

**Grantee: Lake County, IL**

**Grant: B-08-UN-17-0004**

**January 1, 2010 thru March 31, 2010 Performance Report**

**Grant Number:**

B-08-UN-17-0004

**Obligation Date:****Grantee Name:**

Lake County, IL

**Award Date:****Grant Amount:**

\$4,600,800.00

**Contract End Date:****Grant Status:**

Active

**Review by HUD:**

Submitted - Await for Review

**QPR Contact:**

Joel Williams

## Disasters:

### Declaration Number

NSP

## Plan Description:

Areas of Greatest Need (Page 5 of NSP Addendum Revised Final) Priority emphasis and consideration will be provided to those geographic areas of Lake County showing the greatest need, including those: 1. with the greatest percentage of home foreclosures. o Under the NSP Program, HUDs Estimated Foreclosure Rate model has identified areas of Lake County having the highest percentage of foreclosures measured by HUDs estimated number of foreclosure starts over 18 months through June 2008 divided by HUDs estimated number of mortgages, per HUDs NSP foreclosure data table for the State of Illinois, as having a foreclosure rate above 5.1%; 2. with the highest percentage of homes financed by subprime mortgage related loans. o Under the NSP Program, HUDs model has identified areas of Lake County with the highest percentage of homes financed by a subprime mortgage, as having at least 25% high cost loans as a percent of conventional loans made between 2004 and 2006 from Home Mortgage Disclosure Act data where the rate spread is 3 percentage points above the Treasury security of comparable maturity; and/or 3. identified as likely to face a significant rise in the rate of home foreclosures. o Under the NSP Program, HUDs model has identified areas of Lake County likely to face a significant rise in the rate of home foreclosures, as having a high risk factor for foreclosure or abandonment based on a ranking of 8 or above on a scale of 1 to 10 where 10 indicates that the area is in the highest 10 percent of risk nationwide for foreclosure and abandonment based on the combination of HUDs foreclosure risk estimate and USPS residential vacancy rate.

Distribution and Uses of Funds (Page 6 of NSP Addendum Revised Final) NSP funded acquisition and rehabilitation of abandoned and foreclosed upon homes and residential properties will occur in one or more of the following ways: o NSP Rental Housing Program: Property Acquisition and Rehabilitation of Abandoned and Foreclosed Homes and Residential Properties for Permanent Rental of Single Family Homes / Multi Family Homes by Non-Profit Agencies (\$1,150,200). o NSP Single Family Housing Program: Property Acquisition and Rehabilitation of Abandoned and Foreclosed Homes and Residential Properties for Single-Family Homes; Financing Mechanisms for Purchase and Redevelopment; First Time Homebuyer Assistance Program / Affordable Plus Mortgage Program; Homebuyer Housing Counseling Program (\$2,990,520). o NSP Program Administration (\$460,080). Low Income Targeting (Pages 10 of NSP Addendum Revised Final) All of Lake Countys NSP funded activities will be developed, to the maximum extent practicable and for the longest feasible term, and in compliance with NSP requirements, to ensure that the sale, rental or redevelopment of abandoned and foreclosed upon homes and residential properties shall remain affordable to individuals and families whose income does not exceed 120% of Area Median Income. For example, a four person household receiving NSP assisted benefits would qualify at a household income at or below \$90,500 (middle-income). HUD funded programs normally operate at 80% of Area Median Income, based on household size. For example, a four person household normally receiving HUD assisted benefits would qualify at a household income at or below \$60,300 (moderate-income). Additionally, as required under the NSP program, not less than 25% of the NSP funds will be used for the purchase and redevelopment of abandoned or foreclosed upon homes or residential properties, that will remain affordable, will be used to house individuals or families whose incomes do not exceed 50% of Area Median Income. For example, a four person household receiving restricted NSP assisted benefits would qualify at a household income at or below \$37,700 (low-income).

