

**DUPAGE COMMUNITY DEVELOPMENT COMMISSION POLICY MANUAL**

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## **ACTIVITIES – ELIGIBLE, CDBG** (CDC Department Policy and HUD Regulations, Revised 2012)

- Acquisition of real property
- Disposition of public facilities
- And improvements
- Clearance activities
- Public services
- Interim assistance
- Relocation (See CDC Relocation Policy)
- Loss of rental income
- Privately-owned utilities
- Rehabilitation
- Construction of housing
- Code enforcement
- Special economic development activities
- Microenterprise assistance
- Special activities by CBDOs
- Homeownership assistance
- Planning and capacity building
- Program administration costs

### **Essential Services**

Essential services include services concerned with employment, health, drug abuse, and education and may include (but are not limited to):

- Assistance in obtaining permanent housing.
- Medical and psychological counseling and supervision.
- Employment counseling
- Nutritional counseling
- Substance abuse treatment and counseling
- Assistance in obtaining other Federal, State, and local assistance including mental health benefits; employment counseling; medical assistance; Veteran's benefits; and income support assistance such as Supplemental Security Income benefits, Aid to Families with Dependent Children, General Assistance, and Food Stamps
- Other services such as child care, transportation, job placement and job training
- Staff salaries of direct client services

### **Public Service**

- Salaries of those operating the center or programs who provide direct client services
- Although CDC policy prohibits transportation-related projects, it is eligible, and within CDC policy, to fund transportation of program participants to and from activities.
- Rent, utilities and telephone expenses related to operations are eligible
- Rental Equipment i.e. fax, copiers
- For NRCs, consumable supplies used for activities, such as materials, craft supplies, snacks.
- Other activities listed in the Scope of Work section of the Agreement.

### **Neighborhood Investment/ Community Wide Benefit/ Accessibility Improvements/ Planning Projects**

- Flood Management
- Water Mains and Sanitary Sewers
- Parks and Playgrounds
- Street Improvements – Streets, Alleys, Curbs, Gutters, Sidewalks, Streetlights, Signs, Traffic Signals, Street Furniture and Tress
- Miscellaneous Neighborhood Facilities
- Removal of Architectural Barriers – Ada Bathroom Improvements, ADA Ramp Installation, Elevators and Lifts and Automatic Wider Entrance Doors

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## ACTIVITIES - ELIGIBLE, EMERGENCY SOLUTIONS GRANT (CDC Policy and HUD Regulations May 2012)

### **Street Outreach**

- Case Management
- Child Care
- Education Services
- Employment/ Job Training
- Outpatient Health Services
- Legal Services
- Life Skills
- Mental Health Services
- Substance Abuse Treatment
- Transportation
- Services for Special Populations

### **Emergency Shelter**

- Essential Services
- Renovation
- Shelter Operations
- Assistance Required Under the Uniform Relocation Act

### **Homelessness Prevention**

- Housing Relocation and Stabilization Services
- Short- and Medium-Term Rental Assistance

### **Rapid Rehousing**

- Housing Relocation and Stabilization Services
- Short- and Medium-Term Rental Assistance

### **HMIS (Homeless Management Information System)**

- Hardware, Equipment and Software Costs
- Staffing - Paying Salaries for Operating HMIS
- Training and Overhead

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## **ACTIVITIES – INELIGIBLE, CDBG** (Approved by CDC 05/20/87)

CDBG funds may not be used for furniture, equipment or other similar ancillary items, except for the direct administration of the CDBG program by the County.

Funding for transportation services is not an appropriate use of CDBG funds and will not be considered eligible.

Subgrantees with area benefit projects will pay 100% of the associated architectural, engineering, pre-engineering studies, legal, audit and local administrative costs in addition to funding at least 25% of the construction costs. When it is necessary to provide hookups to CDBG-funded utility projects to assure project eligibility, the subgrantee may not use CDBG funds to pay any portion of the hookup charge for persons who are not low and moderate income persons. However, the subgrantee may count 100% of any non-CDBG financing of hookups toward its local share.

## **ACTIVITIES – INELIGIBLE, CDBG** (CDC Department Policy and HUD Regulations, Revised 2012)

### **Essential Services/ Public Services / NRCs**

- Staff Time On (Or Materials Used For) Fundraising Activities
- Training, unless it is part of the program design (training for volunteers to run a program component)
- Staff Time On (Or Materials Used For) Fundraising Activities
- Training Is Ineligible, Unless It Is A Part Of The Program Design (I.E., Training For Volunteers To Run A Program Component)
- Free Standing Equipment
- Free Standing Furniture
- Free Standing Fixtures
- Motor Vehicles
- Personal Property
- Awards/Plaques/Gifts for Volunteers or Speakers
- Memberships for Individual Children to Join Clubs
- Boxing Gloves to Keep at Center for Client Use
- Team Uniforms for Organized Sports Teams Purchase of Toys and Gifts For Clients

### **Capital**

- Projects Already Underway either Before an Application Has Been Submitted or Before a Signed Agreement Has Been approved by County Board

## **APPLICATION EVALUATION – INCOME DOCUMENTATION** (CDC Department Policy 11/9/2007 Updated and Approved by the CDC Executive Committee 02/06/2018)

- Organizations that are working with populations that are presumed by HUD to be low/mod income (i.e., abused children, elderly persons, battered spouses, homeless persons, adults meeting the Bureau of Census' definition of severely disabled persons) and had submitted no additional income documentation would have all of their persons served placed in the 51-80% income level.
- Organizations that are not working with presumed low/mod clientele and who have submitted evidence that they collect income data (such as an intake sheet) but not provided any back-up data will also have all of their clients placed in the 51-80% category.

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- Finally, organizations that are not working with presumed low/mod clientele and who have submitted no evidence that they collect income data will be determined to be ineligible.

## APPLICATION EVALUATION – INCOME VERIFICATION (CDC Department Policy, Approved by CDC Executive Committee 11/28/06)

Organizations who are not allowed to ask for income verification can do self-reporting.

## APPLICATION EVALUATION – LEVERAGING POINTS (CDBG) (CDC Department Policy CDC Executive Committee Minutes 10/14/97)

Leveraging points will not be changed once application scores have been published.

## APPLICATION EVALUATION – LEVERAGING POINTS REQUIREMENTS FOR NEIGHBORHOOD INVESTMENT, COMMUNITY-WIDE BENEFIT, ACCESSIBILITY IMPROVEMENT AND PLANNING PROJECTS (CDC Exec Approved 05/13/97, Revised FY2010, Updated and Approved 02/06/2018)

For most Neighborhood Investment Infrastructure and Community-Wide Benefit projects, CDC policy requires that a minimum of 25% of the actual construction costs be paid by the Subgrantee through non-CDBG public or private sources of funds. Neighborhood Investment Accessibility Projects will be required to pay for a minimum of 50% of construction costs. Although special assessments to neighborhood homeowners may be used for the Subgrantee's 25%, **funds to be collected from these assessments will not be counted as a non-CDBG public or private source of funds for the purpose of awarding additional points for leveraging.**

## APPLICATION EVALUATION – MATCH REQUIREMENTS (Re-approved 03/09/2004 CDC Exec Meeting, Revised FY2011, Updated and Approved by CDC Executive Committee 02/06/2018)

Type of Project	Severity Level	Match Requirement	Points Awarded (For Neighborhood Investment Infrastructure Projects Only) application process
Neighborhood Strategy Areas	Varies	Varies	Varies depending on project.
Flood Management	High	25%	1 point for each 5% above 25% (maximum of 10 points available.)
	Medium	50%	1 point for each 5% above 50% (maximum of 10 points available.)
	Low	50%	1 point for each 5% above 50% (maximum of 10 points available.)
Water mains and Sanitary Sewers	High	25%	1 point for each 5% above 25% (maximum of 10 points available.)
	Medium	25%	1 point for each 5% above 25% (maximum of 10 points available.)
	Low	25%	1 point for each 5% above 25% (maximum of 10 points available.)
Open Space and Recreation	Medium	25%	1 point for each 5% above 25% (maximum of 10 points available.)
	Low	25%	1 point for each 5% above 25% (maximum of 10 points available.)
Street Improvements, Street Lighting, Sidewalks, and Other Miscellaneous Neighborhood Facilities	High	25%	1 point for each 5% above 25% (maximum of 10 points available.)
	Low	50%	1 point for each 5% above 50% (maximum of 10 points available.)
Accessibility Improvements for People	High	50%	1 point for each 5% above 50% (maximum of 10 points available.)



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Type of Project	Severity Level	Match Requirement	Points Awarded (For Neighborhood Investment Infrastructure Projects Only) application process
with Disabilities (Maximum funding available \$50,000.)	Medium	50%	1 point for each 5% above 50% (maximum of 10 points available.)
	Low	50%	1 point for each 5% above 50% (maximum of 10 points available.)
Community-Wide Facilities	N/A	25%	1 point for each 5% above 25% (maximum of 10 points available.)
Economic Development	N/A	25%	1 point for each 5% above 25% (maximum of 10 points available.)
Planning Studies	N/A	75%	1 point for each 5% above 75% (maximum of 5 points available.)

**APPLICATION EVALUATION - MINIMUM POINT REQUIREMENTS –**

**NEIGHBORHOOD INVESTMENT ACCESSIBILITY APPLICATIONS** (Approved by CDC on 12/9/97 and CDC Executive Committee on 10/14/97, Updated and Approved by CDC Executive Committee on 02/06/2018)

Neighborhood Investment accessibility application’s minimum point requirement will be 25. Accessibility improvements will be scored as a separate category of Neighborhood Investment applications and will be recommended for funding based on scoring and availability of total funds.

**APPLICATION EVALUATION – MISSING DOCUMENTATION (CDC Policy, Reinforced 11/28/2006 CDC Exec Meeting)**

Missing application information will not be accepted after the application deadline date has passed.

**APPLICATION EVALUATION - NEIGHBORHOOD INVESTMENT PRIORITY**

**NEEDS SELECTION CRITERIA** (CDC Exec Committee approved on 06/22/2010 Revised and Approved by the CDC Executive Committee on 02/06/2018)

Ranking Criteria has been revised to include consideration of the priority need levels established in the 5-Year Consolidated Plan for Housing and Community Development as follows: High Priority = 5 points; Low Priority = 2 points.

**APPLICATION EVALUATION – PAST PERFORMANCE CATEGORY** (Approved by CDC Executive Committee 08/01/2017)

An additional category of “Past Performance” has been added to the Neighborhood Investment and Capital applications awarding additional points for Subgrantees who have submitted the required reporting documents in a correct and timely manner.

**APPLICATION PROCESS – CDBG CAPITAL AND NEIGHBORHOOD INVESTMENT MAXIMUM (AMOUNT) REQUEST** (Approved by CDC Executive Committee on 08/07/12, Revised and Approved by the CDC Executive Committee on 02/06/2018, Revised and Approved by the CDC Executive Committee on 07/07/2020)

A maximum project request, for a single year, is \$600,000 for both municipal projects and non-profit capital projects unless an increase has been specifically approved by the Community Development Executive Committee. A multiyear project can be requested, and if granted, the recipient is prohibited from applying for additional funding over the years the project is to be funded.

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**APPLICATION PROCESS - CDBG/ESG GRANT** (CDC Department Policy 2001, Revised and Approved by the CDC Executive Committee on 02/06/2018)

- There will be only one review round. No additional information will be allowed after the application deadline unless specifically requested by the Director of Community Services.
- CDC Staff also is providing individual technical assistance on request. The process will continue to include an opportunity for applicants to appeal our staff evaluation at the Community Development Executive Committee.

**APPLICATION PROCESS – ELDERLY, FAMILIES IN CRISIS, PEOPLE WITH DISABILITIES - CAPITAL FUNDS ONLY** (Approved by CDC Executive Committee on 08/07/2012, Revised and Approved by the CDC Executive Committee on 02/06/2018)  
Public Service funding and eligible activities will be determined by the Community Development Commission and priorities set forth in the 5 Year Consolidated Plan.

**APPLICATION PROCESS - NEIGHBORHOOD INVESTMENT/ CDBG CAPITAL APPLICATIONS, NUMBER SUBMITTED** (Approved by the CDC Executive Committee on 08/09/11)

Program applications for submission to the CDC will be limited to a maximum of two (2) Capital and/or Neighborhood Investment project requests and any applicants that submit more than one are required to rank their requests in priority order.

**APPLICATION PROCESS – NEIGHBORHOOD INVESTMENT EXCEPTION CRITERIA** (Approved by CDC Executive Committee on 08/07/2012, Revised and Approved by the CDC Executive Committee on 02/06/2018)

The exception criteria for eligible neighborhood investment applications will be determined by HUD and may change from time to time. The Community Development Commission strongly encourages applicants to select an eligible location that has a percentage that is at least 5% higher than the minimum in the event the eligible percentage increases before the activity is complete.

**APPRAISALS** (CDC Department Policy - 2000)

Appraisals have to come back equal or greater than the purchase price.

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**CDBG CAPITAL/NI APPLICATIONS - NUMBER SUBMITTED** *See Application Process - Neighborhood Investment/ CDBG Capital/Applications, Number Submitted – Page 12*

**CDBG FIVE YEAR COMPLIANCE PERIOD** (Approved by CDC Executive Committee 02/06/2018)

## 1. Authority – 24 CFR 570.505

The standards described in this section apply to real property within the recipient's control which was acquired or improved in whole or in part using CDBG funds in excess of \$25,000. The CDC standards shall apply from the closeout date CDBG funds are spent in the IDIS System until five years after closeout of an entitlement recipient's participation in the entitlement CDBG program or, with respect to other recipients, until five years after the closeout of the grant from which the assistance to the property was provided. All CDC policies and procedures will apply for projects that meet the minimum CDBG compliance period.

- (a) A recipient may not change the use or planned use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the recipient provides affected citizens with reasonable notice of, and opportunity to comment on, any proposed change, and either:
  - (1) The new use of such property qualifies as meeting one of the national objectives in § 570.208 (formerly § 570.901) and is not a building for the general conduct of government; or
  - (2) The requirements in paragraph (b) of this section are met.
- (b) If the recipient determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (a)(1) of this section, it may retain or dispose of the property for the changed use if the recipient's CDBG program is reimbursed in the amount of the current fair market value of the property, less any portion of the value attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.
- (c) If the change of use occurs after closeout, the provisions governing income from the disposition of the real property in § 570.504(b)(4) or (5), as applicable, shall apply to the use of funds reimbursed.
- (d) Following the reimbursement of the CDBG program in accordance with paragraph (b) of this section, the property no longer will be subject to any CDBG requirements.

- ## 2. Public Notification Process
- DuPage County will require an agency to formally advertise in the Daily Herald Newspaper or equivalent to consult affected citizens for

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a period of 15 days. All comments received will be submitted to the Community Development Commission for consideration.

- 3. Determination of Value** – Fair market value of the property will be considered the agreed upon purchase price of the property. The Community Development Commission has the authority to request an appraisal should the purchase price be considered lower than the estimated agreed purchase price.
- 4. Pay Back Terms** - CDC staff will complete a calculation to factor in CDBG investment using the 5 year threshold and County payback policy, agency investment, and fair market value to determine the required payback. At a minimum CDBG funds not meeting the 5 year compliance period will be required to be paid back in full.
- 5. Appeals** – Should any agency have discrepancies in the requested pay back terms or procedures of this policy, an appeal may be made to the Community Development Commission. If the appeals request is not received by the Commission at least ten days prior to the meeting, the appeal will be delayed until the next meeting of the Commission. Notwithstanding the foregoing, the Commission only has the ability to grant appeals based on County policies. Any appeal for waiver of a Federal regulation or requirement cannot be granted by the Commission.

**CITIZEN PARTICIPATION PLAN** (CDC Department Policy 2007, Revised and Approved by the CDC Executive Committee on 02/06/2018; Revised and Approved by the Community Development Commission and HOME Advisory Group on 06/02/2020)

This Citizen Participation Plan is a compilation of the existing policies of the DuPage Community Development Commission (CDC) designed to afford citizens, public agencies, and interested parties reasonable opportunity to review and comment on activities of the CDC and the projects and programs funded by the grant programs it oversees. The DuPage County Board takes final action regarding these grant programs (currently including the Community Development Block Grant program, the HOME Investment Partnerships program, and the Emergency Shelter Grant program), but it is the CDC that establishes and implements policies relating to the use of these funds and recommends action by the DuPage County Board. As part of this function, the CDC is responsible for assuring citizen participation in its program and project development process.

In accordance with the requirements under 24 CFR Part 91.105, this citizen participation plan provides for and encourages citizens to participate in the development of the Analysis of Impediments to Fair Housing Choice Plan (AI), revisions to the AI, development of the Consolidated Plan for Housing and Community Development (ConPlan), substantial amendments to the ConPlan and the Consolidated Annual Performance and Evaluation Report (CAPER). Citizens must also be given the opportunity to comment on the citizen participation plan itself: both at initial drafting and when substantial amendments are made to the plan.

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## **Applicability**

This citizen participation plan is applicable to the activities of the DuPage Community Development Commission and DuPage County as they carry out their respective responsibilities for the Community Development Block Grant (CDBG) program, the HOME Investment Partnerships (HOME) program, and the Emergency Solutions Grant (ESG) program. Documents covered include:

- Consolidated Plan for Housing and Community Development (ConPlan);
- Annual Action Plan;
- Consolidated Annual Performance and Evaluation Report (CAPER);
- Substantial Amendments (where applicable);
- Analysis of Impediments (AI) to Fair Housing Choice; and
- Citizen Participation Plan

## **Amendments**

Portions of the ConPlan or Annual Action Plan may undergo amendments. These amendments are defined by 24 CFR Part 91.105 as:

- (a) Making a change in allocation priorities or in the method of distribution of funds;
- (b) Carrying out an activity, using funds from any program covered by the Consolidated Plan (including program income), not previously described in the Annual Action Plan;
- or
- (c) Changing the purpose, scope, location, or beneficiaries of an activity

The local jurisdiction may determine what constitutes a Substantial Amendment. With a Substantial Amendment, citizen participation is required. The DuPage CDC identifies two categories of amendments which constitute a Substantial Amendment:

- (a) modifications to the list of proposed activities affecting at least 25% of the federal funds subject to the ConPlan; and
- (b) changes in use of Community Development Block Grant (CDBG) program funds from one eligible activity to another (24 CFR 91.105(c)).

Amendments to the ConPlan or Action Plan that are not classified as Substantial Amendments will be modified internally at the discretion of DuPage County. Once an amendment has been completed, the amendment will be made public on the DuPage County website and notice will be provided to the Housing and Urban Development (HUD) field office.

## **Public Hearings and Public Comment Periods**

**Public Hearings:** At least two annual public hearings at two different stages of the program year are required by the CDC for activities included in the Consolidated Plan, Analysis of Impediments to Fair Housing Choice, Annual Action Plan, and Consolidated Annual Performance Evaluation Report, and Citizen Participation Plan

Consolidated Plan (ConPlan) and Analysis of Impediments to Fair Housing Choice (AI):

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1. A HUD-required public hearing will be held early in the process, prior to the AI or ConPlan being published for comment, to gain citizen input. The timing of this hearing is such that it can provide input into the CDC's decision on the general allocation of funds for the CDBG program, which occurs before specific activities are being considered. Notification is published in a newspaper of general circulation in the DuPage Consortium area at least 10 days prior to the hearing. The same notice will also be published to the DuPage County website. In addition, a special notice is sent to a regularly updated mailing list of organizations and persons who have contacted the CDC office about its programs.
2. The CDC requires public hearings to be held for all projects that are seeking CDBG funding. For projects that are site-specific, the applicant is encouraged to hold the hearing at the site and to notify residents, and/or clients, that would most be affected by the proposed activity. A 10-day notice published in a newspaper of general circulation in the DuPage Consortium area is required by the CDC.
3. A second HUD-required public hearing on the draft ConPlan and draft AI will be held before final action by the County Board. This hearing will serve as one of the two Federally required public hearings annually to obtain public input. The notification process for this hearing is similar to the one used in #1 (above), except that an electronic link to a copy of the draft plan is made available to municipalities and public libraries throughout the consortium area, and to agencies and persons requesting a copy for review. For residents and groups without access to the internet, a reasonable number of free copies of the draft plan will also be made available upon request. Draft documents will be made available in a form accessible to persons with disabilities, upon request.
4. The organization conducting the public hearing must make accommodation to assure that people with disabilities have the opportunity to participate. In addition, if it appears that a significant number of non-English speaking persons may participate; reasonable efforts must be made to accommodate their language needs. The Community Development office may be contacted for a list of organizations that can supply language services.
5. In emergent situations where public meetings are not allowable or feasible, a virtual public hearing may be held that allows questions in real time with answers coming directly from the members of the organization conducting the public hearing.

### Annual Action Plan and Substantial Amendments:

1. The CDC requires public hearings to be held for all projects that are seeking CDBG funding. For projects that are site-specific, the applicant is encouraged to hold the hearing at the site and to notify residents, and/or clients, that would most be affected by the proposed activity. A 10-day notice published in a newspaper of general circulation in the DuPage Consortium area is required by the CDC.
2. A HUD-required public hearing on the draft Annual Action Plan or Substantial Amendment will be held before final action by the County Board. This hearing will

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- serve as one of two Federally required public hearings annually to obtain public input. Notification is published in a newspaper of general circulation in the DuPage Consortium area at least 10 days prior to the hearing. The same notice will also be published to the DuPage County website. An electronic link to a copy of the draft plan or amendment is made available to municipalities and public libraries throughout the consortium area, and to agencies and persons requesting a copy for review. For residents and groups without access to the internet, a reasonable number of free copies of the draft plan or amendment will also be made available upon request. In addition, a special notice is sent to a regularly updated mailing list of organizations and persons who have contacted the CDC office about its programs. Draft documents will be made available in a form accessible to persons with disabilities, upon request.
3. The organization conducting the public hearing must make accommodation to assure that people with disabilities have the opportunity to participate. In addition, if it appears that a significant number of non-English speaking persons may participate; reasonable efforts must be made to accommodate their language needs. The Community Development office may be contacted for a list of organizations that can supply language services.
  4. In emergent situations where public meetings are not allowable or feasible, a virtual public hearing may be held that allows questions in real time with answers coming directly from the members of the organization conducting the public hearing.

### Consolidated Annual Performance Evaluation Report (CAPER):

1. A HUD-required public hearing on the draft CAPER will be held before final action by the County Board. This hearing will serve as one of two Federally required public hearings annually to obtain public input. Notification is published in a newspaper of general circulation in the DuPage Consortium area at least 10 days prior to the hearing. The same notice will also be published to the DuPage County website. An electronic link to a copy of the draft plan is made available to municipalities and public libraries throughout the consortium area, and to agencies and persons requesting a copy for review. For residents and groups without access to the internet, a reasonable number of free copies of the draft plan will also be made available upon request. In addition, a special notice is sent to a regularly updated mailing list of organizations and persons who have contacted the CDC office about its programs. Draft documents will be made available in a form accessible to persons with disabilities, upon request.
2. The organization conducting the public hearing must make accommodation to assure that people with disabilities have the opportunity to participate. In addition, if it appears that a significant number of non-English speaking persons may participate; reasonable efforts must be made to accommodate their language needs. The Community Development office may be contacted for a list of organizations that can supply language services.

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3. In emergent situations where public meetings are not allowable or feasible, a virtual public hearing may be held that allows questions in real time with answers coming directly from the members of the organization conducting the public hearing.

## Citizen Participation Plan

The Citizen Participation Plan itself will only require a public comment period when it is originally drafted and when it is proposed to be substantially changed. When DuPage county determines that a substantial change is being proposed, public comments will follow the following protocol:

1. A HUD-required public hearing on the draft Citizen Participation Plan will be held. Notification is published in a newspaper of general circulation in the DuPage Consortium area at least 10 days prior to the hearing. The same notice will also be published to the DuPage County website. An electronic link to a copy of the draft plan is made available to municipalities and public libraries throughout the consortium area, and to agencies and persons requesting a copy for review. For residents and groups without access to the internet, a reasonable number of free copies of the CAPER will also be made available upon request. In addition, a special notice is sent to a regularly updated mailing list of organizations and persons who have contacted the CDC office about its programs. Draft documents will be made available in a form accessible to persons with disabilities, upon request.
2. The organization conducting the public hearing must make accommodation to assure that people with disabilities have the opportunity to participate. In addition, if it appears that a significant number of non-English speaking persons may participate; reasonable efforts must be made to accommodate their language needs. The Community Development office may be contacted for a list of organizations that can supply language services.
3. In emergent situations where public meetings are not allowable or feasible, a virtual public hearing may be held that allows questions in real time with answers coming directly from the members of the organization conducting the public hearing.

**Public Comment Periods:** The comment periods are as follows:

1. The draft Consolidated Plan, draft Analysis of Impediments to Fair Housing Choice, draft Annual Action Plan, draft Substantial Amendment, and draft Citizen Participation Plan require a 30-day comment period, unless otherwise specified under the pertinent Federal regulation, prior to the County Board's final action on the Plan. Notice of this comment period is done simultaneously with the notice of the public hearing on the draft Plans and uses the same methods.
2. The draft Consolidated Annual Performance Evaluation Report requires a 15-day comment period, unless otherwise specified under the pertinent Federal regulation, prior to submitting it to HUD. Notification is published in a newspaper of general circulation in the DuPage Consortium area. The same notice will also be published to



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the DuPage County website.

3. Additional comments are solicited on the activities undertaken with CDBG, HOME, and ESG funds through the Environmental Review Record process. Notification and comment periods are in accordance with 24 CFR Part 58.

## **Assessing Language Needs**

During development of the Consolidated Plan, DuPage County updates its Language Access Plan. The Language Access Plan details procedures for assessing language needs within the jurisdiction and identifies need for translation of notices and other vital documents.

## **Access to Information**

**Access to Records:** In accordance with the Freedom of Information Act, all records are open to the public. Any person wishing to view the records associated with the CDBG, HOME, or ESG program may arrange to do so, and copies will be made available in accordance with applicable Freedom of Information requirements. It is also the policy of the CDC that pending applications for funding under these programs are available to the public for review.

**Access to Meetings:** All meetings of the CDC, the CDC Executive Committee, the HOME Advisory Group, and any special committees created by these groups are subject to the Open Meetings Act. Therefore, notification and reporting requirements apply any time a majority of a quorum of any of these groups assembles to discuss the business of the CDC. It is also the policy of the CDC to notify organizations who would be directly affected by a policy issue scheduled for consideration by one of the CDC's policy groups.

## **Technical Assistance**

To encourage participation in its programs by organizations who may wish to apply for funds, the CDC provides the following technical assistance.

**Pre-application Meetings:** Staff is available to meet as many times as necessary with any public or private organization interested in the CDBG, HOME, or ESG programs. The purpose of these meetings is to give specific advice that will enhance the applicant's probability of success in obtaining funds and to achieve their housing or community development goals. The staff will also go over the selection criteria and make revisions to ensure that the highest priority needs are being met.

**Guidance During the Application Review Process:** The CDC staff will meet with any applicant or potential applicant to go over the application process. This is the time when applicants or potential applicants can ask questions regarding how to fill out the application, so it will be complete and correct. During the process of evaluating project applications, the CDC staff works with applicants to further strengthen their application. This assistance is focused on maximizing the points the application would receive in the CDC's adopted selection criteria, which assures that the proposed activity is achieving the stated objectives of the County's housing and community development programs.

