

AMENDED AGENDA
PLANNING & DEVELOPMENT COMMITTEE
November 3, 2011 at 8:30 a.m.
McHenry County Government Center
County Board Office - Administrative Building
667 Ware Road
Woodstock, Illinois 60098

- 1.0 Call to Order
 - Minute Approval
- 2.0 Public Comment
- 3.0 Presentations
- 4.0 Subdivisions
- 5.0 Old Business
- 6.0 New Business
 - 6.05 McHenry County Housing Commission interviews:
 - 8:30 a.m. – Ryan Anderson
 - 8:45 a.m. – Thomas Johnson
 - 6.10 Resolution Authorizing Acceptance of a Technical Assistance Grant from the Chicago Metropolitan Agency for Planning, a Contract with Camiros, LTD for Developing a Neighborhood Subarea Plan, and an Emergency Appropriation to the FY 2011 Planning and Development Budget
 - 6.15 Resolution Authorizing Approval of the McHenry County 2012 Annual Action Plan for HUD Programming
- 7.0 Reports to Committee, as applicable
 - 7.05 Chicago Metropolitan Agency for Planning–Neighborhoods Planning Grant Award
 - 7.10 Community Development Block Grant Commission
 - 7.20 Historic Preservation Commission–Victory Garden status report–Laurie Selpien
 - 7.30 Housing Commission
- 8.0 Miscellaneous
- 9.0 Executive Session
- 10.0 Adjournment

R E S O L U T I O N**AUTHORIZING ACCEPTANCE OF A TECHNICAL ASSISTANCE GRANT FROM THE CHICAGO METROPOLITAN AGENCY FOR PLANING, A CONTRACT WITH CAMIROS, LTD FOR DEVELOPING A NEIGHBORHOOD SUBAREA PLAN, AND AN EMERGENCY APPROPRIATION TO THE FY 2011 PLANNING AND DEVELOPMENT BUDGET**

WHEREAS, the Department of Planning and Development previously received approval from the Planning and Development Committee to request a Technical Assistance from the Chicago Metropolitan Agency for Planning (CMAP) for assistance with developing a Neighborhood Subarea Plan for the traditional neighborhoods along the County's waterways; and

WHEREAS, CMAP agreed to provide the County with Technical Assistance in the form of CMAP staff support for developing the Neighborhood Subarea Plan and upon the conclusion of initial project scoping meetings, CMAP staff requested that the County consider acceptance of a Technical Assistance Grant so that the County could retain private sector expertise for the development of the Neighborhood Subarea Plan; and

WHEREAS, the Planning and Development Committee agree that staff should explore CMAP's recommendation and therefore accept a Technical Assistance Grant in the amount of \$80,000 which does not require the expenditure of any matching funds; and

WHEREAS, development of the waterfront neighborhood plan is directly related to the County's ongoing development of a Unified Development Ordinance (UDO) which will contain regulations specifically intended to facilitate the maintenance of existing structures and the appropriate redevelopment of properties within waterfront neighborhoods; and

WHEREAS, the County has an existing contractual relationship with Camiros LTD of Chicago, Illinois, for developing the UDO and through the extensive research and community outreach already conducted in the course of developing the UDO, Camiros has existing knowledge of the planning, infrastructure, and resource issues within the County's traditional waterfront neighborhoods. Using a single consultant will best ensure consistency between the seamless integration of the neighborhood subarea plan and the UDO; and

WHEREAS, after reviewing the proposed scope of services submitted by Camiros, the Director of Planning and Development and the Director of Purchasing recommend the County extend its existing contract with Camiros LTD of Chicago, Illinois, to provide additional services for preparing a waterfront neighborhood subarea plan at a cost not to exceed \$80,000.

NOW, THEREFORE BE IT RESOLVED, by this County Board of McHenry County, Illinois that the Chairman of the Board is hereby authorized to enter into an agreement with the Chicago Metropolitan Agency for Planning (CMAP) to accept an \$80,000 Technical Assistance Grant; and

BE IT FURTHER RESOLVED, by this County Board of McHenry County, Illinois that the Chairman of the Board is also hereby authorized to enter into a contractual arrangement with Camiros, LTD of Chicago, Illinois for the creation of a Neighborhood Subarea Plan for waterfront neighborhoods at a cost not to exceed \$80,000; and

BE IT FURTHER RESOLVED, by this County Board of McHenry County, Illinois that an emergency appropriation in the amount of \$80,000 to OCA 100005-4001 (Planning & Development – Contractual Services) is also hereby authorized to the FY 2011 budget and is to be offset by a revenue budget line item entry to OCA 100005-9450 (Planning & Development – Local Government Grants); and

BE IT FURTHER RESOLVED, that the County Clerk is hereby requested to distribute a certified copy of this Resolution to the Director of Planning & Development; the County Auditor; the Purchasing Director; the Associate County Administrator-Finance; and the County Administrator.

DATED at Woodstock, Illinois, this 15th day of November, A.D., 2011.

KENNETH D. KOEHLER, Chairman
McHenry County Board

ATTEST:

KATHERINE C. SCHULTZ, County Clerk

Department of Planning and Development
McHenry County Government Center - Administration Building

2200 North Seminary Avenue
Woodstock, Illinois 60098



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MEMORANDUM

To: Tina Hill, Chairman
and Members of the Planning and Development Committee

Scott Breeden, Chairman
and Members of the Finance and Administration Committee

From: Dennis A. Sandquist, Director of Planning and Development

Date: October 21, 2011

Re: Authorizing an emergency appropriation in the Planning and Development
Department Budget and entering into a contract extension with Camiros, LTD for
developing a Subarea Plan for waterfront neighborhoods

Board/Committee Action Requested:

Staff is requesting that the P&D and F&A Committees recommend authorizing an emergency appropriation in the Planning and Development Department Budget in the amount of \$80,000 and entering into a contract extension with Camiros, LTD for developing a subarea plan waterfront neighborhoods, at a cost not to exceed \$80,000.

