



# 2016 Annual Report

*Strengthening Communities. Changing Lives.*

# HOME REHABILITATION

Helping homeowners make their homes safe, sound and accessible.



***“Before AHC, I would get stuck halfway up my makeshift wheelchair ramp. Now, I’m in a fully-functioning, safe and accessible home.”***

## THE NEED

**2,170** households in Lake County live in substandard housing that lack complete plumbing or kitchen facilities.

## OUR IMPACT IN 2016

AHC provided grants, loans and construction management services assisting **19** households to make critical health, life-safety and accessibility improvements to safely remain in their homes.

## Jonathan’s Story

After years of physical problems, I could suddenly only take a few steps. I then partially lost the use of my hands. I could no longer work as my list of physical limitations mounted. Within months, I was unable to walk and was confined to living full-time in a wheelchair. Doctors concluded that these were due to a variety of bacterial autoimmune diseases.

A friend built a makeshift wheelchair ramp for my home, but it was very steep and narrow. If I didn’t line up perfectly, I would get stuck halfway up the ramp. The situation was dangerous, especially in inclement weather. I had other problems with my home too, such as the hole in my living room wall that allowed in rainwater. Then, my sewer line backed up and needed complete replacement. I couldn’t remain in my home with these conditions, but the repairs were cost prohibitive on my disability income. I had no idea what I was going to do.

Enter AHC. They used grant funds and donations to make my home fully functioning, safe and accessible. AHC replaced the sewer system, repaired the crawl space and built a brand new, well-constructed wheelchair ramp. AHC’s staff handled the entire process with tremendous compassion and professionalism.

While I still face various physical challenges, I am extremely grateful for the help provided by AHC and for people like you who made a difference in my life. I was able to regain a certain level of independence and housing stability.

With much gratitude,

Jonathan Seiver

# HOME BUYER ASSISTANCE

Preparing first-time homebuyers for successful, responsible homeownership.



***“It’s a dream come true. It makes us feel like a complete family.”***

## THE NEED

Sustainable homeownership brings stability to families, vitality to distressed communities and overall economic growth. But many first-time homebuyers are unprepared to navigate the complex homebuying process and ongoing responsibilities of homeownership.

## OUR IMPACT IN 2016

- **223** households prepared for successful, sustainable homeownership through homebuyer education.
- **85** households received in depth pre-purchase counseling to overcome barriers to homeownership.
- **48** households received down payment assistance enabling them to purchase their first home.

Homebuyers who use HUD-approved housing counseling have **30% lower odds of experiencing foreclosure** and are **283% more likely to keep their home**, if they do find themselves in trouble.

## Sabrita’s Story

Sabrita was determined to secure safe, stable housing to raise her daughter. She was confident that homeownership could offer the most stability for her family and serve as a sound financial base on which to build their future. But she never owned a home before and she had many unanswered questions. Like many renters, she also couldn’t save enough for a downpayment due to increasing rent prices.

Sabrita received unbiased information about mortgages, predatory lending, property selection, home maintenance, true costs of homeownership and more at AHC’s homebuyer education class. She then worked with AHC’s housing counselor to develop a personalized action plan that addressed her budget, debt, savings, credit, income stability, affordability range, and purchase readiness. When the time came, AHC was there to provide down payment assistance empowering Sabrita to reach her goal of homeownership.

“Because of AHC, everything came together and we have a place to call home.”

# NEIGHBORHOOD STABILIZATION

Converting vacant, blighted properties into affordable homes for local families.

**BEFORE**

**AFTER**



## THE NEED

Vacant and abandoned properties bring down neighboring home values, increase crime and vandalism, destabilize neighborhoods, and cost taxpayers money.

## OUR IMPACT IN 2016

- **31** foreclosed, vacant and blighted properties were acquired by AHC.
- **22** homes were rehabilitated and resold at affordable prices to low- and moderate-income households.
- **19** homes were in the process of being rehabilitated and will be returned to Lake County's housing stock in 2017.

