DU PAGE COUNTY  
HOME ADVISORY GROUP  
FINAL AGENDA

August 7, 2018  Regular Meeting  11:30 AM

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

1. CALL TO ORDER  
11:30 AM OR IMMEDIATELY FOLLOWING DEVELOPMENT COMMITTEE

2. ROLL CALL

3. PUBLIC COMMENT

4. APPROVAL OF MINUTES
   A. Home Advisory Group - Regular Meeting - Tuesday June 5th, 2018

5. ACTION ITEMS
   A. Action Item -- Recommendation to Approve a Policy to Adopt the Occupancy Rights Under the Violence Against Women Act (VAWA) Policy.
   B. Action Item -- Recommendation for Approval of a Conditional Commitment with DuPage Homeownership Center dba H.O.M.E. DuPage, Homestead Program, Project Number HM17-03, in the Amount of $107,514.00, to be used for Downpayment Assistance for Income Qualified Individuals.

6. OTHER BUSINESS

7. ADJOURNMENT

8. NEXT MEETING DATE - SEPTEMBER 4, 2018
1. CALL TO ORDER

11:30 AM meeting was called to order by Chairman Patrick Grill at 11:45 AM.

11:30 AM OR IMMEDIATELY FOLLOWING DEVELOPMENT COMMITTEE

2. ROLL CALL

PRESENT: Anderson, Bastian, Berley, Chaplin, Elliott, Grill, Tornatore, Ungerleider, Wiley
ABSENT: Broder, Chassee, Grasso, Krucek

Staff Present: Mary Keating, Community Services Director; Jennifer Chan, Community Development Administrator; Christine Pedersen, Senior Accountant/Community Services Manager; Julie Hamlin, Sr. Community Development Specialist; Barb Temborius, Community Development Specialist; Therese Witkus, Community Development Specialist; Christopher Donovan, Community Development Specialist; Tom Schwertman, Community Development Specialist; Anna Sitton, Community Development Specialist, and Andrew Fackler, Community Development Intern.

State’s Attorney - Patrick Collins.

Others Present: Mary Loch - Community Housing Advocacy and Development; Phil Moeller - Carefree Development LLC (Liberty Village); Raeann Olsen-Jackson - Almost Home Kids, and Dave Cotton - Almost Home Kids.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF MINUTES

A. Home Advisory Group - Regular Meeting - Apr 3, 2018 11:45 AM

Wiley made the motion, seconded by Anderson, to approve the Minutes of April 3, 2018.

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

5. ACTION ITEMS

A. Action Item -- Recommendation to approve a request from Liberty Village to restructure the HOME program loan for Project Number HM96-01, Yorkhurst Park in Elmhurst, Illinois.

Chan stated that Liberty Village sought to refinance its existing 40-year Illinois Housing Development Authority (IHDA) Risk-Share loan with a Citi Community Capital (CITI) loan and continue its annual payments to the County of approximately $58,000 and push the final balloon payment of approximately $789,000.00 out to 2040. The County’s HOME affordability period ends December 14, 2019. The project itself has an extended use agreement with an extended affordability compliance period from the original IHDA low-income tax credit until approximately 2030. Liberty Village will reinvest the proceeds of the refinance for substantial building improvements, including a new roof, and increasing its reserves for long-term maintenance of the building. There is a debt coverage ratio of 1.46 at year one and continues positive over the next 20 years, consistent with County Policy.

Staff recommended approval of the loan with the following conditions: Subordination of the DuPage County HOME loan to a new CITI first mortgage of up to $6,000,000.00; Amend the County’s loan terms to extend the maturity date from August 1, 2025 to August 1, 2040 with a balloon payment of approximately $789,000, and adoption of a revised amortization schedule showing 24 yearly County payments of approximately $58,000.

Phil Moeller with Liberty Village was in attendance to answer any questions.

Wiley noted that there was a typographical error in the blurb and that “Yorkhurst”, should have read “Yorkhurst”.

There were no other questions or comments.

On a voice vote, the motion passed.
RESULT: APPROVED [UNANIMOUS]
MOVER: Kevin Wiley, District 6
SECONDER: Elizabeth Chaplin, District 2
AYES: Anderson, Bastian, Berley, Chaplin, Elliott, Grill, Tornatore, Ungerleider, Wiley
ABSENT: Broder, Chassee, Grasso, Krucek

B. Action Item -- Recommendation for Approval of a Conditional Commitment for Project HM16-03 – Community Housing Advocacy Development (CHAD) – Scattered site rehabilitation of three residential properties for funding in the amount of $320,899.

The project presented to the Committee will fulfill the County’s required Community Housing Development Organization (CHDO) requirement. A brief definition of a CHDO is a private nonprofit, community-based organization that has the capacity to develop affordable housing. Certain parameters have to be met in order to meet the eligibility criteria; legal status, organizational structure, capacity and experience. HUD requires that 15% of the annual HOME allocation must be set aside for a CHDO.

