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CPAH is a tax-exempt,
501(c)(3) nonprofit
charitable organization.
Tax ID# 06-1683983

August 10, 2016

Ray Rose, Chair
Community Development Commission
500 W. Winchester Rd. Unit 101
Libertyville, IL 60048

Dear Chairman Rose,

Thank you so much for the Community Development Commission's support of Community Partners for Affordable Housing (CPAH). To date, we have completed over 75 homes that will provide housing stability for over 825 local families in the years to come. CPAH is recognized nationally and is widely viewed as a model throughout the region. None of this would be possible without tremendous supporters like Lake County Community Development Commission. Please find the attached PY2016 CDBG Application from Community Partners for Affordable Housing (CPAH).

With this request, CPAH plans to extend its work into Highwood, developing affordable housing units that will remain affordable in perpetuity because of the Community Land Trust model. CPAH's Community Land Trust program seamlessly fits into the neighborhood by acquiring and rehabbing existing homes which are sold or rented at an affordable price to local households. This helps to preserve the affordable housing stock while also promoting access and diversity. Although Highwood is not currently on IHDA's "non-exempt" list, the community does not have a concentration of affordable housing. In fact, proposed new high-end developments and the expected loss of much of its affordable housing stock makes it a critical time for CPAH to begin working in Highwood to develop permanently affordable housing.

We look forward to a continued partnership with Lake County to achieve our shared goal of providing affordable housing for low- and moderate-income households who struggle to meet their basic human need for housing.

Please don't hesitate to contact me any questions or additional information.

Sincerely,

Kim Ulbrich
Executive Director



Lake County 2016 CDBG

Grant Application for Community Partners for Affordable Housing's Highwood Scattered-Site Homebuyer Pilot Program

Organization Information

Name of Organization: Community Partners for Affordable Housing

Address: 400 Central Avenue, #111

City, State, Zip: Highland Park, IL 60035

Phone: 847-681-8746 **E-mail:** kulbrich@cpahousing.org

Contact Person: Kim Ulbrich, Executive Director

Amount of Request: \$175,000

1. Describe in detail the activity for which you are requesting funds. Please include detailed information, where available, and photos and maps where applicable.

CPAH will identify and purchase one home located in Highwood. Once acquired, CPAH will conduct rehabilitation as necessary to bring the house into compliance with Lake County Rehabilitation Standards and to market to qualified low income buyers in Highwood. The proposed home will have 2-3 bedrooms to accommodate larger households and will be located in Highwood in proximity to public transit. CPAH will continue to focus on foreclosed homes in order to serve a double community benefit of providing permanently affordable housing and addressing blighted properties. The City of Highwood is currently completing an inventory of all properties within their limits and is hoping to work with CPAH on acquisition opportunities. Please see the attached property listings as possible sites for redevelopment.





All properties will be zoned residential; rezoning will not be required. The properties acquired will be existing units with adequate public infrastructure. The homes will not be on the list of National Historic Places, be located in wetlands or have other environmental risks. CPAH has a very successful track record of identifying and acquiring properties and has never had difficulty securing properties or completing projects on time. This is a very low-risk project with no barriers to block or stall completion. CPAH's track record also proves that the organization exceeds compliance requirements and is not burdensome on Lake County Staff.

Once CPAH completes a thorough environmentally sustainable rehabilitation, it will then sell only the home, or the "improvement," to a low income-qualified buyer at an affordable price. CPAH retains ownership of the underlying land and leases the land to the homebuyer for \$25 per month via a 99-year, renewable ground lease. The purchase price for the homebuyer is typically 40% - 65% below the market value. If the resident later wants to sell their CPAH home, it is sold to another income-qualified buyer or back to CPAH at a formula price designed to give the homeowner a fair share of appreciation, while still keeping the home affordable for the next buyer. These units will remain affordable forever, helping household after household.

The resale restrictions maximize the cost-effectiveness of public and private investment and provide an opportunity for low-income households to build equity – a potentially life-changing opportunity that is not available to many low-income households. People who live in affordable housing tend to be more stable, long-term employees because they do not need to move so often and don't face difficulties coming to work regularly. Businesses also benefit because affordable housing helps to create a stable workforce because turnover and absenteeism.

