



APRIL MEETING

Tuesday, April 15, 2014

The R.A.A. would like to invite you to our
Networking / Vendor Information 6:30 P.M.

General Meeting 7:00 P.M.

Managing Your Rental Properties

Learn how other RAA members manage
their own portfolio of rental units, from
1 to several hundred units.

This will be a round table presentation/discussion

Tues - Apr. 15th at 7pm

Cost: FREE for members, \$15. non-members

Meeting Location → **RAAR**

6776 East State Street
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- ✓ 8 monthly meetings with guest speakers covering a variety of property management topics
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- ✓ Spring Banquet
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- ✓ Knowledge of State and local political issues affecting property managers and owners
- ✓ Monthly newsletter

A one-year membership is \$99.

To join or e-mail RAA, go to
www.rockfordapartmentassociation.org

To join the e-mail group, go to
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WELCOME new members:

Jake Rogers
Stephen Appell
Lonnie Presson

The Rockford Apartment Association is joined with similar associations from across the state as a member of the Illinois Rental Property Owners Association (IRPOA). By joining together with groups in other cities, we bring a stronger voice to the discussion of issues that affect the business of providing rental housing. Much of the dysfunction we see in the legislation that controls our business is due to the lack of understanding among policy makers of the day to day operation of a rental housing business. By offering our perspective, we can help direct public policy to have a positive influence on rental housing.

Our communication with the IRPOA member groups identifies problems as they develop regionally. IRPOA has taken proactive steps to limit the spread of bad policy. An example of a dysfunctional public policy IRPOA is working on and which is spreading across Illinois is Crime-Free Housing. Many municipalities in southern Illinois and in areas around Chicago have implemented Crime-Free Housing ordinances. Granite City Illinois is currently being investigated by HUD for the discriminatory nature of their rental property ordinance. Crime-Free Housing is a component of that ordinance.

Crime-Free Housing is a feel good name for an abusive policy. No property owner wants crime on their property but rather than assisting housing providers in responding to crime, Crime-Free Housing shifts the obligation of controlling crime from law enforcement to the housing provider. Even though Crime-Free Housing is not policy in Rockford or neighboring cities, Sen. Syverson agreed to sponsor legislation to help make this policy more reasonable for the whole state.

Crime-Free Housing is based on the concept of government forced eviction. The government mandates that language be included in a



Meet **RICHARD (DICK) LARSON** by Jerri Cole

RAA has some of the most interesting and amazing people I know and Richard (Dick) Larson is one of them. Can you believe? -- 75 years old -- working full time in his own business -- managing (along with his wife Donna,) ten rental houses, and doing volunteer work besides!!!! Not only that, he has a great attitude a big smile for everyone! Another landlord making a difference!!! We can all take lessons from this man!!!!

My wife, Donna, and I have been married for over 35 years now. Between us, we have three and a half dozen kids. I have the three and she has the half dozen. I am involved in my church. I am a volunteer driver at the Blood Bank, delivering blood products to the various hospitals. I am a member of the Rock River Valley Ambucs where I am involved in building ramps for people with disabilities. Of course, a lot of my time is taken up with our rental properties. I am still working in my business, *LOVES PARK TAX SERVICE*, which keeps me more than busy this time of the year.

I consider my volunteering a hobby, but I guess my only real hobby is golf. I have never been one to golf "with the boys," but almost always golf with Donna. We do have our "get away" place in the Villages in Florida where we get to relax and golf. Some people think that I am not very smart to be working up here all winter while I have a place in Florida just waiting for me.

