

NSP 2 DRAFT APPLICATION

The following pages reflect a draft application that is being proposed by the City of Joliet and County of Will and will be sent to The Chicago Metropolitan Agency for Planning (CMAP) for inclusion in a regional application to the Department of Housing and Urban Development (HUD). The funds available through HUD are Neighborhood Stabilization Program 2 (NSP2) funds and are being offered through a competitive application process. The Chicago Metropolitan Agency for Planning (CMAP) is proposing to act as the Lead Agency on behalf of the Chicago Region. It is believed that a regional application will make Northeastern Illinois more competitive for NSP2 dollars. The regional applicants involved in this application are Cicero, Cook County, DuPage County, Elgin, Lake County and Will County.

Further updates of the application will be added to the website as it progresses.

Last updated 6/17/2009 8:04:10 AM

NSP2 DRAFT APPLICATION

Factor 1: Need/Extent of the Problem

a. Target Geography is attached as Appendix 1

The target geography identified in Appendix 1 has been identified as “Areas of Greatest Need” in Will County and eligible census tracts per data from HUD. All of the Census tracts have a foreclosure score of 15 or above and average 18.

b. Market Conditions and Demand Factors

- The City of Joliet has an average sales price of foreclosed property at \$124,094.00 with 292 sales within the last 6 months. The City of Joliet currently has 1,702 foreclosures in Joliet as of June 16, 2009.
- Will County property values for a 3 bedroom home averages \$163,800.00 with average sales prices over the last 6 months of \$225,355.00.
- Will County currently has 8,281 homes that have been foreclosed upon as of June 16, 2009.
- The average single-family home foreclosed upon in Joliet has 3 bedrooms, 1,000 to 1,399 square feet and a market value of \$100,000 to \$200,000.
- Data from the Multiple Listing Service indicates average market time for a property to sell is 173 days.
- Considering job loss and rate of foreclosure the need to assist working families purchase homes is a necessity. Assisting them with credit counseling, purchase, down payment and rehabilitation is a way to get our community back on track.

It has been well documented in multiple sources, including the data set produced by the Natalie P. Voorhees Center for Neighborhood and Community Improvement at UIC used by the State of Illinois in their NSP Substantial Amendment submission, that Will County is among the top three areas of greatest need in the State of Illinois with respect to the current foreclosure crisis. With a weighted ranking of 96.73 out of 100.0 in the Voorhees Study, Will County trails only Chicago and Cook County in the entire State in terms of greatest need. In addition, the City of Joliet is ranked #7 on that same list with a score of 93.89% out of 100%. A recent article written by a Senior Business Correspondent and Greg Burns for the Chicago Tribune on Sunday, January 13, 2009, highlights Will County as having moved to the top of the rankings with the highest foreclosure rate in the State at the end of Q4 '08! Lastly, according to iFLS.com (Illinois Foreclosure Listing Service) at the end of Q4 in 2008, 1 in every 126 homes in Will County (nearly 2,000 homes in the County) were now classified as REO's and owned by a lending institution. The current foreclosure rate in Joliet is 1 in every 171 homes these multiple sources clearly demonstrate the magnitude of the problem and the overwhelming need we are attempting to meet in the Will County Region.

The dramatic uptick in foreclosures has also put a severe burden on the numerous agencies serving the Department of Human Services Priority and Special Needs Populations in the region. The Natalie P. Voorhees Center for Neighborhood and Community Improvement at UIC study commissioned by DHS in November of 2008, ranked Will County as the 2nd highest county in terms of housing needs to support Priority and Special Needs populations. The following link ties to that study: <http://www.dhs.state.il.us/OneNetLibrary/27897/documents/Initiatives/NSP/Supplemental%20Attachment%204.pdf> Also as of Q4' 2008, Will County's Continuum of Care reported that unmet need of family units for Permanent Supportive Housing had reached 98. An additional 178 family units were required to meet the need for Transitional Housing for the homeless. As foreclosures continue to mount in the County, the numbers of needed units for Transitional and Permanent Supportive Housing will also continue to rise.

Additional need factors:

- Joliet has an unemployment rate of 8.1%, compared to the national average of 8.6% as of March of 2009
- Will County unemployment rate is 9.8% as of March 2009
- The Credit markets need to be functioning properly and lending money to qualified buyers. In order to minimize this risk, the City of Joliet and Will County will be utilizing the assistance of a few financial institutions in the area that are familiar with the clientele we serve and have worked with our Homebuyer/Rehab programs in the past. Among the banks we will be working with are Harris Bank and Prairie Trail Credit Union.
- Efficient and accurate screening processes needs to be developed/refined where necessary to ensure that we identify potential homebuyers/renters and place responsible individuals/families in the units. Thus creating the type of overall neighborhood stabilization this program is intended to address. By utilizing real-estate professionals educated in the nuances of our program as part of our homebuyer outreach, we will ensure that the homebuyers that get paired up with us to participate in our program will be qualified and ready to purchase on day one.
- According to RealtyTrac.com the foreclosure sales count dropped from 45 properties in March of 2009 to under 20 in April of 2009. With a total inventory of 1,702 foreclosures per RealtyTrac.com even at 20 sales per month the absorption rate is 85 months. Funding received from NSP2 would reduce the absorption rate over the next three years to 70 months.
- All communities experienced an increase in impact fees charged during the years of 2005 and 2006 due to a peak in building permits being issued for new housing construction. This is quantified by the amount of Real Estate Transfer Tax collected over this same period of time. This along with eager first-time homebuyers who received sub-prime mortgages, whom many have

experienced job loss, has created this record foreclosure rate in the Joliet/Will area.

