	AGENDA ITEM EXECUTIVE SUMMARY		Agenda Item number: 3a
	Title:	Recommendation to approve an Intergovernmental Agreement with Kane County regarding St. Charles Housing Trust Fund Administration and Management Services.	
	Presenter:	Ellen Johnson	
Meeting: Planning & Development Committee		Date: June 11, 2018	
Proposed Cost: N/A	Budgeted Amount: N/A	Not Budgeted: <input type="checkbox"/>	
Executive Summary <i>(if not budgeted please explain):</i>			
<p>At the 3/12/18 joint meeting of the City Council and Housing Commission, the City’s participation in the Kane County Affordable Housing Fund (AHF) was discussed. The AHF was established by the County to provide gap financing to developers of affordable housing. Funding is available to developers for projects in Kane County that meet defined affordable housing criteria. Developers apply for funds by providing proposals during the County’s annual application cycle. Projects are reviewed and approved by the Kane-Elgin HOME Commission.</p> <p>Direction was provided to staff to pursue City participation in the AHF by contributing Housing Trust Fund dollars into the AHF, to be used for projects located in St. Charles. An Intergovernmental Agreement between the City and County has been prepared in this regard.</p> <p>The IGA allows for Kane County to administer the City’s contributions into the AHF as well as management of the City’s two housing programs:</p> <ol style="list-style-type: none"> 1. Home Rehab & Accessibility Loan Program – This existing program is currently administered by Community Contacts, Inc. on behalf of the City. It provides up to \$10,000 in City assistance to help income-eligible homeowners make necessary repairs to their home. This is a 0% interest, deferred payment loan, and is supplemental to assistance available through Kane County’s program. Since its creation in 2010, a total of 5 loans have been made through this program. 2. First-Time Homebuyer Loan Program – This is a new program. Planning & Development Committee recommended creation of this program by unanimous vote on 1/7/17. The program will be supplemental to Kane County’s First-Time Homebuyer Program. \$10,000 is offered by the County and an additional \$10,000 will be offered by the City in the event that additional funds are needed to meet the County’s underwriting criteria. Funds will be offered in the form of a 0% interest, deferred payment loan. <p>The IGA includes the following:</p> <ul style="list-style-type: none"> • Scope of work regarding County administration of the three initiatives detailed above (see Attachment A of the IGA and the attached AHF Process Flowchart). • City’s budget for the three initiatives. This is currently blank and is up for discussion by the Committee. The City will reimburse the County for expenses associated with the scope of work. Funds will remain in the Housing Trust Fund until payments are made following requests for reimbursement. • The term of the agreement is open-ended. The budget allocation will not necessarily be made on an annual basis. Additional funds can be allocated by the City at any time by amending the IGA. The County will provide the City with progress reports detailing the balance of the City’s current allocation. The City will have the ability to add additional funds as needed based on usage of the programs. • A seat on the Kane-Elgin HOME Commission will be created for the chair of the St. Charles Housing Commission. The Kane-Elgin HOME Commission reviews and recommends financing of projects under the AHF. The Housing Commission will review and approve financing for projects that utilize St. Charles funds. 			

Housing Commission Recommendation

Housing Commission reviewed the IGA on 5/24/18 and recommended approval of the IGA, as well as a suggested Housing Trust Fund allocation of \$500,000, budgeted as follows:

- Home Rehab Program: \$42,000 (enough for 4 loans)
- First-Time Homebuyer Program: \$42,000 (enough for 4 loans)
- Affordable Housing Fund: \$416,000 (the County estimates this amount would last for 2+ application cycles)

The City Attorney has reviewed the IGA and finds it acceptable.

Staff is seeking the Committee's approval of the IGA, as well as the initial budget for each of the three programs. The current balance of the Housing Trust Fund is \$730,318.87.

Attachments *(please list):*

Intergovernmental Agreement; AHF Process Flow-Chart; Affordable Housing Fund Program Guidelines Program Descriptions: Home Rehab & Accessibility Loan Program & First-Time Homebuyer Program

Recommendation to approve an Intergovernmental Agreement with Kane County regarding St. Charles Housing Trust Fund Administration and Management Services.

Intergovernmental Agreement
St. Charles Housing Trust Fund Administration and Management Services

THIS AGREEMENT, made and entered into this _____ day of _____, 2018, by and between the City of St. Charles, an Illinois municipal corporation (the "City"), and Kane County, a body corporate and politic (the "County"), which are collectively known as "the parties."

WITNESSETH:

WHEREAS, the City has established a Housing Trust Fund for the purpose of providing and preserving affordable housing within its jurisdiction for the benefit of current and future residents; and

WHEREAS, the City has also established a Housing Commission, which is charged with assisting the City in the operation and implementation of the Housing Trust Fund; and

WHEREAS, the County, through its Office of Community Reinvestment, has received annual allocations of federal funding to support various housing and community development initiatives since 1998 and has successfully developed and implemented those initiatives; and

WHEREAS, the Office of Community Reinvestment has the experience and qualifications to assist the City with the administration of programs approved by the City utilizing its Housing Trust Fund; and

WHEREAS, the City has determined it to be in its best interest to obtain program management services from the Office of Community Reinvestment for the effective implementation of programming under its Housing Trust Fund; and

WHEREAS, units of local government have had conferred upon them the following powers by Article VII, Section 10(a) of the 1970 Constitution of the State of Illinois:

"Units of local government and school districts may contract or otherwise associate among themselves, with the State, with other states and their units of local government and school districts, and with the United States to obtain or share services and to exercise, combine or transfer any power or function, in any manner not prohibited by law or by ordinance. Units of local government and school districts may contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law or by ordinance. Participating units of government may use their credit, revenues, and other resources to pay costs and to service debt related to intergovernmental activities;" and

WHEREAS, the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.), enacted by the State of Illinois provides in part as follows:

"Section 3. Intergovernmental cooperation. Any power or powers, privileges, functions, or authority exercised or which may be exercised by a public agency of this State may be exercised, combined, transferred, and enjoyed jointly with any other public agency of this State and jointly with any public agency of any other state or of the United States to the extent that laws of such other state or of the United States do not prohibit joint exercise or enjoyment and except where specifically and expressly prohibited by law."

“Section 5. Intergovernmental contracts. Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking or to combine, transfer, or exercise any powers, functions, privileges, or authority which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be approved by the governing bodies of each party to the contract and except where specifically and expressly prohibited by law. Such contract shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties;” and

WHEREAS, the parties to this Agreement have had conferred upon them the exercise of powers authorized in Chapter 65 of the Illinois Compiled Statutes (known as the “Illinois Municipal Code”), and Chapter 55 of the Illinois Compiled Statutes (known as the “Illinois Counties Code”).

NOW, THEREFORE, upon the consideration of the mutual promises contained herein and upon the further consideration of the recitals hereinabove set forth, it is hereby agreed between the City and County as follows:

1. **INCORPORATION OF RECITALS**

The recitals set forth above are hereby incorporated into this Agreement in their entirety as though fully set forth herein.

2. **SCOPE OF SERVICES**

The County shall provide affordable housing services on behalf of, and within the corporate limits of, the City. In general, these services shall include the provision of housing rehabilitation assistance to eligible homeowners, first-time homebuyer assistance to eligible homebuyers, and financing for the development or redevelopment of units of affordable housing, all of which shall be funded by the City’s Housing Trust Fund. The specific duties and responsibilities to be performed by the County are outlined in Attachment A, “Scope of Services” (hereinafter referred to as the “Services”). Any other provisions of this Agreement or the attachments hereto notwithstanding, the City shall have and retain sole discretion and authority in selecting the projects and activities to be funded by the City’s Housing Trust Fund and the administration of any such projects and activities.

3. **WORK PRODUCTS**

All work products prepared by the County pursuant hereto including, but not limited to, reports, studies, plans, and recommendations shall be the property of the City and shall be delivered to the City, in both hard and electronic formats, upon request of the City. The County may retain copies of such work products for its records.

4. **PAYMENTS TO THE COUNTY**

A. The City shall make periodic payments to the County for the Services provided under this Agreement, according to the budget established in Attachment B, “Budget for Housing Trust Fund Activities.” Such payments shall be for the reimbursement of expenses associated with the housing activities and program management services

outlined in Attachment A.

- B. The total of all payments made by the City to the County shall not exceed \$XXX,XXX unless modifications to this Agreement are authorized in writing by the City and County by way of written amendment to this Agreement.
- C. Additional services provided by the County which are not described herein require prior written approval of the City and County and shall be compensated according to terms agreed upon in such written approval.

5. **INVOICES**

- A. The County shall submit invoices not more often than monthly in a format approved by the City. The County shall provide the City with progress reports with the submission of invoices.
- B. The County shall maintain records documenting the expenses incurred for the completion of the Services. The County shall permit representatives of the City to inspect and audit all data and records of the County for work performed under this Agreement. The County shall retain and make these records available to the City at reasonable times during the term of this Agreement.

6. **COMMISSION REPRESENTATION**

The County shall designate a seat on the Kane-Elgin HOME Commission for the Chair of the City's Housing Commission, or their designee.

7. **TERM OF AGREEMENT**

The term of this Agreement shall commence and be effective from the date first written above until terminated pursuant to Article 8 herein in regards to the First-Time Homebuyer Assistance Program and the Affordable Housing Development Program.

The term of this Agreement shall commence and be effective from the date of termination of the Service Agreement between the City and Community Contacts, Inc. in regards to the Home Rehab and Accessibility Loan Program, until terminated pursuant to Article 8 herein.

8. **TERMINATION OF AGREEMENT**

Notwithstanding any other provision hereof, the City or the County may terminate this Agreement at any time upon ninety (90) days' written notice. In the event this Agreement is so terminated, the County shall be paid for services provided prior to termination.

9. **NOTICE OF CLAIM**

If the County wishes to make a claim for additional compensation as a result of action taken by the City, the County shall give written notice of his claim to the City within fifteen (15) days after occurrence of such action. No claim for additional compensation shall be valid unless so made.

Any changes in the County's fee shall be valid only to the extent that the City and County agree to such changes in writing. Regardless of the decision of the City relative to a claim submitted by the County, all work required under this Agreement, as determined by the City, shall proceed without interruption.

