DU PAGE COUNTY
HOME ADVISORY GROUP
FINAL AGENDA

April 3, 2018
11:45 AM

ROOM 3500B
421 NORTH COUNTY FARM ROAD
WHEATON, IL  60187

1. CALL TO ORDER

11:45 OR IMMEDIATELY FOLLOWING COMMUNITY DEVELOPMENT COMMISSION

2. ROLL CALL

3. PUBLIC COMMENT

4. APPROVAL OF MINUTES

   A. Home Advisory Group - Regular Meeting - Tuesday February 6th, 2018

5. ACTION ITEMS

   A. Action Item -- Recommendation for Approval of the Transfer and Reclassification of Eight Liens From Franciscan Ministries to Mercy Housing, for $175,693 in Rental Rehabilitation Program (RRP) for Eight Properties and Sixty-five Units.

   B. Action Item -- Recommendation for Approval of a Second Modification to a Housing Development Fund (HDF) Agreement for Project CD01-28D – Wood Glen Senior Apartments (West Chicago Senior Apartments) to Reduce the Monitoring Requirements of the Project.

   C. Action Item -- Recommendation for Approval of a 5th Modification to a Neighborhood Stabilization Program (NSP) Agreement for Project NSP08-02a – Habitat for Humanity Acquisition, Rehabilitation, and Resale, to Increase the Maximum Allowable Median Family Income From 50% to 80%.

6. OTHER BUSINESS

7. ADJOURNMENT

8. NEXT MEETING DATE - MAY 1, 2018
1. CALL TO ORDER

11:30 AM meeting was called to order by Chairman Tim Elliott at 11:42 AM.

11:30 AM OR IMMEDIATELY FOLLOWING DEVELOPMENT COMMITTEE

2. ROLL CALL

PRESENT: Anderson, Bastian (Remote), Berley, Broder, Chaplin, Chrisse, Elliott, Grill, Tornatore, Wiley
ABSENT: Chassee, Grasso, Krucek

Staff Present: Mary Keating, Community Services Director; Jennifer Chan, Community Development Administrator; Christine Pedersen, Senior Accountant/Community Services Manager; Christopher Ragona, Community Development Manager; Julie Hamlin, Sr. Community Development Specialist; Barb Temborius, Community Development Specialist; Therese Witkus, Community Development Specialist; Christopher Donovan, Community Development Specialist; Dorin Fera, Community Development Specialist; Ben Leitschuh, Community Development Specialist, and Andrew Fackler, Community Development Intern.

State’s Attorney - Patrick Collins.

Others Present: Anne O’Dell - HOME DuPage; Margo Matthew - Bridge Communities and Dawn Dina - DuPage Mayors and Managers Conference.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF MINUTES

A. Home Advisory Group - Regular Meeting - Jan 2, 2018 11:30 AM

There were no changes or discussion.

On a voice vote, the Minutes passed.
RESULT: ACCEPTED [UNANIMOUS]
MOVER: Sam Tornatore, District 1
SECONDER: Elizabeth Chaplin, District 2
AYES: Anderson, Bastian, Berley, Broder, Chaplin, Chrisse, Elliott, Grill, Tornatore, Wiley
ABSENT: Chassee, Grasso, Krucek

5. ACTION ITEMS

A. Action Item -- Recommendation for approval of an agreement modification #3 for Project HM03-02 – Community Housing Advocacy and Development – Acquisition and Rehabilitation Activity, shortening the Affordability Period to June 8, 2019 and allowing properties to be permanently rented.

There was no discussion.

On a voice vote, the motion passed.

RESULT: APPROVED [UNANIMOUS]
MOVER: Kevin Wiley, District 6
SECONDER: Elizabeth Chaplin, District 2
AYES: Anderson, Bastian, Berley, Broder, Chaplin, Chrisse, Elliott, Grill, Tornatore, Wiley
ABSENT: Chassee, Grasso, Krucek

B. Action Item -- Recommendation for approval of an agreement modification #11 for Project NSP08-03 – DuPage Housing Authority (DHA) – Acquisition, Rehabilitation, and Resale Activity, reactivating the agreement to allow for eligible reimbursements not to exceed $13,869.10.

Chan informed the Committee these were Neighborhood Stabilization program funds. They have been around since the Stimulus. The last few projects are being completed and closed out. There should only be a few more to potentially be brought to the Committee’s attention.