## Recovery Needs:

### Definitions and Descriptions

(Page 40 and 41 of NSP Addendum Revised Final)

Abandoned: (HERA definition)

Affordable rents (HUD): Per the NSP requirements, Lake County must define affordable rents and the continued affordability standards and enforcement mechanisms that it will apply for each/all of its NSP activities. HUD will consider [Lake Countys adoption of] the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254 to be in minimal compliance with this standard and expects any other standards proposed and applied by [Lake County] to be enforceable and longer in duration. (Note that HERAs continued affordability standard is longer than that required of subrecipients and participating units of general local government under 24 CFR 570.503 and 570.501(b).) (HERA definition)

Affordable rents (Lake County): The maximum allowable High HOME Rent, as published by HUD from time to time. These rents would also include utilities. If the tenant pays utilities, HUDs utility allowance must be subtracted from the maximum allowable rent to determine the maximum contract rent. To ensure that tenants can afford their rent, no more than 30% of a households monthly income should be paid toward housing expenses, in compliance with NSP program specific requirements such as continued affordability. (Lake County definition)

Blighted structure: (HERA definition)

CDBG funds: (HERA definition)

Current market appraised value: (HERA definition)

Foreclosed: (HERA definition)

Land bank: (HERA definition)

Low and moderate income household: (HERA definition)

Period of Affordability: NSP-assisted rental units must remain affordable for the following terms (based on the average HOME subsidy per unit). Enforcement of the affordability period will be through mortgage and deed restrictions.

Rehabilitation of less than \$15,000 5 years Rehabilitation of \$15,000 - \$40,000 10 years Rehabilitation of \$40,000 + 15 years

However, per NSP requirements, if NSP funds assist a property that was previously assisted with HOME funds, but on which the affordability restrictions were terminated through foreclosures or transfer in lieu of foreclosure, the NSP recipient must revive the HOME affordability restrictions for the greater of the remaining period of HOME affordability or the continuing affordability requirements of the NSP program. (Lake County definition)

Revenue: (HERA definition)

Subrecipient: (HERA definition)

Use: (HERA definition)

### Public Comment

(Page 8 of NSP Addendum Revised Final)

A Citizen Participation Notice was published on November 1, 2008 in the News-Sun regarding the NSP Addendum to the 2008 Annual Action Plan (See Appendix 1). Copies of this Notice were distributed to over 392 entities from the Community Development Division mailing list. Copies of the proposed NSP Addendum to the 2008 Annual Action Plan were made available at five libraries in different areas of the County, and were distributed to groups and individuals on request. The proposed NSP Addendum to the 2008 Annual Action Plan was available for citizen comment for at least a 15 day calendar comment period prior to approval by the Lake County Board.

The NSP Addendum to the 2008 Annual Action Plan, including Lake Countys funding strategies, was approved by:

- o The Affordable Housing Commission on October 21, 2008 (proposed draft);
- o The Lake County Community Development Commission on October 22, 2008 (proposed draft);

- o The Lake County Boards Health and Community Services Committee on November 11, 2008 (final draft);
- o The Lake County Boards Financial and Administrative Committee on November 12, 2008 (final draft); and
- o The Lake County Board on November 18, 2008 (final version).

Submission of the Action Plan substantial amendment Addendum is due to HUD on or before December 1, 2008. However should HUD require revision and resubmission, according to NSP statutory program requirements, any such resubmission must be received by HUD within 45 days of the date of the first disapproval, and in no case later than the close of business on February 13, 2009.

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$7,768,652.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$4,600,799.00
<b>Program Funds Drawdown</b>	\$14,978.40	\$14,978.40
<b>Obligated CDBG DR Funds</b>	\$2,760,716.00	\$3,220,796.00
<b>Expended CDBG DR Funds</b>	\$14,978.40	\$14,978.40
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

<b>Requirement</b>	<b>Required</b>	<b>To Date</b>
<b>Minimum Overall Benefit Percentage</b>	99.99%	0.00%
<b>Minimum Non-Federal Match</b>	\$0.00	\$0.00
<b>Limit on Public Services</b>	\$690,120.00	\$0.00
<b>Limit on Admin/Planning</b>	\$460,080.00	\$14,978.40
<b>Limit on State Admin</b>	\$0.00	\$0.00

## Progress Toward Activity Type Targets

## Progress Toward National Objective Targets

### Overall Progress Narrative:

Steady progress regarding the development and implementation of Lake County's NSP Activities. As of March 31, 2009:

- continued to receive available HUD/NSP Training;
- continued the development of implementation procedures and NSP program activities;
- continued the development of of procedures/oversight of administration funded appraisal and title services and reports;
  - procured and executed contracts for appraisal and title services in March 2010;
  - identified NSP1 project activity subrecipient (Lake County Residential Development Corporation [LCRDC]) for the 25% set-aside;
  - launched NSP2 single family acquisition and rehabilitation activities: 1) AHC identified two homes for acquisition; 2) North Chicago acquired three HUD \$1 homes with rehabilitation pending; and 3) Waukegan acquired

one home and submitted offers on two more. And;

- incurred NSP eligible administration charges.