Background:

The Committee previously approved the Department of Planning and Development's request to seek Technical Assistance from the Chicago Metropolitan Agency for Planning (CMAP) for assistance with developing a subarea plan for the traditional small-lot residential neighborhoods along the County's waterways. CMAP agreed to provide the County with technical assistance in the form of staff support. However, upon conclusion of the initial project scoping meetings, CMAP staff requested that the County consider acceptance of a cash grant instead of staff support. In July, the Committee agreed that staff should explore this option with CMAP.

Discussion:

On October 12, 2012, the CMAP Board has approved a Technical Assistance Grant in the amount of \$80,000 for McHenry County. This grant does not require the

expenditure of any matching funds. The cash grant will allow the County to retain a private consultant to develop the subarea plan.

The waterfront neighborhood plan is directly related to Unified Development Ordinance (UDO), which is currently under development. The ordinance will contain regulations specifically intended to facilitate the maintenance of structures and the appropriate redevelopment of properties within existing waterfront neighborhoods. The subarea plan will address the following items: a) long term vision for each waterfront planning area; b) key infrastructure needs and actions; c) key riparian needs and actions; d) key building maintenance needs and actions; e) key environmental management actions; and f) proposed approaches to land use regulation. These land use regulations will be included in the UDO. While the UDO will contain the specific land use regulations, the subarea plan will guide how and in which neighborhoods the regulations should be applied.

Camiros LTD of Chicago, Illinois, has been retained by the County to prepare the UDO. Using the same consultant to develop the subarea plan will ensure consistency between the plan and the UDO. In addition, because of the extensive research, stakeholder meetings, P&D Committee meetings, and ZBA meetings that Camiros has already conducted in the course of developing the UDO, Camiros has existing knowledge of the planning, infrastructure, and resource issues that the County needs to address within the subarea plan for waterfront neighborhoods.

Purchasing Director Kathy Link has indicated that we can enter into a contract extension with Camiros for the purpose of developing the subarea plan for waterfront neighborhoods. Camiros has prepared a proposed scope of services for the project, which is attached. Based on my review of the proposed scope of services, it is my recommend that the County enter into a contract extension with Camiros for the purpose of developing the subarea plan for waterfront neighborhoods, at a cost not to exceed \$80,000.

Impact on Human Resources:

This request will not have any impact on departmental or county staffing. Existing staff will work with the consultant on this project along with the UDO.

Impact on Budget (Revenue, Expenses, Fringe Benefits):

This request will not have any impact on the County budget. The additional expenditures will be offset by the grant award. The grant does not require any local matching funds.

Impact on Capital Expenditures:

This request will not have any impact on capital expenditures.

Impact on Physical Space:

This request will not have any impact on physical space.

Impact on Other County Departments or Outside Agencies:

The same County Departments that are providing information and data for the UDO (Environmental Health, McDOT) will also be asked to provide information and data for the subarea plan.

Conformity to Board Ordinances and Policies:

This request confirms with County procurement policies and ordinances.

Attachments:

Resolution

Proposed Scope of Services

cc: Deputy County Administrator-Finance, Purchasing Department

CAMIROS

411 South Wells, Chicago, Illinois 60607 Phone: (312)922-9211 Fax: (312)922-9689 <http://www.camiros.com>

September 26, 2011

Mr. Dennis Sandquist
Director of Planning
County of McHenry
667 Ware, Road
Woodstock, IL 60098

Re: Small lot subarea planning

Dear Dennis,

This is a revised proposal to reflect the directions given by Darrell Moore following review of the original proposal. Darrell's comments offered four key suggestions:

1. The scope of the study and plan should be larger than the three development areas suggested initially. It should provide useful guidance for addressing land use and regulatory issues in all areas of the county having small lots.
2. This program will need to involve physical reconnaissance and assessment of conditions in a larger area than originally contemplated.
3. More meetings than initially proposed will probably be needed to assure involvement of municipalities adjacent to these areas, representatives of affected homeowners associations and, perhaps, a larger number of County Board Commissioners.
4. The study might utilize a case study approach to demonstrate findings and recommendations

Initially we foresaw the opportunity to hold individual meetings with adjacent municipality representatives, and to meet with homeowners' association leadership specific to each of the assumed three study areas. While we are willing to do this on an expanded basis, it might be cost prohibitive. Indeed, I'm not quite clear on the number of entities that might be involved in such meetings until we get into the project.

Therefore, I am suggesting an initial approach that sets up a series of group meetings for a series of communities sharing a similar geography. I've also set up a meeting bank to provide for individual meetings should municipalities show interest and want to discuss possible approaches to working with adjacent unincorporated areas. We have looked at the map of the County, and believe that we need your help to accurately identify the number and locations of these grouped geographies, which I've called "planning areas" within this letter. We have made the assumption, for costing, that we can group them into five planning areas.

Our approach is similar to that previously proposed. Initially, we would collect and map the following data for each "planning area" through map, aerial and field analysis:

- Environmental protection and management
- Land use
- Infrastructure
- Housing conditions
- Lot size and housing type
- Development regulations

We would then hold an initial meeting within each "planning area" to outline conditions and to learn the local concerns regarding local property and infrastructure conditions, interest in joining with adjacent municipalities and impacts of current regulation upon housing quality, development opportunities and the local real estate market. This information will help us identify the key issues and determine if they are common to the entire "planning area" or specific to subsections. Thus, we could learn that all or part of the "planning area" fits one or more of the following scenarios, and then shape our area improvement and land use regulation proposals accordingly.

- Continued management of present conditions into the future
- Encourage some form of area improvement including redevelopment to a fully improved scale
- Work to integrate the area with adjacent municipalities and get the County out of the small lot housing category.

We could then review these proposals with you and relevant County Board members, and determine the best approach, such as case studies, to illustrate the issues and present various approaches to land use regulation and development management. We would meet again with the above parties to secure concurrence with the proposals most applicable to the planning areas or identify any modifications necessary to better reflect local realities and anticipated future patterns of development.

We would incorporate these findings into a program of actions and suggested zoning district(s), review it with you and prepare a final report.