Chrissie asked when the NSP08-03 agreement with DuPage Housing Authority (DHA) actually expired. Ragona stated that this particular agreement expired a few years ago when 148 Montana was transferred to DuPage Habitat for Humanity. Habitat actually did the rehab and in the near future a family will take possession. While during the closeout process, it was realized that DHA had over $13,000 in reimbursable eligible costs. By reactivating this agreement, DHA can be repaid up to $13,000.

For further clarification, Chrissie wanted verification that the expenses incurred were during the term of their agreement in which DHA never applied for reimbursement.
Ragona concurred. In addition she asked if this was a typical practice for these types of agreements. Keating said nothing has been typical with the Neighborhood Stabilization program. Keating further went on to say that this was a niche program created during the Stimulus package. It was part of the original HERA (Housing and Economic Recovery Act of 2008) funds in which the County received several iterations.

With DHA being a partner, the County wanted to make sure it recouped all its eligible expenses.

There were no other questions.

On a voice vote, the motion passed.

RESULT: APPROVED [UNANIMOUS]
MOVER: Kevin Wiley, District 6
SECONDER: Elizabeth Chaplin, District 2
AYES: Anderson, Bastian, Berley, Broder, Chaplin, Chrisse, Elliott, Grill, Tornatore, Wiley
ABSENT: Chassee, Grasso, Krucek


Chan stated that items "C" and "D" were related and that Anne O'Dell from H.O.M.E. DuPage was in the audience to answer any questions the Committee may have.

Wiley asked why a third time extension was necessary. Chan said that in the past, this program would receive a large amount of funding to be used over a few years’ time. Currently the homebuyer program averages approximately one new homebuyer a month. Due to this, there was a surplus of 2015 funding. Future practice will be to provide sufficient enough funding to last one year to prevent repeated time extension requests.

Anne O'Dell stated that there were homebuyers in the pipeline but the application process was taking longer. Keating explained the underwriting process for the homeowners is quite in depth; receiving the proper amount of counseling, getting their finances in order, correcting credit issues and etc. just to get into the pipeline. The process has really slowed down over the past four or five years as individuals work through their credit issues.

Wiley wanted to know if there was still then a potential for additional time extension requests. Hamlin, the Senior CDC Specialist who manages the Homebuyer program, explained to the Committee that there was $88,851 in HOME downpayment assistance funding available and a small portion of eligible reimbursement costs that HOME DuPage could receive. She did not anticipate the necessity of another time extension because each homebuyer could receive up to $14,999. The past trend has been all
homebuyers who qualified for the program, received the full $14,999 forgivable loan assistance.

There was no additional discussion.

On a voice vote, the motion passed.

RESULT:  APPROVED [UNANIMOUS]
MOVER:  Elizabeth Chaplin, District 2
SECONDER:  Janice Anderson, District 5
AYES:  Anderson, Bastian, Berley, Broder, Chaplin, Chrisse, Elliott, Grill, Tornatore, Wiley
ABSENT:  Chassee, Grasso, Krucek


There was no discussion.

On a voice vote, the motion passed.

RESULT:  APPROVED [UNANIMOUS]
MOVER:  Kevin Wiley, District 6
SECONDER:  Janice Anderson, District 5
AYES:  Anderson, Bastian, Berley, Broder, Chaplin, Chrisse, Elliott, Grill, Tornatore, Wiley
ABSENT:  Chassee, Grasso, Krucek

E. Action Item -- Recommendation for Approval of a 5th Agreement Modification for Project HM15-05 – Bridge Communities Scattered Site Transitional Housing Rehab - 4th Time Extension Request to July 31, 2018.

Chan felt the memo was self-explanatory but stated that Margo Matthew with Bridge Communities was available for any questions. Keating said that the letter indicated that the tenant had to be out by January 11th and Matthew verified that the tenant was out.

There was no further discussion.

On a voice vote, the motion passed.
RESULT:  APPROVED [UNANIMOUS]
MOVER:  Kevin Wiley, District 6
SECONDER:  Janice Anderson, District 5
AYES:  Anderson, Bastian, Berley, Broder, Chaplin, Chrissie, Elliott, Grill, Tornatore, Wiley
ABSENT:  Chassee, Grasso, Krucek

6.  OTHER BUSINESS
There was no other business.

7.  ADJOURNMENT
Grill made the motion, seconded by Chaplin, to adjourn at 11:50 am.

On voice vote, the motion passed.

