

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

MINUTES OF THURSDAY, MAY 19, 2011

Vice-Chairman Donner called the Planning and Development Committee meeting to order at 8:30 a.m. The following members were present: Mary Donner, Vice-Chairman; Randy Donley; Sue Draffkorn; Marc Munaretto and Ersel Schuster. Tina Hill and Jim Heisler were absent. Also in attendance: Dennis Sandquist, Maryanne Wanaski, and Sarah Ciampi, Planning and Development; Shannon Teresi, Auditor's Office; Jamie Rein and Sarah Hansen, State's Attorney's Office; Diane Evertsen and Donna Kurtz, County Board; Carolyn Schofield, City of Crystal Lake Council member; interested public and press.

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

MINUTE APPROVAL:

Committee members reviewed the Planning and Development Committee minutes of May 5, 2011. Ms. Schuster made a motion, seconded by Ms. Draffkorn, to approve the minutes. The minutes were approved with a unanimous voice vote of all ayes.

PUBLIC COMMENT: Ms. Schofield joined committee members and read the following statement concerning cell towers:

"As you are aware on April 5, 2011 the Crystal Lake City Council passed a resolution requesting that McHenry County place a moratorium on cell tower installations. This request was made to allow the county time to revisit the cell tower application and approval process. Due to the size and permanent nature of these structures, a formalized review and approval process taking into consideration the impact on the quality of life and property values of surrounding properties, as well as creating a vision for the greater good of the community, is a necessity. Again I respectfully request that the County place a moratorium on cell tower installation and approvals to allow time for review and implementation of a more restrictive and detailed approval process."

Ms. Kurtz provided members with a copy of a letter from Brett C. Hopkins of Crystal Lake. She read the following excerpts from his letter as follows: "The purpose of my statement is for the board to take into consideration the request by the Crystal Lake City Council to adopt a moratorium on approving any new telecommunication facilities until a revision can be made to its Telecommunications Ordinance. It is my understanding that a moratorium has been utilized before by other levels of government as it relates to cell towers and I respectfully request that this be considered by the County." She mentioned that he would like this to occur until the revisions to the current ordinance can be revised. "While the Telecommunications Act of 1996 gave cellular companies some power over local governments to provide service to areas, it did not give them the right to place antennas wherever they want. It is our community and we should be actively involved in the application of these services and their potential impact. In my opinion there may be some changes that could be made to your current ordinance to provide service, but protect the natural beauty of McHenry County and the residents."

Ms. Kurtz mentioned that they need to find out how they can legally address the ordinance so that they can have some control because right now, if you live outside of an annexed area, you have no control where cell towers may be installed.

PRESENTATIONS: None.

SUBDIVISIONS: None.

OLD BUSINESS: None.

NEW BUSINESS:

Vice-Chairman Donner requested that agenda item No. 6.2 be heard next.

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Neighborhood Stabilization Program (NSP): Ms. Wanaski and Ms. Ciampi joined committee members and provided them with a map showing the locations of the sites that have been purchased through the NSP. Ms. Wanaski provided a summary of what has occurred since the last P&D meeting. The County has assumed, and CAHMCO has assigned, their general contractor to the County. They have contracted with the party who handles the sale of the homes. There are five additional homes under contract, all of which are anticipated to close by the end of July. With assistance from the State's Attorney's Office, they have been able to obtain the original records from CAHMCO, including the construction specifications, contracts and mortgage information. There are a total of 12 properties currently in the program of which two are sold, one is being rented, and five additional properties are slated to be sold. The remaining four properties are going out for new bids and two of them are slated for rental. Ms. Ciampi stated that on Monday they met with the Housing Authority's Board and proposed adding these properties to their portfolio and they are taking this under consideration. Currently CAHMCO will still maintain the rental unit located at Pierson Street in Crystal Lake and they will be responsible for that property through the end of the current lease that is in effect until November 30, 2011 at which point the property will come back to the County to be sold. The remaining two properties (a two-unit rental on McHenry Avenue in Woodstock and a two-unit rental on Geringer Road in Algonquin) have been slated as rental units as part of the program to serve residents of McHenry County that meet the 50% or lower area-median income levels. Ms. Wanaski mentioned that the Housing Authority previously did the paperwork to establish a 501(c)(3) corporation as a non-profit agency separate from the Housing Authority, but has not finalized the paperwork. That may be the agency the County could partner with if that non-profit did become a 501(c)(3) corporation. Ms. Ciampi mentioned that the property located on Lincoln Street in Harvard has sustained water damage. At the time of the water damage CAHMCO was the insurance policy holder and they were given a check by the insurance company to cover the damage. Staff has verified that funds exist for the repairs to this property and as a part of the County's responsibilities, staff will be monitoring the repairs which should be completed within a month. CAHMCO is still responsible for the construction on this property and must bring it back to the level it was when the water damage happened before it is turned over to the County. CD staff has also met with Habitat for Humanity, but that agency may not have sufficient staff or resources to partner with the County to run the NSP grant.

