2011 Annual Report

Over The Rainbow ASSOCIATION

www.otrassn.org

Housing Solutions

for adults with physical disabilities... affordable, accessible and independent.

A Word From Our Chairman and Executive Director

Last year we introduced the many Faces of Rainbow, and it is our supporters who make up the biggest part of our Faces of Rainbow family. You make it possible for us to do what we do through your generous gifts of time, resources, and intellectual capital. You have made it possible for us to emerge from the worst recession most of us can remember.

From this cautious business climate and tenuous economy, business and the status quo have changed. Successful businesses have gone through a metamorphosis to meet these new and growing challenges. Over The Rainbow Association is no different. Fortunately, we have been blessed with a very wise and intelligent Board of Directors who have anticipated the need to adapt and are working to meet the challenges set forth before us. As a result, Over The Rainbow Association is very much alive and well poised for the future.

We are looking for ways to continue providing our type of housing that is so badly needed. We are researching ways to provide new *housing solutions* that are more efficient, more effective, and most importantly, more economical.

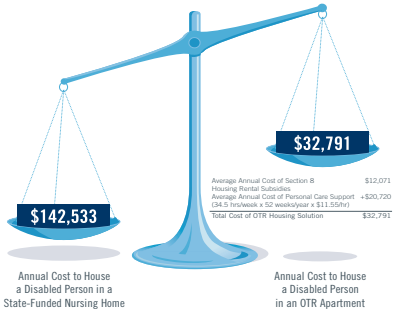
This year the Board of Directors formed a "Real Estate Development Team" to refine our mission and thereby expand our platform into additional *housing solutions*. Rather than relying only on new development under the auspices of federal programs whose funding is being threatened by budget cuts, we are seeking creative, innovative ways to expand and produce alternative housing solutions specifically for our population.

Because of your past, present, and future generosity, Over The Rainbow Association will continue to lighten the burden on Illinois taxpayers, which currently exceeds 16.5 million dollars of cost benefits per year.

Thank you for being a part of the Over The Rainbow Association family!

F. Leo Kirwan
Chairman

Eric Huffman
Executive Director



Annual difference of $109,742 per resident

Today OTR is saving taxpayers $16.5 million per year!

Financial and Economic Summary

January 1 to December 31, 2011

Most OTR residents require Section 8 rental subsidies and state-funded reimbursements for personal care assistance. Because of this public subsidy, it is certainly reasonable to ask, from a public policy perspective, how the cost of Over the Rainbow Association's housing solution compares to the cost of alternative housing solutions for the severely physically disabled. *The answer will astound you!*

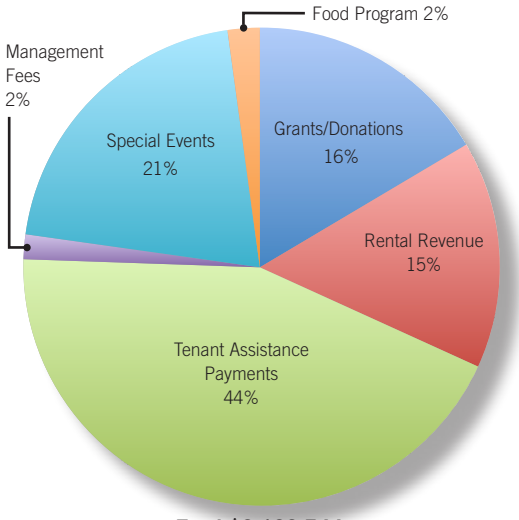
The Cost Of OTR's Housing Solution Is Approximately $109,741 Per Unit Less Expensive Than The Cost of a State-Funded Nursing Home

The average cost to the taxpayers of an OTR type of apartment is approximately $32,791 per year. This figure represents the sum of the annual cost of the rent subsidy and approximately 35 hours of personal care each week every week of the year. According to the State of Illinois Report of the Taxpayer Action Board (2009), the average cost of caring for a person in a state-funded institution or nursing home is approximately $142,533 per year. Thus, the benefit to the taxpayer is almost $110,000 per year for supporting a severely disabled person in an "independent" housing community like the ones developed by OTR. With its 150 units, OTR is already saving the taxpayers over $16.5 million/year. *And there is so much more we can do!!!*

These numbers show what we intuitively know. Many severely disabled people do not need the full time, around-the-clock support offered by a nursing home. Yet, nursing homes are filled with these individuals. This solution costs more because it provides expensive nursing care and full meal service for many who do not need or want this level of services. The only reason there are so many physically disabled people in nursing homes is because there are very few "independent" housing solutions like the apartments that OTR provides; apartments a disabled person can afford and where they can live independently and direct their own care. By increasing the supply of these independent housing solutions for mobility impaired adults, we can help reduce our budget deficit while providing a vastly superior quality of life for our residents.

