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**TO:** Housing & Community Development  
Commission

**FROM:** Community Development Staff

**RE:** Proposed Reduction in Period of Staben House HOME Mortgage

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In 1995, Waukegan Township received HOME Investment Partnerships Program ("HOME Program") funding of \$100,000 and Supportive Housing Program ("SHP") funding of \$62,980 for the Staben House. The HOME Program is designed to help create affordable housing for low-income individuals. SHP was used to help provide both housing and related supportive services for people moving from homelessness to independent, supportive living. The HOME Program and SHP funds were used together to acquire and rehabilitate the Staben House building.

As a result of the dual program funding, Lake County currently holds two mortgages (one HOME Program and one SHP) and one land use restriction agreement on the property. All three documents were executed in June, 1996. The HOME Program mortgage is for a period of 20 years, and the land use restriction agreement is for a period of 15 years.

Under the HOME Program regulations, the HOME Program mortgage could have been for a period of only 15 years, in line with the land use restriction agreement. Throughout the length of the project, Staben House has remained in compliance with the HOME Program requirements.

Community Development staff recommends changing the period of the HOME Program mortgage from 20 years to 15 years in line with HOME Program regulations. This reduction in the HOME period of affordability reduces the risk to Lake County of potential future non-compliance and the administrative burden of performing HOME monitoring on this property.

If approved, this change would allow Lake County to release the HOME Program mortgage immediately. If unable to change the tenure of the mortgage, Lake County could not release it until June, 2016. Financially, there is no loss to Lake County by reducing the term of the mortgage and subsequently releasing the mortgage. This decision will not impact the SHP mortgage on the property.