CHAD’s CHDO project is to rehabilitate three scattered site properties, containing of four buildings with a total of 18 units. Seventeen of the 18 units will be HOME-assisted units. The total project cost is estimated to be $347,234 and approximately $321,000 in HOME funds have been requested.

There is a low risk factor according to market characteristics, developer capacity and financing. There is an initial debt credit ratio of 1.43 and initial cash flow of $42,140 and by the tenth year, the debt coverage ratio is projected to be at 1.34 and annual cash flow balance of $32,665. The total development cost per unit is $19,291.

To protect the County’s interest, there will be a 10-year forgivable mortgage placed on the properties. CHAD is not required to make payments. However, if any of the properties are sold or a change in use occurs within the 10-year period, CHAD is required to pay back the entire amount of funds given.

Mary Loch was available to answer questions.

Grill asked if there were any comments or questions. Elliott took this time to praise CHAD noting they have 400 units throughout the County and thank them for the great work they do and his willingness to give this request a favorable vote.

There were no other questions or comments.

On a voice vote, the motion passed.
### RESULT:
APPROVED [UNANIMOUS]

**MOVER:** Kevin Wiley, District 6  
**SECONDER:** Janice Anderson, District 5  
**AYES:** Anderson, Bastian, Berley, Chaplin, Elliott, Grill, Tornatore, Ungerleider, Wiley  
**ABSENT:** Broder, Chassee, Grasso, Krucek

6. **OTHER BUSINESS**

Keating informed the Committee that the next meeting will be held on July 10, 2018. The County Board has moved all the committees that would have originally been held on July 3rd to the 10th.

7. **ADJOURNMENT**

Wiley made the motion, seconded by Tornatore, to adjourn the meeting at 11:53am.

On a voice vote, the motion passed.

8. **NEXT MEETING DATE - JULY 10, 2018**
TO: Housing Advisory Group
FROM: Mary A. Keating, Director, Department of Community Services
DATE: August 2, 2018
RE: Adoption of Occupancy Rights Under the Violence Against Women Act (VAWA) Policy

Background:
The Community Development Commission staff has drafted a policy to comply with and address the Violence Against Women Act (VAWA). Despite the name of this law, VAWA protections are available equally to all individuals regardless of sex, gender identity, or sexual orientation, and does not discriminate based on any protected characteristic. VAWA does not replace any Federal, State, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking.

The policy states that prospective tenants cannot be denied admission or assistance because they have been a victim of domestic violence, dating violence, sexual assault, or stalking. It also makes it possible for the CDC, upon a tenant request, to work with affiliate agencies to evict an abuser or perpetrator and provide affordable housing to tenants who have been victims of violence as defined under this act. All information will remain confidential throughout the process except when required by law and appeals may be made by any party that may have discrepancies with how the law is being carried out or applied.

An addendum referencing VAWA will be added as part of the lease review for projects invested with HOME dollars and current leases will be updated as recertifications are completed and ongoing annual monitoring takes place.

Recommendation: Staff recommends approving the adoption of the Violence Against Women (VAWA) Policy.
Notice of Occupancy Rights Under the Violence Against Women Act (VAWA) Policy
Drafted on March 29, 2018
Adopted on ____________________________

1. Overview –
First introduced in 1994 and subsequently reauthorized three times, the Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.

2. Authority – 24 CFR Part 5 – Subpart L
This subpart addresses the regulation for protections for victims of domestic violence, dating violence, sexual assault, or stalking who are applying for, or are the beneficiaries of, assistance under a HUD program covered by the Violence Against Women Act (VAWA), as amended (42 U.S.C. 13925 and 42 U.S.C. 14043e et seq.) (“covered housing program,” as defined in § 5.2003). Notwithstanding the title of the statute, protections are not limited to women but cover victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation. Consistent with the nondiscrimination and equal opportunity requirements at 24 CFR 5.105(a), victims cannot be discriminated against on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age.

3. Rights, and Responsibility for the Community Development Commission, Subrecipients, Landlords, and Tenants

-Tenant Protections, Rights, and Responsibilities - Prospective tenants cannot be denied admission or denied assistance because they have been a victim of domestic violence, dating violence, sexual assault, or stalking. A tenant can be evicted for repeated lease violations that are not related to domestic violence, dating violence, sexual assault, and stalking. The tenant, to the greatest extent feasible, will have the right to work with the landlord, subrecipients, and the Community Development Commission to work on a solution on a case by case basis while remaining confidential and in the best interest of the tenant.