10. **BREACH OF CONTRACT**

If any party violates or breaches any term of this Agreement, such violation or breach shall be deemed to constitute a default, and the other parties have the right to seek such administrative, contractual or legal remedies as may be suitable to the violation or breach; and, in addition, if any party, by reason of any default, fails within fifteen (15) days after notice thereof by another party to comply with the conditions of the Agreement, the party having provided such notice may terminate this Agreement.

11. **NO PERSONAL LIABILITY**

No official, director, officer, agent or employee of the County or City shall be charged personally or held contractually liable under any term or provision of this Agreement or because of their execution, approval or attempted execution of this Agreement.

12. **HOLD HARMLESS**

The City shall hold harmless, defend, and indemnify the County from any and all claims, actions, suits, charges and judgments whatsoever that arise out of City's performance or nonperformance under this Agreement. The provisions of this paragraph shall survive any expiration, completion and/or termination of this Agreement.

13. **NONDISCRIMINATION**

In all hiring or employment made possible or resulting from this Agreement, there shall be no discrimination against any employee or applicant for employment because of sex, age, race, color, creed, national origin, marital status, or the presence of any sensory, mental or physical handicap, unless based upon a bona fide occupational qualification, and this requirement shall apply to, but not be limited to, the following: employment advertising, layoff or termination, rates of pay or other forms of compensation and selection for training, including apprenticeship.

No person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement on the grounds of sex, race, color, creed, national origin, age except minimum age and retirement provisions, marital status, or the presence of any sensory, mental or physical handicap. Any violation of this provision shall be considered a violation of a material provision of this Agreement and shall be grounds for cancellation, termination or suspension, in whole or in part, of the Agreement by the City.

14. **ASSIGNMENT AND SUCCESSORS**

This Agreement and each and every portion thereof shall be binding upon the successors and the assigns of the parties hereto; provided, however, that no assignment should be made without the prior written consent of the City.

15. **DELEGATIONS AND SUBCONTRACTORS**

Any assignment, delegation or subcontracting shall be subject to all the terms, conditions and other provisions of this Agreement and the County shall remain liable to the City with respect to each and every item, condition and other provision hereof to the same extent that the County would have been obligated if it had done the work itself and no assignment, delegation or subcontract had been made.

16. **NO CO-PARTNERSHIP OR AGENCY**

This Agreement shall not be construed so as to create a partnership, joint venture, employment or other agency relationship between the parties hereto.

17. **SEVERABILITY**

The parties intend and agreed that, if any paragraph, sub-paragraph, phrase, clause or other provision of this Agreement, or any portion thereof, shall be held to be void or otherwise unenforceable, all other portions of this Agreement shall remain in full force and effect.

18. **HEADINGS**

The headings of the several paragraphs of this Agreement are inserted only as a matter of convenience and for reference and in no way are they intended to define, limit or describe the scope of intent of any provision of this Agreement, nor shall they be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

19. **MODIFICATION OR AMENDMENT**

This Agreement and its attachments constitutes the entire Agreement of the parties on the subject matter hereof and may not be changed, modified, discharged or extended except by written amendment duly executed by the parties. Each party agrees that no representations or warranties shall be binding upon the other parties unless expressed in writing herein or in a duly executed amendment hereof, or change order as herein provided.

The previous paragraph notwithstanding, the budget amounts specified in Attachment B, less any amounts already encumbered by the County, may be unilaterally amended at the City's sole discretion and without requiring written acceptance by the County. In such cases, the City shall notify the County in writing of any such amendments, which shall become effective upon receipt by the County.

20. **APPLICABLE LAW**

This Agreement shall be deemed to have been made in, and shall be construed in accordance with the laws of the State of Illinois. Venue for the resolution of any disputes or the enforcement of any rights pursuant to this agreement shall be in the Circuit Court of Kane County, Illinois.

21. **COOPERATION WITH OTHERS**

The County shall cooperate with any other parties in the City's employ or any work associated with the Services.

22. **SEXUAL HARASSMENT**

As a condition of this contract, the County shall have written sexual harassment policies that include, at a minimum, the following information:

- A. The illegality of sexual harassment;
- B. the definition of sexual harassment under state law;
- C. a description of sexual harassment, utilizing examples;
- D. the vendor's internal complaint process including penalties;
- E. the legal recourse, investigative and complaint process available through the Illinois Department of Human Rights, and the Illinois Human Rights Commission;
- F. directions on how to contact the department and commission; and
- G. protection against retaliation as provided by Section 6-101 of the Human Rights Act.

A copy of the policies must be provided to the Department of Human Rights upon request per 775 ILCS 5/2-105.

23. **NOTICES**

All notices, reports and documents required under this Agreement shall be in writing and shall be emailed and/or mailed by First Class Mail, postage prepaid, addressed as follows:

- A. As to City:
 - Ellen Johnson, City Planner
 - Community & Economic Development Department
 - City of St. Charles
 - 2 East Main Street
 - St. Charles IL 60174
 - Email: ejohnson@stcharlesil.gov

- B. As to County:
 - Josh Beck, Assistant Director for Community Development
 - Kane County Office of Community Reinvestment
 - 719 South Batavia Avenue
 - Geneva IL 60134
 - Email: beckjosh@co.kane.il.us

24. **COMPLIANCE WITH LAWS**

Notwithstanding any other provision of this Agreement, it is expressly agreed and understood that in connection with the performance of this Agreement that the County shall comply with all applicable Federal, State, Municipal, and other requirements of law, including, but not limited to, any applicable requirements regarding prevailing wages, minimum wage, workplace safety and legal status of employees. The County hereby certifies, represents and warrants to the City that its employees and/or agents who will be providing products and/or services with respect to this Agreement shall be legal residents of the United States. County shall also at its expense secure all permits and licenses, pay all charges and fees and give all notices necessary and incident to the due and lawful prosecution of this work, and/or the products and/or services provided by this Agreement. The City shall have the right to audit any records in the possession or control of the County to determine the County's compliance with the provisions of this paragraph. In the event that the City proceeds with such an audit, the County shall make available to the City the County's relevant records at no cost to the City.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by their duly designated officials.

City of St. Charles, a municipal corporation

By: _____
Mayor

Date: _____

Attest: _____
City Clerk

Date: _____

County of Kane, a body politic in the State of Illinois

By: _____
Scott Berger, Director
Kane County Office of Community Reinvestment

Date: _____

ATTACHMENT A
SCOPE OF SERVICES

The Kane County Office of Community Reinvestment shall provide the following services on behalf of, and within the corporate boundaries of, the City:

1. **HOME REHAB AND ACCESSIBILITY LOAN PROGRAM**

The County shall provide up to \$10,000 from the City's Housing Trust Fund in assistance to homeowners within the City's corporate limits that have applied and been determined eligible for the County's Owner-Occupied Housing Rehabilitation Loan Program, when the cost of eligible improvements exceeds the maximum amount of assistance offered by the County or the project costs are not eligible for reimbursement through the County's program. Homeowners must meet all eligibility criteria under the County's program, including the 80% Area Median Income limit and the maximum property value limits established and adjusted from time to time by the U.S. Department of Housing and Urban Development. Assistance from the City shall be in the form of a zero-interest, deferred-payment loan and shall be secured with a recorded mortgage instrument with repayment due at the time of sale or transfer of the deed. In the event of sale, where net proceeds are less than the amount necessary to satisfy the City's loan, and where such sales are determined to be arms-length transactions based on the current market value of the real estate, the County may accept a partial or zero payment as full payment on behalf of the City. Eligible improvements include, but are not limited to, repairs to mechanical systems, roof repair or replacement, window repair or replacement, insulation, accessibility improvements (such as grab bars and railings, motorized chair lifts, doorway widening, walk-in showers, accessible toilets, shower seats, ramps, bed rails, and lowered countertops), termite damage repair, exterior painting, building security, drainage improvements, yard clean-up, and exterior improvements that will improve neighborhood appearance. The County may subcontract with Community Contacts, Inc. for the provision of services necessary to assist homeowners under the Home Rehab and Accessibility Loan Program. The County shall be entitled to a program delivery fee of not more than 5% of eligible rehabilitation costs under the City's program. The City shall not be required to review and/or approve individual loans issued on the City's behalf under this program.

2. **FIRST-TIME HOMEBUYER ASSISTANCE PROGRAM**

The County shall provide up to \$10,000 from the City's Housing Trust Fund in assistance to first-time homebuyers purchasing a home within the City's corporate limits that have applied and been determined eligible for the County's First-Time Homebuyer Assistance Program, when the amount of assistance necessary to satisfy the County's underwriting criteria exceeds the maximum amount of assistance offered by the County. Homeowners must meet all eligibility criteria under the County's program, including the 80% Area Median Income limit and the maximum property value limits established and adjusted from time to time by the U.S. Department of Housing and Urban Development. Assistance from the City shall be in the form of a zero-interest, deferred-payment loan and shall be secured with a recorded mortgage instrument with repayment due at the time of sale or transfer of the deed. In the event of sale, where net proceeds are less than the amount necessary to satisfy the City's loan, and where such sales are determined to be arms-length transactions based on the current market value of the real estate, the County may accept a partial or zero payment as full payment on behalf of

the City. Homes purchased under the program may include single-family detached dwellings, townhome units, and condominiums. The County shall be entitled to a program delivery fee of not more than 5% of eligible homebuyer assistance costs under the City's program. The City shall not be required to review and/or approve individual loans issued on the City's behalf under this program.

3. **AFFORDABLE HOUSING DEVELOPMENT PROGRAM**

The County shall solicit housing development proposals on behalf of the City in conjunction with its Affordable Housing Fund, which provides gap financing for the development (or redevelopment) of high-quality units of affordable housing. Proposals seeking City funds shall conform to all requirements of the County's program. The County shall notify the City upon receipt of any proposal located within the City's corporate limits. The County shall prepare written evaluations of such proposals, including an analysis of developer qualifications, project readiness, and responsiveness to program criteria. The County shall underwrite proposals for financial soundness, project viability and loan terms, and shall forward recommendations to the City for its consideration. Upon City approval, the County shall issue commitments on behalf of the City and shall prepare all necessary loan documents. The County shall oversee projects during the development phase, including conducting site visits/inspections, ensure compliance with construction/rehabilitation standards and other program guidelines, and monitor construction costs and the development budget. The County shall be entitled to a loan closing fee of not more than 2.5% of the amount of assistance provided to each project and may charge borrowers reasonable and customary loan servicing fees during the term of their loans from the City.