SCOPE OF SERVICES

A modified scope of services to reflect the enlarged study area could be as follows:

Task 1: Startup meeting:

We would meet with you, Darrell and perhaps the County Board members representing areas of small lots to agree upon the work to be done, schedule and identify key contacts at the County and adjacent municipalities.

We would meet with members of the County staff to gain insights into housing (CDBG) issues, environmental issues, infrastructure issues, land use control issues and attitudes of local residents (if known) and adjacent municipalities regarding existing and future conditions within these areas. We would identify and map agreed upon "planning areas" containing unincorporated small lot subdivisions in water oriented

areas that cluster around common municipalities.

We could also meet with the County Board P&D Committee to learn their concerns and insights regarding the issues and future of these areas.

Task 2: Conditions Analysis:

We would collect and review current County data and conduct field research where necessary in order to build a current inventory of existing conditions within each planning area. This would include mapping and/or analysis of:

- a. Building and lot size and character
- b. Infrastructure and water access characteristics
- c. Services provided by the County
- d. Environmental conditions

Task 3: Issues meetings with adjacent municipalities:

We would organize meetings with representatives of the Village Boards within each planning area (we are assuming five meetings) to identify any interest in future annexation and the basis of that interest. Each of the meetings will also serve as an opportunity to understand local zoning controls within those communities having similar properties and the potential of applying these controls to the adjacent or nearby County areas.

Task 4: Community issues and needs meeting(s)

We would schedule a meeting with the leadership of the homeowners associations within each of these planning areas the same day or evening we meet with the municipalities to understand their perspectives on local needs and interests in supporting any local improvements or modification to development regulations. Establishment of "back to back" meetings with planning area municipalities and homeowners' association leadership should help us control cost.

Task 5: County staff workshop re issues and directions

We would prepare a summary memorandum on conditions, local expectations and potential approaches for discussion with County staff. We would suggest and agree upon specific case studies, if applicable, to use as a basis for developing and presenting recommendations. If desired, we could present this memorandum and our agreed on planning direction to the P&D Committee of the County Board.

Task 6: Joint County and adjacent municipality review

Should the directions of the memorandum developed above have the potential to involve adjacent municipalities, would be attend a joint meeting between County and candidate municipality leadership to discuss the potentials for joint coordination. We assume that these meetings could occur during the day at the County offices.

Task 7: Develop strategic program

We will undertake agreed the work direction outlined in the memorandum of Task 5 to prepare a program of recommendations that address the following for the small lot areas:

- a. Long term vision per planning area
- b. Key infrastructure needs and actions
- c. Key riparian needs and actions
- d. Key building maintenance needs and actions
- e. Key environmental management actions
- f. Proposed approaches to land use regulation to be reflected in the UDO

Task 8: Strategic program meeting(s) with county residents and adjacent municipalities

Following review of program recommendations with you we would attend a meeting of the leadership of all affected homeowner associations to brief the residents on the scope of the recommendations, take input, and if appropriate also meet with adjacent community leadership for the same purpose. We assume this would be done on a planning area basis. We would adjust our program recommendations based upon this input.

Task 9: Finalize subarea plan

We would meet with the County Board P&D Committee to review the recommendations and receive direction to finalize the plan

We will then prepare a draft final plan which summarizes the issues and recommended land use regulation and related proposals resulting from the study. These recommendations will include specific directions for drafting required UDO regulations. This report will address common issues and then outline specific actions for each of the planning areas if appropriate.

Following a review with staff, we would present the draft to the County Board for adoption as component of comprehensive plan. A final document would then be prepared.

COST

We estimate that the cost for these services would range between \$60,000 and \$70,000 that reflects up to five sets of planning area meetings and a provision for a follow up meeting and question response bank of \$10,000. It also makes provision for three days of Baxter and Woodman's staff to review infrastructure issues should that be necessary.

We estimate that we could complete this assignment within five to six months of receipt of an authorization to proceed. I would lead this study utilizing Arista Strungys and Nik Davis as key staff, thereby optimizing the use of persons already familiar with issues within the County.

Sincerely

A handwritten signature in black ink, appearing to read "Leslie S. Pollock". The signature is fluid and cursive, with the first name being the most prominent.

Leslie S. Pollock FAICP
Principal Consultant

C: Darell Moore, McHenry County

RESOLUTION

**AUTHORIZING APPROVAL OF THE McHENRY COUNTY
2012 ANNUAL ACTION PLAN FOR HUD PROGRAMMING**

WHEREAS, McHenry County, with a threshold population in excess of 200,000, is an “Urban Entitlement County” and therefore receives direct annual funding from the U.S. Department of Housing and Urban Development (HUD) under the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Programs and other special grants from time to time; and

WHEREAS, to maintain compliance with said grant programs, McHenry County is required to submit an Annual Action Plan that guides grant programming through measurable goals and objectives; and

WHEREAS, the Community Development Division developed the 2012 Annual Action Plan working with local subrecipients and subgrantees between August and September prior to drafting the 2012 Action Plan, a formal comment period between October 7, 2011 and November 9, 2011 on the proposed draft plan and a public hearing on October 25, 2011; and

WHEREAS, the 2012 Annual Action Plan addresses objectives as presented in the County’s Five Year Consolidated Plan effective year 2010 through year 2014 per HUD requirements.

NOW, THEREFORE BE IT RESOLVED, by this County Board of McHenry County, Illinois that the Community Development Division is hereby directed to submit the 2012 Annual Action Plan to HUD for review and compliance purposes; and

BE IT FURTHER RESOLVED, that the County Clerk is hereby directed to transmit a certified copy of this resolution to the County Administrator, and the Director of Planning and Development.

DATED at Woodstock, Illinois, this 15th day of November, A.D., 2011.