This last quarter has involved the identification and preparation to purchase eligible homes. Closings and final purchase will occur in the next quarter, including the beginning of rehab work.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
NSP 1, NSP Rental Housing Program	\$0.00	\$1,150,200.00	\$0.00
NSP 2, NSP Single Family Housing Program	\$0.00	\$2,990,520.00	\$0.00
NSP 3, NSP Program Administration	\$14,978.40	\$460,080.00	\$14,978.40

## Activities

**Grantee Activity Number:** NSP 1

**Activity Title:** NSP Rental Housing Program

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Planned

**Project Number:**

NSP 1

**Project Title:**

NSP Rental Housing Program

**Projected Start Date:**

03/01/2009

**Projected End Date:**

12/31/2012

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

To Be Determined

<b>Overall</b>	<b>Jan 1 thru Mar 31, 2010</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$1,926,585.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$1,150,200.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$0.00	\$0.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
To Be Determined	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Project Type: Property Acquisition and Rehabilitation of Abandoned and Foreclosed Homes and Residential Properties for Permanent Rental of Single-Family Homes / Multi-Family Homes by Non-Profit Agencies.

Consolidated Plan Goal: # 1.3

Activity Summary: The acquisition of vacant, foreclosed, or blighted properties and the rehabilitation/permanent renting of existing single-family / multi-family homes (lease term of no less than 12 months). Provides up to \$230,040 county-wide average per house for acquisition and substantial rehabilitation (inclusive of all NSP funded activities except for program administration), including the correction of lead-based paint hazards, for 5 income-eligible multi-family three to five bedroom one to four unit properties. Household income and eligibility will be determined after the foreclosed property is acquired and rehabilitation activities are complete. Assistance may come in the form of low-interest amortized loans or deferred loans, depending on the financial situation of the (pending) non-profit agency. NSP funded activities may be initiated by experienced currently designated HOME funded CHDO non-profit organizations or other experienced current HOME funded non-profit organizations. Specific neighborhoods, street addresses, and census tract/block groups will have to be identified prior to initiation of NSP activities and the acquisition/rehabilitation of specific foreclosed properties will be dependent upon many cost and time factors, not to mention the availability of foreclosed affordable properties. Rental tenants would include households or families having income at or below 50% of Area Median Income and could also include Section 8 Housing Choice Voucher Homeownership program recipients.

**Location Description:**

RFQ process will determine which housing agencies are funded which will determine where each individual project is to be located.

The NSP Rental Housing Program is County-wide; but must be within the charted Census Tract/Block Group tables and mapped "areas of greatest need" of pre-identified municipalities and unincorporated townships (as identified in the NSP Addendum).

Agency Location: Agencies to be determined at a later date through a future RFQ competitive application process for non-profit rental agencies.

Project Location: Scattered sites or site-specific neighborhoods throughout Lake County, within identified areas of greatest need, including the CDBG entitlement jurisdictions of North Chicago and Waukegan.

**Activity Progress Narrative:**

An organization was identified to carry out this project - the Lake County Residential Development Corporation (LCRDC). A

contract will be entered into in the next quarter, and activities will start shortly thereafter.

## Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/5
# of Households benefitting	0	0	0	0/0	0/0	0/5

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

Match Sources	Amount
\$776,385	\$776,385.00
Subtotal Match Sources	\$776,385.00
Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	\$776,385.00

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**Grantee Activity Number:** NSP 2A

**Activity Title:** NSP Single Family Housing Program

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

NSP 2

**Project Title:**

NSP Single Family Housing Program

**Projected Start Date:**

03/01/2009

**Projected End Date:**

12/31/2012

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Affordable Housing Corporation of Lake County

<b>Overall</b>	<b>Jan 1 thru Mar 31, 2010</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$4,312,129.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$1,920,661.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$1,920,661.00	\$1,920,661.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
Affordable Housing Corporation of Lake County	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Project Type: Property Acquisition and Rehabilitation of Abandoned and Foreclosed Homes and Residential Properties for Single Family Homes; Financing Mechanisms for Purchase and Redevelopment; First Time Homebuyer Assistance Program / Affordable Plus Mortgage Program; Homebuyer Housing Counseling Program.