For all of the above-described activities, the County shall manage the resale process, the collection of loan proceeds, and the release of mortgage instruments. In the case of rental projects, the County shall monitor leasing requirements, including ensuring tenant selection and qualification procedures are in place at lease up, and inspect and monitor units throughout the period of affordability. The County shall service all loans issued under the City's Housing Trust Fund Program and shall remit reimbursement to the City on a quarterly basis. The County shall provide an annual report to the City including the status of all loans issued, the amount(s) repaid and outstanding, and the results of monitoring and property inspections conducted.

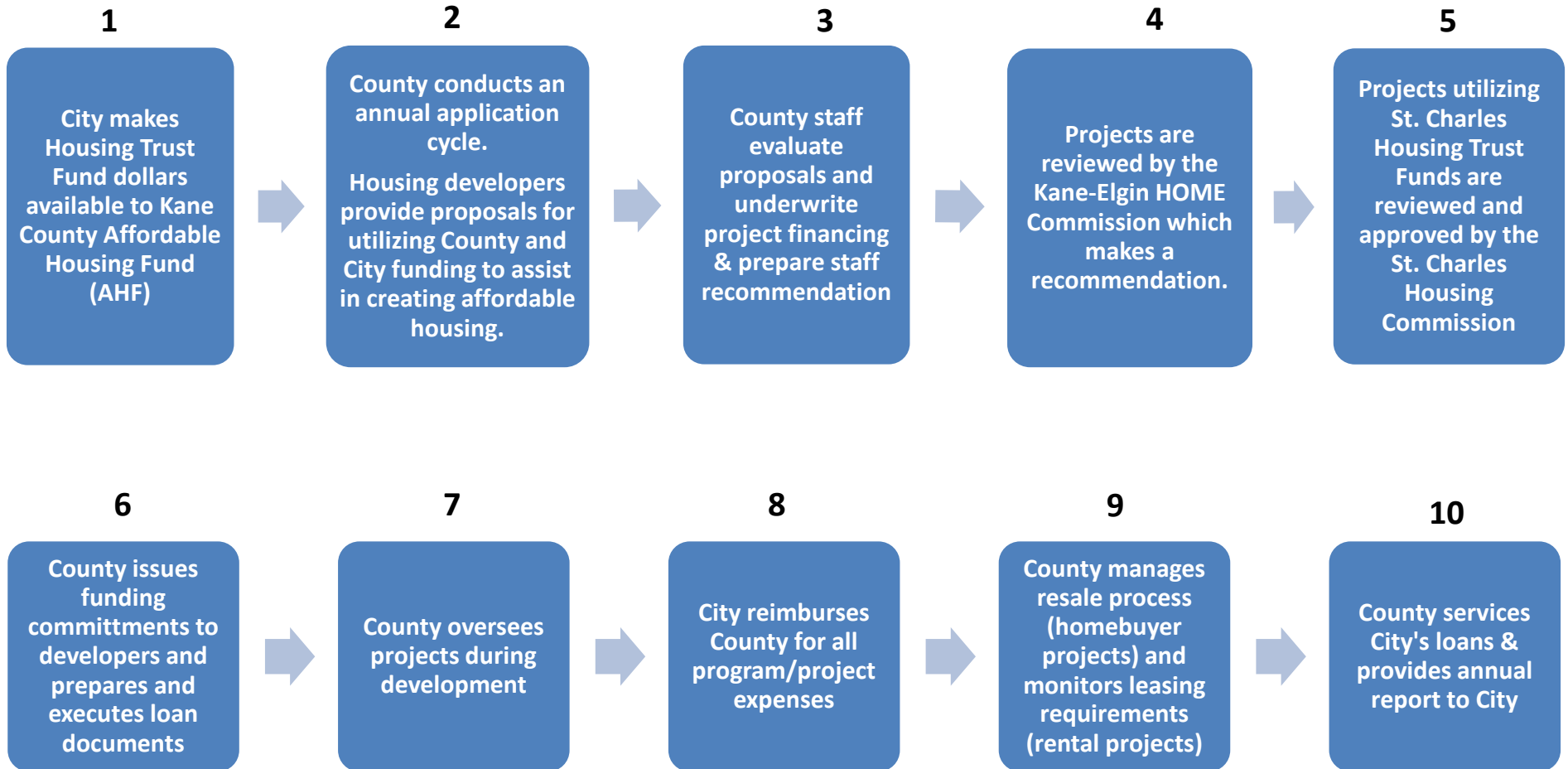
ATTACHMENT B
BUDGET FOR HOUSING TRUST FUND ACTIVITIES

Home Rehab and Accessibility Loan Program	
Expense	Amount
1. Rehabilitation/Accessibility Improvements (4 homeowners)	XXX
2. Program Delivery Fees (5% of above expenses)	XXX
Total	XXX

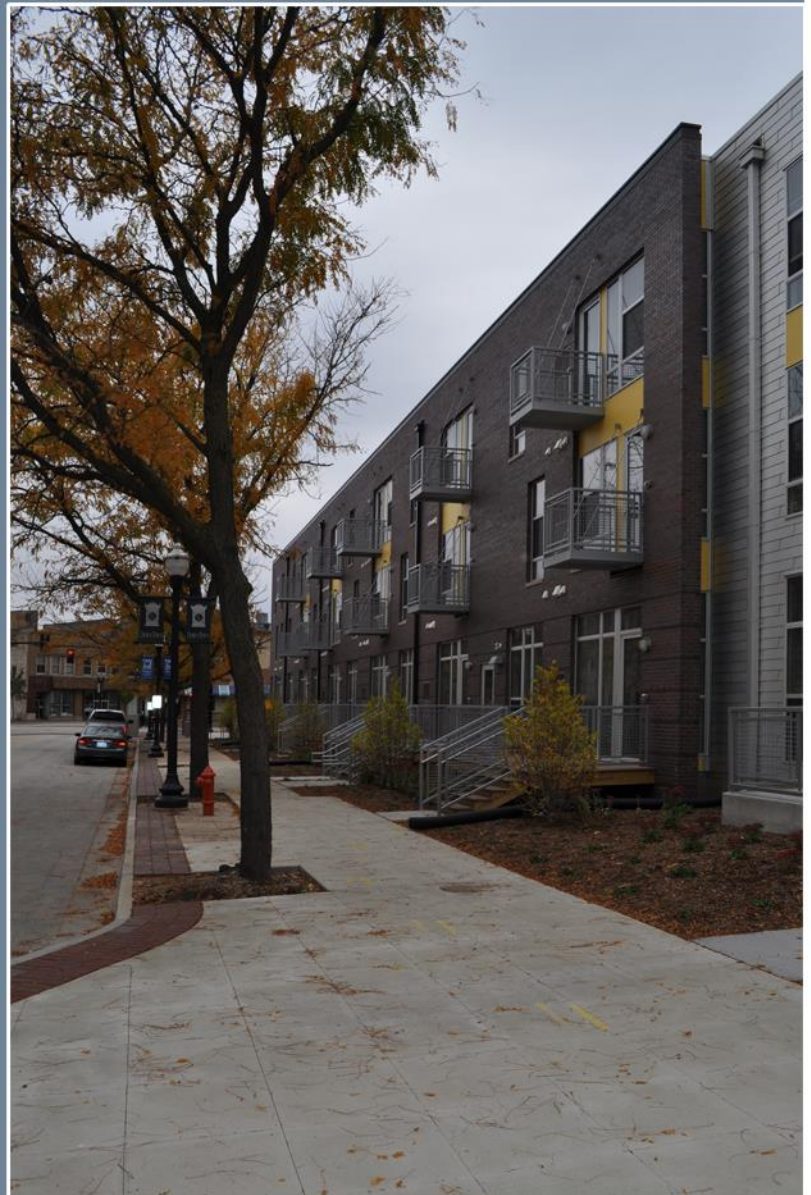
First-Time Homebuyer Assistance Program	
Expense	Amount
1. Homebuyer Assistance (4 homebuyers)	XXX
2. Program Delivery Fees (5% of above expenses)	XXX
Total	XXX

Affordable Housing Development Program	
Expense	Amount
1. Housing Development Financing (projects TBD)	XXX
2. Closing Fees (2.5% of above expenses)	XXX
Total	XXX

Process for City Involvement with Kane County Affordable Housing Fund



Affordable Housing Fund Program Guidelines



**KANE COUNTY
OFFICE OF COMMUNITY REINVESTMENT
719 SOUTH BATAVIA AVENUE
GENEVA, ILLINOIS 60134**

REVISED 6/2017

AFFORDABLE HOUSING FUND GENERAL GUIDELINES

I. PURPOSE

The Affordable Housing Fund (AHF) was established by the Kane County Board to provide gap financing for the preservation and/or development of affordable housing for middle and lower income households. The fund provides financing, under flexible terms, to both non-profit and for-profit developers for the acquisition, rehabilitation and/or new construction of both homebuyer and rental units. The fund is administered by the Kane County Office of Community Reinvestment under the oversight of the Kane-Elgin HOME Commission, a city-county commission formed for the purpose of accessing federal funds to address the area's housing needs. The Affordable Housing Fund is a combination of funds provided by the U.S. Department of Housing and Urban Development (HUD), including but not limited to the Community Development Block Grant Program (CDBG), the Home Investment Partnerships Program (HOME), and the Neighborhood Stabilization Program (NSP).

These guidelines are intended to create a unified set of standards for all housing units developed under the Affordable Housing Fund. Such units will be referred to throughout these guidelines as "assisted units". Supplemental guidelines specific to Homebuyer and Rental projects have also been established for projects supported by the Affordable Housing Fund.