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## **Special Participation Activities**

The following are special methods used to obtain the views of citizens and organizations with a stake in the activities of the CDC.

**Consultations with Representative Groups:** The CDC encourages organizations involved in meeting housing and community development needs throughout the consortium area to arrange for special consultation meetings with the CDC. The purpose of these meetings is to obtain information on specific issues.

**Special Public Participation in Neighborhood Strategy Area Plans:** For neighborhood-based projects, the CDC encourages a comprehensive approach to dealing with local problems. Projects and programs in these areas can be given higher priority, but to receive this added consideration a neighborhood strategy area plan must be completed. The CDC's requirements for these plans include extensive consultation with neighborhood residents such that they are participants in process of identifying problems and finding solutions.

## **Responses to Comments and Complaints**

**Responses to Comments:** It is the policy of the CDC that all comments directed to the applicable documents and that are received during public hearings, designated comment periods, and consultations shall be responded to in writing within the document. Comments will be summarized in the document followed by responses.

Applicants who receive comments during public hearings held for specific proposed activities shall summarize these comments as part of their application and shall respond in writing. Likewise, any comments received during the Environmental Review Record process shall also be summarized and responded to in the environmental assessment.

**Responses to Complaints:** Any written complaints regarding the applicable documents, or individual activities undertaken by DuPage County's CDBG, HOME, or ESG programs shall be responded to in writing. It is the policy of the CDC to respond within 15 working days of receipt of the complaint whenever possible. If the complaint involves a policy issue requiring deliberation of one or more policy groups, the individual submitting the complaint shall be notified of this fact within 15 days. The issue will be brought to the attention of the appropriate policy group at the next available meeting, and a response will be developed after their consideration.

## **Minimizing Displacement**

DuPage CDC shall recommend and approve funding projects which will minimize, to the greatest extent feasible, the direct permanent involuntary displacement of tenant households, businesses, farms, and non-profit organizations. Specific efforts to minimize displacement and provide relocation assistance as needed are outlined in the CDC's Relocation Policy.

## **If There Are Any Comments or Questions**

Anyone wishing to submit comments pursuant to this Plan, desiring more information about DuPage County's CDBG, HOME, or ESG programs, or having questions regarding

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this Citizen Participation Plan should write to the DuPage Community Development Commission, 421 N. County Farm Road, Wheaton, Illinois 60187 or call (630) 407-6600.

**CONFLICT OF INTEREST** (Approved by the HOME Advisory Group and CDC Executive Committee Group on 03/01/16)

**1.Applicability.** This policy shall apply to all persons and entities who exercise or have exercised any functions or responsibilities with respect to activities assisted with Community Development Block Grant (CDBG) funds, HOME Investment Partnerships Program (HOME) funds, Emergency Solutions Grant (ESG) funds, and/or CDBG Disaster Recovery funds, or who are in a position to participate in a decision-making process or gain inside information with regard to these activities that would result in obtaining a financial interest or financial benefit from an activity assisted with any of the forgoing funds, or have a financial interest in any contract, subcontract, or agreement with respect to such activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include (whether by blood, marriage or adoption) the spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild, and in-laws of a covered person. Such persons include elected officials and employees of DuPage County; subrecipients; owners, developers and sponsors of HOME assisted projects and members of their development teams; contractors and subcontractors under contract to DuPage County, any of DuPage County's subrecipients, or under contract to any owner, developer or sponsor of a HOME assisted project; participants receiving direct assistance through down payment assistance, rehabilitation, acquisition and buy-out activities; and participants renting a HOME assisted unit.

**2.Conflict of Interest Disclosure Form.** Potential conflicts will be identified through use of the attached Conflict of Interest Disclosure forms. These forms will be part of the application process for CDBG and HOME. Upon receipt of applications from municipalities, non-profits, and owners/developers/sponsors of HOME projects, applications will be reviewed to determine if there are other entities/persons involved in the potential project that should also submit a form. Forms are obtained from homebuyers seeking homebuyer/down payment assistance at time of their eligibility/underwriting review. Forms are obtained from homeowners seeking rehabilitation funds as part of the application process. Forms are obtained from homeowners seeking acquisition/buyout under CDBG-DR as part of the application and duplication of benefits review process. Tenants seeking to rent a HOME assisted unit will be required to complete the form as part of their eligibility review for the unit.

**3.Resolution of Potential Conflicts.** If a potential conflict is identified, it will be brought to the attention of the Director of Community Services. A determination will be made as to whether an actual conflict exists. If it is determined through consultation at the Director level that no conflict exists, the file will be documented and the application for funding will continue through the funding process. If the Director is unable to be determine whether an actual conflict exists, the potential

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conflict will be directed to the State’s Attorney’s Office for review. If the State’s Attorney is able to release an opinion that no conflict exists, based on the requirements of the potential funding source and OMB Circular 200, the file will be documented and the application for funding will continue through the funding process. If the State’s Attorney is unable to determine whether an actual conflict exists or determines that an actual conflict does exist, the Director will direct staff to deny the application or will direct State’s Attorney to follow the regulatory process to seek an exception from the U.S. Department of Housing and Urban Development (HUD).

**4. Appeal.** Should any application be denied under the forgoing criteria, an appeal may be made in writing to the Director of Community Services. The appeal must state statutory and regulatory reasons why the applicant believes the application should not be denied on the basis of Conflict of Interest. The appeal will be submitted to the State’s Attorney for review as to legal merit.

**CONFLICT OF INTEREST DISCLOSURE**

Please initial each true and applicable statement:

	1. The undersigned understands that this project is being funded with Federal dollars under the Community Development Block Grant (CDBG) Program, HOME Investment Partnership Program (HOME) or Emergency Solutions Grant through DuPage County.
Please select one of the following designations:	
	2. The undersigned has made application to be the owner, developer, or sponsor of a project funded with HOME.
	3. The undersigned desires to participate as a contractor or subcontractor under a construction project funded with CDBG or HOME.
	4. The undersigned has made application to be a subrecipient of DuPage County funding under CDBG, HOME, or ESG.
	5. I am a participant in a DuPage County funded homebuyer or home rehabilitation program.
Please select one of the following statements:	
	6. The undersigned hereby certifies that he/she or (if other than an individual) any owners, employees, agents, consultants, officers, or elected or appointed officials (including members of its board of directors) <u>do(es) not have</u> any business or family tie to any current or former employee, agent, consultant, officer, or elected or appointed official of DuPage County. Such a tie includes the following relationships and in-laws of such relationships (whether by blood, marriage or adoption): spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild and no such tie has existed during the past twelve months. All these categories of persons and relations are considered to be “covered persons” under Federal conflict of interest regulations.

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	<p>7. The undersigned <u>does have</u> a business or family tie to a current or former (within the last twelve months) employee, agent, consultant, officer, or elected or appointed official of DuPage County. Please note that DuPage County will need to review such business or family tie to determine if it constitutes a conflict of interest under applicable Federal regulations prior to entering into any agreement with you. Please list each such business or family tie:</p>
<p>If you selected #2 above (owner or developer of a project funded with HOME).</p>	
	<p>8. The undersigned understands that no owner, developer, or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor) whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner, developer, or sponsor) may occupy a HOME-assisted affordable housing unit in a project during the required period of affordability.</p>
<p>Please select one of the following statements:</p>	
	<p>9. The undersigned is an individual or sole proprietor and am signing this on behalf of myself.</p>
	<p>10. The undersigned is a partnership and the signature below represents the statement of the partnership and all general and limited partners, individually, and collectively all covered persons associated with the partnership.</p>
	<p>11. The undersigned is a corporation and the signature below is that of a duly authorized corporate officer and represents the statement of each and all covered persons associated with the corporation.</p>

Printed Name:	
Title (if applicable):	
Name of organization (if applicable)	
Signature:	
Date:	

Printed Name:	
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Title (if applicable):	
Name of organization (if applicable)	
Signature:	
Date:	

**CONFLICT OF INTEREST DISCLOSURE – CDBG-DR**

Please initial each true and applicable statement:

	1. The undersigned understands that this project is being funded with Federal dollars under the Community Development Block Grant – Disaster Recovery (CDBG-DR) Program.
Please select one of the following designations:	
	2. The undersigned has made application to be the owner or developer of a project funded with CDBG-DR.
	3. The undersigned desires to participate as a contractor or subcontractor under a construction project funded with CDBG-DR.
	4. The undersigned has made application to be a subrecipient of DuPage County funding under CDBG-DR.
	5. I am a participant in a CDBG-DR funded buy-out or acquisition of property.
Please select one of the following statements:	
	6. The undersigned hereby certifies that he/she or (if other than an individual) any owners, employees, agents, consultants, officers, or elected or appointed officials (including members of its board of directors) <u>do(es) not have</u> any business or family tie to any current or former employee, agent, consultant, officer, or elected or appointed official of DuPage County. Such a tie includes the following relationships and in-laws of such relationships (whether by blood, marriage or adoption): spouse, parent (including a stepparent), child (including a stepchild), brother, sister (including a stepbrother or stepsister), grandparent, grandchild and no such tie has existed during the past twelve months. All these categories of persons and relations are considered to be “covered persons” under Federal conflict of interest regulations.
	7. The undersigned <u>does have</u> a business or family tie to a current or former (within the last twelve months) employee, agent, consultant, officer, or elected or appointed official of DuPage County. Please note that DuPage County will need to review such business or family tie to determine if it constitutes a conflict of interest under applicable Federal regulations prior to entering into any agreement with you. Please list each such business or family tie:

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Please select one of the following statements:	
	8. The undersigned is an individual or sole proprietor and am signing this on behalf of myself.
	9. The undersigned is a partnership and the signature below represents the statement of the partnership and all general and limited partners, individually, and collectively all covered persons associated with the partnership.
	10. The undersigned is a corporation and the signature below is that of a duly authorized corporate officer and represents the statement of each and all covered persons associated with the corporation.

Printed Name:	
Title (if applicable):	
Name of organization (if applicable)	
Signature:	
Date:	

Printed Name:	
Title (if applicable):	
Name of organization (if applicable)	
Signature:	
Date:	

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## **ENVIRONMENTAL REVIEWS, AUTHORIZED SIGNATURES** (Approved by County Board Resolution DC-R-0344-15 on 04/28/2015)

DC-R-0344-16 - WHEREAS, the COUNTY receives funds from the United States Department of Housing and Urban Development (“HUD”) for the Community Development Block Grant Program (“CDBG”), as provided by the Housing and Community Development Act of 1974, as amended (P.L. 93-383)(“ACT 1”); and

WHEREAS, the COUNTY receives funds from the United States Department of Housing and Urban Development (“HUD”) for the HOME Investment Partnerships Act (the HOME Investment Partnerships Program or “HOME”) as provided by the Cranston-Gonzalez National Affordable Housing Act, as amended, Pub. L. 101-625, 42 U.S.C. § 12721, et seq.) (“ACT 2”); and

WHEREAS, the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009 (“Act 3”), enacted into law on May 20, 2009, consolidated three of the separate homeless assistance programs administered by the U.S. Department of Housing and Urban Development (“HUD”) under the McKinney-Vento Homeless Assistance Act into a single grant program, and revised the Emergency Shelter Grants program and renamed it as the Emergency Solutions Grant (“ESG”) program; and

WHEREAS, the COUNTY receives funds from the United States Department of Housing and Urban Development (“HUD”) for the Emergency Solutions Grant (“ESG”) program authorized by Act 3; and

WHEREAS, the COUNTY receives funds from the United States Department of Housing and Urban Development (“HUD”) for the Community Development Block Grant - Disaster Recovery Grant (CDBG-DR) program in accordance with the Disaster Relief Appropriations Act 2013 (Act 4) (Public Law 113-2); and

WHEREAS, the COUNTY, from time-to-time, assumes HUD environmental responsibilities for HUD-assisted projects benefitting DuPage County including, but not limited to: assistance administered by a public housing agency under Section 8 of the United States Housing Act of 1937; and, grants to private non-profit organizations and housing agencies under the Supportive Housing Program and Shelter Plus Care Program authorized by Title IV of the McKinney-Vento Homeless Assistance Act; and

WHEREAS, COUNTY is the Responsible Entity for the preparation of environmental reviews for projects related to said Acts and enforcement of environmental standards required by 24 CFR Part 58. Commitment of funds for projects related to said Acts may occur only upon satisfactory completion of environmental review under 24 CFR Part 58; and

WHEREAS, satisfactory completion of environmental reviews under 24 CFR



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Part 58 requires that the Responsible Entity designate certifying officials to certify, in writing, that each activity or project meets the requirements of 24 CFR Part 58; and

WHEREAS, the County, as Responsible Entity, desires to designate certifying officials to sign forms required for completion of environmental reviews required by 24 CFR Part 58;

NOW, THEREFORE, BE IT RESOLVED that the DuPage County Board hereby authorizes the Director of Community Services, the Community Development Administrator, and the Manager of the Community Development Commission to sign forms required for completion of environmental reviews required by 24 CFR Part 58.

BE IT FURTHER RESOLVED that the County Clerk be directed to send a certified copy of this Resolution to the Community Development Commission.

Enacted and approved this 28th day of April, 2015 at Wheaton, Illinois.

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## **FAIR HOUSING** (Approved by CDC 11/1992)

Any municipality, and/or the County, applying for funds, or sponsoring another agency's application, must have a Fair Housing Action Plan in place. At a minimum, these plans must state: (a) the municipality's policy on fair housing; (b) how the municipality will respond to fair housing complaints in the community; (c) how any persons designated to respond to fair housing complaints will be trained and given information needed to carry out this function; and (d) what methods will be used by the municipality to regularly notify the public of the municipality's fair housing policy and its role in dealing with fair housing complaints. Examples of plans will be provided by contacting the CDC office.

## **FINANCIAL/ADMINISTRATIVE CAPABILITIES** (Approved By CDC 05/20/87)

When CDBG funds are used to finance a project by a nonprofit group, this organization must demonstrate its financial and administrative capability to start and/or continue to operate the proposed activity. Within six months of the time of approval of the project, the organization must provide sufficient information to the CDC Staff and Executive Committee to assure its capability. These assurances also include resolving basic obstacles (such as zoning, compliance with building codes, etc.) that are required prior to expenditure of funds.

## **FINANCING – NEW FINANCING PACKAGE** (CDC Default\* Policy, HOME Advisory Group 07/28/98 meeting, Updated and Approved by the CDC Executive Committee 02/06/2018)

Once an application has been approved and a change in financing occurs, the subgrantee, subrecipient, or developer is required to submit an updated application and underwriting template.

## **FUNDING – B-LIST PROJECTS** (CDC Default Department Policy, CDC Executive Committee 01/10/95)

Policy states that B-list projects will be funded from the project contingency funds within each category of funding as funds become available.

## **FUNDING - CDBG EXPENDITURES INSIDE AND OUTSIDE THE DUPAGE AREA**

(Approved by CDC Executive Committee 01/13/98)

All projects funded through the DuPage County Community Development Commission CDBG programs must be located in DuPage County. This includes unincorporated DuPage or in any municipality that participates as either a member of the CDC or by allowing its population to be counted in the DuPage program. Exceptions to this policy will be permitted if it is determined that:

- The funded activity has substantial benefits outside the non-participating municipality.
- The non-participating municipality in which the facility is located agrees to fund an amount equal to at least 25% of the DuPage CDBG funding. This portion may be reduced if the project is requesting a large amount of CDBG funds and would present a hardship to the municipality. In these cases a specific approval by the CDC Executive Committee will be required.

## **FUNDING CYCLE, HOME (HOME Partnership Act)** Approved by HOME Advisory Group 06/04/13)

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Only HOME-eligible projects are considered for the HOME funding cycle, and public facility-type projects that provide housing for special needs populations apply through the regular CDBG capital project application round.

**FUNDING - EMERGENCY** (Previous precedent stated in HOME Advisory Group 02/28/06 Exhibit B)  
Emergency funding can be granted in the event of threat of displacement.

**FUNDING –HOME/CDBG MULTIYEAR PROJECTS** (Approved by HOME Advisory Group 03/26/1996, Updated and Approved by CDC Executive Committee on 02/06/2018)  
Multiyear funding of HOME/ /CDBG projects would be approved on a case-by-case basis.

**FUNDING - HOME/CDBG REHAB POLICY AMENDMENT** (Approved by HOME ADVISORY GROUP 07/22/08, Revised and Approved by the CDC Executive Committee on 02/06/2018)  
If a project comes in under budget, CDC will consider requests to reallocate any excess funds in additional repair/rehab work as long as the requested change in scope includes items contained within the submitted 5-year rehab plan or is of an emergency nature. The applicant will have to request a modification to the scope of work and the following criteria will have to be reviewed:

- Low-income beneficiaries
- Number of those beneficiaries
- Number of assisted units
- Matching funds remain and are unaffected
- The final evaluation score still meets the minimum point requirement

**FUNDING – HOME MONEY EXPENDITURES OUTSIDE HOME JURISDICTION**  
(Approved by the HOME Advisory Group on 08/26/1997)  
HOME expenditures are not permitted outside the jurisdiction. The group would request (out of jurisdiction) waivers (from HUD) only on a case by case basis to address hardship.

**FUNDING – HOME RISK ASSESSMENT AND MONITORING/FINANCIAL VIABILITY OF HOME FUNDED PROJECTS (Approved by HOME Advisory Committee on 07/01/2014, Approved by the Home Advisory Group on May 2, 2017)**

1. **Background and Applicability.** DuPage County has specific processes for accepting applications for HOME funded projects and underwriting those projects (risk assessment). The HOME Investment Partnerships Program regulations, as revised by final rule published on July 24, 2013, require that DuPage County have and follow written policies, procedures, and systems (including a system for assessing risk of activities and projects and a system for monitoring entities) and that ongoing viability of projects be determined through financial oversight of HOME projects. The purpose of this policy is to formalize those policies, procedures, and systems currently in use and to update them to meet new requirements. This policy shall apply to rental and homeownership projects funded under the HOME program.

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2. **Application for Funding.** From time to time as funding levels permit, and at the discretion of the HOME Advisory Group (HAG), DuPage County Community Development Commission (CDC) will issue a Notice of Funding Availability and application for housing projects. The application process information and forms will be available on the CDC website and parties that have previously expressed an interest in CDC programs will be notified of the opportunity to apply for funding. The application process will require submittal of sufficient information regarding the developer/subrecipient of the project and the proposed project to enable CDC staff to underwrite the project as to eligibility, feasibility, financial viability, and sustainability and to perform a subsidy layering review. The CDC can place an application deadline on the Notice of Funding Announcement, but also accept applications on a rolling basis throughout the year
3. **Evaluation of Applications.** When applications have been received in accordance with an issued NOFA, CDC staff will review the applications and documentation provided. Staff may contact applicants for further information as questions arise during the review process. Each application will not receive a numbered score, but will be evaluated in a number of categories to determine the viability and the capacity of the developer or subrecipient. Staff will then prepare a memorandum for placement upon the HAG meeting agenda which contains project recommendations and information about the applications, as well as a full underwriting memorandum for each recommended project. Full copies of the applications will also be available at the HAG meeting for review.
4. **Approval of Projects.** HAG will vote whether to accept staff recommendations, reject staff recommendations, or table an application pending resolution of HAG questions. Accepted projects may be granted a “preliminary set-aside” or “conditional commitment” of HOME funds status. A granting of “preliminary set-aside” indicates that the project meets all funding criteria but is not ready to go to agreement because of contingent conditions (examples: finalization of zoning or firm funding commitments from other funders). When contingencies have been met, the underwriting for the project will be updated and the project presented again to HAG for “conditional commitment” status. “Conditional commitment” status indicates the project may proceed to environmental review, environmental clearance, agreement, placement on the Health and Human Services Committee agenda, and County Board approval.
5. **Project Development Period.** Each approved HOME project will be assigned to a CDC staff member as the lead person on the project. Such staff member will oversee the project until completion and will be responsible to call to the attention of CDC management (the Manager of CDC, Administrator of Community Development, or Director of Community Services) any issue that arises during the development period that could impact the eligibility, feasibility, financial viability and/or sustainability of the project. Management and staff will consult HAG, State’s Attorney’s Office, County internal and/or external auditors, and/or the U.S. Department of Housing and

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Urban Development (HUD) as necessary during the project development period to resolve any such issues in a manner compliant with HOME regulations.

## 6. Post Development Affordability Period.

**Homebuyer projects** – CDC staff will monitor for occupancy compliance through receipt of appropriate insurance documents and tax roll records. CDC has policies in place to address non-compliance.

Rental projects - During the period of affordability, DuPage County will:

- Examine at least annually the financial condition of HOME-assisted rental projects with 10 or more units to determine the continued financial viability of the housing and will take appropriate actions to correct problems, to the extent feasible. The CDC will rely on the DuPage County HOME Inspection and Monitoring Procedures approved in February 2016 to determine the required inspections to conduct.
- Perform on-site inspections of rental projects in a manner and with the frequency required by the HOME regulations.
- Monitor the project compliance as to the financial viability of the project, correct number of HOME units, proper rent levels, eligible tenants, and adequate tenant documentation in a manner and with the frequency required by the HOME regulations. Projects with an acceptable on-site monitoring visit in any given year will be considered low-risk and may be monitored through a desk monitoring the following year provided there has been no change in management.

## FUNDING - HOUSING AND PUBLIC FACILITY REHABILITATION AND ACQUISITION ACTIVITIES WITH THE HOME AND CDBG PROGRAMS

(Approved by CDC Executive Committee 04/14/1998, Amended 09/26/2006, Approved by the CDC Executive Committee on 02/06/2018, Amended and Approved by the HOME Advisory Group and CDC Executive Committee on 06/04/2019)

**All applications for rehabilitation must include a comprehensive assessment of the anticipated rehabilitation needs of the property for at least the next 5-year time period, also known as a capital needs assessment.**

### **Objectives**

There are five primary objectives to be achieved by the policies.

1. Specific Guidance to Applicants: Many applicants for HOME or CDBG rehab funds are not rehab specialists. These policies are designed to help them define the project and establish cost estimates that are inclusive, but are also reasonable.
2. Clarify the Scope of the Proposed Project: It is important that the objectives of the proposed project be clearly stated from the beginning in order to avoid “mid-stream” changes in scope. These changes often result in inefficiencies and substantial

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increases in costs, to the point where the final product is well beyond the scope of the originally approved project. Per regulation, the County must evaluate the reasonableness of costs associated with CDBG and HOME housing investments. This can only be done if the applicant fully states its objectives up front and outlines all plans for the property before the County commits funds to the project.

3. **Manage Rehab Costs:** The standards and procedures proposed in the following policy will help assure that rehab costs are reasonable.
4. **Retain Flexibility:** The following standards and procedures also recognize that housing rehab is not an exact science, and rehab is sometimes part of a larger strategy. In addition, rehab costs can escalate due to deficiencies that are discovered during construction. Therefore, the proposed policy allows for flexibility on the issue of costs as long as the applicant: (a) is as comprehensive as possible in evaluating the condition of any property it intends to rehab; and (b) demonstrates that purchasing and/or rehabbing this property is the most cost effective way to achieve its objectives.
5. **Distinguish between Rehabilitation and Maintenance Work:** CDBG and HOME funding is not intended to be used for annual or regular maintenance. Rather, it is intended to restore the usability of a facility or preserve its long-term viability. Applicants need to take a long-range view of the rehabilitation needs of the facility.

**Policies and Procedures**

There are five basic components to the proposed policy, and a summary is provided in Figure 1. Following this summary are narrative descriptions of each component.

Figure 1 <b>Summary of Rehab Policy</b>		
Requirement	When It's Required	What is Required
Detailed Scope of Work	Applies to all rehab and/or acquisition proposals. Information submitted at time of proposal.	List of all proposed work meeting the following: <ul style="list-style-type: none"> <li>• All activities must be eligible</li> <li>• List must include all observable structural deficiencies</li> <li>• Work must address applicant's space needs</li> <li>• Costs must be reasonable</li> <li>• Time schedule must be reasonable (may be phased over time)</li> <li>• Budget must show that resources will be available to complete all work</li> <li>• Format must be acceptable</li> </ul>
County Inspection	Applies to all rehab and/or acquisition proposals. Information submitted: <ul style="list-style-type: none"> <li>• Prior to acquisition (when acquisition is involved)</li> <li>• Prior to agreement approval (for rehab only)</li> </ul>	On-site inspection by County staff to: <ul style="list-style-type: none"> <li>• Verify scope of work</li> <li>• Assure addressing HUD housing quality standards</li> <li>• Suggest addressing other code deficiencies</li> </ul> With special approval, inspections may be delegated to subrecipient.

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Moderate Rehab Cost Limits	Applies to all rehab and/or acquisition proposals where rehab is not expected to be substantial and the applicant wants to establish a rehab budget without detailed prior analysis.	The following per-unit limits apply: <ul style="list-style-type: none"> <li>• Apartments (total structure) - \$15,000</li> <li>• Apartments (interior only) - \$10,000</li> <li>• House/townhouse/duplex (total structure) - \$25,000</li> <li>• House/townhouse/duplex (interior only) - \$15,000</li> </ul>
Substantial Rehab Option	Applies to all rehab and/or acquisition proposals where rehab costs are expected to exceed moderate limits. Information submitted as indicated.	The following must be submitted with the proposal: <ul style="list-style-type: none"> <li>• Statement of objectives to be achieved (rationale for higher costs)</li> <li>• Specific cost estimates</li> </ul> The following must be supplied before final approval but after inspection: <ul style="list-style-type: none"> <li>• Actual scope of work and costs</li> </ul>
Cost Overruns	Applies to all rehab and/or acquisition proposals where the original rehab scope of work is exceeded due to unforeseen circumstances. Information submitted as indicated.	The following must be submitted as soon as possible after discovery of the problem. <ul style="list-style-type: none"> <li>• Statement of the problem and why it was not included in original scope</li> <li>• Supplemental scope of work to correct the problem</li> <li>• Specific cost estimates and revised budget</li> </ul> Approval of additional CDBG/HOME funding will be dependent on availability.

**1 Required Detailed Scope of Work:** The purpose of this detailed scope of work is to organize the rehab project and, if needed, provide a long range rehab plan for each structure being rehabbed. In addition to stand-alone rehab projects, this scope must also be prepared for projects that are proposing HOME or CDBG funds for acquisition of property (regardless of whether CDBG/HOME funds will be used for rehab). The rehab scope must have the following features:

- a. Eligibility of Activities - All proposed activities must be eligible per HOME and/or CDBG regulations as applicable.
- b. Laborer Wage Requirements – All proposed rehabilitation activities that will be funded with federal dollars are subject to the Davis-Bacon and Related Acts wage determinations or in some instances, the Illinois Prevailing Wage Act prevailing wage rates. The CDC staff can provide guidance as to which wages will be in effect for a specific project.
- c. Comprehensiveness - The proposed work must include a comprehensive list of all rehab needed to address observable deficiencies and to bring the structure up to standard. This standard must include HUD Uniform Physical Conditions Standards (UPCS), federal environmental requirements, applicable ADA requirements, and local codes. In addition, these standards may also be defined by the applicant to include modifications to the structure to meet special needs of the applicant (e.g., moving walls or other structural elements to create or modify interior space). It is possible that unanticipated rehab needs will require adding to the scope of work. Applicants should work with County staff, and an experienced

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rehab architect, to minimize these unanticipated changes in scope. See the section on “Cost Overruns” below.

