

PLANNING AND DEVELOPMENT COMMITTEE
McHenry County Government Center – Administration Building
667 Ware Road – Conference Room A
Woodstock, IL 60098

MINUTES OF THURSDAY, FEBRUARY 2, 2012

Chairman Hill called the Planning and Development Committee meeting to order at 8:30 a.m. The following members were present: Randy Donley; Mary Donner; Sue Draffkorn; Jim Heisler; Tina Hill; Marc Munaretto and Ersel Schuster. Also in attendance: Kenneth Koehler, County Board Chairman; Peter Austin, County Administrator; Dennis Sandquist, Matt Hansel, Darrell Moore, Sarah Ciampi, Cory Horton, Alicia Law, Kim Ulbrich and Faith Taylor, Planning and Development; Mary McCann and Diane Evertsen, County Board; Joe Korpalski and Walter Dittrich, McDOT; and interested public.

Tina Hill, Chairman
Randy Donley Mary L. Donner
Sue Draffkorn Jim Heisler
Marc Munaretto Ersel Schuster

MINUTE APPROVAL: Mr. Munaretto made a motion, seconded by Ms. Schuster, to approve the minutes from January 19, 2012. The minutes were approved with a unanimous voice vote of all ayes.

PUBLIC COMMENT:

Mike VonBergen, Supervisor for Hebron Township, addressed the committee concerning the government permit fees. He would like the permit fees to stay status quo. While Hebron Township did not have to pay for some permits, they still had to pay for some other permits which amounted to approximately \$5,100. To date, the costs incurred for all permits and the extra engineering for the stormwater reviews amount to approximately \$119,000. Permit fees are a substantial cost to the taxpayers. The proposed government permit fees are taking taxpayers' money and giving it back to another taxing body which is taxation without representation. He encouraged the committee to keep the government permit fees the way they are.

Mel VonBergen, Hebron Township and Commissioner for the Hebron Township Drainage District, addressed the committee concerning the stormwater permit fees that have been charged in the past. He feels the permits are totally out of align, not only the cost of the permits themselves, but also for the time involved to have staff work on the permits. He mentioned that the P&D Department has new staff who work on stormwater permits, but feels that when they processed one of the Drainage District's projects, it was an after-the-fact situation and the staff that were sent out to view the project were totally incompetent and did not have any knowledge of the drainage the Drainage District was working on.

Elizabeth Kessler, Executive Director for the McHenry County Conservation District addressed the committee on behalf of the MCCD Board and staff concerning the government permit fees. She mentioned that in the spirit of cooperation, it has always been MCCD's cornerstone and foundation to work cooperatively not only with the County, but also with other units of government. The process of moving funds from one governmental taxing body to another spends a lot of time and resources and staff time. An opportunity that the MCCD does is open space preservation and how it impacts the overall impact for stormwater management. All of the areas for groundwater recharge and the open space through acquisition that the MCCD provides are benefits to the County. In the spirit of cooperation, there are many projects that the MCCD provides financially to the County without assessing a fee back to the County. Examples would be the MCCD assisting with the rain garden, working through land swaps through land acquisition, and helping McDOT with transportation corridors. MCCD does not assess a fee back to the County on these types of transactions. She stated that the MCCD does not support the proposed government permit fees.

PRESENTATIONS: None.

SUBDIVISIONS: None.

Chairman Hill requested that the interviews for the ZBA and CDBC be conducted next.

NEW BUSINESS:

Interview for Appointment to the McHenry County Zoning Board of Appeals (ZBA): Committee members interviewed Patricia Kennedy for consideration for appointment to the McHenry County Zoning Board of Appeals. Mr. Munaretto

made a motion, seconded by Ms. Donner, to recommend the appointment of Thomas Harding to the McHenry County Zoning Board of Appeals, as an alternate, with a term to expire on December 15, 2014. The motion carried on a roll call vote of five ayes (Donley, Donner, Draffkorn, Munaretto and Hill) and two nays (Schuster and Heisler).