Consolidated Plan Goal: #1.3, #1.4, #1.5

Activity Summary: The acquisition of vacant, foreclosed, or blighted properties and the rehabilitation/re-sale of existing single family home by NSP eligible homebuyers through one of four NSP functions:

(1) Acquisition / Rehabilitation: The acquisition of vacant, foreclosed, or blighted properties and the rehabilitation/re-sale of existing single-family homes by NSP eligible homebuyers. Provides up to \$199,368 county-wide average per house for acquisition and substantial rehabilitation (inclusive of all NSP funded activities except for program administration), including the correction of lead-based paint hazards, for 15 income-eligible owner-occupied one to four unit single family properties. Household income and eligibility will be determined prior to the foreclosed property being acquired and prior to the completion of rehabilitation activities; it is intended that household income and eligibility be determined as a component of the Housing Counseling assistance provided through the NSP program.

(2) Financing Mechanisms: Establishment of financing mechanisms for the secondary acquisition of previously vacant, foreclosed, or blighted properties and the rehabilitation of existing homes by NSP eligible homebuyers. Financing may include such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low, moderate, and middle income homebuyers. Assistance may come in the form of low-interest amortized loans or deferred loans, not to exceed 20% loan-to-value or \$20,000 per house to secure the Period of Affordability, depending on the financial situation of the (pending) homeowner.

(3) Homebuyer Assistance: Provision of direct homeownership assistance to first-time homebuyers up to \$3,000 - \$8,000 in HOME funds and \$14,000 in IHDA funds (if the household income is at or below 80%); \$17,000 to \$22,000 in soft second NSP financing (if the household income is at or below 120%); and a \$35,000 fixed rate Private Lending Consortium Loan Pool loans at 4% as purchase assistance that covers the secondary acquisition of previously abandoned and foreclosed homes, post-rehab, to be used for downpayment, closing costs, and/or interest buydowns.

Priority emphasis under the NSP-funded activities will include:

a. Targeting prospective homebuyers receiving public housing assistance or living in public or manufactured housing. Outreach meetings and written materials will be provided to municipalities, real estate agents, social service agencies, and the Lake County/North Chicago/Waukegan Housing Authorities.

b. Pre-purchase homebuyer education and foreclosure prevention education to prospective homebuyers. Federal and State purchase assistance, for NSP income eligible homeowners, will be structured in the form of 0% loans payable by the homeowner upon sale or transfer of the property or upon default.

The Affordable Housing Corporation will receive a project delivery fee of \$2,000 per FTHB / APM assisted household.

(4) Housing Counseling: The Lake County Affordable Housing Corporation will carry out a housing education and counseling



program in connection with its NSP-funded Housing Rehabilitation programs and the Cities of North Chicago and Waukegan NSP-funded Housing Rehabilitation programs. Housing Counseling services provided by the Affordable Housing Corporation include: Homebuyer Education Programs, Mortgage Delinquency and Default Resolution Counseling, Predatory Lending Education, and Pre-purchase Counseling. Each NSP assisted homebuyer must receive and complete at least 8 hours of housing counseling assistance under the NSP program including financial literacy assistance and individual household case management/follow-up before obtaining a mortgage loan. Public services for housing counseling will be provided only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of NSP-funded redeveloped properties. While there are other housing counseling agencies in Lake County (including the Lake County Housing Authority, Lake County Community Action, Catholic Charities, and Consumer Credit Counseling Service), the Lake County Affordable Housing Corporation already provides HUD-required HUD-approved housing counseling under the CDBG and HOME Programs. Lake County, and its NSP funded Subrecipients, must ensure that NSP assisted homebuyers obtain a mortgage loan from a lender who agrees to comply with the bank regulators’s guidance for non-traditional mortgages and that documented compliance is maintained for each NSP assisted homebuyer (per the NSP program requirements and the Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of Treasury, and National Credit Union Administration, available at [www.fdic.gov/regulations/laws/rules/5000-5160.html](http://www.fdic.gov/regulations/laws/rules/5000-5160.html)).

Specific neighborhoods, street addresses, and census tract/block groups will have to be identified prior to initiation of NSP activities and the acquisition/rehabilitation of specific foreclosed properties will be dependent upon many cost and time factors, not to mention the availability of foreclosed affordable properties. It is currently anticipated that the acquisition of an abandoned or foreclosed home or residential property would occur either: 1) in advance by the Affordable Housing Corporation/North Chicago/Waukegan; or 2) during the NSP assisted homebuyer’s Housing Counseling sessions and pre-qualification for mortgage assistance. If a home acquired under the NSP Program can not be quickly re-sold to an income eligible household it will be held for agency rental purposes, leased with an option to buy for a future income eligible household, or temporarily left vacant and sold at a later date to an income eligible household.