- d. Addressing All Needs - When all of the proposed work is completed, the rehabbed structure must meet the needs of the applicant for a minimum five-year period. Before beginning, the applicant must assess its needs and determine if the property can reasonably meet its needs. Additional work beyond the initial scope will not be eligible for CDBG or HOME funding for five years.
  - e. Cost Reasonableness - The extent of work to be done, and the cost of that work, must be reasonable. Work must be of good quality in order to promote long-term, low maintenance service. However, unnecessary work, and specifications for high cost materials and/or procedures that do not add substantially to serviceability, will not be approved. The County will make final determinations regarding cost reasonableness but will work with the applicant to reach a consensus on this issue.
  - f. Time Schedule - The project scope must include a schedule for completion of the work, which must show that all required work will be completed in a timely manner. Per federal regulation, all UPCS deficiencies must be corrected within six months, and local code violations must be corrected within two years. However, the local jurisdiction may require earlier compliance.
  - g. Adequate Resources - The budget for the project must describe and document the resources that are expected to be available to complete all rehab, and it must show that these resources will be sufficient to complete all work.
  - h. Required Format - The County will provide a format for preparing the rehab scope of work.
2. **Required County Inspection:** The purpose of this inspection is to verify the scope of work as presented by the applicant and to determine if the costs are reasonable and within prescribed limits. County inspection will also cover UPCSS. Any UPCSS deficiencies must be included in the scope of work, and the County will also suggest other work as noted during inspection. However, County staff is not qualified to inspect the property in relation to municipal codes. It is the applicant’s responsibility to work with the local jurisdiction to assure compliance. Additional information regarding inspections can be found under the Property Standards Policy.
- a. CDBG/HOME Financed Acquisition - The structure must pass such an inspection prior to release of funds for acquisition. Passing such an inspection means that all necessary rehab work is included in the project scope, cost estimates are reasonable, and the applicant has shown that resources are available to complete the work.
  - b. Stand-alone Rehab Projects - Passing such an inspection is required before the subrecipient agreement for the rehab project is approved.
  - c. Option for Transfer of Responsibility - Responsibility for completing these required inspections may be transferred to the subrecipient if the cost of rehab is



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within moderate rehab limits and the subrecipient has sufficient background and experience in such inspections. A determination regarding the transferring of this responsibility will be made at the time of project approval.

- 3. **Moderate Rehab Cost Limits:** The purpose of these cost limits is to establish maximum values for moderate rehab that can be used for planning purposes in ordinary circumstances. These limits will apply to: (a) acquisition/ rehab programs where units are not identified in advance, and the organization plans to acquire relatively standard units; or (b) rehab programs where the structures are known, and the organization wants to establish a rehab budget without documentation of special circumstances or special objectives to be met. Exceptions to the moderate rehab limits (for “substantial” rehab) are described in the next section. Per-unit cost limits for moderate rehab are defined in Table 1.

Table 1  
**Per-Unit Cost Limits for Moderate Rehab**

Type of Structure	Interior Only*	Total Structure
Apartment	\$10,000	\$15,000
House/Townhouse/ Duplex	\$15,000	\$25,000

\* Interior-only rehab would ordinarily apply to condominium situations and refers to items not covered by the condominium association.

- 4. **Substantial Rehab Option:** The moderate rehab cost limits may be exceeded if the applicant provides adequate documentation supporting the need for higher costs. In addition, non-standard rehab activities, where the term “per-unit” may not apply (e.g., shelters and group homes), would also be subject to the following requirements. The purpose of permitting exceptions to the cost limits is to allow for flexibility when specific objectives are to be achieved. During the application review process, the following information must be provided for review and approval by: (a) the CDC Executive Committee or HOME Advisory Group, as appropriate; and (b) the County Development Committee.
  - a. **Statement of Objectives** - These objectives form the rationale for exceeding the cost limits. Objectives may include such things as: (1) needing to reconfigure space to meet the requirements of the applicant’s program; or (2) focusing on severely deteriorated housing in order to stabilize a neighborhood. The applicant must demonstrate that higher costs are necessary in order to meet these objectives (i.e., that there is no acceptable lower cost alternative).
  - b. **Specific Cost Estimates** - Based on the best information available, the applicant must estimate the expected costs. The estimates must be comprehensive and must be developed in accordance with #1 above (“Required Detailed Scope of Work”). The cost estimate must account for the laborer wage rates that will be effective during the project. A qualified party must provide the detailed cost estimate and the cost estimate must be signed by the qualified party. A statement confirming laborer wage costs were included in the pricing must be contained within the cost estimate. It is understood that, in some cases, the applicant may not have

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complete information (e.g., it has not identified and inspected specific structures). However, a reasonable statement of assumptions and estimates must be provided. The CDC staff can provide technical assistance. Also, in accordance with #1 above, the cost of all work must be included, even if the CDBG or HOME programs will not be funding all of the work.

- c. Actual Scope of Work and Costs Following Inspection - Before final approval of work on any specific structure, an inspection in accordance with #2 above will be completed.
5. **Cost Overruns:** There are times when unanticipated rehab needs are discovered after the approval of the project. If the above guidelines are followed, such cost overruns should be kept to a minimum. However, when they occur, the following information must be provided for review and approval by: (a) the CDC Executive Committee or HOME Advisory Group, as appropriate; and (b) the County Development Committee.
- a. Statement of the Problem - A statement of the problem and why it was not anticipated must be submitted. Applicants purchasing property will have fewer opportunities for detailed property inspection prior to purchase than a current owner would have. Therefore, it would be more likely that they would miss deficiencies.
  - b. Supplemental Scope of Work to Correct the Problem - This scope would be an addendum to the original scope of work. It would be subject to all the same guidelines as the original.
  - c. Specific Cost Estimates and Revised Budget - These cost estimates would also be subject to the same guidelines as the original cost estimates. The applicant must also submit a revised budget showing that funding will be available to cover all costs. Approval of any additional CDBG/HOME funding would be dependent on review of the proposed cost overrun proposal and the availability of funds.

### **FUNDING - MAXIMUM FOR PUBLIC SERVICES** (CDC Department Policy and CDBG Regulations)

A maximum of 15% of the total CDBG funding available in one program year may be allocated to public services.

### **FUNDING - PROJECTS BENEFITING LESS THAN 50% OF DUPAGE COUNTY**

#### **RESIDENTS** (CDC Dept Default Policy, 12/13/05 CDC Executive Committee Exhibit C)

For projects whose DuPage beneficiaries represent less than 50% of the benefiting population, funding will be no more than 1-1/2 times the percentage of DuPage residents represented.

### **FUNDING - PUBLIC SERVICE PROJECTS NOT SERVING PRIMARILY DUPAGE**

**COUNTY RESIDENTS** (Approved by CDC, 03/23/10, Revised and Approved by the CDC Executive Committee on 02/06/2018)

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A public service project must be offered within the entitlement area of DuPage County and must serve a minimum of 50% of residents of the DuPage County entitlement area unless a funding amount is specifically approved by the HOME Advisory Group or Community Development Executive Committee.

## **FUNDING - SCHOOL DISTRICTS AND SCHOOL DISTRICT-RELATED PROJECTS**

(Confirmed by CDC Executive Committee 6/22/10)

School districts are not eligible applicants, and projects that directly benefit school districts are, likewise, not eligible.

## **FUNDING SOURCE - HOME/CDBG - FUNDING SOURCE DETERMINATION TO BE**

**MADE BY STAFF** (Default Policy, Exhibit A HOME ADVISORY GROUP Meeting 02/28/2006, Revised and Approved by the CDC Executive Committee on 02/06/2018)

Staff will be allowed to determine which funding source, HOME or CDBG, would be the most appropriate source for each project. This allows for flexibility to move projects between the two funding sources as circumstances warrant.

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## **GEOGRAPHIC DISTRIBUTION POLICY AFFORDABLE HOUSING FUNDED BY HOME OR CDBG Used Only for New Construction or the Creation of New Units**

(Approved June 28, 1994, by Home Advisory Group, Updated 2007 and Approved by the Home Advisory Group October 2, 2012, Updated April 24, 2017, Approved by the HOME Advisory Group May 2, 2017)

### **Definitions.**

**Municipality with Insufficient Affordable Housing:** The Illinois Affordable Housing Planning and Appeal Act (AHPAA) went into effect January 1, 2004. The Illinois Housing Development Authority (IHDA) was named the state-administering agency in the law. The law was intended to encourage municipalities to incorporate affordable housing into their communities. Local governments with insufficient affordable housing are defined as having less than 10% of total year-round units as affordable to low-income households. Du Page County will use this criteria to define municipalities with insufficient affordable housing.

**Community of Low-income Concentration:** is defined as a U.S. Census Tract, Block Group, or other locally defined subarea of a community with a high proportion of low-income persons. A local determination may be made to select the most appropriate geographical definition of what constitutes a community. However, communities must be contiguous and relatively homogeneous areas with common identifiable characteristics and specific boundaries. They cannot be whole municipalities. Such communities would be considered as having a low-income concentration if the number of low-income persons (less than 80% of median income) make up a majority (51% or more) of the population of the community. Data to make this determination may come from U. S. Census information or other data that would be acceptable to HUD.

**Community of Minority Concentration:** is defined as a U. S. Census Tract, Block Group, or other locally defined subarea of a community with a high proportion of minority persons. Such communities would be considered as having a minority concentration if the number of minority persons residing in the Census Block Group is within the top 10<sup>th</sup> percentile of all Du Page County Block Groups in terms of minority concentration. Per the 2010 Census, such communities have a minority concentration of 58.4% or more.

### **Policy**

It is the policy of the DuPage Community Development Commission and the DuPage HOME Advisory Group that greater locational choice be promoted in the development of affordable housing in the DuPage County area. This policy will be promoted in the implementation of the Community Development Block Grant Program and the HOME Investment Partnership Act program. The actions below will be used to promote greater locational choice for both low and moderate-income persons and minorities by encouraging affordable housing outside of communities of low-income concentration and outside of communities of minority concentrations, and within municipalities with insufficient affordable housing.

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1. Staff to the CDC and the HOME Advisory Group, in providing technical assistance and advice to potential project sponsors, will encourage identifying locations that are outside of neighborhoods of low-income concentration, and outside of neighborhoods of minority concentrations, and within communities with insufficient affordable housing.
2. All project applications reviewed by the DuPage Community Development Commission for funding by the DuPage County CDBG program or reviewed by the DuPage HOME Advisory Group for funding by the DuPage Consortium HOME program that propose affordable housing or otherwise adding to the affordable housing stock will be evaluated for the suitability of the proposed site. Although a variety of issues will be examined, of particular note will be the impact of the proposed project on increasing concentrations of affordable units, low-income persons, and minorities. The extent of this evaluation will depend on the activity being proposed and general demographic information about the proposed location of the site. Guidance for this analysis will come from regulations at 24 CFR 983.57(e)(2) and (3) which is appended hereto. This information describes procedures for implementing site and neighborhood standards. Analysis of site suitability will include the following:
  - a. A special notice will be sent to the jurisdiction in which the proposed site is located providing opportunity to comment on: (1) consistency with local zoning or other applicable development control ordinances; (2) significant environmental concerns; (3) consistency in scale or appearance with the surrounding area; or (4) the effect on creating or expanding a concentration of affordable housing for low-income persons and minority persons. This notice is in addition to any notices required by the Environmental Review Record process.
  - b. If there is a reasonable potential for concern based on local jurisdiction comments (including supporting documentation), information from the application, or underwriting analysis by staff, the Community Development Commission or HOME Advisory Group may require further assessment. The purpose of the analysis will be to show that concerns will be adequately addressed.
  - c. If, after further assessment, there is documented evidence that site concerns cannot be adequately addressed, the Community Development Commission or HOME Advisory Group may determine that the proposed project does not meet the minimum program requirements of the respective program.
  - d. When a project will be located within a municipality of insufficient affordable housing and outside of a community of low-income concentration and outside of a community of minority concentration, and, the costs associated with the project are high in relation to other projects due to this location, the evaluation of the project's cost effectiveness in the underwriting review will not be penalized, provided that the project does not exceed per-unit subsidy limits.
  - e. All project applications reviewed by the DuPage Community Development

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Commission will adhere to 24 CFR 92.202 (a), which states a participating jurisdiction must administer its HOME program in a manner that provides housing that is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 *et seq.*), E.O. 11063 (3 CFR, 1959-1963 Comp., p. 652), and HUD regulations issued pursuant thereto; and promotes greater choice of housing opportunities. Additionally, all project applications for new construction or the creation of new affordable units, to the greatest extent feasible, will adhere to 24 CFR Part 983.57 (e) (2) (3) listed in Appendix A.

## **Appendix A - Source: 24CFR 983.57 (e) (1) (2) (3)**

### **The HOME regulations require the Participating Jurisdiction to determine that the siting of new construction of rental projects meets the following requirements:**

e) *New construction site and neighborhood standards.* A site for newly constructed housing must meet the following site and neighborhood standards:

(2) The site must not be located in an area of minority concentration, except as permitted under paragraph (e)(3) of this section, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

(3) A project may be located in an area of minority concentration only if:

(i) Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration (see paragraph (e)(3)(iii), (iv), and (v) of this section for further guidance on this criterion); or

(ii) The project is necessary to meet overriding housing needs that cannot be met in that housing market area (see paragraph (e) (3)(vi)) of this section for further guidance on this criterion).

(iii) As used in paragraph (e)(3)(i) of this section, “sufficient” does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year, that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population.

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- (iv) Units may be considered “comparable opportunities,” as used in paragraph (e)(3)(i) of this section, if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.
  
- (v) Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:
  - (A) A significant number of assisted housing units are available outside areas of minority concentration.
  - (B) There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
  - (C) There are racially integrated neighborhoods in the locality.
  - (D) Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.
  - (E) Minority families have benefited from local activities ( *e.g.* , acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.
  - (F) A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.
  - (G) Comparable housing opportunities have been made available outside areas of minority concentration through other programs.
  
- (vi) Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”). An “overriding housing need,” however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

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## **INSURANCE REQUIREMENTS POLICY** (Approved by HOME Advisory Group and CDC Executive Committee on 06/03/2014)

1. **Applicability.** This policy shall apply to loans made to subrecipient agencies for real property acquisition and/or rehabilitation and to loans made to homebuyers for real property acquisition. The purpose of this policy is to a) protect the investments made by DuPage County and b) provide another means of monitoring continued occupancy and use of property.
2. **Insurance Required.** No later than the time of closing on a DuPage County loan, subrecipient or homeowner must provide proof of hazard insurance naming DuPage County (by and through its Community Development Commission) as additional insured. “Closing on a loan” shall mean either the actual closing where title to the real property is transferred to the subrecipient or homeowner or execution of the required note and mortgage for subrecipient rehabilitation loans. Loan documents shall require that this coverage for DuPage County as additional insured continue throughout the compliance period of the loan.
3. **Non-Compliance for Subrecipients.** Should a notice of cancellation be received, or should a required renewal certificate not be received, DuPage County staff shall investigate as to whether the title to the property has transferred and/or whether the agency continues to use the property in accordance with the terms of the agreement and the mortgage. Staff shall make two attempts to receive the required information. If a subrecipient does not provide the requested information within the deadline requested, they will not be considered for future funding. If title has transferred and a DuPage County mortgage was not paid in the process, staff shall turn the file over to State’s Attorney’s Office.
4. **Non-Compliance for Homeowners.** Should a notice of cancellation be received, or should a required renewal certificate not be received, DuPage County staff shall investigate as to whether the title to the property has transferred. If title has transferred and a DuPage County mortgage was not paid in the process, staff shall turn the file over to State’s Attorney’s Office. If a homeowner does not provide the requested information within the deadline requested and title has not transferred, staff shall attempt to verify through another means that the homeowner still occupies the property as a primary residence. If the homeowner does not, or if it is uncertain, staff shall determine the funding source of the mortgage. If HOME funds funded the mortgage and the affordability period has been fulfilled, staff shall follow the following policy: **HOME Homebuyer Loans When Affordability Period has been Fulfilled, Adopted 04/26/11.** If the affordability period has not been fulfilled, staff shall contact the homeowner to resolve the situation; if no resolution is obtained within six (6) months of the contact, the file shall be turned over to State’s Attorney’s Office as a defaulted loan.



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**LEAD BASED PAINT COST** (CDC Department Policy, Revised and Approved by the CDC Executive Committee on 02/06/2018)

It shall be the policy of the CDC to pay for reasonable costs associated with testing of lead-based paint for local government and non-profit agencies when the County requires lead-based paint for testing to be done to meet lead-based paint regulations for projects funded by the CDBG or HOME programs. The proper request for qualification and bidding techniques must be used to determine a responsible company.

**LEAD BASED PAINT POLICY** (Revised and Approved by HOME Advisory Group 07/09/2002, Revised and Approved by HOME Advisory 04-02-13, Revised and Approved by the CDC Executive Committee on 02/06/2018)

## **Single Family Rehabilitation**

GRANT FOR LBP WORK – If work done under the Single Family Rehabilitation program would result in the necessity of performing interim controls for lead based paint or other measures required by the U.S. Department of Housing and Urban Development and/or the laws of the State of Illinois, **the cost of work required to be completed solely for the purpose of reducing lead paint hazards in the home will be separated out from the project and will be covered with a grant to the homeowner, not to exceed \$10,000.** Lead paint work will not be included in the deferred loan up to \$24,000. If the required lead based paint work cannot be accomplished for \$10,000 or less, no lead work will be done and no work will be done under the Single Family Rehabilitation program. A \$100,000 contingency item for the cost of lead hazard reduction may be included in each annual budget, as funding allows. Please note that if a total of \$25,000 or more in Federal funds is going into rehabilitation work on a particular property (excluding the costs of the lead based paint work), full abatement of lead on the property would be required. The CDC should verify the total amount of Federal funds going into a property through DuPage County if various programs are being layered to assist a homeowner.

## **Relocation**

While some lead paint hazard reduction work could require the occupants of the home to temporarily relocate, **the County will not assume the costs of that relocation.** The homeowner will be notified of the need for relocation and their responsibility for making an appropriate relocation plan prior to signing an agreement.

## **HOME/CDBG PROJECTS**

*PRELIMINARY SET-ASIDES* – The project readiness category on the application for HOME funds will include a discussion of the potential impact of the lead paint regulations as related to the proposed project. **A contingency for lead hazard reduction may be included in the set-aside.**

*CONDITIONAL COMMITMENTS* – If a project proposal includes work that falls within the guidelines of the lead regulations, that project will not be moved to Conditional Commitment until a complete risk assessment has been performed at the property. **The cost of the risk assessment will be assumed by the project sponsor, except that risk**

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**assessments to be performed on buildings owned by not-for-profit agencies may be paid for from the lead contingency fund, as funds allow.** Once the risk assessment has been completed, CDC staff will re-evaluate the project to insure that the estimated cost of lead hazard reduction on the property does not impact the project feasibility.

## Home Ownership Programs

*VISUAL ASSESSMENTS* – Any home purchased with the assistance of CDBG or HOME funds will be required to have a visual assessment of lead hazards conducted prior to sale. CDC staff will work with the DuPage Homeownership Center, and any other agencies participating in home ownership activities, to insure that **the visual inspection is incorporated into the existing home inspection process.** This may include providing some technical assistance to DHOC, local real estate brokers, and home inspectors.

## Program Administration

CDC staff may request that additional funds in future budgets be allocated to administrative costs, if needed.

## **LEASEHOLD IMPROVEMENTS** (Approved by CDC 12/19/1995; Updated and Approved by CDC Executive Committee 08/01/2017)

- 1) Improvements to leased premises require participation of the owner in the application process and their consent to a twenty (20) year lien against the property if the applicant receives CDBG funding.
- 2) Improvements to leased premises must have a lease that runs twenty (20) years past the completion of the CDBG funded improvement.

## **LEVERAGING POINTS REQUIREMENTS FOR NEIGHBORHOOD INVESTMENT, COMMUNITY-WIDE BENEFIT, ACCESSIBILITY IMPROVEMETN AND PLANNING PROJECTS** *See Application Evaluation – Leveraging Points Requirements – Page 10*

## **LIENS - EARLY RELEASE AND TRANSFER OF (CDBG) LIENS:** (Approved by the CDC Executive Committee on 12/08/2009; Modified 04/17/2012, Revised and Approved by the CDC Executive Committee on 02/06/2018)

1. The project was funded with **Community Development Block Grant funds.**
2. There is a demonstrated financial need by the agency.
3. The Federal regulatory compliance period of five years has been fulfilled. The five year period starts when the completion date has been entered in the HUD IDIS System.
4. At least half of the DuPage County imposed compliance period has been fulfilled.
5. If the lien was to be forgiven at the end of the compliance period, it can be forgiven incrementally by request after at least half of the DuPage County imposed compliance period has been fulfilled. The remaining balance must either be repaid upon sale of the property or transferred to another piece of property owned by the agency, which must then fulfill a CDBG eligible purpose until the end of the DuPage County compliance period.

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6. The Director of Community Services may approve application of this policy, as appropriate, and is authorized to execute documents required to effectuate the application of this policy.

### **LIVE-IN AIDE POLICY** (Approved by the HOME Advisory Group on 9/6/2016)

1. **Applicability.** These standards shall apply to any HOME Investment Partnership Program (HOME) rental unit during the period of affordability for such unit.
2. **Authority.** The HOME regulations do not specifically address the issue of live-in aides. The *Technical Guide for Determining Income and Allowances for the HOME Program (Third Addition, January, 2005)* (“Guide”) acknowledges on page 12 that households could include a live-in aide. The Guide goes on to state that, “Except under unusual circumstances, a related person does not qualify as a live-in aide,” but does not define “unusual circumstances.” The U.S. Department of Housing and Urban Development (HUD) Multi-Family Housing division has issued *HUD Occupancy Handbook 4350.3* (“Handbook”) which contains guidance on Live-In Aides for other HUD programs. Absent clear requirements under the HOME program, this policy is guided by the principles contained in HUD Occupancy Handbook 4350.3.
3. **Definition of Live-In Aide.** This policy uses the definition provided in the Handbook, which is, “A person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities, and who: (a) is determined to be essential to the care and well-being of the person(s); (b) is not obligated for the support of the person(s); and (c) would not be living in the unit except to provide the necessary supportive services.
4. **Need for a Live-In Aide.** DuPage County acknowledges that some tenants in HOME units could require a live-in aide. DuPage County has placed great emphasis on producing and preserving housing units for seniors and disabled persons, thereby increasing the likelihood that a tenant could require a live-in aide. The HOME regulations, however, reserve HOME units for households at certain income levels and a distinction must be made between the household occupying the unit and the occupancy of a live-in aide for income qualification purposes. It is also necessary to document the need for an aide to ensure that additional persons are not occupying a unit merely for housing purposes. The tenant in the HOME unit must request use of an aide, and the owner of the HOME unit must obtain verification from the tenant’s physician, psychiatrist or other medical practitioner or health care provider regarding the need for a live-in aide, using the form attached to this policy as Attachment 1. In accordance with Handbook guidance, Owners may not require tenants to provide access to confidential medical records or to submit to a physical examination. Owner may only verify, to the extent necessary to document that tenants who have requested a live-in aide have a disability-related need for the requested accommodation. Once verification is obtained, Owners must approve the use of a live-in aide as a reasonable accommodation, per the Federal Fair Housing Act.

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- 5. **Qualification as Live-In Aide.** After verification of the need for a live-in aide, a determination must be made as to whether the person proposed to be the live-in aide qualifies. Live-in aides qualify for occupancy only as long as the individual needing supportive services requires the aide’s services and remains a tenant in the HOME unit. If the tenant vacates the unit for any reason, the live-in aide must also vacate the unit. If Owners use screening criteria for determining suitability of potential tenants (e.g. drug screening or criminal background checks), such screening criteria must also be applied to any potential live-in aide. Owners must also require tenants and live-in aides to execute a Lease Addendum similar in form and substance to Attachment 2 to this policy, acknowledging that their occupancy of the unit is solely tied to their live-in aide responsibilities and their responsibility to abide by any “house rules” of the rental unit.
  
- 6. **Appeal.** Should any request for a live-in aide be denied by the Owner, or any potential live-in aide be deemed not suitable by the Owner, a tenant may request a review by the Administrator of Community Development. The Administrator shall review whether: (a) acceptable medical verification was obtained; (b) the Owner consistently applied suitability screening; and (c) the potential live-in aide executed appropriate agreements with the Owner. The Administrator is authorized to determine and rule only on the acceptable application of this policy and the process stated herein and not whether a violation of the Federal Fair Housing Act has occurred. If any of these criteria have not been met, the Owner’s denial will stand. Policy appeals may be made by contacting the DuPage Community Development Commission (CDC) at 630-407-6600 or [communitydev@dupageco.org](mailto:communitydev@dupageco.org) and asking to be put on the agenda for the next appropriate committee meeting. Applicant must also submit a letter to the CDC at least ten (10) days prior to the committee meeting which outlines the request for appeal and basis for the request. If the appeals letter is not received by the CDC at least ten days prior to the committee meeting, the appeal will be delayed until the next meeting of the appropriate committee. Notwithstanding the foregoing, appeals may not be made unless steps (a), (b), and (c) above have been completed.

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Attachment 1

Request for Live-In Aide and Verification of Need for Live-In Aide

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TENANT REQUEST

I hereby state that I have the need for a live-in aide to reside with me at the below address. This person is not obligated for my support and would not be living in my unit except to provide necessary supportive services. I understand that I reside in a rental unit that has received Federal subsidy and I have read the penalty for false statements printed at the bottom of this form.

I hereby authorize you to contact the following medical care professional to obtain verification of my need for a live-in aide and I authorize the release of the requested information.

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Signature of Tenant: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name of Tenant \_\_\_\_\_

Address of Tenant: \_\_\_\_\_

Name of Medical Care Professional: \_\_\_\_\_

Address of Medical Care Professional: \_\_\_\_\_

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**MEDICAL CARE PROFESSIONAL VERIFICATION**

A live-in aide is essential to the care and well being of the above-named individual. I am qualified to make this determination. I understand that this verification is necessary because the above-named individual resides in a rental unit that has received Federal subsidy and I have read the penalty for false statements printed at the bottom of this form:

Signature of Medical Care Professional: \_\_\_\_\_ Date: \_\_\_\_\_

Printed Name of Medical Care Professional: \_\_\_\_\_

Title of Medical Care Professional: \_\_\_\_\_

**PENALTY FOR FALSE OR FRAUDULENT STATEMENT.** U.S.C. TITLE 18, SEC 1001, PROVIDES: WHOEVER, IN ANY MATTER WITHIN THE JURISDICTION OF ANY DEPARTMENT OR AGENCY OF THE UNITED STATES KNOWINGLY AND WILLFULLY FALSIFIES OR MAKES ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENTS OR REPRESENTATIONS, OR MAKES OR USES ANY FALSE WRITING OR DOCUMENT KNOWING THE SAME TO CONTAIN ANY FALSE, FICTITIOUS OR FRAUDULENT STATEMENT OR ENTRY, SHALL BE FINED NOT MORE THAN \$10,000 OR IMPRISONED NOT MORE THAN FIVE (5) YEARS, OR BOTH.

