

2008 ANNUAL REPORT



OUR MISSION

AHC is a nonprofit agency that increases and preserves affordable housing opportunities throughout Lake County via high-integrity, high-impact services and partnerships that protect and empower consumers and communities.

Building a Foundation of Strength & Stability for Families & Neighborhoods

Everyone knows: these are hard times. The housing and economic crisis continues to devastate families from all walks of life. No one has been spared its impact. We have been forcibly reminded that housing needs do not exist in a vacuum. Rather, an affordable house payment – no matter what your bank balance is – is directly tied to a family's overall financial security, stability, and well-being. As such, housing is tied to a community's ability to create a diverse and stable citizenry. Looking a little broader, it is vital to recognize that housing impacts a variety of policy concerns that each contribute to a healthy community infrastructure. Housing located near jobs, for example, renders less traffic congestion and lowers the attendant costs of fuel and environmental degradation. A diverse housing stock translates into nurturing a steady workforce for workers across the pay scale spectrum, thereby creating appeal for businesses that can bring more economic development opportunities to our residents. With more than one in three Lake County households paying more than the federally-recommended 30% of their gross income toward their mortgage or rent payment, and with more than one-half of the Lake County workforce living outside of the county, it is clear that Lake County's own foundation is undermined even beyond the scope of the national crisis. More than ever, nonprofits such as the Affordable Housing Corporation of Lake County have a vital role to fulfill. AHC always has, and always will, contribute to that foundational strength and stability by offering programs that help homebuyers and homeowners obtain and maintain successful homeownership.

Creating Opportunities on the Ground: Programs, Impact & Outcomes

Homeownership Programs: The single biggest obstacle to homeownership is the high cost of housing. Reducing the cost of mortgage financing is a unique and effective way to make homeownership affordable. Through a consortium of lender and government partners, AHC leveraged more than \$17 million in mortgage financing in 2008 in order to help low-income households purchase their first home. AHC's unique products include exceptional financing terms, sensible underwriting guidelines, education and counseling services, and help overcoming credit and debt issues. Our Affordable Plus Mortgage boosts buying power by more than 20% - lowering the monthly payment by hundreds of dollars - through our unique layered financing package that eliminates mortgage insurance and reduces interest costs, while our First-Time Homebuyer Program provides assistance with downpayment and closing costs. In 2008, 47 households purchased with AHC financing.

Homebuyer Education & Counseling: Education and counseling are critical elements in helping buyers achieve - and maintain - successful homeownership. Education and counseling is provided to those that purchase through AHC's mortgage assistance programs, and is open to all other Lake County buyers as well. Our Homebuyer Education Class provides valuable consumer information about mortgage financing, shopping for a home, the settlement process, budgeting and credit, and avoiding foreclosure. Pre-Purchase Counseling offers one-on-one sessions in which buyers receive an affordability and credit analysis to help buyers determine how much they can afford, and what mortgage products are best for their household. Each attendee receives a customized homeownership action plan to assist in overcoming any barriers to homeownership (such as poor credit, excessive debt and limited savings), and is also offered help in creating a household budget. In 2008, 295 households attended our education class, and 103 new households entered counseling.

Homeowners Rehab Program: The rehab of distressed properties insures low-income homeowners have safe, decent and (where appropriate) handicap-accessible housing, while also preserving Lake County's very limited existing affordable housing stock. Through a consortium of lender and government partners, AHC leveraged about \$600,000 this year to offer our clients a combination of 0%-interest deferred loans and low-interest loans to assist homeowners with the cost. AHC also oversees the actual rehab process itself at no cost to the homeowner, providing technical assistance, and insuring quality work at a fair price. In 2008, 9 homeowners were helped.

