

**COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION  
MINUTES OF DECEMBER 16, 2009**

**CALL TO ORDER**

Chairman Draffkorn called the meeting to order at 8:15 a.m.

**ROLL CALL/ATTENDANCE**

*Members Present:* Sue Draffkorn (Chairman), Tina Hill, Carol Louise, Phil Bartman, Mark Ruda, Robert Miller, Robert Pierce, Lowell Cutsforth, Rosemary Kurtz, Stanley Duda, Robert Martens, Kimberly Larson and Craig Hubert.

*Members Absent:* Yvonne Barnes, Scott Breedon, Randy Donley and Barbara Wheeler.

*Staff Present:* Dennis Sandquist, Director of Planning & Development; Maryanne Wanaski, Deputy Director/Principal Planner; Jean Niemann, Community Development Coordinator; Sarah Ciampi, CDBG Program Assistant; and Pat Melone, CDBG Administrative Specialist

Commissioner Martens called the roll and confirmed a quorum was present.

**MINUTES**

Mr. Bartman made a motion seconded by Mr. Miller to approve the minutes from October 28, 2009. Chairman Draffkorn asked if there were any changes or corrections, - there were none. The minutes were approved with all members present voting aye on a voice vote.

Ms. Kurtz and Mr. Ruda joined the meeting at 8:19 a.m.

Ms. Hill joined the meeting at 8:20 a.m.

**PUBLIC PARTICIPATION**

None.

**OLD BUSINESS**

*Review of Commissioners' Reports for October and November, 2009* - Ms. Niemann reviewed drawdown activity. She said that at the end of October and November there was an effort to draw-down as much as possible. She confirmed that our current ratio is 1.84%. Ms. Ciampi said that under Miscellaneous Business we will be reviewing staff activities to get our ratio down. In response to questions, Ms. Ciampi said staff has met with McHenry County Housing Authority and discussed their open contracts. Starting in February staff will monitor all open contracts with the intent of closing out 2005 thru 2008 HOME and CDBG activities by March of 2010. The Housing Authority will go through a full monitoring plan and sign off on a workout plan.

*January CDBG Meeting Location* – Because of the need for official CDBG action in January and February it was decided that those meetings will be held in the Administration Building. Ms. Niemann will work on scheduling the March meeting at Pioneer Center in McHenry where it had been proposed to hold the January meeting.

**NEW BUSINESS**

*Housing Commission* – Ms. Ciampi gave an update on the status of the Housing Commission and how the CDBG Commission and Housing Commission will work together. At this time the Commission Ordinance is on an official 30-day review and will be before the County Board on January 5.

*CDBG Commission – Information Series* – Ms. Ciampi said staff would like to provide a small informative presentation at each meeting on a topic selected by the Commission to help members

understand program requirements and asked for “feed-back” on this. Various topics were suggested by Commissioners.

*Re-appointment of Mark Ruda to CDBG Commission* – This item will be postponed until January, 2010 as the McHenry County Housing Authority Board meets next week and they need to make the recommendation of re-appointment at that meeting.

*Allocation of CDBG and HOME Program Income* – Ms. Ciampi indicated staff had been working with the Treasurer and Auditor to determine exact funding in HOME and CDBG Program accounts. As a result, it was determined there is available HOME and CDBG Program Income from concluded 2007 Housing Authority contracts. Program Income was defined as monies returned by an organization that were recaptured and not expended before the end of the contract. The Housing Authority had constituents default on contract agreements and loans which resulted in the return of funds. Ms. Ciampi indicated HUD requires immediate use of the Program Income and outlined the Program Income proposals.

Ms. Ciampi explained that staff recommends use of the HOME Program Income funds for the beginning of an Impediment Survey, stating the County had not completed one since 1997. The Survey would be an activity under the authority of the Housing Commission or Housing Committee and staff. It was verified by the HUD Region office as a fair housing activity, making it eligible as a HOME activity. In response to questions she said that \$10,000.00 would cover Phase I of the project and this survey should be conducted every five years. Motion by Ms. Hill seconded by Mr. Ruda to approve spending \$10,000.00 for the Impediment Survey. On a roll call vote all members voted aye and the motion carried.