Interviews for Appointment to the Community Development Block Grant (CDBG) Commission: Committee members interviewed Jane Farmer, Paul LaFleur, Robert Miller and Phil Bartmann for consideration for appointment to the Community Development Block Grant Commission. Mr. Munaretto made a motion, seconded by Mr. Donley, to recommend the following appointments to the Community Development Block Grant Commission: Robert Miller as the Township/Municipality representative; Robert Martens and Paul LaFleur as Members at Large; Jane Farmer as the Social Service Agency representative; and Cathryn Perfetti as the Housing Authority representative to the Community Development Block Grant Commission. Ms. Donner made a motion, seconded by Ms. Draffkorn, to amend the motion and remove Jane Farmer as the Social Service Agency representative from the original motion. The motion carried on a voice vote. The original motion carried with all members present voting aye on a roll call vote (Donley, Donner, Draffkorn, Heisler, Munaretto, Schuster and Hill).

Mr. Munaretto made a motion, seconded by Mr. Donley, to recommend the appointment of Jane Farmer as the Social Service Agency representative to the Community Development Block Grant Commission. The motion carried on a roll call vote of six ayes (Donley, Draffkorn, Heisler, Munaretto, Schuster and Hill) and one nay (Donner).

Mr. Munaretto made a motion, seconded by Ms. Draffkorn, to recommend the appointment of Phillip Bartmann and William Swenson as Members at Large representatives to the Community Development Block Grant Commission. The motion carried on a roll call vote of six ayes (Donley, Donner, Draffkorn, Heisler, Munaretto and Hill) and one nay (Schuster).

Mr. Sandquist mentioned that there needs to be a County Board member on the CDBG Commission. Chairman Hill stated that the P&D Committee's recommendation to the County Board Chairman is that Sue Draffkorn be the County Board representative on the CDBG Commission, along with being the Chairman of the CDBG Commission.

Mr. Sandquist mentioned that this will be the first time seating the new CDBG Commission members and the terms will be staggered. The terms will be for two, three or four years. Staff will make recommendations for the terms for the CDBG Commission.

OLD BUSINESS:

Government Permit Fees: Mr. Sandquist, Mr. Horton and Mr. Hansel joined committee members to discuss government agency fee waivers. Mr. Sandquist mentioned that his staff and he have worked hard to develop good relationships with all government agencies. He mentioned that the P&D Department needs to be paid for the services they are providing and the two alternatives are to obtain funds from the general fund, or obtain funds from fees. The P&D Committee previously requested staff to prepare information documenting how changing the government agency fee waivers would impact individual government agencies. This data was provided to the committee and detailed the waived permit fees by applicant type, applicant name and individual permits. Over the last two years, the P&D Department has waived approximately \$127,348 in fee waivers which are roughly divided between building fees and stormwater fees. The largest beneficiary from the waiver of government agency fees is the County as a whole, which is divided between McDOT and McHenry County Facilities. Mr. Sandquist mentioned that staff has reviewed their fees to make sure they are reasonable for the work involved. There have been discussions at previous P&D meetings concerning what other government agencies do for their government agency fee waivers. For well and septic permits, the McHenry County Health Department does not have a blanket fee waiver for government agencies. Government agencies have to pay the fees or ask for a fee waiver. He mentioned that McDOT does not have blanket fee waivers for access permits. Mr. Korpalski stated that at yesterday's McDOT meeting, the consensus of the Transportation Committee members was that they were opposed to have P&D charge McDOT government agency fees. He mentioned that the strategic goal is intergovernmental cooperation. McDOT also provides other services to other departments within the County which McDOT does not charge for. Mr. Munaretto mentioned that he does not feel that they should charge McDOT fees. He mentioned that both McDOT and the MCCD provide a universal benefit to all of the taxpayers of McHenry County who provide a subsidy to the general fund for the fee waivers that are granted. He mentioned that in the memo provided by P&D staff, it mentioned one municipality which recently decertified under the stormwater ordinance with the specific objective of avoiding paying for its own consulting engineers to review their permits for a municipal drainage project. He