-Landlord Protections, Rights, and Responsibilities – The landlord has the ability to adjust the lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking. A landlord cannot deny a prospective tenant admission or denied assistance because they have been a victim of domestic violence, dating violence, sexual assault, or stalking. The landlord, to the greatest extent feasible, will have the right to work with the tenant, subrecipients, and the Community Development Commission to work on a solution on a case by case basis while remaining confidential and in the best interest of the tenant.
-Subrecipient Protections, Rights, and Responsibilities – The subrecipient has the responsibility to report any instances where a landlord has denied a prospective tenant admission or denied assistance because they have been a victim of domestic violence, dating violence, sexual assault, or stalking. They also have the responsibility to assist landlords in adjusting the lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking. The subrecipient, to the greatest extent feasible, will have the right to work with the tenant, landlords, and the Community Development Commission to work on a solution on a case by case basis while remaining confidential and in the best interest of the tenant.

-Community Development Commission Protections, Rights, and Responsibilities – Upon a tenant request, The CDC, to the greatest extent feasible, will work with affiliate agencies providing affordable housing to permit a tenant to move to another unit due to an incidence of domestic violence, dating violence, sexual assault, or stalking, and threats, pending availability of comparable units and need. All requests will remain confidential to the greatest extent feasible.

The CDC, to the greatest extent feasible, will have the responsibility to work with the tenant, landlords, and if needed, nonprofit agencies to provide needed services to work on a solution on a case by case basis while remaining confidential and in the best interest of the tenant.

4. Confidentiality
Subrecipients, and landlords receiving Federal funds through the Community Development Commission must keep confidential any information related to tenant rights under VAWA. The CDC must not allow any individual administering assistance or other services on behalf of the CDC to have access to confidential information unless for reasons that specifically call for these individuals to have access to this information under applicable Federal, State, or local law. The CDC, subrecipients, and landlords receiving Federal funds however, may disclose information provided if:

- Written permission is received from the tenant to release the information on a time limited basis.

- Information is needed in an eviction or termination proceeding, such as to evict an abuser or perpetrator or terminate the abuser or perpetrator from the CDC assisted unit.

- A law requires the release the information.

VAWA does not limit the duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.
5. **Other Laws and Non-Compliance**

VAWA does not replace any Federal, State, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking. You may be entitled to additional housing protections for victims of domestic violence, dating violence, sexual assault, or stalking under other Federal laws, as well as under State and local laws. All complaints or violations should be sent to the HUD Chicago Regional Office, Ralph Metcalfe Federal Building, 77 West Jackson Boulevard, Chicago, Illinois 60604 or by phone at (312) 353-5680.

6. **Appeals**

Should any landlord, tenant, or subrecipient have discrepancies with the rights and regulations of this policy, an appeal may be made to the Community Development Commission. If the appeals request is not received by the Commission at least ten days prior to the meeting, the appeal will be delayed until the next meeting of the Commission. Notwithstanding the foregoing, the Commission only has the ability to grant appeals based on County policies. Any appeal for waiver of a Federal regulation or requirement cannot be granted by the Commission.

7. **Attachment**

A HUD-approved certification form is attached to this notice and can be provided to tenants to fill out if the tenant has been a victim of domestic violence, dating violence, sexual assault, or stalking, and tenant rights under VAWA.
CERTIFICATION OF U.S. Department of Housing and Urban Development
DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING, AND ALTERNATE DOCUMENTATION

Purpose of Form: The Violence Against Women Act ("VAWA") protects applicants, tenants, and program participants in certain HUD programs from being evicted, denied housing assistance, or terminated from housing assistance based on acts of domestic violence, dating violence, sexual assault, or stalking against them. Despite the name of this law, VAWA protection is available to victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

Use of This Optional Form: If you are seeking VAWA protections from your housing provider, your housing provider may give you a written request that asks you to submit documentation about the incident or incidents of domestic violence, dating violence, sexual assault, or stalking.

In response to this request, you or someone on your behalf may complete this optional form and submit it to your housing provider, or you may submit one of the following types of third-party documentation:

1. A document signed by you and an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional, or a mental health professional (collectively, "professional") from whom you have sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse. The document must specify, under penalty of perjury, that the professional believes the incident or incidents of domestic violence, dating violence, sexual assault, or stalking occurred and meet the definition of "domestic violence," "dating violence," "sexual assault," or "stalking" in HUD’s regulations at 24 CFR 5.2003.

2. A record of a Federal, State, tribal, territorial or local law enforcement agency, court, or administrative agency;

3. At the discretion of the housing provider, a statement or other evidence provided by the applicant or tenant.

Submission of Documentation: The time period to submit documentation is 14 business days from the date that you receive a written request from your housing provider asking that you provide documentation of the occurrence of domestic violence, dating violence, sexual assault, or stalking. Your housing provider may, but is not required to, extend the time period to submit the documentation, if you request an extension of the time period. If the requested information is not received within 14 business days of when you received the request for the documentation, or any extension of the date provided by your housing provider, your housing provider does not need to grant you any of the VAWA protections. Distribution or issuance of this form does not serve as a written request for certification.