Return form to Property Manager at following address: \_\_\_\_\_

**LOAN - CDBG OWNER-OCCUPIED REHABILITATION (PRIMARY RESIDENCE VIOLATION)** (Approved by Home Advisory Group 04/26/2011)

When it is discovered that a homeowner has moved from the housing that was assisted with a CDBG funded rehabilitation loan, the homeowner will be contacted in writing and such contact will include a copy of this policy. If the homeowner provides the following documentation, the loan may be left in place until the property is sold:

- a. A signed statement explaining why the homeowner moved from the property and explaining why the loan cannot be repaid immediately.
- b. Documentation of efforts to sell the property and an explanation of how these efforts will continue.

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- c. If the property is rented, a copy of the lease. The lease must indicate that the rent being charged falls within the current rent reasonableness standard of DuPage County Community Services.

If the homeowner responds, but is unable to provide the required documentation, their individual situation will be presented to the HOME Advisory Group for resolution.

If the homeowner does not respond to the initial contact within the deadline given, a certified letter will be sent, also including a copy of this policy. If the homeowner does not respond to the second contact within the deadline given, the file will be referred to the State's Attorney's Office for resolution.

### **LOAN – FLOAT** (HUD and CDC Department Default\* Policy. DC Executive Committee Exhibit for meeting 08/8/2006)

HUD regulations allow entitlement communities to provide “float” loans to help finance CDBG eligible activities. Many activities carried out through the CDBG program, particularly large construction activities; do not require immediate expenditure of the full amount of funds awarded for the activity. There may be a lag of several months, up to as long as 2 to 3 years, from the time the funding is awarded until the final draw down is completed. CDBG regulations allow communities to utilize that “float” in order to fund other CDBG-eligible activities. Loans are provided under the following circumstances:

- The activity must be CDBG-eligible
- The term of the loan must be no longer than 30 months
- The loan must be secured with an irrevocable line of credit
- The loan must be repaid immediately should the funds be needed for the original grantee.

### **LOAN –HOME-FUNDED HOMEBUYER ACQUISITION WHEN AFFORDABILITY PERIOD HAS BEEN FULFILLED (PRIMARY RESIDENCE VIOLATION)**

(Approved by HOME Advisory Group 04/26/11)

When it is discovered that a homeowner has moved from the housing that was assisted with a HOME funded acquisition loan and the period of affordability has been fulfilled, the homeowner will be contacted in writing and such contact will include a copy of this policy. If the homeowner provides the following documentation, the loan may be left in place until the property is sold:

- a. A signed statement explaining why the homeowner moved from the property and explaining why the loan cannot be repaid immediately.
- b. Documentation of efforts to sell the property and an explanation of how these efforts will continue.
- c. If the property is rented, a copy of the lease. The lease must indicate that the rent being charged falls within the current rent reasonableness standard of DuPage County Community Services.

If the homeowner responds, but is unable to provide the required documentation, their individual situation will be presented to the HOME Advisory Group for resolution.

If the homeowner does not respond to the initial contact within the deadline given, a certified letter will be sent, also including a copy of this policy. If the homeowner does

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not respond to the second contact within the deadline given, the file will be referred to the State's Attorney's Office for resolution.

### **LOAN - HOME FUNDED, OWNER-OCCUPIED REHABILITATION LOANS**

**(PRIMARY RESIDENCE VIOLATION)** (Approved by HOME Advisory Group 03/22/2011)

1. **Applicability.** This policy shall apply to owner-occupied rehabilitation loans made with HOME Investment Partnership funds.
2. **Background Information.** DuPage County HOME rehabilitation loans that were made on owner-occupied property require that the loan be repaid immediately if the property is no longer occupied by the original homeowner receiving the loan. This goes beyond the requirements of the HOME regulation in 24 CFR 92.254 (b)(2) that requires only that the house be "the principal residence of an owner whose family qualifies as a low-income family at the time the HOME fund are committed to the housing." HOME regulations impose no requirement for continued occupancy and impose no requirement for recapture of rehabilitation funds for owner-occupied rehabilitation.
  - a. **Policy Regarding Homeowners Unable to Pay.** When it is discovered that a homeowner has moved from the housing that was assisted with a HOME funded rehabilitation loan, the homeowner will be contacted in writing and such contact will include a copy of this policy. If the homeowner provides the following documentation, the loan may be left in place until the property is sold:
    - b. A signed statement explaining why the homeowner moved from the property and explaining why the loan cannot be repaid immediately.
    - c. Documentation of efforts to sell the property and an explanation of how these efforts will continue.
    - d. If the property is rented, a copy of the lease. The lease must indicate that the rent being charged falls within the current rent reasonableness standard of DuPage County Community Services.

If the homeowner responds, but is unable to provide the required documentation, their individual situation will be presented to the HOME Advisory Group for resolution.

If the homeowner does not respond to the initial contact within the deadline given, a certified letter will be sent, also including a copy of this policy. If the homeowner does not respond to the second contact within the deadline given, the file will be referred to the State's Attorney's Office for resolution.

### **LOAN - HOME FUNDED PRIVACY POLICY** (Approved by the HOME Advisory Group on 06/28/11)

The Federal Trade Commission has established policies and procedures for safeguarding Borrower information (the "Safeguard Rule") as required by the GLB Act and also requires that financial institutions take appropriate measures to dispose of Borrower information (the "Disposal Rule"). The Personal Information Act (the "PIP

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Act”) requires any entity that handles, collects, disseminates, or otherwise deals with nonpublic Borrower information (collectively, “Borrower Information”) provide notice of any breach of the security of Borrower information to that person. The CDC is subject to the requirements of the PIP Act because the Borrowers provide you with personally identifiable information and other information the CDC otherwise obtains about a Borrower in connection with providing a financial product or service to the Borrower.

The Community Development Commission’s (CDC) HOME Advisory Group hereby establishes and adopts the following Information Security Policy (“Privacy Policy”) to assure compliance with the GLB Act, the Safeguard Rule, the Disposal Rule and the PIP Act. This Policy is designed to:

- **Ensure the security and confidentiality of the Borrower Information.**
- **Protect against any anticipated threats or hazards to the security or integrity of such information.**
- **Protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to Borrowers.**
- **Provide notice to Borrowers in the event a breach in the security protecting the information occurs.**
- **Properly dispose of any of the Borrowers’ information.**

## A. DEFINITIONS

“*Borrower Information*” is defined as any record containing nonpublic, personally identifiable information, whether in paper or electronic, that the CDC obtains from an applicant, a Borrower, an employee or other third party, in the process of offering a financial product or service from the CDC; or such information about a Borrower provided to the CDC by another financial institution; or such information that the CDC otherwise obtains about a Borrower in connection with providing a financial product or service to the Borrower.

“*Non-Record Material*” shall mean (i) material not filed as evidence of administrative activity or for the informational content thereof; (ii) extra copies of documents preserved only for convenience of reference; (iii) stocks of printed or reproduced documents kept for supply purposes, where file copies have been retained for record purposes; (iv) books, periodicals, newspapers, posters, and other library and museum materials made or acquired and preserved solely for reference or exhibition purposes; and (v) private materials neither made nor received by the CDC pursuant to state law or in connection with the transaction of the CDC’s business. Duplicate files, copies, library materials, and stocks of obsolete blank forms or pamphlets originally intended for distribution are not considered to be official records or record copies.

“*Records*” mean all books, papers, maps, photographs, or other official documentary materials, regardless of physical form or characteristics, made, produced, executed, or received by the CDC in connection with the transaction of public business



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and must be preserved as evidence of the organization, functions, policies, decisions, procedures, operations, or other activities of the CDC.

“*Record Retention Policy*” means the CDC’s record retention policy that provides guidance in establishing and maintaining an efficient records management program.

“*Service Providers*” mean all third parties who, in the ordinary course of the CDC’s business, are provided access to Borrower Information.

## C. THE INFORMATION SECURITY POLICY

The five elements of this Policy require the CDC to: (i) designate one or more employees to coordinate this Policy, (ii) identify reasonably foreseeable internal and external risks to the security, confidentiality and integrity of Borrower information, (iii) ensure that safeguards are employed to control the identified risks and that the effectiveness of these safeguards is regularly tested and monitored, (iv) select Service Providers that are capable of maintaining appropriate safeguards and require them, by contract, to implement and maintain such safeguards and (v) evaluate and adjust this Policy based on the results of the testing and monitoring, any material changes to operations, or any other circumstances that have or may have a material impact on this Policy.

### 1. Safeguard Program Coordinator

The CDC hereby designates Administrator, DuPage County Community Development as the person who will be responsible for implementing and maintaining this Policy by the CDC (the “Safeguard Program Coordinator”). The responsibilities of the Safeguard Program Coordinator include, but are not limited to, the following:

(i) The Safeguard Program Coordinator must identify the individuals at the CDC’s office who have access to Borrower Information and the Safeguard Program Coordinator must maintain a current listing of these individuals.

(ii) The Safeguard Program Coordinator must identify potential and actual risks to the security and privacy of Borrower Information, evaluate the effectiveness of current safeguards for controlling these risks, design and implement additional required safeguards and regularly monitor and test the application of this Policy.

(iii) The Safeguard Program Coordinator ensure that (i) adequate training and education programs are developed and provided to all employees with access to Borrower Information and that (ii) existing policies and procedures that provide for the security of Borrower Information are reviewed and adequate.

(iv) The Safeguard Program Coordinator must identify Service Providers with access to Borrower Information, ensure that these Service Providers are included within the scope of this Policy and maintain a current listing of these Service Providers.

### 2. Risk Identification and Assessment

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Under the guidance of the Safeguard Program Coordinator, each employee or member of the CDC with access to Borrower Information must take steps to identify and assess internal and external risks to the security, confidentiality and integrity of the Borrower Information. At a minimum, such risk assessment must consider: (i) employee training and management, (ii) information systems, including network and software design, (iii) information processing, storage, transmission and disposal and (iv) detecting, preventing and responding to attacks, instructions or other systems failures. The Safeguard Program Coordinator must ensure that risk assessments are conducted at least annually and more frequently when needed.

Employee training and management include:

- (i) checking references prior to hiring employees who will have access to Borrower Information;
- (ii) reviewing this Policy and Section 2-422 of the DuPage County Ethics Ordinance, Adopted pursuant to 5 ILCS 430/70-5, "Use of Proprietary or Confidential Information," which states, in part, that "No employee ... may intentionally disclose ...any information acquired in the course of official duties, which is not available as a matter of public knowledge or public record. Violations of this Section shall constitute grounds for disciplinary action consistent with the enforcement provisions of this Ordinance." with each new employee of Community Development;
- (iii) training employees to take basic steps to maintain the security, confidentiality and integrity of Borrower Information, such as: (a) locking rooms and file cabinets where paper records are kept; (b) using password-activated screensavers; (c) using computer passwords with at least six characters long including numbers; (d) changing computer passwords periodically and not posting passwords near employees' computers; (e) referring calls or other requests for Borrower Information to the Safeguard Program Coordinator; and (f) recognizing any fraudulent attempt to obtain Borrower Information and reporting it to the Safeguard Program Coordinator;
- (iv) reminding all employees of this Policy and the legal requirements;
- (v) limiting access to Borrower Information to employees who have a business reasons for seeing it; and
- (vi) imposing disciplinary measures for any breaches.

### **3. Borrower Information Safeguards and Monitoring**

The Safeguard Program Coordinator must verify employees with access to Borrower Information design and implement reasonable safeguards to control identified risks to the security, confidentiality and integrity of Borrower Information and that the effectiveness of these safeguards is monitored regularly. Such safeguards and monitoring must include the following:

#### **a. Employee Management and Training**

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Safeguards for information security include training of those individuals with authorized access to Borrower Information. The Safeguard Program Coordinator must work develop appropriate training and education programs for all affected current and new employees.

## **b. Records Safeguards**

Safeguards for Records and Non-Record Material containing Borrower Information must include:

- (i) creating and implementing access limitation to Records containing Borrower Information;
- (ii) storing Records containing Borrower Information in a secure area with limited access;
- (iii) protecting Records containing Borrower Information from physical hazards such as fire or water damage;
- (iv) disposing of properly outdated records containing Borrower Information pursuant to the Secured Destruction of Borrower Information section of this Policy;
- (v) disposing of Non-Record Materials containing Borrower Information when they cease to be useful pursuant to the Secured Destruction of Borrower Information section of this Policy; and
- (vi) other reasonable measures to secure Records and Non-Record Materials containing Borrower Information during the course of its life cycle while in the CDC's possession or control.

## **c. Information Systems Safeguards**

“Information Systems” include network and software design, as well as data processing storage, transmission and disposal. The CDC must implement and maintain safeguards to control the risks to Information Systems, as identified through the risk assessment process. Safeguards for the Information Systems must include:

- (i) creating and implementing access limitation to Information Systems that stores Borrower Information;
- (ii) using secure, password-protected systems within and outside the CDC for access to the Information Systems that stores Borrower Information;
- (iii) regularly obtaining and installing patches to correct software vulnerabilities;
- (iv) permanently removing Borrower Information from computers, diskettes, magnetic tapes, hard drives or other electronic media prior to disposal;

- (v) protecting the Information Systems from physical hazards such as fire or water damage;
- (vi) detecting, preventing and responding to network attacks or other Information Systems failures; and
- (vii) other reasonable measures to secure the Information System that stores Borrower Information during the course of its life cycle while in the CDC's possession or control.

#### **4. SERVICE PROVIDERS**

The Safeguard Program Coordinator must identify Service Providers with access to Borrower Information. The Safeguard Program Coordinator must ensure that reasonable steps are taken to select and retain Service Providers that are capable of maintaining appropriate safeguards for Borrower Information and must require Service Providers, by contract, to implement and maintain such safeguards.

#### **5. MONITORING AND TESTING SAFEGUARDS**

The Safeguard Program Coordinator must develop and implement procedures to test and monitor the effectiveness of information security safeguards. Monitoring levels must be appropriate to the probability and potential impact of the risks identified, as well as the sensitivity of the information involved. Monitoring may include sampling, systems checks, systems access reports and any other reasonable measure.

### **D. NOTICE OF A BREACH TO ILLINOIS BORROWERS**

Following discovery or notification of a breach of the CDC's security of the Borrower Information, the Safeguard Program Coordinator shall notify Illinois residents at no charge that there has been a breach. The notice shall be made in the most expedient time possible and without unreasonable delay, consistent with any measures necessary to determine the scope of the breach and restore the reasonable integrity, security and confidentiality of the data system. The notice may be provided in writing or electronically so long as the electronic notice is consistent with provisions regarding electronic records and signatures for notices legally required to be in writing pursuant to 15 U.S.C. § 7001.

If the Safeguard Program Coordinator notifies more than 1,000 persons of a breach of the security, the Safeguard Program Coordinator shall also notify all Borrower reporting agencies that compile and maintain files on Borrowers on nationwide basis, as defined by U.S.C. Sec. 1681a(p), of the timing, distribution and content of the notices. Such notices to the Borrower reporting agencies will not disclose the names or other personal identifying information of breach notice recipients.

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The Safeguard Program Coordinator shall submit a report within five (5) business days of the discovery or notification of a breach of the security of the system data or written material to the Illinois General Assembly. Such report shall include: listing of the breaches; and outlining any corrective measures that have been taken to prevent future breaches of the security of the system data or written material. If the Safeguard Program Coordinator has submitted a report as described in this section, the Safeguard Program Coordinator shall submit an annual report listing all breaches of security of the system data or written materials and the corrective measures that have been taken to prevent future breaches.

## **E. SECURED DESTRUCTION OF BORROWER INFORMATION**

The CDC shall dispose Properly Outdated Records and Non-Record Material containing Borrower Information in such a manner as to ensure the security and confidentiality of such information and in accordance with 50 ILCS 205/ - Local Records Act. Pursuant to the Disposal Rule, the CDC must take reasonable measures to dispose of Borrower Information to avoid the unauthorized use of, or access to, Borrower Information in connection with its disposal. Although the Disposal Rule does not mandate any one form of disposal, the CDC has determined that all shredding shall be done on-site by employees or by an authorized vendor (the "Authorized Vendor"). Properly Outdated Records and Non-Record Material containing Borrower Information shall be held securely until the time of shredding.

## **F. REVIEW AND ADJUSTMENT OF THIS POLICY**

The Safeguard Program Coordinator must evaluate and adjust annually this Policy in connection with the results of the testing and monitoring described above, as well as any material changes to the CDC's operations, including changes in technology, the sensitivity of Borrower Information and any other circumstances that may reasonably impact this Policy. The Safeguard Program Coordinator and the Committee must review this Policy annually to assure ongoing compliance with GLB Act, the Safeguards Rule, the Disposal Rule, and PIP Act, and as well as consistency with other existing and future laws and regulations.

## **G. STRICT ADHERENCE TO THE INFORMATION SECURITY POLICY**

Employees of the CDC are expected to become familiar with the CDC's policy regarding information security and to strictly adhere to the procedures outlined in this Policy.

## **PRIVACY NOTICE**

COUNTY OF DUPAGE, an Illinois unit of local government ("COUNTY"), would like to advise you of its privacy policies. COUNTY has collected non-public personal information from your loan application. This non-public personal information includes items such as your address and other contact information, demographic background, loan status, family income, social security number, employment information, collection and repayment history, and credit history.

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COUNTY discloses non-public personal information to third parties: only as necessary to process and service your loan; only as necessary to effect, administer or enforce your loan; with your consent; or as permitted or provided by applicable laws, including the Illinois Freedom of Information Act (“FOIA”) and the Privacy Act of 1974. Applicable laws permit disclosure to third parties for certain purposes. Examples of such disclosures include (i) disclosure in connection with enforcement purposes or litigation, audits or other investigations; (ii) to comply with proper requests under FOIA or other federal, state, or other local laws and regulations; and (iii) to federal and state agencies to the extent specifically permitted or required by law. COUNTY does not sell or otherwise make available any information about you to any third parties for marketing purposes.

COUNTY protects the security and confidentiality of non-public personal information by limiting and monitoring all physical access to sites where non-public personal information is kept. A complete copy of COUNTY’s Privacy Policy is available upon request.

If COUNTY decides to change its Privacy Policy, COUNTY will provide you with a revised privacy notice containing such changes.

If you have any questions, please get in touch with Administrator, DuPage County Community Development, 421 N. County Farm Road, Wheaton, IL 60187, phone number: 630-407-6459.

### **LOAN - HOME/CDBG, AMORTIZED, IN LIEU OF GRANT OR DEFERRED LOAN**

(Approved by Home Advisory Group 10/02/2012, Revised and Approved by the CDC Executive Committee on 02/06/2018)

After a project has been underwritten and if it is demonstrated that the organization can afford to pay back the funding, the County reserves the right to offer an amortized loan to applicants in lieu of providing a grant or deferred loan.

### **LOAN - HOME/CDBG, HOMEOWNER SUBSIDY REQUIREMENT, CHANGE IN**

**AFFORDABILITY PERIOD** (Approved by Home Advisory Group 10/02/2012, Revised and Approved by the CDC Executive Committee on 02/06/2018)

No over subsidizing of homeowners for homebuyer programs. Loans are now limited to less than \$15,000 per property with a floor of 28% income towards housing cost. In the past as much as 17% (loans of \$30,000 to \$40,000 with a 10-year affordability period) of the purchase price was allowed. By limiting the affordability period to 5 years, the County’s payback risk to HUD would be reduced, if a homeowner failed to follow the HUD requirements as stated in the mortgage.

### **LOAN – HOME/CDBG MULTIPLE AFFORDABILITY PERIODS (NEW**

**CONSTRUCTION RENTAL HOUSING)** (Approved by Home Advisory Group 10/02/2012, Revised and Approved by the CDC Executive Committee on 02/06/2018)

Potential to have two affordability periods for one project. HUD’s affordability period is up to 20 years for new construction of rental housing. The County reserves the right to have a second affordability if there is a substantial amount of HOME monies used for the

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project. HUD cannot expect the County to pay back the money if there is a violation of the agreement after entering the County-prescribed affordability period.

**LOAN - HOME/CDBG PROJECTS** (CDC Default Policy, Approved by CDC Executive Committee HOME ADVISORY GROUP 7/25/1995 - Minutes has 1994 date-Wrong year. Should be 1995, Revised and Approved by the CDC Executive Committee on 02/06/2018)  
The Community Development Commission will determine the type of loan to be applied for each project based on the activity and underwriting completed on a case by case basis.

**LOAN – PROPERTY DEPRECIATION, 1ST TIME HOME BUYERS** (CDC Department Default\* Policy HOME ADVISORY GROUP, 10/27/98)  
In all cases, if the borrow sells the property, the County will only collect from the net proceeds of the sale for repayment. Therefore, the borrowers will not be personally liable if the property does not appreciate over time.

**LOAN - REDUCTION POLICY** (CDC Department Policy HOME Advisory Group 01/26/1999)  
Cost certifications and financial reviews will be required at various times throughout the construction of the project. If it is determined that costs are less than originally projected, or that revenues are higher, the County reserves the right to reduce the HOME loan/grant amount.

**LOAN - SUBORDINATION SIGNATURE** (CDC Department Policy, Reaffirmed 04/27/10)  
The Director of the department, who has budgetary authority, signs all subordination documents.

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## **MONITORING PROJECT FILES – STATUS REPORTS FOR CAPITAL PROJECTS**

(Approved by HOME Advisory Group 10/24/2000, Revised and Approved by the CDC Executive Committee on 02/06/2018)

Quarterly or Monthly status reports are required for all pending projects and Community Development Commission Staff will determine the appropriate progress report to submit.

## **MONITORING PROJECTS FILES – STATUS REPORTS FOR PUBLIC SERVICE** (CDC

Department Policy 2005, Revised and Approved by the CDC Executive Committee on 02/06/2018)

Quarterly status reports are required for all public service projects, unless the Community Development Specialist administering the project specifically requests monthly progress reports.



**NOTICE OF OCCUPANCY RIGHTS UNDER THE VIOLENCE AGAINST WOMEN ACT (VAWA) POLICY (Approved the HOME Advisory Group on 08/07/2018)**

**1. Overview –**

First introduced in 1994 and subsequently reauthorized three times, the Violence Against Women Act (VAWA) provides protections for victims of domestic violence, dating violence, sexual assault, or stalking. VAWA protections are not only available to women, but are available equally to all individuals regardless of sex, gender identity, or sexual orientation.

**2. Authority – 24 CFR Part 5 – Subpart L**

This subpart addresses the regulation for protections for victims of domestic violence, dating violence, sexual assault, or stalking who are applying for, or are the beneficiaries of, assistance under a HUD program covered by the Violence Against Women Act (VAWA), as amended ( 42 U.S.C.13925 and 42 U.S.C. 14043e et seq.) (“covered housing program,” as defined in § 5.2003). Notwithstanding the title of the statute, protections are not limited to women but cover victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation. Consistent with the nondiscrimination and equal opportunity requirements at 24 CFR 5.105(a), victims cannot be discriminated against on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age.

**3. Rights, and Responsibility for the Community Development Commission, Subrecipients, Landlords, and Tenants**

**-Tenant Protections, Rights, and Responsibilities** - Prospective tenants cannot be denied admission or denied assistance because they have been a victim of domestic violence, dating violence, sexual assault, or stalking. A tenant can be evicted for repeated lease violations that are not related to domestic violence, dating violence, sexual assault, and stalking. The tenant, to the greatest extent feasible, will have the right to work with the landlord, subrecipients, and the Community Development Commission to work on a solution on a case by case basis while remaining confidential and in the best interest of the tenant.

**-Landlord Protections, Rights, and Responsibilities** – The landlord has the ability to adjust the lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking. A landlord cannot deny a prospective tenant admission or denied assistance because they have been a victim of domestic violence, dating violence, sexual assault, or stalking. The landlord, to the greatest extent feasible, will have the right to work with the tenant, subrecipients, and the Community Development Commission to work on a solution on a case by case basis while remaining confidential and in the best interest of the tenant.

**-Subrecipient Protections, Rights, and Responsibilities** – The subrecipient has the responsibility to report any instances where a landlord has denied a prospective tenant admission or denied assistance because they have been a victim of domestic violence, dating violence, sexual assault, or stalking. They also have the responsibility to assist landlords in adjusting the lease in order to evict the individual or terminate the assistance of the individual who has engaged in criminal activity (the abuser or perpetrator) directly relating to domestic violence, dating violence, sexual assault, or stalking. The subrecipient, to the greatest extent feasible, will have the right to work with the tenant, landlords, and the Community Development Commission to work on a solution on a case by case basis while remaining confidential and in the best interest of the tenant.

**-Community Development Commission Protections, Rights, and Responsibilities** –

Upon a tenant request, The CDC, to the greatest extent feasible, will work with affiliate agencies providing affordable housing to permit a tenant to move to another unit due to an incidence of domestic violence, dating violence, sexual assault, or stalking, and threats, pending availability of comparable units and need. All requests will remain confidential to the greatest extent feasible.

The CDC, to the greatest extent feasible, will have the responsibility to work with the tenant, landlords, and if needed, nonprofit agencies to provide needed services to work on a solution on a case by case basis while remaining confidential and in the best interest of the tenant.

**4. Confidentiality**

Subrecipients, and landlords receiving Federal funds through the Community Development Commission must keep confidential any information related to tenant rights under VAWA. The CDC must not allow any individual administering assistance or other services on behalf of the CDC to have access to confidential information unless for reasons that specifically call for these individuals to have access to this information under applicable Federal, State, or local law. The CDC, subrecipients, and landlords receiving Federal funds however, may disclose information provided if:

-Written permission is received from the tenant to release the information on a time limited basis.

-Information is needed in an eviction or termination proceeding, such as to evict an abuser or perpetrator or terminate the abuser or perpetrator from the CDC assisted unit.

-A law requires the release the information.

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VAWA does not limit the duty to honor court orders about access to or control of the property. This includes orders issued to protect a victim and orders dividing property among household members in cases where a family breaks up.

## 5. Other Laws and Non-Compliance

VAWA does not replace any Federal, State, or local law that provides greater protection for victims of domestic violence, dating violence, sexual assault, or stalking. You may be entitled to additional housing protections for victims of domestic violence, dating violence, sexual assault, or stalking under other Federal laws, as well as under State and local laws. All complaints or violations should be sent to the HUD Chicago Regional Office, Ralph Metcalfe Federal Building, 77 West Jackson Boulevard, Chicago, Illinois 60604 or by phone at (312) 353-5680.

## 6. Appeals

Should any landlord, tenant, or subrecipient have discrepancies with the rights and regulations of this policy, an appeal may be made to the Community Development Commission. If the appeals request is not received by the Commission at least ten days prior to the meeting, the appeal will be delayed until the next meeting of the Commission. Notwithstanding the foregoing, the Commission only has the ability to grant appeals based on County policies. Any appeal for waiver of a Federal regulation or requirement cannot be granted by the Commission.

## 7. Attachment

A HUD-approved certification form is attached to this notice and can be provided to tenants to fill out if the tenant has been a victim of domestic violence, dating violence, sexual assault, or stalking, and tenant rights under VAWA.