Funds will be targeted to specific units that meet the income and affordability restrictions further described in these guidelines. With regard to rental projects, the County is particularly interested in those that provide for the greatest length of affordability with the least amount of subsidy. Ideally, projects funded by the Affordable Housing Fund will be located throughout the County to the greatest extent possible so no single community or neighborhood experiences a disproportionate concentration of income-restricted housing. In general, the purpose of the Affordable Housing Fund is to:

- Increase homeownership opportunities for lower- and middle-income households (less than or equal to 80% and 120% of area median income, respectively); and
- Improve the quality, expand the supply and/or increase the diversity of affordable rental units available to lower-income households (less than or equal to 80% of area median income).

The County is especially interested in proposals that further the following objectives:

- Create affordable workforce housing that is in reasonable proximity to employment centers;

- Create high-quality housing in areas of the County characterized by substandard housing, high-cost housing or generally have a negative neighborhood image;
- Reduce the number of vacant/foreclosed properties that adversely impact neighborhoods; and
- Develop housing in accordance with the Kane-Elgin Consortium’s Consolidated Plan Priority #1: Affordable Housing; General Principles and Specific Housing Criteria (See Appendix F).

II. GENERAL COMPLIANCE WITH FEDERAL REGULATIONS

Project Sponsors must comply with all applicable requirements of 24 CFR 92 concerning HOME funds, all applicable portions of 2 CFR Part 200 OMB’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and all other federal requirements and policies issued pursuant to these regulations, including, but not limited to, those set forth herein. Project Sponsors shall be responsible for complying with all applicable changes or additions to the requirements currently set forth in said regulations. Project Sponsors must comply with all other applicable federal, state and local laws and regulations governing the funds provided County.

III. ELIGIBLE/INELIGIBLE PROJECTS

All assisted units must be located within the Kane-Elgin Consortium Area, which includes all of Kane County (except the City of Aurora, and the Villages of Hampshire, Huntley, Hoffman Estates, and Montgomery), all of the City of Elgin (including that portion located in Cook County), all of the Village of Maple Park (including that portion located in DeKalb County), and all of the City of St. Charles (including that portion located in DuPage County).

Both new construction and rehabilitation projects are eligible for gap financing from the Affordable Housing Fund. For rehabilitation projects, funds may be used to make essential repairs or improvements to meet local code/Kane County standards, come into compliance with federal requirements of Section 504 or the Americans with Disabilities Act, abate lead-based paint, abate asbestos, make essential energy-related repairs or improvements, and repair or replace major housing systems in danger of failure. Projects only involving the acquisition of vacant land or the demolition of structures are not eligible for gap financing from the Fund. Certain properties are considered either eligible or ineligible as follows:

1. Eligible Properties: Projects may include the following types of properties:
 - a. One or more buildings on a single site that are under common ownership, management, and financing;
 - b. Scattered-site properties, as long as the sites are under common ownership, management, and financing, and are assisted as part of a single project; and
 - c. Transitional and permanent housing, including group homes and Single Room Occupancy (SROs).

2. Ineligible Properties: The following properties are not eligible:
 - a. Public housing properties financed under the Housing Act of 1937;
 - b. Properties previously financed with HOME funds that are still within their period of affordability; and
 - c. Projects assisted under 24 CFR Part 248 (prepayment of low-income housing mortgages) unless assistance is provided to priority purchasers of such housing.

IV. ELIGIBLE/INELIGIBLE USE OF AHF FUNDS

1. Eligible Costs: Funds may be used to pay the following eligible costs:
 - a. Development Hard Costs: Including acquisition of property, site improvements, construction, rehabilitation, conversion and demolition.
 - b. Development Soft Costs: Including financing costs, building permit fees, legal and developer fees, property appraisals, credit and title costs, etc. Also included are engineering, architectural, or related professional services, project-related audit costs, affirmative marketing (See Appendix A) and marketing costs, and operating deficit reserves. Certain limits apply to soft costs, and all soft costs must be “reasonable and necessary.”
2. Ineligible Costs: Funds may not be used for the following:
 - a. Delinquent taxes, fees, or charges;
 - b. Impact fees;
 - c. Project reserve accounts;
 - d. Tenant/project-based rental assistance;
 - e. Non-federal matching contributions required under other federal programs; or
 - f. Relocation Costs: Including costs associated with relocating occupants under the Uniform Relocation Assistance/Real Property Acquisition Policies Act of 1970. (See Section XII of these guidelines.)

V. UNDERWRITING/SUBSIDY LAYERING REVIEW

Projects considered eligible for assistance will be analyzed based on project assumptions and risks to ensure they will meet affordability requirements. HUD establishes limits on the amount of funds that may be invested in affordable housing on a per-unit basis. (See Appendix B.) Before committing funds to a project that combines the use of other local, state, or federal assistance, the County will evaluate the project to ensure that no more funds than necessary and permitted by HUD are invested in a project. The County has established underwriting procedures in accordance with guidelines set forth by HUD. The underwriting process will include:

1. An examination of the sources and uses of funds for the proposed project;
2. A review of the project development budget to determine whether the development costs are necessary and reasonable. “Reasonableness” of development costs will be based on one or more of the following factors:

- a. Costs of comparable projects in the same geographical area;
 - b. The qualifications of the cost estimators for the various budget line-items; and
 - c. Comparable costs published by recognized industry cost-index services.
3. An assessment of the current market demand in the area where the project will be located;
 4. An assessment of the experience and the financial capacity of the project sponsor and/or owner;
 5. An evaluation of the project sponsor's level of site control; and
 6. An assessment of the written financial commitments for the project. Each applicant must provide the County with a formal certification as to whether or not additional governmental assistance will be provided to the project, and if so, the terms of such assistance.

Proposals must demonstrate that the project is not “economically feasible” without assistance from the Affordable Housing Fund. Applicants must provide evidence of their financial ability to implement the project.

During the evaluation of rental projects, the County will determine the reasonableness of the rate-of-return on equity investment by analyzing the project pro-forma. The pro-forma must include rent levels, market vacancies and operating expenses. It should also specify the consequences of tax benefits, if any, and any other assumptions used in calculating the project cash flow. The County will evaluate the pro-forma to ensure it projects, as accurately and reasonably as possible, revenues and expenses over a 30 year period.

In addition to the financial feasibility of the project, proposals will be reviewed in accordance with the purpose and objectives described in Section I of these guidelines.

If a project is selected for funding, the initial award amount will be based on an initial underwriting of anticipated project costs. Another underwriting will be conducted at the time of closing or construction start, since construction costs at the time of project proposal are typically estimates instead of firm bids and contracts. A final underwriting will be conducted upon construction completion or final draw, when the final sources and uses can be verified. The final amount disbursed for a particular project may differ from the initial award amount based on the results of the underwriting process.

VI. MARKET ASSESSMENT

A Market Assessment ensures viable and sustainable projects, by evaluating current market data to address two key issues: pricing and absorption. The market assessment should evaluate and document the demand for the type and number of all housing units being developed, not just those designated as assisted units. The market assessment will assist the County in determining whether the project can be expected to be rented or sold to within the regulatory time frames and at the cost or price estimated by the developer. Timely occupancy of assisted units by eligible tenants/homeowners is critical to comply with statutory requirements as well

as the sale and rental occupancy deadlines established by HUD. Additional requirements for rental projects are contained in the guidelines for rental projects.

VII. MATCHING FUNDS

Applicants are encouraged to include eligible forms of “matching” funds in their project financing. Matching funds are considered a permanent contribution to affordable housing. While there are many eligible forms of match, this program excludes certain sources and, in some cases, stipulates how match is calculated. (For detailed information regarding matching funds, please see HUD Notice CPD-97-03.) Generally, however, applicants may consider the following to be eligible forms of match:

1. Cash or cash equivalents from non-federal sources. Please note, however, that owner equity as well as cash contributions from owners or developers (or prospective owners or developers) are not eligible sources of match.
2. Value of waived taxes, fees or charges associated with projects.
3. Value of donated or land or real property.
4. Cost of infrastructure improvements associated with projects.
5. A percentage of the proceeds of multi-family housing bonds issued by the state, state instrumentality or local government.
6. Value of donated materials, equipment, labor and professional services.
7. Sweat equity.
8. Direct costs of supportive services to project residents.

VIII. ALLOCATING COSTS TO THE ASSISTED UNITS

Before determining the allowable gap financing amount, the County will establish the total eligible costs for the project. For projects with both assisted and non-assisted units, the costs must be allocated across units. In accordance with 24 CFR 92.205(d)(1), if both the assisted and non-assisted units are comparable in size, features and number of bedrooms, the eligible cost can be pro-rated across units. If the units are not comparable, actual costs must be determined and allocated unit by unit. The County must follow HUD rules regarding a subsidy layering analysis prior to project commitment.

IX. MAXIMUM INVESTMENT

Under the Affordable Housing Fund, the maximum per-unit gap financing is based on the Section 234 program limits for the Chicago metropolitan area as established by HUD, in effect at the time of funding award/commitment (See Appendix B). The actual subsidy provided, however, will depend on the following factors:

1. The proportion of the total project cost that is eligible; some project costs may not be eligible expenses;
2. The number of units in the project that are assisted; projects may have a mix of assisted

- and non-assisted units; and
3. The financial needs of the project; the County will not provide more subsidy than is required to make projects financially feasible. The County will determine what is reasonable and required.

X. AFFORDABILITY PERIOD

Assisted units carry restrictions for varying lengths of time. Depending on the amount of AHF funds invested per unit, and whether the project involves rehabilitation or new construction, an “affordability period” will be established as follows:

Activity	AHF Investment Per Unit	Affordability Period
Rehabilitation	<\$15,000	5 Years
Rehabilitation	\$15,000-\$40,000	10 Years
Rehabilitation	>\$40,000	15 Years
New Construction	Any amount	20 Years

XI. DETERMINING INCOME ELIGIBILITY

Homebuyers and renters must meet certain income requirements, which may vary depending on project size and HUD funding requirements (See Appendix C). The County may choose one of two definitions of annual gross income to determine income eligibility on a project by project basis. Detailed guidance on determining income and sample forms can be found in HUD’s *“Technical Guide for Determining Income and Allowances for the HOME Program”* (Publication HUD-1780-CPD, January 2005).