Foreclosure Prevention Services: Most foreclosures are caused by job loss, divorce, death in the family, or medical crisis. More recently, we have seen the upsetting trend of homebuyers using mortgage products unsuited to their circumstances, and sometimes, being victimized by unscrupulous lenders. For families, foreclosure has a lasting and devastating impact both financially and emotionally. Communities suffer along as they witness their neighbors struggle and houses falling into disrepair. AHC provides education, confidential counseling and intervention with the mortgage lender to help Lake County homeowners and neighborhoods prevent the devastating effects of foreclosure. In 2008, 87 new households entered counseling.

Our Clients: AHC has a strong track record in reaching those groups traditionally underserved by the housing and lending industries. Last year, 26% of our clients were of Hispanic ethnicity, 41% were non-Hispanic other minorities, and 35% were single parents. 93% of our clients were low-income, meaning that their gross household income was below 80% of median family income; of those, 23% were below 50% of median family income.

Influencing Policy & Strategy: Lake County Affordable Housing Commission

One of AHC's most important roles is the administration of the Affordable Housing Commission. This special task force, created and authorized by special resolution of the County Board, has three important purposes:

- To advocate for the increase of affordable housing throughout Lake County by educating the general public, elected and appointed officials, housing providers, and other interest groups regarding affordable housing issues.
- To support, develop and promote programs, policies and resources that serve to further the availability of affordable housing county-wide.
- To provide an expert resource on affordable housing for Lake County.

2008 Highlights

Lake County Housing Conference: Blueprints, Policy & Politics: The Commission hosted Lake County's first-ever housing conference of its kind, an event designed specifically for the building industry and government stakeholders. A historical day for Lake County, more than 130 people attended this day-long event which showcased successful replicable strategies from Chicagoland neighbors, shared lessons learned, and offered time for productive discussion. Eight breakout sessions were held on topics such as joint ventures, creating political and public will for affordable housing, zoning strategies, and revitalizing the aging housing stock.

Legislative & Policy Efforts: This year, the Commission helped launched the Lake County Housing Action Coalition and now works in conjunction with LCHAC on state and local legislative and policy efforts. LCHAC is a network of eighteen organizations that share the Commission's goal of promoting policies to expand the range of affordable housing opportunities for low- and moderate- income individuals. Because policy decisions, as well as the philosophies and cultures of various government entities, have a tremendous impact on the availability of affordable housing, we work to develop and maintain relationships with elected and municipal officials. Our current agenda includes increasing revenue sources for housing through the creation of a Lake County Housing Trust Fund, developing recommended priorities for allocating federal funds for housing and homeless needs in the Lake County 2010-2014 Consolidated Plan, and promoting the inclusion of affordable housing in the Lake County Strategic Plan.

Public Education and Community Development: The Commission works continually to provide education, expertise and technical assistance to communities and organizations throughout Lake County and the greater Chicagoland region. Additionally, the County Board looks to the Commission for guidance and information in creating policy and funding priorities related to affordable housing. The Commission encourages, helps create, and makes recommendations for affordable housing production, programming, financing and policy in Lake County. Commissioners also participate in funding panels making decisions on housing projects, and provide input into county and regional planning efforts.

Financial Highlights

As of the fiscal year ending 6/30/2008

Revenues

Donations & Contributions	\$67,660
Homebuyer Program Contracts & Fees	\$178,750
Inspection Program Contracts	\$3,115
Homeowner Rehab Programs	\$198,492
Affordable Housing Commission Activities	\$69,481
Counseling Program Contracts	\$37,514
Miscellaneous Income	\$13,739
Total Revenues	\$568,751

Expenses

Salaries & Wages	\$311,860
Employee Benefits & Payroll Taxes	\$83,932
Travel & Seminars	\$6,590
Legal, Accounting & Consulting	\$32,416
Meeting Expenses	\$1,671
Printing Expenses	\$3,521
Office Supplies & Expenses	\$19,412
Depreciation	\$3,693
Repairs & Maintenance	\$3,600
Telephone	\$6,578
Dues & Subscriptions	\$679
Rent & Occupancy Costs	\$33,538
Insurance	\$3,784
Education & Outreach	\$19,189
Miscellaneous	\$376
Total Functional Expenses	\$530,839

Administrative costs totaled 9.2% of expenses.