### Location Description:

Agency Location: 3701 West Grand Avenue, Gurnee (Affordable Housing Corporation)

Project Location: Scattered sites or site-specific neighborhoods throughout Lake County, within identified areas of greatest need.

### Activity Progress Narrative:

AHC is identifying more properties for purchase and rehabilitation. A number of homes will be purchased in the next quarter with rehabilitation work beginning as well.

### Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/5
# of housing units	0	0	0	0/0	0/0	0/5
# of Households benefitting	0	0	0	0/0	0/0	0/5

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

Match Sources	Amount
\$2,391,468	\$2,391,468.00
Subtotal Match Sources	\$2,391,468.00
Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	\$2,391,468.00

**Grantee Activity Number: NSP 2B**

**Activity Title: NSP Single Family Housing Program**

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

NSP 2

**Project Title:**

NSP Single Family Housing Program

**Projected Start Date:**

03/01/2009

**Projected End Date:**

12/31/2012

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

City of North Chicago

**Overall**

**Jan 1 thru Mar 31, 2010**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$219,803.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$219,803.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$0.00	\$0.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
City of North Chicago	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Project Type: Property Acquisition and Rehabilitation of Abandoned and Foreclosed Homes and Residential Properties for Single Family Homes; Financing Mechanisms for Purchase and Redevelopment; First Time Homebuyer Assistance Program / Affordable Plus Mortgage Program; Homebuyer Housing Counseling Program.

Consolidated Plan Goal: #1.3, #1.4, #1.5

Activity Summary: The acquisition of vacant, foreclosed, or blighted properties and the rehabilitation/re-sale of existing single family home by NSP eligible homebuyers through one of four NSP functions:

(1) Acquisition / Rehabilitation: The acquisition of vacant, foreclosed, or blighted properties and the rehabilitation/re-sale of existing single-family homes by NSP eligible homebuyers. Provides up to \$199,368 county-wide average per house for acquisition and substantial rehabilitation (inclusive of all NSP funded activities except for program administration), including the correction of lead-based paint hazards, for 15 income-eligible owner-occupied one to four unit single family properties. Household income and eligibility will be determined prior to the foreclosed property being acquired and prior to the completion of rehabilitation activities; it is intended that household income and eligibility be determined as a component of the Housing Counseling assistance provided through the NSP program.

(2) Financing Mechanisms: Establishment of financing mechanisms for the secondary acquisition of previously vacant, foreclosed, or blighted properties and the rehabilitation of existing homes by NSP eligible homebuyers. Financing may include such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low, moderate, and middle income homebuyers. Assistance may come in the form of low-interest amortized loans or deferred loans, not to exceed 20% loan-to-value or \$20,000 per house to secure the Period of Affordability, depending on the financial situation of the (pending) homeowner.

(3) Homebuyer Assistance: Provision of direct homeownership assistance to first-time homebuyers up to \$3,000 - \$8,000 in HOME funds and \$14,000 in IHDA funds (if the household income is at or below 80%); \$17,000 to \$22,000 in soft second NSP financing (if the household income is at or below 120%); and a \$35,000 fixed rate Private Lending Consortium Loan Pool loans at 4% as purchase assistance that covers the secondary acquisition of previously abandoned and foreclosed homes, post-rehab, to be used for downpayment, closing costs, and/or interest buydowns.

Priority emphasis under the NSP-funded activities will include:

a. Targeting prospective homebuyers receiving public housing assistance or living in public or manufactured housing. Outreach meetings and written materials will be provided to municipalities, real estate agents, social service agencies, and the Lake County/North Chicago/Waukegan Housing Authorities.

b. Pre-purchase homebuyer education and foreclosure prevention education to prospective homebuyers. Federal and State purchase assistance, for NSP income eligible homeowners, will be structured in the form of 0% loans payable by the homeowner upon sale or transfer of the property or upon default.

The Affordable Housing Corporation will receive a project delivery fee of \$2,000 per FTHB / APM assisted household.