XII. PROPERTY STANDARDS/MONITORING

At a minimum, all assisted units must meet local code and Kane County’s rehabilitation standards (if rehabilitation project). They must also comply with the Illinois Energy Conservation Code. All projects must also comply with local ordinances and zoning standards, and all applicable federal, state, and regional standards.

Rental units must be operated and maintained throughout the “period of affordability” in accordance with these program guidelines, contractual requirements, and applicable federal and local regulations. Projects/units will be monitored on an ongoing basis, with an annual review of rent and occupancy records and a physical unit inspection every three years.

XIII. ACCESSIBILITY

The following accessibility standards/requirements apply to all funded projects.

1. American with Disabilities Act (ADA) (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225).
 - a. Provides comprehensive civil rights to individuals with disabilities in areas of employment, public accommodations, state and local government services and telecommunications.
 - b. Discrimination includes the failure to design and construct facilities (built for first occupancy after January 26, 1993) that are accessible to and usable by persons with disabilities.
 - c. ADA requires the removal of architectural and communication barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.
2. Fair Housing Act: Multifamily rental units must meet the design and construction requirements specified at 24 CFR 100.205, which implement the regulations of the Fair Housing Act (42 U.S.C. 3601-19).
3. Section 504 of the Rehabilitation Act of 1973: Section 504 prohibits discrimination in federally assisted programs on the basis of handicap. This section of the Rehabilitation Act imposes requirements to ensure that “qualified individuals with handicaps” have access to programs and activities that receive federal funds. The definition of who must comply includes any entity that receives federal funding. (See Appendix D for a summary of Section 504 requirements.)

XIV. UNIFORM RELOCATION ACT

All projects assisted are subject to the Uniform Relocation Assistance/Real Property Acquisition Policies Act, as amended (URA). Regulations governing URA are found at 49 CFR Part 24.

XV. OTHER REQUIREMENTS

1. Labor Standards: Projects must comply with federal labor standards in accordance with the Davis-Bacon Act, applicable provisions of the Contract Work Hours and Safety Standards Act, and other applicable federal laws and regulations pertaining to labor standards. Generally, if projects contain eight (8) or more units, all laborers and mechanics employed in the construction work must be paid wages and fringe benefits equal to those specified in the federal wage determination issued for the local area. The developers of such projects will be required to submit documentation to the County to ensure that contractors (both generals and subs) complied with these requirements, and should include associated costs in their project budgets. Given the varying thresholds associated with different funding sources, however, the County reserves the right to waive this requirement and make adjustments to project budgets and financing amounts/terms accordingly.
2. Lead-Based Paint: Projects involving rehabilitation and receiving federal assistance constitute HUD-associated housing for the purposes of the Lead-Based Paint Poisoning Prevention Act and are, therefore, subject to federal regulations 24 CFR Part 35.

3. Selection of a Construction Contractor: The developer must provide the County with construction specifications and costs estimates for the work proposed. To ensure completeness, cost efficiency, and market competitiveness, the County will review the project specifications and associated costs, which will be mutually agreed to by both parties. The developer will select a construction contractor that will be required to complete the project in accordance with the approved specifications and costs. The County will conduct on-site inspections throughout the rehabilitation/construction of the project to assure the project is completed as required.
4. Debarment and Suspension: Developers and contractors are prohibited from employing, awarding contracts, or funding any contractors or subcontractors that have been debarred, suspended, proposed for debarment, or placed on an ineligibility status by HUD.
5. Environmental Review: The County is responsible for ensuring that the environmental review process is satisfied before funds can be committed to a specific project. These requirements are detailed in 24 CFR Part 85. Developers are expected to cooperate with the County in satisfying these requirements by providing information in their possession and access to the project site.
6. Equal Opportunity: No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with Program funds. All entities applying for funds through the Program will provide certification of compliance with all federal requirements under the Equal Opportunity legislation. In addition, funds must be made available in accordance with the following:
 - a. The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100: Executive Order 11063, as amended, (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (non-discrimination in Federally Assisted programs) and implementing regulations issued at 24 CFR Part 1;
 - b. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146.
 - c. The prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8;
 - d. The requirements of Executive Order 11246 (Equal Employment Opportunity) and the implementing regulations at 41 CFR Chapter 60;
 - e. The requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that:
 - i. To the greatest extent feasible, opportunities for training and employment

arising in connection with the planning and carrying out of any project assisted with Program funds be given to low-income persons residing within the general area in which the project is located; and

- ii. To the greatest extent feasible, contracts for work to be performed in connection with any such project be awarded to businesses, including but not limited to, individuals or firms doing business in the field of planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are located in or owned in substantial part by persons residing in the same metropolitan area of the project.
- f. The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, each applicant must make efforts to encourage the use of minority and women's business enterprises (M/WBE) in connection with AHF funded activities. The Consortium maintains an M/WBE directory of firms available for bidding on projects and each applicant must comply with the County's M/WBE Outreach Program, which is further described in Appendix E.

- 7. Fair Housing in Marketing: Project developers/owners must comply with the Kane- Elgin HOME Consortium's affirmative marketing procedures and requirements for multi-family projects with 5 or more assisted housing units. The County will evaluate projects involving single-family projects with 5 or more assisted units to determine whether affirmative marketing efforts are appropriate. Such efforts include procedures to be used by developers to inform and solicit applications from persons in the housing market area not likely to apply for housing without special outreach. (See Appendix A)
- 8. Conflicts of Interest: The following conflict of interest provisions apply:
 - a. For units of general local government, 24 CFR Part 85.36;
 - b. For non-profit organizations, Uniform Grant Guidelines 2 CFR 200;
 - c. For all others, 24 CFR Part 92.356.

XVI. SECURING THE INVESTMENT OF AHF FINANCING

The county will secure the of Affordable Housing Fund investment by requiring the Project Sponsor to execute a mortgage and note, documenting the repayment terms and interest rate. Further, the County will require the recordation of covenants or deed restrictions to document the affordability period applicable to the project.

XVII. FUND ADMINISTRATION

The Kane County Office of Community Reinvestment is responsible for the administration of the Affordable Housing Fund, under the oversight of the Kane-Elgin HOME Commission. Questions regarding the program may be directed to the Kane County Office of Community Reinvestment, 719 Batavia Avenue, Geneva IL 60134. For further information, please call Josh Beck, Assistant

Director for Community Development, at 630-444-2960.

Waiver of Program Guideline Provisions: The County may waive compliance with any provision of these Program Guidelines if to do so does not violate any federal, state, county, or municipal laws or regulations, and is in the best interest of the Consortium.

APPENDIX A

Affirmative Marketing Procedures

The Kane-Elgin Consortium and its program participants will follow a policy of nondiscrimination and equal opportunity in compliance with 24 CFR 92.351. Program participants will be informed of Fair Housing laws and these affirmative marketing procedures. In order to comply with the regulations, the County will oversee a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the County/Project Sponsors with such persons or entities, public and private, in order to facilitate the activities of the County to provide affordable housing.

- A. Affirmative steps shall include:
 - 1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - 2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - 3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - 4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - 5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 - 6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

- B. Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the County's affirmative marketing policy:
 - 1. Use of commercial media,
 - 2. Use of community contacts,
 - 3. Use of the Equal Housing Opportunity logotype or slogan, and
 - 4. display of fair housing poster;
 - 5. Including the above in press releases and solicitations for owners, and written communication to fair housing and other groups.

- C. Procedures to be used by Project Sponsors and owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing program or the housing without special outreach. Communication through:
 - 1. Use of Public Housing Authority,
 - 2. Use of community organizations,
 - 3. Use of places of worship,
 - 4. Use of employment centers,
 - 5. Use of fair housing groups, and/or

6. Use of housing counseling agencies;

Program participants will be responsible for documenting their compliance with these affirmative marketing procedures. They shall maintain files containing copies of all correspondence, press releases, public notices, lists of organizations receiving such releases and/or notices, and any other relevant documents. An annual assessment of the program participant's affirmative marketing efforts will be conducted either independently by the Consortium or in conjunction with the appropriate project sponsor to determine compliance.

If any action(s) have been deemed non-compliant with this policy, a determination will be made as to whether such action was done willfully. Upon determining the program participant willfully failed to comply with affirmative marketing requirements, the Consortium (or project sponsor) will require the program participant to seek guidance from an appropriate equal opportunity agency (i.e., HOPE Fair Housing Center, Leadership Council for Open Metropolitan Communities). If there is a second occurrence of willful noncompliance, the program participant will be debarred from future participation in the Consortium's programs. Additionally, the Consortium may foreclose their lien on the project.

Upon determining the program participant did not willfully fail to comply with this policy, a written notice of noncompliance will be sent to the program participant, who will be counseled on the proper program procedures in order to ensure future compliance. In the event of a second incidence of noncompliance, the Consortium will make the appropriate sanctions.

Questions regarding these Affirmative Marketing Procedures may be directed to the Kane County Office of Community Reinvestment, 719 Batavia Avenue, Geneva IL 60134. For further information, please call 630-444-3027.