***“We can count on AHC to oversee the rehab process, thereby insuring the work is up to code, done well, and built to last.”***

Dave Kilbane, Village Administrator, Round Lake Beach

## 302 North Lakeshore Drive, Mundelein

Village administrators constantly received complaints about this vacant property. It blighted and destabilized the neighborhood for years. Potential buyers were turned off by the \$85,000 of past due property taxes, the extensive amount of rehabilitation required, and its modest after-rehab value. In 2016, AHC collaborated with the Village of Mundelein to purchase the tax lien on the property and take ownership. Rehab included a new roof and roof framing, siding, insulation, doors, windows, electric, plumbing, kitchen, bath, drywall, flooring, driveway, garage, and more. Neighbors cheered as they watched this problem property return to useful life for a local family and stabilize their block. This is just one of thirty-one blighted properties acquired by AHC this year.

# FORECLOSURE PREVENTION

*Preventing the devastating impacts that foreclosures have on families and communities.*



***“It was one of the most stressful events in our life. If it wasn’t for AHC, we would have lost our home. But now we’re back on track again.”***

## THE NEED

**1,962** foreclosures were filed in Lake County last year. Each foreclosure represents one family’s devastation and each has a destabilizing impact on the neighborhood.

## OUR IMPACT IN 2016

- **311** households were empowered to most effectively address their foreclosure situation through foreclosure education classes.
- **181** households that were facing the devastating prospect of foreclosure received in-depth counseling, intervention and mediation services.
- **50%** of AHC’s foreclosure files that were closed in 2016 resulted in a permanent loan modification enabling the homeowner to keep their home.

## Edward and Idelia’s Story

Edward and Idelia Nieves both worked second shift for the same company. Edward was an injection molding process technician and Idelia was a machine operator. When their employer lost a key contract, the company laid off the entire second shift. Edward and Idelia tried to get by on their savings and unemployment benefits, but the bills began to pile up. Then, the bank initiated foreclosure proceedings.

Edward contacted their lender to attempt a loan modification, but the modification request was denied. When they both secured new jobs that earned a combined \$6 per hour more than their previous jobs, Edward again contacted the lender. However, the bank didn’t believe that they secured new jobs and the lender refused to talk with him. At that point, he called AHC.

AHC’s foreclosure counselor contacted the lender and submitted a new loan modification request on behalf of Edward and Idelia. The request was accepted. Edward and Idelia were able to keep their much-loved home and also secure a new, lower interest rate. AHC’s intervention resulted in a much better outcome for the Nieves family, the lender, and the community at large.

# AUDITED STATEMENT OF FINANCIAL POSITION

As of June 30, 2016

## CURRENT ASSETS

Cash in bank	\$ 638,442
Prepaid expenses	21,754
Accounts receivable	253,207
NFS properties held for sale	1,773,274
ARUI properties held for sale	<u>335,736</u>
Total current assets	<u>\$ 3,022,413</u>

## PROPERTY AND EQUIPMENT

Furniture and furnishings	\$ 115,918
Less: Accumulated depreciation	<u>(108,619)</u>
Net property and equipment	<u>\$ 7,299</u>

## OTHER ASSETS

Security deposit	\$ 3,149
Loan receivable - homebuyer programs	<u>15,636</u>
Total other assets	<u>\$ 18,785</u>
Total assets	<u>\$ 3,048,497</u>

## LIABILITIES AND NET ASSETS

### CURRENT LIABILITIES

Accounts payable	\$ 18,626
Line of credit	622,823
Construction costs payable	69,809
Prepaid fees Community Partners Program	6,045
APM Program funds payable to lenders	30,256
Rental programs rents due to landlords	<u>20,737</u>
Total current liabilities	<u>\$ 768,296</u>

### LONG-TERM LIABILITIES

Homeowner rehab payable to lenders	\$ 266,937
Deferred revenue - NFS program	999,391
NFS program payable to lenders	157,324
NSP payable to Lake County	<u>68,730</u>
Total long-term liabilities	<u>\$ 1,492,382</u>
Total liabilities	<u>\$ 2,260,678</u>

### NET ASSETS

Net assets, unrestricted	<u>\$ 787,819</u>
Total liabilities and net assets	<u>\$ 3,048,497</u>