Ms. Wanaski mentioned that they have finished the amendment to the original contract to close the HUD funding, and staff is now working on an interim termination agreement with CAHMCO. Staff wants to do an interim termination agreement in order to be able to release CAHMCO from the houses and day-to-day operations, but not CAHMCO's final liability until a final audit has been obtained on all of the properties and all terms of the agreement have been met. Ms. Teresi is aware of several audit issues and has been reviewing CAHMCO's records. Ms. Ciampi mentioned that one issue that is being resolved concerns the hours that were due to Corey Brackmann, the construction manager that CAHMCO did not pay. Staff has met with Mr. Brackmann and have come to an agreement as to the number of hours worked and will be charging them to each of the homes as program delivery. Another matter Ms. Teresi and Ms. Ciampi are working on is a review of costs incurred for each home and verify that CAHMCO paid for the costs. They are also overseeing the bank accounts. Ms. Wanaski reported that they have received the money back from the taxes on the purchase of the house and the first installment has been paid. Staff has recovered the \$11,000 in the escrow account that CAHMCO used to purchase homes as escrow money. Mr. Donley mentioned that he understands that Corey Brackmann is owed approximately \$7,000 and Brackmann Construction is owed approximately \$12,000. Ms. Wanaski said that each of the outstanding payments due to Corey Brackmann and Brackmann Construction are for two separate programs. Corey Brackmann is owed money (construction management) for work done under NSP homes. The County has assumed the hours owed to Corey Brackmann and he will be paid even though technically that was CAHMCO's responsibility. Concerning the Renaissance property (outstanding money due to Brackmann Construction), she cannot pay those bills with CDBG funds. It is her understanding Brackmann Construction was going to place a lien on the property. Mr. Donley questioned if Corey Brackmann, Sr. needs to place a lien on the property before the County obtains the property. Ms. Ciampi stated that the County will not be taking over Renaissance if liened, however, the Renaissance project does have some County HOME funds. When the property is liened, it would be a concern to the County for the fact that CAHMCO is responsible for that property under the County's HOME program. Once staff has resolved NSP program issues with CAHMCO, the division will be starting HOME compliance monitoring starting in July, including Renaissance and their HOME buyer program. CAHMCO is aware of this because they are still working in that capacity because they used County funds to purchase that property. As far as any payments to Brackmann Construction or Mr.

Brackmann, the County cannot make CAHMCO make any payments for the Renaissance property. Ms. Wanaski mentioned that Renaissance is an eight-unit building with one commercial space in it. The money owed to Corey Brackmann from CAHMCO for the construction management was for the 15 homes and for the sites that they did not purchase. There were some hours worked by Corey Brackmann for the times he visited these sites even though the sites were not purchased, but he still needs to be reimbursed for the work performed. Mr. Donley stated that if the County is taking over these projects from CAHMCO, what does CAHMCO do besides operate the Renaissance property. Ms. Ciampi said that that is all they do.