- The HUD median income for the Chicago, Naperville and Joliet area is \$74,900. The City of Joliet estimated median income is \$47,761 and Will County's estimated median income is \$72,579 per the U.S. Census. A family of 4 earning \$37,700, which is less than 50% of area median income, is able to afford a mortgage payment of \$579.00 per month, which translates to a \$102,000 mortgage. A household earning 80% of median for a family of 4 is \$60,300 and an affordable mortgage payment would be \$1,100.00 per month, and a \$194,000 mortgage. The 120% of area median income family of 4 can afford \$1,811.00 per month and a mortgage of \$319,000. All of these scenarios are assuming no other debts exist for the families. The assistance of homebuyer counseling and down payment assistance will give many families the purchase power they need to afford homes that fit their income levels and family size. Our goal is to reduce the price of the home enough to realize a first mortgage of \$110,000, or lower. Current 30 year mortgage market rates are 5.5% which will allow a mortgage of \$110,000 a monthly payment of \$624.57 per month and \$300.00 per month for real estate taxes, gives our homeowner a monthly payment of \$924.57.

In order to stabilize declining neighborhoods, Will County and the City of Joliet propose to purchase and rehabilitate foreclosures for homeownership. Existing properties that are blighted and foreclosed will be demolished and new construction homeownership will be redeveloped in its place. Redevelopment will also take place on the site of the demolished Fairview housing complex where new construction single-family homeownership will be built. The resale of vacant, abandoned or foreclosed/demolished land to adjacent property owners will also be an option. We will complete homebuyer assistance for moderate/middle income families on the purchase of the rehabilitated homes as well as the new construction homes. This will include homebuyer counseling that is HUD approved.

Factor 2: Demonstrated Capacity

(1) Regional Planning:

The City of Joliet and Will County are Entitlement Communities and required by HUD to complete a 5 year Consolidated Plan, an annual Action Plan, Consolidated Annual Performance Evaluation Report (CAPER) and substantial amendments each of which can be viewed at the City's website www.jolietcity.info and the County's website www.willcountylanduse.com. Additionally, the city was an integral partner in the completion of The Quality of Life Plan which was adopted by the Mayor and City Council to improve the quality of life in Districts 4 and 5 of the City of Joliet. The City of Joliet has committed funding over the next three years to assist Unity CDC in implementing actions in the following areas: young adult issues, jobs, education technology, education mobility, community stabilizers, housing, recreation, health, infrastructure and community design and public transportation, market analysis and

community service organizations. The Quality of Life Plan may be viewed and downloaded at www.jolietcity.info.

The homes to be purchased will be existing affordable housing units that have been foreclosed upon. Prior to purchase these homes should have been affordable to households earning less than 80% AMI. Specifically targeting this housing type will preserve existing affordable housing. Properties located within a quarter mile of local Pace Bus routes will be a priority for potential purchase in an effort to add a transit oriented element to this program. The City of Joliet is making several efforts to collaborate across community borders by planning sessions held with Will County regarding use of NSP funds and how they can compliment a neighborhood by working side by side in several areas of the City/County. Additional efforts are being made by applying for NSP2 dollars in a regional application.

(2) Acquisition and disposition of foreclosed real estate:

Director Alfredo Melesio and rehab specialist Jeff Sterr will review and select sites for new construction/rehab with NSP funds. Staff is currently working with four realtors with expertise in purchasing foreclosed upon and vacant properties that meet the NSP guidelines. The realtors include Susie Scheuber with Re/Max Realty, Debbie Sanders with Coldwell Banker-Honig Bell, Jim Karges of Karges Realty and Tony Ciancanelli with Century 21 Pro-Team.

Lois Goldman and Vicki Martell, Housing Finance Specialists will prepare the environmental reviews, order appraisals and prepare memorandums to the Mayor and City Council on the properties that the City is interested in acquiring. The City solicited proposals from numerous appraisal firms in the Joliet area and received responses from eight companies. At this time, we are rotating appraisals among five appraisal firms which met the necessary NSP qualifications. All sales contracts and appraisals are reviewed by the Mayor and City Council, as well as the assistant corporation counsel, for approval. Closing documents are reviewed by the housing finance specialist and corporation counsel prior to the actual closing. The housing finance specialists will attend the closings and obtain insurance for the properties. The City solicited proposals for Builder's Risk insurance and as properties are acquired for NSP, they are placed on the insurance policy. A purchase of 8 properties for NSP 1 has been completed as of May 31, 2009 with rehabilitation to take place soon.

