



Affordable Housing Corporation of Lake County

Date: February 6, 2014
To: Community Development Commission
From: Lisa Pugliese
Re: Request to Repurpose A1391

The Affordable Housing Corporation of Lake County (AHC) requests consideration for repurposing of Affordable Housing Program contract A1391, awarded for the purpose of foreclosure prevention counseling and mediation.

AHC and Community Development staff have been involved in ongoing discussions to nurture a mutual understanding of each other's resources, processes, priorities and constraints—and how these have changed over the short and long term. Two such items are particularly relevant as relates to the A1391 contract.

The development of the Lake County Residential Real Estate Mortgage Foreclosure Mediation Program has generated new privately-funded resources to support foreclosure prevention education and counseling. The funding amount exceeds our original estimates, and should adequately support our program for the time being.

Conversely, funding for other housing education and counseling activities is woefully lacking. Foundation and private funding opportunities for housing counseling in Lake County is nil. HUD housing counseling grant dollars are truly minimal and offer no chance for any sizable growth. HOME regulations disallow reimbursement of many of our pre-purchase counseling services, and also deem all post-purchase activities as ineligible.

Repurposing A1391 to support more general counseling and operational services would fill a gap in our funding base and allow these valuable services to continue—specifically, serving about 400-450 households annually with homebuyer education and counseling. Effective homebuyer support services can ultimately result in the need for fewer foreclosure prevention services. Its importance is validated in HUD and Lake County Community Development Department's planning and policy documents, as all end-buyers benefitting from HOME, CDBG, NSP and AHP dollars are required to participate in counseling.

Please accept my apologies for my absence at the February 12 meeting where this item is to be discussed; I have had a prior engagement scheduled months ago that required my attendance. Feel free to contact me at 847/263-7478 or lpugliese@ahclc.org if I can answer any questions. As always, we thank you for your continued partnership and support.