



The inclusion of CARES Act and Covid-19 Response funding.

## Executive Summary

### AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

#### 1. Introduction

The U.S. Department of Housing and Urban Development (HUD) has designated McHenry County an “Urban County.” As such, the County receives annual grants from the federal government, namely the Community Development Block Grant (CDBG) and the HOME Investment Partnerships Program (HOME) in order to provide financial support for municipalities, housing, economic and service providers throughout the County.

As part of the grant administration process, the County developed a Five-Year Consolidated Plan 2015-2019 that directs the analysis and prioritization of needs as related to housing and community development. Also part of the grant administration process, the County develops an Annual Action Plan for each of year that the Consolidated Plan is in effect. This Annual Action Plan contains goals and objectives for year five of the Consolidated Plan.

The Second Amendment to the 2019 Annual Action Plan allows for \$1,413,321 in funding and associated activities to be included in the Plan. These will be identified in purple.

These activities will also be included in the 2020-2024 Consolidated Plan for Community Development, as there is no chance they will occur prior to September 30, 2020. The activities may be included in the 2020 Annual Action Plan if requested/required by HUD.

#### 2. Summarize the objectives and outcomes identified in the Plan

This could be a restatement of items or a table listed elsewhere in the plan or a reference to another location. It may also contain any essential items from the housing and homeless needs assessment, the housing market analysis or the strategic plan.

Due to the late disbursement of FY 2017 and FY 2018 CDBG and HOME funds, many projects approved for funding were not completed within those reporting years or needed to be moved according to when they could actually be completed. Hence, some projects aoriginally allocated funding in 2017 and 2018 and will carry over as 2019 accomplishments. 2019 CDBG projects continue to pursue unmet Consolidated Plan goals: including elimination of slum and blight conditions through historic

preservation of the façade of a public building; a McHenry County Planning and Development in-house project leveraged with IHDA funds that will demolish four or more abandoned properties; three TBRA projects seeking to assist homeless households; two new new Microenterprise projects and much more. Although the public service goal was met, eleven public service projects will support LMI households and introduce a new resources to TBRA projects. A \$125,000 grant will continue to fund the local Housing Authority’s Owner-Occupied Rehab program, and upon completion exceed the CDBG goal of assisting 125 homeowners with housing repairs. Several infrastructure projects will contribute to the already-met goal of assisting 5000 individuals. Activities include street repairs; some group home rehabilitations, the addition of water services and installation of sprinklers as a safety measure for a homeless shelter; the completion of a year round homeless shelter rehabilitation; and the expansion of a parking lot of a food pantry housed in a community senior center.

HOME priorities will finally begin to meet the Con Plan goals: the above mentioned TBRA grants merge HOME rental dollars with CDBG service dollars, but the goal of assisting 25 households remains unmet; HOME-funded rental rehabilitation activities will fund repairs on a low-income housing project, adding eight additional household beneficiaries to efforts to complete the goal of 25 units; HOME-funded Downpayment Assistance activities are conducted solely by Habitat for Humanity of McHenry County, one of the few CHDO’s operating in our region. Senior Housing developments are in high-demand as the population ages.

Through the CARES Act, the United States Department of Housing and Urban Development allocated an additional \$830,790 in funding to support community needs that are the result of the COVID-19 Pandemic. Substantial Amendment 1 to the 2019 Annual Action Plan identifies the uses of this funding and also revises the use of HOME funding originally targeted toward Owner-Occupied Rehabilitation that will now be used by the McHenry County Housing Authority for Tenant-Based Rental Assistance as approved by the McHenry County Board in the Spring of 2020.

### **3. Evaluation of past performance**

This is an evaluation of past performance that helped lead the grantee to choose its goals or projects.

The 2019 Action Plan will be the third year of updated priorities outlined in the Second Major Amendment to McHenry County’s Consolidated Plan approved in 2017. Due to the continual poor performance of certain objectives, existing unmet goals were prioritized and if advantageous, amended to include an automatic parity: To incentivize organizations to pursue tenant based rental assistance, an automatic 20% CDBG Public Service grant was awarded to any TBRA request, and the introduction of microenterprise development in 2017 included public service dollars to support the primary economic development activities. The Second Major Amendment to the McHenry County Consolidated Plan also introduced historic preservation and elimination of slum/blight as eligible CDBG activities. Activities

previously listed under the Affordable Housing category were delineated to more accurately account for HOME funding uses. This allowed for activity set-up details to be reflected under their appropriate corresponding goal category, and thereby carry over beneficiary information into microstrategy reports. A Third Major Amendment merely involved the change of the HUD program year to October 1 annually.

#### **4. Summary of Citizen Participation Process and consultation process**

Summary from citizen participation section of plan.

The Public Notice for the draft Annual Action Plan for 2019 was initially published in the local newspaper and distributed to the local libraries, the local housing authority and local subrecipients in the community. The public comment period for this initial notice was from June 14 - July 15, 2019 with a public hearing on June 25, 2019.

The Public Notice for Substantial Amendment 1 to the 2019 Annual Action Plan is being posted for Public Comments using electronic methods as identified in McHenry County's Citizen Participation Plan. Through a waiver granted by HUD on April 23, 2020, McHenry County has opted to utilize a five-day Public Notice for this Substantial Amendment. The time period for Public Comments was started at 4:00 PM CDT on Tuesday, May 26, 2020 and ended on Monday, June 1, 2020 at 4:00 PM CDT. A Public Meeting was held online on May 27, 2020 at 2:00 PM CDT. (Update on comments receive to be posted here after June 1).

#### **5. Summary of public comments**

This could be a brief narrative summary or reference an attached document from the Citizen Participation section of the Con Plan.

The Division did not receive comments during the comment period.

#### **6. Summary of comments or views not accepted and the reasons for not accepting them**

No comments were rejected.

#### **7. Summary**

The CD Division remains committed to funding a Lift Station project in the City of Crystal Lake. The project will provide for much-needed flood relief while also gleaning substantial leverage provided by the City. The Division remains at more intense efforts of identifying additional means to garner public interest and diversifying its applicant pool. New organizations continue to contact the Division regarding funding options among many programs. For example, the Johnsburg School District and Warp Corp wer eboth funded for Microenterprise development. Two new organziations request

funding under a non-CDBG pool of funding provided by the County for Seniors. Other organizations are exploring new ideas and approaches to projects for their communities as they look forward to 2020.

The County revised its Microenterprise strategy per national best practices and is issuing grants of up to \$5,000 for between 70-80 Microenterprises throughout the County. It is also responding to the myriad of immediate or short-term needs that are going to be the result of the COVID-19 Pandemic, including legal services, rental and mortgage assistance, homeless services, food security, and projects related to social distancing.

**PR-05 Lead & Responsible Agencies – 91.200(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

Describe the agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
CDBG Administrator	MCHENRY COUNTY	Dpt. of Planning-Community Development Division	
HOME Administrator	MCHENRY COUNTY	Dpt. of Planning-Community Development Division	

**Table 1 – Responsible Agencies**

**Narrative (optional)**

Mchenry County Planning and Development Department, Community Development Division developed the Annual Action Plan , and both the Public Health and Community Services Committee and the McHenry County Board approved and authorized the submittal of the plan to HUD.

**Consolidated Plan Public Contact Information**

McHenry County Department of Planning and Development, Community Development Division

by mail: 2200 N. Seminary Ave., Woodstock, IL 60098 or in person at: 667 Ware Rd., #207B, Woodstock, IL 60098. Phone number 815-334-4560.

Planning and Development Director, Mr. Dennis Sandquist; Community Development Administrator, Mr. Hans Mach

## **AP-10 Consultation – 91.100, 91.200(b), 91.215(I)**

### **1. Introduction**

McHenry County, through its Citizen Participation Plan, informed the public through a Public Notice made available in the local newspaper, through a presentation and meeting, on the County website, in local libraries, with the local housing authority. Citizens, public agencies and other interested parties may review information and records related to the Consolidated Plan and other HUD documents. The County provides public access via internet and hard copy upon request.

CoC members are informed of the draft Action Plan and are encouraged to review the plan and comment. Additionally, the Consolidated Plan is developed with CoC stakeholder comments and input, for instance, the high priority placed upon activities that serve the homeless is a CoC influence in the Consolidated Plan and in the Action Plan.

### **Provide a concise summary of the jurisdiction’s activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies (91.215(I))**

The McHenry County Housing Authority is a member of the CoC with previously described opportunity to be involved in the plan creation. In addition, public notice for comments on the draft plan is posted with the Housing Authority for tenants of public housing to comment. Agencies that provide mental health and services also are part of the CoC and are informed and encouraged to comment on the Consolidated and Action Plans.

The County helps to coordinate a county-wide Funders Forum for the purposes of discussion with other funding entities in order to better coordinate services and community needs among multiple partners. The CD Division coordinates with Emergency Management and is participating in the Restoration of housing and public facilities in McHenry County.