questioned why the taxpayers of McHenry County, in this instance, provide a subsidy to someone who gained the system. Where there is a common benefit among the residents of McHenry County, he has no compunction about their ability and desirability of waiving fees, but if there isn't a common benefit, then they are asking the taxpayers of McHenry County to provide a subsidy to another unit of government. Mr. Sandquist stated that Lake County charges everybody fees, including the Lake County Forest Preserve, their public works department, their transportation department, along with municipalities and townships. Kane County charges everybody fees, except their Forest Preserve District and their Division of Transportation. Currently the ordinance reads that all fees are waived for all government agencies. This could be changed to read that all fees are waived for the McHenry County Division of Transportation, McHenry County Conversation District, and McHenry County Facilities. Currently municipalities and townships are not charged building, zoning and stormwater fees. Ms. Schuster mentioned that every project needs to be funded by the entities that are requiring the permits. To be fair, she feels permit fees need to go back to the individual government entity that are proposing the projects. Concerning permit fees for government entities, she feels it is not necessary to charge intergovernmental departments, within the County complex, government agency permit fees. Ms. Draffkorn stated that she would like the fee structure to stay the way it is now. Mr. Donley stated that he does not agree with charging smaller governmental agencies for permit fees. He feels the County can absorb the costs for fees that would be charged to small governmental agencies because the smaller governmental bodies cannot afford the costs. Ms. Donner mentioned again that if the smaller governmental agencies have to pay for these fees, it will be a burden on their small budgets. In the past the P&D Department has mentioned that there is a need for an additional stormwater engineer. Ms. Donner stated that the funds to hire an additional stormwater engineer needs to come from another source and not from charging government agency fees. Mr. Heisler stated that he would like to leave the fee structure the way it currently is. Chairman Hill stated that it is the consensus of committee members to leave the government permit fees charged by the P&D Department the way they currently are.

At 10:12 a.m. Chairman Hill stated that the meeting will take a five minute break and will reconvene at 10:18 a.m.

NSP Status Report: Mr. Sandquist and Ms. Ulbrich joined committee members and provided a status report on the Neighborhood Stabilization Program (NSP) and an overview of future program activities in order to complete the grant by March, 2013. Mr. Ulbrich mentioned that the NSP Grant was issued on March 30, 2009 in the amount of \$3,085,695. All program funds, including program income, must be expended by March 30, 2013. She mentioned that the goal for the program was to purchase 20 homes with the first series of the program. To date, grant funds have been used to purchase 15 homes, 11 of which have been renovated and sold to income qualified buyers. Of the remaining four homes, two are nearing the completion of their renovations, one has been prepared for resale and is currently on the market, and the last home is undergoing renovations and will be placed on the market within the next 60 to 90 days. A minimum of 25% of the grant award is required to be used to assist persons at or below 50% area median income. The current area median income is \$75,800 for 2012. Affordability is determined by household income. For NSP, the eligible household income is 120% of area median income or below, and rent rates are determined by HUD Fair Housing Standards by household income and the size of housing units. A single person can participate in this program, and she mentioned that statistics stated that most residents of the County qualify for the NSP. As of today, a family of four can earn up to \$90,090 and participate in the program. All homebuyers are required to receive a minimum of eight hours of consumer credit counseling education. There is assistance available with down-payments in the form of a soft second mortgage from NSP monies left in the sale of the home. The sales price of the home is the appraised value. The Community Development (CD) Division has kept an open contractors list and people can still apply to be added to this list of contractors. The County's NSP has issued over 250 construction contracts and paid approximately \$75,000 in property taxes for the properties. This program has been very beneficial to contractors in the County. The construction contracts do not include land surveyors, realtors, or attorneys.

A PowerPoint presentation showed before and after photographs of the properties in the Neighborhood Stabilization Program.

Mr. Heisler left the meeting at 10:47 a.m.

Ms. Ulbrich mentioned that the proposed next steps for the NSP will be to purchase several multi-family properties in an effort to develop more affordable rental opportunities. NSP may also consider continuing to purchase single-family homes, which will depend on what the housing stock will be. Mr. Sandquist mentioned that the Community Development Division has been running the NSP directly and have been using the same contract service providers that CAHMCO had

been using for real estate, legal, marketing, general contracting and construction management services. The homes are currently being held in a real estate trust with CAHMCO designated as the beneficiary since CAHMCO handled the original purchase of the homes. Staff is looking into changing the trust beneficiary for the properties and only McHenry County Habitat for Humanity has indicated a willingness to serve as the trust beneficiary. He mentioned that the property focus, thus far, has been to purchase, rehab and sell single-family homes and a few duplexes. One of the goals is to look at affordable rental units and if none are found, then the NSP will continue with single-family homes. To date \$873,226 has been generated in program income from the sale of properties, and \$780,675 has been disbursed for expenses.