8.  NEXT MEETING DATE -MARCH 6, 2018
To: Home Advisory Group (HAG)
From: Mary A. Keating, Director
Department of Community Services
Date: March 28, 2018
Subject: Transfer and Reclassification of Liens from Franciscan Ministries to Mercy Housing

Background
DuPage County provided $175,693 in Rental Rehabilitation Program (RRP) funds to Franciscan Ministries for the rehabilitation of 65 scattered site affordable units throughout DuPage County. The projects were completed between 1988 and 1990 and a deferred mortgage was placed on each property with full payment due if the property were to be sold or transferred. A full list of the properties can be found below.

Franciscan Ministries is in the process of shifting operations from owning and maintaining affordable housing to focusing on programs for clients such as senior living and skilled nursing communities, in-home programs, domestic violence shelters and educational support programs for urban and underprivileged young women. Franciscan Ministries has agreed to donate a number of residential properties to Mercy Properties as part of furthering the mission of affordable housing.

Mercy Housing is one of the nation’s largest affordable housing organizations and participates in the development, preservation, management and/or financing of affordable, program-enriched housing across the country in 41 states. Mercy Housing serves a variety of populations with housing projects for low-income families, seniors and people with special needs.

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<tr>
<th>Street Address</th>
<th>City, State</th>
<th>Lien #</th>
<th>Amount</th>
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<tr>
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<tr>
<td>694 Roy Drive</td>
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<td>R1990-024561 (Trust Deed Modification)</td>
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<td>$14,261.85</td>
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<td>Wheaton, IL</td>
<td>R1989-114313 (Trust Deed)</td>
<td>$34,221.00</td>
</tr>
</tbody>
</table>
Mercy Housing will also place income restrictions on all 65 units, requiring new tenants to have an income below 60% MFI. Current tenants that do not meet the income restrictions will not be required to relocate.

Mercy Housing also obtained a third-party Property Condition Report for each of the properties, which identified projected capital needs for the properties over the next ten to twelve years. Based on this information, Mercy Housing intends to invest between $150,000 and $200,000 of its own funds within the first year of operations to make capital improvements to the properties. After closing, Mercy Housing will devise a written capital needs plan prioritizing the use of its cash investment to address the most urgent capital needs, maintain occupancy, and improve curb appeal at the properties. No additional funding for rehabilitation has been requested from Mercy Housing as part of this transaction.

CDC staff has reviewed the terms of the mortgages, the useful life of rehabilitation, preservation of affordable housing, additional investment for rehabilitation, and average cost per property and unit to recommend the transfer and reclassification of each mortgage from a deferred mortgage to a 10 year forgivable mortgage. 65 affordable housing units will be maintained without the use of additional grant funding, and the length and type of loan is more in line with how the Community Development Commission currently awards funding. The County’s total past investment in these properties calculates to just under $2,700 per unit. A forgivable mortgage on each property will ensure an additional 10 years of eligible use while still authorizing DuPage County to recapture funds should the property be sold within a 10 year period.

**Recommendation:** Staff recommends the transfer and reclassification of liens from Franciscan Ministries to Mercy Housing from deferred to 10 year forgivable loans.

Additionally, staff requests that the Director of Community Services be authorized to sign any documents necessary to transfer and reclassify the liens.

If you have any questions regarding the above recommendation, please contact me at 630-407-6457. Thank you.
February 9, 2018

Mary A. Keating, Director
DuPage County Community Service
Jack T. Knueper Administration Building
421 N. County Farm Road
Wheaton, Illinois 60187

Dear Director Keating:

Please accept this letter as a request from Mercy Housing, Inc. (together with its applicable affiliates "Mercy Housing") and Franciscan Ministries, Inc. ("FMI") for approval from DuPage County, in its capacity as lender/lien holder, for the transfer of the following properties (the "Properties") from FMI to Mercy Housing, and the assumption of the below described loans and lien instruments:

<table>
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<tr>
<th>Street Address</th>
<th>City, State</th>
<th>Instrument Type</th>
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**Capital Improvements:**
Mercy Housing obtained a third-party Property Condition Report for each of the Properties, which report identified projected capital needs for the Properties over the next ten to twelve years. Based on this information, Mercy Housing intends to invest between $150,000 and $200,000 of its funds within the first year of operations to make capital improvements to the Properties. After closing, Mercy Housing would devise a written capital needs plan prioritizing the use of its cash investment to address the most urgent capital needs, maintain occupancy, and improve curb appeal at the Properties.