Confidentiality: All information provided to your housing provider concerning the incident(s) of domestic violence, dating violence, sexual assault, or stalking shall be kept confidential and such details shall not be entered into any shared database. Employees of your housing provider are not to have access to these details unless to grant or deny VAWA protections to you, and such employees may not disclose this information to any other entity or individual, except to the extent that disclosure is: (i) consented to by you in writing in a time-limited release; (ii) required for use in an eviction proceeding or hearing regarding termination of assistance; or (iii) otherwise required by applicable law.
TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

1. Date the written request is received by victim: _______________________________

2. Name of victim: __________________________________________________________

3. Your name (if different from victim’s): ______________________________________

4. Name(s) of other family member(s) listed on the lease: ________________________

5. Residence of victim: ______________________________________________________

6. Name of the accused perpetrator (if known and can be safely disclosed): _______

7. Relationship of the accused perpetrator to the victim: ________________________

8. Date(s) and times(s) of incident(s) (if known): _______________________________

9. Location of incident(s): ____________________________________________________

In your own words, briefly describe the incident(s):

__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________
__________________________________________________________________________

This is to certify that the information provided on this form is true and correct to the best of my knowledge and recollection, and that the individual named above in Item 2 is or has been a victim of domestic violence, dating violence, sexual assault, or stalking. I acknowledge that submission of false information could jeopardize program eligibility and could be the basis for denial of admission, termination of assistance, or eviction.

Signature ___________________________ Signed on (Date) _________________________

Public Reporting Burden: The public reporting burden for this collection of information is estimated to average 1 hour per response. This includes the time for collecting, reviewing, and reporting the data. The information provided is to be used by the housing provider to request certification that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking. The information is subject to the confidentiality requirements of VAWA. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.
TO: HOME Advisory Group

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

DATE: August 2, 2018

RE: DuPage Homeownership Center, Inc. dba H.O.M.E. DuPage, Inc. – 2017 HOME Funding – Homestead Program – Project #HM17-03

DuPage Homeownership Center, Inc. dba H.O.M.E. DuPage, Inc. – DuPage Homestead First Time Homebuyer Program

On March 28, 2017 the County Board approved the 2017 Action Plan under Resolution HHS-R00184-17, which identified first time homebuyer assistance and closing cost assistance as 2017 projects. H.O.M.E. DuPage, Inc. submitted a completed application on 12/04/2017 with a funding request of $449,970 in HOME funds and $90,000 in CDBG funds.

Each buyer would receive down-payment assistance of up to $14,999 (forgivable after 60 months) toward the purchase price of a single-family home. Each buyer also would receive up to $3,000 as a closing cost grant (CDBG Funds). Eligible reimbursable project delivery costs are estimated to be $2,920 per completed transaction.

Based on H.O.M.E. DuPage’s current spending rate of 2015 HOME funds, and the fact that the Community Development Commission is 4 months into Program Year 2018, CDC staff believes $107,514 in 2017 HOME funds is a reasonable funding amount to sustain the Homestead Program through the 2018 Program Year.

Staff recommendation for 2017 is $107,514 in HOME funds and $18,000 in CDBG funds for closing costs (down payment assistance amount & closing cost amount may require adjustment as year progresses).

If the Homestead Program experiences a significant increase in clients and additional funding is needed to sustain the program, the H.O.M.E. DuPage Inc. application funding request would allow for the agency to request additional HOME & CDBG...
funds. H.O.M.E. DuPage Inc. would inform the Community Development Commission of the increased program activity and submit a formal request for additional HOME & CDBG funding. The additional funding requests would be presented to the HAG Committee for recommendation and approval.

**Recommendation:** Staff recommends this project be approved at a Conditional Commitment level so that staff can move forward with preparation of an Agreement for the project.

If you have any questions regarding the above recommendations, please contact me at 630-407-6457. Thank you.
Underwriting Memo – DuPage Homeownership Center, Inc. dba H.O.M.E. DuPage, Inc.
DuPage Homestead Program

1. Overview

The DuPage Homestead Program provides pre-purchase education and counseling and an affordable financing package to enable qualified low-income first-time homebuyers to purchase a starter home in DuPage County. Through a collaboration of mortgage lenders and DuPage County, the program since 1992 has helped 619 low-income families purchase homes through their Homestead/Housing Choice Program in 30 different communities (571 Homestead and 48 Homestead/Housing Choice), with a foreclosure rate of approximately 1%. The attached map illustrates the diversity of H.O.M.E. DuPage Inc.’s Homestead Program over the past thirteen years in terms of both minority participation and geographic distribution. DHOC is requesting $449,970 in HOME funds plus $90,000 in CDBG funds for closing costs to assist a minimum of 25 new buyers. Each buyer would receive down-payment assistance of up to $14,999 (forgivable after 60 months) toward the purchase price of the home. Each buyer also would receive up to $3,000 as a closing cost grant (CDBG Funds). Eligible reimbursable project delivery costs are estimated to be $2,920 per completed transaction. Based on the current spending rate of 2015 HOME funds, a request of $107,514 in HOME funds plus $18,000 in CDBG funds as a closing cost grant to assist a minimum of 6 new buyers appears to be more on pace with the Homestead Program client needs through Program Year 2018. If the Homestead Program experiences a significant increase in clients and additional funding is needed to sustain the program, the H.O.M.E. DuPage Inc. application funding request would allow for the agency to request additional HOME & CDBG funds. H.O.M.E. DuPage Inc. would inform the Community Development Commission of the increased program activity and submit a formal request for additional HOME & CDBG funding. The additional funding requests would be presented to the HAG Committee for recommendation and approval.