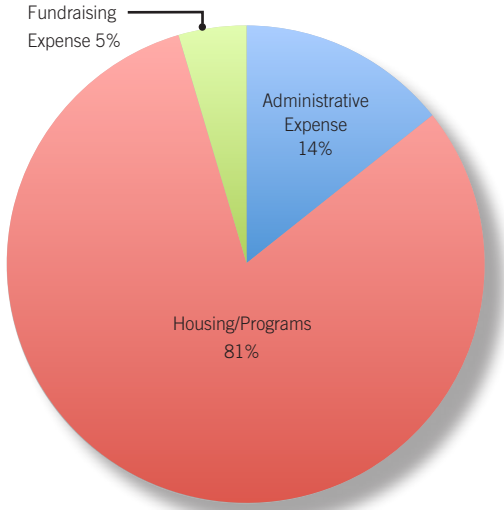
2011 Year End Revenues and Expenses

Revenues



Total $2,102,544

Expenses



Total $2,120,096

OTR Total Assets	
OTR-Owned	$16,762,853
OTR-Managed	6,248,329
Total	**$23,011,182**

Our Challenges

Assisting mobility impaired, low income adults with housing, employment and transportation

Housing Options For Mobility Impaired, Low Income Adults

Because most seriously disabled adults have difficulty engaging in the work force, most are forced to depend on social security for their basic needs. They require a housing solution that is both accessible and affordable. Few of these solutions exist today.

Historically, most people with physical disabilities lived at home as long as their parents were able to care for them. At some point, as it became more difficult for their aging parents to manage their care, they were routinely institutionalized in state-funded facilities. In these institutions, these physically disabled but mentally alert individuals were separated from normal residential communities and warehoused alongside persons with mental impairments. Today, state-funded nursing homes house thousands of physically disabled people who do not want or need to be there at an enormous cost to the taxpayers.

The people who support Over the Rainbow Association believe that, given the opportunity, many people with significant physical disabilities have the capacity and the desire to live self-reliant lives and can assess and self-direct the services they need, if only they had the option. ***Over the Rainbow Association is dedicated to creating that option.***

Over The Rainbow is dedicated to providing mobility impaired adults housing opportunities most of us take for granted.

Mobility Impaired Adults Require Differing Levels of Services

This population of severely disabled adults is not a homogenous population with similar needs. Rather, the needs of a mobility impaired adult depend entirely on the type and severity of the disability.

- Some disabled adults can function relatively independently in an apartment with minimal physical accommodations like grab bars, wider doorways, and lower light switches and electrical outlets that can be reached by a person in a chair. These people are able to transfer into bed or onto a toilet independently and can live in an ADA compliant, market rate apartment property where the landlord provides minimal physical adaptations to their units.
- Disabled adults who cannot transfer into or out of a bed, toilet or wheelchair independently need housing units with more customized adaptations. Many need lifts operated with remote controls that allow them to get themselves out of bed and into a wheelchair independently. They need roll-in showers, etc. Those individuals might choose to live in a community of independent apartment units that have been more significantly customized.
- Still other disabled adults might want to live in their own apartment in a building with other disabled individuals where they can contract independently for personal care assistance to help them get dressed in the morning or get undressed for bed, to help with laundry, housecleaning and/or meal preparation. These people need a version of assisted living.

Apartment communities owned and managed by OTR

Resident Profiles

Stories of perseverance and the strength of the human spirit

TIM KELLY

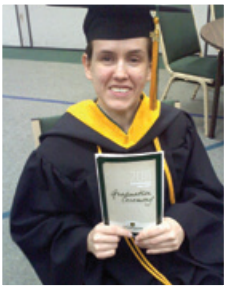
Tim Kelly is 39 years old and has lived in our Rockford apartment community since it opened. Tim is unusual because he was injured in two separate car accidents ten years apart. It was this second accident that put him in a wheelchair for good. Tim rose above these tragic events, persevered and reinvented himself.