KENNETH D. KOEHLER, Chairman
McHenry County Board

ATTEST:

KATHERINE C. SCHULTZ
McHenry County Clerk



McHenry County, Illinois

2012 ANNUAL ACTION PLAN

Year Three

of the

**Five-Year Consolidated Plan for
Housing and Community Development**

DRAFT FOR COMMENT/REVIEW

October 11, 2011 through November 9, 2011

Date of Submittal (to be): November 15, 2011

**Community Development Division
McHenry County Department of Planning and Development**

2012 Annual Action Plan

Approved by the McHenry County Board for Submittal:

Date to be determined

Prepared by:

Community Development Division

McHenry County Department of Planning and Development

2200 North Seminary Avenue

Woodstock, Illinois 60098

*NOTE – This is a DRAFT form of the 2012 Annual Action Plan. Comments are solicited for a period of 30 days from the general public, County Commissions and McHenry County Board. The Draft will be updated based on applicable public comments and recommendation from the County Commissions and McHenry County Board and submitted to the US Department of Housing and Urban Development (HUD) Region V Office. To view certifications to be attached to the plan upon final submission, please reference the 2011 Annual Action Plan or contact the Division office for a printed copy.

McHenry County Community Development Block Grant Commission

McHenry County Housing Commission

Maryanne Wanaski, Deputy Director

Community Development Division Administrator

Sarah Ciampi

Community Development Coordinator

Faith Taylor

Community Development Specialist

David Watkins

Inspector/Procurement Officer

2012 Annual Action Plan

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Executive Summary

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. In 2012, the County anticipates receiving approximately \$985,000.00 for the Community Development Block Grant Program and \$450,000.00 for the HOME Investment Partnerships Program. In addition, the County is slated to receive just slightly less than \$1 million for programs addressing homelessness managed by the Continuum of Care, and will continue the administration of the Neighborhood Stabilization Program (NSP) and Homeless Prevention Rapid Re-housing Program (HPRP) and Community Development Block Grant-Recovery (CDBG-R) American Recovery and Reinvestment Act (ARRA) grants.

As part of the grant administration process, the County develops a Five-Year Consolidated Plan that directs the analysis and prioritization of needs as related to housing and community development. The 2010-2014 Consolidated Plan includes seventeen (17) objectives; it will be the goal of the County to fund projects that deliver outcomes for sixteen (16) objectives, whether it is immediate or through phased impact through the implementation of the 2012 Annual Action Plan (herein referred to as the “Plan”). Specific program changes for both the CDBG and HOME programs that directly relate to the ability to meet Five-Year Consolidated Plan objectives will be addressed in Section Twelve of the Plan. A brief discussion related to the continuance of NSP, HPRP and CDBG-R programming in the County is part of Section Eleven.

Due to the delay in releasing the federal budget, the County is currently contracting for 2011 CDBG projects, and as such, will not make 2012 CDBG allocations until the calendar year. It is anticipated that the 2012 CDBG application round will run January through April 2012. The new application round structure implemented for 2011 was highly successful and will be continued for the upcoming programming year. The HOME 2011 application round runs October through December, which includes the application round, review, and allocations, with contracting to begin in January. Hence, the HOME 2012 round will begin in Spring of 2012. The new application processes implemented in 2011, to be continued in 2012, are outlined in Section Twelve of the Plan. Because allocations are not already made, the County is formulating planning initiatives based on current community needs and priorities that were not addressed in prior years of the current Consolidated Plan cycle, or that were targeted per the Consolidated Plan. The Plan will be approved prior to allocations; therefore, the direction of the Plan guides the allocation determinations. Upon actual obligation of the funds, the County will issue one 2012 Plan amendment per each Program to reflect the specific project obligations and future pipeline projects that are eligible for immediate allocation and obligation at the point funds are available.

Objectives and Outcomes

HUD recognizes three general objectives (decent housing, suitable living environment, and economic opportunity) along with three outcome categories (availability/accessibility, affordability, and sustainability) as applicable to the grants. The County administers programming that furthers these goals while maintaining regulatory compliance. It will be the goal of the County to address sixteen (16) of the seventeen (17) of the objectives presented in the Consolidated Plan during the Plan year, with priority objectives to be completed in 2012 outlined in Section Four of the Plan. Please reference the "Summary of Specific Annual Objectives" (Table 3A) documented in the Attachments Section.

Evaluation of Past Performance

Year Two of the Five-year Consolidated Plan of 2010-2014 will be formally evaluated and discussed in detail through the completion of the Consolidated Annual Performance and Evaluation Report (2011 CAPER). In 2011, the County implemented several programming changes, resulting in more efficient administration and expenditure of grants. Overall, the County grant programs are now in compliance with HUD statutory requirements and regulations. In 2011, the Division administered a record twenty-seven (27) CDBG projects and twenty-two (22) HOME projects, equaling almost two million dollars worth of expenditure.

The Community Development Block Grant program has been brought into total compliance one year since sanctions were levied on the County from HUD. This included the implementation of contract deobligation measures, or balance sweeps from stalled, non-compliant, or completed projects and reallocation of funds to ensure continuous grant activity. The addition of the contingency allocations for the 2011 grant round, along with selection of shovel-ready and large sale infrastructure and facility projects net significant improvements to the administration of the program. Contract draw requirements, construction deadlines, and enhanced pre-project development including extensive project evaluations, preconstruction meetings, and regular inspections have led to the success of the CDBG program once again in the County. Prior to receipt of the 2011 grant funds from HUD, the County ratio was the lowest in history at 0.72. As of October 1, 2011 the ratio was already in the 1.4 range, in compliance one month before the conduct of the HUD ratio test despite not being able to execute contracts until late July and early August due to the late passage of the federal budget and receipt of funds. Again, the changes to the program proved significant in maintaining required compliance. As of October 1, 2011 the County has contracted with two (2) contingency allocations, and will continue to use deobligated funds towards contingency project allocations. The Service and Administration caps are now in compliance, and as general projects, funds remaining will be deobligated and reallocated accordingly prior to the 2012 round if applicable, or made a part of the 2012 round allocations.

The HOME Program continues to be developed to meet HUD compliance. In 2011, the CHDO Reserve was repaired, and a revised CHDO certification application was issued to bring the

CHDO requirements of the HOME program into regulatory compliance. The County continues to work with technical assistance to resolve previously identified monitoring issues related to the establishment of group homes and subsequent rental structures. Income verification issues have since been corrected. The County successfully met required expenditure targets from HUD to avoid a loss of HOME funding, and is currently in compliance with all required obligation dates for previous grant years. The Division is working to provide an update to recently approved HOME evaluation criteria in an effort to provide a targeted evaluation approach based on the populations served through each NOFA, and is also carefully drafting underwriting standards based on local County comparables. The rehabilitation of the HOME program in 2011 netted more than \$900,000.00 in HOME fund expenditures.