(4) Housing Counseling: The Lake County Affordable Housing Corporation will carry out a housing education and counseling

program in connection with its NSP-funded Housing Rehabilitation programs and the Cities of North Chicago and Waukegan NSP-funded Housing Rehabilitation programs. Housing Counseling services provided by the Affordable Housing Corporation include: Homebuyer Education Programs, Mortgage Delinquency and Default Resolution Counseling, Predatory Lending Education, and Pre-purchase Counseling. Each NSP assisted homebuyer must receive and complete at least 8 hours of housing counseling assistance under the NSP program including financial literacy assistance and individual household case management/follow-up before obtaining a mortgage loan. Public services for housing counseling will be provided only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of NSP-funded redeveloped properties. While there are other housing counseling agencies in Lake County (including the Lake County Housing Authority, Lake County Community Action, Catholic Charities, and Consumer Credit Counseling Service), the Lake County Affordable Housing Corporation already provides HUD-required HUD-approved housing counseling under the CDBG and HOME Programs. Lake County, and its NSP funded Subrecipients, must ensure that NSP assisted homebuyers obtain a mortgage loan from a lender who agrees to comply with the bank regulators’s guidance for non-traditional mortgages and that documented compliance is maintained for each NSP assisted homebuyer (per the NSP program requirements and the Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of Treasury, and National Credit Union Administration, available at [www.fdic.gov/regulations/laws/rules/5000-5160.html](http://www.fdic.gov/regulations/laws/rules/5000-5160.html)).

Specific neighborhoods, street addresses, and census tract/block groups will have to be identified prior to initiation of NSP activities and the acquisition/rehabilitation of specific foreclosed properties will be dependent upon many cost and time factors, not to mention the availability of foreclosed affordable properties. It is currently anticipated that the acquisition of an abandoned or foreclosed home or residential property would occur either: 1) in advance by the Affordable Housing Corporation/North Chicago/Waukegan; or 2) during the NSP assisted homebuyer’s Housing Counseling sessions and pre-qualification for mortgage assistance. If a home acquired under the NSP Program can not be quickly re-sold to an income eligible household it will be held for agency rental purposes, leased with an option to buy for a future income eligible household, or temporarily left vacant and sold at a later date to an income eligible household.

### Location Description:

Agency Location: 1850 Lewis Avenue, North Chicago (North Chicago).

Project Location: Scattered sites or site-specific neighborhoods throughout the City of North Chicago, within identified areas of greatest need.

### Activity Progress Narrative:

The City of North Chicago has purchased three HUD \$1 homes and is seeking contracts for the rehabilitation work.

### Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/5
# of housing units	0	0	0	0/0	0/0	0/5
# of Households benefitting	0	0	0	0/0	0/0	0/5

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

**Grantee Activity Number:** NSP 2C

**Activity Title:** NSP Single Family Housing Program

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

NSP 2

**Project Title:**

NSP Single Family Housing Program

**Projected Start Date:**

03/01/2009

**Projected End Date:**

12/31/2012

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

City of Waukegan

<b>Overall</b>	<b>Jan 1 thru Mar 31, 2010</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$850,055.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$850,055.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Obligated CDBG DR Funds</b>	\$850,055.00	\$850,055.00
<b>Expended CDBG DR Funds</b>	\$0.00	\$0.00
City of Waukegan	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Project Type: Property Acquisition and Rehabilitation of Abandoned and Foreclosed Homes and Residential Properties for Single Family Homes; Financing Mechanisms for Purchase and Redevelopment; First Time Homebuyer Assistance Program / Affordable Plus Mortgage Program; Homebuyer Housing Counseling Program.

Consolidated Plan Goal: #1.3, #1.4, #1.5

Activity Summary: The acquisition of vacant, foreclosed, or blighted properties and the rehabilitation/re-sale of existing single family home by NSP eligible homebuyers through one of four NSP functions:

(1) Acquisition / Rehabilitation: The acquisition of vacant, foreclosed, or blighted properties and the rehabilitation/re-sale of existing single-family homes by NSP eligible homebuyers. Provides up to \$199,368 county-wide average per house for acquisition and substantial rehabilitation (inclusive of all NSP funded activities except for program administration), including the correction of lead-based paint hazards, for 15 income-eligible owner-occupied one to four unit single family properties. Household income and eligibility will be determined prior to the foreclosed property being acquired and prior to the completion of rehabilitation activities; it is intended that household income and eligibility be determined as a component of the Housing Counseling assistance provided through the NSP program.

(2) Financing Mechanisms: Establishment of financing mechanisms for the secondary acquisition of previously vacant, foreclosed, or blighted properties and the rehabilitation of existing homes by NSP eligible homebuyers. Financing may include such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low, moderate, and middle income homebuyers. Assistance may come in the form of low-interest amortized loans or deferred loans, not to exceed 20% loan-to-value or \$20,000 per house to secure the Period of Affordability, depending on the financial situation of the (pending) homeowner.