**NOTIFICATION – MEETING, REGULARLY SCHEDULED** (Approved by CDC Executive Committee 06/12/07, Revised and Approved by the CDC Executive Committee on 02/06/2018)  
Committee members will now have meeting packets emailed to them the Friday before the scheduled Tuesday meeting. Hard copies will no longer be mailed. For quorum purposes, members are requested to notify the department if they plan to attend or not.

**NOTIFICATION – OPT-OUT COMMUNITY** (Approved by CDC 05/20/87, Revised and Approved by the CDC Executive Committee on 02/06/2018)  
If a CDBG funded project will provide benefits to specific persons in an opt-out community, funds may only be spent in that community if the CDC takes action to allow the expenditure and a memorandum of understanding will be executed between DuPage County and the opt-out community.

**NOTIFICATION, SUBGRANTEES** (CDC Dept Default Policy)

It is the policy of the department to notify subgrantees when their project/request is being presented before one of the CDC's policy groups.

**PAST PERFORMANCE CATEGORY** *See Application Evaluation – Past Performance Category – Page 11*

**PRE-APPLICATION POLICY - FUNDING OF PROJECTS STARTED BEFORE THE APPLICATION DUE DATE** (Approved by CDC Executive Committee 03/13/07)

**1. Compelling Reason for Proceeding with the Project**

This part of the policy requires the potential applicant to convince the CDC Executive Committee that the project cannot wait until the regular funding round.

- There is a unique and time-sensitive opportunity. In some cases, it might be necessary to move forward with a unique opportunity that might not be available for very long, i.e., a uniquely suitable structure in the desired location (i.e., in the neighborhood they serve) is on the market, but it could be sold at any time. It is important that the potential applicant present evidence of the uniqueness of the situation and reasons why it is not likely to come along later.
- There is a health or safety issue that must be addressed in a timely manner. It is possible that a potential applicant would need to move quickly to resolve a hazardous situation. Again, the potential applicant would need to make a convincing case that the situation is severe enough that it must be addressed quickly.

**2. Planning for CDBG Funding**

- A plan must be submitted early in the process. It must be clear that the applicant’s plan for the financing of the project included the use of CDBG funds from the early stages of project development. It is recommended that before making any commitments to proceed with the project, the potential applicant submit an application on the most recent year’s form that fully describes the project and how CDBG financing will be used in the project. This “pre-application” will give the staff the opportunity to make a basic determination of eligibility, and the staff can also advise as to the possible competitiveness when an application is actually submitted (i.e., approximately how many points it would score and how competitive it would have been in prior rounds).
- The potential applicant must comply with all CDBG regulations. There are many regulations associated with procurement, environmental, and labor issues that must be followed. Even though these projects are not considered as approved projects until after submitting the official application and receiving official approval, the projects must be implemented as if they are CDBG projects. As stated above, failure to comply with these regulations (i.e., to go back a document compliance) is often a contributing factor in our inability to fund these projects.

**3. No Commitment to Fund the Project**

Finally, the potential applicant must understand that the CDC, and the CDC staff, will be offering no commitment that the project will be funded when it comes up for official consideration. Even though the staff will review the proposed application for

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eligibility and for competitiveness, this is done as a courtesy and carries no guarantee of funding. Therefore, all potential applicants proceeding with implementation prior to official approval do so at their own risk and are advised to have a back-up plan for financing. It is recommended that a copy of this policy be provided to all potential applicants who are submitting a pre-application pursuant to this policy.

**PROPERTY STANDARDS POLICY** (2002, Updated and Approved by HOME Advisory Group 2/09/09, Updated and Approved by HOME Advisory and CDC Executive Committee 08/06/13, Updated and Approved by the HOME Advisory Group and CDC Executive Committee 03/01/16, Approved by HOME Advisory Group 05/02/17, Approved by the HOME Advisory Group 01/02/18, Revised and Approved by the CDC Executive Committee on 02/06/2018)

1. **Applicability.** These standards shall apply to all housing that is acquired, constructed, or rehabilitated by the DuPage County Community Development Commission (CDC) or subrecipients or developers participating in CDC programs and funding. Sources of funding may include, but not be limited to, Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Neighborhood Stabilization Program (NSP). These funds come through the U.S. Department of Housing and Urban Development (HUD). Sections specific to a source of funding are so noted.
2. **History.** The HOME Regulations give guidelines for property standards at 24 CFR 92.251. Properties are required, at a minimum, to meet “local code.” There are thirty-seven municipalities within DuPage County, each having adopted various building codes. For purposes of this document, local code shall mean the DuPage County Building Code, as amended from time to time, and which currently adheres to the standards of the International Building Code 2009 and the International Property Maintenance Code 2009. Any project, however, that requires permitting and/or inspection by another municipality within DuPage County, shall meet the standards of the building codes of that municipality should any portion of said municipal codes or standards be stricter than local code as defined by this paragraph. Applicability to various project types follows.
3. **New Construction Projects.** Housing that is newly constructed with HOME or NSP funds must meet all applicable State and local codes, ordinances, and zoning requirements. Issuance of construction permits will be sufficient evidence that the project has satisfied local ordinances and zoning requirements. Issuance of a certificate of occupancy will be sufficient evidence that the project has met local building codes of the municipality where constructed. DuPage County staff shall also inspect the completed construction using HUD’s Uniform Physical Conditions Standards checklist as a tool to document that the new housing is decent, safe, and sanitary. Additionally, all new construction projects must also:
  - A. If project funds are awarded, the developer and its architect will be required to certify that the project will comply with the Fair Housing Act’s design and construction requirements for multi-family housing. The developer and architect will be required to identify the safe harbor relied upon to assure compliance. More information about these safe harbors can be obtained at

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[www.fairhousingfirst.org/faq/safeharbors.html](http://www.fairhousingfirst.org/faq/safeharbors.html). In addition, the developer and its architect must certify that the project will meet accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and Titles II and III of the American with Disabilities Act, if applicable.

- B. Be constructed to mitigate the impact of potential disasters. The most common natural disaster in DuPage County is flooding; therefore, new construction of housing will not be permitted in any FEMA identified flood plain.
  - C. Be designed so that the construction plans, specifications, and work write-ups are in detail sufficient to allow DuPage County, or its architectural/engineering reviewer, to determine that costs of the project are reasonable and that an inspector can easily determine that correct materials have been installed and the % of completion at any point in time. DuPage County, or its designee, will make periodic and final inspections of the construction. Such DuPage County inspections are in addition to, and not a substitute for, any building department inspections required by DuPage County or the municipality where the project is located.
  - D. Be designed so that at a minimum, energy efficiency complies with the 2012 International Energy Conservation Code (IECC), as amended from time to time, or local code if local code requires a level of compliance greater than the 2012 IECC.
  - E. For new construction of a building containing more than four rental units, the construction must include installation of broadband infrastructure, except where the County determines and, in accordance with 24 CFR 92.508(a)(3)(iv), documents the determination that (a) the location of the new construction makes installation of broadband infrastructure infeasible, or (b) the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden.
4. **Rehabilitation Projects.** All rehabilitation that is performed must meet the following requirements:
- A. The Rehabilitation Standards of DuPage County. These standards are set forth in Exhibit A to this policy. Technical standards for useful life, building materials and finishes are contained in Exhibit B to this policy. Individual municipalities may enforce stricter provisions. If a municipality requires a building permit for any part of the rehabilitation, issuance of that permit and passing municipal final inspection will demonstrate compliance with that portion of the municipal code requirements.
  - B. Be designed so that the rehabilitation plans, specifications, and work write-ups are in detail sufficient to allow DuPage County, or its architectural/engineering reviewer, to determine that costs of the project are reasonable and that an inspector can easily determine that correct materials have been installed, the % of completion at any point in time, and that these rehabilitation standards are being met. If HOME funds are being used for the rehabilitation, all code deficiencies

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must be addressed. CDBG funding allows “spot rehab” if deemed appropriate; that is, specific building components may be replaced, but not all code violations need to be corrected.

- C. DuPage County, or its designee, will make initial, periodic and final inspections of the rehabilitation work. The purpose of the initial inspection is to determine a) that the rehab requested is necessary and b) that any and all health and safety and major system deficiencies are being addressed by the rehabilitation.
- D. Buildings which are purchased for the purpose of rehabilitation may have code violations at the time of purchase. All contracts with contractors and subcontractors performing rehabilitation work must state that work is to be performed to the standards of this policy. All required building permits must be obtained and appropriate local building inspections performed. If rehabilitation work does not require a permit and the rehabilitation work is to be performed by staff of the entity purchasing the building, the agency must either (a) have personnel on staff qualified to certify to the CDC that the building has been brought up to local code, and so certify, or (b) request a local code inspection of the building.
- E. Programs which rehabilitate owner occupied properties must address obvious code violations before any other work is undertaken on the property. A rehabilitation specialist shall perform an evaluation of the property’s condition and work to be done. If there appear to be potential code violations which the homeowner does not desire to include in the scope of work, the rehabilitation specialist shall request a local building code inspection during the evaluation process to determine actual code violations. If homeowner will not consent to such inspection, the house will not be accepted into the program. All contracts with contractors and subcontractors performing rehabilitation work must state that work is to be performed to applicable building codes. All required building permits must be obtained and appropriate inspections performed. Additionally, a homeowner must evidence his acceptance of the work performed in writing unless there is a documented reason why he/she cannot or will not do so. Houses which cannot be rehabilitated in accordance with these standards without exceeding the per unit financial limits of any rehab program funded through the CDC will not be accepted into the program. Notwithstanding the foregoing, “spot” rehabilitation may be permitted with CDBG funds for addressing health, safety, building integrity, and accessibility issues. HOME and NSP funds only permit rehabilitation if the entire property is brought up to code.
- F. Major systems that may be included in the rehabilitation project must be replaced with systems that at a minimum, have energy efficiency which complies with the 2012 International Energy Conservation Code (IECC), as amended from time to time, or local code if local code requires a level of compliance greater than the 2012 IECC.

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- G. For substantial rehabilitation of a building containing more than four rental units, the construction must include installation of broadband infrastructure, except where the County determines and, in accordance with 24 CFR 92.508(a)(3)(iv), documents the determination that (a) the location of the new construction makes installation of broadband infrastructure infeasible, (b) the cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden, or (c) the structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible. Substantial rehabilitation is defined as work on the electrical system with estimated costs equal to or greater than 75 percent of the cost of replacing the entire electrical system, or when the estimated cost of the rehabilitation is equal to or greater than 75 percent of the total estimated cost of replacing the multifamily rental housing after rehabilitation is complete.

## 5. Acquisition of Standard Housing.

- A. Existing housing that is acquired with HOME assistance for rental housing, and that was newly constructed or rehabilitated less than 12 months before the date of commitment of HOME funds, must meet the property standards of paragraph 3 or 4 of this policy, as applicable. Compliance must be documented based upon a review of approved building plans and Certificates of Occupancy, and inspection that is conducted no earlier than 90 days before the commitment of HOME assistance using HUD's Uniform Physical Conditions Standards checklist. If the funding source is other than HOME, inspection of the property using HUD's Uniform Physical Conditions Standards checklist as a tool will be used as documentation that the property meets the standards of this policy. Issuance of a certificate of occupancy and/or passing local code inspection will be sufficient evidence that the project has met local building codes of the municipality where constructed.
- B. All other existing housing that is acquired for rental property (regardless of funding source), must meet the standards set forth in Paragraph 4 of this policy or the required rehabilitation must be included in the overall project and scope of work. Compliance must be documented based upon inspection.
- C. Existing housing that is acquired for homeownership (e.g., downpayment assistance) must be decent, safe, sanitary, and in good repair. DuPage County shall ensure this condition by verifying that the housing meets all applicable State and local housing quality standards and code requirements through inspection by an inspector who has been trained in the standards of the International Property Maintenance Code. At the time of initial adoption of this policy, CDC staff members are in the process of obtaining this training. Staff will use HUD's Uniform Physical Conditions Standards checklist as a tool to document that the housing meets the standards of this policy. This inspection must take place no earlier than 90 days before the commitment of HOME funds, if the acquisition is HOME funded. No commitment of HOME funds will be made to the address unless the housing receives a "pass" on the checklist, with



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the exception that kitchen appliances may be provided by the new homeowner after the closing.

6. **Occupied Housing by Tenants Receiving HOME Tenant-Based Rental Assistance (TBRA).** All housing occupied by tenants receiving HOME TBRA must meet the Housing Quality Standards set forth in 24 CFR 982.401, or such other standard or requirement as established by HUD from time to time.
7. **Manufactured Housing.** There is little manufactured housing in DuPage County. Should the construction or installation of new manufactured housing be anticipated under a HOME project, this policy will be updated to the current HUD requirements for such housing. Rehabilitation of existing manufactured housing shall meet the requirements of paragraph 4 of this policy.
8. **Ongoing Property Condition Standards for Rental Housing.**
  - A. All HOME assisted rental housing (including mobile homes, if applicable), must be kept in decent, safe, and sanitary condition and in good repair throughout the affordability period specified in the HOME Agreement for that project. Owners must maintain properties in compliance with State and local codes, ordinances, and HUD requirements. Further, housing must be free of health and safety defects. DuPage County shall uniformly ensure this condition by verifying that the housing meets all applicable State and local housing quality standards and code requirements through inspection by an inspector who has been trained in the standards of the International Property Maintenance Code. At the time of initial adoption of this policy, CDC staff members are in the process of obtaining this training. While the training process continues, staff shall use HUD's Uniform Physical Conditions Standards checklist as a tool to document compliance. Any item shown as "LT" (life threatening) on the HUD Uniform Physical Conditions Standards checklist that fails inspection shall be corrected by the Owner as follows:
    - Detected gas leaks shall be called into Nicor immediately.
    - Inoperable smoke and/or carbon monoxide detectors, items that prevent proper building egress, and electrical hazards near water shall be corrected within 24 hours.
    - For other LT hazards, Owner shall, within 48 hours, either correct the hazard or present a plan as to how the hazard will be corrected, by whom, and when. Should the Owner not correct LT items as required, staff shall report the violation to the appropriate County or municipal building department having jurisdiction over the property for a legal resolution.

For NLT (non-life threatening) deficiencies, Owner shall be given a report of deficiencies and corrective actions and be asked to respond with a plan for correction within two weeks, with all corrective action to be completed within 60 days of submittal of the plan. Should the Owner not correct the deficiencies

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within the allotted time period, the file shall be turned over to the State's Attorney's Office for legal resolution.

- B. All units constructed prior to 1978 shall have a lead assessment performed as part of the underwriting process (unless exempted under 24 CFR part 35) prior to commitment of HOME funds. If lead is not completely abated by the HOME assistance and interim controls are the appropriate measure, file documentation shall be maintained so that the condition of any surfaces known to contain lead based paint can be monitored for deterioration during the affordability period.
- C. Inspections and inspections procedures shall be in accordance with the HOME Inspection and Monitoring Procedures.

## EXHIBIT A

### REHABILITATION STANDARDS - GENERAL

1. Health and safety. DuPage County, or its designee, will inspect occupied housing to be rehabilitated using HUD's Uniform Physical Conditions Standards checklist as a tool to determine if there are any life-threatening deficiencies that must be addressed immediately. Any item shown as "LT" (life threatening) on the HUD Uniform Physical Conditions Standards checklist that fails inspection shall be corrected by the Owner as follows:
  - Detected gas leaks shall be called into Nicor immediately.
  - Inoperable smoke and/or carbon monoxide detectors, items that prevent proper building egress, and electrical hazards near water shall be corrected within 24 hours.
  - For other LT hazards, Owner shall, within 48 hours, either correct the hazard or present a plan as to how the hazard will be corrected, by whom, and when. Should the Owner not correct LT items as required, staff shall report the violation to the appropriate County or municipal building department having jurisdiction over the property for a legal resolution.
2. Major systems. DuPage County's underwriting policies for HOME funded rental projects requires the submission of a property needs assessment of the proposed project so that adequate replacement reserves can be established to repair or replace major systems, as needed. Homeownership projects involving rehabilitation must ensure that each major system have a useful remaining life of at least five (5) years. For purposes of this policy, major systems shall include: structural support; roofing; cladding and weatherproofing (e.g. windows, doors, siding, gutters); plumbing; electrical; heating, ventilation, and air conditioning. For purposes of project underwriting, multi-family rental projects shall also include parking lots and concrete walkways as a major system, as well as replacement costs of appliances, flooring, and bathroom fixtures. Estimation of useful life will be based on the Estimated Useful Life Tables in the FannieMae *Instructions for Performing a Multifamily Property*

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*Condition Assessment* (Version 2.0, dated October, 2014, attached hereto in Exhibit B. Single family properties shall use the “Senior” column in the tables.

3. Lead-based paint. All housing constructed prior to 1978 must have a lead-based paint inspection and assessment performed by a licensed assessor. The assessor’s report will be required to contain “scope of work” for both interim measures and full abatement. Based on the funds invested in the property and the future health and safety of the occupants of the housing, the appropriate lead paint measures will be included as part of the rehabilitation of the property.
4. Noise Attenuation. DuPage County CDC strongly encourages the incorporation of sound insulating techniques and materials when renovating residential structures. The most important and economical step in mitigating indoor noise is to seal any non-essential openings in the building envelope such as air gaps around windows and doors, mail slots and any unnecessary vents. The use of weather-stripping, insulation, and caulk to seal air gaps will not only block direct access of exterior noise, but will also increase the building’s energy efficiency. The CDC also recommends the use of replacement windows and exterior doors with a high Sound Transmission Class (STC) rating, the addition of storm doors and windows, installation of chimney-cap dampers, and a minimum of R38 attic insulation.
5. Accessibility. Meet accessibility requirements of Section 504 of the rehabilitation Act of 1973 and Titles II and III of the American with Disabilities Act if a “covered” multifamily dwelling constructed for first occupancy after March 13, 1991. This means that “in buildings with four or more dwelling units and at least one elevator, all dwelling units and all public and common use areas are subject to the Act’s [ *referring to the Fair Housing Act*] design and construction requirements. In buildings with four or more dwelling units and no elevator, all ground floor units and public and common use areas are subject to the Act’s design and construction requirements.” [Joint Statement of The Department of Housing and Urban Development and The Department of Justice titled *Accessibility (Design and Construction) Requirements for Covered Multifamily Dwellings Under the Fair Housing Act*, issued April 30, 2013].
6. Disaster mitigation. Be rehabilitated to mitigate the impact of potential disasters. The most common natural disaster in DuPage County is flooding. Rehabilitation will not be performed on housing located in a floodplain, with the exception of owner occupied rehabilitation that meets flood insurance requirements and HUD environmental requirements.
7. Local code. Housing that is rehabilitated with HOME funds must meet all applicable State and local codes, ordinances, and requirements. If a municipality requires a building permit for any part of the rehabilitation, issuance of that permit and passing municipal final inspection will demonstrate compliance with that portion of the municipal code requirements.
8. Upon completion of rehabilitation, the units will be decent, safe, sanitary and in good repair. DuPage County shall ensure this condition by verifying that the housing meets all applicable State and local housing quality standards and code requirements

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- through inspection by an inspector who has been trained in the standards of the International Property Maintenance Code. At the time of initial adoption of this policy, CDC staff members are in the process of obtaining this training. Staff will use HUD's Uniform Physical Conditions Standards checklist as a tool to document that the housing meets the standards of this policy.
9. For multi-family rental housing projects of 26 or more total units in the project (not assisted units), a capital needs assessment must be performed to determine the scope of work and the long term physical needs of the project.
  10. No components will be replaced strictly for cosmetic purposes. If mold remediation is performed in a basement and/or attached garage, other rehabilitation work will be performed on a "do no harm" basis. This means that damage to the basement or garage caused by performing eligible work may be repaired only. For example, if all the drywall in a basement or garage must be removed because of mold, drywall will not be replaced, unless a code standard requires drywall in a basement or garage. However, if a portion of drywall must be removed, or if a fixture in a basement or garage must be removed due to mold, and such removal leaves a wall partially damaged or a gap in a wall, floor, or ceiling due to fixture removal, the drywall or gap may be repaired (without replacement of the fixture). The "lower level" of a house that is a split level, tri-level, or raised ranch and is considered living area under property assessment standards is not considered to be a basement under this policy.
  11. Air conditioning and dishwashers are considered standard improvements in DuPage County.

## REHABILITATION STANDARDS – SPECIFIC TO OWNER OCCUPIED REHABILITATION

### Eligible Activities

1. Correction of code violations cited by DuPage County or municipal code inspection, with exceptions for driveway, sidewalk, garage, deck, and landscaping issues as discussed below. Please note that if the rehabilitation is funded with HOME Investment Partnership program funds, all code violations must be able to be corrected within the maximum loan amount or the rehabilitation will not be undertaken.
2. Health and safety issues that put the household at risk of injury or disease or that prevent the dwelling from receiving assistance under the DuPage County Weatherization Program or prevent a unit from receiving the maximum benefit of the Weatherization program.
3. Repair or replacement of the following components or systems because of system failure, code violation, or recommendation through a Weatherization assessment, not for cosmetic purposes. Quality of materials shall be those that can be obtained at mid-level pricing.

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- Foundations, basements, and/or crawl spaces, (only for purposes of water sealing or moisture removal). This program is not able to deal with major foundation issues.
  - Exterior walls and siding
  - Roof and roof systems
  - Doors, windows and window frames (shall meet the energy efficiency of, but not exceed the quality of, windows installed under the DuPage County Weatherization Program)
  - Porches, stairs and railings
  - Interior walls, and ceilings (only if condition poses actual health & safety threat: e.g. ceiling is coming down)
  - Well and septic systems
  - Water and sewer connections, if such service is available
  - Electrical systems and fixtures
  - Plumbing systems and fixtures
  - Heating and cooling systems
  - Hot water heaters
  - Insulation
  - Air sealing
  - Chimney repair/tuckpointing
  - Flooring (only if a medical or accessibility issue; e.g. allergies necessitate removal of carpet or current flooring poses a mobility issue for person with disabilities)
  - Painting, only if condition of exterior paint is a code violation
  - Demolition of substandard buildings on the property if their condition constitutes a code violation or danger
  - Landscaping, sidewalks, garages, decks, and driveways – only if health & safety issue or code violation and the cost of such is incidental to other rehabilitation of the property. For purposes of the DuPage County program, incidental shall mean that the combined total rehabilitation cost of these items shall be less than 25% of the total rehabilitation costs.
  - Work in basements: If a basement is not taxable square footage, only code violations and health and safety issues may be corrected. For example, mold remediation may be performed in a basement. Other restoration work will be performed on a “do no harm” basis, which means that damage to the basement or garage caused by performing eligible work may be repaired. For example, if all the drywall in a basement must be removed because of mold, drywall will not be replaced, because no code standard requires drywall in a basement. However, if a portion of drywall must be removed, or if a fixture in a basement must be removed due to mold, and such removal leaves a wall partially damaged or a gap in a wall, floor, or ceiling due to fixture removal, the drywall or gap may be repaired (without replacement of the fixture).
4. Accessibility improvements available only to households with a severely disabled member meeting the following HUD definition:

*Persons are considered severely disabled if they:*

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- *Use a wheelchair or another special aid for 6 months or longer; or*
- *Are unable to perform one or more functional activities (seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs and walking); or*
- *Need assistance with activities of daily living (getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating and toileting) or instrumental activities or daily living (going outside the home, keeping track of money or bills, preparing meals, doing light housework and using the telephone); or*
- *Are prevented from working at a job or doing housework; or*
- *Have a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia or mental retardation; or*
- *Are under 65 years of age and are covered by Medicare or receive Supplemental Security Income (SSI).*

Work to be performed must be eligible under applicable Federal regulations and shall be for the purpose of providing greater accessibility or diminishment of impairment for the severely disabled household member. It could include such items as, but not be limited to, installation of wheelchair ramps, railings, bathroom grab bars, accessible doorknobs, or a warning system for the hearing impaired. All work performed must fix a condition or install a "fixture."

## Ineligible Activities

- New construction of room additions, fireplaces, sheds, or garages
- Foundation work beyond water sealing
- Painting and staining (unless condition of exterior paint is a code violation)
- Cabinets and counter tops
- Flooring (unless medical or accessibility issue)
- Repair of swimming pools and/or pool liners
- Repair of damage covered by a homeowner's insurance policy
- Purchase or repair of appliances
- Window treatments
- Purely cosmetic or convenience improvements
- Reimbursement of previously done work
- Landscaping, sidewalks, garages, decks, and driveways – if the combined total rehabilitation cost of these items is greater than 25% of the total rehabilitation costs.

## EXHIBIT B

### Useful Life and Materials Standards

1. **Useful Life.** Estimation of useful life will be based on the Estimated Useful Life Tables in the FannieMae *Instructions for Performing a Multifamily Property*

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*Condition Assessment* (Version 2.0, dated October, 2014 beginning on the next page. Single family properties shall use the “Senior” column in the tables.

2. **Materials and Finishes.** Materials and finishes should be appropriate for the room and function. For example, non-porous surfaces should be used for countertops and flooring in kitchens, baths, and laundry areas.

When replacing components during rehabilitation, components should be replaced with like components, unless building codes, energy standards, and/or the needs of the occupants require different materials. For example, an “occupant need” may mean that allergies or disabilities dictate a solid surface flooring such as tile or laminate be installed in lieu of carpeting.

In owner occupied rehabilitation and homeowner projects (not including down payment assistance only projects), materials and finishes must be durable, but not exceed a mid-range grade of quality, and may not be “luxury improvements.” DuPage County will not permit an owner occupant to pay the difference to upgrade beyond the materials and finishes allowed under this policy or use an “allowance” system for components or fixtures. DuPage County specifically considers “luxury improvements” to include:

- granite countertops
- bamboo, hardwood and hardwood engineered flooring (or similar materials)
- cabinetry beyond builders grade cabinets
- tile, laminate flooring or carpet beyond a mid-range grade

In new construction and rehabilitation of rental properties, durability of materials should be considered so that the long term financial viability of the project is not undermined by constant replacement of components due to wear and tear.

## **PROPERTY TAX EXEMPT STATUS FOR NON-PROFITS** (Approved by HOME Advisory Group 12/19/1995)

Granting tax exempt status is a function of the State Board of Review.

## **PUBLIC COMMENT AT COMMITTEE AND CDC MEETINGS** (Approved by CDC Executive Committee 05/15/96)

1. **Timing in the Agenda** – Generally, public comment will be the first item on the agenda. However, the Chairperson may elect to delay some of the comments to coincide with the relevant agenda item.
2. **Sign-In Sheet** – Persons wishing to comment at a meeting will be required to sign up in advance, and this sign-in sheet will ask for the topic on which he or she would like to speak. This information will help the Chairperson organize the comments in the most time-efficient fashion possible.
3. **Time Limit for Comments** – Persons commenting will be limited to three minutes; however, at the discretion of the Chairperson, comments may be limited to one minute. In addition, if the Chairperson sees that a number of persons will be

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commenting on the same subject, he or she may request that commenters to select a spokesperson.

4. Discretion of the Chairperson - The Chairperson will have the discretion to limit persons comment time to one minute during a meeting in order to insure that there is sufficient time to attend to other required business scheduled for the meeting. In this case, the Chairperson will make reasonable attempts to assure that all views are heard. Likewise, if time permits, the Chairperson may extend time for comments. In this case all commenters will be given equal amounts of extra time. In addition, the Chairperson may delay some comment until later in the meeting when the relevant issue is being discussed.