APPENDIX B

Maximum Per-Unit Subsidy limits

Effective: 11/18/2015

0 BR	1 BR	2 BR	3 BR	4+ BR
\$140,107	\$160,615	\$195,304	\$252,662	\$277,344

APPENDIX C

Income Limits

Effective: 6/15/2017

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% AMI	\$16,600	\$19,000	\$21,350	\$23,700	\$25,600	\$27,500	\$29,400	\$31,300
50% AMI (Very Low Income)	\$27,650	\$31,600	\$35,550	\$39,500	\$42,700	\$45,850	\$49,000	\$52,150
60% AMI	\$33,180	\$37,920	\$42,660	\$47,400	\$51,240	\$55,020	\$58,800	\$62,580
80% AMI (Low Income)	\$44,250	\$50,600	\$56,900	\$63,200	\$68,300	\$73,350	\$78,400	\$83,450
120% AMI (Middle Income)	\$66,350	\$75,850	\$85,300	\$94,800	\$102,400	\$109,950	\$117,550	\$125,150

APPENDIX D

Section 504 Requirements

Removal of Physical Barriers

- For **new construction** of multi-family projects, 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent of the units (but not less than one unit) must be accessible to individuals with sensory impairments.
- The Section 504 definition of **substantial rehabilitation** multi-family projects includes construction in a project with 15 or more units for which the rehabilitation costs will be 75 percent or more of the replacement cost. In such developments, 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent (but not less than one unit) must be accessible to individuals with sensory impairments.
- When **rehabilitation less extensive than substantial rehabilitation** is undertaken, alterations must, to the maximum extent feasible, make the unit accessible to and usable by individuals with handicaps, until 5 percent of the units are accessible to people with mobility impairments. Alterations to common spaces must, to the maximum extent feasible, make the project accessible.
- Accessible units must be, to the maximum extent feasible, distributed throughout projects and sites and must be available in a sufficient range of sizes and amenities so as to not limit choice.
- Owners and managers of projects with accessible units must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with handicaps. They also must take reasonable non-discriminatory steps to maximize use of such units by eligible individuals.
- When an accessible unit becomes vacant, before offering the unit to a non-handicapped individual, the owner/manager should offer the unit: first, to a current occupant of the project requiring the accessibility feature; and second, to an eligible qualified applicant on the waiting list requiring the accessibility features.
- The usual standards for ensuring compliance with Section 504 are the Uniform Federal Accessibility Standards (UFAS), although deviations are permitted in specific circumstances.

Provide Program Accessibility

- Individuals with handicaps must be able to find out about, apply for and participate in Federally-assisted programs or activities.
- Special communication systems may be needed for outreach and ongoing communication (e.g., Telecommunications Devices for the Deaf (TDD), materials on tape or in Braille, accessible locations for activities and meetings).
- Policies and procedures must be non-discriminatory (e.g., housing providers may not ask people with handicaps questions not asked of all applicants, screen individuals with handicaps differently or assess an individual's ability to live independently).

Make Employment Accessible

- Employers must not discriminate.
- Employers must remove physical and administrative barriers to employment.
- Employers must make reasonable accommodations for individuals with known handicaps (e.g., job restructuring, providing readers or sign interpreters, making facilities accessible).

Administrative Requirements

- If recipients or subrecipients have 15 or more employees, they must:
 - Designate a Section 504 Coordinator; and
 - Notify program participants and employees of non-discrimination policies.
- All recipients and subrecipients must conduct self-evaluations of compliance with Section 504.

APPENDIX E

Minority/Women Business Enterprise Outreach Program

Kane County has established this outreach program in order to maximize the participation of Minority-owned and Women-owned Business Enterprises (M/WBE) in projects funded under its programs funded by the U.S. Department of Housing and Urban Development (HUD).

An M/WBE is a business that is at least 51% owned and operated by one or more minority person(s) or women. "Minority" means Asian/Pacific Americans, Black Americans, Hispanic Americans, or Native Americans.

The county has compiled a directory, in consultation with the United States Small Business Administration, the Illinois Capital Development Board, the Illinois Department of Transportation, and the Federation of Women Contractors, of eligible M/WBEs located in Kane County. The directory is categorized by occupation or specialty (i.e. building contractors, heavy-highway contractors, landscape contractors, and professional services). All qualified M/WBEs located in Kane County are encouraged to apply for inclusion in the directory, which will be reviewed and updated annually. The directory will be distributed to all project sponsors as well as any other interested parties.

All project sponsors will be required to identify the M/WBEs utilized in the completion of their projects and to document their efforts in obtaining bids, price quotes, or proposals from M/WBEs for their particular project. The county will tabulate the utilization of M/WBEs by all project sponsors in order to prepare and submit reports required by HUD.

Requests for proposals issued by, and contracts awarded by, Kane County or its project sponsors will, however, be subject to all applicable federal, state and local procurement standards. The county's procurement procedures require the award of contracts to organizations with the most cost-effective and responsive bid or quote, therefore, M/WBEs and all other bidders will have equal access to available contracts and business.

When practicable, the county will participate in local business conferences in order to encourage the increased utilization of M/WBEs. Also, the county will take every opportunity to express its interest in the use of M/WBEs for the completion of its own projects and to enlist further support and participation in the program.

Questions regarding the M/WBE Outreach Program may be directed to the Kane County Office of Community Reinvestment, 719 Batavia Avenue, Geneva IL 60134. For further information, please call 630-444-3027.

APPENDIX F

Excerpt from Kane-Elgin Consortium's Consolidated Plan Priority #1: Affordable Housing

General Principles

1. Promote Economic Development and Sustainability: Housing, when appropriately located, can encourage a healthy business climate. The mismatch between where the jobs are and where workers can afford to live has significant costs. Increasingly, employers recognize that local housing for all levels of their workforce promotes stability and productivity for the workers as well as the individual company.
2. Encourage an Array of Quality Housing Options: Developments with units at price points accessible to a wide range of income levels are needed to provide the local workforce and residents with a housing supply that is critically needed and currently lacking.
3. Support Innovative Community Development and Design: Quality residential and mixed-use developments maintain, enhance, or create livable streets, neighborhoods, and public spaces oriented to the pedestrian. A variety of housing types provides a healthy mix of residents from different age groups, racial and cultural backgrounds, income levels, and household types. New developments foster a sense of community, while promoting a choice of housing options, privacy, and convenient access to nearby amenities.
4. Provide for Mixed Uses within a Neighborhood: In order to enhance community livability, a mix of land uses within a neighborhood is desirable. Such a mix brings amenities including retail, restaurants, and schools in closer proximity to residents. The location of schools, entertainment districts, parks, businesses, institutions, and recreational facilities will be consciously integrated with new and existing residential developments to encourage ease of pedestrian access.
5. Minimize Cost of Municipal Services: Clustering housing near existing infrastructure minimizes the per capita costs of municipal services by allowing for more efficiency and economies of scale.
6. Promote the Use of Public Transit: Housing, together with commercial space and public amenities, should ideally be within walking distance of existing or planned transit service.
7. Support Sensible Growth: Infill development and redevelopment within existing municipal areas and conservation developments can satisfy a substantial portion of the area's projected housing needs. Adhering to development policies that encourage compact, mixed-use development will promote an array of housing types and expand individual choice. This will advance other regional and community needs, such as the protection of open space and the growth of the local tax base.

Specific Housing Criteria

1. Location: Infill development and redevelopment within existing cities and villages, as well as new conservation developments, will receive preference. In order to maximize compatibility with public transit and minimize auto use, housing within proximity to transit service, a job hub, or town center is encouraged.
2. Land-Use: New developments that aim to cluster housing in an efficient manner, in context with the surrounding community, to preserve natural resources and open space will be given priority. Higher densities and mixed uses are particularly appropriate near transit stations to reduce the growth of traffic congestion on local and regional roads.
3. Attainability: Mixed-income developments, which include units accessible to moderate-income working families and to households with lower incomes, along with market rate units in the same complex, will be given preference. Developments that help balance affordability levels within communities, while assuring consistent quality and design, will receive extra consideration.
4. Design: New developments that stress quality design and construction to help ensure its long-term contribution to the improvement of the neighborhood will be given preference. The proposed buildings will fit their setting, complementing and enhancing the existing neighborhood, and promoting a sense of community, pedestrian friendly design and the other principles of good village design. Projects should incorporate green building/energy efficient features into the design.
5. Management: The management and maintenance of developments are as critical as the initial design and construction to meeting the goals of enhancing communities. Therefore, the capacity of the development team to successfully address long-term needs, as evidenced by its track record in selling, leasing and managing development properties, and its history with neighborhood and/or tenant relations, will also be considered.

AFFORDABLE HOUSING FUND GUIDELINES FOR HOMEBUYER PROJECTS

I. PURPOSE

The purpose of this document is to serve as a supplement to the Affordable Housing Fund General Guidelines, with regulations specific to homebuyer projects.

II. AFFORDABLE HOUSING FUND

The General Guidelines of the Affordable Housing Fund apply to this program in addition to those guidelines contained herein.

III. MARKET ASSESSMENT

A component of the underwriting process requires the review of current market demand for the proposed project. The market analysis should:

1. Evaluate general demographic, economic, and housing conditions in the community.
2. Delineate the market area by identifying the geographic area from which the majority of a project's buyers are likely to come. This may or may not coincide with census tract or neighborhood boundaries.
3. Quantify the pool of eligible buyers in terms of household size, age, income, tenure, and other relevant factors. Not all residents of the market area are potential or likely buyers of any given project.
4. Analyze the competition by evaluating other housing opportunities with an emphasis on other affordable homeownership opportunities in the market area, including those financed through other federal programs.
5. Assess the market for the planned units and determine if there is sufficient demand to sell the assisted housing within 18 months of project completion.
6. Evaluate the effective demand and the capture rate, usually expressed as a percentage (the project's units divided by the applicant pool). The capture rate is the percentage of likely eligible and interested households living nearby who will need to purchase units in the proposed project in order to fully occupy it. The lower this rate, the more likely a project is to succeed.
7. Estimate the absorption period. Plan how many units can be successfully sold each month and how long it will take to achieve initial occupancy/sale of the assisted units and stabilized occupancy for the project as a whole.

County staff will assist selected developers in gathering data and analysis to identify market conditions.

IV. PROJECT ACQUISITION/DISPOSITION

It is anticipated that resources will be made available to eligible entities to acquire and develop (or redevelop) homebuyer housing. Upon site identification and acquisition, any funds disbursed for said acquisition will require the execution of all necessary agreements and security instruments. This includes a mortgage and note for the full amount of the award (with terms of 0% interest and deferred payment of principal) with conditions related to timing of project completion and the resulting sale/disposition of the property to an eligible homebuyer.

V. LEGAL UNITS

Upon completion of homebuyer projects developed under the AHF program, the resulting housing units must meet all applicable local development standards in order to be transferred individually to eligible homebuyers.