### **Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness.**

The CSBG Commission has prioritized its funding for Homelessness Prevention services and activities this year, and continues to provide support through activities at the Housing Authority. Home of the Sparrow continues and Outreach and Referral Program to provide for shelter diversion. These projects service a wide variety of individuals and households, including veterans, disabled, families and single individuals. The community continues to promote Street Outreach as a prioritized activity, which assists the community with coordinated assessment and the ability to directly work with chronically homeless individuals in the community. The community also has access to the Supportive Services for Veteran

Families through the TLS Veterans organization. CDBG funding from 2019 (and in majority from prior years) will be used to complete the rehabilitation of a shelter facility designed to service 70 individuals at any given time and will also be used to run water service and sprinklers to another shelter site for homeless women and children as a safety measure. TBRA funding along with case management support dollars will be used to end homelessness for homeless individuals at three different organizations. The TBRA funding can meet service caps for clients that may not be eligible under other programs.

**Describe consultation with the Continuum(s) of Care that serves the jurisdiction's area in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

McHenry County is the lead (Planning) agency for the CoC and as such, assists the CoC with their allocation of ESG, however, the County does not receive an entitlement allocation of ESG.

As planning grantee, the Community Development (CD) Division works with the CoC to provide strategic planning initiatives and to foster annual ranking and evaluation procedures for CoC and ESG grant funding. The CD Division also monitors ESG, CoC, CDBG, NSP and HOME grant funding. The Homeless Management Information System currently is funded the CoC Program with the County as the grantee. Procedures for operating HMIS were developed through consultation with the CoC.

**2. Describe Agencies, groups, organizations and others who participated in the process and describe the jurisdiction's consultations with housing, social service agencies and other entities**

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	MCHENRY COUNTY HOUSING AUTHORITY
	<b>Agency/Group/Organization Type</b>	PHA
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Lead-based Paint Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consultation
2	<b>Agency/Group/Organization</b>	MCHENRY COUNTY
	<b>Agency/Group/Organization Type</b>	Services-Elderly Persons Services-Persons with Disabilities Services-Health
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The County was consulted as the Participating Jurisdiction and as the body politic that would approve the Annual Action Plan for submission to HUD; approval is the anticipated outcome.
3	<b>Agency/Group/Organization</b>	City of Woodstock
	<b>Agency/Group/Organization Type</b>	Services-homeless Other government - Local

	<b>What section of the Plan was addressed by Consultation?</b>	Public Housing Needs Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This City was consulted as a former subrecipient of funding and as the City that houses a homeless services provider in one of its former municipal buildings. the anticipated outcome is to receive input to the Annual Action Plan as related to homeless services and infrastructure.
4	<b>Agency/Group/Organization</b>	Turning Point, Inc.
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Victims of Domestic Violence Services - Victims
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Families with children Homelessness Strategy Domestic Violence Service Provider
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Organization is consulted as a domestic violence services provider, a CoC member, and as a current grantee. The anticipated outcome is the realization of the needs for DV services and for input on facilities and services needed for DV Victims.
5	<b>Agency/Group/Organization</b>	City of Harvard
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development Anti-poverty Strategy Infrastructure Needs

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization is consulted as a current or recent subrecipient and the intended outcome is input into anti-poverty strategies and infrastructure needs. In the case of Harvard, also economic development needs.
6	<b>Agency/Group/Organization</b>	CITY OF MCHENRY
	<b>Agency/Group/Organization Type</b>	Services-homeless Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Infrastructure
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The organization is consulted as a current or recent subrecipient and the intended outcome is input into anti-poverty strategies, homeless services, and infrastructure needs.
7	<b>Agency/Group/Organization</b>	Catholic Charities of McHenry County
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-homeless Direct Client Assistance
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Organization is consulted as a member of the CoC and as a provider of direct client assistance to individuals typically eligible for LMI services. Intended outcome is to glean input into the needs of homeless and low income individuals commonly eligible for CDBG programs.

8	<b>Agency/Group/Organization</b>	Family Alliance, Inc.
	<b>Agency/Group/Organization Type</b>	Services-Elderly Persons Services-Persons with Disabilities
	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs Homelessness Prevention
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Family Alliance is consulted as both a past subrecipient of CDBG funding, as a CoC member, and as a provider of services designed to keep seniors housed. The intended outcome related to the senior and adult population for the Annual Action Plan and Consolidated Plan.
9	<b>Agency/Group/Organization</b>	CONSUMER CREDIT COUNSELING SERVICE OF MCHENRY COUNTY, INC.
	<b>Agency/Group/Organization Type</b>	Housing Services - Credit Counseling
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization was consulted as a prior subrecipient of CDBG funding and as a CoC member. The intended outcome is receive Plan input related to housing needs, housing assessments, non-homeless services, and credit counseling needs as they relate to the acquisition of housing for homebuyer programs.
10	<b>Agency/Group/Organization</b>	HABITAT FOR HUMANITY
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Lead-based Paint Strategy

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization was consulted as a Community Housing Development Organization for the County as well as a subrecipient of funding under both HOME and CDBG. The intended outcomes would relate to housing and services needs for homeless and non-homeless populations that could add value to the Plan.
11	<b>Agency/Group/Organization</b>	Home of the Sparrow
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services - Victims
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Families with children Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization is consulted as a housing provider, CoC member, homeless services provider, and HOME/CDBG subrecipient. The intended outcome is to receive input as it relates to the special needs of homeless families with children, housing needs, and services for the homeless population.
12	<b>Agency/Group/Organization</b>	MCHENRY COUNTY MENTAL HEALTH BOARD
	<b>Agency/Group/Organization Type</b>	Services-Persons with Disabilities Services-Mental Health/Substance Abuse Grantee Department

	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homelessness Strategy Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization is a CoC Member and special government entity pursuant to the Community Mental Health Act. It funds other community services providers with local tax levy dollars for services and some infrastructure projects. The intended outcome would be to receive input into the needs of individuals with mental health and substance abuse issues and to collaborate to effectively yet non-duplicatively fund service projects.
13	<b>Agency/Group/Organization</b>	PIONEER CENTER FOR HUMAN SERVICES
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Children Services-Elderly Persons Services-Persons with Disabilities Services-Victims of Domestic Violence Services-homeless Services - Victims
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization is consulted as the community's homeless shelter operator, CoC member, housing provider for chronically homeless, and developmental disabilities service provider. The intended outcome of receipt of information from consulting would be input into the homelessness strategies, input into housing needs, and input into special needs populations.
14	<b>Agency/Group/Organization</b>	PRAIRIE STATE LEGAL SERVICES - ROCKFORD
	<b>Agency/Group/Organization Type</b>	Housing Services-Elderly Persons Services-Persons with Disabilities Services-homeless Service-Fair Housing Services - Victims Regional organization
	<b>What section of the Plan was addressed by Consultation?</b>	Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Homelessness Strategy Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization is consulted as a CoC member, CDBG subrecipient, Fair Housing services provider, and legal services (particularly for homeless and seniors) provider. It is anticipated that consultation would result in input related to fair housing strategies and housing and homelessness prevention strategies.

15	<b>Agency/Group/Organization</b>	The Thresholds
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Persons with Disabilities Services-homeless Services-Mental Health
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Needs - Veterans Homelessness Strategy Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization is consulted as a CoC member, a permanent supportive housing provider, and as a mental health services provider. It is anticipated that consultation would result in input related to the needs of individuals with serious and persistent mental illness.
16	<b>Agency/Group/Organization</b>	TRANSITIONAL LIVING SERVICES
	<b>Agency/Group/Organization Type</b>	Housing Services - Housing Services-Persons with Disabilities Services-homeless Services-Veterans
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homeless Needs - Chronically homeless Homelessness Needs - Veterans Homelessness Strategy Economic Development

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization is consulted as a CoC member and as a provider of housing, services, and shelter for veterans. It is being consulted with the intended outcome of enhancing strategies related to the veteran and homeless populations, particularly those who are dual-diagnosed.
17	<b>Agency/Group/Organization</b>	VILLAGE OF ALGONQUIN
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development Infrastructure
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Village was consulted as a prior subrecipient of funding with the intended outcome of input related to infrastructure and economic development.
18	<b>Agency/Group/Organization</b>	VILLAGE OF PORT BARRINGTON
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Infrastructure
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This community was formerly known as Fox River Valley Gardens and was consulted as a prior subrecipient with the potential for input related to infrastructure needs.
19	<b>Agency/Group/Organization</b>	VILLAGE OF RICHMOND
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development Infrastructure

	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This Village was consulted as a prior subrecipient of CDBG funding with the potential for input related to economic development and infrastructure.
20	<b>Agency/Group/Organization</b>	Village of Lakemoor
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development Infrastructure
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization was consulted as a prior subrecipient with the intended outcome of input to the Plan as it related to infrastructure.
21	<b>Agency/Group/Organization</b>	VETERANS ASSISTANCE COMMISSION
	<b>Agency/Group/Organization Type</b>	Services-Persons with Disabilities Other government - County Services-Veterans/VASH
	<b>What section of the Plan was addressed by Consultation?</b>	Homelessness Needs - Veterans Homelessness Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	The VAC was consulted through the CoC for the purposes of obtaining input as it relates to Veterans and Veteran homelessness.
22	<b>Agency/Group/Organization</b>	VILLAGE OF WONDER LAKE
	<b>Agency/Group/Organization Type</b>	Other government - Local

	<b>What section of the Plan was addressed by Consultation?</b>	Economic Development Infrastructure
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization was consulted as a prior subrecipient with the intended outcome of input to the Plan as it related to infrastructure.
23	<b>Agency/Group/Organization</b>	Epilepsy Foundation North/Central Illinois
	<b>Agency/Group/Organization Type</b>	Services-Health Health Agency
	<b>What section of the Plan was addressed by Consultation?</b>	Non-Homeless Special Needs
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	Consulted as a current or past subrecipient with the intended input to identify the needs of health services in the community.
24	<b>Agency/Group/Organization</b>	VILLAGE OF MCCULLOM LAKE
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Infrastructure
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This organization was consulted as a prior subrecipient with the intended outcome of input to the Plan as it related to infrastructure.
25	<b>Agency/Group/Organization</b>	VILLAGE OF ISLAND LAKE
	<b>Agency/Group/Organization Type</b>	Other government - Local

	<b>What section of the Plan was addressed by Consultation?</b>	Infrastructure
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This Village was consulted as a prior subrecipient with the intended outcome of input to the Plan as it related to infrastructure.
26	<b>Agency/Group/Organization</b>	Village of Fox Lake
	<b>Agency/Group/Organization Type</b>	Other government - Local
	<b>What section of the Plan was addressed by Consultation?</b>	Infrastructure
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	This Village was consulted as a prior subrecipient with the intended outcome of input to the Plan as it related to infrastructure.