## **PUBLIC HEARINGS – CDBG/ESG PROCESS** (CDC Dept Policy 2008)

Proof of a public hearing is a requirement of the CDBG/ESG process. The purpose of a public hearing is to solicit public comment about the proposed project prior to application submission. A notice of public hearing must be published in a local newspaper of general circulation at least 10 calendar days (not counting the day of publication) before the hearing is to be held - a copy of this notice and minutes from the meeting must accompany the application for funding.

### **THE NOTICE TO BE PUBLISHED**

While agencies are welcome to hold their own meetings, a cost-efficient measure could be accomplished by holding cluster-specific meetings (the host agencies for this year are listed later in this document). The agencies listed below will coordinate the date, time and location of the meeting. They will share the cost of publishing the notice between all participants. Where a significant number of non-English persons can reasonably be expected to participate, the notice must be in the appropriate language(s) and provision should be made for interpreters at the hearing.

### **ROLE OF THE HOST AGENCY**

Prior to the Hearing

1. Coordinate the date, time and location of the meeting
2. Prepare the notice to include:
  - Time and place of the hearing
  - Invitation to submit written comments and information about where to direct such comments
  - Activities and amount of funds being applied for by each agency
  - Relocation plan, if relocation of residents will be required as a result of the proposed activity. (Sample provided at the end of this document).

*At the Hearing*

1. Provide all participating agencies with a copy of the hearing notice
2. Insure all agencies sign in
3. Ask any other attendees to sign in



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- Not mandatory to sign in; if they don't, make note in the minutes
4. Assign or take minutes for the meeting to include:
    - Date, time, and location of the meeting
    - Agencies present
    - Time meeting was called to order
    - Summary of any public comments offered
    - Any attendees who were present should be noted. If someone refused to sign in, please note that. If no one attended, that too should be noted.
    - Time meeting was adjourned

Note: It is rare for the public to accept the invitation to the public hearing. Please wait 20 minutes and if no one arrives, the meeting can be adjourned.

## *After the Hearing*

1. Divide the cost of running the publication and distribute the information to the participating agencies
2. Make provisions for distribution of the meeting minutes

## **ROLE OF THE PARTICIPATING AGENCIES**

1. Notify the host agency for your cluster(s) of your intent to participate
2. Send them the following:
  - Agency name
  - Project name
  - Amount being requested
  - Relocation plan, if relocation of residents will be required as a result of the proposed activity
  - Reimbursement for the cost of publishing the notice
3. Attend the hearing (documented by signing in and being included in the hearing minutes)
4. Should your agency not be represented, you will need to publish and conduct your own meeting.

## **Sample Public Notice**

### PUBLIC HEARING NOTICE

Notice is hereby given that a public hearing will be held on [Date, Time, and Place of Public Hearing]. The purpose of the hearing is to obtain public comments regarding [number of requests] request(s) for Community Development Block Grant (CDBG) and Emergency Shelter Grant (ESG) funding to be submitted to the DuPage Community Development Commission. The projects for which funding is being requested are:

[Name of Agency] – [Amount of request] – [Description]

Examples:

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YWCA of Metropolitan Chicago - \$11,000 To provide essential services to homeless families and families at risk of homelessness, focusing primarily on achieving economic self-sufficiency.

Family Shelter Service - \$75,000 To provide essential services to support counseling services in three emergency shelters for victims of domestic violence in DuPage County.

Persons interested in commenting on the above projects may do so in person at the public hearing. Comments on the above activities may also be submitted in writing to [Name of Agency] [Mailing Address of Agency]. Written comments will be accepted until 4:30 p.m. on [Date of hearing].

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## **RELOCATION POLICY – CDBG** (Approved by CDC 05/07/87, Updated 2007)

This policy minimizes displacement and provides relocation to tenant households, businesses, farms and non-profit organizations involuntarily displaced by activities of the CDBG program.

**Minimizing necessary displacement** – The DuPage CDC shall recommend and approve for funding projects which will minimize, to the greatest extent feasible, the direct permanent involuntary displacement of tenant households, businesses, farms, and non-profit organizations. Projects which are deemed beneficial, but which may cause such displacement may be recommended and approved, but only if it has been demonstrated that efforts have been taken to reduce the number of tenant households, businesses, farms and non-profit organizations required to be displaced. Furthermore, the DuPage CDC shall recommend and approve for funding those projects which may cause such displacement only when it has been clearly demonstrated that the goals and anticipated accomplishments of the project outweigh the stress and adverse effects of displacement imposed upon tenant households, businesses, farms and non-profit organizations who must relocate.

**Mitigating adverse effects of necessary displacement** – The DuPage CDC shall require subgrantees to provide relocation assistance to all tenant households, businesses, farms and non-profit organizations permanently displaced by the acquisition of real property as required and in compliance with HUD’s regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (Uniform Act). In addition, the DuPage CDC shall require subgrantees to provide relocation assistance to all low and moderate income tenant households, businesses, farms and non-profit organizations who are either directly, involuntarily and permanently displaced by or for the assisted activities of code enforcement, demolition or rehabilitation or who are displaced by the acquisition of real property which is excluded from HUD’s regulation implementing the Uniform Act. The assistance shall be provided expressly for the purpose of mitigating the adverse effects to low and moderate income tenant households, businesses, farms and non-profit organizations who must be displaced in order to carry out an approved project.

## **RESALE RECAPTURE GUIDELINES FOR HOME INVESTMENT PARTNERSHIPS PROGRAM – HOMEOWNERSHIP ACTIVITIES FOR DUPAGE COUNTY**

(Approved by the HOME Advisory Group 04/04/17)

DuPage County will use HOME Investment Partnerships Program funds to provide housing for low income persons. The forms of funding used to assist homebuyers and/or developers include: down payment assistance, development subsidies, direct loans as second mortgages, or some combination of these methods. DuPage County will use the recapture method of insuring affordability for all homebuyers receiving direct assistance. DuPage County will use the resale provision of insuring affordability for for-sale housing where the homebuyer does not receive direct assistance. Only one method shall be utilized for each project, the recapture method is only allowed when there is direct HOME assistance to the homebuyer; resale provisions must be used when there is only a development subsidy provided to the project. Development subsidy is defined as the

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difference between the total development cost of producing the unit and the fair market value of the property.

***Recapture Provisions***

Subject to recapture are the HOME funds that are invested in a HOME assisted unit as a direct subsidy to the homebuyer. This includes down payment assistance and second mortgages that finance the difference between fair market value based on fair market value and the homebuyer's first mortgage. The minimum length of affordability is as follows based on the total direct HOME assistance to the homebuyer:

**Affordability Requirements for the HOME Program**

Direct Homeownership Assistance HOME Amount Per Unit	Minimum Period of Affordability
Less Than \$15,000	5 Years
\$15,000 - \$40,000	10 Years
More than \$40,000	15 Years

The recapture provisions are as follows:

- The Affordability Period shall be based on the total direct HOME subsidy to the homebuyer and does not take into account a development subsidy provided on the unit.
- Activity Types - HOME funds as direct buyer assistance may be provided as:
  1. First Time Homebuyer Program -
    - a. direct subsidy to the homebuyer as downpayment assistance;
    2. Production of homeowner units through new construction or acquisition/rehab/resale -
      - a. direct subsidy as a second mortgage that reduces the need for buyer equity or senior debt financing;
      - b. direct subsidy as the difference between fair market value at the time of sale and the sales price if HOME funds were used to develop the property and the property is being sold below market value;
      - c. direct subsidy to the homebuyer as downpayment assistance.
- The buyer must be purchasing the home to use as a principal residence. In other words, the buyer must intend to live in the home for the entire affordability period and not be buying the home for any other purpose, such as investment or rental property.
- Enforcement Mechanisms - Recapture provisions shall be detailed within each written Home Investment Partnerships Agreement between DuPage County and the Subrecipient or Developer as well as within each written Homebuyer Agreement between the homebuyer and DuPage County and enforced through a zero-interest, deferred payment mortgage on the property, filed with the DuPage County Recorder's Office and also enforced through a Homebuyer Agreement that runs for the entire term of the affordability period. The requirements within shall be triggered when the property is sold or the title transfers. For projects including downpayment assistance, for sale new construction and for sale acquisition rehabilitation programs, the HOME assisted property owners will be required to maintain property insurance coverage in

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an amount sufficient to cover the amount of HOME assistance and list DuPage County as an additional insured during the period of affordability. Monitoring of insurance policies will assist in identifying properties that are no longer occupied by the assisted buyer.

- Methods- The recapture option allows DuPage County to recapture all or a portion of the HOME subsidy if the property is sold or transferred during the affordability period. All HOME assisted property sales under the recapture option shall meet the following criteria:
  1. The homebuyer may sell the property to any willing buyer.
  2. The transfer of the property during the period of affordability triggers repayment of the direct HOME subsidy to DuPage County in accordance with the promissory note the buyer entered into with DuPage County when he/she originally purchased the home.

In the event of recapture, the amount subject to recapture is as follows and will be further detailed within a promissory note signed by the buyer and by an agreement with the homebuyer that runs for the entire affordability period:

1. Down payment assistance loans of up to \$14,999 are forgiven on a pro-rata basis at 20% yearly over the affordability period.
2. Direct loans as second mortgages are deferred until the property is sold, title is transferred or the buyer ceases to occupy the property as their principal residence, then the loan is due in full.

The amount of recapture is subject to the availability of net proceeds available from the sale of the property. Net proceeds is defined as the sales price minus superior loan repayment (other than HOME funds) and any other closing costs. In the event that the owner sells or title transfers on the premises within the affordability period, he/she will be obligated to repay DuPage County based on a pro-rata reduction for the time the homebuyer has owned and occupied the housing, measured against the required affordability period. This recapture is subject to the limitation that when the recapture requirement is triggered by a sale (voluntary or involuntary, and also including foreclosure or deed in lieu of foreclosure) of the housing unit, and there are no net proceeds or the net proceeds are insufficient to repay the HOME investment due, DuPage County can only recapture the net proceeds, if any.

If the property is no longer occupied during the affordability period by the HOME-eligible household that originally purchased the property, the entire amount of the HOME investment becomes due. The buyer, so long as any sums remain unpaid to DuPage County and/or the period of affordability is still in effect, whichever is longer, must personally occupy the premises as his/her sole principal residence. Any lease or rental of subject premises during the period of affordability shall constitute an event of non-compliance and the full loan amount shall become due and payable immediately.

- Mortgage Release – Upon receipt of recaptured funds, or at the completion of the affordability period, DuPage County will record a Release Deed with the DuPage County Recorder's Office to release to original HOME assisted property from the obligations of the affordability period.

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- Repayments – Repayment of recaptured funds will be deposited in the HOME account and used for other HOME-eligible activities.

## ***Resale Provisions***

Subject to resale provisions are the total HOME funds that are invested in a HOME-assisted unit, development subsidies and direct assistance. The minimum length of affordability is as follows based on the total HOME subsidy to the property:

### **Affordability Requirements for the HOME Program**

Direct Homeownership Assistance HOME Amount Per Unit	Minimum Period of Affordability
Less Than \$15,000	5 Years
\$15,000 - \$40,000	10 Years
More than \$40,000	15 Years

The resale provisions are as follows:

- The affordability period is based on the total amount of HOME funds invested in the housing including down payment assistance, direct loans as second mortgages, the difference between fair market value at the time of sale and sales price and development subsidies.
- Activity Types – Resale provisions for Homeownership shall be used when there is no direct assistance provided to the homebuyer or in a market where it is questionable that the unit will maintain affordability on its own. DuPage County HOME assisted activities which may use Resale provisions include Single Family New Construction or Acquisition/Rehabilitation/Resale.
- Principal Residency – The buyer must be purchasing the home to use as their sole principal residence. In other words, the buyer must intend to live in the home for the entire affordability period and not be buying the home for any other purpose, such as investment or rental property.
- Enforcement Mechanisms – Resale requirements shall be detailed within each program written Homebuyer Agreement between the homebuyer and DuPage County and enforced through a Regulatory and Land Use Restriction Agreement filed with the DuPage County Recorder’s Office and the requirements within shall be triggered upon sale or transfer of the HOME assisted property. For homebuyer projects including the new construction and acquisition/rehabilitation/resale programs, the HOME assisted property owners will be required to maintain property insurance coverage in an amount sufficient to cover the amount of HOME assistance and list DuPage County as an additional insured during the Period of Affordability. Monitoring of insurance policies will assist in identifying properties that are no longer occupied by the assisted buyer. In the event of non-compliance the full loan amount shall become due and payable immediately.
- Methods – The resale option ensures that the HOME assisted unit remains affordable over the entire period of affordability. Resale provisions must be used where there is no direct assistance to the homebuyer which may include down payment assistance, direct loans as second mortgages, the difference between fair market value at the time

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of sale and sales price. All designated HOME-assisted property sales or transfers under the resale provision during the period of affordability shall meet the following criteria:

1. The new purchaser must meet the criteria of low income, defined as having annual household income at or below 80% of the area median income (as defined by HUD) for the Chicago-Joliet-Naperville, IL HUD Metro FMR Area, and occupy the property as the family’s principal residence.
2. The sales price must be “affordable” to a reasonable range of low income buyers. Affordability is further defined within the below table:

Criteria	Resale Programs
Housing Debt and Overall Debt	Will be based on ratios currently in effect under FHA and the secondary mortgage market
Appropriateness of Amount of Assistance	In accordance with above stated ratio guidance, subsidy will not be given that allows a homebuyer to have a total housing expenses to income ratio less than 28%.
Monthly Expenses of Family	Cannot exceed 41% of income. Housing ratio cannot exceed 35% (or go lower than 28% per above policy). Budgeting is part of the homeownership counseling process.
Assets Available for the Acquisition	Homebuyer’s liquid assets after closing may not exceed \$25,000. Homebuyer may use any combination of primary mortgage financing, personal funds, and/or gift funds to acquire the housing.
Financial Resources to Sustain Homeownership	Homebuyer must document income sufficient to meet the 35/41 ratio requirements.

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<p>Responsible Lending</p>	<p>If utilizing other mortgage financing, must choose a fixed rate FHA or conventional mortgage. If the lender is not on the list of lenders for the First Time Homebuyer Program, DuPage County staff will review the terms of the loan to ensure the loan is fixed rate, at an interest rate comparable to interest rates being offered by Homestead program lenders, is not charging points, and is not charging fees that are not usual or customary. Staff may ask homebuyer counseling agency to assist with this review, if necessary.</p>
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To ensure affordability in the event that the sales price required to provide a fair return to the original owner exceeds what is affordable to its target population of homebuyers DuPage County can provide direct assistance to the subsequent income-eligible buyer.

3. The housing purchase price may not exceed 95 percent of the median purchase price for the type of housing for the area as determined and published by the U.S. Department of Housing and Urban Development (HUD) from time to time. DuPage County also reserves the right to determine the 95 percent limit following HUD approved methodology, with such newly determined limit to be approved by HUD.
4. Net proceeds from the sale must provide the original homebuyer, now the home seller, a “fair return” on his/her investment (including any down payment and capital improvement investment made by the seller since purchase). The sales price may encompass the following in its formula:
  - a. The cost of any capital improvements, documented with receipts including but not limited to the following:
    - i. Any additions to the home such as a bedroom, bathroom, or garage;
    - ii. Replacement of heating, ventilation, and air conditioning systems;
    - iii. Accessibility improvements such as bathroom modifications for disabled or elderly which were not installed through a federal, state, or locally-funded grant program; and
    - iv. Outdoor improvements such as a new driveway, walkway, retaining wall, or fence.



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5. The increase in the value of owner equity and investment as calculated by the cumulative percentage of change as calculated by the Housing Price Index (HPI) calculator of the Federal Housing Finance Agency plus 1.00 times the total owner investment at time of purchase plus the documented improvements as described above.  
(ex. Home purchased in 2000 for \$50,000. The HPI for 2000-2004 stayed the same at +.03 for each year, which calculates to a cumulative percentage of .12. To calculate “fair return” one must multiply  $\$50,000 \times 1.12 = \$56,000$ , plus the documented improvements of \$4,000 would total \$60,000. The “fair return” to the seller would be the increase in value of \$60,000, minus the original investment of \$50,000 to equal a \$10,000 fair return.)
- Resale Provision Release – Upon completion of the affordability period, DuPage County will file a release of the Regulatory and Land Use Restrictions Agreement document with the DuPage County Recorder’s Office to release the original HOME assisted property from the obligations of the affordability period.

## **RESIDENTIAL/CLIENT-ORIENTED FACILITIES** (Approved by the CDC 05/20/1987, Revised and Approved by the CDC Executive Committee on 02/06/2018)

It is the policy of the DuPage Community Development Commission that residential facilities or client –oriented facilities funded by the CDBG program be made available in all parts of the County and that they shall not be concentrated in such a way that their number or scale has a substantial adverse impact on the local community or the specific neighborhood in which they are located. Implementation of this policy will use the following strategies:

Prior to the time the applicant or subgrantee chooses a location, the applicant will be made aware of the Commission’s policy. The applicant or subgrantee will be encouraged to locate in areas where the proposed facility will be accessible by the clients and where there is a general lack of other facilities.

After a specific site has been selected by the subgrantee, staff, as part of its environmental assessment required for all CDBG projects, will evaluate the project in terms of its effect on the community and neighborhood. An action to withhold funding will require the concurrence of the CDC Executive Committee.

As required by HUD regulation, funds will not be released for projects that are inconsistent with local zoning ordinances.

Township governments in DuPage County may submit applications to the CDC for funding but township applications must be eligible in the housing project category.

## **RETENTION/DISPOSAL POLICY** (CDC Dept Policy 2007, Revised and Approved by the CDC Executive Committee on 02/06/2018)

- Accordingly, all CDBG Public Service and Neighborhood Investment documentation will be disposed of four years after the end of the Consolidated Plan they were approved under or four years after the close of the project, whichever comes later.

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- CDBG Capital projects will be disposed of either four years after the end of the Consolidated Plan they were approved under or four years after the close of the project period or four years after repayment of the loan.
- HOME/CDBG files will be disposed of five years after the end of their affordability period (affordability period starts the five years after repayment of the loan).

All agreements, resolutions and modifications will be scanned before hard copies are destroyed.

The State of Illinois Disposal procedure will be followed in the destruction of all records.

### **REVERSE MORTGAGE** (CDC Dept Policy 2007)

CDC Department has deemed it inappropriate to subordinate to a reverse mortgage under HUD policy and regulation due to the following:

- In a reverse mortgage, the resident/owner of the property can no longer be considered income-qualified due to a lending institution's involvement with ownership of the property.
- Under consultation from the DuPage Homeownership Center, who works jointly with DuPage County on mortgages and mortgage counseling, the Community Development Commission has been advised that risk of repayment is uncertain.

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## **SCHOOL DISTRICT AND SCHOOL DISTRICT-RELATED PROJECT FUNDING** *See Funding - School Districts and School District-Related Projects – Page 43*

### **SCOPE OF WORK - CHANGE IN ESSENTIAL FEATURES** (CDC Dept Policy 01/26/1999, Revised and Approved by the CDC Executive Committee on 02/06/2018)

Because of the competitive nature of the evaluations, it is essential that projects are not substantially changed after the County's approval. Therefore, funding agreements will be written with the expectation that all essential features (elements of the project that would change the points and the rank order of projects) will be considered a breach of agreement and will require action from the HOME Advisory Group or Community Development Executive Committee.

### **SCOPE OF WORK – CHANGE ORDERS** CDC Dept Policy 06/04/2019 (Approved by the HOME Advisory Group and CDC Executive Committee on 06/04/2019)

Should change orders be necessary, CDC staff must receive copies and explanation of necessity for review. All change orders must be approved by CDC staff. All change orders must be cost reasonable and include supporting documentation to justify the cost and prove cost reasonableness.

Should change orders be necessary and they exceed the bonded amount, bonds must be increased to match the new contract total.

Cost Overages: If a change order leads to an increase in the total project cost, the Subrecipient or Developer must be able to clearly demonstrate that the increased cost was due to unforeseen circumstances. The Subrecipient or Developer may request additional funding if no other sources of funds are available. A letter to the CDC or HAG at least ten (10) days prior to the committee meeting which outlines the request for additional funding must be provided. A revised sources and uses statement and project budget must accompany the request letter. The request will be reviewed by the appropriate committee.

### **SCOPE OF WORK – COSTS ESTIMATES** CDC Dept Policy 06/04/2019 (Approved by the HOME Advisory Group and CDC Executive Committee on 06/04/2019)

The applicant is responsible for obtaining a cost estimate detailing the expected costs associated with the full scope of work, as required to be submitted with the application. The detailed cost estimate must be prepared and signed by a qualified party. All proposed rehabilitation and construction activities funded with federal dollars are subject to the Davis-Bacon and Related Acts wage determinations, or in some instances, the Illinois Prevailing Wage Act prevailing wage rates. A statement confirming laborer wage costs were included in the pricing must be contained within the cost estimate.

Bids Over Cost Estimate: In the event that all bids received for a proposed project have costs that exceed the detailed cost estimate, the awarded entity may reduce the original scope of work and rebid the project. All essential features (elements of the project that would change the points and rank order of a project) must remain in the scope.

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Scope Reduction: In the event that an awarded entity wishes to reduce the scope of work on an awarded project, an updated detailed cost estimate must be provided by a qualified party. A letter to the CDC or HAG at least ten (10) days prior to the committee meeting which outlines the request for a reduction in scope must be provided. The request will be reviewed by the appropriate committee.

## **SPONSORSHIP REQUIREMENT, ELIMINATION OF CDC** (Approved by CDC 12/14/1999)

On September 14, the CDC Executive Committee approved a recommendation to eliminate the CDC's policy of requiring sponsorship by a CDC member in order for the CDC to consider an application. This policy change requires full CDC concurrence. The reasons for this recommendation are as follows

1. The CDC has developed several minimum criteria that are now used to define the activities that will, and will not, be considered. Many projects are eliminated from consideration because: (a) the applicant does not have adequate capacity as defined by the selection criteria; (b) the project is not ready to implement (e.g., there are zoning, financial, legal or other issues that prevent implementation); (c) the project does not meet federal or local eligibility criteria; (d) the project does not meet the county's geographic distribution policy (applicable to newly created affordable housing); (e) the project simply is not a good project as defined by the minimum point cutoff.
2. The sponsorship policy is a burden on the staff. The CDC staff is burdened because we have to explain sponsorship to local governments that are being asked to do the sponsoring, and often we have to draft the resolutions.
3. The sponsorship requirement does not apply to all of the county's programs. It is not required to submit an application to the HOME program, the Housing Development Fund or the Emergency Shelter Grant programs. It only applies to the CDBG program.
4. Keeping this policy could invite problems in the future, and the CDC has developed several good policies, with good rational bases, to take its place.

## **STATE'S ATTORNEY** (Approved by CDC 05/20/87)

The State's Attorney will provide legal services for the CDC.

## **SUBORDINATION POLICY - HOMEBUYER MORTGAGE** Approved by HOME ADVISORY GROUP 02/25/2005, Revised 04/01/09, Approved 08/02/2016). Reference to this policy is made in the UNDERWRITING STANDARDS.

- Borrower cannot take any equity out of the real estate.
- Borrower may roll into the new first mortgage only reasonable and customary closing costs associated with the refinancing (this does NOT include points paid to buy down the interest rate further, but does include expenses such as the appraisal, credit report and title charges).
- The new first mortgage principal balance cannot exceed the original first mortgage principal. The only exception will be if the new first mortgage principal balance

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- includes reasonable and customary closing costs, as noted above, which causes the new first mortgage principal balance to exceed the original first mortgage principal.
- Borrower may refinance into a 15-year mortgage provided that they have the capacity to handle the additional payment. Such situations must be reviewed on a case-by-case basis and obtain the approval of the DuPage Homeownership Center and the Lender.
  - Borrower must refinance into a fixed-rate mortgage (30-year standard).
  - Balloon payment mortgages are not permissible.
  - The first mortgage lender will escrow taxes and insurance, if the lender had been doing so prior to refinancing.

### **SUBORDINATION POLICY - RENTAL PROPERTIES & PUBLIC FACILITIES**

(Approved by the HOME Advisory Group and CDC Executive Committee on 03/05/2019)

- Mortgagor must request a Subordination in writing and provide the following:
  - Reason for refinancing
  - Amount and terms of new loan
  - Title commitment
  - Loan application to new lender
  - Loan commitment letter from new lender
  - Lender's underwriting
  - Appraisal
  - Documentation of property operating costs
  - Most recent completed audit
  - Current rent roll (if rental property)
  - Documentation of property cash flow (if rental property)
  - Other documentation as requested by the Community Development Commission (CDC)
- Mortgagor may roll into the new first mortgage only reasonable and customary closing costs associated with the refinancing (this does NOT include points paid to buy down the interest rate further, but does include expenses such as the origination fee, appraisal, credit report and title charges).
- Mortgagor may take equity out of the real estate subject to the approval of the CDC. Approval of equity out will be reviewed on a case by case basis.
- Mortgagor must refinance into a fixed-rate mortgage
- Balloon payments are not permissible.
- The first mortgage lender will escrow taxes and insurance, if the lender had been doing so prior to refinancing.
- The Director of Community Services is authorized to execute Subordination Agreements.

### **SUBORDINATION POLICY WAIVER (HOMEOWNER)** (Approved by HOME Advisory Group 08/08/06)

The subordination solves a temporary crisis. That is, unique circumstances created the crisis, and evidence shows that the homeowner will be able to maintain payments in the future.

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We have received third party verification (DuPage Homeownership Center) that the refinance will improve the homeowner's financial circumstances.

The homeowner has maintained excellent credit during this time period.

After the refinance, the combined loan-to-value of the 1st and 2nd mortgages would be only 44%, which means that our loan is well secured.

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**TECHNICAL ASSISTANCE** (CDC Department Policy, CDC Executive Committee 11/28/2006, Revised and Approved by the CDC Executive Committee on 02/06/2018)

Technical assistance is provided to all applicants through individual phone calls and emails.

**TENANT BASED RENTAL ASSISTANCE PROGRAM (TBRA)** (Approved by HOME Advisory Group 04/01/2014, Amended 10/04/16, Amended 01/03/17, Amended 10/3/17, Revision Approved by the HOME Advisory Group on 02/05/19)

1. **Authority.**

- 24 CFR 92.205(a) Provision of tenant-based rental assistance, including security deposits (not to exceed two months' rent), is an eligible expense under the HOME program.
- 24 CFR 92.207(a)(5) Costs of administering tenant-based rental assistance program are eligible under the HOME program.
- 24 CFR 92.209 states eligible costs and requirements.

2. **Eligible Program Costs.** Rental assistance, security deposits, utility deposits, costs of inspecting the housing, costs of determining income eligibility of the family. HOME funds may provide security deposits, whether or not any other tenant-based rental assistance is provided. For the purpose of this section, "security deposit" refers to any up-front fee required by a landlord to process an application or move into a unit, including "administrative fees," "application fees," "move-in fees," or equivalent types of fees, in lieu of or in addition to a traditional "security deposit." whether or not such fee is classified as "security deposit" under any state or local statute, law, or ordinance. The total of all such fees and/or traditional "security deposit," may not exceed the equivalent of two-month's rent for the unit.