(3) Rehabilitation of housing:

Rehab specialist Jeff Sterr will be responsible for preparation of the work write-ups and the bid package. The City's Purchasing Department will bid out the projects, but the rehab specialist will field all questions from prospective bidders and meet them at the property if requested. Bids will be solicited through legal notices in local newspapers. All contractors certified by the State of Illinois are invited to participate. At the bid opening, the City's Purchasing Agent will ascertain that the contractor has the necessary licensing, insurance and bonding to perform the work and is able to take out a permit to work in the city. The rehab specialist will prepare and execute the contract with the contractor and issue the order to proceed. Throughout the rehabilitation period, the rehab specialist will be responsible for inspecting the work and making sure the project is

proceeding in a timely fashion. The City's Building Inspections Division will also inspect the property to ensure that building codes and standards are met and, upon completion, issue the certificate of occupancy. Payouts will be reviewed for accuracy by the rehab specialist and the housing finance specialist prior to the payment being processed. Joyce Toso, Property Maintenance Coordinator for the Neighborhood Services Division will be responsible for having the exterior of the acquired properties maintained throughout the City's ownership.

(4) Redevelopment of vacant property:

HOME funds were expended for 84 units in 2007 through the Joliet Housing Authority's Liberty Meadows Estates project with 47 occupied in 2008. Senior Suites of Joliet was completed with funds from the City of Joliet adding 90 affordable housing units for seniors. The City currently has a waiting list of 16 families that are pre-approved for the NSP homes. Will County built 7 rental units, rehabbed 16 single-family homes, added 4 first-time homebuyer to their program, and partnered with Habitat to build 7 new homes.

(5) Program marketing and management of waiting lists for potential residents:

Marketing the properties will be immediate, as each home is acquired it will have a for sale sign placed at the property. Advertisement will consist of articles in the Neighborhood Newsletter that is distributed in English and Spanish to over 6,000 households and available at various locations throughout the city, such as the Public Library, lending institutions, City Hall and the Will County Extension Service office. The city currently has a waiting list of 16 pre-qualified buyers. Buyers will be notified as homes become available for purchase and will view the homes during an open house. If more than one family is interested in a home a lottery drawing will be held. Additionally, the City of Joliet and Will County are vested in participation with the Will County Continuum of Care.

(6) Accessing operating and investment capital:

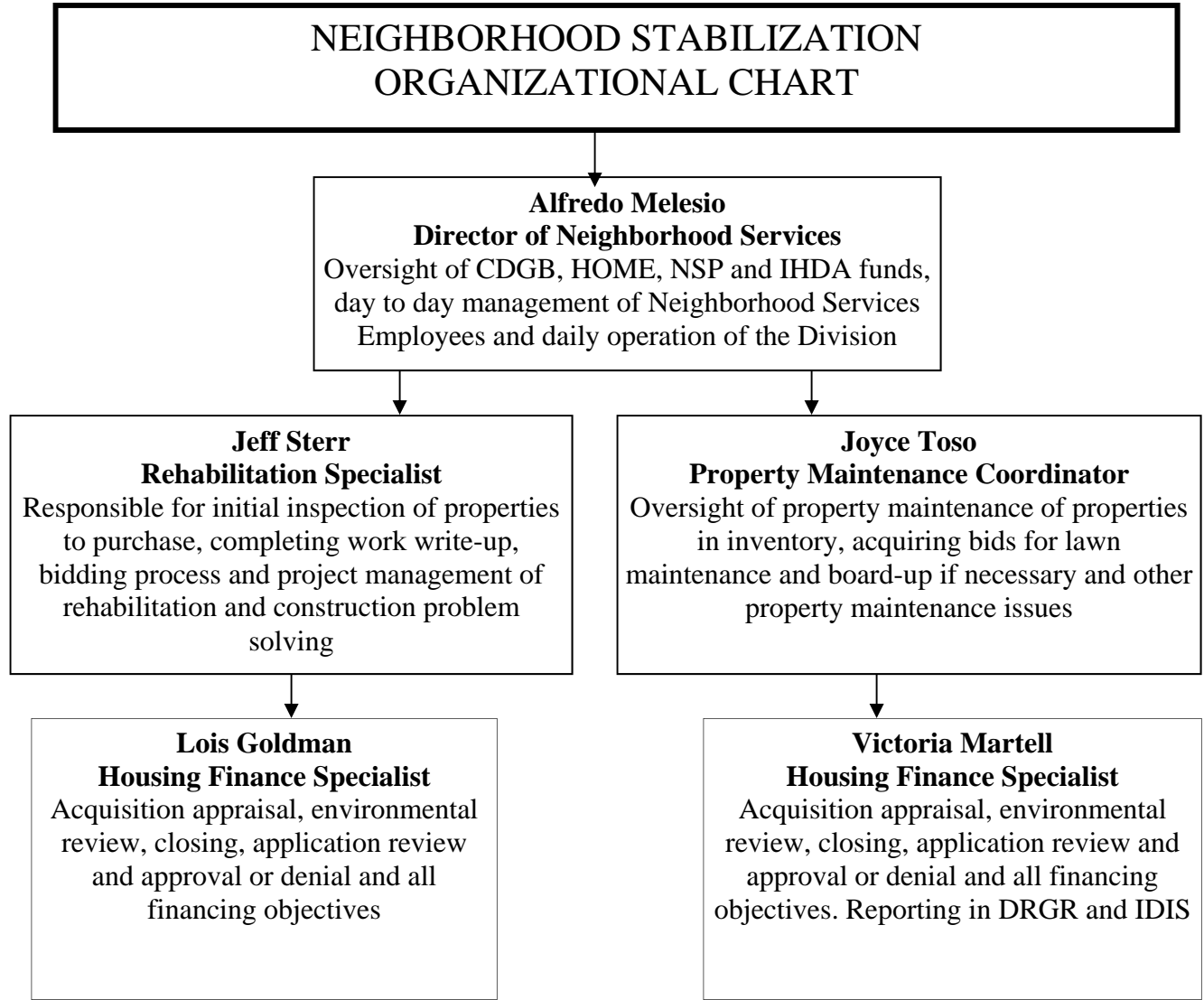
The city's operating and investment capital will come from the city's general corporation funding and reimbursed with NSP funds.

