150.40	97,234.68	140,649.87
6200-00-150	Salaries - Maintenance			
6200-00-250	Salaries - Maintenance	19,735.73	15,642.48	55,350.06
6298-00-950	Total Salaries - Maintenance	19,735.73	15,642.48	55,350.06
6299-00-940	Total Salaries	69,886.13	112,877.16	195,999.93
6300-00-140	Benefits and Taxes			
6300-00-150	Employee Benefits - Administrative			
6300-00-250	Insurance - Dental - Administrative	249.05	160.44	423.38
6305-00-250	Insurance - Health - Administrative	6,547.82	3,760.20	11,131.30
6315-00-250	Insurance - STD - Administrative	440.64	249.60	749.09
6320-00-250	Insurance - LTD - Administrative	297.86	130.92	506.37
6325-00-250	Insurance - Life - Administrative	437.95	208.68	744.52
6330-00-250	Insurance - Long-Term - Administrative	53.11	103.68	90.29
6335-00-250	Insurance - Vision - Administrative	22.87	14.40	38.88
6350-00-250	Other - Pension - Administrative	3,259.03	3,163.08	5,540.35
6365-00-250	Taxes - FICA - Administrative	3,671.62	2,575.32	6,241.75
6370-00-250	Taxes - Unemployment - Administrative	401.88	67.56	683.20
6399-00-950	Total Employee Benefits - Administrative	15,381.84	10,433.88	26,149.13
6500-00-150	Employee Benefits - Maintenance			
6505-00-250	Insurance - Health - Maintenance	5,549.66	-	9,434.43
6550-00-250	Other - Pension - Maintenance	308.28	-	524.08
6565-00-250	Taxes - FICA - Maintenance	1,367.45	-	2,324.66
6570-00-250	Taxes - Unemployment - Maintenance	192.89	-	327.91
6598-00-950	Total Employee Benefits - Maintenance	7,418.28	-	12,611.08

Pagedale Housing Authority
 FY24 Proposed Budget

		2023	2023	
		Annualized Actual	Annual Budget	2024 Budget
6599-00-940	Total Benefits and Taxes	22,800.12	10,433.88	38,760.20
6700-00-140	Training, Seminars, Conferences			
6710-00-240	Training - Board	26,694.91	21,596.04	27,495.76
6720-00-240	Training - Administration	-	232.08	-
6730-00-240	Training - Maintenance	-	209.76	-
6799-00-940	Total Training, Seminars, Conferences	26,694.91	22,037.88	27,495.76
7000-00-140	Occupancy			
7000-00-150	Utilities			
7005-00-250	Electricity-Vacant Units	960.24	1,093.44	989.05
7010-00-250	Electricity - Office	1,351.75	1,679.64	1,392.30
7020-00-250	Gas - Vacant Units	4,093.78	1,648.20	4,216.59
7030-00-250	Sewer	47,891.47	60,706.92	49,328.22
7035-00-250	Sewer - Office	110.98	138.36	114.31
7045-00-250	Water - Vacant Units	314.83	1,650.84	324.28
7050-00-250	Water - Office	128.42	69.24	132.28
7099-00-950	Total Utilities	54,851.47	66,986.64	56,497.02
7100-00-150	Materials			
7100-00-250	Maintenance Paper/Supplies	651.43	-	670.97
7105-00-250	Supplies - Appliance	1,293.60	826.44	1,332.41
7130-00-250	Supplies - Janitorial/Cleaning	580.20	142.44	597.61
7135-00-250	Supplies - Maintenance / Repairs	19,769.71	30,131.16	20,362.80
7140-00-250	Supplies - Plumbing	67.70	1,022.40	69.74
7199-00-950	Total Materials	22,362.65	32,122.44	23,033.53
7200-00-150	Contract Costs			
7200-00-250	Contract - Trash	23,673.07	19,871.04	24,383.26
7205-00-250	Contract - HVAC	-	3,999.96	-
7220-00-250	Contract - Grounds	216.00	10,130.52	-
7225-00-250	Contract - Unit Repair	80,520.70	119,485.20	42,000.00
7230-00-250	Contract - Electrical	564.00	2,839.32	580.92
7235-00-250	Contract - Plumbing	1,548.00	1,707.24	1,594.44
7240-00-250	Contract - Pest Control	-	5,954.64	-
7245-00-250	Contract - Janitorial/Cleaning	1,120.10	3,695.28	1,153.71
7255-00-250	Contract - Alarm Monitoring	489.29	365.88	503.97
7265-00-250	Contract - Building Repairs	-	10,833.24	-
7299-00-950	Total Contract Costs	108,131.16	178,882.32	70,216.30
7300-00-150	Tenant Services Expense			
7310-00-250	Other Tenant Services	1,296.00	-	2,730.00
7399-00-950	Total Tenant Services Expense	1,296.00	-	2,730.00
7400-00-150	Other Maintenance Expenses			
7400-00-250	Maintenance Uniforms	-	999.96	800.00
7420-00-250	Vehicle Maintenance	6,474.05	8,233.44	6,668.27
7499-00-950	Total Other Maintenance Expenses	6,474.05	9,233.40	7,468.27
7600-00-150	Other Occupancy Expenses			
7630-00-250	Payments in Lieu of Taxes	13,099.03	22,510.20	25,943.05
7640-00-250	Security/Law Enforcement	1,200.36	1,468.56	1,236.37
7699-00-950	Total Other Occupancy Expenses	14,299.39	23,978.76	27,179.42
7999-00-940	Total Occupancy	207,414.72	311,203.56	187,124.53
8000-00-140	Other Admin Expenses			
8000-00-150	Insurance			
8000-00-250	Insurance - Automobile	368.64	423.36	479.23
8010-00-250	Insurance - Liability	6,514.37	7,481.40	8,468.68
8020-00-250	Insurance - Property	29,795.38	32,426.64	38,733.99
8030-00-250	Insurance - Worker's Comp	153.60	374.16	199.68
8099-00-950	Total Insurance	36,831.98	40,705.56	47,881.58

