



Community Partners for Affordable Housing Resident Selection Criteria

Non-Discrimination Policy

Community Partners for Affordable Housing (CPAH) is an Equal Housing Opportunity provider and conducts business in accordance with the U.S. Fair Housing Act, the Illinois Human Rights Act and City of Highland Park anti-discrimination laws and policies. The fair housing logo will be used on all promotional material.

Threshold Eligibility Criteria

Income. Maximum household income must not exceed 120% of the Chicago area median income (AMI), adjusted for household size, as published from time to time by the Department of Housing and Urban Development. In the case where funding sources require lower household income, those regulations will prevail. In most cases, funding sources require the total household income to be less than of 80% of the Chicago AMI, adjusted for household size.

With Board approval and when permitted by funding sources, there may be exceptions to the maximum income eligibility criteria:

- Households at any income level can place land they own in the land trust.
- Households at any income level can undertake a sale-leaseback arrangement.

Housing and Debt Ratios. Housing to Income Ratios (defined as monthly housing payment for principal, interest, taxes and insurance divided by monthly household income) may not exceed 35%. Debt to Income Ratios (defined as total monthly household debt payments divided by monthly household income) may not exceed 41%. Combined Loan To Value Ratios (defined as the total of loan amounts divided by the resale restricted value of the home) may not exceed 100%.

Assets. Retirement-restricted assets for the household may not exceed 400% of the Chicago AMI for the household size. Non retirement-restricted assets for the household may not exceed 100% of the Chicago AMI for the household size. Down payment on the home purchased through CPAH will be included as a non-retirement restricted asset. The maximum allowable down payment is 30% of the net purchase price. The Board will publish an approved list of inclusions and exclusions (see attached) for purposes of calculating the value of assets subject to this requirement. In addition to the foregoing, the head of household or spouse/domestic partner may not own other residential property at the time of purchase. With Board approval and when permitted by funding sources, applicants may exceed the asset limit if they can demonstrate that they are unable compete in the conventional housing market.



Down Payment. Homebuyers are required to contribute a minimum of 1% of the net purchase price or \$1,000, whichever is greater, of their own funds as earnest money that will be applied to the purchase of the home.

Gifts. Gifts to help purchase the home may not exceed \$10,000.

Reserves. Homebuyers must have at least one month of principal, interest, taxes, insurance and condo/homeowner association fees in reserve prior to closing.

Homebuyer Education. Homebuyers must complete the CPAH Information Session and homeownership counseling. First-time homebuyers must also complete the Lake County Affordable Housing Corporation's pre-purchase counseling program or other pre-purchase counseling certified by the U.S. Department of Housing and Urban Development. First-time homebuyers are defined as individuals who have not owned a home during the prior three-year period, a single parent who has only owned with a former spouse while married, an individual who is a displaced homemaker and has only owned with a spouse, an individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations, and an individual who has only owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

Mortgage Qualified. Applicants must be mortgage qualified by a participating mortgage lender. A pre-approval letter must be submitted.

Residency Requirement. Applicants must be legal residents of the United States.

Secondary Selection Criteria

For the purpose of ordering the waiting list in instances where there are two or more households who are determined through the application process to be conditionally eligible and qualify for the same dwelling unit under the occupancy guidelines below, priority will be given to households who meet the following criteria:

Local Priority. Households who have lived for the past 12 consecutive months in the community where the home is located or the head of household or spouse/domestic partner works in the community where the home is located will receive a local priority. An individual will be considered to work in the community if he/she is currently employed or has a bona fide offer to work in the community. For purposes of this policy, a person must work in community at least 20 hours per week to be considered to work in the community. For purposes of this policy, an applicant will be considered a resident of the community if they rented in the community within five years of submitting their



application and were involuntarily displaced as a result of fire, disaster, government action, or action by a private owner that the tenant could not control or prevent.

For purposes of this policy, a person shall qualify as the head of household's "Domestic Partner" if: (i) neither the head of household nor such person is married; (ii) each of the head of household and such person is at least eighteen (18) years old and competent to consent and enter into legally binding contracts; (iii) the head of household and such person are not related to each other by blood closer than would bar marriage in the State of Illinois; (iv) the head of household and such person is each other's sole Domestic

Partner; (v) the head of household and such person are mutually responsible for each other's common welfare; and (vi) such person satisfies at least one of the following criteria: (a) such person is the primary beneficiary under the head of household's will; (b) the head of household and such person have joint ownership of a motor vehicle; (c) the head of household and such person have a bona-fide joint credit account; (d) the head of household and such person have a bona-fide joint checking or savings account; (e) such person is designated as the primary beneficiary of the head of household's life insurance or retirement benefits; or (f) such person holds a power of attorney for healthcare decisions for the head of household.

Low-Income. Households with incomes that do not exceed 80% of the Chicago AMI will receive a low-income priority. In the case where funding source mandate maximum incomes lower than 80% of the Chicago AMI, those regulations will prevail.

Affordable Housing Inventory. With the approval of the Board of Directors, and when permitted by funding sources, households who have sold or entered into a contract to sell their dwellings to CPAH, thereby contributing to CPAH's affordable housing inventory, will receive an affordable housing inventory priority.

Occupancy Guidelines.

To ensure that units are not underutilized, household size will be matched to the following unit sizes whenever possible:

<u>Unit Size</u>	<u>Minimum Household Size</u>
1 BR	1
2 BR	2
3 BR	3
4 BR	5

The maximum occupancy in homes purchased or rented under the program will be based on the regulations established by the unit of local government where the home is located.