(7) Working productively with other organization:

Most recently the City of Joliet and Will County partnered with the Village of Bolingbrook, Trinity Services Inc, Cornerstone Services Inc., Lamb's Fold Ministries, Joliet Housing Authority, IFF, and Oxley Construction in a joint application for funding to the State of Illinois NSP. The County of Will is the Lead Agency on that application. Staff from Neighborhood Services serves as the Chair of the Continuum of Care Leadership Committee as well as, on the Housing Committee and Grants Funding. The city's participation with the Continuum has enabled us to work productively with all of the local Community Action Agencies, Will County and the Village of Bolingbrook.

The City of Joliet has been engaged in affordable housing programs for over 30 years and in the past 24 months has taken application from 78 families and pre-qualified 31 of them for homeownership. We have assisted 10 of these families with down payment

assistance, five of which purchased homes newly constructed by the City of Joliet. We completed 13 demolitions over the past 24 months. Acquired 14 vacant parcels of properties and sold 9.



References appear here as an article from the Herald News from April 22, 2009 and an article from the Chicago Tribune from February 27, 2009:

Newspaper: HERALD-NEWS

Date: 04/22/2009

Day of Week: Wednesday

Edition: HERALD_NEWS

Section: MAIN

Page: A3

Headline: Joliet, Bolingbrook, Will join for foreclosure funds

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JOLIET - The city is teaming up with Will County and the village of Bolingbrook in hopes of getting more federal money to buy foreclosed homes.

The Joliet City Council voted Tuesday in favor of the joint application for more Neighborhood Stabilization Program funds.

This year, Joliet already has received \$3.5 million and Will County has gotten \$5.2 million from the federal Neighborhood Stabilization Program aimed at buying and reselling foreclosed property.

City officials have said they expect to acquire 13 homes and have bought two so far with their share of the federal money.

But the plan could be expanded if the joint application with Will County and Bolingbrook is successful.

Alfredo Melesio, director of neighborhood services for Joliet, said the joint application will be for the state's share of Neighborhood Stabilization Program money.

The state has received \$53 million it plans to redistribute to local communities, Melesio said. Joliet, Will County and Bolingbrook together can apply for up to 20 percent of the money, or \$10.6 million.

Melesio said the joint application allows the three communities to show they have the capacity to use the funds within the 14-month time frame required by the program.

Also, the state wants to distribute money to communities that did not receive funds directly from the federal program, and Bolingbrook is such a community, he said.

The city has acquired two homes so far: one at 326 Margaret St. and, recently, one at 1024 Barthelme Ave.

Will County plans to buy about 40 homes with the federal money it has received so far. The county is looking at property in a corridor between Joliet and Bolingbrook that includes the Lockport and Romeoville area.

Comment on this story.

www.heraldnewsonline.com



Alfredo Melesio, coordinator in Joliet of a federal housing program, inspects a home on Novell Avenue. Joliet's foreclosure rate of 7.2 percent is one of the region's highest. WABSEN KRASKE/FOX THE T

Chicagoland

Working to salvage the American Dream

With federal aid, Joliet and Will County will try to fix and resell foreclosed homes

By Joel Hood
TRIBUNE REPORTER

As President Barack Obama unveiled a new plan to help struggling homeowners stay in their homes, inspectors from Joliet fanned out across the city to see the depth of the foreclosure crisis firsthand.

On Novell Avenue, on the city's south side, a small, white home was scarred with peeling paint and pock-marked walls. Vulgar words were painted in black in the living room. The bedroom carpets were filthy and the kitchen duct askew.

On Canton Street on the city's north side, a 1920s bungalow looked promising from the front porch. But the kitchen and bedrooms were stripped clean and trimmed in dingy white and teal blue paint.

The inspections were part of a federal housing program launched last fall to help municipalities get a handle on the soaring number of foreclosed homes that are hitting the market and crippling local economies. Initial, when the foreclosure

"Is this going to solve the problem completely? No. But it's going to be a big help."

—Alfredo Melesio, coordinator in Joliet of the National Stabilization Program

rate of 7.5 percent is among the highest in Chicagoland, is due to receive \$3.5 million in federal money to buy, fix up and resell dilapidated homes in the hope of stabilizing neighborhoods racked by foreclosures.

Will County, once the fastest-growing county in Illinois, will get more than \$3.1 million.

"Is this going to solve the problem completely? No. But it's going to be a big help," said Alfredo Melesio, the program coordinator in Joliet. "It just gives us another tool to try to turn things around."

Created under the U.S. Housing

and Economic Recovery Act of 2008, the Neighborhood Stabilization Program has allocated about \$6 billion to municipalities across the country. More than \$170 million of that has been earmarked for Illinois so far. And local officials said the money can't survive soon enough.