Pagedale Housing Authority
 FY24 Proposed Budget

		2023	2023	
		Annualized Actual	Annual Budget	2024 Budget
8100-00-150	Outside Services			
8100-00-250	Consultants	984.62	-	1,014.16
8110-00-250	Temporary Administrative Labor	588.12	-	-
8199-00-950	Total Outside Services	1,572.74	-	1,014.16
8200-00-150	Professional Fees			
8200-00-250	Professional Fees - Legal	375.17	4,476.60	386.42
8220-00-250	Professional Fees - Audit	-	3,244.56	3,300.00
8299-00-950	Total Professional Fees	375.17	7,721.16	3,686.42
8300-00-150	Other Fees			
8300-00-250	Bank Fees	1,291.49	713.76	1,330.23
8920-00-250	Bookkeeping Management Fee Expense			7,144.20
8910-00-250	Asset Management Fee Expense			9,720.00
8320-00-250	Management Fee - External	(62,827.49)	-	-
8320-10-250	Management Fee - HASLC	45,782.74	56,148.36	50,552.36
8340-00-250	Late Fees	-	2.88	-
8360-00-250	Tenant Screening	-	120.00	-
8399-00-950	Total Other Fees	(15,753.26)	56,985.00	68,746.79
8400-00-150	Telephone and Technology			
8410-00-250	Contract - Answer Service	414.34	411.60	426.77
8430-00-250	Internet	395.23	503.64	407.09
8440-00-250	Small Office Equipment	1,954.25	-	2,012.88
8450-00-250	Software/License Fees	1,842.82	2,392.20	13,082.87
8460-00-250	Telephone	1,354.92	2,170.80	1,395.57
8499-00-950	Total Telephone and Technology	5,961.55	5,478.24	17,325.16
8500-00-150	Other Administrative Expenses			
8504-00-250	Advertising	3,930.41	4,233.84	4,048.32
8508-00-250	Copiers/Printers	952.03	1,330.32	980.59
8524-00-250	Inspections	539.38	631.32	555.56
8540-00-250	Meetings	452.30	1,543.92	465.87
8544-00-250	Membership/Publications	109.10	70.20	112.38
8548-00-250	Office Supplies	559.61	613.92	576.40
8560-00-250	Postage / Delivery	526.75	1,462.68	542.55
8576-00-250	Travel	323.50	399.00	333.20
8580-00-250	Other Misc. Admin Expenses	2,774.52	10,906.44	2,857.76
8599-00-950	Total Other Administrative Expenses	10,167.60	21,191.64	10,472.63
8997-00-940	Total Other Administrative Expenses	39,155.78	132,081.60	149,126.75
8998-00-930	TOTAL EXPENSES	381,542.06	603,308.52	614,565.29
8999-00-920	Operating Income	201,801.65	(46,390.44)	197.69
9000-00-120	NON-OPERATING ITEMS			
9000-00-130	Depreciation Expense			
9000-00-230	Depreciation Expense	(46,063.01)	(51,055.44)	(105,526.00)
9099-00-930	Total Depreciation Expense	(46,063.01)	(51,055.44)	(105,526.00)
9997-00-920	TOTAL NON-OPERATING ITEMS	(46,063.01)	(51,055.44)	(105,526.00)
9998-00-910	NET INCOME	155,738.64	(97,445.88)	(105,328.31)