**Resident Population:**
As you know, none of the sixty-five (65) dwelling units at the Properties are income restricted. Historically, FMI, consistent with its charitable mission, has operated the properties with rents below HUD Fair Mark Rents but without income restriction (See attached Franciscan Ministries, Inc. – Tenant Selection Plan). Consistent with its operating practices, after closing, Mercy Housing would upon lease renewal adjust rents to instead align with 60% AMI LIHTC rents. After closing, Mercy Housing would also modify the resident selection criteria to require applicants to be below 60% AMI. To avoid any displacement or negative impact to existing residents such requirements would only be implemented after an existing resident vacated their unit and a new resident moved-in.
Mercy Housing is excited about the possibility of acquiring these Properties, to preserve and improve their affordability and benefit to the community.

We greatly appreciate your consideration of this request. Please do not hesitate to contact me if you have any questions or need any additional information.

Sincerely,

Melissa Clayton
Senior Vice President of National Portfolio Management
Mercy Housing, Inc.
mclayton@mercyhousing.org
Assisi Homes of Illinois, Inc.

TENANT SELECTION PLAN
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TENANT SELECTION PLAN

Assisi Homes Of Illinois
"Development"

Assisi Homes Of Illinois, Inc.
Owner’s Name (the “Owner”)

Franciscan Ministries, Inc.
Managing Agent’s Name (the “Management”)

1. INTRODUCTION

This Tenant Selection Plan (this "Plan") outlines the procedures that will be followed in selecting tenants for the Development. Management is responsible for implementing these procedures.

A. Development Description

The Development offers market rate apartment homes.

B. Tenant Type

The Development is not designated as housing exclusively for any particular tenant type and is known as a Family development.

C. Unit Distribution

<table>
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<th>1 BR</th>
<th>2 BR</th>
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<th>Total units</th>
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D. Fair Housing Act

Fair Housing Act Amendments of 1988 ("Fair Housing Act") prohibits discrimination in housing on the basis of race, color, religion, sex, disability, familial status and national origin regardless of any federal financial assistance. Fair Housing Act obligations include the following:

a. Management will not refuse, either directly or indirectly, to rent or negotiate for rental of a dwelling based on race, color, religion, sex, disability, familial status and national origin.

b. Management will not (i) engage in activities that steer potential tenants away from or toward particular units by words or action, (ii) make housing units and related services unavailable to any potential tenants, (iii) purposely provide false information to applicants about the availability of units that limits the living options of prospective tenants, and (iv) deny or limit services based on race, color, religion, sex, disability, familial status and national origin.

c. Management will market available units in a nondiscriminatory manner.

d. It is unlawful to coerce, intimidate, threaten or interfere with any person's exercise or enjoyment of any Fair Housing right.
Fair Housing Act provides additional protections for persons with disabilities. It requires that the Management make reasonable accommodations in rules, policies, practices, or services as may be necessary to afford handicapped persons equal opportunity to use and enjoy a dwelling. Moreover, it contains specific accessibility requirements that apply to the design and construction of new multi-household housing.

II. APPLICATION PROCESSING

A. Processing Applications

1. All persons making inquiries will be provided an application with instructions to mail the Application to Management.

2. All applications will be retained on-site permanently.

III. THE (INTERVIEW) SCREENING PROCESS

A. Application Requirements

The following information will be used to determine program eligibility for anyone who is seeking housing at the Development.

1. The head of household and any family members eighteen (18) and older must complete a written application certifying the accuracy of all information that is provided. The applicant will be provided with the appropriate disclosures concerning the Privacy Act.

2. A credit report will be ordered.

3. A criminal background search will be obtained.

4. Verification of income is required as applicable for each applicant.

5. Verification of previous housing, for three (3) years, is required. This will include references from previous landlords. If applicable, it will also include verification for those who were homeowners or lived with parents or guardians. Applicants will not be rejected solely for a lack of rental history.

6. Valid photo I.D. for all applicants (Driver's license or State issued I.D.).

B. Home Visits

Home visits will not be conducted.