VI. HOMEBUYER ELIGIBILITY

Homebuyers must meet the following eligibility requirements:

1. Income Eligibility: Homebuyers must have annual household incomes within thresholds delineated by the applicable program, adjusted for family size. (See Exhibit C of the General Guidelines.) These figures are updated and published annually by HUD. The income limits apply only to the household's initial income at the time of occupancy. Incomes may and will change over the time the household resides in the unit. Applicant households must provide documentation of their income that satisfies HUD standards and is acceptable to the County. Those who cannot or do not furnish such documentation will be determined ineligible.
2. Homebuyer Contribution: Homebuyers must be willing and able to make a minimum, out-of-pocket 1% cash down payment from their own funds, not gifted or borrowed.
3. Buyer Eligibility: Assisted units are not to be restricted to first-time homebuyers.
4. Homebuyer Education Class: Applicants must complete the 8-hour HUD-approved homebuyer education class offered through a HUD certified Housing Counseling Agency. This class must have been taken (and a certificate of completion issued) within the twelve-month period prior to the date of the homebuyer's purchase of the home.

VII. HOMEBUYER SELECTION/UNDERWRITING

Working in conjunction with County Staff, homebuyers will be selected using the following criteria:

1. Creditworthiness: Applicants must demonstrate the ability to obtain a mortgage by presenting a mortgage pre-approval letter and/or a mortgage commitment letter from an Illinois mortgage licensee. Mortgage must meet the County's guidelines.
2. Affordable Payments: As determined during the County underwriting process, total monthly housing ratio (a.k.a. front-end ratio) must be between 25%-32% of household income. Total debt ratio (a.k.a. back-end ratio) must not exceed 49%, as certified by the applicant's mortgage lender.
3. Homebuyer Education: All offers to purchase must be accompanied by documentation of registration for required homebuyer counseling course.
4. Most Competitive Offer: The homebuyer whose purchase offer will be most advantageous to the program will be selected.

In the event there are multiple prospective buyers for a specific housing unit, and the County has determined those buyers meet all qualifying factors, a first-come, first-served policy will be employed by the County.

VIII. AFFORDABILITY PERIOD

Affordability restrictions remain in force, regardless of transfer of ownership, for the entire affordability period unless repayment of "direct assistance" to the homebuyer is remitted to the County. Direct assistance typically takes the form of a second mortgage from the County to the homebuyer under terms that reduce the amount and cost of their first mortgage.

IX. OCCUPANCY REQUIREMENTS

Homebuyers who purchase an assisted unit must occupy the unit as their principal residence for the entire period of affordability. If the household does not continue to occupy the unit as their principal residence for the duration of the period of affordability, the County will require repayment of the direct assistance they received at the time of purchase. Occupancy requirements will be enforced with recorded legal documents deemed appropriate by the County.

X. SALE PRICE

Both the sale price (to the homebuyer) and the after-rehabilitation value of units assisted by the Affordable Housing Fund cannot exceed 95 percent of the area median purchase price for single family housing, as determined by HUD. (See Appendix A for specific limits.) While these limits represent an absolute ceiling, the County further requires that assisted units be sold at prices that are affordable to homebuyers at the target income level, as determined by the County's homebuyer underwriting process.

APPENDIX A

HOME Sales Price Limits

IL - Kane County - Chicago-Joliet-Naperville, IL HUD Metro FMR Area
Effective: 3/1/2017

	1-Unit	2-unit	3-unit	4-unit
Existing Homes HOME Purchase Price Limit	\$206,000	\$264,000	\$320,000	\$396,000
New Homes HOME Purchase Price Limit	\$224,000	\$286,000	\$347,000	\$430,000

AFFORDABLE HOUSING FUND GUIDELINES FOR RENTAL PROJECTS

I. PURPOSE

The purpose of this document is to supplement to the Affordable Housing Fund General Guidelines, with regulations specific to rental housing development.

II. AFFORDABLE HOUSING FUND

General Guidelines of the Affordable Housing Fund apply to this program in addition to those guidelines contained herein.

III. MARKET ASSESSMENT

A component of the underwriting process requires the review of current market demand for the proposed project. The market analysis should:

1. Evaluate general demographic, economic, and housing conditions in the community.
2. Delineate the market area by identifying the geographic area from which the majority of a project's tenants are likely to come. This may or may not coincide with census tract or neighborhood boundaries.
3. Quantify the pool of eligible tenants in terms of household size, age, income, tenure, and other relevant factors. Not all residents of the market area are potential or likely tenants of any given project.
4. Analyze the competition by evaluating other housing opportunities with an emphasis on other affordable rental developments in the market area, including those financed through other federal programs.
5. Assess the market for the planned units and determine if there is sufficient demand to rent the assisted housing within 18 months of project completion.
6. Evaluate the effective demand and the capture rate, usually expressed as a percentage (the project's units divided by the applicant pool). The capture rate is the percentage of likely eligible and interested households living nearby who will need to rent units in the proposed project in order to fully occupy it. The lower this rate, the more likely a project is to succeed.
7. Estimate the absorption period. Plan how many units can be successfully leased each month and how long it will take to achieve initial occupancy of the assisted units and stabilized occupancy for the project as a whole.

IV. DETERMINING THE ASSISTED UNITS

The program distinguishes between the units in a project that have been assisted with AHF funds and those that have not. This distinction between assisted and unassisted units allows funds to be spent on mixed-income projects while still targeting AHF dollars to income-eligible households only.

1. The rent and occupancy rules apply only to assisted units.
2. The number of assisted units in a given project must be specified at project commitment.

V. RENT AND OCCUPANCY REQUIREMENTS

In order to occupy an assisted unit, tenants must have incomes at or below certain percentages of the area median household income, adjusted for household size. Furthermore, their rent cannot exceed certain limits. Income and rent limits are determined annually by HUD. (Income limits are found in Appendix C of the General Guidelines. See Appendix A of these guidelines for current rent limits.) Rent and occupancy requirements vary between initial and subsequent occupants as follows:

1. Initial-Occupancy Requirements: When funds are used for rental housing, 90% of the occupants of assisted rental units must have incomes that are 60% or less of the area median income at the time of initial occupancy.
2. Long-Term Occupancy Requirements: After initial-occupancy requirements have been met, long-term occupancy requirements become effective and require occupants of assisted units must have incomes that are 80% or less of the area median income.
3. Five-Unit Project Rule: If the project contains five (5) or more assisted units, 20% of the tenants must have annual incomes at or below 50% of median income and pay no more than the low HOME rent, and 80% of the tenants must have annual incomes at or below 80% of median income and may pay no more than the high HOME rent.
4. Other: Other rent and occupancy restrictions may apply to the project depending on project underwriting.

Rents are strictly controlled during the Affordability Period. Annual rent limits are determined by the U.S. Department of Housing and Urban Development (HUD). The developer is responsible for obtaining rent schedules on an annual basis. The rent limits assume all utilities are included. Therefore, if certain utilities will be paid by tenants, the rent limits must be adjusted to determine the maximum allowable rents tenants may pay. See Exhibit C for more information regarding calculating utility allowances.

The County will enforce rent and occupancy requirements with a recorded Covenant and Deed Restriction. Assisted units retain their “assisted” designation for the entire period of affordability.

The chart below summarizes the above-described requirements:

Summary of Initial and Long-Term Occupancy Requirements				
% of AMI (Area Median Income)	Initial Occupancy (1 to 4 Units)	Initial Occupancy (5 or More Units)	Long-Term Occupancy (1 to 4 Units)	Long-Term Occupancy (5 or More Units)
At or Below 50% AMI	_____	20% (Must pay Low HOME Rents)	_____	20% (Must pay Low HOME Rents)
At or Below 60% AMI	90% (Must pay High HOME Rents)	70% (Must pay High HOME Rents)	_____	_____
At or Below 80% AMI	10% (Must pay High HOME Rents)	10% (Must pay High HOME Rents)	100% (Must pay High HOME Rents)	80% (Must pay High HOME Rents)
Above 80% AMI	Ineligible for initial occupancy	Ineligible for initial occupancy	Must pay 30% of adjusted monthly income	Must pay 30% of adjusted monthly income

VI. AFFORDABILITY PERIOD

Affordability restrictions remain in force, regardless of transfer of ownership, for the entire affordability period. Monitoring and site inspections will occur to ensure compliance; “desk” monitoring will occur at least annually, with site and unit inspections occurring on a three-year basis to ensure rental units are operated and maintained throughout the “period of affordability” in accordance with these program guidelines and contractual requirements relative to applicable federal and local regulations.

VII. TENANT PROVISIONS

Owners/Managers must develop written tenant selection policies and criteria to ensure that tenants are selected for occupancy at the property in a fair and equitable manner. Tenant selection policies must be based on objective criteria that expressly prohibit bias. Tenant selection procedures should be clear and easily understood by prospective tenants.

Property owners must have written tenant selection procedures and policies that comply with 24 CFR 92.253 Tenant protections and selection:

1. Limit the housing to very low- income and low-income families;
2. Are reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing; not to interfere with the rights and quiet enjoyment of other tenants);
3. Limit eligibility or give a preference to a particular segment of the population if applicable (refer to 24 CFR 92.253)

4. Do not exclude an applicant with a certificate or voucher under the Section 8 Tenant-Based Assistance: Housing Choice Voucher Program (24 CFR part 982) or an applicant participating in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.
5. Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable;
6. Give prompt written notification to any rejected applicant of the grounds for any rejection; and
7. Comply with the VAWA requirements prescribed in § 92.359.

Property owners must include allowable provisions in written tenant leases. Property owners must offer a lease term of at least 1 year, unless tenant and owner mutually agree to a lesser term, but in no case less than 30 days. Provisions must address:

1. Owners/Managers may not terminate a tenant's lease nor refuse to renew his or her lease without good cause. Even with good cause, the owner must provide the tenant with a thirty-day advance written notice before terminating the lease.
2. Owners must also comply with applicable state and/or local tenant-landlord laws.