Special Grant Programs

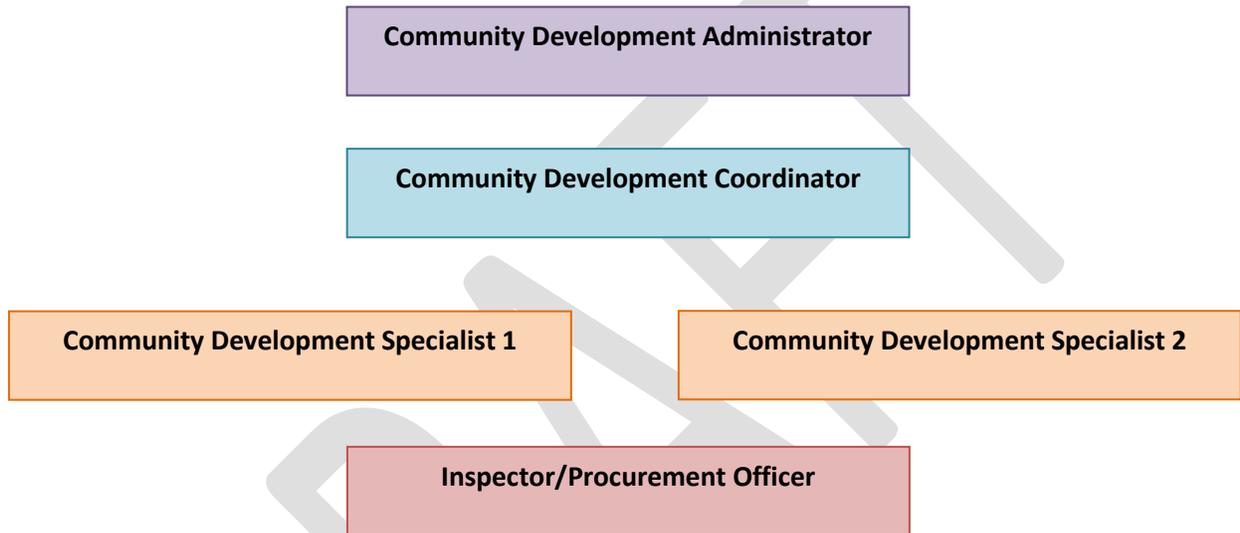
The County was the recipient of Neighborhood Stabilization Program (NSP) Round One Funding for \$3,085,695.00, and was able to meet all of the obligation requirements for the grant. In May the County assumed responsibility for the day to day operations of the NSP program including construction management and sales. A total of fifteen properties had been purchased with the funding of the program for sale and rent for persons between the AMI of 30% and 120% AMI. For a complete status of the original purchased properties, please reference Section Eleven. The County is in the process of partnering with local nonprofit entities to establish rental programs for use of the properties to benefit those at 50% or below of AMI for the required period of affordability of fifteen (15) to twenty (20) years as determined. The NSP grant also afforded the County the opportunity to begin to work with local municipalities in assisting in the development of affordable properties through fee waiver programs. Finally, more than 200 contracts were issued for construction work, a majority issued to local contractors through the County's local general contractor as a result of the NSP program. Contractors also used local distributors and manufacturers thus resulting in an impact to the local economy as a result of the NSP program.

Two ARRA grants are administered through the County. One, Community Development Block Grant-Recovery (CDBG-R) has been allocated to the Village of Wonder Lake for the Thompson Road Watermain Improvements Project in the amount of \$353,648.00. The project is complete and in final monitoring and billing; the balance of remaining funding will be deobligated and reallocated as outlined in Section Eleven. Additionally, the County oversees four agencies in the administration of the Homelessness Prevention Rapid Re-housing Program (HPRP) grant of \$540,732.00. The grant has continued to serve residents in danger of becoming homeless, and has met all required expenditure targets. As a result of monitoring in 2011, funds from the HPRP grant were re-allocated among participating agencies in order to direct funding towards those persons and activities of greatest need.

Process Management and Citizen Participation

Summary of Lead Organization Capacity

The Community Development Division of the McHenry County Department of Planning and Development serves as the lead agency for the administration of the County federal grant programs from HUD. The Division is organized follows:



The Division houses two Commissions that are responsible for making funding recommendations and community development and housing policies and procedures for the County to the Planning and Development Committee of the McHenry County Board:



On average, the County works with twenty subrecipients a year to execute program funding. The Division is responsible for program monitoring, and has executed a series of outreach initiatives including offering more inspection services to assist subrecipients in the administration of projects and to ensure that project work is being completed in a necessary, cost reasonable, and efficient manner, in addition to trainings for the entire County related to working with federal grant requirements such as prevailing wage and procurement practices. Through the Housing Commission, the Division also works to affirmatively further fair housing in the County, and will embark on a series of educational programs related to housing practices

and policies. Division staff has the experience of two urban planners with land use and community development concentrations, as well as degrees in finance and economics, three staff persons that are trained in HUD's environmental review processes, a specialist for HUD reporting, and an inspector to oversee construction related activities and evaluate projects on a regular basis including Davis Bacon and federal procurement monitoring. Staff is continually trained in HUD programs, including certifications as applicable. The services of contracted outside parties and a part-time administrative assistant, along with an additional County inspector are used from time to time as needed. Additionally, the Division has a working relationship with the County Auditor's office to implement sound financial management and oversight, and County Stormwater Division to monitor and evaluate infrastructure projects.

Summary of Citizen Participation

McHenry County's goal for citizen participation is to ensure a broad participation of County residents and local jurisdictions, housing, economic, and service providers in the planning and implementation of community development and housing programming. In addition to the various trainings that are offered to all County residents and businesses, the public is engaged in the process of executing the grants through the two Commissions, and public information or comment sessions at large.