2. Why is this project needed today?

CPAH develops and stewards properties on behalf of the community. This is a proactive solution to the rising land prices in high opportunity areas where surrounding property values are higher. Highwood has very desirable amenities, including a downtown with good transportation access. CPAH's program is consistent with the goals and priorities established in the PY2015-2094 Consolidated Plan. This application specifically addresses the Priority Needs: Goal #1. "Rehabilitate Existing Housing: Affordable & Special Needs." Also it helps address several Lake County Strategic Planning goals including enhanced economic opportunities, promoting a sustainable environment and building healthy and resilient communities. Furthermore, the program helps address many of the goals in Lake County's Framework Plan including, "promoting affordable housing in communities with a large percentage of upscale housing and that are located near transit and employment centers." Finally, CPAH helps to address impediments to fair housing as identified in the 2014 Lake County Analysis of Impediments to Fair Housing report which indicated that affordable housing should be more proactively dispersed throughout the County rather than being concentrated in "areas where there are already heavy concentrations of affordable housing."

3. Who will be served by this project?

CPAH's target population is low-income households who earn between 60% - 80% of the area median income (approximately \$45,000 – 60,000 for a household of 4) and either live or work in Highwood. CPAH residents are often low-income renters in the community, regional workers who cannot afford to live near work, single-parent households, seniors, households faced with the death of a wage-earner, families going through a divorce, persons with disabilities, young persons who grew up in the community but cannot afford to return as adults, households experiencing job losses and families losing their housing due to other personal or economic hardships. CPAH makes every effort to match household size with the size of each unit to ensure that homes are not underutilized. CPAH often serves healthcare workers, retail staff, childcare providers, seniors, municipal employees, nonprofit staff, single parents, and persons with disabilities and others who struggle to meet their basic human need of housing.

4. Why are CDBG funds needed for this project? What other funding sources have been solicited?

Specific Program Funding CPAH is requesting \$175,000 for project support to expand our successful Scattered Site Homebuyer Program to Highwood.

Developing affordable housing in Highwood is a natural progression for Community Partners for Affordable Housing. Unfortunately, the challenge has been that Highwood does not have the ability to provide local matching funds for grants that require leverage and match. CDBG presents an opportunity to work in Highwood without requiring local funds for leverage and match. However, CPAH will be submitting an application for a grant from Enterprise Community Partners, Inc. as well as not taking a developer fee. In addition, the realtor commission earned on property acquisition will be donated back to CPAH, and the home inspector will donate his services as well. That results in approximately \$14,000 being donated to the project by CPAH, the realtor, and the inspector.

Finally, CPAH continues to work diligently to develop matching sources of funding for Highwood. These matching funds could come from local business partners or other sources, though none are available at this time. CPAH believes that the CDBG funding and subsequent project will make it possible to show a completed project to those businesses and possible other donors, hopefully resulting a commitment from those potential partners to raise matching funds for future projects. While Lake Forest had its own matching funds, this is how CPAH started its work in Lake Forest -- with a scattered-site pilot program. This was very successful in developing relationships with city officials and city staff, as well as the community. CPAH was able to demonstrate how affordable housing seamlessly fits into the neighborhood. Although Highwood is not currently on IHDA's "non-exempt" list, the community does not have a concentration of affordable housing. In fact, proposed new high-end developments and the expected loss of much of its affordable housing stock makes it



a critical time for CPAH to begin its work in Highwood, and help preserve an affordable housing stock that will remain affordable in perpetuity.

5. Any construction contract over \$2,000 will be subject to Federal Davis-Bacon prevailing wage and Section 3 requirements. How do you plan to meet these requirements?

CPAH has previously partnered with for-profit developers as well as general contractors on projects where Davis-Bacon, Section 3 requirements, MBE/WBE and/or Illinois Prevailing Wage were required. Each contract will incorporate labor standards clauses, a Davis-Bacon wage decision, and certifying procedures. CPAH's budget, payroll, and contractors will comply with the Davis-Bacon and Section 3 and all other federal requirements.

6. Please indicate how this project will be completed by April 30, 2018, including a proposed schedule for this project.

CPAH has a proven track record with its Scattered-Site Housing Program in Lake County. CPAH can complete projects promptly through its established relationships with local housing and community professionals. Typically, CPAH has an identified buyer for a property before rehab is complete. CPAH receives over 1,000 calls per year for information about affordable housing and has over 30 households on its homeownership waiting list and over 250 on its rental waiting list. Most CPAH homes are under contract before rehab is complete. Safe, decent and affordable housing is a basic, under-met need in Highwood and there is a clear market need.