**Identify any Agency Types not consulted and provide rationale for not consulting**

Note that Fox Lake is no longer consulted as that Village opted completely into Lake County during the 2018 Urban County Recertification.

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

<b>Name of Plan</b>	<b>Lead Organization</b>	<b>How do the goals of your Strategic Plan overlap with the goals of each plan?</b>
Continuum of Care		

**Table 3 – Other local / regional / federal planning efforts**

**Narrative (optional)**

## **AP-12 Participation – 91.105, 91.200(c)**

### **1. Summary of citizen participation process/Efforts made to broaden citizen participation Summarize citizen participation process and how it impacted goal-setting**

Public notice is placed in the local paper; the notice also goes to local libraries and the McHenry County Housing Authority so that the agency and tenants of public housing can have an opportunity to comment. Additionally, the Annual Action Plan goes to the county government members of CDHG Commission, the county's Planning and Development Committee and the McHenry County Board for comment and approval prior to submittal.

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Meeting	Non-targeted/broad community	<p>Open meeting was advertised and held on June 25, 2019. No attendees.</p> <p>Open meeting conducted online on Thursday, September 24, 2020.</p>	No comments were received.	N/A	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Outreach emails/postings	Non-targeted/broad community	236 email recipients; namely, this involved individuals that have been or are subrecipients, the CDHG Commission, the CoC email list, interested parties, prior and current recipients of Senior Services grant funds.	No comments were received.	N/A	

4	Public Meeting	CCounty Board Committee	<p>7 Public Health and Community Services (PHCS) Committee members, County Administrator, Director of Department of Planning and Development and six public participants.</p> <p>Emailed to mailing lists on September 18, 2020.</p>	<p>In general, County Board PHCS Committee reported that the Annual Action Plan was straightforward and consistent with what the County Board had agreed to fund. The Committee asked general questions about the CDBG and HOME Programs that were answered by the Community</p>	N/A	<p><a href="http://mchenrycountyil.iqm2.com/Citizens/FileOpen.aspx?Type=14&amp;ID=4750&amp;Inline=True">http://mchenrycountyil.iqm2.com/Citizens/FileOpen.aspx?Type=14&amp;ID=4750&amp;Inline=True</a></p>
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Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
				Development Administrator.		

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.220(c)(1,2)

#### Introduction

The following table displays the anticipated resources broken down by program type. Projections are made for FY 2019, which is the final year of the Consolidated Plan 2015-2019. The late disbursement of FY 2017 and 2018 funding resulted in projects schedules being re-configured and will

be representative of the County's new Program Year that begins on 10/01 moving forward.

**Anticipated Resources**

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,423,178	0	700,242	2,123,420	0	The increase of CDBG Funding from the 2018 level has been effectively maintained for 2019. The county is getting slightly more funding than 2018 under the CDBG Program. Many projects moved to this year from the prior year due to revisions to when projects can actually start. The County is estimating \$75,000 in program income; this would be allocated during the program year in a special funding round or will be carried forward to 2020. The chart now accounts for an additional \$830,790 in funding provided under the CARES Act. <b>Another \$1,434,321 has been authorized under the CARES Act through the CDBG Program.</b>

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	563,775	0	288,313	852,088	0	The 2019 HOME award was about \$28,000 lower than in 2018, but was higher than the CD Division had estimated for the program. The County does not expect any program income under HOME.
Other	public - federal	Admin and Planning Economic Development Public Improvements Public Services	830,790 Now: \$2,265,111	0	0	830,790 Now: \$2,265,111	0	Includes \$830,790 for the first funding round of CDBG-CV and \$1,434,321 for CDBG-CV Round 3A.

Table 5 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

The McHenry County CoC receives an annual award of approximately \$1,000,000 to fund homeless assistance programs along with a portion of State ESG funds of approximately \$100,000 a year. Match requirements will continue to be met through highly leveraged developments, particularly Low Income Housing Tax Credit Projects. The Division actively pursues projects that will maximize public dollars invested in the community; as of 2018 the County has benefitted from a 4.40:1 return on public investments through various projects. Habitat for Humanity reports that it will be utilizing less of its HOME allocation per project in order to result in greater outcomes in terms of the number of units it can complete. Organizations that will be using Tenant-Based Rental Assistance projects have secured local and private funding to match their HOME allocations. The McHenry County Housing Authority will be utilizing \$173,000 in funding formerly geared toward Owner-Occupied Rehabilitation under the HOME Program for Tenant-Based Rental Assistance per County Board approval; the affordable housing rental rehab projects totalling \$133,721.25 have a match requirement of \$33,430, which will be met by \$14,681 in waived property taxes and another \$339,990 from the value of the Renaissance Apts donated by IHDA to the Housing Authority. Home of the Sparrow will supply its required match of \$35,000 for its \$140,000 in TBRA funding with general operating funds and furniture from their thrift store for households that move into apartments. TLS Veterans has a match requirement of \$12,500 for its \$50,000 in TBRA funding and will use general operating funds.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

The McHenry County Continuum of Care to End Homelessness developed an ad hoc committee beginning in 2015 to confront the community's need for a year 'round shelter site. The group communicated with local leaders and was able to secure support from the City of Woodstock. The City lent the use of a former fire station to a new group of volunteers for the purpose of providing emergency shelter and community support services to homeless individuals. The use of the site for this purpose ended in PY 2019; the use of this site will be revised based on citizen participation. One school has been awarded funding for a special training program for students that would potentially seek to enter into a personally-owned business in conjunction with or as opposed to a four year education. The county actively explores re-purposing of existing facilities to meet community development objectives.

**Discussion**

Overall, the Community Development Division has determined that for every \$1 in CDBG money that has gone out since the beginning of 2015, \$4.44 in other resources has been leveraged. Much of this additional funding has filtered through the HOME Program by way of eligible matching tax credit programs. In fact, the HOME program delivered more than ten times its required match in 2017. With the realization of placing very low Statewide in its 2015 CAPER Evaluation, the Division and associated funding recommendation Commission have evaluated high match/leverage projects more positively in order to garner a greater impact for every federal dollar spent. Through use of judicial orders to demolish and claim title to abandoned properties, the County will be able to allocate publicly owned land to CDBG and HOME projects in the future. (Note that this will be done after exhaustive attempts are made to encourage land and building owners to take care of their properties). The City of Woodstock has allowed for use of one of its municipal buildings with a sunset date of mid-PY 2019. This site will meet an alternate use under the CDBG Program

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Tenant Based Rental Assistance	2015	2019	Affordable Housing Homeless	Countywide LMC	Affordable Housing-Rental Public Services: Homeless Populations Public Services: Non-homeless Populations	CDBG: \$80,400 HOME: \$435,000	Public service activities for Low/Moderate Income Housing Benefit: 20 Households Assisted Tenant-based rental assistance / Rapid Rehousing: 28 Households Assisted Housing for Homeless added: 28 Household Housing Unit
2	Historic Preservation of National Landmarks	2018	2019	Non-Housing Community Development	Low and Moderate Income Areas per Map 1	Historic Preservation of National Landmarks	CDBG: \$92,000	Facade treatment/business building rehabilitation: 2 Business
3	Foster Economic Development Via Microenterprise	2017	2019	Non-Housing Community Development	Countywide LMC	Economic Development through Microenterprise	CDBG: \$276,725	Businesses assisted: 75 Businesses Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Eliminate/Clear Slum/Blight on a Spot Basis	2017	2019	Non-Housing Community Development	McHenry County Impacted Areas per Map 3 Low and Moderate Income Areas per Map 1 Countywide LMC	Elimination of Slum/Blight on a Spot Basis	CDBG: \$83,025	Buildings Demolished: 4 Buildings
5	Rental Rehab	2015	2019	Affordable Housing	McHenry County Impacted Areas per Map 3 Low and Moderate Income Areas per Map 1 Countywide LMC	Affordable Housing-Rental	CDBG: \$20,000 HOME: \$179,000	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 8 Households Assisted Rental units rehabilitated: 12 Household Housing Unit
6	Down Payment Assistance - HOME	2015	2019	Affordable Housing	Countywide LMC	Downpayment Assistance	HOME: \$7,500	Direct Financial Assistance to Homebuyers: 3 Households Assisted
7	Infrastructure - Non Housing	2015	2019	Non-Housing Community Development	Countywide LMC	Infrastructure: Public Improvements	CDBG: \$1,078,646	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 6758 Persons Assisted Overnight/Emergency Shelter/Transitional Housing Beds added: 70 Beds