For the development of the 2012 Action Plan, the Division held a public comment meeting September 9, 2011, and an open period of comment August through September 2011 to engage the public and interested entities prior to completion of the draft document. Comments submitted at the public meeting or via mail and e-mail to the Division by organizations and general public are summarized as follows:

Habitat for Humanity: The organization expressed gratitude to the County for the funds previously available, and the direction of Division staff in implementation of new programs and projects for Habitat, particularly related to HOME. Habitat also anticipates continuation of the A Brush With Kindness Program, a CDBG funded program in the County that rehabilitates Habitat homes and others across the County for low-income person. The organization believes the owner-occupied rehabilitation program to be important to the County

Pioneer Center: The organization commended Division staff for efforts in meeting the CDBG spend-down ratio and in executing a record number of projects to bring the program back into HUD compliance, among other endeavors. Pioneer noted operations at capacity, including waiting lists illustrating the need for low income persons and those with disabilities, and therefore identified the following objectives as being priority: development, acquisition, and rehabilitation of units for low-income households, emergency or transitional housing facilities, development of modification of housing for persons with special needs, funding for supportive service agencies to increase capacity and efficiency, rehabilitation of public facilities, and funds for job training or job creation activities for low-income households. Further, Pioneer highlighted the need for the County to develop a ten-year plan to end homelessness, maintenance of the

County homeless management information system (HMIS), and continued operations of the Continuum of Care Committee.

Turning Point: The organization commended Division staff for the changes to the CDBG Program and the work completed from the 2011 Annual Action Plan. Turning Point noted an increase in cases of domestic violence, sometimes attributable to the current economy, and therefore requests attention to projects related to the special population of the County. Additionally, the organization requested support for woman owned business (also referred to as Woman Business Enterprises, WBE) certification, and for use once again of the CDBG emergency funding pool that once benefitted Turning Point and Family Alliance, that could be of benefit to others given the current economy and unforeseen circumstances.

Transitional Living Services: The organization urged for making the needs of homeless veterans a priority in planning for the grants and documented that during the County's one-day homeless point-in-time count, 51 of total 182 persons counted as homeless were reported to be veterans.

Continuum of Care Committee: The committee requested that grant planning include financial resources or staff support to achieve the following objectives: creation of a ten-year plan to end homelessness, development of a year round emergency shelter, support of the operations of a fully functioning Continuum of Care Committee, and maintenance of the homeless management information system (HMIS).

Summary of Comments

An additional public comment period will be held October 11, 2011 through November 9, 2011. Additionally, a public hearing is scheduled for October 25, 2011 at 10:00AM at the McHenry County Administration Building, 667 Ware Road, Woodstock, Illinois in Suite 207, Room F, Community Development Division Conference Room. Division staff will also seek direct input from local jurisdictions and previously funded subrecipients. Upon conclusion of the comment period and hearings, the Plan will be updated accordingly prior to submittal to HUD; those comments will be outlined in this Section of the Plan, and addressed as components of the Plan as applicable.

Federal, State, and Local Resources

New Grant Funding

McHenry County anticipates receiving the full grant amount available under the Community Development Block Grant Program for 2012, estimated at \$985,000.00 dollars based on previous grant amounts and the current economy and budgeting processes. Additionally, the County estimates receiving \$450,000.00 dollars in HOME funds. The County does not anticipate any additional funding, nor is aware of any pending HUD programs applicable to the County.

Reprogrammed Funds

As the County continues to bring CDBG and HOME programs into compliance as related to regulation and timeliness of obligation and expenditure, funds are continually reprogrammed to projects that are prepared for execution. Each year, at the conclusion of the program year, unspent funds under the CDBG Service and Administration caps will be reprogrammed towards general projects approved under the 2011 CDBG contingency allocations. Further, the County will continue the practice of deobligating and reprogramming funds across contracts that are not meeting contracted timelines for progress and expenditure. All 2010 Service contracts expired October 15, 2011, and all 2011 Service contracts expire December 31, 2011; any balance of funds remaining are swept after financial records are closed. The County anticipates that all funds reprogrammed and deobligated from contracts will be reallocated to contingency projects prior to the 2012 CDBG round given the level of funding needed for contingency allocations. Should any balance remain either due to an overage, or refusal from contingency allocation holders due to infeasibility, it will be made part of the 2012 CDBG allocation round.

The CDBG-R program was monitored this past summer and fall, and subsequently, funds will be available after final billing and monitoring is complete. These funds will be reprogrammed to use towards other project-ready infrastructure projects in the County in conformance with ARRA regulations and the CDBG-R grant objectives. This reprogramming may alleviate some of the funding burden of the contingency allocations referenced above. Project allocated funds from CDBG-R are required to be "shovel-ready" and complete expenditure prior to September 2012. The County may also combine CDBG-R funding with a CDBG contract, or phase CDBG contracts to achieve the most financially feasible and project-efficient scenario for allocation and expenditure. Please reference Section Eleven for more details.

Program Income

At this time, no program income is anticipated from CDBG and HOME. McHenry County has primarily given grants or forgivable loans that do not, as a matter of course, generate program income. Should the County be using a low-interest loan structure as part of the HOME program, funds generated will be targeted towards either homebuyer or tenant programs as outlined further in the priority activities of this Plan. Any program income generated by CHDO's considered as CHDO proceeds under HOME will remain with the specific organization. Program income has been generated from the sale of NSP homes. These funds will be used for future acquisition and rehabilitation under the program, as discussed further in Section Eleven. The County has not made any final plans for NSP grant program income held at the conclusion of the NSP Program as HUD has not made any regulations regarding the funds to date. Pending HUD decisions, the County would use the remaining program income to develop a similar program to be administered by or in partnership with the Community Development Division as previously outlined in the 2011 Action Plan, or reprogram funds to CDBG programming if eligible.

Other Federal Funds

The McHenry County Housing Authority (MCHA) receives Federal Grants for Section 8 Tenant-Based Assistance. The 2011 total number of vouchers was 947. The MCHA also receives direct subsidy for 23 single family homes that they own. These homes are rented to families who qualify for rental subsidy.

