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Memorandum

To: Community Development Commission

From: Jonathan Burch, P.P. AICP, Senior Planner

Re: Request for Project Changes
H1061- Lake County Downpayment Assistance

Last October, AHC sought and received approval change all three of its HOME funded homebuyer assistance programs (Waukegan, North Chicago and Lake County). The approvals for the Lake County program consisted of phasing out the previous Affordable Plus Mortgage and restructuring the remaining Lake County and Illinois Housing Development Agency (IHDA) assistance into a new loan package. These changes were necessary due to slow loan production since the recession and growing balances of unused HOME funds. Since rolling out the new loan program in late 2010, AHC has significantly increased its expenditure rate, reducing the total available balance of Lake County homebuyer funds from over \$250,000 to \$182,000 due increased demand for the program.

While the current program is a success, AHC seeks approval to revise the current Lake County HOME funded homebuyer assistance program (H1061) due to IHDA funding shortages. The attached memo from AHC outlines the proposed changes and the reasoning behind the request.

Review Comments

The structures of the revised programs would conform to the HOME regulations. Moreover, while the structure of the current program is successful, the unavailability of additional IHDA funding to replenish its component of the current loan package offered by the program ensures that insufficient IHDA funds remain to fully expend the County's HOME funds as presently configured. The changes proposed by AHC would reduce the amount of funding to each household but would allow for the maximization of all remaining IHDA funds.

Staff Recommendation

Staff recommends that the Community Development Commission approve the proposed changes and authorize Staff to prepare a revised contract with AHC for the H1061 grant.