Memorandum

To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: Emily Smith, Director, Program Compliance and Training

Date: November 14, 2023

Subject: *Revised Admissions and Continued Occupancy Policy*

This memo provides an overview of the Authority's updates to the Admissions and Continued Occupancy Policy (ACOP).

I. Recommendation

Staff recommend the Board approve the revised ACOP as presented.

II. Background

While federal statutes and regulations require housing authorities to adopt certain governing and operating policies for the Public Housing Program, the U.S. Department of Housing and Urban Development (HUD) grants considerable discretion in establishing and implementing policies. Housing authorities communicate those policies, rules, and requirements through a document known as the Admissions and Continued Occupancy Policy (ACOP).

The ACOP is the principal document describing the Authority's policies concerning key topics such as eligibility, tenant selection, admissions preferences, waitlist procedures, rent determination, utilities, transfers, occupancy guidelines, grievance procedures, pet ownership, and the community service and self-sufficiency requirement. The ACOP is essential for residents, prospective residents, community members, and HUD staff when communicating about specific Authority policies. Authority staff must submit all ACOP changes to the Board of Commissioners for approval.

The Authority last amended our ACOP on November 9, 2010. The Authority's 2023 proposed changes to the policy are based on guidance by the Nan McKay Model ACOP Guide. Nan McKay & Associates, Inc. provides training, training products, and other resources for public housing authorities nationwide. The Authority purchased the Model ACOP Guide to streamline the revision process and ensure that our policies align with current HUD regulations and requirements.

III. Chapter Descriptions and Updates

A. Chapter 1: Overview of the Program and Plan

Chapter 1 provides a brief overview of the public housing program and the structure and organization of the ACOP.

Update: Our updated policy establishes a timeframe for reviewing the ACOP document. The new policy states that the Authority reviews the ACOP at least annually and updates it as needed. This will enable the Authority to maintain up-to-date policy changes and simplify the future ACOP review process.

B. Chapter 2: Fair Housing and Equal Opportunity

This chapter explains the laws and HUD regulations requiring the Authority to affirmatively further civil rights and fair housing.

Update: Our updated policy will ensure that all intake and recertification applications include language regarding reasonable accommodation requests.

These applications will explicitly state that tenants should request reasonable accommodation in writing to the Authority. Staff will consider requests for reasonable accommodation and will provide the appropriate accommodations if the Authority deems they are necessary and feasible.

C. Chapter 3: Eligibility

Chapter 3 explains the eligibility requirements for individuals and families admitted to the public housing program. It provides definitions of "family" and "household members," discusses basic eligibility criteria, and covers causes for denial of admissions.

Update: We have updated eligibility requirements for our public housing program to provide more detailed definitions of the terms "family" and "household." We clearly define these terms in the new policy to reduce the administrative burden and to prevent confusion for applicants.