An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted except for serious or repeated violation of the terms of the lease; for violation of applicable federal, state or local laws, and violations of tenant lease agreement. Any termination or refusal to renew must be preceded by not less than 30 days written notice from the owner specifying the grounds for action. Certain lease terms are prohibited including the following:

1. Confession of Judgment. Consent by the Tenant to be sued, to admit guilt, or to a judgment in favor of the landlord in a lawsuit brought in connection with the Lease.
2. Treatment of Property. Agreement by the Tenant that the Landlord may take or hold the Tenant's property, or may sell such property without notice to the Tenant and a court decision on the rights of the parties.
3. Excusing the Landlord from Responsibility. Agreement by the Tenant not to hold the Landlord or Landlord's agent legally responsible for any action or failure to act, whether intentional or negligent.
4. Waiver of Legal Notice. Agreement by the Tenant that the Landlord may institute a lawsuit without notice to the Tenant.
5. Waiver of Court Proceedings for Eviction. Agreement by the Tenant that the Landlord may evict the Tenant Family (i) without instituting a civil court proceedings in which the Family has the opportunity to present a defense, or (ii) before a decision by the court on the rights of the parties.
6. Waiver of Jury Trial. Authorization to the Landlord to waive the Tenant's right to a trial by jury.
7. Waiver of Right to Appeal Court Decision. Authorization to the Landlord to waive the

Tenant's right to appeal a court decision or waive the Tenant's right to sue to prevent a judgment from being put into effect.

8. Tenant Chargeable with Cost of Legal Actions Regardless of Outcome of the Lawsuit. Agreement by the Tenant to pay lawyer's fees or other legal costs whenever the Landlord decides to sue, whether or not the Tenant wins.

VIII. PROPERTY STANDARDS/MONITORING

Rental units must be operated and maintained throughout the “period of affordability” in accordance with these program guidelines, contractual requirements, and applicable federal and local regulations. Projects/units will be monitored on an ongoing basis, with an annual review of rent and occupancy records and a physical unit inspection every three years.

APPENDIX A

Rent Limits

Effective: 6/15/2017

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Low HOME Rent	\$691	\$740	\$888	\$1,027	\$1,146	\$1,264	\$1,382
High HOME Rent	\$912	\$1,029	\$1,232	\$1,420	\$1,564	\$1,7071	\$1,851
For Information: Fair Market Rent	\$912	\$1,055	\$1,232	\$1,569	\$1,878	\$2,160	\$2,441

Utility Allowances

The above rent limits assume all utilities are included. If any utilities are to be paid by tenants, the limits must be adjusted downward. The adjustments must be based on an established utility allowance schedule which is updated on an annual basis throughout the period of affordability. HUD's Utility Schedule Model can be used to determine the appropriate allowances. It can be found at <https://www.huduser.gov/portal/datasets/husm/uam.html>. Applicants that use the model must submit a copy of the schedule they obtain from the website, along with back-up documentation for the assumptions/figures entered in the model.

**Existing Program*

CITY OF ST. CHARLES HOME REHAB AND ACCESSIBILITY LOAN PROGRAM
JUNE 2018

PROGRAM OVERVIEW

The City of St. Charles is committed to preserving and maintaining its affordable housing stock. In response to this commitment, the City offers a home rehab program to income-eligible homeowners. This program offers zero-interest, deferred payment loans to qualified households to maintain the quality of the affordable housing stock and help distressed homeowners in need. Funding for this program is provided by the St. Charles Housing Trust Fund.

Program Name	Program Description	Available Funds	Type of Loan
Home Rehabilitation and Accessibility Loan Program (the "program")	Homeowners apply to Community Contacts, Inc. for a loan through the City's program. The program is supplemental to Kane County's Home Rehabilitation Loan Program. Applicants initially apply for the Kane County program. \$20,000 in assistance is available through the County's program. Loans from the City's program are considered in the following circumstances: (i) the cost of the Eligible Improvement(s) exceeds the maximum amount paid by Kane County or (ii) the homeowner has project costs that are not eligible for reimbursement through Kane County's program, but are Eligible Improvements for the City's program.	Maximum of \$10,000 per household	0% Interest deferred-payment loan with repayment at the time of sale or transfer of deed

ELIGIBLE IMPROVEMENTS

- Improvements and modifications for physically disabled persons, including but not limited to: grab bars and railings; motorized chair lifts; doorway widening; walk-in showers; accessible toilets; shower seats; ramps; bed rails; and lowered countertops.
- Repairs/improvements to mechanical, heating, plumbing, structural, and electrical systems.
- Exterior painting.
- Improvements to building security.
- Termite damage repair.
- Drainage improvements.
- Yard clean-up.
- Repairs or replacement of roofing.
- Insulation.
- Exterior work that will improve overall neighborhood appearance.
- Windows in need of repair or replacement.

INELIGIBLE IMPROVEMENTS

- Additions/upgrades to existing structure or component parts, i.e. window upgrades (Bay Window), room additions, etc. (except to provide access to persons with disabilities).
- Purchase or repair of furnishings.
- Purchase of land/real property.
- Construction/repair of swimming pools or hot tubs.

- Appliances
- Improvements to common elements of association owned or managed property.

RESIDENTIAL REHABILITATION PRIORITIES

The following priority system will be used to classify rehabilitation work needed for each property. The following priority system is in descending order of priority. Category A represents the highest priority items, and Category D represents items of lowest priority.

Category A - Health & Safety items

Category A consists of code violations and repair of the major systems that threaten the health and safety of the resident (e.g., basic structural, mechanical, electrical, heating and/or plumbing systems).

Category B - Incipient Code Violations

These items include those elements of the structure which are not in violation of the code but appear to be in a condition that will deteriorate into a code violation if left uncorrected (e.g., hot water heater or boiler of 30 or 40 years of age which may have given some minor problem in the recent past). If sufficient dollars are available to address more than the Category A items, then Category B improvements shall be undertaken to the extent of financial feasibility.

Category C - Energy Conservation Items

These items are directly related to the conservation of energy by upgrading the dwelling's thermal protection such as new windows, new doors, and insulation which may be undertaken if sufficient dollars have been available to address Category A and B items.

Category D - General Property Improvements

These work items constitute improvements which can be made to the property, but are not vital to health and safety of the resident. Examples could include yard maintenance, exterior painting, air conditioning, improvements and modifications for physically disabled persons. These items can be considered property improvements after Categories A through C have been addressed and subject to staff approval.

ELIGIBILITY

The following criteria will determine applicant eligibility:

1. Income: The annual gross household income of the applicant household may not exceed the income limits established below.
2. Location: The subject property must be within the City of St. Charles corporate limits.
3. Home Value: The value of the applicant's home may not exceed \$294,515.
4. Type of Unit: The unit must be an owner-occupied residential property.
5. Ownership: The person receiving the loan must live within the dwelling unit, and not rent this unit to other persons.

INCOME LIMITS

The annual gross household income cannot exceed the most recent income limits for a household at 80% Area Median Income based on household size, as published by the Illinois Housing Development Authority (source: <http://www.ihda.org>). The Household Value Limitation is set at the most recent FHA Mortgage Limit for Kane County (source: <https://entp.hud.gov/idapp/html/hicostlook.cfm>).

Affordable Housing Fund Program Guidelines

Owner Occupied Affordability Chart For Chicago Metro Area 80% of Area Median Income								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
2017 Income Limits (80% AMI)	\$44,250	\$50,600	\$56,900	\$63,200	\$68,300	\$73,350	\$78,400	\$83,450
Household Value Limitation	\$ 294,515							

**New Program*

CITY OF ST. CHARLES FIRST-TIME HOMEBUYER LOAN PROGRAM
JUNE 2018

PROGRAM OVERVIEW

The City of St. Charles is committed to promoting the availability of attainable housing in the community. Purchasing a home in St. Charles is often out of reach for first-time homebuyers due to the market values of St. Charles' housing stock as well as the need for a downpayment. In an effort to make purchasing a home in St. Charles more affordable for local families, the City offers a downpayment assistance program for first-time homebuyers. Funding for this program will be provided by the St. Charles Housing Trust Fund.

Program Name	Program Description	Available Funds	Type of Loan
First-Time Homebuyer Loan Program (the "program")	Prospective homebuyers apply to the Kane County Office of Community Reinvestment for a loan through the City's Program. The program is supplemental to Kane County's First-Time Homebuyer Program. Applicants initially apply for the Kane County program. \$10,000 in assistance is available through the County's program. Loans through the City's program are considered if additional assistance is necessary to meet the County's underwriting criteria.	Maximum of \$10,000 per household	0% Interest deferred-payment loan with repayment at the time of sale or transfer of deed

ELIGIBILITY

The following criteria will determine applicant eligibility:

1. **Income**: The annual gross household income of the applicant's household may not exceed the income limits established below.
2. **Status**: The applicant(s) must satisfy HUD's definition of a first-time homebuyer, meaning the applicant(s) may not have owned a home for the past three years.
3. **Residency**: The applicant(s) must currently live or work in Kane County and must have lived or worked in Kane County for at least one year at the time of closing.
4. **Location**:
 - a. The property to be purchased must be within the City of St. Charles corporate limits.
 - b. The property to be purchased may not be located in the 100-year floodplain.
5. **Unit Type**: The property to be purchased may be a single-family detached unit, condominium unit, or townhome unit.
6. **Purchase Price**: The maximum purchase price for an existing home is \$206,000. The maximum purchase price for a new home is \$224,000. (Values effective 3/1/2017)
7. **Ownership**: The person(s) receiving the loan must plan to live within the dwelling unit, and not rent the unit to other persons.
8. **Downpayment Contribution**: The applicant(s) must contribute a downpayment of at least 1% of the purchase price of the home to be purchased.
9. **Homebuyer Education**: The applicant(s) must successfully complete a homebuyer education course from a HUD certified agency.

10. Mortgage Approval: The applicant(s) must have obtained approval for first mortgage financing that comply with the guidelines established by the Kane County's First Time Homebuyer Program.
11. Home Inspection: The property to be purchased must pass a general home inspection and a lead-based paint inspection conducted by a Kane County inspector.

INCOME LIMITS

Annual gross household income cannot exceed the most recent income limits for a household at 80% Area Median Income based on household size, as published by the Illinois Housing Development Authority (source: <http://www.ihda.org>):

Chicago Metro Area Income Limits by Household Size at 80% Area Median Income								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
2017 Income Limits (80% AMI)	\$44,250	\$50,600	\$56,900	\$63,200	\$68,300	\$73,350	\$78,400	\$83,450