Ms. Wanaski mentioned that Attorney Jim Militello has completed the paperwork for each of the homes in the trust and CAHMCO could remain as the beneficial interest, even when the County officially ends their working agreement with them. The Housing Authority or CAHMCO will only have beneficial interest pursuant to the County's directive. Mr. Munaretto mentioned that the County has the power over the direction of the trust so any Letters of Direction will have to be authorized by the County, not by CAHMCO. Ms. Ciampi stated that it is beneficial to the County to have another entity as the beneficiary in relation to the sales because many banks do not want to do mortgages on these properties because the subsidy from the NSP into the homes to arrange the sales could be viewed as a conflict of interest. The properties, when held by another party other than the County, allows the sale of the homes to use FHA lending. Ms. Wanaski mentioned that another possibility would be for the unfinished homes to go to other non-for-profit organizations to be used as shelters and safe houses. Mr. Donley asked for a timetable. Ms. Wanaski mentioned that everything associated with the grant must be completed by the end of September, 2013. The goal is to have the original 15 homes finished and sold by the end of the year. The County could use the income from the sale of the homes to purchase additional homes because the program will have another 1 ½ years left. Mr. Donley mentioned that he sees CD staff creating a new department which is what some Board members did not want to do. He thought this grant was a one-time grant. Ms. Wanaski stated that it is a one-time grant and it will end when done which is by the end of September, 2013. Vice-Chairman Donner questioned as to the purpose for the County to purchase additional homes when home prices continue to decline. Ms. Wanaski mentioned that they only foresee the purchase of one or two additional houses. Ms. Ciampi said that if the County choose to not make any more purchases with the program income, then the money goes back to HUD, or it can be recycled into more homes. The thought is to continue to recycle the program income. All program income generated must go back to HUD if the County elects not to use it within the guise of the program. However, if the County did purchase more homes, and sold those homes, the proceeds from the second round of sales may be made available to be used as CDBG funds after 2013 which will be a benefit for the County considering the County, as all other participating jurisdictions, have received less CDBG funding with the Federal budget cuts. She mentioned that once they are finished with the remaining 12 homes, staff will return to the committee to discuss whether or not the committee will recommend to give the money back to HUD, or to purchase one or two additional homes with the proceeds. Ms. Schuster thanked them for preparing the map. It was explained that the orange areas on the map depict the areas of greatest need that were identified in the County's Action Plan. Mr. Donley said that it was previously mentioned that this project goes until September, 2013 and asked if they were making a foregone conclusion that there are no other organizations that will take over this project. Ms. Wanaski answered that there were no other organizations at the present time to take over the NSP grant. If the Housing Authority goes forward with creating a non-profit organization, that would be a potential partnership. If the Housing Authority does not create the non-profit entity, they, as a Housing Authority, are not eligible under the provisions of this program and would not be able to be a partner with the County in this program. Mr. Munaretto mentioned that one of the reasons it is so difficult for the County to find a successor organization is because there are virtually no community housing development organizations in McHenry County. In other counties where there are many organizations that build affordable housing, it would be easy for the County to reach out to them. We do not have a resource that other counties have available to them which limits the County. Ms. Ciampi mentioned that the entity must also know the Federal regulations associated with this program.

Interviews – McHenry County Housing Commission: Ms. Ciampi stated that both applicants would be welcomed on either the voting or non-voting block for the general public. There are five open positions, two are on the voting block and three are on the non-voting block. One member on the non-voting block is a member of a CHDO and that would not apply to either of these applicants. They can have as many members of the general public as they want on the voting block.

Committee members interviewed Fred Broling and Frank Kowalski for consideration for appointment to the McHenry County Housing Commissions. Committee members entered into a discussion regarding the appointment of Fred Broling for the voting block of the Housing Commission. Mr. Munaretto made a motion, seconded by Ms. Draffkorn, to recommend the appointment of Fred Broling as a member of the voting block of the McHenry County Housing

Commission with a term to expire on April 30, 2012. His appointment would replace the appointment previously held by Greg Seibold. The motion carried with all members present voting aye on a roll call vote (Donley, Draffkorn, Munaretto, Schuster and Donner).

Neighborhood Stabilization Program (NSP) (continued): Ms. Wanaski explained that the County has two grants, CDBG and HOME, that are an annual allocation because the County's population qualifies for the funding. Both CDBG and HOME funds are considered "entitlement grants". NSP was a specific, one-time grant to purchase foreclosed homes to be rehabbed and sold to households that earn 120% of area-median income. The County was also awarded a grant named HPRP (Homelessness Prevention and Rapid Re-Housing Program) which is also a one-time grant, basically expended by the Housing Authority to help income-qualified individuals pay for their rent or utilities. Another one-time grant was CDBG-R which was a shovel-ready stimulus allocation. CDBG-R was spent on Wonder Lake's water main and fire hydrant project and that grant has been completed. CDBG is, again, an annual allocation used primarily for infrastructure such as water plants, sidewalk repairs, handicap accessibility compliance and road construction. If municipalities qualify as a low-income area, per the Census Bureau, or if the County does a special income survey that shows income need, the County can award the money to municipalities. For example, this year Union, Illinois is receiving money for the first stage of an ion treatment plant. There is a small component (15% which is \$150,000) that allows service agencies the ability to obtain funds to run service programs as opposed to \$1 million that can be allocated to keep the social service agency structures in good condition. HOME (Home Investment Partnerships Program), which is the other entitlement grant, is earmarked and structured to put affordable housing units on the street. This grant also has two components – CHDO (Community Housing Development Organization) and HOME funds. HOME funds are for acquisitions, building, rehabilitation and demolitions, but the rehabilitation aspect is the main part of the County's HOME program. CDBG does owner-occupied rehab through the Housing Authority, also. Ms. Wanaski mentioned that the County could partner with the Housing Authority for the NSP, but they do many of the County's other grants and the County needs to be careful about over extending the Housing Authority's resources.