Ms. Ciampi outlined two projects to expend CDBG Program Income: funding the Housing Commission \$10,000.00 and creation of a Contingency Fund of \$66,142.00. If the Housing Commission is approved on January 5, they would like a resolution to go from Planning & Development Committee to the County Board to fund the \$10,000.00 and waive the official application to the CDBG Commission. She was asked what the \$10,000.00 would be used for and responded it would be used for their education outreach efforts and gave outlines. She will forward the Housing Commission Budget to the CDBG Committee. She was asked if there were other considerations for that money and replied that the full \$76,142.00 could go into the Contingency Fund. The Contingency Fund can serve two purposes: to fund a project deemed as an emergency project based on urgent need and fund existing allocated projects additional money to assist with project spend down. The Commission expressed a desire to setup a Contingency Fund. Ms. Ciampi used the two potential projects before the Commission as examples of the funding capacity.

Motion by Mr. Duda seconded by Mr. Miller to move \$76,142.00 from CDBG Program Income into the Contingency Fund. On a voice vote all members voted aye and the motion carried.

Ms. Ciampi was asked how Turning Point and the City of Harvard were selected to receive funding from the Contingency Fund. She said the City of Harvard was identified because staff was working on projects that were open for extended periods of time that needed immediate close-out. The City has approached staff several times saying they cannot proceed because they cannot afford the project engineering. Staff felt that if the project engineering was funded out of Contingency then the whole project could be completed and closed. The Commission discussed the possibility of funding different sub-grantees.

Ms. Wanaski asked how much money would be left in the Contingency Fund if the two projects are funded. Ms. Ciampi said \$20,142.00. Ms. Wanaski said staff has been looking at how funding is allocated and whether we are going to require a 20% match by sub-recipients at this time with current economic conditions. She pointed out that the match is a County imposed rule, not a HUD rule. Concern was expressed about the two projects being selected by staff and not opening up the funding

to all sub-recipients. Ms. Wanaski drew Commissioner's attention to the fact that CDBG is a brick and mortar HUD program – service agencies do have a “small piece” but they have other options available to them. The Commission discussed the two projects and concerns regarding them.

Motion by Mr. Duda seconded by Mr. Ruda to fund Turning Point and the City of Harvard from the Contingency Fund in order to retire both projects. On questions regarding Turning Point, Ms. Ciampi formally introduced the project and introduced Ms. Farmer from Turning Point to make her request and answer any questions by Commissioners.

Ms. Farmer said Turning Point is a secured facility; both the shelter and the main building with cameras and a buzzer system. They have victim and children service programs and also a perpetrator program. These have two separate entrances, so that victims and perpetrators never cross paths. The occurrence was that a police department wanted to serve a warrant on a perpetrator on site. At that time part of the building was in use with victims' services in addition to the perpetrator program. As a result of the warrant being served a perpetrator fled, used the existing emergency exit leading to the victim area and proceeded to go out a window to the fenced children's playground before being apprehended. Because of the serious nature of this occurrence, the emergency exit needs to be sealed off. After talking with the City of Woodstock and the Fire Marshall, it was clear the upstairs must have two emergency exits, and the recommendation was to create a new exit.

Commissioners spoke in support of funding Turning Point. It was pointed out that there was a motion on the floor to approve the funding of both Turning Point and City of Harvard, but they felt that the motion to fund both projects should be split. Motion by Mr. Duda seconded by Mr. Ruda to amend the previous motion and fund Turning Point only; removing the City of Harvard funding from this motion. Ms. Ciampi confirmed that the motion on the floor is to fund Turning Point in the amount of \$48,000.00 in an emergency capacity from the Contingency Fund.

