

August 19, 2011

Joel Williams

Community Development Administrator



500 West Winchester Road, Unit 101

Libertyville, IL 60048-1371

Phone 847.377.2475

Fax 847.984.5745

communitydevelopment@lakecountyil.gov

# Memorandum

**To:** Community Development Commission

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

**Re:** Request for Project Changes  
H1163 Lake County Downpayment Assistance  
C1101 AHC Rehabilitation Administration

---

As conditions in the housing market have deteriorated, demand for the homeowner rehabilitation program operated by AHC using Lake County CDBG and HOME funds has dwindled. The lower than anticipated demand for the program resulted in a slower than expected expenditure of the H0865 HOME homeowner rehabilitation grant. Additionally, AHC was unable to fully expend its C1001 CDBG grant (these funds provide AHC with administrative costs to run the program).

Due to the reduced demand for the current homeowner rehabilitation program along with the large available balance on the active Lake County Downpayment Assistance grant (H1061), AHC is seeking three primary changes in its rehabilitation program to efficiently and effectively use the HOME and CDBG funds awarded to AHC in PY2011.

- AHC will repurpose H1163 (\$150,000) from Lake County homebuyer assistance to the operation of an NSP-styled purchase/rehab/resale program;
- The outcomes of the C1101 Rehabilitation Administration Grant will be revised to incorporate the H1163 proposal; and
- An anticipated excess of rehabilitation administration funds (\$19,201.60) from the C1101 grant will instead be used to directly fund additional homeowner rehabs.

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 both HOME and CDBG regulations.
- With the approved October 2010 changes to H1061 along with the repurposing of H1163 proposed at this time, the total balance of HOME funds for Lake County homebuyer assistance with have been reduced from over \$400,000 to \$182,000.
- AHC's marketing and resale of purchased NSP homes demonstrates an ability to resell homes once purchased.

## Staff Recommendation

Staff recommends that the Community Development Commission approve the proposed changes to both the H1163 grant and the C1101 grant. Final approval of the CDC changes to the H1163 and C1101 grants would be subject to a public comment period as the nature of the requested changes require a substantial amendment of the 2011 Action Plan.