An allocation of \$17,660,050.00 in 9% tax credits under the State of Illinois funding was combined with other private and federal sources, and McHenry County HOME dollars from Program Years 2007 and 2009, expended in 2011 for the Senior Residences of Lake in the Hills, a 92 unit development, of which 21 units are designated as County-HOME units.

During 2011 two entities applied for 9% tax credits under the State of Illinois allocation. (Results of this funding have not been released by Illinois Housing Development Authority (IHDA), but if released prior to submission will be reflected here.)

The Continuum of Care receives annual funding via the Super-NOFA process and in 2011 anticipated over \$800,000 in funding from HUD.

Please note: McHenry County does not receive HOPWA or ESG funding as part of its Urban County Entitlement Funding.

Resource Leveraging Capacity

The allocation of federal HUD funds is essential to McHenry County subrecipients. Most agencies, municipalities and not-for-profit groups depend on funds from more than one source. The availability of HUD funds allows subrecipients to use federal funding to leverage additional state, local and private resources to accomplish projects of greater magnitude than what could be done with local funding only.

Previously, the CDBG Program required a local match of 20% on the dollar for federal funds. Due to the current economy and limited resources of organizations, the County is no longer requiring the local match. Additionally, many projects under CDBG had been stalled due to lack of match, and as such, the elimination of the match in Program Year 2011 proved successful in project implementation. As such, the local match requirement will be waived in 2012 CDBG project applications.

The HOME program statutorily requires at least a 25% match for projects except Community Housing Development Organization (CHDO) operating expenses and administration/planning projects. McHenry County asks each subrecipient and sub-grantee to contribute the required 25% match. Source and amount of match is reported for each project on a quarterly-basis and may include donations of materials or labor, the use of volunteers to help administer the project, or funding from state or local grants. The County will continue to derive match for the HOME Program through a unique part of the NSP grant home purchase process as applicable, in addition to working with local municipalities to waive permit fees. To date, three jurisdictions have participated in the fee waiver program to assist in the development of affordable units. Additionally, the County has identified new partnerships for development including for-profit developers that have the ability to partner with nonprofits or independently leverage other financing resources such as low percent loans and other tax credits.

The Division staff is currently working with the Housing Commission to identify other financial leveraging resources, and continues to work with local banking institutions to understand the benefits of participating in County programming, particularly in conjunction with HOME and NSP activities. Additionally, the County administers a Senior Grants program that benefits local service agencies that provide services for seniors in the County.

Annual Objectives

Summary

The annual objectives for McHenry County are summarized in Table 3A in the Attachments Section. It is anticipated that in 2012 the County will address sixteen (16) of the seventeen (17) total objectives as presented in the Consolidated Plan, and one to two Economic Development specific objectives. A large part of the project evaluation process for both the CDBG and HOME programs will be the correlation to objectives, as many of the objectives need to be addressed in the third year to continue towards phased completion by 2014. Additionally, the County will focus on the following objectives specifically based on the requests of the public and Commissions and evaluation of past performance:

The following are numbered as presented in the Five-Year Consolidated Plan; specifically stated and referenced in Table 3A-Attachments:

Objective 1: Fund the development or acquisition/rehabilitation of rental units for extremely-low, very low, low-income or elderly households.

HOME/CDBG program funds should be used to either develop or leverage resources of other projects that create at least ten (10) new rental units

Objective 2: Fund the rehabilitation of housing units occupied by extremely-low, very low, low-income or elderly homeowners to meet County's Rehabilitation Standards.

HOME/CDBG program funds should be used to either develop or leverage resources of other projects that rehabilitate seven (7) units of housing

Objective 3: Fund emergency repairs to housing units occupied by extremely low, very low, low-income or elderly homeowners.

CDBG program funds should be used or leveraged with additional funding sources to rehabilitate seven (15) units of housing

Objectives 6-8: Homelessness continues to become a developing problem in the County. The HPRP grant does not have the capacity to provide for enough shelter and transitional living for the number of homeless persons in the County. As such, the objectives related to funding additional facilities and beds are of key importance to the County. A lead organization or partnership will be required to solidify the efforts of creating either a proposed year-round emergency shelter or provide for additional beds. Additionally, the County will continue to assist in the capacity of the Continuum of Care and the course of developing a Ten-

Year Plan to end homelessness through coordination of Division staff and the Housing Commission, and Continuum resources.

Objective 15: Fund infrastructure improvements projects that benefit households of low and moderate-income areas.

The County should continue to support the funding of infrastructure projects that benefit a large number of households in low-mod income areas. However, funding will need to be directed at the actual full completion of infrastructure improvements, not smaller scope funded projects as in time the initial funding will serve no benefit if an entire infrastructure project is not completed. As such, the County should consider the phasing of projects over a period of years through 2014.

Other Objectives

Objective: EDO-3-Economic Development

Provide funds for job training, applicant screening, underwriting applications, referral and/or placement of low-income applicants for employment.

The County should target resources in achieving said economic programs to benefit 50 persons.

Objective: EDO-1-Economic Development

Fund job creation or retention activities

The County should target resources in achieving said economic programs to benefit 50 persons; funds may be specifically towards assisting economic programs that benefit low-income persons also designated as part of special populations including the disabled.

Eligible Activities and Programming

As part of HUD’s performance measurement system, the County of McHenry categorized its 5-year objectives and projects into the 9 Block Grid (see HUD’s March 7, 2006, Federal Registrar Notice on Performance Measurement Systems). Table 3C includes an objective/outcome abbreviation, identifying the designation for each project. An explanation of the HUD National Objective and Outcome Categories is summarized below.

The three National Objective Categories are:

1. Create Suitable Living Environments - activities designed to benefit communities, families, or individuals by addressing issues in the living environment.
2. Provide Decent Affordable Housing – housing activities designed to meet individual family or community needs that are not part of a broader effort.
3. Create Economic Opportunity – activities related to economic development, commercial revitalization, or job creation.