Assets

Cash in Bank	\$803,218
Grants Receivable	\$96,659
Prepaid Insurance	\$4,207
Earnest Money Deposit	\$5,724
Furniture & Furnishings	\$74,862
(Less Accumulated Depreciation)	(\$68,189)
Security Deposit	\$2,245
Loans Receivable - Homebuyer Programs	\$5,676,140
Loans Receivable - Lender Rehab Program	\$263,976

Liabilities

Accounts Payable	\$0
Other Accrued Expenses	\$342
Homeowners Rehab Program Payable to Lake County	\$2,984
Homeowners Rehab Program Payable to Lenders	\$152,235
Homebuyer Program Funds Payable to Lake County	\$3,383,371
Homeowner Program Funds Payable to Lenders	\$2,618,148
Homeowner Rehab Funds Payable to Lake County	\$158,676
Homeowner Rehab Funds Payable to Lenders	\$263,976
NET ASSETS, UNRESTRICTED	\$279,110
TOTAL ASSETS & LIABILITIES	\$6,858,842

People & Partners

Directors & Commissioners of 2008

**Denotes AHC Board of Director*

^Denotes Affordable Housing Commissioner

Gwen Broughton*^

President & Board Chair, Realtor, Re/Max Showcase

Anne Flanigan Bassi^

Lake County Board Member

James Beckett^

Vice President, Charter One Bank

Steve Carlson, Ex-Officio Member^

Lake County Board Member

Kathryn Cole^

Housing Action Chair, Lake County United

William DeBruler*^

President, The DeBruler Company

Paul Diamond*^

Executive Vice President, Flagstar Bank

Laraesa Garland^

CDBG Administrator, City of North Chicago

Matthew Hickey*^

Vice President, Community Development Banking

Marissa Hopkins^

President, Heartland Development

Patricia Konicki^

Board Member, Rebuilding Together

Kristina Kovarik^

Mayor, Village of Gurnee

Angelo Kyle^

Lake County Board Member

Elizabeth Lassar*^

Policy Analyst, Business and Professional People for the Public Interest

Linda Moran^

Assistant Vice President & Sales Manager, North Shore Trust & Savings

David Northern^

Deputy Director, Lake County Housing Authority

Robert Powers^

Lake County Board Member

Ezell Robins*^

Director of CDBG, City of Waukegan

Danielle Russell*^

Community Representative

Linda Thurmond^

Managing Director of Multifamily Programs, IL Housing Development Authority

Jeffrey Zaluda*^

Attorney, Horwood Marcus & Berk Chartered

Stuart Zwang^

General Manager, Home Raters

AHC extends its sincere thanks to the following companies for their financial support and their commitment to affordable housing.

2008 Program and Financial Partners

American Chartered Bank
Bank Financial
Bank of Waukegan
Buffalo Grove Bank & Trust
Cambridge Bank
Charter One Bank
Fifth Third Bank
First Midwest Bank
Guaranty Bank
Harris Bank
Illinois Housing Development Authority
Lake County Affordable Housing Program
Lake County HOME & CDBG Fund
Lake Forest Bank & Trust
LaSalle Bank
Libertyville Bank & Trust
National City Mortgage Corporation
North Shore Trust & Savings
Northern Trust Bank
Norstates Bank
State Financial Bank
The F.B. Heron Foundation
US Bancorp
Washington Mutual
Waukegan Savings & Loan

Affordable Housing Corporation Staff

Lisa Tapper, *Executive Director*
Kent Cairo, *Housing Counselor*
Michael Mader, *Rehab Specialist*
Maria Moreno, *Office Administrator*
Laura Olvera, *Housing Counselor*
Tracey Pederson, *Rehab Loan Administrator*



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