C. Completion of Application Process

All applications will be processed within ten days after the date of the applicant's initial interview, providing all documentation is received as required.

IV. ELIGIBILITY REQUIREMENTS

A. Income

The annual gross income of the applicant(s) must be equal to or more than the income limit established by the management office. Income limits established for the development are attached in Exhibit A.
B. **Sole Residence**

The unit must be the applicant's sole residence in order for the applicant to be eligible for housing.

C. **Citizenship Requirements**

Citizenship is not a requirement in order to establish housing.

D. **Certification of Social Security Numbers**

The head of household/spouse/co-head must disclose Social Security Numbers for all household members at least six years of age and older. Copies of Social Security cards will be made for any occupant or lease holders over the age of eighteen (18).

V. **OCCUPANCY STANDARDS**

The unit must have enough space to accommodate the household. Occupancy standards must comply with federal, state and local occupancy standards, and/or laws in connection with occupancy requirements, fair housing and civil rights laws, as well as landlord-tenant laws and zoning restrictions. The occupancy standards for the Development are attached as Exhibit A.

1. For the purpose of determining the unit size for which a household may be eligible, the following will be counted as members of the household:
   
   a. Fulltime household members
   b. Unborn children
   c. Children in the process of being adopted
   d. Children whose custody is being determined
   e. Foster children
   f. Children temporarily in a foster home
   g. Children in joint custody 50% of the year or more
   h. Children away at school but home for recess

VI. **REJECTION CRITERIA**

The ability of the applicant to fulfill lease obligations will be considered. An applicant may be rejected for one or more of the following reasons:

A. **Insufficient/Inaccurate Information on Application**

   Refusing to cooperate fully in all aspects of the application process or supplying false information will be grounds for rejection.

B. **Credit and Financial Standing**

1. Unsatisfactory history of meeting financial obligations (including, but not limited to timely payment of rent, outstanding judgments or a history of late payment of bills) will be considered. Please be advised that admission is prohibited for any household containing a member(s) who was evicted in the last three (3) years from federally assisted housing. If an applicant is rejected based on the credit report, they will be provided with the reasons for rejection and given the name of the credit bureau that performed the credit check. Applicants will also be given two weeks to dispute any information on the credit report.

2. The inability to verify credit references may result in rejection of an applicant. Special circumstances will be considered in which credit has not been established (income, age, marital status, etc.) and lack of credit history will not cause an applicant to be rejected.
3. The applicant's financial inability to pay his/her monthly contribution toward the rent of the unit may be assessed. Ordinarily, the total of the applicant's monthly contribution plus other long-term obligations (payments extending more than twelve months) should be less than 50% of his/her monthly gross income. Income ratios may be considered in the context of the applicant's credit and employment history and potential for increases in income.

C. Criminal Convictions/Current Drug Use

1. Applicants who fall into the following categories will be rejected. In addition, if other persons that will be living in the unit fall into these categories, the applicant will be rejected:

   a) Admission is prohibited for a household in which any member(s) is currently engaged in the illegal use of a controlled substance.

   b) Admission is prohibited for any household containing a member(s) who was evicted in the last three (3) years from federally assisted housing for drug-related criminal activity. Exceptions: the evicted household member has successfully completed an approved supervised drug rehabilitation or the circumstances leading to the eviction no longer exist (e.g. the household member no longer resides with the applicant household).

   c) Admission is prohibited for any household member(s) is subject to a state sex offender lifetime registration requirement.

   d) Admission is prohibited for any household in which there is reasonable cause to believe that the member's behavior, from abuse or pattern of abuse of alcohol, may interfere with the health, safety, and right to peaceful enjoyment by other residents. The screening standards must be based on behavior, not the condition of alcoholism or alcohol abuse.

   e) Admission is prohibited for any household in which a member(s) was convicted of a violent criminal activity – major crime against another person or serious destruction of property (i.e., murder, rape, arson, any crime involving use of a gun, etc.) for an unlimited time period.

2. Applicants who fall into the following categories may be rejected. In addition, if other persons that will be living in the unit fall into these categories, the applicant may be rejected:

   a) Admission is prohibited for other criminal convictions that involved physical violence to persons or property, or endangered the health and safety of other persons within the last five (5) year(s).

   b) Admission is prohibited for any household member(s) with a criminal conviction in connection with the manufacture or distribution of a controlled substance within the last five (5) year(s).

   c) Admission is prohibited for any household member(s) with misdemeanor conviction involving a crime against another person or destruction of property within the last three (3) years.

   d) Admission is prohibited for any household member(s) with two (2) or more misdemeanor convictions within the last five (5) years.