Although, HOME and CDBG are grants the County receives every year, this year's funds were reduced because of budget cuts. The Federal government allocates grant money through states and counties where population allows them to reach a required threshold. Vice-Chairman Donner asked what would happen if the County did not have the grants or stopped managing them because it seemed to her that the money is taking care of structures that may not be on anyone's radar. Ms. Wanaski gave several examples of projects that have benefited from these grants for agencies that would not have been able to apply directly to HUD. The County is the pass-through for HUD money. This is the way smaller agencies receive the money that they need to run many of their programs or to rehab their facilities. The County is the eyes and ears for compliance at the local level and allows the agencies to access Federal funds. Mr. Munaretto mentioned that the Federal government also does not have the capacity to administer money to local areas because they do not have the knowledge of what the needs of local areas are. Ms. Ciampi stated that the County maintains the responsibility of both HOME and CDBG grants and is, therefore, responsible for monitoring.

For certain CDBG funds that are invested, the use must stay the same for that facility for a minimum period of five years. Anything prior to 2004/2005, it was perpetuity. The County is responsible for maintaining the oversight and monitoring of projects where Federal monies were used, regardless of whether the County still has the grants or if it decided to not have the grants. Ms. Wanaski stated that the County accepts the grants because many local agencies depend on the grant funds. Mr. Donley asked how HUD stated, during the previous P&D meeting, that if the County did not take over projects that CAHMCO no longer wants to do, the County owes \$3 million back to HUD. Ms. Wanaski stated that those are the Federal government's rules. The County accepted the grant and stated that it would be responsible for the grant. Just because CAHMCO chooses not to run the program anymore, the County is still responsible for its execution and terms. The County has the duty to finish the program and that is why HUD's representative, Kimberly Danna, stated that if the County does not finish the program, the County has to pay the money back to HUD. Ms. Ciampi mentioned that in order to fulfill the requirements of the NSP grant, the County must get through the first cycle of activities including acquisition, rehab and sale or rental. If not, all of the funds that went towards the purchases and rehab work, whether for rental, lease-to-own or for sale, will need to be returned. If the County does not make sure that 25% of the NSP grant was used to benefit people at 50% of area-median income or less, those requirements, if not fulfilled, will likewise require repayment of the grant money back to HUD. By taking and running the grant in-house, staff has more control and can ensure the County will meet those requirements. If the program were to sit and stall, staff cannot guarantee that by the time everything is required to be completed with the grant, the rehab of the homes would be finished in a timely manner in order to get program beneficiaries (tenants) in the homes. If the County is unable to sell some of the homes at the end of

the program, although staff is confident that the County will be able to, staff can structure the homes as rental properties before the expiration of the grant. Staff, through HUD's assistance, has also obtained help in developing a lease-to-own component for the program. Staff is doing everything possible to protect the County's interest in being a good steward to the grant, to finish it out the way it needs, in order to avoid having to return funds to HUD. Ms. Wanaski stated that once the houses are sold and the first phase of the grant is completed, staff will come back to the committee and seek their counsel going forward. Staff will provide information regarding hard-costs on what it will take to complete each house, along with the amount of program income that can be reused.

Mr. Donley stated that he does not understand why the County continues taking CDBG money year after year, as well as HOME funds. If the County does not have any organizations such as CAHMCO to run programs for the County, then staff is simply developing another department in the County to administer that money and do the build-outs. Ms. Schuster concurred and mentioned that if you lease-to-own, that will go beyond the term of the NSP grant. Ms. Ciampi stated that lease-to-own has a one-year requirement with the program. At the end of a one-year lease-to-own term, tenants have to come up with financing to purchase the home. However, rental will meet HUD's beneficiary requirements so the County is safe. If tenants are unable to procure funding, then they would no longer remain tenants and the County could then sell the home, or they can work with a non-profit organization to continue their lease. Habitat for Humanity is doing this with their current homes. Staff has worked with Habitat to do lease-to-own in order to bring them into HOME compliance.