Joliet has about 300 foreclosed homes, which is five times greater than in typical market conditions, said Joliet real estate agent Susie Scheuber. There are another 2,000 or so foreclosed homes in the remainder of Will County, officials said, and likely thousands more at risk.

"The reality is that fix program is so much larger than any one county or city can take on," said Tim Mack, who oversees Will County's program. "You go in and you're buying a home and you're really just planting a seed in a neighborhood you hope will grow."

That is why home inspections are critical, Melesio said. With so many homes on the market, from

Alfreda Lark to Page 5

Cleaning up the neighborhood

Illinois will receive \$173 million of the \$4 billion federal funding to restore homes and prevent blight in areas with high foreclosure rates. The bulk of it share will go to Chicago.

Breakdown of Illinois' Neighborhood Stabilization Program Funds

Community/county	Funding	Foreclosure rate
Chicago	\$2,076,331	7.2%
Rockford	\$2,287,004	7.2%
Joliet	\$9,581,870	7.2%
Chicago	\$55,238,017	6.4%
Elgin	\$2,159,623	6.2%
Aurora	\$9,083,568	6.2%
Cook County	\$38,196,321	5.9%
St. Clair County	\$2,264,015	5.1%
Will County	\$5,166,424	5.0%
McHenry County	\$3,085,695	4.0%
Kane County	\$2,576,369	3.9%
DuPage County	\$6,176,438	3.7%
Lake County	\$4,900,800	3.5%
ILLINOIS STATE PROGRAM	\$33,110,044	4.3%

For more information, contact the Tribune's Office of News and Public Affairs at (773) 353-2500. Staff may also attend the 10th Annual Home Sweet Home Summit on Feb. 27, 2009, at the LaSalle County Convention Building, located at 1001 S. Main St., LaSalle, Ill. For more information, call (815) 233-1000.

SOURCE: U.S. Department of Housing and Urban Development

Factor 3: Soundness of approach:

The overall neighborhood stabilization program will encompass the purchase and rehabilitation of foreclosed single-family homes and new construction utilizing NSP 2 funding. The homebuyer first mortgage financing will come from a million dollar commitment from Prairie Trail Credit Union with \$500,000 toward purchases by persons who have obtained an ITIN. Harris Bank has been a partner of the city for several years and will continue to complete first mortgage financing to qualified home buyers. The final first mortgage money will not be directly funded with NSP. We will expand our existing effort that were started with NSP 1 funds by addressing neighborhoods that are eligible for NSP 2 funding based on prevalence of foreclosures and vacancy with a score of 18 or greater. The stabilization of the housing market in the target geography will be realized within two years and achieve long-term economic benefit immediately and will experience sustained affordability for the length of homeownership.

There will be 45 homes purchased, rehabbed and built and staff will target housing within ¼ mile of local Pace bus transit routes. Pace has given us a copy of their transit routes for the City of Joliet and Will County area. The goal of the project is to purchase 45 foreclosed homes and rehabilitate them for homeownership. This program will also provide for three handicapped accessible/adaptable homes and all 45 homes will be “live near work” projects. This will allow us to stabilize an area by addressing abandoned and foreclosed properties, thus removing the negative impact they have. It will reduce crime, graffiti and will stabilize neighborhood housing values. We anticipate purchasing homes in a close proximity to each other. The Housing Authority of Joliet will construct 18 new homes on 14.8 acres currently known as Fairview Homes. The Authority’s intention is to transform the area into a mixed-income community of choice. Additionally, 7 of the 45 purchase rehab homes will be purchased to enhance this development.

Will County and the City of Joliet are CDBG Entitlement Communities that were granted an NSP 1 allocation through HUD. As part of our due diligence to identify target areas and populations that would help us maximize the impact of our funding the following has been completed:

- Performed an extensive review of the foreclosure risk data provided by HUD to identify specific census tracts that should be the focus of stabilization efforts based on greatest need.
- Worked with the Will County Continuum of Care and its many partners to determine the existing housing capacity and unmet housing needs for the very low income, Priority/Special Needs populations.
- Met with civic, business, and government leaders to further define/refine targeted communities and appropriate activities to maximize funding impact.
- Held public hearings to gather feedback from our citizens for our respective, proposed application

Coordinated components that will not be funded with NSP dollars will include the use of the City of Joliet’s Building Division.

The City of Joliet and Will County will coordinate efforts to purchase and rehab homes for homeownership and work efficiently across borders on local NSP goals.

We will also coordinate HUD approved homebuyer counseling for applicants in the program, which will be provided by Will County Center for Community Concerns, a Community Action Agency.

(a) Proposed activities:

NSP-Eligible Uses (City of Joliet)	Correlated Eligible Activities from the CDBG Entitlement Regulations
(B) Purchase and rehab of 45 Foreclosed upon or abandoned Homes for sale \$8,437,500 @ \$187,500 Per unit	Activity eligible as defined in 24 CFR 570.201(a) Acquisition and 24 CFR 570.202 rehabilitation and preservation activities including homebuyer counseling
(D) Demolish blighted structures 18 units \$187,500 @ \$10,416 a unit	24 CFR 570.201(d) clearance for blighted structures only
(E) Redevelop demolished or Vacant properties as housing Construct 18 homes @ \$187,500 Per unit \$3,375,000	24 CFR 570.204 Community based development organization

The above activities will be completed through a partnership between the City of Joliet, and Will County/Will County Center for Community Concerns.