D. Household Characteristics

Household size or household characteristics were not appropriate for the specific type of unit available at the time of application.

E. Exception to Rejection Criteria

Extertuating circumstances will not be considered.

VII. REJECTION PROCEDURES
A. **Written Notification**

Each rejected applicant will be promptly notified in writing of the reason(s) for rejection (Exhibit B). This notice will advise the applicant that he/she may, within fourteen (14) days of receipt of the notice (excluding weekends and designated federal holidays), respond in writing or request to meet with Management to discuss the notice.

B. **Review of Rejected Applications**

The applicant will have fourteen (14) days (excluding weekends and designated federal holidays) to respond in writing or request a meeting to discuss the rejection. Any meeting with the applicant or review of the applicant's written response will be conducted by a member of Management's staff who did not participate in the decision to reject the applicant.

If the applicant appeals the rejection, the applicant will be given a final written decision from Management within five (5) days (excluding weekends and designated federal holidays) of the applicant's written response or meeting. If the decision is reversed, the applicant will be offered a suitable vacant unit. If no such unit is available, the applicant will be offered the next appropriate unit.

**VIII. AMENDING THE TENANT SELECTION PLAN**

This Plan may be amended as appropriate.
IX. CERTIFICATION

By signing this Plan, Management certifies that the contents of this Plan will be followed as written, and that no other Tenant Selection Plan has been executed for the Development at this time.

MANAGEMENT:

Entity Name: Franciscan Ministries, Inc.

Signature: __________________________

Print Name: Rebecca L. Firestone

Title: Senior Regional Manager

Today's Date: October 19, 2006

OWNER:

Entity Name: Assisi Homes Of Illinois, Inc.

Signature: __________________________

Print Name: Rebecca L. Firestone

Title: President

Today's Date: October 19, 2006
EXHIBIT A

RENT STRUCTURE EFFECTIVE 7/1/2009
AND INCOME LIMITS

<table>
<thead>
<tr>
<th>Number of Units</th>
<th>Number of Bedrooms</th>
<th>Location</th>
<th>Unit Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>1 bedroom</td>
<td>Wheaton, Addison</td>
<td>$710</td>
</tr>
<tr>
<td>47</td>
<td>2 bedroom</td>
<td>Wheaton, Addison, Villa Park</td>
<td>$810</td>
</tr>
<tr>
<td>7</td>
<td>2 bedroom</td>
<td>Lombard</td>
<td>$790</td>
</tr>
<tr>
<td>4</td>
<td>3 bedroom</td>
<td>Villa Park</td>
<td>$930</td>
</tr>
</tbody>
</table>

Minimum Annual Income Limits
Effective July 1, 2009

<table>
<thead>
<tr>
<th>1 bedroom</th>
<th>2 bedroom</th>
<th>3 bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>$29,000</td>
<td>$33,000</td>
<td>$37,000</td>
</tr>
</tbody>
</table>
To: Home Advisory Group (HAG)  
From: Mary A. Keating, Director  
Department of Community Services  
Date:  
March 28, 2018  
Subject: CD01-28D – West Chicago Senior Apartments – Approval of a Second Modification to Adjust Long Term Monitoring Requirements of the Project

Background  
West Chicago Senior Apartments is a 98 unit apartment community located in West Chicago, Illinois. The project was completed in 2001 and 100% units are one-bedroom apartments rented to eligible seniors.

The project was funded with Community Development Block Grant (CDBG) in the amount of $895,000 and regulations require a minimum 5 year compliance period. The agreement placed additional long term monitoring requirements of 20 years and some rules and regulations of the HOME Program to be used in monitoring the project. In addition to monitoring by the Community Development Commission, the Illinois Housing and Development Authority (IHDA) has a required long term monitoring commitment to preserve affordability for 35 years by conducting on site reviews every second year and physical inspections every third year. This monitoring requirement is more stringent and a full 15 years longer than the monitoring required in the current agreement between DuPage County and West Chicago Senior Apartments. The CDC can reduce liability to DuPage County by modifying the agreement to eliminate further monitoring and also reduce duplicative monitoring that is not a requirement of the CDBG program. West Chicago Senior Apartments currently repays $8,950 of the loan on an annual basis with a balloon payment of $932,630.66 scheduled on October 23, 2042.

