

**COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION
MINUTES OF APRIL 28, 2010**

CALL TO ORDER

Chairman Draffkorn called the meeting to order at 8:17 a.m.

ROLL CALL/ATTENDANCE

Members Present: Sue Draffkorn (Chairman), Yvonne Barnes, Scott Breeden, Randy Donley, Tina Hill, Barbara Wheeler, Carol Louise, Phil Bartman, Mark Ruda, Robert Miller, Robert Pierce, Lowell Cutsforth, Rosemary Kurtz, Stanley Duda, Robert Martens, Kimberly Larson and Craig Hubert.

Members Absent: None

Staff Present: John Labaj, Deputy County Administrator; Pam Palmer, County Auditor; Shannon Teresi, County Internal Auditor; Dennis Sandquist, Director of Planning & Development; Maryanne Wanaski, Deputy Director/Principal Planner; Faith Taylor, IDIS Specialist; Sarah Ciampi, CDBG Program Assistant and Pat Melone, CDBG Administrative Specialist

Others Present: Tom Riley, Pioneer Center.

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

Mr. Hubert joined the meeting at 8:20 a.m.

MINUTES

Mr. Pierce made a motion seconded by Ms. Louise to approve the minutes from March 24, 2010. Chairman Draffkorn asked if there were any corrections or alterations – there were none. The minutes were approved on a voice vote with all members present voting aye.

PUBLIC PARTICIPATION

None

OLD BUSINESS

Staff Report: Ms. Draffkorn asked for questions or comments. Mr. Donley said there was no balance figure in the summary portion of the Staff Report. Staff will now put that figure in both places.

NEW BUSINESS

Discussion of HUD Monitoring: Ms. Draffkorn said HUD came out to the County to monitor some projects on April 8 – 9 and 12 thru 14. There were some findings on which HUD will be sending a final report. Suggestions and comments were that funds could be re-programmed to other projects, that CHDO reserve spending has not been spent down in the correct manner - there are new findings in the HOME Report and we are waiting to see what the monitoring report will show. We also need some help with the NSP documents according to federal regulations. It is hoped that a report will be received in the next month. Ms. Hill asked when a decision would be made on re-allocation. Ms. Taylor said when we get the final determination of how much funding was cut and exactly how much funding we will receive. There was another question on how fast Housing Authority has been able to spend-down their dollars. Staff is working with them on this and they have submitted a spend-down plan.

Mr. Duda joined the meeting at 8:25 a.m.

Mr. Breedon referred to Attachment A of the Staff Report and asked for an expenditure deadline date to be shown for all projects. After discussion it was decided that staff will add this information to the report.

Commission By-Laws – Resolution: Motion by Ms. Hill seconded by Mr. Martens to approve the Resolution adopting the amendment to the by-laws of McHenry County Community Development Block Grant

Commission, specifically amending Section III, Item C. Absences. There was in depth discussion on this subject followed by a roll call vote: Barnes, Donley, Hill, Wheeler, Louise, Ruda, Pierce, Cutsforth and Kurtz voted aye. Draffkorn, Breedon, Bartman, Miller, Duda, Martens, Larson and Hubert voted nay. With nine (9) for and eight (8) against, Chairman Draffkorn declared the motion passed.

Re-naming of an Allocated Funding Component – Resolution: Motion by Ms. Barnes seconded by Mr. Duda to approve the Resolution re-naming an allocated funding component currently identified as “CHDO Reserve Fund” to “CHDO Performance.” Ms. Taylor said the initial allocation was CHDO Reserve Fund but during training attended by Ms. Wanaski and Ms. Ciampi it was discovered that the wording implies something different than what was intended. After discussion with Region 5 Representative it was decided to recommend this change. On a roll call vote all members voted aye. The motion passed.

Proposal to Evaluate Waiver of Taxes and Fees for NSP Properties – Discussion: Ms. Ciampi said staff has been working on the rental portion of the NSP contract which is dedicated to serving persons at 50% or lower of the area median income (AMI). This is per the regulatory statute of the Neighborhood Stabilization Program (NSP). One of the identified problems with completing rental projects in NSP and the County as a whole is that property taxes are hurting developer’s pro-forma. A pro-forma being the document that developers create of how feasible a project is over a period of time. It factors in the acquisition of the land, taxes, utilities and operating management expenses – all elements for operating rental units. One consideration is putting HOME money into the NSP program, but this triggers the HOME match, which could be alleviated by reducing some taxes and fees. Concern was expressed that these units generate children for schools and tax reduction would impact the schools. Ms. Ciampi pointed out that some of the NSP units are going to be designated for handicapped individuals and seniors who will not bring in children. Ms. Wanaski confirmed that the biggest tax burden in McHenry County is school dollars. There was in depth discussion on the pros and cons of tax reduction and development.

Ms. Larson left the meeting at 9:10 a.m.

Commissioner Information Series – HOME Funding Best Practices: “Hand-outs” were passed around on this topic. Ms Ciampi reviewed the subject matter and responded to questions. Ms. Wanaski talked about the Federal rules and regulations that private developers need to meet when they receive HOME funds. Mr. Sandquist asked if the County would need to find \$125,000.00 in County money and services to match towards the \$500,000.00 and if there was a time frame for this. Ms. Ciampi said we are going to bring together different match proposals.

Mr. Bartman left the meeting at 9:33 a.m.

Mr. Martens left the meeting at 9:35 a.m.

MEMBERS’ COMMENTS, MISCELLANEOUS BUSINESS AND ANNOUNCEMENTS

None

ADJOURNMENT

Mr. Miller made a motion to adjourn seconded by Mr. Duda at 9:40 a.m. Chairman Draffkorn declared the motion passed, on a unanimous voice vote.