(3) Homebuyer Assistance: Provision of direct homeownership assistance to first-time homebuyers up to \$3,000 - \$8,000 in HOME funds and \$14,000 in IHDA funds (if the household income is at or below 80%); \$17,000 to \$22,000 in soft second NSP financing (if the household income is at or below 120%); and a \$35,000 fixed rate Private Lending Consortium Loan Pool loans at 4% as purchase assistance that covers the secondary acquisition of previously abandoned and foreclosed homes, post-rehab, to be used for downpayment, closing costs, and/or interest buydowns.

Priority emphasis under the NSP-funded activities will include:

a. Targeting prospective homebuyers receiving public housing assistance or living in public or manufactured housing. Outreach meetings and written materials will be provided to municipalities, real estate agents, social service agencies, and the Lake County/North Chicago/Waukegan Housing Authorities.

b. Pre-purchase homebuyer education and foreclosure prevention education to prospective homebuyers. Federal and State purchase assistance, for NSP income eligible homeowners, will be structured in the form of 0% loans payable by the homeowner upon sale or transfer of the property or upon default.

The Affordable Housing Corporation will receive a project delivery fee of \$2,000 per FTHB / APM assisted household.

(4) Housing Counseling: The Lake County Affordable Housing Corporation will carry out a housing education and counseling

program in connection with its NSP-funded Housing Rehabilitation programs and the Cities of North Chicago and Waukegan NSP-funded Housing Rehabilitation programs. Housing Counseling services provided by the Affordable Housing Corporation include: Homebuyer Education Programs, Mortgage Delinquency and Default Resolution Counseling, Predatory Lending Education, and Pre-purchase Counseling. Each NSP assisted homebuyer must receive and complete at least 8 hours of housing counseling assistance under the NSP program including financial literacy assistance and individual household case management/follow-up before obtaining a mortgage loan. Public services for housing counseling will be provided only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of NSP-funded redeveloped properties. While there are other housing counseling agencies in Lake County (including the Lake County Housing Authority, Lake County Community Action, Catholic Charities, and Consumer Credit Counseling Service), the Lake County Affordable Housing Corporation already provides HUD-required HUD-approved housing counseling under the CDBG and HOME Programs. Lake County, and its NSP funded Subrecipients, must ensure that NSP assisted homebuyers obtain a mortgage loan from a lender who agrees to comply with the bank regulators’s guidance for non-traditional mortgages and that documented compliance is maintained for each NSP assisted homebuyer (per the NSP program requirements and the Statement on Subprime Mortgage Lending issued by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Department of Treasury, and National Credit Union Administration, available at [www.fdic.gov/regulations/laws/rules/5000-5160.html](http://www.fdic.gov/regulations/laws/rules/5000-5160.html)).

Specific neighborhoods, street addresses, and census tract/block groups will have to be identified prior to initiation of NSP activities and the acquisition/rehabilitation of specific foreclosed properties will be dependent upon many cost and time factors, not to mention the availability of foreclosed affordable properties. It is currently anticipated that the acquisition of an abandoned or foreclosed home or residential property would occur either: 1) in advance by the Affordable Housing Corporation/North Chicago/Waukegan; or 2) during the NSP assisted homebuyer’s Housing Counseling sessions and pre-qualification for mortgage assistance. If a home acquired under the NSP Program can not be quickly re-sold to an income eligible household it will be held for agency rental purposes, leased with an option to buy for a future income eligible household, or temporarily left vacant and sold at a later date to an income eligible household.

### Location Description:

Agency Location: 100 N. Martin Luther King Jr. Avenue, Waukegan (Waukegan).

Project Location: Scattered sites or site-specific neighborhoods throughout the City of Waukegan, within identified areas of greatest need.

### Activity Progress Narrative:

The City of Waukegan has identified more homes to purchase and is awaiting closing and will begin rehabilitation work shortly thereafter.

### Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	1	0/0	0/0	1/5
# of housing units	0	0	1	0/0	0/0	1/5
# of Households benefitting	0	0	0	0/0	0/0	0/5

### Activity Locations

**No Activity Locations found.**

### Other Funding Sources Budgeted - Detail

**No Other Match Funding Sources Found**

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

**Grantee Activity Number:** NSP 3A

**Activity Title:** NSP Program Administration

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

NSP 3

**Project Title:**

NSP Program Administration

**Projected Start Date:**

10/01/2008

**Projected End Date:**

12/31/2012

**National Objective:**

N/A

**Responsible Organization:**

Lake County CD Division

<b>Overall</b>	<b>Jan 1 thru Mar 31, 2010</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$450,080.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$450,080.00
<b>Program Funds Drawdown</b>	\$14,978.40	\$14,978.40
<b>Obligated CDBG DR Funds</b>	(\$10,000.00)	\$450,080.00
<b>Expended CDBG DR Funds</b>	\$14,978.40	\$14,978.40
Lake County CD Division	\$14,978.40	\$14,978.40
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Consolidated Plan Goal: #3.5

Activity Summary: These funds will be used primarily for:

(1) the general management, oversight, and coordination of the Community Development Block Grant funded Neighborhood Stabilization Program, the development and certification of the NSP Addendum to the 2008 Annual Action Plan, the development of various performance report documents, and the development of continued application procedures in addition to general NSP project and program management activities. In addition, some of these funds may be used for special planning studies (if needed or requested). These funds will also be used to provide technical assistance for prospective CDBG funded NSP eligible local governments and/or non-profit agencies, NSP related training/workshops, and review of NSP funded project performance.

Included as project administration activities is the County-wide standardization of NSP-related costs for:

- o contracted title services to identify/confirm post-foreclosure ownership (1 per house estimated at \$100 each);
- o appraisal services for post-foreclosure Fair Market Value determinations and post-rehabilitation housing purchase valuations (2 per house estimated at \$300 each);
- o legal representation to ensure NSP-required program and legal compliance during the acquisition of foreclosed properties for upfront legal costs (estimated at \$1000 per house) and at each post-rehabilitation closing (1 per house estimated at \$350 each);
- o contracted title services to identify/confirm post-closing NSP-required low and moderate income ownership, including NSP household eligibility and NSP period of affordability restrictions (1 per house estimated at \$100 each); and
- o these funds will also be used to distribute and provide program advocacy regarding the 2010 – 2014 Housing and Community Development Consolidated Plan and its respective program needs statements, goals, and strategies as they relate to the NSP program.

**Location Description:**

Lake County Department of Planning, Building, and Development CDBG-NSP Program Administration (18 North County Street, Waukegan).

**Activity Progress Narrative:**

General program administration activities.

## Performance Measures

No Performance Measures found.

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

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**Grantee Activity Number:** NSP 3B

**Activity Title:** NSP Program Administration

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

NSP 3

**Project Title:**

NSP Program Administration

**Projected Start Date:**

10/01/2008

**Projected End Date:**

12/31/2012

**National Objective:**

N/A

**Responsible Organization:**

Affordable Housing Corporation of Lake County

**Overall**

**Jan 1 thru Mar 31, 2010**

**To Date**

**Total Projected Budget from All Sources**

N/A

\$10,000.00

**Total CDBG Program Funds Budgeted**

N/A

\$10,000.00

**Program Funds Drawdown**

\$0.00

\$0.00

**Obligated CDBG DR Funds**

\$0.00

\$0.00

**Expended CDBG DR Funds**

\$0.00

\$0.00

Affordable Housing Corporation of Lake County

\$0.00

\$0.00

**Match Contributed**

\$0.00

\$0.00

**Program Income Received**

\$0.00

\$0.00

**Program Income Drawdown**

\$0.00

\$0.00

**Activity Description:**

1) NSP-required compliance inspections of initial, on-going, and final occupancy inspections for potential NSP funded acquisition and rehabilitation of abandoned or foreclosed single family and/or rental projects. It is estimated that 4 - 5 individual site visits are needed per housing unit (1 post-foreclosure inspection to identify the extent of needed rehabilitation activities and 3 - 4 pre-post rehabilitation inspections, including coordination with appropriate Village Building Department inspections).

**Location Description:**

Affordable Housing Corporation of Lake County (3701 West Grand Avenue, Gurnee)

**Activity Progress Narrative:**

No expenses have been drawdown as of yet for this activity.

**Performance Measures**

**No Performance Measures found.**

**Activity Locations**

**No Activity Locations found.**

**Other Funding Sources Budgeted - Detail**

**No Other Match Funding Sources Found**



**Other Funding Sources**

**Amount**

No Other Funding Sources Found

Total Other Funding Sources

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