Our updated policy also ensures that applicants on the waiting list who are denied assistance based on eligibility will also be notified of their rights under the Violence Against Women Action (VAWA). The applicant's rights under VAWA will be included in the denial of assistance notification.

D. Chapter 4: Applications, Waiting List, and Tenant Selection

This chapter provides details of the Authority's approach to accepting applications, placing families on the waiting list, and selecting families from the list.

Update: We have updated our policy to include the implementation of the online portal Rent Café to improve access to and efficiency of the waiting list and intake applications for new applicants and current residents. Applications will be completed in the Rent Café portal, allowing in-person interviews to be scheduled only as needed.

Our policies have also been updated to ensure that waiting list maintenance will be done efficiently to prevent confusion, reduce unit vacancy times, and improve the lease-up process for applicants selected for units.

E. Chapter 5: Occupancy Standards and Unit Offers

Chapter 5 contains policies for assigning unit size and making unit offers to applicants selected from the waiting list.

Update: Our updated policies provide more detailed definitions of occupancy standards. We have clearly defined the standards and policies, reducing potential administrative burden and confusion for residents and applicants.

F. Chapter 6: Income and Rent Determinations

This chapter details the Authority's methods for ensuring that only income-eligible families receive assistance and that no family pays more or less rent than HUD regulations require.

Update: We have revised our policies to provide more detail about the Authority's income and rent determination methodology. The revisions offer clear definitions and more detail to ensure that we meet HUD requirements.

We have also updated the policies to align with the Housing Choice Voucher (HCV) program's Administrative Plan, where appropriate. This ensures more consistency between applicable program processes.

G. Chapter 7: Verification

Chapter 7 of the ACOP details HUD's approved hierarchy of verification for requested information. Program applicants must supply the required information to participate in the program.

Update: Our revised policy includes the hierarchy of verification of family identity, income, and expense deductions to accurately reflect HUD

requirements. The updated policies provide a more detailed and exhaustive list of required verifications for program participation.

H. Chapter 8: Lease and Inspections

This chapter describes the Authority's policies pertaining to lease execution, lease modification, and payments under the lease. It also describes policies for inspecting dwelling units at move-in, move-out, and annually during the period of occupancy.

***Update:** Our revised policy offers more details regarding leasing requirements. It includes updated information about orientation for new residents and lease modification requirements that align with HUD regulations.*

The updated policies also include HUD's newly implemented inspection standards, the National Standards for the Physical Inspection of Real Estate (NSPIRE). The policies provide more standardization of the inspection process for public housing, including definitions of the types of inspections and causes for inspections. It also explains the scheduling process for inspections and the requirements of the resident individual or family.

I. Chapter 9: Reexaminations

Chapter 9 covers policies related to the annual and interim reexamination of each participating family's income and household composition.

***Update:** Our updated policies provide more detailed guidance for processing interim and annual reexaminations. The revisions offer clearer instructions and guidelines that will ease administrative burden and alleviate confusion for residents.*

J. Chapter 10: Pets

This chapter explains the Authority's policies on the keeping of pets and describes any criteria or standards pertaining to the policies.

***Update:** Our revisions to the policy ensure that we meet HUD requirements, and that appropriate language is used regarding pets. The update offers clearer definitions and standards for pets in public housing.*

K. Chapter 11: Community Service

Chapter 11 explains HUD regulations requiring the Authority to implement a community service program for all nonexempt adults living in public housing.

***Update:** Our updated policies provide more details about community service requirements for public housing residents in accordance with HUD regulations, including definitions and examples of acceptable community service or self-*

sufficiency activities. The updated policies also offer a more comprehensive service program to help residents meet the requirements.

L. Chapter 12: Transfer Policy

This chapter explains the policies and reasons for transferring residents between units based on HUD regulations.

***Update:** Our updated policies provide detailed definitions of varied reasons for and types of transfers within public housing. They also provide clear guidance for how the Authority will determine if a resident or family qualifies for assistance in paying moving costs and how those costs will be paid.*

M. Chapter 13: Lease Terminations

Chapter 13 includes policies that govern voluntary termination of the lease by the family and mandatory and voluntary termination of the lease by the Authority.