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
8	Housing Repairs: CDBG	2015	2019	Affordable Housing	McHenry County Impacted Areas per Map 3 Low and Moderate Income Areas per Map 1 Countywide LMC	Affordable Housing-Rental	CDBG: \$240,000	Homeowner Housing Rehabilitated: 18 Household Housing Unit
9	Owner Occupied Rehab	2015	2019	Affordable Housing	Countywide LMC	Affordable Housing: Non-Rental	HOME: \$0	Homeowner Housing Rehabilitated: 5 Household Housing Unit
10	Public Services	2015	2019	Public Services	Countywide LMC	Public Services: Homeless Populations Public Services: Non-homeless Populations	CDBG: \$483,688  Now:  CDBG: \$1,283,688	Public service activities other than Low/Moderate Income Housing Benefit: 11743 Persons Assisted  Now: 20,543 Persons Assisted

11	Administration	2015	2019	Administration	Countywide LMC	Affordable Housing-Rental Affordable Housing: Non- Rental Infrastructure: Public Improvements Public Facility Improvements Public Services: Homeless Populations Public Services: Non-homeless Populations Elimination of Slum/Blight on a Spot Basis Economic Development through Microenterprise Historic Preservation of National Landmarks Downpayment Assistance	CDBG: \$431,606 HOME: \$56,378  Now: CDBG: \$715,927 HOME: \$56,378	Other: 2 Other
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Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	Infrastructure - Housing	2015	2019	Affordable Housing	Countywide LMC	Affordable Housing-Rental Affordable Housing: Non-Rental	CDBG: \$0 HOME: \$183,222	Rental units constructed: 60 Household Housing Unit Homeowner Housing Added: 3 Household Housing Unit
13	Housing Opportunities Via Downpayment Assistance	2018	2019	Affordable Housing	Countywide LMC	Downpayment Assistance	CDBG: \$18,000	Homeowner Housing Added: 5 Household Housing Unit Direct Financial Assistance to Homebuyers: 5 Households Assisted
14	Special Economic Development	2019	2019	SED	Countywide Low Moderate Job Creation/Retention	Economic Development	\$350,000	7 Low and Moderate Income Full Time Equivalent Jobs added r retained

Table 6 – Goals Summary

### Goal Descriptions

1	<b>Goal Name</b>	Tenant Based Rental Assistance
	<b>Goal Description</b>	Rental assistance to LMI households. Services include housing search and relocation; case management; and short-mid length rental assistance. 28 HH assisted.
2	<b>Goal Name</b>	Historic Preservation of National Landmarks
	<b>Goal Description</b>	Facade treatments and other improvements designed to preserve historical landmarks.

3	<b>Goal Name</b>	Foster Economic Development Via Microenterprise
	<b>Goal Description</b>	Supporting small businesses with less than five employees. Participants must be LMI. One project will involve the growth of a small business in Woodstock, IL. The other project will focus more on services and will be utilized to develop high school students into entrepreneurs. The high school project will feature a business development "prize" for the winners of a contest for entrepreneurship funded by a private donor. Two businesses will be developed as a result of funding. An additional 73 businesses will be supported through the Small Business Stabilization Grant program.
4	<b>Goal Name</b>	Eliminate/Clear Slum/Blight on a Spot Basis
	<b>Goal Description</b>	Acquisition, clearance and demolition of structures that are blighted, abandoned or otherwise unsafe. The residential properties will be primarily in unincorporated areas. 4 properties.
5	<b>Goal Name</b>	Rental Rehab
	<b>Goal Description</b>	Preservation of existing affordable rental stock through rehab projects. Activities include minor roof repairs, window repair/replacement, ADA-compliance, facade repairs, heating and cooling, etc. 18 units.
6	<b>Goal Name</b>	Down Payment Assistance - HOME
	<b>Goal Description</b>	Direct financial assistance with down payment costs to qualifying LMI households. This project will be operated by Habitat for Humanity McHenry County using \$10,000 of the CHDO set-aside.
7	<b>Goal Name</b>	Infrastructure - Non Housing
	<b>Goal Description</b>	Improvements to public spaces that aren't connected to housing activities. Projects include street repair, parking lot expansion, public spaces such as parks and libraries. 6 facilities.
8	<b>Goal Name</b>	Housing Repairs: CDBG
	<b>Goal Description</b>	Small scale housing repairs. 18 units.
9	<b>Goal Name</b>	Owner Occupied Rehab
	<b>Goal Description</b>	HOME funded owner occupied rehab. Homes must be brought up to code when using this grant. 5 units from prior program year carried over.

10	<b>Goal Name</b>	Public Services
	<b>Goal Description</b>	Case management and other varied direct service projects. Normally subject to a 15% cap of total entitlement allocation per year; a waiver was granted by Congress to provide funding for Public Services beyond the 15% cap and will be utilized by McHenry County.
11	<b>Goal Name</b>	Administration
	<b>Goal Description</b>	Grant administration. Activities include environmental review, budgeting, monitoring, ensuring compliance, planning, and subrecipient management; the CD Division will work with HUD to identify a staffing plan moving forward.
12	<b>Goal Name</b>	Infrastructure - Housing
	<b>Goal Description</b>	Development of affordable housing. This project will be conducted by Habitat for Humanity McHenry County using CHDO set-aside and general funds as well as through an allocation to DKI - Turnstone for the development of affordable housing units for rentals.
13	<b>Goal Name</b>	Housing Opportunities Via Downpayment Assistance
	<b>Goal Description</b>	Downpayment Assistance provided through the Community Development Block Grant Program. 3 households.
14	<b>Goal Name</b>	Special Economic Development
	<b>Goal Description</b>	Transformational businesses grants with a focus on entertainment/restaurants and other industries impacted by COVID-19 Pandemic. 7 jobs retained or created.

## Projects

### AP-35 Projects – 91.220(d)

#### Introduction

The Annual Action Plan reflects McHenry County’s funding priorities and identifies projects that the County proposes to implement with funds from the U.S. Department of Housing and Urban Development's Community Development Block Grant (CDBG) and HOME Investment Partnerships Program. The funding is allocated to the County's highest priority needs.

#### Projects

#	Project Name
1	Tenant Based Rental Assistance
2	Historic Preservation of National Landmarks
3	Economic Development via Microenterprise
4	Eliminate/Clear Slum Blight on a Spot Basis
5	Rental Rehab
6	Down Payment Assistance
7	Infrastructure - Housing
8	CDBG Owner Occupied Rehab
9	Infrastructure/Public facilities
10	Public Services
11	Homebuyer Program
12	HOME DPA
13	P&D Admin
14	Special Economic Development

**Table 7 - Project Information**

#### **Describe the reasons for allocation priorities and any obstacles to addressing underserved needs**

TBRA remains an unmet need, along with the supply of affordable housing in McHenry County. TBRA has been prioritized by all of the organizations providing the assistance toward homeless populations in efforts to reduce the overall number of homeless individuals. The amount of TBRA funding needed will be exacerbated by COVID-19; \$173,000 in funding to the Housing Authority has been reallocated to serve clients.

**AP-38 Project Summary**  
**Project Summary Information**

<b>1</b>	<b>Project Name</b>	Tenant Based Rental Assistance
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Tenant Based Rental Assistance Public Services
	<b>Needs Addressed</b>	Affordable Housing-Rental Public Services: Homeless Populations Public Services: Non-homeless Populations
	<b>Funding</b>	CDBG: \$80,400 HOME: \$435,000
	<b>Description</b>	Rental assistance provided through HOME leasing dollars and CDBG public service dollars.
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	28 households that are either homeless or doubled up.
	<b>Location Description</b>	Countywide.
	<b>Planned Activities</b>	Rental assistance and utility assistance coupled with case management. Home of the Sparrow: \$140,000 HOME rental assistance & TLS Veterans \$50,000 and \$173,000 to the McHenry County Housing Authority.
<b>2</b>	<b>Project Name</b>	Historic Preservation of National Landmarks
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Historic Preservation of National Landmarks
	<b>Needs Addressed</b>	Historic Preservation of National Landmarks
	<b>Funding</b>	CDBG: \$92,000
	<b>Description</b>	Historic preservation and exterior facade work.
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	city wide populations; 30,000