In 1994, Tim's first car accident left him with a traumatic brain injury. He had to re-learn how to feed himself, how to speak, and how to walk. But, he eventually recovered and went on to graduate from college and teach high school English. Then, in 2004, after being married for just five weeks, Tim swerved to avoid hitting a deer. This second crash left him paralyzed from the chest down. The pressure of another long recovery was too much for Tim's relationship and his career as a teacher. He was soon divorced and unemployed.

Having been an athlete in high school, though, Tim never lost that competitive spirit. He worked hard once again to get his physical and emotional strength back. Tim struggled with living independently until he found OTR's affordable, accessible apartments right in his hometown. After moving into his new apartment, Tim soon discovered the sport of curling.

Two years later Tim was selected to be one of five athletes to represent Team USA at the World Wheelchair Curling Championship in South Korea in February 2012. His selection came after extensive national tryouts based on skill testing, game participation, strategy assessment, and team compatibility. His team qualified for the 2014 Paralympics Games in Russia. Tim says of curling, "It's good to get up and have something to do. It gives you something to work for. It's great to get into a sport with other people that have similar disabilities because you grow and feed off each other's experiences. You learn things. That's what is cool about it. *It's not just you versus the world anymore.*"

AMANDA KLOEPFER



Twenty-five year old Amanda lives in OTR's Rockford apartment community. She continues to cope with the lingering physical effects from a traumatic brain injury caused by a car accident five years ago. Although she has extreme difficulties with walking and speaking, Amanda remains mentally alert and very much capable of making her own decisions and managing her own affairs. Before her injury, in her words, she "had it all" until it was gone in one moment. After spending several months at a rehabilitation center, she moved back into her parents' home and resumed her college courses at a local community college. The simple task of commuting, however, proved too taxing. Amanda then decided the better course of action would be to take online courses and work toward a degree that way. Amanda has now earned not only her Associates Degree but also her Bachelors in Accounting.

When Amanda and her parents recognized that she was more than ready to live on her own they found OTR's Rockford community and Amanda was hooked. She applied for an apartment and waited for an opening, which finally came in 2011. In Amanda's words, "having a new sense of independence means a lot to me. Now I can choose what I want to do and when I want to do it. I can make my own decisions and learn from my mistakes."

Today, Amanda is furthering her education by working on another degree; this time a Masters in Forensic Accounting from Southern New Hampshire University. Besides coursework, she works ten hours each week, mostly from home, for a company that delivers mentoring through the internet. In between studying and work, she still finds time to volunteer at Access Services to help others in similar situations. She also organizes social gatherings in the OTR Rockford community room. Recognizing that most of her fellow residents cannot drive, she has taken it upon herself to *"bring the good times to them!"*

Housing Solutions

Our Real Estate Development Committee's strategies to assist in housing the severely physically disabled

We're exploring all possible avenues to provide the most complete solutions... housing that is *resident-friendly and financially sound.*

1. **OTR Can Build New Apartment Communities Utilizing Proceeds From The Sale Of Tax Credits–** Today our country has only one significant program that "subsidizes" the development of affordable housing. That program is the Tax Credit Program. Under this program, developers committing to rent 100% of their units at affordable rents are entitled to sell tax credits to finance a portion of their development costs. If we can combine capital from the sale of tax credits with a loan that can be serviced with Section 8 rent subsidies, capital grants from other housing agencies, and gifts from foundations and individuals like those who have supported us in the past, we believe we can develop new housing to serve the needs of our severely disabled population.

2. **OTR Can Form Partnerships With Market Rate Housing Investors To Secure Small Blocks Of Units Within Existing Apartment Communities In Desirable, Urban Infill Locations –** If OTR can obtain Section 8 vouchers for disabled adults who would like to live in mixed-income apartment communities, OTR could work with the owners of these apartments to make these units available to small groups of mobility impaired adults. OTR could customize small blocks of four to eight units that would allow residents to share efficient access to the personal care support they need.