2. Executive Summary

2.A Challenges / Opportunities Presented

What portion of our funds should be committed to the Homestead First Time Homebuyers Program through DuPage Homeownership Center? Staff instructed H.O.M.E. DuPage, Inc. to request an amount that would correspond with the number of homebuyers they intend to assist within the Program Years of 2017 and 2018, but this committee needs to determine the relative importance of this program in relation to the amount of HOME funding we receive. Based on the current spending rate of 2015 HOME funds, and the fact that the Community Development Commission is 4 months into Program Year 2018, CDC staff believes $107,514 in 2017 HOME funds is a reasonable funding amount to sustain the Homestead Program through the 2018 Program Year. Historically, H.O.M.E. DuPage, Inc. has been an important partner in the County’s efforts to assist eligible first-time homebuyers. The Homestead Program remains an important tool for low-moderate income first time homebuyers to purchase affordable housing within DuPage County. It is anticipated that this project will benefit 6 households over one program year; H.O.M.E. DuPage
Inc. estimates 4 will be households with children. The current real estate market presents a few challenges for the low-moderate income clients that the Homestead Program assists. One challenge is the rising home prices within DuPage County which makes it difficult for Homestead clients to find an affordable single-family property to acquire. Another challenge is that many property owners are receiving multiple competitive offers increasing the price to over the actual listing, which can put Homestead clients at a disadvantage.

2.B. Risks

Pertinent risk factors for this project are:

| Market          | Moderate. Decrease of clients since 2013 with 145 potentially Homestead eligible clients currently in the pipeline. However, the length of time required for counseling to address credit issues, savings, and debt reduction has increased due to client issues becoming more complex. Also, the current real estate market is a seller’s market and home prices are on the rise, which adds another challenge for low-moderate income buyers. Foreclosure rate for this program has been 1%. |
| Developer       | Low. Applicant has many years of experience and is a HUD Certified Counseling Agency. |
| Financing       | Low. H.O.M.E. DuPage, Inc. has first mortgage commitments through June 30, 2018, and anticipates continued participation by local lenders in their FY 2019, based on the 26-year track record of support for the program. FY 2019 first mortgage commitments were obtained in June 2018. |
| Underwriting Assumptions | Moderate. By limiting the number of forgivable mortgages to no more than $14,999, individual homebuyers are helped to acquire a home without putting the County at exposure to repay the mortgage amount to HUD beyond the five year affordability period. |
| Other           | The proposed project presents a favorable risk profile and is recommended for approval. |

3. Project Market

Homestead serves low-moderate income first-time homebuyers. This market includes low-moderate income non-elderly renters in DuPage County as well as other low-moderate income persons who work in DuPage but cannot afford to live here. H.O.M.E. DuPage, Inc. currently has 321 pre-purchase clients in counseling, 145 of which could be Homestead eligible; typically 25% to 30% complete counseling and purchase homes. Attendance at H.O.M.E. DuPage Inc.’s Homebuyer Education and Gateway to Homeownership Orientation sessions, the entrance points into their pre-purchase counseling, has remained consistent since 2013. However, the number of clients who complete the Homestead Program has decreased since 2013 as evidenced by the number of Homestead closings that have taken place each program year (PY) as follows: PY13 – 20 closings, PY14 – 15 closings, PY15 – 13 closings, PY16 – 12 closings, PY17 – 13 closings, PY18 – 2 closings to date. A significant decrease in Homestead closings has taken place during the 2018 program year with only two closings taking place since April 1st. Historically, the spring and summer months account for the most Homestead closings. To account for the decrease, H.O.M.E. DuPage Inc. is working on policy changes, a more aggressive marketing plan which includes informational postings on their website and in their newsletter, and ongoing promotion
and networking with industry partners at events, which include: Homebuyer Education & Gateway to Homeownership orientation sessions, affordable housing breakfasts, Friends of H.O.M.E. informational gatherings, H.O.M.E. Lender & Realtor Lunch & Learns hosted by H.O.M.E., and H.O.M.E.’s annual gala.