When Donna and I got married, we both had a house. Me and my three kids moved into her house while I fixed up my place to sell. We took the money from my house and bought one that was big enough for all of us and her house became our first rental property. With both of us being self employed with no pensions, we started buying rental properties as part of our retirement plan. At one time, we had a duplex, but have since gotten rid of that and now have only single family houses. We like the stability that we find with most house renters and have many long term (6 to 12 year) tenants. When we had six houses plus the commercial building that our business is in, I had a "5-year-plan." I was going to be debt free in five years. Then I crunched the numbers and decided that I wanted more income at retirement time and we ended up buying four more houses. So much for being debt free in five years. We are now debt free, but the problem with our retirement plan is that I am now 75 and have not retired yet. I enjoy fixing properties and I enjoy doing taxes. I still have a couple of clients that I have been working with since 1967, and quite a few from the early 70's. They always say that if you like what you are doing, you don't work a day in your life. I have known a number of people who just could

not wait to retire and when they did, they sat on the couch to watch TV and were dead within 18 months. But then I have also known a number of people who completely enjoy retirement. Donna always says that it is a good thing we are not all the same. I truly believe that keeping busy keeps me young.

Donna and I are a team. I am the good guy who shows up and fixes the broken things in the house, while she is the bad buy who is calling them to collect rent. We have talked about slowing down and getting rid of some of the rentals, but we sure don't want to give them away in this housing market.

The worst experience we had was with Donna's original house. First, buying a rental house is one thing, but when you convert your home into a rental, you never quite lose the attachment to it. We had a couple move into her house with two boys, ages 5 and 7. When they had been there for ten years, we got a call from a neighbor telling us to get over there because they were shooting up the place!!! When we got there, so were the police and there had been a drive by shooting and there were a lot of holes in the house!!! The mother had faithfully come to our house every month for 10 years and paid the rent. We then found out that they had split up and both had moved out leaving the 15 and 17-year-olds with a girl friend, a baby, and a couple of large dogs which were not allowed by the lease. The 15-year-old had a car and was dealing drugs out of the trunk. When I went to measure the glass for the windows that had been shot out, I found that the dogs had chewed the wood frame away so I had to replace the whole windows. The place was a total disaster, but the good part was that the mother got the kids moved out immediately so I could start the rehab.

The rental business is certainly not the way to get rich quick, but it is a great way to build wealth. Of course better when the housing market is moving up instead of down. I love to have other people buying me houses. I know that some of our kids will want the cash when we are gone, but we have set up our estate plan to encourage the kids to take rental houses to get a start in the rental business themselves. **RENTAL PROPERTY WILL GENERATE WEALTH AND CASH FLOW WHILE MONEY WILL BE GONE IN NO TIME.**

continued from page 1

Reconsidering "I'm Locked Out" Calls

How many times have we heard of a landlord's phone call about a tenant being locked out. The "I left my keys inside" call can be most inconvenient. This call is even more aggravating when you're woken up from a deep sleep. Some landlords solve this problem by telling tenants to call a locksmith. Others feel compelled to help and their reasons for doing so are many. A thought like "maybe they'll be a good, long term tenant if I help them out" runs through our minds. Whatever the reason, there is a simple way to eliminate these calls.

In today's day and age, almost every exterior door that is meant to keep people and things secure inside, should have a dead bolt. Most door knobs can be easily jimmied, with a card or a putty knife, etc. However, deadbolts typically have a longer throw than a knob latch. When a deadbolt is installed, there is no need for a keyed door knob. Simply install a passage knob. The tenant can no longer accidentally lock themselves out. They have to have a key to lock the deadbolt.

As a side note, always use deadbolts that have a thumb latch on the inside. In case of an emergency, like a fire, a tenant should never have to look for or fumble with a key to exit.

—by Brian Kern

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lease that specifies the criminal behavior that if a person is accused of would require eviction. Some of the crimes are serious but many also include crimes like underage drinking and illegal gambling. When a citizen whose family rents their home is accused of a crime the landlord of that family is ordered by government to evict that entire family. If the landlord does not comply then a penalty is imposed on that landlord. That penalty can include revocation of a license to rent any of that landlord's property.