	<b>Location Description</b>	Woodstock, IL and Crystal Lake, IL
	<b>Planned Activities</b>	Preservation of Historic Woodstock Old Courthouse and Alano Club in Crystal Lake.
<b>3</b>	<b>Project Name</b>	Economic Development via Microenterprise
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Foster Economic Development Via Microenterprise
	<b>Needs Addressed</b>	Economic Development through Microenterprise
	<b>Funding</b>	CDBG: \$38,459 CARES ACT CDBG-CV Funding: \$238,266
	<b>Description</b>	Technical support, oversight, and financial investment in small business owned by LMI clients.
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	2 household business owners and 16 students in a school.
	<b>Location Description</b>	Woodstock, McHenry, and Johnsburg, IL
	<b>Planned Activities</b>	One school with a microbusiness incubator program; one homeless veteran program supporting an LMI business owner; one suicide and drug prevention organization to expand small business.
<b>4</b>	<b>Project Name</b>	Eliminate/Clear Slum Blight on a Spot Basis
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Eliminate/Clear Slum/Blight on a Spot Basis
	<b>Needs Addressed</b>	Elimination of Slum/Blight on a Spot Basis
	<b>Funding</b>	CDBG: \$83,025
	<b>Description</b>	Maintaining and preserving the beauty, integrity, and safety of County neighborhoods and municipalities.
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	neighborhood/county wide 50,000

	<b>Location Description</b>	throughout county.
	<b>Planned Activities</b>	demolition of abandoned homes that pose safety concerns to residents.
<b>5</b>	<b>Project Name</b>	Rental Rehab
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Rental Rehab
	<b>Needs Addressed</b>	Affordable Housing-Rental
	<b>Funding</b>	CDBG: \$20,000 HOME: \$179,000
	<b>Description</b>	Preservation of affordable housing stock.
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	28 units and 8 households in one building.
	<b>Location Description</b>	Countywide
<b>Planned Activities</b>	Renaissance apartments, Clearbrook rental housing	
<b>6</b>	<b>Project Name</b>	Down Payment Assistance
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Down Payment Assistance - HOME
	<b>Needs Addressed</b>	Downpayment Assistance
	<b>Funding</b>	HOME: \$7,500
	<b>Description</b>	Down payment assistance used in conjunction with Habitat for Humanity home-buyer acquisition program
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	7 LMI households
	<b>Location Description</b>	Countywide
<b>Planned Activities</b>	Habitat for Humanity homebuyer program.	

7	<b>Project Name</b>	Infrastructure - Housing
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Infrastructure - Housing
	<b>Needs Addressed</b>	Affordable Housing-Rental
	<b>Funding</b>	HOME: \$183,222
	<b>Description</b>	Infrastructure activities that benefit housing projects.
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	84 units to be occupied by LMI residents.
	<b>Location Description</b>	
	<b>Planned Activities</b>	new development of affordable housing.
8	<b>Project Name</b>	CDBG Owner Occupied Rehab
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Housing Repairs: CDBG Owner Occupied Rehab
	<b>Needs Addressed</b>	Affordable Housing: Non-Rental
	<b>Funding</b>	CDBG: \$240,000
	<b>Description</b>	Owner occupied rehab to eligible LMI clients.
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	29 homes.
	<b>Location Description</b>	County wide.
	<b>Planned Activities</b>	owner-occupied rehab.
9	<b>Project Name</b>	Infrastructure/Public facilities
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Infrastructure - Non Housing

	<b>Needs Addressed</b>	Infrastructure: Public Improvements Public Facility Improvements
	<b>Funding</b>	CDBG: \$1,053,646 CARES ACT CDBG-CV Funding: \$25,000
	<b>Description</b>	Infrastructure and public facility
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	5686 beneficiaries.
	<b>Location Description</b>	countywide.
	<b>Planned Activities</b>	Municipal projects and public facilities for the homeless and disabled. Village of Union: ADA Compliance Phase 2; City of Harvard Senior Center/Food Pantry Parking Lot Expansion; Village of Island Lake Road Resurfacing; rehabilitation of Pioneer Center Dayton and Curran facilities, ADA access for McCullom Lake and McHenry County Annex A, and Clearbrook public facility.
<b>10</b>	<b>Project Name</b>	Public Services
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Public Services
	<b>Needs Addressed</b>	Public Services: Homeless Populations Public Services: Non-homeless Populations
	<b>Funding</b>	CDBG: \$63,134 CARES ACT CDBG-CV Funding: \$420,554 CARES Act CDBG-CV Round 3A: \$800,000
	<b>Description</b>	Public service projects
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	3189 clients 11,989 clients now
	<b>Location Description</b>	county wide
	<b>Planned Activities</b>	varied public service projects.

11	<b>Project Name</b>	Homebuyer Program
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Infrastructure - Housing
	<b>Needs Addressed</b>	Affordable Housing: Non-Rental
	<b>Funding</b>	CDBG: \$150,120 HOME: \$103,744
	<b>Description</b>	habitat for humanity homebuyer
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	4 units
	<b>Location Description</b>	
	<b>Planned Activities</b>	New homebuyer project.
12	<b>Project Name</b>	HOME DPA
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Housing Opportunities Via Downpayment Assistance
	<b>Needs Addressed</b>	Downpayment Assistance
	<b>Funding</b>	CDBG: \$18,000
	<b>Description</b>	
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	4
	<b>Location Description</b>	
	<b>Planned Activities</b>	4 new homeowners will receive DPA.
13	<b>Project Name</b>	P&D Admin
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Historic Preservation of National Landmarks Administration

	<b>Needs Addressed</b>	Affordable Housing-Rental Infrastructure: Public Improvements Affordable Housing: Non-Rental Public Services: Homeless Populations Public Services: Non-homeless Populations Public Facility Improvements Elimination of Slum/Blight on a Spot Basis Economic Development through Microenterprise Historic Preservation of National Landmarks Downpayment Assistance
	<b>Funding</b>	CDBG: \$284,636 HOME: \$56,378 CARES ACT CDBG-CV Funding: \$146,970 CARES ACT CDBG-CV Funding Round 3: \$284,321
	<b>Description</b>	Admin
	<b>Target Date</b>	9/30/2020
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	over 6,000 beneficiaries
	<b>Location Description</b>	
	<b>Planned Activities</b>	Monitoring, financial oversight and fund disbursement, regulation compliance, planning, environmental review, scoring and ranking of projects, community awareness, citizen participation, and capacity support.
<b>14</b>	<b>Project Name</b>	Special Economic Development
	<b>Target Area</b>	Countywide LMJ – Job Benefit (Jobs retained/Jobs created)
	<b>Goals Supported</b>	Economic Development
	<b>Needs Addressed</b>	Low and Moderate Income Jobs
	<b>Funding</b>	CARES ACT CDBG-CV Funding Round 3: \$350,000
	<b>Description</b>	Special Economic Development
	<b>Target Date</b>	9/30/2021

<b>Estimate the number and type of families that will benefit from the proposed activities</b>	7 jobs created or retained
<b>Location Description</b>	Countywide. Applicants will be required to complete underwriting by a third-party selected by the County. They will be required to present to the CDHG Commission for selection and approved by the County Board.
<b>Planned Activities</b>	Economic Development – Job Creation and Retention

## **AP-50 Geographic Distribution – 91.220(f)**

### **Description of the geographic areas of the entitlement (including areas of low-income and minority concentration) where assistance will be directed**

The County primarily focuses on impacted areas, although funding is made in other areas of the County as well. In order to most effectively apply CDBG, HOME and other federal funds to affirmatively further fair housing, the County is working on striking a balance between reinvesting in the lower-income areas of greatest need and creating new housing units in areas outside of racial and ethnic concentration. In order to expand the array of housing opportunities available to members of the protected classes, the County is working to foster the creation of affordable family rental housing in non-impacted areas. Infrastructure projects in the qualified areas continue to require large investments of funds. These projects often address the issue of aging infrastructure in the County, including water and sewer projects.

The Community Development Division has approached the City of Harvard about the long-term development of a Neighborhood Revitalization Strategy, as this community has a high-risk area and a deep saturation of Low-to-Moderate income households and an older housing stock. It also has an increased level of Elevated Blood Level cases; the County has applied for the Lead Hazard Reduction Grant.

Once a grant application meets the basic eligibility requirements (LMI benefit, eligible activity that meets a National Objective, addresses one of the stated goals in the Consolidated Plan, etc.), a set of funding criteria is used or factors related to the application are brought to the attention of the CDHG Commission, which is the body that makes funding decisions. The CDHG Commission hears presentations by applicants and considers what level of funding they'd provide. If the majority of Commission members estimate a low level of funding, the project typically will be brought to a "zer" level of funding in favor of a higher priority project.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>
McHenry County Impacted Areas per Map 3	34
Low and Moderate Income Areas per Map 1	85
Countywide LMC	95

**Table 8 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

The areas/neighborhoods of concentration of minority and LMI persons tend to be in older areas with a higher level of housing rehabilitation needs. These geographic areas are identified above in Map 3 Impacted Areas. Most of the calls to community providers are for the weatherization program, in

addition to the housing rehabilitation program applicants, are from these areas of the County. Areas that are highlighted in the Impacted areas have higher minority populations, higher poverty and are areas where HOME grant funding is limited to rehabilitation of existing homes, whereas CDBG funding may be used with priority for infrastructure and rehabilitation of existing homes. All benefits that are for community areas will be limited to the areas in Map 1 for low to moderate income areas in accordance with HUD regulation requirements. Investments in LMI Areas will remain a target moving forward. The LMI Area Benefit map has changed with the new ACS Data that was provided earlier this year. The new data shows an increased number of Low and Moderate Income individuals in the community and increased the minimum Area Benefit rate from 37.12% to 44.61%.