***Update:** Our revised policies meet HUD requirements and provide specific details and guidance for public housing lease terminations. The updates will reduce administrative burden, standardize processes, and minimize confusion for residents.*

The updated policies also include HUD's required changes through the Housing Opportunity Through Modernization Act of 2016 (HOTMA). The HOTMA changes require the Authority to terminate assistance for over-income participants who remain over-income for 24 consecutive months.

N. Chapter 14: Grievances and Appeals

This chapter discusses grievances and appeals pertaining to Authority actions or failures to act that adversely affect public housing applicants or residents.

***Update:** Our updated policies provide more detail, definitions, and guidance for applicants or residents of the public housing program who wish to request a hearing. The appeals and grievance hearing processes revision offers a clearer understanding of when and how tenants can request appeals. They ensure that applicants, participants, and staff have the necessary guidance for the process and will reduce confusion among all parties.*

O. Chapter 15: Program Integrity

Chapter 15 describes policies designed to prevent, detect, investigate, and resolve instances of program abuse or fraud. It also describes what actions the Authority will take in the case of unintentional errors and omissions.

***Update:** Our revisions to this policy allow the Authority to implement standards for ensuring quality control. The updates align with HUD standards for preventing and detecting fraud or program abuse.*

The new policies also provide clear definitions of the types of fraudulent activities within public housing as well as detailed guidance to address any occurrences of fraud and program abuse.

P. Chapter 16: Program Administration

This chapter explains administrative policies and practices that are relevant to the activities covered in the ACOP.

***Update:** Our revised policies in this chapter provide descriptions and standards for utility allowances, flat rents, repayment of family debts, the Public Housing Assessment System (PHAS), record keeping, and the Violence Against Women Act (VAWA). Our updates to this chapter establish the standards for each of these categories to ensure consistency and prevent confusion for staff and participants.*



Memorandum

To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: Kawanna Tate, Director of Housing Administration

Date: November 14, 2023

Subject: *Authorization to Execute Real Estate Documents for West County Properties, Inc., Resolution No. 1429*

This memo provides Shannon Koenig, Executive Director and CEO, with the decision making and signing authority for real estate transactions related to West County Properties, Inc.

I. Recommendation

Staff recommend the Board approve the resolution.

II. Background

West County Properties, Inc. is an affiliate entity of the Housing Authority of St. Louis County. It is primarily used for scattered site market rate and affordable rental properties as well as vacant lots.

This document ensures that Shannon Koenig, Executive Director and CEO, has the authority to conduct real estate transactions on behalf of West County Properties, Inc.

RESOLUTION No. 1429

The undersigned, being all of the directors of West County Properties, Inc., a Missouri nonprofit corporation, hereby authorize the company's president, Shannon Koenig, to sign any and all documents needed for the sale of any or all of the company's real estate, including both improved properties and vacant land, and any combination thereof.

This Resolution will remain in effect unless and until revoked by the directors in a future resolution or until the termination of Shannon Koenig's service as president.

The company's Secretary is hereby authorized to attest to this Resolution, and to the Resolution continuing to be in force, and to Shannon Koenig's status as the company's president, when requested by a buyer of any of the company's real estate, a buyer's bank or other lender, or any title company or title insurance company involved in any such transaction.

So resolved this _____ day of November, 2023.

Directors:

Bishop Calvin Scott

Shannon Koenig

Katrina Sommer

Judy Ricks



Memorandum

To: Board of Commissioners, Housing Authority of St. Louis County

Through: Shannon Koenig, Executive Director and CEO

From: Terri Acoff-States, Executive Assistant

Date: November 14, 2023

Subject: *Board Meeting Dates for 2024*

This memo provides the Board with the proposed schedule for the 2024 Housing Authority of St. Louis County board meetings. Meetings will be held at noon at the Housing Authority headquarters at 8865 Natural Bridge Road, St. Louis, Missouri, 63121.

Tuesday, January 9, 2024

Tuesday, March 12, 2024

Tuesday, May 14, 2024

Tuesday, September 10, 2024

Tuesday, November 14, 2024

If you have any questions, please contact me at 314-227-3114 or terria@haslc.com.