4. Development Entity and Capacity

The DuPage Homeownership Center, Inc., dba H.O.M.E. DuPage, Inc. has offered the Homestead Homebuyer Assistance Program since 1992 to low-moderate income families purchasing in eligible communities in DuPage County. H.O.M.E. DuPage Inc. employs four fulltime professional/certified housing counselors, is an adopter of the National Industry Standards for Homeownership Counseling, provides the HUD-required 8-hour Homebuyer Education Class and free pre-purchase counseling, and has assisted 571 low-income households through Homestead and 48 through Homestead/Housing Choice to become homeowners in DuPage County. H.O.M.E. DuPage Inc. is a HUD-certified housing counseling agency.

5. Proposed Financial Structure

Total development cost to assist a minimum of 6 clients is approximately $1,583,520 dollars and is anticipated to be provided from the following sources (rounded): 87% private bank mortgage financing for homebuyers; 5% homebuyer deposits; 6% DuPage County HOME Funds – forgivable junior mortgage; 1% DuPage County HOME Funds – housing counseling / project delivery; 1% DuPage County CDBG Funds – Closing Costs Grants.

6. Conclusion

The proposed project meets all Notice of Funding Available (NOFA) and Homebuyer Assistance application requirements and has a favorable risk profile. The CDC staff recommendation is that the project be approved for $107,514 in 2017 HOME funds and $18,000 in 2017 CDBG funds for closing cost grants. If the Homestead Program experiences a significant increase in clients and additional funding is needed to sustain the program, the H.O.M.E. DuPage Inc. application funding request would allow for the agency to request additional HOME & CDBG funds. H.O.M.E. DuPage Inc. would inform the Community Development Commission of the increased program activity and submit a formal request for additional HOME & CDBG funding. The additional funding requests would be presented to the HAG Committee for recommendation and approval.
DHOC Homestead Project Locations

H.O.M.E DuPage Homestead
Project Locations
2003-2017

H.O.M.E. Homestead Locations - 2003-2017
Minority:
- No
- Yes

Block Groups with >50% Minority Pop. (2000)
Block Groups with >50% Minority Pop. (2010)

DISCLAIMER: The accuracy of this map is limited to quality of data contained in other public records. This is not a substitute for an actual field survey or field investigation.

Created by DuPage CDC - February 2018

Attachment: 2-HM17-03 DHOC dba HOME DuPage-Underwriting Memo (HM16-03 DHOC dba HOME DuPage, Homestead-Conditional)
DETAILED PROJECT SUMMARY

The DuPage Homestead Program provides prepurchase education and counseling and an affordable financing package to enable qualified low-income first-time homebuyers to purchase a starter home in DuPage County. Through a collaboration of mortgage lenders, the Illinois Housing Development Authority and DuPage County, the program since 1992 has helped more than 600 low-income families purchase homes through our Homestead program in 28 different communities, with a low foreclosure rate of less than 1%. HOME DuPage is requesting $449,970 in HOME funds plus $90,000 in CDBG funds for closing costs to assist a minimum of 30 new buyers. Each buyer will receive down payment assistance of up to $14,999 (forgivable after 60 months) toward the purchase of a home. Each buyer will also receive up to $3000 closing cost grant (CDBG Fund). And, $2920 per transaction (HOME Funds) will be allocated for HOME DuPage delivery costs.

The project is a HOME DuPage provided housing education and counseling for low-income homeownership. Since 1991, HOME DuPage, Inc. and currently is a HUD-approved non-profit housing counseling agency providing a special financing structure in cooperation with DuPage County Community Development Commission HOME funds to boost buying power for eligible low-income first time home buyers in DuPage County.

Homestead serves low-income first time homebuyers. This market includes low-income non-elderly renters in DuPage County as well as other low-income who work in DuPage County but cannot afford to live here. According to market analysis by the Illinois Association of Realtors, DuPage County the 2nd largest county in Illinois (population approx 1 million) consistently (each quarter year over year) has the highest median single family home price in the state of Illinois. As the housing market recovers from the Great Recession, single family home (SFH) prices are rebounding. Over the past few, the median SFH price has increased. However, we most likely will not have another explosion in housing prices, wages are not keeping pace with the rise in housing costs. This is affecting affordability for low wage earners. Currently we have 321 pre-purchase clients in counseling 145 of which could be Homestead -eligible.

While the number of Homestead-eligible clients remains steady year after year the length of time required for counseling to address issues such as credit, savings, and reducing debt have been more complex, additional time is required for counseling for these clients. Policy changes, longer counseling times, along with plans for more aggressive marketing are in our plans for Homestead in this current cycle as well as 2018 cycle.
DuPage Homestead Program Information Packet

Having trouble affording a house in expensive DuPage County? Our special mortgage financing can help!

What is the DuPage Homestead Program? H.O.M.E. DuPage, Inc. (H.O.M.E.) a non-profit, HUD-certified housing counseling agency, created the Homestead Program in 1992 to help first-time homebuyers who were being priced out of the high-cost DuPage housing market. Homestead uses a reduced-interest mortgage-financing package to boost the buying power of income-eligible first-time buyers to enable them to afford a home in DuPage County. Because you are paying less in interest charges than with market-rate financing, you can afford more house!