In order for a landlord to comply and evict a family the landlord needs to go to court and conduct a trial to prove that the crime occurred. This puts the landlord in the role of prosecutor. To prove the case the landlord needs evidence. That evidence would be in the possession of law enforcement. The first element of the bill which IRPOA advanced was to require we be given that evidence. That provision was opposed because if government gives landlords the evidence needed, it could interfere with the criminal prosecution of the case. Remember, Crime-Free Housing is forced eviction for the accusation of a crime. There has been no conviction at the time the family is being evicted.

Our next step was to remove from the bill the requirement the landlord be provided evidence to prove the case. We attempted to only place into the law a statement that eviction should be at the discretion of the landlord and the government should not impose a penalty on a landlord to force eviction. That effort was opposed by the Illinois Municipal League because they stated on the record it would undermine the purpose of Crime-Free Housing laws in Illinois. Due to the intense opposition by the IML and other cities in Illinois, Senator Syverson's only option was to not advance the bill at this time.

Even though our bill is on hold we did achieve two things. First, housing providers are often told that Crime-Free Housing is intended to help us. Clearly that is not true. We are not even provided information much less actual assistance by law enforcement. Second, for the first time the group representing cities in Illinois has publicly stated that the purpose of Crime-Free Housing laws is government forced eviction over criminal accusations.

Now that the public is aware of what Crime-Free Housing is, the next question should be whether or not this policy is something we want. Should government be able to force a family onto the street when no conviction for a crime has occurred? Would you want to be treated in this way? Would you want to see your friends and family treated this way? The policy of Crime-Free Housing is contrary to the concept of innocent until proven guilty. I believe the policy is immoral.

—Paul Arena, RAA President

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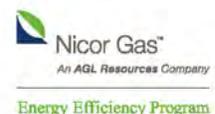
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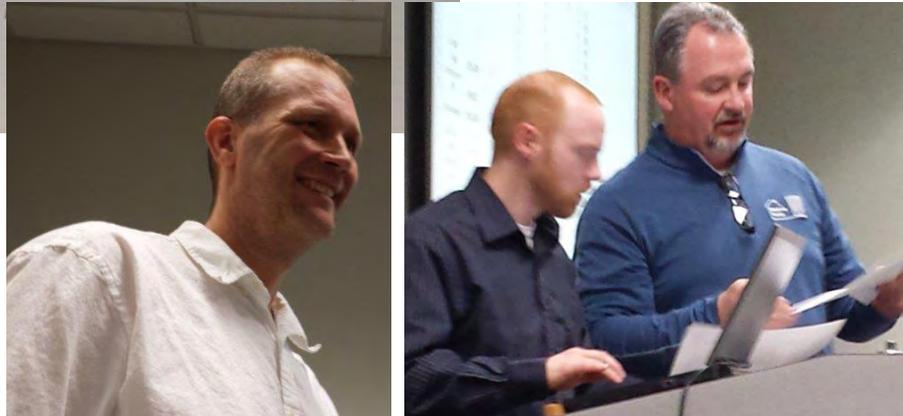
Partners for Energy Efficiency



March Meeting

Address	Price	Units	Monthly Rents	Gross Rents	Tax	MVR	Ins	W/SIG	NOK	CAP
Property	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rehab										
Total	\$0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Downpayment	\$0				\$0	\$0	\$0	\$0	\$0	\$0
ROI					\$0	\$0	\$0	\$0	\$0	\$0
Loan Amount	\$0									
Term (yrs)	30									
Rate	6.0%									
Payment per year	12									

Rick Davis and Matt Pierce demonstrated a spreadsheet that makes evaluating a properties cash flow calculations easy. Terry Heilman did an evaluation of one of his purchases.