Recommendation: Staff recommends approval of a second modification to project CD01-28D to eliminate long-term monitoring and restore the monitoring requirements of the CDBG program and release the Land Use Restriction Agreement (LURA) against the property.

Additionally, that the Director of Community Services be authorized to sign any necessary documents.

If you have any questions regarding the above recommendation, please contact me at 630-407-6457. Thank you.
MODIFICATION TWO TO COMMUNITY DEVELOPMENT COMMISSION
AGREEMENT CD01-28D

THIS MODIFICATION TO AGREEMENT is entered into this ___________ day of
________________, 2018 by and between the COUNTY OF DU PAGE, Illinois (hereinafter
called “COUNTY”) and West Chicago Senior Apartments, Inc., a Limited Partnership, having a
principle place of business at 35 W. Wacker Drive Chicago, IL 60601, (hereinafter called
“SPONSOR”). The purpose of this MODIFICATION TO AGREEMENT is to modify an
existing agreement between the above parties known as Community Development Commission
Agreement CD01-28D, which was adopted by Resolution CDC-050-01 on October 23rd, 2001, to
provide DEVELOPER with Community Development Block Grant funds or “CDBG” funding in
the amount of $895,000 for the purpose of acquisition and demolition expenses of existing
buildings to construct ninety-eight (98) rental units at the property of 199 W North Ave, West
Chicago, IL 60185; each unit to be leased to an eligible household at a rent not to exceed the rent
guidelines established by the Illinois Housing Development Authority (IHDA) (the “PROJECT”)
(hereinafter, together with this modification, called “Agreement”).

In consideration of the premises of the Agreement, and for other good and valuable
consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby
agree to the following modification of the terms of the Agreement in accordance with Section II
of the Agreement:

Section II is hereby amended to state the following:

Section B (3), (4), and (5) are hereby deleted and replaced with the following:

(3) – Said HDF assisted units shall comply with the current maximum allowable rent
established by the Illinois Housing Development Authority (IHDA).

(4) - The PROJECT shall remain affordable for a period of 5 years in accordance with
Community Development Block Grant regulations {hereinafter called "Affordability Period"}
beginning when all necessary title transfer requirements and construction work have been
performed; the final draw down has been disbursed for the project; and the project completion
information has been entered in the disbursement and information system established by HUD.

(5) - COUNTY and SPONSOR have agreed the Affordability Period will remain in effect
for a full 5 years.

Section E is hereby deleted and replaced with the following:
SPONSOR shall keep a file on each renter containing information as required by the Illinois Housing Development Authority (IHDA).

Section III D is hereby deleted in its entirety.

BORROWER shall consent to the filing and recording of deed restrictions and covenants running with the land, prepared in a form approved by the COUNTY, that are necessary for securing the Affordability Period specified in Section 11-b of this Agreement and in accordance with 24 CFR Part 92.252 (e).

In all other respects, the terms and conditions of the Agreement shall remain in full force and effect.
IN WITNESS WHEREOF, the parties hereto have executed this Modification on the dates recited below:

COUNTY OF DU PAGE, a body politic in the State of Illinois

By: ________________________________
    Daniel J. Cronin, Chairman
    DuPage County Board

Date: ________________________________

Attest: ________________________________
    Paul Hinds
    County Clerk

SPONSOR: Albert Milistein, Winston, and Strawn
35 W. Wacker Drive
Chicago, IL 60601

BY: ________________________________
Signature
Printed Name: ________________________________
Title: ________________________________

DATE: ________________________________

ATTEST: ________________________________
Signature
Printed Name: ________________________________
Title: ________________________________
TO: Housing Advisory Group

FROM: Mary A. Keating, Director, Department of Community Services

DATE: March 28, 2018

RE: Habitat for Humanity Rehabilitation Project
NSP Project Number NSP08-02A
5th Modification Request – Approval to Increase the Maximum Income Limit for an Eligible Homebuyer

Background:
Community Development Commission Agreement NSP08-02A was adopted by Resolution DC-R-0456-15 on July 14, 2015 in the amount of $180,000 to rehabilitate 148 E. Montana, Glendale Heights Illinois. The rehabilitation is complete and a new buyer has been selected by the Habitat Family Selection Committee. Habitat estimates the family will complete the required sweat equity hours and final paperwork within the next 60 days and a closing is expected to be scheduled in late April or early May.