3. **OTR Can "Partner" With Market Rate Housing Developers And Offer Them Density Bonuses In Exchange For A Commitment For A Defined Number Of Section 8 Subsidized Apartments For Mobility Impaired Adults –** If OTR can convince city officials that providing housing for the severely physically disabled is a significantly worthy public purpose, we believe that some cities might agree to award density bonuses to private sector developers who will agree to commit some number of completed units to a mobility impaired population. Thus, OTR might be able to "partner" with market rate developers who have access to conventional debt and equity for the development of new properties and provide value to those partnerships through our negotiation and contribution of a density bonus.

4. **OTR Can "Partner" With Senior Housing Developers And Owners To Access Blocks Of Units Within New Or Existing Senior Housing Communities –** Many severely disabled adults require enough "assisted living" support that they might benefit from having a la carte access to the enhanced services offered at assisted living facilities. If OTR could arrange for a senior housing provider to accept Section 8 certificates for the rent portion of the housing and let disabled people contract for and pay privately for personal care support, this solution might expand the availability of quality housing for many severely disabled residents.

Accessing blocks of units within new or existing housing communities can benefit all involved.

New construction is just one of the housing strategies OTR is implementing and exploring for the future.

Our Boards and Staff

We are the beneficiaries of a strong leadership team and a very dedicated workforce

Over the Rainbow was formed in 1974 as an association of parents of children with severe physical disabilities. These parents certainly had an understanding of the problems and challenges faced by the severely physically disabled. They were passionate in their commitment to increase the quality and quantity of housing solutions for this population. But as a group of parents who were secretaries, truck drivers, airline pilots, and TV salesmen, they did not have the skill set to develop the housing they knew was needed.

Over several decades, OTR has matured into a very professional association with an executive staff and a Board of Directors. Although there are still family members involved on the Board, the Board has grown into a group of seasoned professionals with housing, retail, and public relations expertise. We continue to work to expand and strengthen our Board and are currently seeking Board Members from the health care and wealth management sectors.

OVER THE RAINBOW BOARD OF DIRECTORS

OFFICERS

Executive Committee

Leo Kirwan, *Chairman*
Roberto Mustacchi, *Secretary/Treasurer*
Matt Howard
Mary Ann King
Eric Huffman, *ex-officio*

DIRECTORS

Nick Anaclerio
Ed Bjorncrantz
Alasdair Cripps
Scott Harding
Keith Harris
Dan Laughlin
Sonny Nardulli
Tina Settecase
Neil Stern
Mark Tennison

EMERITUS BOARD

Richard Busscher
John Cammelot
Bob Fallon
Susan Gustafson
Sandy Herbst
Irene Landau, PhD
Ian McPheron
Lita Passen
Marv Stern

ADVISORY BOARD

Brad Busscher
David Chen, M.D.
Diane Cisek
George Elder
Mark Green
Nancy Gustafson
Judith Bultman Meyer
Michael Sullivan
Peg Thomson
Ed Wittenstein

JUNIOR BOARD

Dan Laughlin, Jr.
Colleen Laughlin
Ryan Johnson
Connie Brummer
Ben Slad
Brent Roberts
Kory Kozlowski
Lindsey Griffin
Tiffany Higgins
Matt Soden
Sarah Simmons
Justin Kulovsek
Andrew Harding
Molly Howard

Board members, residents and city officials at OTR's Waukegan groundbreaking

OVER THE RAINBOW ASSOCIATION STAFF

Eric Huffman, *Executive Director*
Les Russo, *Finance Director*
Tara Moran, *Legal & Development*
Katie Miglore, *Social Services Coordinator*
Candace Huber, *Senior Property Manager*
Teri Dorn, *Regional Property Manager*
Lisa Washington, *Matteson Property Manager*
Daisy Black, *Property Manager*
Al Dorn, *Facility & Maintenance Manager*
Matthew Soden, *Accounting & Development Asst.*
John Russo, *Accounting Assistant*
Jesus Haros, *Caretaker*
Rick Gordon, *Caretaker*
Dan Adams, *Caretaker*
James Engelman, *Reception*
Robert Gustafson, *Fundraising Associate*
Valerie Nora, *Reception & Fundraising Associate*
Matthew Torchal, *Reception & Fundraising Associate*

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