Chairman Hill mentioned that this topic will be placed on a future P&D Committee agenda for discussion in order to provide CD Division staff direction with regard to the ending of the NSP in March, 2013. Mr. Sandquist mentioned that HUD is preparing the grant close-out rules and notice for NSP. HUD will provide guidance as to what the possibilities will be with regard to the remaining NSP funds.

Mr. Heisler returned to the meeting at 10:53 a.m.

Ms. Schuster questioned how prospective home buyers are able to find information concerning the NSP properties. Ms. Ulbrich mentioned that they have marketed the properties through the consumer credit counseling and presentations to realtor groups. The best marketing occurred when the properties were listed for sale and were placed on the MLS (Multiple Listing Service). Ms. Schuster requested staff to prepare a chart identifying the purchase price, total costs, and net profit for each property. Chairman Hill questioned if the NSP properties listed on the MLS would indicate that they are NSP properties and the answer was yes. Ms. Ulbrich stated that this would be noted in the "comments" section on the MLS. The NSP requirements would also be noted in the "comments" section. Ms. Schuster questioned how long the County stays involved with the property after it is sold, and what is the County's responsibility for each piece of property after it is sold. Ms. Ciampi stated that the properties have deed restrictions on them which range from 5 to 15 years. If the sale of the property occurs within that period of affordability, the funding is recaptured which means the County would recapture a pro-rated amount from the proceeds of the sale of the home and the money comes back to the County in the form of program income. Once the NSP close-out guidelines are received from HUD, it is assumed that the program income will go directly to the CDBG and be treated as CDBG program income. Every year CD Division staff does a verification to make sure the purchaser is still the primary resident of the property in order to make sure no one is renting the home because that would be a violation of the program rules. Ms. Schuster stated that this is a County responsibility and a cost of overhead for the County. Staff mentioned that it is paid through the grant administration fund for the duration of the programs. Chairman Hill questioned if CDBG funds were not available, would the County still be responsible for doing the resident verifications and the answer was yes. The 5 to 15 years is based on the subsidy in the home, which is based on the qualified income of the purchaser, the home that was purchased, and the selling price. Whatever subsidy, including the up-front homebuyer assistance that was provided, determines the length of the period of affordability. Mr. Sandquist mentioned that a certain percentage of the subsidy is forgiven every year. Mr. Donley questioned as to how many homes are in the NSP that are at 15 years. Staff did not have that answer and will provide that information at a future meeting. Ms. Schuster questioned if the purchasers of the NSP homes have to be McHenry County residents and the answer was that they can come from anywhere, but most purchasers are McHenry County residents.

REPORTS TO COMMITTEE:

Community Metropolitan Agency for Planning (CMAP): None.

Community Development Block Grant (CDBG) Commission: None.

Historic Preservation Commission: None.

Housing Commission: None.

MISCELLANEOUS: Chairman Hill mentioned that Sarah Ciampi recently took the HUD Certification for Regulations test and is now certified in HOME regulations. Committee members congratulated her on this achievement and certification.

EXECUTIVE SESSION: None.

ADJOURNMENT: Noting no further business, Mr. Heisler made a motion, seconded by Ms. Donner, to adjourn the meeting at 11:02 a.m. The motion carried with a unanimous voice vote.

* * * * *

RECOMMENDED FOR BOARD/COMMITTEE ACTION/APPROVAL:

Recommend the appointment of Thomas Harding to the McHenry County Zoning Board of Appeals
Recommend the appointments of Robert Miller, C. William Swenson, Robert Martens, Phillip Bartmann, Paul LaFleur, Jane Farmer and Cathryn Perfetti to the Community Development Block Grant Commission

mh