We will utilize 25% of the funding for families at or below 50% of AMI. To achieve this we will be partnering with the Joliet Housing Authority and Cornerstone Services, Inc. who serve families with incomes below 50% AMI.

(b) Proposed activities:

The proposed activities will stabilize the target geography where the foreclosure scores average 18. The city will offer to reduce the purchase price on the 45 properties that will be purchased and rehabilitated for families that qualify for conventional 30 year fixed rate mortgages. The amount of the purchase reduction will be in the form of a soft second mortgage. The purchase reduction will enable a family to purchase a property and secure a first mortgage that will be affordable to them for 30 years. Current 30 year mortgage interest rates are 5.5%. The Housing Authority of Joliet will construct 18 homes on the site known as the Fairview Housing Complex. This will be Phase 1 of a mixed-income single-family development that will include a total of 40 homes when completed.

(c) Funds firmly committed:

For purposes of this discussion, we have estimated on average the total cost of acquisition, rehabilitation or development, and disposition including financing for each unit to be on average \$187,500. This figure was arrived at based on an average of similar projects in the region over the last 24 months. Using this amount as a baseline would allow us to create 63 total units of affordable housing for homeownership. Of the 63 units, we are committing to creating 25% of the homes for families at or below 50% AMI. We are firmly committing NSP2 funds to complete this project.

(d) Demolition and preservation:

Demolition will be performed on abandoned homes that are a Public Nuisance and a threat to the health and/or safety of a neighborhood. Again this will be bid out through the Purchasing Department of the City of Joliet. The City and County have chosen to complete demolition on 18 blighted structures that are far beyond preservation.

HUD's definition of "blighted structure," is: *structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. Additionally, the City further defines a structure as "blighted" if the cost of repairs to bring the structure up to current building code is greater than 50% of its appraised value.*

These properties may in the future be redeveloped with new construction even though NSP2 program does not require a one-for-one replacement and does not have to meet the requirement of 42 U.S.C. 5304(d), as implemented at 24 CFR 42.375. The proposed time schedule for commencement and completion is 18 months.

Project completion schedule:

Within the first month properties will be identified for purchase rehab and demolition. The second month the properties will be purchased. Months 4 through 5 will be the timeframe to complete the work specifications and months 6 to 7 the bid procurement will take place for the rehabilitation and demolition. During these months the program will be advertised, for sale signs will be placed on the properties for affordable homeownership and applications from qualified clients and HUD approved homebuyer counseling will be completed. During months 9 through 12 the rehabilitation and demolition will be completed. During the second year of funding the pre-qualified homeowners will select their homes and close on the purchase of the properties.

The new construction will be completed prior to the funding expenditure deadline of September, 2012.

c. Income targeting for 120 percent and 50 percent of median:

We will use a minimum of 25% of NSP2 funds for individuals and families at or below 50% of the area median income. No person will benefit from the NSP2 funds whose income exceeds 120% of the area median income.

d. Continued affordability:

Continued affordability will be attained by a second mortgage being recorded against the property for the length of the affordability period.

Continued Affordability Standards and Enforcement Mechanisms are the HOME Program standards at 24 CFR 92.252 (a), (c), (e) and (f) for rental properties and 24 CFR 92.254 for homeownership properties. The NSP assisted rental housing must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion.

Rental Housing Assistance NSP Amount per Unit	Minimum Period of Affordability in Years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000.00 to \$40,000.00	10
Over \$40,000.00	15
New Construction or acquisition of newly constructed housing	20

Affordability will be enforced through deed restriction, shared equity agreements, or land trust models.

These loans will serve alongside a traditional mortgage to bridge the gap between the first mortgage and the sales price to help make homeownership more affordable to targeted home buyers.

e. Consultation, outreach, communications:

Since we are the local government we are held by a high standard to engage our citizens in conversation and planning strategies in our community. Public hearings are held with regard to how funds are going to be spent on projects such as CDBG, HOME, CDBG-R, NSP, NSP2 and State NSP. The Mayor and City Council meet twice a month and the public is welcome to attend. We are wholly accountable not only to HUD but to the community. The Will County Board meets once a month and has the same consultation, outreach and communication requirements that are imposed by HUD as the City of Joliet.

In order to reach qualified families we advertise in the Neighborhood Newsletter which is published 6 times a year and mailed to over 6,000 households. We have had meetings that were attended by over 100 Realtors to get them educated on what NSP is and how it will be used. We are offering Realtors a 2.5% commission on the sale of any NSP property to a client they refer and actively closes on one of the NSP homes. Information is available on our website. Word of mouth is also a huge benefit to the City of Joliet; we

have experienced tremendous participation from friends and family of households who have purchased a home through the city's Local Homestead Program

Press releases are completed regarding the program with information of how and where to apply for the program, and milestones along the way. This includes when homes are purchased, completed and available for viewing.

The City of Joliet has an intake process for the communication of complaints to be delivered to the appropriate person daily. Any and all complaints are addressed within 7 working days and interested parties are informed about program policies. All of the city's policies and procedures are available to any interested party.

f. Performance and monitoring:

All program activities will be discussed at a bi-weekly meeting with staff. Progress of each phase of the purchase, rehab and demolition are presented at this time.

