

**COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION  
MINUTES OF MAY 26, 2010**

**CALL TO ORDER**

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

**ROLL CALL/ATTENDANCE**

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

*Members Absent:* Barbara Wheeler, Rosemary Kurtz and Stanley Duda

*Staff Present:* Ken Koehler, Chairman – County Board; John Labaj, Deputy County Administrator; Dennis Sandquist, Director of Planning & Development; Maryanne Wanaski, Deputy Director/Principal Planner; Faith Taylor, IDIS Specialist; Jean Niemann, CDBG Coordinator; Sarah Ciampi, CDBG Program Assistant and Pat Melone, CDBG Administrative Specialist

*Others Present:* Housing Commissioners Evert Evertsen, Hartland Township; Mary Lu Seidel, CAHMCO; John Boyd, Attorney; Greg Siebold, Public; Jean Schober, McHenry County EDC; Tom Stephani, Contractor; Karen Calendo, Mental Health Board; and Elise Livingston, MCHAR; HUD Region V Representatives Ray Willis, Director of Chicago Regional Office and Kimberly Danna, Senior Community Planning & Development Representative.

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

**MINUTES**

Mr. Miller made a motion seconded by Ms. Louise to approve the minutes from April 28, 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. Taylor referred to the drawdown report and the changed format. This is still in the old format but the new one is in process. She discussed the changes that will be made to the individual programs. After further discussion it was decided to stay with the present format.

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

Ms. Taylor responded to questions on the NSP funding. She said the 1.8 million dollars spent thus far comes through the Housing and Economic Recovery Act and is specifically for purchasing foreclosed and vacant homes to rehab and sell in order to help stabilize communities. She then spoke about an invitation to a press conference being held in recognition of the first NSP home sale.

**NEW BUSINESS**

*Commissioner Information Series – Basics of CDBG:* A hand-out was distributed on this topic. Ms. Taylor said she recently went to training on the Basics of CDBG and wanted to share the highlights with the Commission. She discussed this information and responded to Commissioners' questions. Ms. Wanaski explained the management of Planning and Development Department and a proposed change which entails Ms. Wanaski becoming a full-time Community Development employee.

Commissioners: Breedon, Donley and Martens left the meeting at 9:00 a.m.

Ms. Taylor introduced Mr. Ray Willis and Ms. Kimberly Danna of Chicago HUD field office to the meeting. The CDBG Commission and Housing Commission members present introduced themselves.

*Special Presentation – HUD Region V – Chicago Office:* Mr. Willis opened his address on NSP and foreclosed properties. He then addressed HOME and CDBG Programs and the \$370,000-plus funds that were de-obligated because of timeliness. He said one of the reasons for continued oversight is to help prevent the return of funding. He stressed the differences between the CDBG and HOME Programs and said in the HOME Program, two years after a contract is signed, there is a commitment and disbursement responsibility and talked about what needs to be done and the time frame involved, and that the County may still lose more funding. Mr. Willis also addressed the capacity of the County's CHDO's and the need to work with other organizations.

Ms. Danna talked about an automatic "sweep" that occurs at the end of September (the end of the federal fiscal year). If there are funds greater than six years old that have not been disbursed they will be swept back to the Treasury (about \$35,000.00) - this needs to be dealt with. Ms. Taylor explained that funding left over from previous years or projects that came in "under budget" were re-allocated as 2007 Rollover Funding and these are the projects being addressed. Ms. Ciampi said there is a spend-down plan to address this and we plan to change the rollover funding system to avoid future problems. Ms. Danna explained that when HUD reviews funds if it sees projects that have not started disbursing after twelve months, funding for the whole project will be swept.

Ms. Danna was asked to explain what led up to the loss of funding this year for CDBG. She explained that a few years ago there was insufficient staff, and due to some projects not having environmental reviews, funding was frozen for a time. In addition, federal funding was late due to the budget not being approved. She also said there were some program design issues. There is a local match requirement that non-profits are not able to make due to the economy and lack of funding from the State and other governmental bodies. Mr. Willis suggested relaxing the match requirement may be helpful. He added that there were one or two projects that had been started prior to the environmental review. He also mentioned the possibility of an additional round of NSP funding. Chairman Koehler thanked Mr. Willis for the help provided by HUD staff and said staff is being realigned to manage the programs in a more efficient manner. Ms. Danna referred to the improvements made in McHenry County program administration. She then advised that any projects that are not moving should have funding removed and the funds should be put in a project that is ready to move, and the need to work with private entities and developers. There will be money available in the future to fund projects that have funds removed. Ms. Ciampi pointed out that both CDBG and HOME projects will need to have funding "swapped" because some projects are backlogged and said that in June staff will bring to the Commission recommendations for CDBG cuts related to the 2010 grant, and in July recommendations for "swapping" of funds pertaining to HOME. Additionally, Ms. Danna and Ms. Ciampi discussed the efficiency of approvals related to funding and that there will need to be some change in process because of the two to three months time frame for bringing a Resolution to the Commission, then Planning and Development Committee and on to County Board. Staff will need to be able to de-obligate funds and switch them to a project that is "shovel ready." Ms. Danna also spoke of the need to expedite processing. Chairman Koehler then confirmed the need for "swapping" and the expedition of processing.

9:50 a.m. Ms. Hill left Committee, 10:00 a.m. Mr. Ruda left Committee, 10:08 a.m. Ms. Louise left Committee, 10:14 a.m. Mr. Bartman left Committee.

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

The topic of meeting location was raised. Ms. Ciampi said that because of some public hearings we were not able to schedule these off-site meetings and major decisions will be discussed in June and July so we are looking at an alternative of visiting a site mid-month and possibly holding an off-site meeting in July or August.

#### **ADJOURNMENT**

Mr. Miller made a motion to adjourn seconded by Mr. Pierce at 10.23 a.m. On a voice vote all members present voted aye and Chairman Draffkorn declared the motion carried.