How do I qualify for the Homestead Program? You must meet ALL of the following eligibility criteria at the time you close on a home. Counseling may help you to meet some criteria that you do not currently meet. Meeting these criteria does not guarantee that you will get a loan.

1. None of the applicants have owned a home as their principal residence in the past three years.
2. Applicants have a minimum 660 credit score (lowest score)
3. Any bankruptcies must have been discharged at least two years and you must have reestablished at least 24 months of traditional credit (this is our minimum standard, lender requirements may call for additional seasoning).
4. None of the applicants owes federal, state or local tax debts.
5. All occupants of the home must be U.S. citizens or permanent resident aliens.
6. Total TAXABLE GROSS household income cannot exceed the following limits (taxable gross income is defined as income from all taxable sources, before deductions, projected forward for the next 12 months for all household members age 18 and over):

<table>
<thead>
<tr>
<th>Family Size</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Income*</td>
<td>$47,400</td>
<td>$54,200</td>
<td>$60,950</td>
<td>$67,700</td>
<td>$73,150</td>
<td>$78,550</td>
<td>$83,950</td>
<td>$89,400</td>
</tr>
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</table>

*Income guidelines are determined by HUD and adjusted annually (updated June 1, 2018).

What are the downpayment requirements? You must put down at least 5%. Of this, a minimum of 1% or $1000, whichever is greater, must be from your own funds. Beyond that, you can put additional money toward the downpayment, and up to $10,000 of any amount over 1% can be from a gift from a relative. In addition to your downpayment, you must have one mortgage payment in reserve after you close (lender may require additional payments in reserve). For example, if your monthly mortgage payment is $1,000, you must have $1,000 set aside at closing in a "rainy day fund" for emergencies. This is for your own financial protection. Your housing counselor will explain this requirement in greater detail.

Does H.O.M.E. DUPAGE, INC. charge any fees to participate in Homestead? We charge a fee of $40 for our Homebuyer Education class. Prior to counseling we charge $20 per applicant for a merged credit report. (Please note – if you have had credit issues in the past, we may need to pull more than one credit report during the course of your counseling with us to determine whether or not you have improved your credit scores.)
Are there any restrictions on the house I can buy? You select the house you want to buy with the following restrictions: (1) The house price will depend on what you can afford, but in no case can it exceed $261,000; (2) The house must be located in DuPage County; (3) The home may NOT be located in Aurora or Bolingbrook; (4) No multifamily dwellings (you can buy a condominium, townhouse, or your side of a duplex); (5) The house must pass a DuPage County Housing Quality Standards inspection; (6) You must be able to afford the property as determined by your counselor and mortgage lender.

Can I buy a house through this program if I have bad credit or too much debt?
H.O.M.E. DUPAGE, INC. will counsel you on budgeting and credit management so that eventually you may qualify for a mortgage. Please understand that you may be facing six months or more of work to address past problems before you can qualify for a mortgage. DON'T BE DISCOURAGED! It is definitely worth the time and effort to become financially stronger so that you can eventually buy a home. We encourage you to enter the program.

How long will it take to buy a home through the Homestead Program?
That depends on two key factors:

1. Your financial situation when you enter the program – you have to meet the underwriting criteria for the first mortgage product program. Some of the key concerns will be minimum down-payment, credit scores and time on the job. These criteria change from time to time based on what is happening in the mortgage lending industry. (For example, in the wake of the recent foreclosure crisis, lenders are raising the minimum required credit scores.) Your housing counselor will advise regarding these issues.

2. The availability of funds - because this program is partially funded using government money, H.O.M.E. DUPAGE, INC. has only limited control over both the timing and amount of funds available.

Remember that counseling can help you work through credit problems and other issues if you do not qualify to purchase when you enter the program.

How do I enter the program?

We now offer two ways to enter counseling at H.O.M.E. DUPAGE, INC. Our new GATEWAY TO HOMEOWNERSHIP ORIENTATION is recommended for people who are not yet ready to buy due to one or more of the following:

- FICO scores below 620
- Less than two years continuous employment in the US
- Credit issues such as collections, judgments, charge offs or tax liens or a bankruptcy, foreclosure, short sale or deed-in-lieu within the past three years.
- Have little money saved for a down payment
STEP ONE: Attend a Gateway to Homeownership Orientation or a Home Buyer Education Class. YOU MUST ATTEND ONE OF THESE CLASSES BEFORE YOU CAN PROCEED TO THE NEXT STEPS. All household members age 18 and over must attend the class, except adult children or senior relatives living in the home who will not be on the mortgage (although any income they receive must be disclosed to determine household program eligibility). There is a $20.00 charge per household for the Gateway to Homeownership Orientation and $40.00 per household for Home Buyer Education. These fees are for materials and are non-refundable.