Monitoring

A. Standards and Procedures

Program evaluation and monitoring is the means utilized by the City of Joliet to provide the necessary administrative oversight and performance evaluation of all activities undertaken using HUD assistance under NSP1, NSP2 and State NSP. Evaluation and monitoring applies to all activities undertaken by the City of Joliet as well as all activities undertaken by a sub-recipient or CHDO.

Specific Regulatory Requirements

Specific regulatory requirements of HUD programs are included or will be included as a requirement for compliance in all sub-recipient or CHDO written agreements in compliance with the requirements of the HUD program and the activity being proposed.

Contract Requirements and Monitoring Procedures

Although there will be instances, as with any community, where differences in the specifics of contracts will occur, all contracts and agreements will contain certain items. Those items that will be a constant in all contracts and agreements include: dollar amount, what work or activity is to be undertaken, timetable and performance requirements, record keeping and monitoring. Neighborhood Services staff is charged with the responsibility of assuring that all activities, whether city-initiated or through a CHDO, are completed per all applicable laws and regulations. Depending on the type of activity, Neighborhood Services staff members will be assigned specific jobs in the monitoring process. The Neighborhood Services Director will ensure that all performance and compliance requirements for the CDBG and HOME Programs are met. The Finance Specialists will perform the necessary environmental and historic reviews for all activities requiring these reviews. The Rehabilitation Specialists will perform all regular monitoring of rehab and new construction projects. The monitoring of activities will be conducted in a positive, productive and pro-active manner to ensure that all problems are

identified early enough in the process or activity to prevent irreversible consequences. If problems are found during any monitoring process, technical assistance will be provided either by the City of Joliet or HUD. The City of Joliet intends to maintain communication and offer feedback on performance issues with entities utilizing any federal program. It is the intent of the City of Joliet to adequately educate any sub-recipient or CHDO as part of the monitoring process. All requirements will be reviewed and explained to each individual sub-recipient or CHDO prior to City Council approval of the agreement. The City of Joliet intends to monitor each activity or sub-grantee's performance and compliance on an ongoing basis. The common denominator to all activities is the disbursement of funds and accurate documentation of costs. Prior to any disbursement of funds, all compliance issues will have to be remedied. In addition, all CHDO projects will be inspected on an annual basis by means of a field monitoring visit. New CHDOs will experience more frequent on-site monitoring during all phases of their activities, including more frequent post-construction visits.

The City of Joliet will begin a more intensive monitoring of all disbursements through comparison with all schedules or completion dates to ensure that:

Funds requested for any activity do not exceed authorized budget allocations.

All funds requested are appropriate and in line with scheduled expenditure rates or benchmarks as set forth by any contract or agreement.

The CHDO is performing or has the capacity to perform as per the agreement or contract. A series of reports will be developed and used for monitoring all activities that are initiated by the City of Joliet. These reports will be used to measure progress. The reports that will or have been developed are as follows:

- Monthly Financial Report - This report will measure the expenditure and encumbrance rates for all CDBG activities to ensure that funds are being expended in a timely manner.
- Weekly Rehab Report – This is currently being used and helps track progress of all rehab projects.
- Monthly NSP Activity Status Report – This report will track all NSP expenditures
- Environmental Review Status Report
- Homeowners Assistance Report – This report will indicate the status of each application for assistance.

B. Progress Measures

For CHDO or other sub-recipient activities, the measurement of progress will be predicated on what type of activity is being performed and the schedule and benchmarks set forth in the agreements. For other activities covered in this Consolidated Plan and Annual Action Plan, the City of Joliet will initiate a schedule establishing appropriate benchmarks and expenditure targets. Each program or activity will have its own thresholds and goals. Although the overall program scheduling is primarily focused on

the total activity, the specifics of each activity will be incorporated. Overall performance of all activities will be reviewed at least quarterly to determine progress and other scheduling items as deemed appropriate.

C. Long Term Compliance Monitoring

The City of Joliet plans to complete all goals identified in the NSP 2 application.

Activities funded under the NSP 2 will be monitored for compliance at least once a year for a period that is equal to a specific activity's period of affordability. On-site inspections will be conducted on an annual basis to insure that those facilities or homes are being kept in accordance to all applicable codes.

Factor 4: Leveraging

Cornerstone Services, Inc. is a supportive housing provider for persons with disabilities as well as a City of Joliet and Will County, Illinois designated Community Housing Development Organization (CHDO). Cornerstone staff believes that a regional application for NSP2 funds will further encourage the establishment of affordable, accessible housing for persons of low income and/or with disabilities.

As leveraging to the CMAP application, Cornerstone proposes to provide the following resources to approved projects:

1. Support services funding. Residents of Cornerstone Services require ongoing support in order to maintain housing. Services include case management; psychiatric treatment; money management; daily living skills training, such as cooking, cleaning, hygiene, use of public transportation; coordination of services for their children; employment training, placement, and support. (\$1,250/resident/month)
2. Utility payments. The resident will pay for utilities through a 30% contribution of gross income. (\$150/resident/month)
3. Buildings and grounds maintenance. Cornerstone will provide year-round building maintenance. (\$100/household/month)
4. Furnishings. Cornerstone will provide furnishings for each unit. (\$5,000/unit)

The value of the above equates to \$18,000/unit/year for ongoing support, and one time furnishings of \$5,000 per unit.