7. Please attach proposed budget (sources & uses) for this project. Leverage is helpful but not required.

8. If you are a developer or non-profit agency, please attach:

- Agency Audit (most recently complete)
- Certification of non-profit status (copy of IRS letter) - if applicable.
- Articles of Incorporation or LLC documentation.
- Copy/summary of non-discrimination policy covering recruitment/placement of staff, volunteers, and clients. If the organization does practice discrimination in any of the above, please explain.
- Organization Chart, limited to program impacted by project.
- Proof of registration at www.sams.gove

9. Please explain the extent to which your proposed activity will serve residents at or below the following CDBG-Eligible income levels (based on household size):

CPAH's target population is low-income households who earn between 60% - 80% of the area median income (approximately \$45,000 – 61,500 for a household of 4) and either live or work in Highwood. CPAH follows a written resident selection plan and is an Equal Housing Opportunity provider that conducts business in accordance with the U.S. Fair Housing Act, the Illinois Human



Rights Act. CPAH maintains one waiting list for its homeownership program and one waiting list for its rental program, although applicants can be added to both lists if desired. Preference is given to applicants who live or work in the community where the home is located. All prospective buyers are required to attend an orientation workshop and apply for a mortgage pre-approval from a participating lender.

	1	2	3	4	5	6	7	8
80% of Median	\$43,050	\$49,200	\$55,350	\$61,500	\$66,450	\$71,350	\$76,300	\$81,200

OUR MISSION

To provide access to quality housing that is permanently affordable for current and future generations.

CORE PRINCIPLES

1. *Perpetual Affordability:* We will provide housing opportunities for low- and moderate-income households that will permanently remain affordable for future families.
2. *Community Stewardship of Land:* We will steward land to provide affordable housing for the benefit of the communities in which the land is located.
3. *Diversity:* We will offer a range of housing styles, types, locations, sizes and prices in order to meet the needs of a wide array of families and individuals. We will promote cultural and economic diversity.
4. *Community Vibrancy:* We will strengthen communities by protecting existing housing stock, preserving neighborhood character and providing affordable housing opportunities that are necessary in order to foster diverse, vibrant and sustainable communities.
5. *Support:* We will continue to assist and advocate on behalf of the organization's homeowners and renters to ensure their success, help realize the full benefits of our program and encourage participants to fully engage in the community.
6. *Sustainability:* We will create quality housing that is environmentally sustainable.
7. *Representative Governance:* We will identify key stakeholders and involve them in the decision making of the organization, particularly persons who own or rent housing through our program.
8. *Integrity:* We will maintain the highest level of integrity in all of our work, carefully consider the best interest of our clients, evaluate the community and social impact of our actions, ensure responsible risk-taking and balance fiscal and social responsibility.
9. *Flexibility:* We will remain flexible in order to meet changing community needs.

10. *Advocacy & Education:* We will raise awareness about the need for affordable housing and educate the public about the community benefits of having a diverse range of housing opportunities.

Community Partners for Affordable Housing (CPAH) is a nonprofit 501(C) (3) organization that creates public-private partnerships to preserve, maintain and develop permanently affordable housing (ownership and rental) low- and moderate-income households. CPAH helps bridge gap between the high cost of housing and the incomes of many low-income households live and work in the community healthcare workers, school staff, retail staff, seniors,



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persons with disabilities, as well as those who are experiencing a change of circumstances such as a divorce, or the unexpected loss of a spouse and many other community members who struggle to meet their basic human need of housing. CPAH is a Community Land Trust (CLT), the first in Illinois, and is the only provider of affordable housing in Lake County that is intentionally structured to ensure that each housing unit remains affordable in perpetuity. CPAH is also the first affordable housing provider in Illinois to receive a Leadership in Energy and Environmental Design (LEED) – Gold certification from the U.S. Green Building Council. CPAH is a HUD-certified Community Housing Development Organization (CHDO). The organization remains at the forefront of affordable housing and is widely recognized as a leader in Illinois and throughout the country.

Signature: Kim Ulbrich

Date: 8/10/2016

Printed Name: Kim Ulbrich

Title: Executive Director