## **Discussion**

Many of the distressed housing units are located in areas without municipal water and sewer services, and often suffer from ongoing flooding issues. Infrastructure projects often address the issue of aging infrastructure in the County, including water and sewer projects. In addition, due to the settlement patterns within the County, many older lakeside communities contain former summer cottages that now have year-round residents. These homes were never constructed as year-round homes and often require more maintenance due to age. Effective water resources for a community can become a high priority when contamination is an issue. The County's Planning and Development Department has received funding for a project to acquire and demolish older housing units that are in the floodways; this project is currently underway. CDBG and HOME investments are not made in floodways or in flood plains.

## Affordable Housing

### AP-55 Affordable Housing – 91.220(g)

#### Introduction

Affordable housing remains an issue throughout the United States and is evident in McHenry County.

One Year Goals for the Number of Households to be Supported	
Homeless	20
Non-Homeless	82
Special-Needs	4
Total	106

Table 9 - One Year Goals for Affordable Housing by Support Requirement

One Year Goals for the Number of Households Supported Through	
Rental Assistance	20
The Production of New Units	63
Rehab of Existing Units	19
Acquisition of Existing Units	4
Total	106

Table 10 - One Year Goals for Affordable Housing by Support Type

#### Discussion

Efforts to preserve or create affordable housing in McHenry County in 2018 include the following anticipated outcomes: Estimated 20 TBRA, 12 rehabbed rental units non-homeless, 22 units through owner-occupied - 4 of these through HOME, 60 new rental units and 3 new homebuyer units.

## **AP-60 Public Housing – 91.220(h)**

### **Introduction**

McHenry County is served by the McHenry County Housing Authority (MCHA) which owns and manages 23 units of single-family public housing. It operates an Owner-Occupied Rehabilitation Program funded under both CDBG and HOME for single family housing. The County does not anticipate continuing the HOME version of the owner-occupied rehabilitation program beyond PY 2019 in favor of maintaining the CDBG-version and the potential Lead Hazard Reduction Program. It also operates some speciality programs and is the subrecipient for funding under the Community Services Block Grant (CSBG) Program. A portion of the CSBG funding is allocated toward services provided to the homeless at the community's Old Firehouse Assistance Center as well as toward homelessness prevention. The MCHA also offers weatherization programs and additional Community Service projects that vary from time to time.

### **Actions planned during the next year to address the needs to public housing**

MCHA will continue to use the capital fund program over the next year to rehabilitate and modernize its public housing units to ensure housing quality standards, as well as energy efficiency. The Housing Authority has worked to allow for a homeless preference for its affordable housing; will receive and allocation of HOME funding for rehab of affordable housing (non-public housing); and will continue with innovative programs focused on the homeless and vulnerable populations. HOME funding cannot be used to rehabilitate Public Housing.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

MCHA has a Resident Advisory Board that is directly involved in a management capacity. Additionally, one public housing tenant has a seat on the full Housing Authority Board of Directors. Further, MCHA involves its residents in management activities with a community service requirement such as volunteering 8 hours/month in some public benefit activity or participating in training, counseling or classes toward gaining self-sufficiency and independence. Scattered-site tenants are encouraged to take part in local neighborhood watch or crime prevention programs.

MCHA will continue to work to provide financial literacy counseling and life skills training, in addition to sending job opening notices to public housing tenants. Financial literacy is provided by the Consumer Credit Counseling Service.

The local Habitat for Humanity affiliate targets single parent families and individuals currently utilizing a housing voucher for its Homebuyer programs. This has allowed for opportunities for these households to become homeowners and to free up vouchers for a new use. The cCounty encourages clients in Housing Choice Vouchers to become homeowners under this program. A separate Habitat affiliate is

developing homebuyer programs in Crystal Lake. This project is expected to provide eight new affordable housing units.

**If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

Not applicable. McHenry County Housing Authority is not designated as troubled.

**Discussion**

The McHenry County Housing Authority is under new leadership - the new Executive Director is a former Community Development Specialist. She is well aware of the Community Development programs and will be looking at "moving on" type programs for Voucher recipients. The Housing Authority is also reviewing its options for applying for additional Mainstream Vouchers.

## **AP-65 Homeless and Other Special Needs Activities – 91.220(i)**

### **Introduction**

McHenry County's Continuum of Care (CoC) continues to work collaboratively to address the myriad of homeless issues in the County, including emergency, transitional, and permanent housing, and a range of social services agencies, from the Old Firehouse Assistance Center to the PADS (Public Action to Deliver Shelter) to assist persons and families to become independent. Two major issues are impacting the level of homelessness in the County: the lack of affordable housing and the lack of a year 'round shelter site in the community. In addition, limited public transportation options impacts the ability of low-income households to access employment centers and social services.

The McHenry County Continuum of Care to End Homelessness consists of a variety of people and organizations including representatives from McHenry County government agencies, food pantries, townships, faith-based organizations, housing developers, and healthcare and other social service providers, all working together to provide assistance and confront the problem of homelessness. Committee members include, but are not limited to: the Salvation Army, Pioneer Center (PADS), Prairie State Legal Services, Turning Point, Home of the Sparrow, McHenry Savings Bank, Consumer Credit Counseling Services, Transitional Living Services, Thresholds, Veterans Assistance Commission, the United States Department of Veterans Affairs, the McHenry County Housing Authority, the Lake-McHenry Regional Office of Education, concerned citizens and formerly homeless individuals, and the McHenry County Department of Planning and Development – Community Development Division.

### **Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

#### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

The community has made great strides in confronting homelessness, approving a comprehensively developed Plan to End Homelessness, which began operation in January, 2016 with a 2019 update to include more objective measures. The entire County is covered in terms of its outreach to homelessness approach and identifies this in its Collaborative Application to HUD. The CoC stresses that this approach reaches out to the most vulnerable unsheltered and chronically homeless individuals. The community identified a year-round, pragmatic homeless service operation that can become fully operational beginning in the summer of 2017. This would segment the community's existing services, which include a PADS (Public Action to Deliver Shelter) site and a continuum of sites operated in cooler months by institutions of faith throughout the County. The community continues to offer emergency services for victims of domestic violence (who essentially become homeless after leaving an abusive household) and homelessness prevention services aimed at keeping individuals housed through either rental support or case management/community support. A "Coordinated Intake and Assessment"

system is now in place with an allocation of Continuum of Care funding. The CoC and CD Division are currently considering expansion of an existing shelter to double its capacity, thereby creating a much-needed year 'round site. These discussions have included public officials and affected organizations. The County will be utilizing more funds toward Tenant-Based Rental Assistance in order to provide rental support to vulnerable populations.

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

The Continuum of Care is focused on more coordination of support services over the next year and over the next five years. Street Outreach and case management are needed for people who are chronically homeless and move from shelter to shelter, agency to agency, and jail to detoxification facilities and, finally, back to the streets.

McHenry County has developed a Strategic Plan that would provide a framework for homeless housing and service delivery. Initially conceived as a 10 year plan in the 2015 annual action plan, the CoC ultimately developed a more realistic 3-year plan and rolled this into operation starting in 2016. Objectives will be added to the plan to make it more focused starting in 2019 and extending to 2022.

McHenry County, in collaboration with the State and the local Mental Health Board, will be utilizing CDBG funds to rehabilitate a portion of a former industrial site (now a church) to become a 70-bed emergency year round shelter. This is expected to be completed in the Spring of 2020, and will accommodate more than twice as many individuals as the site currently in use. The added capacity will partially address the community's need should a disaster require shelter for more people, as there is the potential for even more shelter space in the facility should a disaster situation dictate this need.

Housing and Shelter, Supportive Services, System Operations.

The CoC has effectively strategized and targeted both ESG and CoC funding for: Permanent Supportive Housing (CoC), Rapid Rehousing (CoC), Transitional Housing mixed with Rapid Rehousing; low cost per client (CoC), Coordinated Assessment (CoC), HMIS (CoC), Planning (CoC), Emergency Shelters (ESG). The State of Illinois enters into agreements with organizations as the County currently does not receive its own ESG allocation. The State of Illinois determines its priority ESG activities; it has suspended the use of funds for Prevention and Construction/Rehab. Both transitional shelters in the community continue to qualify for ESG as they had been funded in year 2010.

Additionally, the McHenry County Housing Authority outlines use of its Community Services Block Grant funding for Homelessness Prevention, Homeless Services, and Economic Development.

The goal is to provide homeless individuals and families with the most effective array of services to enable them to move from homelessness to permanent housing and then live as independently as possible while maintaining stable permanent housing. The continued allocation of CoC Planning funding

and HMIS to the County will ensure its effective operation and oversight.

Through a grant from the Illinois Department of Human Services for motel vouchers, a significant number (average 56 nightly) of homeless individuals are being housed in motels for social distancing purposes. A CDBG project to develop a 70-bed homeless shelter is expected to open during the program year, but not at full capacity due to COVID-19. Additional allocations were made to accommodate clients despite COVID-19 and to foster social distancing at the new site.

**Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

Families experiencing homelessness are offered a wider array of services, including Rapid Rehousing, to reduce a period of homelessness. The community had increased the number of permanent supportive housing, Housing Choice Vouchers specifically for CH/clients moving on, and VASH vouchers available to homeless individuals, with a preference for chronically homeless individuals. The housing needs of low-income individuals and families with children are high due to a combination of the slow economic recovery, a lack of well-paying jobs, and the high cost of housing. With the cost of a two-bedroom unit approaching \$1,200 per month, few low-income individuals or families can afford a unit in the County. Through the last ACS data published earlier in 2019, the County's population of Low and Moderate income individuals increased drastically to 100,000 individuals, roughly 35% of the population. In addition, 47% of owners with mortgages, 17% of owners without mortgages, and 55% of renters in the county spent 30% or more of household income on housing. This financial position leaves many individuals and families who are currently housed in a precarious situation with no safety net if a major housing repair is needed or a large housing expense occurs. For these reasons, the development of affordable housing in the community remains a priority with both HOME and CDBG funding-especially housing that targets LMI populations. The McHenry County Housing Authority has set a homeless preference for its public housing and has set aside vouchers earmarked for the homeless. HOME-funded TBRA programs have gone into operation beginning in 2018 to help reduce veteran and end family homelessness. Additional TBRA funds will support the needs of individuals requiring affordable housing - all are earmarked toward homeless providers.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services,**

## **employment, education, or youth needs.**

In terms of rapid rehousing assistance, the CoC agencies have shifted their focus to the continuation of a Rapid Rehousing Program for families and domestic violence survivors. The domestic violence provider decided to acquiesce from its CoC funding for Rapid Rehousing, instead encouraging another provider to apply for the funding. The CoC did allocate this funding to the alternate agency. Home of the Sparrow and TLS Veterans have initiated their Tenant-Based Rental Assistance Programs for homeless women, children and veterans in order to continue efforts at eliminating these homeless populations by 2022.

Since assuming responsibility as the HMIS administrator in 2016, the usage of the database has dramatically improved and expanded. Data quality and outcomes are monitored weekly and discussed at monthly CoC meetings. Providers represented in the system have shown interest in utilizing the database to track prevention data, which will provide the CoC with a more accurate picture of existing homeless diversion programs and their efficacy preventing new homeless clients. Additionally, a community-based health care organization is interested in pairing HMIS with their existing database in order to track social determinates of health. The County worked with the Suburban Cook County CoC to apply for the capacity building HMIS NOFA. These funds were not awarded to Suburban Cook; the County will continue to operate its HMIS solo. The County considered supporting the sugmentation of 211 efforts through HMIS but determined that maintaining a primary homelessness focus was a better option.

Efforts will continue by CoC organizations through HOME and CDBG programs as well as the McHenry County Mental Health Board to help support the development of permanent supportive housing and affordable housing strategies. This includes a number of collaborative initiatives as well as continued work on the community's new plan to end homelessness. The CoC and CD Division anticipate that the development of housing opportunities will need to occur in a creative manner non-reliant solely on actual development of brick and mortar edifices.

## **Discussion**

The Community has made considerable efforts over the last 10 years in the areas of increasing capacity for homeless resources and in considerably reducing homelessness, particularly among the child and veteran populations. These efforts will continue to require collaboration, a wider variety of resources and "out of the box" thinking, and the continued addition of safe and decent affordable housing. Coordinated Entry is being more focused to a single point of entry, especially with the new shelter coming into operation in 2020.

## **AP-75 Barriers to affordable housing – 91.220(j)**

### **Introduction:**

McHenry County completed an Analysis of Impediments to Fair Housing Choice (AI) in 2012 that identified the public policies that had a negative effect on fair housing, affordable housing and residential investment. Due to the decision to delay the development of AFFH plans, the County issued a Request for Proposals to develop a newer Analysis of Impediments that is expected to be complete during the 2019 Program Year.

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

The AI provided the Fair Housing Action Plan, some of which address barriers to affordable housing, in addition to fair housing. At the time of the A of I study, the Community Development Division imposed restrictions to municipalities that did not revise their ordinances or laws to receiving or applying for CDBG/HOME funding. The County's Planning and Development Department oversees the community's unincorporated areas, and has offered fee waivers for the development of homebuyer projects. The CD Division has actively campaigned for the development of affordable housing, both through funding and campaigning for these much-needed developments. A revised A of I will be developed in PY 2019.

### **Discussion:**

McHenry County requires municipalities to change their zoning ordinances in order to receive CDBG and HOME funding. McHenry County has confirmed compliance or sought amendments to zoning ordinances for the elimination of language that prohibits affordable housing or group homes for Woodstock, Harvard, McCullom Lake, Crystal Lake, Lake in the Hills, and Richmond. In 2015, a project that was proposed in Cary was opposed, not entirely by the public officials, but by the citizens. The developer sought project housing vouchers from the McHenry County Housing Authority. Community Development Division Staff of the McHenry County Department of Planning and Development and the Continuum of Care Chairman went to a Village of Cary Board and to the Illinois Housing Development Authority meetings to speak in favor of the project and against its protest by educating the public and providing evidence of need in the county. A subsequent senior affordable housing project being developed in Cary with partial funding from the CDBG Program with a completion date of 2019 met with little resistance as a result of these prior efforts.

## **AP-85 Other Actions – 91.220(k)**

### **Introduction:**

The Community Development Division of the McHenry County Department of Planning considers a wide variety of projects and organizations for funding on an annual basis. The Division actively seeks new applicants in order to consider a wide variety of projects and activities. The following is a brief summary of the planned actions from the Consolidated Plan (CP) and Annual Action Plan (AP).

### **Actions planned to address obstacles to meeting underserved needs**

Funding to support service agencies to increase capacity or efficiency of services to serve homeless populations; in addition to increasing services or maintaining the existing level of service for non-homeless, extremely low- to moderate-populations will assist in meeting underserved needs. Newer activities are being undertaken to remove slum and blight and improve economic conditions in underserved areas and/or with underserved populations. The County intends to seek State (Illinois Housing Development Authority) funding for demolition activities in order to expand its ability to acquire dilapidated properties and demolish them to develop affordable housing/

### **Actions planned to foster and maintain affordable housing**

The lack of affordable housing is one of the primary issues identified during the development of the Consolidated Plan. The large waiting lists for Housing Choice Vouchers and other affordable housing indicates that the housing needs for persons with disabilities, in particular mental health, and those with extremely low-incomes, are currently unmet. The owner-occupied housing rehabilitation program and acquisition/rehabilitation of rental units (homeless priority) will assist in fostering and maintaining affordable housing in McHenry County. The County has been able to attract LIHTC projects through CDBG and HOME funding. These projects have opened or will be opening in Huntley, McHenry, Richmond, Crystal Lake, and Cary.

### **Actions planned to reduce lead-based paint hazards**

The Lead Based Paint (LBP) program in the County is a state funded program. Each municipality determines their lead based paint needs and programs. McHenry County Health Department refers low-income persons with elevated blood lead levels to the McHenry County Housing Authority. This agency has funding to address lead-based paint hazards; on August 9, 2019, the County submitted a proposal to HUD for the Lead Hazard Reduction Program after seeing a considerable increase in the number of Elevated Blood Level cases reported to the State of Illinois.

Through McHenry County Housing Authority and Habitat for Humanity of McHenry County, the County offers an owner-occupied housing rehabilitation program. Lead abatement is one aspect of the rehabilitation program if a problem with lead paint is identified during the rehabilitation project. For

any projects to dwellings constructed before 1978, the County requires lead testing and, if necessary, abatement prior to any construction activity. Additionally, County inspectors working with HUD funded programs are certified under the new EPA lead paint laws known as the Renovation, Repair, and Painting Program (RRP). The County intends to offer this training and certification in the Fall of 2019.

McHenry County was awarded just under \$2.3M in HUD funding to provide lead-based paint abatement to at least 100 households throughout McHenry County. The County has remained in project development phase due to the inability to enter into private homes for the project because of COVID-19, but intends to issue a notice to the community for an open project application period by July 31, 2020.

### **Actions planned to reduce the number of poverty-level families**

McHenry County has worked with local service providers to pursue resources and innovative partnerships to support the development of infrastructure improvements, affordable housing, and public services to confront homelessness.

The affordable housing programs, including supporting the production of affordable rental units and rental assistance, the owner-occupied rehabilitation program, down payment assistance, and increasing the number of permanent housing units for homeless persons assists to eliminate poverty through making housing more affordable, preserving the condition and availability of the existing housing stock and helping citizens build assets of all kinds: human, social, financial, and physical.

The community has approved a Regional Economic Development plan to include neighboring Boone and Winnebago Counties. This includes an Opportunity Zone in the City of Harvard. The purpose of this plan is to enhance existing resources while working closely with neighboring community to utilize economies of scale to avail jobs and commerce, and ultimately, needed tax revenue to fund services. The County will be developing a Neighborhood Revitalization Strategy Area plan for a portion of the City of Harvard that is among the highest impacted in terms of poverty, low and moderate income, foreclosures, and lack of economic opportunities.

### **Actions planned to develop institutional structure**

The McHenry County Department of Planning and Development is responsible for the overall planning, administration and monitoring of the County's Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME) and other HUD funds made directly to the County. Additionally, the CD Division is the Planning and HMIS Grantee for the CoC and Facilitates support through both ESG and CoC resources.