Leveraging from the Housing Authority of Joliet includes:

1. The value of the land which is approximately \$947,200.00
2. Five project based vouchers that would remain with the home for a period of ten (10) years, at an estimated average per-unit monthly subsidy of \$650.00

Factor 5: Energy Efficiency/Sustainability:

a. Transit accessibility:

The City of Joliet has no plan to use passive solar heating or cooling, we do however plan to implement sustainable design with all of the homes targeted to be located within a quarter mile of local Pace Bus routes. The homes will also be located within ½ mile of at least four community and retail facilities.

Sustainable landscaping will be attained by following the minimal planting ordinance of the City of Joliet which includes nine (9) deciduous shrubs a minimum of twenty four inches in height and 2 shade trees with a minimum trunk size of two (2) inches. All selected trees and shrubs will be native to the site's soils and microclimate.

Energy efficient materials will be used such as batt insulation with a thermal resistance of R19, building insulation of glass fiber insulation manufactured by Johns Manville, Owens-Corning Fiberglas or Certain Teed. The insulation products continue to help conserve energy year after year without consuming any additional resources. We want to meet the needs of the present without compromising the world we leave to the future.

b. Green Building Standards:

Energy star appliances will be installed in all renovated properties. Installation of any furnace must conform to minimum 90% efficiency when tested in accordance with DOE 10 CFR. Central air conditioning units must have a seasonal energy efficiency rating (SEER) not less than 14. All thermostats have to be 5-2 programmable, low voltage, to control burner operation, compressor and condenser fan and supply fan to maintain temperature setting.

Room lighting fixtures must be Energy Star Compliant.

c. Re-use of cleared sites:

Any activity that clears a site through demolition will be either sold or deeded to the neighboring property owner for their personal use or used as a community resource such as a greenway or pocket park.

d. Deconstruction:

During gut rehabilitation the salvaging of original hardwood floors, banisters, fireplace mantels, hardware and any other salvageable items will be reused during re-construction.

e. Green practices:

A homeowner orientation is completed with information regarding sustainable landscaping and contact information for a Master Gardener who is employed by the University of Illinois Extension in Will County. All homes are to be located within ¼ mile of at least two community and retail facilities. The selection of plant life and trees are appropriate to the site's soils and microclimate.

Factor 6: Neighborhood transformation and economic opportunity

The City of Joliet has zoning ordinance (#16193) that can be viewed at www.jolietcity.info, information below is a part of article II of the ordinance:

The Ordinance is based on a plan to lessen congestion of public streets, reduce undue hazard due to flooding, and to promote the public health, safety and general welfare. Goals of the plan include:

- Improve mobility and accessibility
- Support land development
- Provide acceptable transportation performance
- Develop a connected non-motorized system
- Protect environmental and natural resources
- Promote interagency coordination
- Use financial resources efficiently
- Commit to plan implementation

The proposed activity will relate to the plan by using financial resources efficiently, promote interagency coordination and develop sustainable housing.

Census Tract	County	Foreclosure score
17197880103	Will County	18
17197880104	Will County	20
17197880105	Will County	20
17197880106	Will County	19
17197880107	Will County	19
17197880108	Will County	19
17197880109	Will County	19
17197880110	Will County	19
17197880111	Will County	17
17197880112	Will County	16
17197880113	Will County	18
17197880201	Will County	20
17197880202	Will County	18
17197880301	Will County	19
17197880302	Will County	20
17197880404	Will County	20
17197880405	Will County	20
17197880406	Will County	20
17197880407	Will County	20
17197880501	Will County	20
17197880502	Will County	17
17197880600	Will County	18
17197880700	Will County	19
17197880900	Will County	20
17197881001	Will County	17
17197881002	Will County	16
17197881003	Will County	16
17197881004	Will County	20
17197881103	Will County	17
17197881104	Will County	19
17197881106	Will County	19
17197881200	Will County	18
17197881300	Will County	17
17197881400	Will County	18
17197881500	Will County	15
17197881600	Will County	18
17197881800	Will County	16
17197881900	Will County	18
17197882000	Will County	16
17197882100	Will County	16
17197882200	Will County	17
17197882300	Will County	18
17197882400	Will County	19
17197882500	Will County	19
17197882600	Will County	19
17197882700	Will County	17
17197882800	Will County	16
17197882900	Will County	15
17197883000	Will County	18
17197883100	Will County	18
17197883203	Will County	20
17197883204	Will County	19
17197883205	Will County	18
17197883206	Will County	16
17197883207	Will County	19
17197883301	Will County	19

17197883302	Will County	15
17197883400	Will County	17
17197883501	Will County	19
17197883502	Will County	20
17197883503	Will County	17
17197883505	Will County	19
17197883506	Will County	19
17197883602	Will County	18
17197883603	Will County	18
17197883604	Will County	19
17197883700	Will County	15
17197883803	Will County	15
17197883804	Will County	15
17197883805	Will County	19
17197883806	Will County	17
17197883807	Will County	20
17197883902	Will County	15
17197884001	Will County	19