## SUPPORT

Housing counseling program	\$ 325,899
Homeowner rehabilitation program	94,270
Rental programs	46,882
Homebuyer program	72,563
Acquisition rehabilitation resale program	384,564
Unrestricted donations and earned revenue	145,898
Miscellaneous income	<u>52,337</u>

Total support and revenues \$ 1,122,413

## EXPENSES

Program services:	
Foreclosure prevention counseling	\$ 261,936
Homeowner rehabilitation assistance	143,801
Rental programs	31,111
Homebuyer loan administration	65,639
Pre-purchase counseling	94,367
National foreclosure settlement	326,281
Neighborhood stabilization program	26,376
Community partners program	3,363
Supporting services:	
Management and general	<u>121,125</u>

Total expenses \$ 1,073,999

Increase (decrease) in unrestricted net assets \$ 48,414

Net assets - unrestricted at beginning of year 739,405

Net assets - unrestricted at end of year \$ 787,819

## MAJOR DONORS & PARTNERS

(Corporate & Government)

Associated Bank	Lake County Community Foundation
Citigroup	Lake County Nineteenth Judicial Circuit Court
City of North Chicago	Realty Scientists, Inc.
City of Waukegan	Mon Valley Initiative
Fifth Third Bank	PNC
First Bank of Highland Park	U.S. Bank
First Midwest	U.S. Department of Housing & Urban Development
Housing Action Illinois	Village of Mundelein
Illinois Attorney General	Village of Round Lake Beach
Illinois Housing Development Authority	Wintrust Financial Corporation
Lake County Community Development	

# RENTAL HOUSING

*Providing access to safe, stable rental housing.*



## Tammy's Story

Tammy has been through it all. She sustained third-degree burns covering 70% of her body in an apartment fire that took the life of her 13-month old son. She tried to get back on her feet, but it was difficult. "I was lost and angry at everything after the fire," she explained. Soon thereafter, she was diagnosed with cancer and battled through multiple rounds of chemotherapy. Then, an injury at work left her needing three surgeries on her leg and she became addicted to prescription painkillers. At this point, she became homeless and was living in her car. "My life was horrible," she remembers. But Tammy overcame her addiction and was able to secure a cozy, one-bedroom Grayslake apartment through AHC's Rental Housing Support Program. Safe, stable housing gave Tammy an opportunity to start over. She hopes to start a new job in January. "Without this program, I would still be homeless," she says.

***"I started crying when they told me I was accepted into AHC's program."***

## THE NEED

Median rents in Lake County increased **33%** between 2000 and 2011, whereas median income only increased **19%** during that same period. The rent-income gap has only continued to widen since 2011, making rental housing less affordable for everyone and completely out of reach for many.

## OUR IMPACT IN 2016

**55** households avoided homelessness through rental assistance that provided access to safe, stable rental housing.

## 2016 DONOR SPOTLIGHT



Marilyn Moisio displays early photographs of May Lockhart, including a photo documenting May's brief and little-known modeling career.

Mary (May) Lockhart, a Scottish immigrant, passed away in 2015 leaving her home to lifelong friend and caretaker, Marilyn Moisio. Marilyn and her husband, Dennis, generously decided to donate the 115-year-old Waukegan home to AHC. "We chose AHC because we are confident how well they run the organization and we've seen how they help the community," Marilyn explained. After an extensive rehabilitation, AHC sold the home in 2016 to a local family. Proceeds from the sale will help AHC acquire and rehabilitate another distressed property. Sales proceeds will continue to be recycled through home after home in order to strengthen neighborhoods, improve the community's housing stock, and provide quality affordable housing for local families. On behalf of the Lake County community, we thank Marilynn and Dennis and are deeply grateful for their leadership, generosity and deep commitment to helping others.



***"Donating the home leaves a lasting legacy that will continue to help the community into the future."***

## 2016 AHC Board of Directors

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## AHC Staff

**Rob Anthony**  
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**Laura Olvera**  
*Director of Housing Services*

**Stephen Brennan**  
*Rehabilitation Specialist*



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The Affordable Housing Corporation of Lake County is a 501(c)(3) nonprofit organization that empowers communities and residents to rent homes, buy homes, repair homes and save homes from foreclosure in Lake County, Illinois.