The Habitat family entered into the program in 2017 with an annual income below 50% Area Median Income (AMI). DuPage Habitat income parameters cap participants at 60% AMI when they enter the program and allow flexibility with this cap if the family income increases above the maximum income of program parameters tied to the project or 80% AMI, whichever is lower. The Neighborhood Stabilization Program (NSP) allowed homebuyers to participate with incomes of up to 120% MFI. In the past year, the income of the Habitat family increased due to unexpected overtime income that is not expected to continue in 2018. The family’s AMI is above 50% yet remains below 80% AMI for a family of 4, which is within the Department of Housing & Urban Development’s NSP limits.

Federal Register Notice Vol. 73, No. 194 published Monday, October 6, 2008 stated that not less than 25% of the funds appropriated or otherwise made available under NSP shall be used for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50% AMI.
If the above referenced agreement is modified, 9 out of 25, or 36% of the residential properties funded through NSP will be occupied by households with incomes at or below 50% AMI.

**Recommendation:** Staff recommends that Project *NSP08-02A* be granted a fifth agreement modification to increase the maximum income eligibility of homebuyers from 50% to 80%.
March 15, 2018

Chris Ragona
Community Development Manager
DuPage Community Development Commission
421 N. County Farm Road
Wheaton, IL 60187

Re: CDC Agreement NSP08-02A

Dear Mr. Ragona,

DuPage Habitat is requesting a modification to NSP08-02A grant for the 148 E. Montana Glendale Heights, IL 60139. The request is to allow modification of the household income to exceed the 50% Area Median Income (AMI) targeted in the grant. The Perez Family entered into the program in 2017 with an annual income of $36,833, which was below 50% for the family size at the time. DuPage Habitat income parameters cap participants at 60% when they enter the program. We allow flexibility with this cap if their income increases after acceptance to the program, as long as they don’t go above grant parameters tied to the project or 80%, whichever is lower. In the past year, due to a large one time contract awarded to his employer, Marcello Perez’s income increased to $58,005.99. This income is above 50% yet still under 80%AMI for a family of 4 that is HUDs program limits. I am including the most recent certified income eligibility calculator for your reference.

It is entirely likely that his income may adjust down in the coming year should contract conditions return to a lower employment demand by his employer or if they hire additional workers to reduce overtime.

Thank you for your consideration and review of this request for modification. If you need any additional information or have question, feel free to contact me at 630-510-3737.

Grace and Peace,

Dave Neary
DuPage Habitat for Humanity
Executive Director
THIS FIFTH MODIFICATION TO AGREEMENT is entered into this ___________ day of ________________, 2018 by and between the COUNTY OF DU PAGE, Illinois (hereinafter called “COUNTY”) and DUPAGE HABITAT (hereinafter called “SUBGRANTEE”). The purpose of this MODIFICATION TO AGREEMENT is to modify an existing agreement between the above parties known as Community Development Commission Agreement NSP08-2A, which was adopted by Resolution DC-R-0456-15 on July 14, 2015, to grant funding in the amount of $180,000 for the purpose of purchasing and rehabbing the property of 148 Montana Glendale Heights, Illinois 60139 (hereinafter, together with any previous modifications thereto, called “Agreement”).

In consideration of the premises of the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to the following modification of the terms of the Agreement.

Section II – STATEMENT OF WORK AND ELIGIBLE COSTS is hereby amended to state the following:

A. The PROPERTY shall be sold to a household whose income does not exceed (80%) of the median family income of the Chicago-Naperville-Joliet MSA as published by HUD from time to time, adjusted for family size.
IN WITNESS WHEREOF, the parties hereto have executed this Modification on the dates recited below:

COUNTY OF DU PAGE, a body politic in the State of Illinois

By: _____________________________________
    Dan Cronin, Chairman
    DuPage County Board

Date: _____________________________________

Attest: _____________________________________

SUBGRANTEE: DuPage Habitat for Humanity

BY: _____________________________________
Signature
Printed Name: Dave Neary
Title:          Executive Director

DATE: _____________________________________

ATTEST: _____________________________________
Signature
Printed Name:_________________________
Title:     _____________________