3. **Program Boundaries:** Assistance must be used within the boundaries of the DuPage HOME Consortium which as of February 2018 includes DuPage County, the Village of Downers Grove, the City of Naperville, and the City of Wheaton. However, this Consortium area may change during HUD's HOME Consortium requalification process, which occurs every three years.

4. **Tenant Selection.** All members of a family receiving assistance through TBRA must be U.S. citizens or resident aliens or meet very specific State Department exceptions. The DuPage County program will give preferences for homeless families. "Family" is defined in 24 CFR 5.403 and includes either single persons or groups of persons residing together (with or without children). Homeless shall be as defined as it is defined under the Emergency Solutions Grant (ESG) (Category 1 and Category 4) as stated below. The Continuum of Care (CoC) Coordinated Entry System (CES) prioritization list will be utilized to select tenants. The CES operates through the Homeless Management Information System (HMIS); the County will work with the CoC to provide a tenant selection process for any potential Subrecipient Agency which may be prohibited from entering clients into the HMIS. Full income eligibility intake and documentation of U.S. citizen or resident alien status must be completed

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before TBRA assistance is committed or given. Documentation of homeless status must also be completed if preference is being given on that basis.

**ESG Definition of Homelessness: Category 1.** An individual or family who lacks a fixed regular and adequate nighttime residence, meaning: (i) Individual or family has a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; (ii) Individual or family is living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); (iii) An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution

Category 4. Any individual or family who is fleeing; AND has no other residence; AND no resources AND lives in an emergency shelter or other place described in Category 1 above.

Participants who are on a Housing Choice Voucher Program (HCV; formerly Section 8) wait list at entry into TBRA will be assisted by case managers to ensure they maintain their status on the wait list. The family will provide their new address to the corresponding Public Housing Authority (PHA) and continue to monitor the wait list in the event that a Housing Choice Voucher becomes available to them.

5. **Income Eligibility.** Families must be determined to be income eligible prior to receiving assistance. The “Part 5” method of income qualification will be utilized. At least two months of source documentation are required to determine income. Families’ income cannot exceed 50% of the median family income (MFI) for DuPage County, as promulgated by HUD from time to time, at initial occupancy. Income must be recertified annually if family is receiving ongoing TBRA. If a family’s income is greater than 80% MFI at any recertification, the TBRA assistance will cease.
6. **The CPD Income Eligibility** Calculator will be used to determine/verify the Annual Income and the Adjusted Gross Income for each household requesting assistance. The anticipated household income is to be projected for the coming 12-month period.
7. **Expectation of Family.** A family shall contribute 30% of its adjusted monthly income (minus utility allowance) to the rental payment commencing with month two of the lease, with a minimum tenant contribution of \$25.00 (minus utility allowance; however, negative outcome of this formula will not be refunded to the family). First month’s rent may be paid entirely through TBRA, (when that amount is within the maximum subsidy limit for that household), as families often need a month to accumulate sufficient funds to begin to meet this expectation and it would not be intent of this program to keep a family unhoused longer than necessary. If a family’s income is equal to or greater than 80% MFI at any recertification, the TBRA



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assistance will cease. Families must participate in a self-sufficiency program through the Subrecipient Agency handling its case. If a family fails to continue in the self-sufficiency program, their TBRA assistance will not be renewed. DuPage County will work with Subrecipient Agencies to develop a TBRA Self-Sufficiency Program plan.

8. **Program Operation.** DuPage County will operate the program through Subrecipient Agencies that are members of the DuPage CoC that have both the capacity to operate a rental program and the ability to provide the particular types of nonmandatory services that are appropriate for homeless families. The Subrecipient Agency shall make rental and security deposit payments directly to the owner of the unit on behalf of the family, in accordance with the terms of the lease, and receive reimbursement from DuPage County under the terms of its subrecipient agreement. Each lease must be held in the name of the tenant, but the subrecipient agency must also have an agreement for rental assistance with the owner. The term of the initial rental assistance contract will be for twelve (12) months, but may be renewed, subject to the availability of HOME funds and continuing eligibility. The term of the contract must begin on the first day of the term of the lease and terminate upon termination of the lease. If a tenant receives notice of the availability of a HCV, the Subrecipient Agency will work with the Landlord to transition the lease agreement from a TBRA contract to a DuPage Housing Authority (DHA) Housing Assistance Payment (HAP) contract.
9. **Leases and Rents.** Leases entered into by TBRA assisted families must comply with the tenant protection requirements of the HOME program and must be approved by DuPage County. Leases will be reviewed using the TBRA Lease Requirements form in compliance with 24 CFR 92.253. Rents must be reasonable, based on rents charged for comparable unassisted rental units and may not exceed the standard set by the DuPage Housing Authority for its Housing Choice Voucher Program, based on number of bedrooms. However, up to 110% of the rent standard may be applied for 20% of the program participants when a Request for Unit Specific Rent Payment Standard is approved by DuPage County. The general occupancy standard for DHA HCV is one bedroom for the head of household and 2 persons per bedroom after that. This may be varied by DuPage County with specific request by the Subrecipient Agency.

**Maximum Subsidy.** The amount of the monthly assistance that may be paid on behalf of a family may not exceed the difference between the Small Area Fair Market Rent Standard (SAFMRS) for the unit size as established by HUD and adopted by DuPage Housing Authority, and 30% of the family's monthly adjusted income. The CPD Income Calculator Rental Assistance Calculation Rental Voucher Model will be used to determine/verify the maximum subsidy and 30% of the family's monthly adjusted income. Note: the tenant payment may exceed 30% of the family's monthly adjusted income depending on the unit selection, though the maximum subsidy remains as calculated according to the formula.

10. **Housing Standards.** Requirements of 24 CFR 982.401 apply. Unit must pass a Housing Quality Standards (HQS) inspection at initial inspection and annual

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reinspection for units where family continues to receive ongoing TBRA. Should a client issue a complaint that local codes/HQS are not being met, the Subrecipient Agency will advocate for the client and if necessary, request DuPage County to re-inspect the unit.

11. **Subrecipient Agencies.** Any agency that is a member of the DuPage CoC that is currently receiving CDBG or ESG funds through DuPage Community Development Commission may apply to participate as a Subrecipient Agency under the DuPage County TBRA program. Acceptance into the program will be based on the agency's ability to demonstrate through its completion of an application process that it can provide the types of nonmandatory services that are appropriate for homeless families, will abide by the terms of the DuPage County TBRA Self-Sufficiency Program, has the capacity to hold clients accountable to the terms of the DuPage County TBRA Self-Sufficiency Program, and has the capacity to operate a rental program (including financial capacity). Approval to participate does not guarantee that there will be sufficient funding available to operate the TBRA program through multiple agencies. If a family selected from the wait list already has case management or services history with a Subrecipient Agency under the DuPage County TBRA program, management of that family's case will be handled by that agency.
12. **Denial and/or Termination Process:** All assistance provided under TBRA is subject to eligibility requirements and program guidelines. Final decisions regarding admittance into the program or non-continuation will be relayed in writing, to the household, by the Subrecipient Agency. The Subrecipient Agency will provide, when appropriate, referrals and resources.

A formal separation process will, at a minimum, consist of the following:

  - Written notice which includes date of termination, reason for termination, opportunity for appeal, and, if appropriate, any helpful resources to assist the participating household to maintain housing stability.
  - Opportunity to appeal – Participating households which are selected for non-continuation are entitled to request a review of the decision by the Subrecipient Agency with the opportunity to present oral or written objections before a person other than the person (or a subordinate of the person) who made or approved the termination decision. Final decisions regarding the appeal will be provided promptly in writing.
13. **HMIS.** Subrecipient Agencies will report in accordance with the terms of the Subrecipient Agreement. This will include reporting required in the HMIS, unless the Subrecipient Agency is prohibited from entering clients into HMIS (e.g. agencies whose primary mission is to serve victims of domestic violence) and maintains an equivalent database that will be able to meet any HUD required reporting standards.

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**TIME EXTENSION** – (Approved by CDC Executive Committee 09/9/1997, Revised and Approved by the CDC Executive Committee on 02/06/2018, Revision approved by the CDC Executive Committee on 02/05/2019, Revision approved by the CDC Executive Committee on 08/06/2019)

1. The first time extension request, up to 9-months, is permitted as an administrative action of the staff (Director). Consideration will be given to the type of project, the time of year, and the construction timeline.
2. Instances where the staff is recommending denial of the extension based on policies of the CDC, the request should go to the HOME Advisory Group or Community Development Executive Committee for action.
3. At the discretion of the Director of Community Services, the second time extension request, may either be approved by the CDC Executive Committee, HOME Advisory Group, or the County Board's Health and Human Services (HHS) Committee. If HHS approves the extension, the appropriate advisory committee will be notified at its next meeting.

**Procedure for Time Extension.** The CDC emphasizes timely execution of the projects funded with CDBG, ESG, and HOME monies. All projects shall be completed within the time specified on the contract unless unforeseen delays prevent completion by the expiration date. In such cases, the reason for the delay shall be documented within the monthly or quarterly progress reports, a letter requesting the time extension shall be provided, an updated project schedule shall be provided, and the Community Development Executive Committee and Home Advisory Group shall make the decision as to whether a time extension of the subgrantee agreement shall be granted. Under no circumstances will an ESG agreement be extended past a 24 month period.

**TIME EXTENSION – PUBLIC SERVICE** Revised and Approved by the CDC Executive Committee on 02/06/2018, Revision Approved by the CDC Executive Committee on 02/05/2019)

Recipients of public service grants (CDBG) are restricted to a one-year grant agreement without the option of extending the grant. As part of the application process, the program budget is reviewed. Applicants must clearly define the amount of funds requested for their program and the items to be funded throughout the year. The grant amount requested should be reflective of what is needed for one year. Requiring CDBG public service grants to be expended by the end of the program year simplifies CDC's accounting and reporting.

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**UNDERWRITING STANDARDS FOR REHABILITATION PROGRAMS** (Approved by HOME Advisory Group 09/28/2001, Revised 2007, Updated HOME Advisory Group 05/12/09, Updated and Approved by HOME Advisory Group 06/22/2010, Updated and Approved by HOME Advisory Group, 09/04/2012, Updated and Approved by HOME Advisory Group 04/02/2013, Revised and Approved by HOME Advisory Group 10/01/2013, Revised and Approved by HOME Advisory Group 12/2/2014, Revised and Approved by HOME Advisory Group 04/07/2015, Updated and Approved by the HOME Advisory Group 01/02/2018, Revised and Approved by the CDC Exec Committee on 11/05/2019)

1. **Applicability.** These standards shall apply to the single-family rehabilitation program and other rehabilitation programs under which DuPage County acts as a grantor to an individual homeowner for rehabilitation. “Single family rehabilitation” refers to the type of ownership of the housing unit, not the design of the housing unit. An eligible housing unit can be any dwelling unit that allows for individual ownership of the unit, including: an individually owned single detached dwelling unit; an individually owned dwelling unit located in a two family dwelling; an individually owned dwelling unit located in a multiple family dwelling; or a mobile home/manufactured home dwelling unit (provided the unit is not licensed as a vehicle under Illinois law, is affixed to the ground, and does not have wheels).
2. **Application Grant.** Application packages for single-family rehabilitation grants are available through the DuPage County Department of Community Services/Single Family Rehabilitation Program. DuPage County is under no obligation to begin processing any application until all information requested is provided; including all required supporting documents. Completed applications are reviewed by the Single Family Rehabilitation Coordinator. Applicants shall supply all information requested on the application (unless such information is already in the possession of DuPage County because the applicant has been determined eligible for LIHEAP and/or Weatherization six months prior to application for rehabilitation) so that eligibility of the household and the dwelling unit can be determined. Preferences will also be given to households with seniors (age 62+) or a household member with disabilities (as defined in Exhibit A) referred by DuPage County Community Services.
3. **Location and Occupancy of Real Property.** With CDBG money, DuPage County may make grants for rehabilitation of owner occupied property located in DuPage County’s CDBG jurisdiction. As of November, 2014, this includes property within DuPage County or the Will County portion of the Village of Woodridge, but excludes property located in the municipalities of Aurora, Bolingbrook, Elk Grove Village, Naperville, or Schaumburg. However, this CDBG jurisdiction may change during HUD’s urban county requalification process, which occurs every three years. With HOME money, DuPage County may make grants for rehabilitation of owner occupied property located in the DuPage County Consortium area. As of August, 2017, this includes property anywhere in DuPage County and portions of Naperville that are outside of DuPage County, but excludes property located in the City of Aurora and Village of Bolingbrook. However, this Consortium area may change during HUD’s HOME Consortium requalification process, which occurs every

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three years. Because the HOME program regulations require that the entire property be brought up to code, only housing units that can be brought up to code may participate in HOME funded rehabilitation programs.

4. **Title.** Owners of the real property receiving grants from DuPage County must have title to the real property as confirmed through public records. If the real property is held in a trust, appropriate trust documentation must be supplied to show that the trust is for the sole benefit of the individual(s) applying for the grant and occupying the property. The property may not be in foreclosure and the owner must be current on tax payments. If a Lis Pendens has been filed against the property, the homeowner must provide documentation that they are current with the mortgage named in the Lis Pendens. Owners must occupy the home as their primary residence at the time of rehabilitation and must have owned the property for at least one year prior to application for a grant.
5. **Value of Real Property.** The value of the real property may not exceed the HOME affordable homeownership limits provided by HUD from time to time. At the time that the SFR Program converted from a loan to a grant in 2015 it was decided that the eligible activities constituted repairs rather than significant improvements that would affect the assessed and/or market value of the property. The SFR Program Coordinator will use the DuPage County Assessor's Office's determination of the Fair Cash Value when the application is submitted is for evaluating the eligibility of the household for the SFR Program services..
6. **Income Qualification of Household.** The total annual combined income of the household and/or persons occupying the real property may not exceed the HUD income guidelines for low income households. Low income households are defined as those with incomes that do not exceed 80% of median family income (MFI) for the Chicago metropolitan area as determined by the Department of Housing and Urban Development. The income of each household will be calculated using the definition of income set forth in 24 CFR 5.609. Households that have qualified for Weatherization or LIHEAP assistance within six months of application to the rehabilitation program do not have to income qualify again because these programs calculate income with the information and documentation required by this definition and have more restrictive maximum income caps than HUD programs.
7. **Programs Available and Maximum Grant Amounts.** DuPage County offers a grant of up to \$15,000 to address accessibility issues, code violations, energy efficiency, issues that cause a unit to be deferred from the DuPage County Weatherization Program, and/or health and safety issues. If a rehab is started and unforeseen issues are encountered, CDC staff may use their best judgment to resolve such issues and will report any rehabs that exceed \$15,000 to the HOME Advisory Group. If lead based paint must be abated or encapsulated, additional funds up to \$10,000 may be utilized for the lead paint work, in accordance with the CDC Lead Based Paint Policy. Once a property has been assessed by the Single Family Rehab Office and the determined needs addressed through the rehabilitation

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program, the file will be closed and the owner will not be eligible for additional work even though the entire \$15,000 grant was not used. The property could potentially be eligible for additional work in the future if under different ownership, but may not come back into the rehab program for at least five years after work is performed.

8. **Scope of Work.** Work to be performed must be eligible under applicable Federal regulations and shall be for the purpose(s) of addressing accessibility issues, correcting code violations, addressing health and safety issues, increasing energy efficiency and/or addressing issues that cause a unit to be deferred from the DuPage County Weatherization Program. Households requesting energy efficiency improvements will first be referred to the DuPage County Weatherization Program and receive a full energy assessment. Measures which are not able to be accomplished through the Weatherization Program for eligibility reasons may be included in the scope of work by the single family rehabilitation program. All work shall be performed by qualified contractors, as determined by DuPage County or other subgrantee administering a program under these standards attached as Exhibit A is a current list of eligible and ineligible activities as determined by the US Dept. of Housing and Urban Development (HUD). The needs of each home will be assessed and CDC staff may deny rehabilitation if the home is not able to be brought up to a basic HUD Housing Quality Standard level with \$15,000. The Scope of Work will be incorporated into the letter of Agreement entered with the homeowner, unless the work being done has come in through Weatherization or LIHEAP and is work that would have been done under one of those programs, but for a circumstance that prevented the work (for example, a homeowner determined to be over income for Weatherization, but within CDBG limits). In such instances the “Building Owner Certification and Work Authorization” obtained for those programs will be considered the homeowner “Agreement.” Notwithstanding the foregoing, any rehabilitation work done with HOME funds must have a HOME letter of Agreement completed and signed by the homeowner. Although contracts for work to be performed are between the homeowner and the contractor, County staff members perform inspections and obtain homeowner approval of invoices to be paid. If conflicts arise between the homeowner and the contractor, County staff will, to the best of their ability, help resolve such conflicts. If County staff determines that work has been acceptably completed in accordance with the contract and has passed any permitting or code inspections required by the municipality where the property is located, and the homeowner still refuses to approve payment to a contractor, County staff will document the file with the refusal and process the invoice for payment.
  
9. **Dangerous Conditions.** If staff discovers additional dangerous or illegal conditions in the home when the walk through is performed, those issues must be addressed by the homeowner or be part of the scope of work before other work is performed. Illegal conditions will be reported to the proper authority, unless rectified within five days of notice to homeowner. Examples include, but are not

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limited to, illegal bedrooms, hoarding situations, housekeeping issues, and pet waste issues.

10. **Appeal.** Should any grant or subordination be denied under the foregoing underwriting criteria, an appeal may be made only to the appropriate DuPage County Board committee having jurisdiction over the grant funds employed to make the grant. An Applicant may request a review of eligibility by the Administrator of Community Development. Policy appeals may be made by calling the CDC and asking to be put on the agenda for the next appropriate committee meeting. Applicant must also submit a letter to the CDC at least 10 days prior to the committee meeting which outlines the request for appeal and basis for the request. If the appeals letter is not received by the CDC at least ten days prior to the committee meeting, the appeal will be delayed until the next meeting of the appropriate committee. Notwithstanding the foregoing, appeals may not be made over location of property within DuPage County project areas, income qualification of applicants, or the value of the property if it exceeds the maximum standard described in Paragraph 5 above.

## EXHIBIT A

### Eligible rehabilitation activities

1. Correction of code violations cited by DuPage County or municipal code inspection, with exceptions for driveway, sidewalk, garage, deck, and landscaping issues as discussed below. Please note that if the rehabilitation is funded with HOME Investment Partnership program funds, all code violations must be able to be corrected within the maximum loan amount or the rehabilitation will not be undertaken.
2. Health and safety issues that put the household at risk of injury or disease or that prevent the dwelling from receiving assistance under the DuPage County Weatherization Program or prevent a unit from receiving the maximum benefit of the Weatherization program.
3. Repair or replacement of the following components or systems because of system failure, code violation, or recommendation through a Weatherization assessment, not for cosmetic purposes. Quality of materials shall be those that can be obtained at mid-level pricing.
  - Foundations, basements, and/or crawl spaces, (only for purposes of water sealing or moisture removal). This program is not able to deal with major foundation issues.
  - Exterior walls and siding
  - Roof and roof systems

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- Doors, windows and window frames (shall meet the energy efficiency of, but not exceed the quality of, windows installed under the DuPage County Weatherization Program)
  - Porches, stairs and railings
  - Interior walls, and ceilings (only if condition poses actual health & safety threat: e.g. ceiling is coming down)
  - Well and septic systems
  - Water and sewer connections, if such service is available
  
  - Electrical systems and fixtures
  - Plumbing systems and fixtures
  - Heating and cooling systems
  - Hot water heaters
  
  - Insulation
  - Air sealing
  - Chimney repair/tuckpointing
  
  - Flooring (only if a medical or accessibility issue; e.g. allergies necessitate removal of carpet or current flooring poses a mobility issue for person with disabilities)
  - Painting, only if condition of exterior paint is a code violation
  - Demolition of substandard buildings on the property if their condition constitutes a code violation or danger
  
  - Landscaping, sidewalks, garages, decks, and driveways – only if health & safety issue or code violation and the cost of such is incidental to other rehabilitation of the property. For purposes of the DuPage County program, incidental shall mean that the combined total rehabilitation cost of these items shall be less than 25% of the total rehabilitation costs.
  
  - Work in basements: If a basement is not taxable square footage, only code violations and health and safety issues may be corrected. For example, mold remediation may be performed in a basement. Other restoration work will be performed on a “do no harm” basis, which means that damage to the basement or garage caused by performing eligible work may be repaired. For example, if all the drywall in a basement must be removed because of mold, drywall will not be replaced, because no code standard requires drywall in a basement. However, if a portion of drywall must be removed, or if a fixture in a basement must be removed due to mold, and such removal leaves a wall partially damaged or a gap in a wall, floor, or ceiling due to fixture removal, the drywall or gap may be repaired (without replacement of the fixture).
4. Accessibility improvements available only to households with a severely disabled member meeting the following HUD definition:



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*Persons are considered severely disabled if they:*

- *Use a wheelchair or another special aid for 6 months or longer; or*
- *Are unable to perform one or more functional activities (seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs and walking); or*
- *Need assistance with activities of daily living (getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating and toileting) or instrumental activities or daily living (going outside the home, keeping track of money or bills, preparing meals, doing light housework and using the telephone); or*
- *Are prevented from working at a job or doing housework; or*
- *Have a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia or mental retardation; or*
- *Are under 65 years of age and are covered by Medicare or receive Supplemental Security Income (SSI).*

Work to be performed must be eligible under applicable Federal regulations and shall be for the purpose of providing greater accessibility or diminishment of impairment for the severely disabled household member. It could include such items as, but not be limited to, installation of wheelchair ramps, railings, bathroom grab bars, accessible doorknobs, or a warning system for the hearing impaired. All work performed must fix a condition or install a "fixture."

## Ineligible Activities

- New construction of room additions, fireplaces, sheds, or garages
- Foundation work beyond water sealing
- Painting and staining (unless condition of exterior paint is a code violation)
- Cabinets and counter tops
- Flooring (unless medical or accessibility issue)
- Repair of swimming pools and/or pool liners
- Repair of damage covered by a homeowner's insurance policy
- Purchase or repair of appliances
- Window treatments
- Purely cosmetic or convenience improvements
- Reimbursement of previously done work
- Landscaping, sidewalks, garages, decks, and driveways – if the combined total rehabilitation cost of these items is greater than 25% of the total rehabilitation costs.

## **UNDERWRITING STANDARDS - HOMEBUYER PROGRAMS** (Approved by HOME Advisory Group on 12/03/2013, Amended and Approved 08/02/2016)

1. **Background and Applicability.** Underwriting guidelines for homebuyer programs through the DuPage Homeownership Center were originally adopted on May 25,

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2004. On September 4, 2012, the HOME Advisory Group adopted an additional underwriting standard that stated: *The amount of assistance made available from HOME will be based on ratios currently in effect under FHA and the secondary mortgage market, but subsidy will not be given that allows a homebuyer to have a total housing expenses to income ratio less than 28%.* This document shall supersede the underwriting guidelines of May 25, 2004 and September 4, 2012, and shall be the underwriting standards that apply to homebuyer programs funded by DuPage County, as outlined below.

2. **Housing Type and Ownership.** Housing that is for acquisition by a family must be single family housing held in fee simple title. The land may be owned in fee simple or the homeowner may have a 99-year ground lease. For manufactured housing, the ground lease must be for a period at least equal to the applicable period of compliance/ affordability set forth in Paragraph 6 below. “Single family housing” means a one-to four-family residence, condominium unit, cooperative unit, combination of manufactured housing and lot, or manufactured housing lot. Single family rehabilitation refers to the type of ownership of the housing unit, not the design of the housing unit. A manufactured home dwelling unit may not have wheels, must be affixed to the ground, and may not be licensed as a vehicle under Illinois law. Tenant occupied single family housing will not be assisted with HOME Investment Partnerships Program (HOME) funding for acquisition through the Homestead Program.
3. **Housing Value.** The housing must be modest as follows:
  - Acquisition of newly constructed housing or pre-existing housing: The housing purchase price may not exceed 95 percent of the median purchase price for the type of housing for the area as determined and published by the U.S. Department of Housing and Urban Development (HUD) from time to time. DuPage County also reserves the right to determine the 95 percent limit following HUD approved methodology, with such newly determined limit to be approved by HUD.
  - Acquisition with Rehabilitation: The housing has an estimated after rehabilitation value not to exceed 95 percent of the median purchase price for the area as determined and published by HUD from time to time, calculated in accordance with the DuPage County Underwriting Standards for Rehabilitation Programs in effect at the time of acquisition. DuPage County also reserves the right to determine the 95 percent limit following HUD approved methodology, with such newly determined limit to be approved by HUD.
4. **Location of Real Property.** With Community Development Block Grant (CDBG) funds, DuPage County may undertake homebuyer activities within the boundaries of DuPage County’s CDBG jurisdiction. As of April, 2013, this includes property within DuPage County or the Will County portion of the Village of Woodridge, but excludes property located in the municipalities of Aurora, Bolingbrook, Elk Grove Village, Naperville, or Schaumburg. However, this CDBG jurisdiction may change during HUD’s urban county requalification process, which occurs every three years.

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With HOME Investment Partnerships Program (HOME) funds, DuPage County may undertake homebuyer activities within the boundaries of the DuPage County Consortium area. As of April, 2013, this includes property anywhere in DuPage County and portions of Naperville that are outside of DuPage County, but excludes property located in the City of Aurora and Village of Bolingbrook. However, this Consortium area may change during HUD's urban county requalification process, which occurs every three years.

5. **Income Qualification of Household.** The housing must be acquired by a homebuyer whose family qualifies as a low-income family. In determining the income eligibility of the family, the participating jurisdiction must include the income of all persons living in the housing. Low income households are defined as those with incomes that do not exceed 80% of median family income (MFI) for the Chicago metropolitan area as determined by the Department of Housing and Urban Development. Some programs subject to these underwriting standards may have more restrictive income requirements but will not have a less restrictive requirement. To calculate household income, DuPage County will use the guidelines set forth in *Technical Guide for Determining Income and Allowances for the HOME Program*, as published by HUD. The methodology used in determining income will be stated in the Agreement for each program or project.

6. **Occupancy.** The housing must be the principal residence of the family throughout the following periods of compliance/affordability:

Housing for a homebuyer activity assisted with CDBG funds: five years.

Housing for a homebuyer activity assisted with HOME funds: Under \$15,000 – 5 years; \$15,000 to \$40,000 – 10 years; over \$40,000 – 15 years.

In the event that resale or recapture is triggered, dependent upon the type of project, DuPage County will require either that the housing be re-sold to an income qualified household or that the assistance given to the homebuyer (or a pro-rated portion thereof) be recaptured. A determination of whether to use “re-sale” or “recapture” for each particular program or project will be approved by the HOME Advisory Group and will be carried out by the placing of deed restrictions, mortgages and/or recapture agreements. Further information regarding resale and recapture can be found within the DuPage County Resale Recapture Guidelines for HOME Investment Partnerships Program – Homeownership Activities Policy.

7. **Counseling.** All homebuyers must receive counseling.

8. **Financial Underwriting of Homebuyer.**

DuPage County hereby restates its policy that the amount of assistance made available from HOME will be based on ratios currently in effect under FHA and the secondary mortgage market, but subsidy will not be given that allows a homebuyer to have a total housing expenses to income ratio less than 28%. The total housing expenses to income ratio may be determined by the senior lender's Uniform

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Underwriting and Transmittal Summary (UUTS) or the DuPage County Community Development Commission's (CDC) financial underwriting.