Mr. Sandquist mentioned that CDBG is part of the Planning & Development Department. They have staff to administer the program, partially through new staff members (Sarah Ciampi) and moving existing staff over from other functions (Maryanne Wanaski and David Watkins) and all are grant-dependent positions. As the committee heard during the last P&D meeting, it is the County's responsibility for accepting the money from HUD to make sure the project is done correctly and there is an obligation of staff to administer the program funds.

City of Crystal Lake's request that the County adopt a moratorium and amend the County Telecommunications Tower Ordinance: Mr. Sandquist, Ms. Rein and Ms. Jansen joined members to discuss the City of Crystal Lake's formal request for the County to revise its Telecommunications Carrier Ordinance. The State's Attorney's Office was requested to review and present an opinion concerning this request. Ms. Rein stated that the Telecommunications Act of 1996 is a Federal law which allows state and local governments to regulate cell towers subject to five restrictions, specifically, (1) regulations cannot unreasonably discriminate among providers; (2) local regulations may not have the effect of prohibiting the building of towers; (3) local authorities must act on any applications within a reasonable time; (4) decisions by local authorities must be in writing and supported by substantial evidence; and (5) local authorities cannot regulate cell towers based on environmental impacts of radio frequency emissions. These are the only limitations the Federal government places on state and local cell tower regulations. Unlike municipalities, counties in Illinois are substantially limited in their ability to regulate cell towers. Ms. Rein stated that it is the State's Attorney's opinion that under Illinois state law, the County cannot legally make any substantial changes to its Telecommunication Carriers Ordinance. Because the County cannot make substantial changes to the ordinance, it is their opinion that it cannot legally impose a moratorium on the approval of cell towers. Committee members suggested that this matter be sent to the Legislative and Intergovernmental Affairs Committee for review.

REPORTS TO COMMITTEE:

Chicago Metropolitan Agency for Planning: None.

Community Development Block Grant Commission: Ms. Draffkorn reported that she has been speaking with the Community Development team and they have been reviewing the Commission's makeup and they may be changing the makeup of the Commission. Many members are involved with sub-recipient money and the Commission may make these members non-voting members and have only the County Board members as voting members of the Commission. Mr. Munaretto mentioned that he has been long concerned about the relationship among CDBG and the allocation of funds among public infrastructure projects within McHenry County and he would welcome this change.

Historic Preservation Commission: None.

Housing Commission: Ms. Draffkorn stated that they had a meeting on Tuesday. The biggest issue they have is educating the county and municipalities that there is a need for affordable housing within the county.

MISCELLANEOUS: Mr. Donley asked Mr. Sandquist if anything was being done about the property located on Rt. 20 outside of Marengo, Illinois where a gentleman sells items from his front yard. He is receiving constant complaints from the neighbors of this gentleman stating that they feel the County Board does not care about them and they are not going to do anything about this matter. Mr. Donley has recently visited the property in question and he counted 42 vehicles/cars/motorcycles/scooters/lawn mowers located on the property and saw many people walking around the yard looking at the items. Mr. Sandquist stated that staff has been to the property on numerous occasions, along with the Health Department and Sheriff's Department, to make sure that all of the materials meet county requirements and are able to be stored on the property. They have attempted to address this matter within the confines of the ordinances that they currently have, but the outside storage of materials is something that they want to address with the UDO (Unified Development Ordinance). Mr. Donley mentioned that there are two neighbors on both sides of the property in question also selling vehicles and trucks from their property.

Ms. Schuster mentioned that in the past they have talked about equine infectious encephalitis and the transfer of diseases among animals, specifically horses. Animals are being transported in and out of the County, and in and out of the State of Illinois. This matter concerns what the committee and the Planning & Development Department are doing with the temporary use permit ordinance. Ms. Schuster provided information on this issue to staff.

Mr. Munaretto left the meeting at 10:15 a.m.

EXECUTIVE SESSION: None.

ADJOURNMENT: Noting no further business, Ms. Draffkorn made a motion, seconded by Mr. Donley, to adjourn the meeting at 10:17 a.m. The motion carried with a unanimous voice vote.

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RECOMMENDED FOR BOARD/COMMITTEE ACTION:

Recommend the appointment of Fred Broling to the McHenry County Housing Commission

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