STEP TWO: Obtain an Application Package at the Class.

STEP THREE: Read the Application Package carefully and complete ALL of the fields.

STEP FOUR:

➢ Assemble COPIES from the Document Checklist that is on page 3 of the application.

➢ A check or money order for $20 per applicant for your credit report, made payable to H.O.M.E. DuPage, Inc.

Please note that we cannot accept originals and we cannot make copies for you.

STEP FIVE: Submit your completed application form and documents to

H.O.M.E. DuPage, Inc.
1600 East Roosevelt Road
Wheaton, IL 60187

You can submit your information by mail. When we receive your package, we will call you to schedule an appointment for an individual intake session. If we cannot reach you within 30 days, we will mail your credit report payment back to you and shred your documents.

You also can deliver your information in person to our offices most weekdays. Please call ahead to make sure someone will be available to receive your documents – (630) 260-2500, ext. 2501. When you hand them in, we will schedule an appointment for you to come back for an individual intake session. REMEMBER, PLEASE CALL AHEAD BEFORE COMING SO YOU DON'T WASTE YOUR TIME!

STEP SIX: At your individual intake session, you will meet with a housing counselor who, prior to the meeting, will have reviewed your documents, obtained your credit report, assessed your initial eligibility for the program and estimated your purchasing power based on the information you provided. The counselor will develop a customized Homeownership Action Plan for you detailing a suggested course of action to help you achieve homeownership. This may include recommendations for addressing credit problems or other barriers that may be preventing you from becoming a homeowner. It also will include a list of any additional information we need from you in order for you to move forward in the program. If the counselor discovers you are not eligible for the Homestead Program, she will provide information on other resources to help you purchase a home.

STEP SEVEN: You will be responsible for working on any issues identified in the Homeownership Action Plan. Your housing counselor will contact you periodically to check on your progress and you can feel free to contact her with any questions or concerns you might have. You will remain in our active client database as long as you wish while you are working on your Action Plan, provided you maintain contact with your counselor.
STEP EIGHT: When you have completed your Action Plan (however long that takes will depend on your individual circumstances), you will be placed in our “Market Ready” pool. If you have not completed Homebuyer Education with one year you will register to take this class to receive certification. You will then be referred to a participating Lender for pre-approval of 1st mortgage financing. (Please note: If the number of “Market Ready” clients exceeds the amount of available funds, applicants will be prioritized based on the date of their initial intake session.)

STEP NINE: Market ready clients attend a Homestead placement education session (either group or individual session, depending on number of clients who are ready and availability of funds) covering the specifics of the Homestead transaction before they begin shopping. Once you are pre-approved for financing by a participating lender, and you have attended your placement education session, you can shop for a home.

Some Important DON’TS:
- Do NOT bring originals of your personal documents. We will accept copies only.
- Do NOT ask our staff to make copies; we do not have the time or budget to do this for you.
- Do NOT leave your documents in the unsecured mailbox outside our door. We cannot be responsible for any items left outside our offices.
- Do NOT shop for a home until you are accepted into the program and PREAPPROVED for financing (see Step Nine above).

Questions? Call the H.O.M.E. DuPage, Inc. at (630) 260-2500 or visit our website at www.homedupage.org.
# How the DuPage Homestead Program Works

Homestead provides first mortgage financing at interest charges relative to what you would pay if you used regular market financing. Because there is an interest-free second mortgage, you pay less in total interest so more of your money goes directly toward the purchase price of the home, enabling you to afford more. Homestead is what we call a "layered financing package." Here's how the layers work:

<table>
<thead>
<tr>
<th>Amount of Funds</th>
<th>Source of Funds</th>
<th>Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>First Mortgage</td>
<td>Participating mortgage lender</td>
<td>30-year fixed-rate mortgage at a market interest rate. You will make monthly payments to the first mortgage lender.</td>
</tr>
<tr>
<td>Sales price, less 5% down payment, less second mortgage</td>
<td>DuPage County's HOME federal block grant</td>
<td>No monthly payments; no interest charges or shared appreciation; forgiven over 5 years</td>
</tr>
<tr>
<td>Second Mortgage</td>
<td>Minimum $1,000 or 1% of the sales price, whichever is more, from borrower's savings</td>
<td>Up to $10,000 may be a gift from a relative</td>
</tr>
<tr>
<td>Downpayment</td>
<td>DuPage County</td>
<td>No repayment required. Grant is not available for purchase in Naperville.</td>
</tr>
<tr>
<td>Up to $3,000</td>
<td></td>
<td></td>
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</tbody>
</table>

- **1st Mortgage** - Sales price MINUS 2nd Mortgage and Downpayment
- **2nd Mortgage** - DuPage County HOME Program - up to $14,999
- **Downpayment** - 5% of Purchase Price (minimum 1% of borrower's own funds)