

CRN NSP2 CONSORTIUM PROGRAM SUMMARY

Based on foreclosure data and housing market researched gathered by CRN Consortia, acquisition and rehabilitation of foreclosed multi-family dwellings (4-units and up) and single-family dwellings for affordable rental housing and/or lease-to-own is the most appropriate strategy to stabilize and revitalize our targeted geographical areas. Furthermore, this strategy fills niches not currently being served by the City of Chicago NSP1: we are targeting 50% of our units to households under 50% of AMI, our scope of services is comprehensive for neighborhood and household stabilization and our delivery system builds upon the demonstrated capacity of the community development field. Together, we have produced over 10,000 units of affordable housing for families, seniors, and individuals needing supportive services, Our 40+ years of commitment to building strong urban neighborhoods makes us uniquely qualified to merge our community-based delivery models and real estate experience in all types of markets, ultimately strengthening households, neighborhoods, and the City of Chicago as a whole. As private, nonprofit partners working on behalf of government in the provision of quality affordable housing, we will produce sustainable housing which will maximize the federal investment being granted. Finally, our partnership approach will incorporate peer-review and evaluation methods, and encourage sharing of efficient and effective practices to reach the goals of the Neighborhood Stabilization Program 2. To this end, the CRN Consortia has formed strategic partnerships with numerous financial institutions to redevelop 500 units of single-family and multi-family housing with NSP2 funding leveraged by non-NSP2, non-federal, and non CDBG funding.

1. Eligible Applicant

Chicago Rehab Network formed a Consortia and each CRN Consortia member is an eligible applicant 501(c)(3) nonprofit. Additionally, the Consortia members executed a Consortia Agreement (see fully executed in counterparts and lead member original signature). The CRN Consortia (the “CRN Consortia”) is a group of ten Chicago Rehab Network members who are among Chicago’s leading housing and community development corporations with ten to forty years experience financing and developing affordable housing solutions within neighborhoods in the City of Chicago that have seen high levels of foreclosures and disinvestment. The CRN Consortia members include are:

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| (1) ACORN Housing Corp. of IL | (2) Bethel New Life |
| (3) Bickerdike Redevelopment Corporation | (4) Claretian Associates |
| (5) Genesis Housing Development Corporation | (6) Heartland Housing, Inc |
| (7) Hispanic Housing Development Corporation | (8) Lawndale Christian Development Corporation |
| (9) The Renaissance Collaborative | |
| (10) The Resurrection Project | |

2. Amount

The CRN Consortia is seeking \$48,380,000 in NSP2 funding to redevelop 500 units of affordable housing. The amount of NSP2 funding requested is of sufficient size to contribute toward significant and measurable neighborhood stabilization: Short Term Outcomes (1) Arrest decline in home values and (2) Reduction or elimination of vacant and abandoned residential property in targeted neighborhood. Long Term Outcomes (1) Increase sales of residential property and (2) Increase median market value of real estate.

3. Eligible fund use

The following are the proposed uses of NSP2 funds. All activities are eligible uses as delineated in the NOFA Appendix 1, paragraph H:

- (A) Financing Mechanisms: Loan Loss Reserves and Down payment/closing costs assistance - **\$880,000**
- (B) Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties - **\$14,402,000**
- (E) Redevelop demolished or vacant properties as housing - **\$26,940,000**
- (E) Homebuyer Counseling/Financing Literacy required - **\$1,320,000**
- Administration - **\$4,838,000**
- Total \$48,380,000

4. Income targeting/benefit

CRN Consortia will comply with HUD national objectives: NSP 2 funding will benefit households with incomes at or below of 120% of AMI according to 2301(f)(3)(A) of HERA. Additionally NSP 2 requires a minimum of 25% of the funds be used to house individuals or families with incomes at or below 50% of AMI. The Consortia has set itself a goal of 50% of the funds towards that target population. CRN Consortia program will include rental housing. The definition of affordable rents for NSP2 assisted rental projects can be found in Appendix 6 – Definitions – Affordable Rents.

5. Citizen Participation

CRN Consortia completed the required Citizen Participation requirement in accordance with NOFA Appendix 1, paragraph B.3. CRN published planned program information in a newspaper- The Chicago Tribune and posted on its web site: <http://chicagorehab.org/NeighborhoodStabilizationProgram.aspx>, on July 1, 2009. The last day to submit citizens' responses was July 13, 2009. A summary of citizens comments were received and are summarized (see to Appendix 5 – Citizens Comments).

6. Definitions

CRN Consortia application includes Appendix 6 – Definitions, including required definitions and standards that will be used under NSP2 program. These definitions and standards are:

- 1) “blighted structure” definition
- 2) “affordable rents” definition
- 3) “rehabilitation” standards
- 4) “Chicago Pums and corresponding community areas” definition
- 5) “visitability” definition and standard
- 6) “accessibility” definition and standards
- 7) “City of Chicago Energy Efficient Green Building Program & Matrix” definition and standards

7. Demonstrated Organizational Capacity

The CRN Consortia (the “CRN Consortia”) is a group of ten Chicago Rehab Network members who are among Chicago’s leading housing and community development corporations with ten to forty years experience financing and developing affordable housing solutions within neighborhoods in the City of Chicago that have seen high levels of foreclosures and disinvestment. Chicago Rehab Network (CRN) has demonstrated knowledge of the NSP, HOME, and CDBG programs including successfully

completed its contract with HUD under the HOPE 3 Single Family program which was designed as a revolving fund for construction lending. Additionally, CRN has demonstrated capacity to work with other organizations, financed quality affordable housing developments, provides technical assistance services, undertaken through its members affordable housing developments – single family, multi family, supportive housing, elderly and assisted living housing. The CRN Consortia members include:

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| (1) ACORN Housing Corp. of IL | (2) Bethel New Life |
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To date, CRN Consortia members have successfully developed over 10,000 units of affordable rental and for-sale housing. Recent consortia members development activities in the past 24 months conservatively exceeds \$146 mm with the relevant multipliers of jobs creation and tax revenue generating approximately \$73 million. As certified in the Foreclosure Needs Mapping Tool, we have carried out and completed eligible activities involving 75 units of housing in the last 24 months, relevant to each NSP2 activity proposed here (A), (B), and (E).

		Total units in last 24 months
(B)	Purchase/rehab	439
(E)	Redevelopment	610
(A)	Financing Mechanisms	167
(B)	Counseling	458

8. Geographic Need

CRN Consortia will carry out its proposed NSP2 program in the 250 census tract identified in Appendix 7. The factors which informed CRN Consortia target geography include but are not limited to: (1) identified by HUD’s neighborhood stabilization index scores as eligible for NSP2; (2) addresses the unmet demand for affordable rental housing and; (3) builds upon the success of recent and current neighborhood stabilization efforts being carried out by its Consortia member organizations. The average foreclosure needs index score and vacancy risk score for the target census tracts are both 18 and the average combined index score is 19.

The CRN Consortium has identified 250 census tracts located within the consortium members’ targeted Chicago community areas: Albany Park, Auburn Gresham, Austin, Belmont Cragin, , Chicago Lawn, , East and West Garfield Park, Edgewater, Englewood and West Englewood, Gage Park, Grand Boulevard, Greater Grand Crossing, Hermosa, Humboldt Park, Kenwood, Logan Square, New City, North Lawndale, Rogers Park, South Chicago, South Deering, South Lawndale, Uptown, Washington Park, West Ridge, and Woodlawn. The average combined index score is 18.9.

Data and instructions for calculating the scores for the proposed target geography can be found in Appendix 7.