Criteria	Homestead Program	DuPage Habitat Programs	Rehab/Resale Programs
Housing Debt and Overall Debt	DuPage Homeownership Center (DHOC) publishes program parameters, based on the requirements of FHA and the secondary mortgage market. Such parameters will be incorporated by reference into the subrecipient program agreement for the Homestead program and they must conform to the above state ratio policy.	DuPage Habitat for Humanity (Habitat) has written program guidelines to ensure that the housing is affordable to the homebuyer. These guidelines will be written into any project agreement.	Will utilize the ratios of the Homestead program and the above stated ratio policy.
Appropriateness of Amount of Assistance	In accordance with above stated ratio policy, subsidy will not be given that allows a homebuyer to have a total housing expenses to income ratio less than 28%.	DuPage Habitat for Humanity (Habitat) has written program guidelines to ensure that the housing is affordable to the homebuyer but also ensuring that the homebuyer is not being oversubsidized. These guidelines will be written into any project agreement.	In accordance with above stated ratio policy, subsidy will not be given that allows a homebuyer to have a total housing expenses to income ratio less than 28%.
Monthly Expenses of Family	Cannot exceed 41% of income. The monthly expenses of the family may be determined by the senior lender's UUTS or the CDC's financial underwriting. Housing ratio cannot exceed 35% (or go lower than 28% per above policy). The Housing ratio may be determined by the senior lender's UUTS or the CDC's financial underwriting. Budgeting is part of the homeownership counseling process.	DuPage Habitat for Humanity (Habitat) has written program guidelines to ensure that the housing is affordable to the homebuyer but also ensuring that the homebuyer is not being oversubsidized. These guidelines will be written into any project agreement. Budgeting is part of the homeownership counseling process.	Cannot exceed 41% of income. Housing ratio cannot exceed 35% (or go lower than 28% per above policy). Budgeting is part of the homeownership counseling process.
Assets Available for the Acquisition	A 5% down payment is required. Homebuyer must have at least 1% or \$1,000, whichever is greater, of their own funds invested in the transaction. Borrowers' liquid assets after closing may not exceed \$25,000. Gift limit of \$10,000.	In accordance with Habitat policies.	Homebuyer's liquid assets after closing may not exceed \$25,000. Homebuyer may use any combination of primary mortgage financing, personal funds, and/or gift funds to acquire the housing, but must require DuPage County assistance of at least \$1,000 or they may not purchase the housing.

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Criteria	Homestead Program	DuPage Habitat Programs	Rehab/Resale Programs
Financial Resources to Sustain Homeownership	Borrowers must have one month PITI in reserve at closing. Borrower may also need additional reserves if required by primary lender. If a Homestead homebuyer experiences financial difficulties, DHOC offers post-purchase counseling and a short-term, 0% emergency loan program (subject to funding availability).	In accordance with Habitat policies.	Homebuyer must document income sufficient to meet the 35/41 ratio requirements.
Responsible Lending	Must choose a 30-year fixed-rate FHA or conventional mortgage. The interest rate (with no points) cannot be more than two percentage points above the 30-year fixed rate for the Illinois Housing Development Authority's first-time homebuyer program. (DHOC maintains a list of lenders that will participate in the Homestead program.)	In accordance with Habitat policies; Habitat originates and services its own 0% interest loans.	If utilizing other mortgage financing, must choose a fixed rate FHA or conventional mortgage. If the lender is not on the list of lenders for the Homestead program, DuPage County staff will review the terms of the loan to ensure the loan is fixed rate, at an interest rate comparable to interest rates being offered by Homestead program lenders, is not charging points, and is not charging fees that are not usual or customary. Staff may ask homebuyer counseling agency to assist with this review, if necessary.

9. **Subordination of DuPage County Mortgages due to Refinancing of Primary Loans.** DuPage County has a Subordination Policy, last updated July 27, 2016. Its provisions are summarized as follows: Should the mortgagor under a DuPage County mortgage desire to refinance a mortgage which is superior to the DuPage County mortgage, DuPage County will subordinate its mortgage, as follows: homeowner may not take any equity out of the real estate; homeowner may roll into the new first mortgage only reasonable and customary closing costs associated with the refinancing (this does NOT include points paid to buy down the interest rate); the new first mortgage principal balance cannot exceed the original first mortgage principal with the exception of the new first mortgage principal balance including reasonable and customary closing costs which cause the new first mortgage principal balance to exceed the original first mortgage principal; the new first mortgage must be a fixed rate loan (15 year permissible on a case by case basis, dependent on capacity to make payments); balloon mortgages are not permissible; if the prior mortgage required escrowing of taxes and insurance, the new mortgage shall also have this requirement.

10. **Appeal.** Should any loan or subordination be denied under the foregoing underwriting criteria, an appeal may be made only to the appropriate DuPage County

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Board committee having jurisdiction over the grant funds employed to make the loan. An Applicant may request a review of eligibility by the Administrator of Community Development. Policy appeals may be made by calling the CDC and asking to be put on the agenda for the next appropriate committee meeting. Applicant must also submit a letter to the CDC at least 10 days prior to the committee meeting which outlines the request for appeal and basis for the request. If the appeals letter is not received by the CDC at least ten days prior to the committee meeting, the appeal will be delayed until the next meeting of the appropriate committee. Notwithstanding the foregoing, appeals may not be made over items that are regulatory, such as: location of property, value of property, income qualification of household, requirement for counseling, occupancy requirement, and financial underwriting of homebuyer.

### **APPENDIX OF OBSOLETE POLICES – RETAINED FOR HISTORICAL REFERENCE**

**0% INTEREST LOAN, SINGLE FAMILY REHAB-OBSOLETE** (Made Obsolete by CDC Executive Committee on 02/06/18)

*See Single family rehab loans now grants. See Underwriting Standards for Rehabilitation Programs*

**ACTIVITIES – ELIGIBLE, ESG-OBSOLETE** (CDC Department Policy and HUD Regulations, Made Obsolete by CDC Executive Committee on 02/06/18)

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Maintenance and Operation - Ongoing costs of maintaining the facility including cleaning, grounds maintenance, minor repairs, a P.O. Box, pest control, food delivery, etc. (Funding under this category is not intended for major repair of a facility)  
Utilities – Gas, phone, sewer, water, waste removal and electricity

### **APPLICATION EVALUATION – MATCH, STREET IMPROVEMENT-OBSOLETE**

(CDC Default\* Policy, CDC Exec 11/14/1995 – Application Evaluation – Match Requirements, Made Obsolete by CDC Executive Committee on 02/06/18)

When street/draining improvements are being done that are not of the highest level of severity, 50% leveraging (match) is required.

### **APPLICATION EVALUATION – MINIMUM POINTS FOR COMMUNITY-WIDE BENEFIT, ACCESSIBILITY IMPROVEMENT AND PLANNING - PROJECTS NEIGHBORHOOD INVESTMENT-OBSOLETE** (07/08/97 CDC Exec Approved – See Exhibit C of 07/08/97 meeting and 05/13/97 Exhibit F, Made Obsolete CDC Executive Committee 02/06/18)

In order for an application to be considered for funding in Neighborhood Investment or Community -Wide Benefit categories, application must receive a minimum of 30 points in accordance with this selection system. This minimum does not apply to planning projects. Applicants are encouraged to discuss their project with the CDC Staff to help determine if this cutoff can be met.

### **APPLICATION RETENTION FOR NEIGHBORHOOD INVESTMENT, COMMUNITY-WIDE BENEFIT AND ACCESSIBILITY IMPROVEMENTS -- OBSOLETE**

(CDC Exec Approved 07/8/97. This was put into action because of the issue raised by DuPage Mayors and Managers on May 13, 1997, Made Obsolete by CDC Executive Committee on 02/06/18)

Unsuccessful Neighborhood Investment, Community-Wide Benefit and Accessibility Improvement applications will be retained by the CDC for consideration in the next program year providing the following is met:

- If an applicant receives the minimum 30 points and wishes its application to be considered in the next year, a new resolution from the applicant’s governing body would be required.
- These carry-over applications could only be considered for three years. However, if the selection criteria change in any significant way from one year to the next, the applicant would have to re-apply.
- There would be no additional evaluation of the proposal in the subsequent years, and the point assignment would not change (except for a possible “distribution equity adjustment” as provided for in the point system.

### **BID SPECIFICATIONS-OBSOLETE** (CDC Department Policy 1998, CDC Executive Committee Meeting 07/14/1998, Made Obsolete by CDC Executive Committee on 02/06/18)

CDC policy states that bid specifications are due six months after the County Board approves the Consolidated Plan. If the specifications are not submitted and the circumstances are within the control of the subgrantee, the policy states that the project will be terminated.

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## **CONTRACT AMENDMENTS-OBSOLETE** (Approved by CDC, 05/20/87, Made Obsolete by CDC Executive Committee on 02/06/18)

Any contract amendment for 10% or less of the total contract amount can be approved by the Executive Committee without notification of the CDC members.

- Contract amendments for greater than 10% of the total contract amount may be approved by the Executive Committee only after the CDC members have been notified of the requested action and any staff recommendation, and been given thirty (30) days to submit oral or written comments to the Executive Committee.

Any contract amendment or time extension must be executed by resolution of the County Board.

## **ESG - HOMELESS PREVENTION POOL CRITERIA AND REQUIRED**

### **DOCUMENTATION-OBSOLETE** (CDC Policy and HUD Regulations, Updated 08-26-10, Made Obsolete by CDC Executive Committee on 02/06/18)

The Emergency Shelter Grant (ESG) Homeless Prevention Pool was created to prevent the incidence of homelessness in DuPage County. Rental assistance is available for households who have received eviction notices, foreclosure notices, or notices of termination of utility services and to allow a homeless household to move into permanent housing. The new or existing apartment must be located in DuPage County. Participating Agencies at time of this update are DuPage County Community Services, Catholic Charities, and Hinsdale Community Service.

### ELIGIBILITY CRITERIA FOR PERMANENT HOUSING HOUSEHOLDS:

- Sudden reduction in income – This must be a **reduction in income, not an increase in expenses**. The reduction in income must be due to loss of job, sudden reduction in hours on job, loss of spouse or ending of relationship, loss of child support, or unpaid medical leave from job.
- Assistance is necessary to avoid the eviction, foreclosure, or termination of services – must have 5-day notice, foreclosure letter, or verification that service will be terminated.
- Reasonable prospect that future payments can be made – must verify income and employment history (obtain pay stubs if possible) and prepare budget with client showing ability to pay based on net income. **Client should sign the budget** so that we know they are aware of what they will need to do to pay rent in the future.
- Assistance cannot supplant funding from other sources – this is to be last resort funding.
- Per DuPage County Board approval on July 27, 2010, there is a \$2,000 limit per household per year with the following requirements:
  1. Prevention of Homelessness: The DEPARTMENT shall be eligible to receive reimbursement from a countywide set-aside of funds for Prevention of Homelessness activities (hereinafter called “POOL”). Up to TWO THOUSAND DOLLARS AND 00/100ths (\$2,000.00) per client, on a one-time basis, may be provided to clients. The DEPARTMENT understands that other agencies are also eligible to receive reimbursement from the POOL and that commitments from the



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POOL will be available only until all funds in the POOL are depleted.

Prevention of Homelessness funds may be used for, and will be limited to, the following:

- a. A portion or all of the first month's rent and/or security deposit to assist homeless shelter clients to move into permanent housing. The security deposit may not exceed one month's rent equivalent and the total assistance with ESG funds cannot exceed TWO THOUSAND DOLLARS AND 00/100ths (\$2,000.00) per household over a twelve month period.
- b. A portion or all of up to two months rent or utility arrearages for clients residing in permanent housing, but at-risk of becoming homeless. Assistance with ESG funds shall not exceed TWO THOUSAND DOLLARS AND 00/100ths (\$2,000.00) per Household over a twelve month period.

## DOCUMENTATION WHICH MUST ACCOMPANY REQUEST FOR PAYMENT:

- Signed and completed Rent Assistance Application (also signed and completed Rental Housing Assistance Voucher, if applicable)
- Signed verification by Client of income
- Documentation of cause of reduction in income which led to this housing situation (previous employer's note, pay stub, loss of benefits letter, etc.)
- 5 day notice, foreclosure notice, or eviction notice – or notice of termination of services
- Written evidence that place is not meant for human habitation (if applicable)
- If homeless, written verification of homeless status (verify client has been in shelter or obtain letter from household where client is now living stating that the client cannot continue to reside there. The dated and signed letter has to state that the client will be evicted within one week. This requirement must be met even if client is in private dwelling residence with a friend or relative).
- Verification of current employment and income (new employer's letter, pay stub, new benefits letter, etc.)
- Verification of completion of transitional housing program OR budget based on net income and signed by client

Budget – based on net income and signed by client. Client's income must be \$1.00 greater than expenses.

- Copy of new lease- signed by landlord and tenant. Verify address on lease corresponds with application.
- Verify that the subject property is owned by the landlord. PIN # for verification of subject property on lease.

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- Copy of check made out to landlord, mortgagee, or utility company.

## NOTEWORTHY REMINDERS OF ELIGIBLE CRITERIA FOR HOMELESS HOUSEHOLDS:

- Client resides in homeless shelter, transitional housing, or in a temporary situation that is being terminated.
- Assistance is necessary to move client into permanent housing and avoid continuance of homelessness.
- Reasonable prospect that future payments can be made – must verify income and employment history (obtain pay stubs if possible) and prepare budget with client showing ability to pay based on net income. **Client should sign the budget** so that we know they are aware of what they will need to do to pay rent in the future. Please note: Homeless” is defined as residing in (\*Section 4.4):
  - Places not meant for human habitation
  - Emergency shelter
  - Transitional or supportive housing if originally came from street or shelter
  - Homeless temporarily in hospital or other institution
  - Being evicted with a week from private dwelling unit
  - Being discharged with a week from institutional stay of more than 30 consecutive days
  - Fleeing a domestic violence situation.

The CDC Specialist must verify that the ESG Client has not received ESG funds within the previous 12-month period. This is done by checking the ESG Pool Spreadsheet located in COMDEV, CDBG, FY. If Client’s name appears on the spreadsheet, the client is ineligible for the current requested ESG funds.

Upon ESG Client Review File, the CDC Specialist must complete the CDC ESG Homeless Prevention Pool Form “Required Documentation Checklist”

*P:\Development\COMDEV\ESG\Forms\Documentation Checklist.doc.*

\*Source: ESG DeskGuide Section 4 <http://www.hudhre.info/index.cfm?do=viewEsgDeskguideSec4>

## FUNDING – CDBG GRANT FOR SINGLE FAMILY REHAB ACCESSIBILITY

**IMPROVEMENTS-OBSOLETE** (Approved by the HOME Advisory Group 06/22/10, (Made Obsolete CDC Executive Committee 02/06/18)

- 1. Applicability.** “Single family rehabilitation” refers to the type of ownership of the housing unit, not the design of the housing unit. An eligible housing unit can be any dwelling unit that allows for individual ownership of the unit, including: an individually owned single detached dwelling unit; an individually owned dwelling unit located in a two family dwelling; an individually owned dwelling unit located in a multiple family dwelling; or a mobile home/manufactured home dwelling unit (provided the unit is not licensed as a vehicle under Illinois law, is affixed to the ground, and does not have wheels).
- 2. Application for Loan.** Application packages for the Single Family Rehabilitation Accessibility Grant Program are available through the DuPage County Department of

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Community Services/Single Family Rehabilitation Office. DuPage County is under no obligation to begin processing any application until all information requested is provided. Applications may be reviewed by the Community Development Commission loan committee (made up of the administrative staff of the CDC), at the discretion of the Single Family Rehabilitation Coordinator. Applicant shall supply all information requested on the application.

- 3. Location and Occupancy of Real Property.** The grants under this program may only be made with Community Development Block Grant (CDBG) funds. With CDBG funds, DuPage County may make loans for rehabilitation of owner occupied property located in DuPage County's CDBG jurisdiction. As of April, 2009, this includes property within DuPage County or the Will County portion of the Village of Woodridge, but excludes property located in the municipalities of Aurora, Bolingbrook, Elk Grove Village, Naperville, or Schaumburg. However, this CDBG jurisdiction may change during HUD's urban county requalification process, which occurs every three years.
- 4. Title and Owner's Equity.** Owners of the real property receiving a Single Family Rehabilitation Accessibility Grant from DuPage County must have clear, marketable, and insurable title to the real property. If the real property is held in a trust, appropriate trust documentation must be supplied to show that the trust is for the sole benefit of the individual(s) applying for the loan and occupying the property. If there are additional residual beneficiaries to the trust who do not occupy the house, the additional residual beneficiaries must also be income eligible. Owners must occupy the home as their primary residence and must be unable to pay for needed accessibility improvements through other sources.
- 5. Value of Real Property.** After rehabilitation, the value of the real property may not exceed the current FHA mortgage limits for the Chicago metropolitan area. \$275,200 is the limit for a single-family home as of March, 2009, but this limit is subject to change. After rehabilitation value will be determined by the following formula: (the most currently available Cost vs. Value Report recoup number TIMES 75% TIMES the cost of the rehabilitation work) plus the pre-rehabilitation value. The Cost vs. Value Report recoup number is published each year by Remodeling Magazine in cooperation with Realtor Magazine and is based on surveys of homeowners across the country. 75% of the recoup number will be used to account for variations in real estate markets and the type of rehabilitation work being done under the single-family rehabilitation program. The current Cost vs. Value recoup number is .673.
- 6. Income Qualification and Eligibility of Household.** The total annual combined income of the household and/or persons occupying the real property may not exceed the HUD income guidelines for low income households. Low income households are defined as those with incomes that do not exceed 80% of median family income (MFI) for the Chicago metropolitan area as determined by the Department of Housing and Urban Development. To calculate household income, DuPage County will use the guidelines set forth in Technical Guide for Determining Income and Allowances for the HOME Program, as published by HUD. This program is available only to

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households with a severely disabled member meeting the following HUD definition:

*Persons are considered severely disabled if they:*

- Use a wheelchair or another special aid for 6 months or longer; or
- Are unable to perform one or more functional activities (seeing, hearing, having one's speech understood, lifting and carrying, walking up a flight of stairs and walking); or
- Need assistance with activities of daily living (getting around inside the home, getting in or out of bed or a chair, bathing, dressing, eating and toileting) or instrumental activities or daily living (going outside the home, keeping track of money or bills, preparing meals, doing light housework and using the telephone); or
- Are prevented from working at a job or doing housework; or
- Have a selected condition including autism, cerebral palsy, Alzheimer's disease, senility or dementia or mental retardation; or
- Are under 65 years of age and are covered by Medicare or receive Supplemental Security Income (SSI).

**7. Grant Amount Available.** A grant of up to \$4,999.00 is available for accessibility or impairment improvements in accordance with the scope of work below.

**8. Scope of Work.** Work to be performed must be eligible under applicable Federal regulations and shall be for the purpose of providing greater accessibility or diminishment of impairment for the severely disabled household member. It could include such items as, but not be limited to, installation of wheelchair ramps, railings, bathroom grab bars, accessible doorknobs, or a warning system for the hearing impaired. All work performed must fix a condition or install a "fixture." Purchase of non-fixture equipment is not eligible. All work shall be performed by contractors who are qualified to perform such work, as determined by DuPage County or other subgrantee administering a program under these standards. The Single Family Rehabilitation Office may from time to time issue a list of eligible and ineligible activities, as approved by the CDC.

**9. Appeal.** Should any grant be denied under the foregoing criteria, an appeal may be made only to the appropriate DuPage County Board committee having jurisdiction over the grant funds employed to make the grant. An Applicant may request a review of eligibility by the Administrator of Community Development. Policy appeals may be made by calling the CDC and asking to be put on the agenda for the next appropriate committee meeting. Applicant must also submit a letter to the CDC at least 10 days prior to the committee meeting which outlines the request for appeal and basis for the request. If the appeals letter is not received by the CDC at least ten days prior to the committee meeting, the appeal will be delayed until the next meeting of the appropriate committee. Notwithstanding the foregoing, appeals may not be made

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over location of property within DuPage County project areas, income qualification of applicants, or the value of the property if the most current tax bill shows the value of the home to exceed the maximum standard described above.

### **FUNDING –CDBG MULTI-YEAR PROJECTS (NEIGHBORHOOD INVESTMENT)**

**REFERENCE-OBSOLETE** (CDC Department Default\* Policy, CDC Executive Committee 12/14/99. This supersedes policy of no NI multi-year funding policy mentioned in CDC Executive Committee 07/14/98, Made Obsolete by CDC Executive Committee on 02/06/18)

“We recommend a future CDBG commitment to the four municipalities that are trying to complete these priority projects in three neighborhoods in their communities. Based on CDC member comments, we also recommend that these four municipalities (Bensenville, Wood Dale, Addison, and Villa Park) have limited access to neighborhood investment funds over the next two years. We recommended that: (a) all four municipalities receive lower priority for neighborhood investment funding than any eligible project in 2001; and (b) Villa Park also receive such lower priority in 2002. These limitations are roughly equal to the future commitments that are going to be made to these projects. Our objective will be to develop a financing mechanism that would convert these future commitments into cash that would be available to the municipalities in 2000. Obviously, this would ban borrowing the funds from an appropriate source and using the CDBG funds to repay this loan. We have not had time to set up this financing mechanism; however, we will work with these municipalities as we explore options. The advantage of this loan and the CDC’s multi-year commitment would be to allow these municipalities to accelerate the work, address the health/safety concerns, and it may save money (there is a high inflation factor for these types of projects). It may also save the CDBG program money. If these municipalities come in next year with a new request, the amount will be higher due to inflation. If the County’s CDBG grant remains relatively stable over the next three years, stretching the payback over three years will allow for \$400,000 to \$700,000 per year to be available for new neighborhood investment projects. We feel this is preferable to taking virtually all of the funds for two years.”

**FUNDING - CDBG PUBLIC SERVICE CLUSTERS-OBSOLETE** (Approved by the CDC Executive Committee on 08-09-11, Made Obsolete by CDC Executive Committee on 02/06/18)  
Funding for the various clusters may vary from year to year, based on funding availability.

**FUNDING CYCLE, 3-YEAR, FOR PUBLIC SERVICE-OBSOLETE** (Approved by CDC, 03/23/10, Made Obsolete by CDC Executive Committee on 02/06/18)

- Public Service Projects will receive funding for the first year with set-asides for the following two years, thus allowing for more stability of funding for the public service agencies.
- Agreements will still be prepared for each project each year with no obligation on the part of the County to fund a subsequent year if, for some reason, the County does not receive sufficient anticipated funds.
- Commitment for future funding is based upon Community Development Block Grant funds received by the County.

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## **FUNDING - HOME/HDF REHAB POLICY MODIFICATION FOR FIVE-YEAR**

**FUNDING-OBSOLETE** (Approved by HOME ADVISORY GROUP 09/26/06, Made Obsolete by CDC Executive Committee on 02/06/18)

Receipt of HOME/HDF funding for rehab work on a single property is limited to one grant or loan every 5 years. All applications for rehab work must include a comprehensive assessment of the anticipated rehab needs for the property for a 5-year time frame.

## **FUNDING - INFRASTRUCTURE PROJECTS USING HDF-OBSOLETE** (Approved 06/23/98

by HOME ADVISORY GROUP for a Bridge Project, CDC Default Policy, Made Obsolete by CDC Executive Committee on 02/06/18)

Use of HDF funds for an infrastructure project is allowed when the project directly benefits affordable housing.

## **FUNDING - MINIMUM-OBSOLETE** (CDC Department Policy 02/18/97?2 CDC Executive Committee

Minutes, Made Obsolete by CDC Executive Committee on 02/06/18)

Projects must meet a minimum threshold of \$10,000 (because of high overhead costs).

## **NOTIFICATION - COMMUNITY-OBSOLETE** (Approved by CDC 05/20/87, Made Obsolete by

CDC Executive Committee on 02/06/18)

If a CDBG-funded project of the county or area wide benefit is proposed to be located in a community by a project sponsor other than that community (regardless of whether the community has opted out of the County's CDBG program) the CDC staff will notify the community of the project to give it an opportunity to comment.

## **TIME EXTENSION-OBSOLETE** (Dept Policy, as stated in CDC Executive Committee 11/10/92

Exhibit A,

### **First 6 Month Request**

- 1) Delays are considered to be legitimately beyond the control of the subgrantee
- 2) Substantial effort has been made towards completion of the project

### **Second 6 Month Request**

- 1) Project construction completed before expiration of last six-month extension
- 2) Delays are considered to be legitimately beyond the control of the subgrantee

## **TIME EXTENSION-OBSOLETE (Requests)** (Approved by CDC 05/20/1987, Revised and Approved

by the CDC Executive Committee on 02/06/2018, Made Obsolete on 02/05/19- Merged with Time Extension Policy approved on 02/05/19)

The CDC emphasizes timely execution of the projects funded with CDBG and HOME monies. All projects shall be completed within the time specified on the contract unless unforeseen delays prevent completion by the expiration date. In such cases, the reason for the delay shall be documented along with the monthly or quarterly progress reports, and the Community Development Executive Committee and Home Advisory Group shall make the decision as to whether a time extension of the subgrantee agreement shall be granted.

## **TRANSFER OF FUNDS-OBSOLETE** (Approved by CDC 05/20/87)

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The CDC will approve transfers of funds between any two projects undertaken by the same subgrantee if the following conditions are met:

- Both projects must have been previously approved by the County Board
- Both projects must be part of a multi-year project and have been funded from the same category (i.e., area benefit, housing, economic development or planning/administration).
- There must be assurances that the expenditure for which the funds are transferred will be made in a timely manner (recommendation, 90 days).
- If the two affected projects were funded in different program years, the transferred funds will be subject to all local policies that are applicable to the more recent year of the two.
- If the funds transferred are 20% or less of the project to which the funds are transferred, the Executive Committee has the authority to approve the action without CDC concurrence. Transfers of more than 10% may be approved by the Executive Committee only after the CDC members have been notified of the requested action and any staff recommendation, and given thirty (30) days to submit oral or written comments to the Executive Committee. However, as with any amendment, County Board action is necessary.
- Ensuring financial stability for the low-income homeowner
- Homestead would still require a minimum credit score of 620. Credit continues to be the major indicator of foreclosure, and is of the greatest significance for most lenders.
- Buyers will still be required to have two months PITI(A) in reserves. This provides some assurance of stability in the event of a financial crisis.
- As noted above, DHOC will have the discretion to mandate budget counseling for any buyer whose back-end ratio exceeds 38%.

### **UNITS, LARGE-OBSOLETE E** (Approved by HOME ADVISORY GROUP 0/27/1998)

Increasing the number of larger units (3+ bedrooms) accepting Section 8 certificates is a priority and is eligible for a 20% increase in the benefit score.

### **UNITS, THE MOVING OF AFFORDABLE-OBSOLETE** (Approved by HOME Advisory Group 10/27/98)

Approved the retention of the point criteria that discourages moving sound affordable units from one level of affordability to another without significant physical improvements. The HOME Advisory Group specifically discourages this kind of activity because it does not add to, or improve the quality of, the affordable housing stock. If this policy were removed, simple acquisition projects would have an unfair advantage over other more difficult, but perhaps more beneficial, types of projects.