The local news station was interviewing an 80-year-old lady because she had just gotten married for the fourth time. The interviewer asked her questions about her life; what it felt like to be marrying again at 80, and then about her new husband's occupation. "He's a funeral director," she answered. "Interesting," the newsman thought... He then asked her if she wouldn't mind telling him a little about her first three husbands and what they did for a living. She paused for a few moments, needing time to reflect on all those years. After a short time, a smile came to her face and she answered proudly, explaining that she had first married a banker when she was in her 20's, then a circus ringmaster when in her 40's, and a preacher when in her 60's, and now - in her 80's - a funeral director. The interviewer looked at her, quite astonished, and asked why she had married four men with such diverse careers.

(Wait for it)

She smiled and explained, "I married one for the money, two for the show, three to get ready, and four to go."

An old Doberman starts chasing rabbits and before long, discovers that he's lost. Wandering about, he notices a panther heading rapidly in his direction with the intention of having lunch.

The old Doberman thinks, "Oh, oh! I'm in trouble now!" Noticing some bones on the ground close by, he immediately settles down to chew on the bones with his back to the approaching cat. Just as the panther is about to leap, the old Doberman exclaims loudly,

"Boy, that was one delicious panther! I wonder, if there are any more around here?"

Hearing this, the young panther halts his attack in mid-strike, a look of terror comes over him and he slinks away into the trees.

"Whew!," says the panther, "That was close! That old Doberman nearly had me!"

Meanwhile, a squirrel who had been watching the whole scene from a nearby tree, figures he can put this knowledge to good use

and trade it for protection from the panther. So, off he goes.

The squirrel catches up with the panther, spills the beans and strikes a deal for himself.

The young panther is furious at being made a fool of and says, "Here, squirrel, hop on my back and see what's going to happen to that conniving canine!"

Now, the old Doberman sees the panther coming with the squirrel on his back and thinks, "What am I going to do now?," but instead of running, the dog sits down with his back to his attackers, pretending he hasn't seen them yet, and just when they get close enough to hear, the old Doberman says

"Where's that squirrel? I sent him off an hour ago to bring me another panther!"

Moral of this story... Don't mess with the old dogs... Age and skill will always overcome youth and treachery! Brilliance only comes with age and experience.

Dean Impey

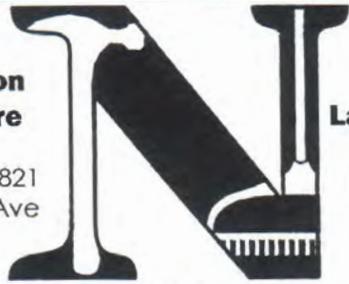
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Rockford Apartment Association Code of Ethics

We, the members of the RAA, recognizing our duty to the public and the intimate nature of the relationship between the apartment resident and the owner, or manager, and being aware of the vastly increasing role of the apartment industry in providing the home of the future, and in order to provide the apartment-residing public with the maximum in quality and service upon the highest standards of honest and integrity, do hereby bind ourselves, with each and every member, together and alone, agreeing that, so long as we remain members of the RAA and so long as nothing contained herein shall be unlawful, we shall:

- Promote, employ and maintain a high standard of integrity in the performance of all rental obligations and services in the operation of our apartment communities.
- Maintain and operate our apartment communities in accordance with fair and honorable standards of competition, ever mindful of the purposes of the Rockford Apartment Association and in compliance with the bylaws thereof.
- Strive continually to promote the education and fraternity of the membership and to promote the progress and dignity of the apartment industry in creating a better image of itself in order that the public may be better served.
- Seek to provide better values, so that an even greater share of the public may enjoy the many benefits of apartment living.
- Establish high ethical standards of conduct within the apartment industry in the business relationship between the owner, managers and suppliers of products and services to the apartment industry.
- Maintain property standards of the appropriate governmental authority.
- Ensure that every qualified individual, regardless of that individual's race, color, religion, gender, disability, familial status or national origin is afforded the same opportunity to rent an apartment and enjoy the benefits of apartment living.

Financial statement available upon request to members in good standing.

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State Line Rentals	920 22nd Street	1-815-398-8886
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