The Community Development and Housing Grant (CDHG) Commission, is comprised of the former Housing Commission and CDBG Commission and is composed of governmental officials, citizens and not-for profit service agencies, is an advisory commission that meets with frequency to oversee the

execution of the CDBG and HOME grant programs.

Other partnerships exist to deliver services in the County. The Continuum of Care meets monthly on projects and issues related to the homeless and also makes funding allocations to community providers for services related to homelessness. McHenry County Housing Authority (MCHA) has a seven member commission appointed by the McHenry County Board. MCHA implements public housing projects and a variety of other programs related to low-income people and housing needs. The MCHA is also the recipient agency for Community Services Block Grant funding (CSBG). This support is geared toward homelessness prevention and economic development activities along with other special projects, such as dental support.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

The County has been actively working to address the gaps in the institutional delivery system. The process management and institutional structure has been developed to provide a high level of oversight and input into the community development and housing funding decisions. Stakeholders from a cross-section of sectors are involved, including direct service providers and members of the non-profit, for profit, and governmental sectors. Still, the process for prioritizing goals and scoring local CDBG applications has been handicapped by a “scatter-shot” approach to funding. This process is currently being refined to provide a simplified and more clear process for prioritizing goals so that the process encourages a broader range of service providers and leverages additional funds for maximum impact.

The Continuum of Care continues to be an active forum for the development of community relationships in addition to its role as the response to community homelessness. The McHenry County Mental Health Board also is very active at pulling community leaders and partners together through its meetings of stakeholders and grantees. These efforts facilitate a great deal of community coordination around homelessness, housing and service issue in the community.

McHenry County developed an administrative project to create more housing units through landlord negotiations. This project will result in the availability of 30 housing units for very vulnerable homeless households. This effort involved consideration coordination with privately-owned units for the purposes of housing clients with bad credit or prior legal issues that would otherwise prevent them from being able to access these units.

### **Discussion:**

McHenry County has evolved tremendously in the facilitation of the development of affordable housing and resources for the homeless, but identifies the need to continue in these areas to make greater strides at reducing poverty in the community. The County is in the stages of planning for its 2020-2024 Consolidated Plan and will incorporate best practice efforts and poverty-reducing initiatives into its subsequent Plan.

## Program Specific Requirements

### AP-90 Program Specific Requirements – 91.220(I)(1,2,4)

**Introduction:**

Additional 2018 and 2019 HOME funding will be utilized for tenant based rental assistance (\$207,000), Homeowner-Occupied Rehabilitation (\$78,000), Rehabilitation of affordable housing units (\$104,000), Homebuyer Program (\$116,466.10), Construction of Affordable Housing (\$100,000). The County will utilize \$55,000 in Administration. The HOME match requirement is anticipated to be met through subrecipient general funds and low income housing tax credits. McHenry County is using only 2019 to develop its 95% estimate of serving Low and Moderate Income individuals. While the County is budgeting for \$75,000 in PY 2019 Program Income, no funds have been received that have not been reprogrammed.

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.220(I)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed	0
2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan.	0
3. The amount of surplus funds from urban renewal settlements	0
4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan	0
5. The amount of income from float-funded activities	0
<b>Total Program Income:</b>	<b>0</b>

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	95.00%

**HOME Investment Partnership Program (HOME)**  
**Reference 24 CFR 91.220(l)(2)**

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

N/A. All HOME activities are eligible as codified under 24 CFR 92.205.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

In the event of refinancing during the period of affordability, the County shall ensure that the loan terms of any loan to which HOME funds are subordinated are reasonable and sustainable. In the event of a foreclosure, the County shall recapture from the net proceeds up to the original amount of the HOME investment associated with the purchase and rehabilitation of the property subordinate to the first mortgage lien against the property.

Subordination of McHenry County Mortgages due to Refinancing of Primary Loans. In the event of refinancing during the period of affordability, the County shall ensure that the loans terms of any loans to which HOME funds are subordinated are reasonable and sustainable. McHenry County's provisions are summarized as follows: Should the mortgagor under a McHenry County mortgage desire to refinance a mortgage which is superior to the McHenry County mortgage, McHenry County will subordinate its mortgage, as follows: homeowner may not take cash out; homeowner may roll into the new first mortgage only reasonable and customary closing costs associated with the refinancing (this does NOT include points paid to buy down the interest rate); the new first mortgage principal balance cannot exceed the original first mortgage principal; the new first mortgage must be a fixed rate loan (15 year permissible on a case by case basis, dependent on capacity to make payments); balloon mortgages are not permissible; if the prior mortgage required escrowing of taxes and insurance, the new mortgage shall also have this requirement.

The amount recaptured will be the entire amount of the HOME direct subsidy to the homeowner, with the total collections capped by net proceeds. Net proceeds are the sales price minus the superior loan repayment (other than HOME) and any closing costs. All projects using homebuyer assistance must follow the County's Homebuyer policy adopted in January 2014.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

The County uses recapture guidelines for homeownership activities. Recapture provisions as outlined in 24 CFR Part 92.254(a)(5)(ii)(A)(1) through (7) shall be enforced in cases where HOME funds are provided as a direct subsidy to the homebuyer as down payment, closing costs, and/or purchase price assistance. McHenry County shall recapture only the amount of direct subsidy to the

buyer. The development subsidy is excluded. Additionally, the County uses recapture guidelines for homeownership activities in which property is either solely acquired or both acquired and rehabilitated utilizing HOME funds. The guidelines for resale or recapture that ensures the affordability of units acquired with HOME can be found at 24 CFR 92.254(a)(4). Currently, a recapture agreement is executed to capture the full HOME subsidy out of net proceeds from the sale or transfer of the property from that of the income-eligible owner-occupant. The Recapture revisions shall be enforced through a mortgage, note and recapture agreement filed with the McHenry County Recorder's Office and the requirements within shall be triggered upon a sale or transfer of the HOME assisted property.

The recapture period is defined by the amount of the HOME investment per unit, as follows:

- i. The minimum subsidy of \$1,000 up to \$15,000 shall be bound by recapture for five years from the date of completion of activities;
- ii. \$15,001 to \$40,000 of HOME investment per unit shall be bound by recapture for ten years from the date of completion of activities;
- iii. \$40,001 or more, up to the maximum subsidy of 95% of the HUD-defined median home sale price for McHenry County, shall be bound by a recapture period of 15 years from the date of completion of activities.

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

N/A. McHenry County does not intend to utilize HOME funding for this purpose.

Resale-This option ensures that the HOME-assisted units remain affordable over the entire affordability period. The Resale method is used in cases where HOME funding is provided directly to a developer to reduce development costs, thereby, making the price of the home affordable to the buyer. Referred to as a “Development Subsidy,” these funds are not repaid by the developer to the PJ, but remain with the property for the length of the affordability period.

Specific examples where McHenry County would use the resale method include: Providing funds for the CHDO developer to acquire property to be developed or to acquire affordable ownership units; providing funds for site preparation or improvement, including demolition; and Providing funds for construction materials and labor.

Notification to Prospective Buyers. The resale policy is explained to the prospective homebuyer(s) prior to signing a contract to purchase the HOME-assisted unit. The prospective homebuyer(s) sign an acknowledgement that they understand the terms and conditions applicable to the resale policy as they have been explained. This document is included with the executed sales contract. (See attached Homebuyer Agreement.)

Enforcement of Resale Provisions. The resale policy is enforced through the use of a Declaration of Covenants for Resale will specify: The length of the affordability period (based on the dollar amount of HOME funds invested in the unit; either 5, 10, or 15 years); that the home remain the Buyer’s principal residence throughout the affordability period; and the conditions and obligations of the Owner should the Owner wish to sell before the end of the affordability period, including; the Owner must contact the McHenry County Planning and Development Department in writing if intending to sell the home prior to the end of the affordability period; the subsequent purchaser must be low-income as defined by HOME, and occupy the home as his/her new purchaser’s primary residence for the remaining years of the affordability period. c. The sales price must be affordable to the subsequent purchaser; affordable is defined as limiting the Principal, Interest, Taxes and Insurance (PITI) amount to no more than 30% of the new purchaser’s monthly income.

Fair Return on Investment. The McHenry County Planning and Development Department will administer its resale provisions by ensuring that the Owner receives a fair return on his/her investment and that the home will continue to be affordable to a specific range of incomes. Fair Return on Investment means the total homeowner investment which includes the total cash contribution plus the approved capital improvements credits as described as: The amount of the down payment; the cost of any capital improvements, documented with receipts provided by the homeowner, including but not limited to: any additions to the home such as a bedroom, bathroom, or garage; replacement of heating, ventilation, and air conditioning systems; and accessibility improvements such as bathroom modifications for disabled or elderly, installation of wheel chair ramps and grab bars, any and all of which must have been paid for directly by the Owner and which were not installed through a federal, state, or locally-funded grant program; and outdoor improvements such as a new driveway, walkway, retaining wall, or fence.

Note: All capital improvements will be visually inspected to verify their existence.

Affordability to a Range of Buyers. The County will ensure continued affordability to a range of buyers, particularly those whose total household incomes range from 50 percent to no greater than 80 percent AMI. The County also encourages its subrecipients to attract households who are currently using a Housing Choice Voucher.