Ms. Louis said two weeks ago she discussed a potential project with a Board Member, who told her she needed to contact CDBG. Her Grant Writer, Lilly Duncan called and asked if there were any funds available and was told there were not. She did not specify the project and at the time we did not have a Contingency Fund. Debate on this issue followed. Ms. Wanaski and Ms. Ciampi indicated that was correct as there was not general funding available, nor the existence of the Contingency Fund. Mr. Sandquist said we will make it known to all sub-recipients that we now have a Contingency Fund, once approved by the Board.

After further debate on the Turning point funding, there was a roll call vote on the motion. Mr. Pierce voted nay and all other members present voted aye. The motion carried.

Motion by Mr. Bartman seconded by Mr. Miller to fund the City of Harvard in the amount of \$7,500.00 for project engineering with the provision placed in their contract for spend down by October 30, 2010. On a roll call vote: Draffkorn, Hill, Bartman, Ruda, Miller, Cutsforth, Kurtz, Duda, Martens and Larson voted aye; Louise, Pierce and Hubert voted nay. The ayes have it and the motion carried. Ms. Ciampi confirmed that it would also be placed in the contract that any unused funding must be returned and put back in the Contingency Fund.

*Allocation of Unallocated 2009 HOME Funds* – There are unallocated HOME funds in the amount of \$52,757.00. The revisions to the Consolidated Plan as well as HUD's reviews of our county functioning capacity have determined that in the next one to three program years one to three new community housing development organizations (CHDO's) should be established. HUD requires us to give this type of funding to these organizations for the purpose of unit development. An organization has come forward and stated they are specifically interested in becoming a certified CHDO with the County. They are immediately willing to go for a 501(c)3 designation, which is the strictest designation but allows them more HUD funding capacity because they can use their CHDO designation to also work under the

jurisdiction of other HUD programs , such as a Section 202 Program, which is Senior Housing or 811 Program which is Disabled Housing or any of the other HUD funded programs.

Staff is asking to use these HOME funds for an immediate allocation to get any new CHDO started. HUD Region 5 has made an offer of technical assistance for additional funding that they will provide to help a new CHDO secure the necessary partnerships and consultations for certification. In response to questions she said we are establishing a CHDO Reserve Fund, which is a fund set-aside for the purpose of having a CHDO come into our community. The increase in CHDO's creates necessary competition for funding and compliance with the Housing Unit Development provisions that we have set forth as a Commission.

Motion by Mr. Ruda seconded by Ms. Louise to move \$52,757.00 into the CHDO Creation Fund. On a roll call vote all members voted aye and the motion carried.

Mr. Martens left the meeting at 9:45 a.m.

Mr. Cutsforth left the meeting at 9:46 a.m.

*Amendment to 2009 Action Plan* - Motion by Mr. Duda seconded by Mr. Ruda to authorize staff to carry out resolutions as designated through motions today and make amendments to the 2009 Action Plan upon official passage of related Resolutions by the County Board. On a voice vote all members voted aye and the motion carried.

#### **MEMBERS' COMMENTS, MISCELLANEOUS BUSINESS AND ANNOUNCEMENTS**

Ms. Kurtz asked about the Senior Services Association. Other commissioners gave information on this topic.

Ms. Wanaski thanked Commissioners for their work this year and talked about proposed changes for next year. Ms. Ciampi gave an overview of a Division Work Plan, starting with a new monitoring process and a new Risk Assessment process. Both are internal processes of how we are going to follow our sub-grantees. Monitoring begins February 1, 2010, and all of our sub-grantees (program and project) will now be monitored. Working is being done on a spend-down action plan, using our monetary system (IDIS) in correlation with our contract dates and open accounts to see when we are going to spend down this money. Staff is looking at spending down all 2005 and 2008 contracts; either by spending down these contracts or by reprogramming. In February we will be hosting a forum for all of our sub-grantees on an Application in Input Form, and an official Department of Labor, Davis-Bacon training. Staff will present new processes for the Commission and Programs beginning in January.

Mr. Miller left the meeting at 9:50 a.m.

#### **ADJOURNMENT**

Mr. Bartman made a motion to adjourn seconded by Mr. Cutsforth at 9:57 a.m. Chairman Draffkorn declared the motion passed, on a unanimous voice vote,