The three National Outcome Categories are:

1. Availability/Accessibility – activities that make services, infrastructure, public services, public facilities, housing, or shelter available or accessible to low- and moderate-income people, including persons with disabilities.
2. Affordability – activities that provide affordability in a variety of ways in the lives of low- and moderate-income people.
3. Sustainability (promoting livable or viable communities) – projects where the activity or activities are aimed at improving communities or neighborhoods.

The following table lists outcome statements for each possible combination of outcome and objective:

Table of Outcomes and Objectives

	Outcome 1: Availability/ Accessibility	Outcome 2: Affordability	Outcome 3: Sustainability
Objective DH: Provide Decent Affordable Housing	Accessibility for the purpose of providing decent housing DH-1	Affordability for the purpose of providing decent housing DH-2	Sustainability for the purpose of providing decent housing DH-3
Objective SL: Create Suitable Living Environment	Accessibility for the purpose of providing a suitable living environment SL-1	Affordability for the purpose of creating a suitable living environment SL-2	Sustainability for the purpose of creating a suitable living environment SL-3
Objective EO: Create Economic Opportunities	Accessibility for the purpose of providing economic opportunities EO-1	Affordability for the purpose of providing economic opportunities EO-2	Sustainability for the purpose of providing economic opportunities EO-3

The County is conducting the allocation of the CDBG projects for year 2012 between mid-January 2012 when applications will be made available, through March or April 2012 when allocations are officially made by the McHenry County Board. After completion of the 2011 HOME round this fall and winter, 2012 HOME allocations will begin in Spring of 2012. After each round of allocations is made, a substantial amendment to the Action Plan will be submitted to reflect specific projects.

CDBG

The County will place project selection emphasis on projects that meet the specific criteria of objectives per the Five-Year Consolidated Plan. The County recognizes the continued decline in the current economy and resulting deficiencies in public infrastructure, housing and employment and access to services for the residents. As such, funding priorities are derived to meet urgent need situations, particularly those that if neglected result in additional economic hardships. In 2012, it is anticipated that the service cap will be funded at approximately

\$90,000.00. A priority for infrastructure projects, urgent facility repairs, economic development, and emergency rehabilitation for housing has been recognized as priority eligible programming for the County.

Per the new CDBG allocation round guidelines, potential applicants were requested to submit construction and economic development projects for review. The general items that will be considered for application include:

Infrastructure: Flooding mitigation including stormwater improvements; water treatment facilities; road construction; water/sewer improvements

(General projects) Facilities: Major structural repair; life and health safety improvements such as mold remediation; accessibility improvements

Economic Development: Microenterprise assistance; business expansion opportunities to create low-mod jobs; training and outreach programming

Housing: Homeowner occupied rehabilitation for low-mod income persons to meet standards for which premises are structurally sound, weatherproof, clean and sanitary, and otherwise meet the definition of safe, decent, affordable housing including adequate heating, potable water, and adequate space for sleeping.

All CDBG projects will be evaluated, scored, and prioritized using criteria points related to the health, safety and welfare of persons, in addition to evaluating the performance of subrecipient maintenance of structures, facilities, and previous or potential CDBG investments.

Health, safety, and welfare, also referenced as wellbeing, is defined as in providing minimum conditions which are essential to good health in promoting or making a safe, sanitary, and fit for human habitation or use environment. Conditions resulting from contributing environmental elements such as repeated flooding events, poor air or water quality, or life-threatening or endangering code violations and or infrastructure situations are detrimental to the health, safety, and welfare of persons, and therefore the highest of priority.

Maintenance is defined as in keeping equipment or structures in proper condition through routine, scheduled, or anticipated measures without having to significantly alter the structure or equipment in the process. This generally means keeping equipment or elements of structures in proper working order or taking steps to prevent failure or degradation.

HOME

The County has brought the CHDO reserve into compliance via an increase in the Program Year 2010 HOME CHDO Reserve allocation made in the Summer of 2011. Further, funding from the HOME Program will be used for projects that leverage an increased capacity of unit development through new construction and/or rehabilitation benefiting more persons in the 30%AMI to 60%AMI range in the County. HOME funding will be structured in the form of either forgivable, or low-interest loans. The Housing Commission established a basic review criteria for HOME project evaluation and underwriting, and has worked with Division Staff and HUD to create a revolving application structure that addresses different HOME project types through different allocation rounds so that HOME programming is continually in use through the year. The County will seek to fund more acquisition type projects for leveraging purposes. As new census data is released, the County will update evaluation criteria to reflect project priorities as related to the County's changing demographics. It is desired that HOME activities correlate with the Action Plan goals, and, as related to location, in corridors as identified per the mapping of this Plan, or as identified by the NOFA. Lastly, the Division anticipates use of a standard project underwriting criteria for single-family and multi-family developments to be employed for the 2012 funding round, and will make recommendations for project priorities based on the results of the current 2011 Program Year round that runs September 2011 through December 2011 including application and allocation.

Priority Activities

CDBG

The following activities have been identified as priority activities for funding due to the apparent urgent need based on public comment, progress of phased infrastructure projects benefitting health, safety, and welfare, previous CDBG application review, or evaluation of current population conditions and needs related to housing and the economy:

Pioneer Center (current entity) - \$35,000.00 funding for Homeless Management Information System (HMIS) including system maintenance, staff, and required reporting

Village of Union – funding of additional phased construction of drinking water compliance project (ION treatment facility) to remediate unsafe drinking water issues in the Village and surrounding area; the project will benefit an estimated 420 homes and major local manufactures and businesses

Village of McCullom Lake – funding of additional phased construction to complete drainage system improvements on East side to remediate substantial and unsafe flooding issues in the Village; the project will benefit an estimated 220 homes

Pioneer Center/McHenry County Community Homes – Towerview Apartments rehabilitation to remediate substantial code violations

McHenry County Housing Authority, Habitat for Humanity, other organizations as applicable – Homeowner occupied rehabilitation/emergency rehabilitation

Continuum of Care – seed funding for a plan to end homelessness in conjunction with applicable Continuum planning

HOME

HOME funds will continue to be targeted to projects meeting the requirements of the current NOFA, however, the following priorities are recommended for consideration:

McHenry County Community Homes, Habitat for Humanity, other organizations and developers – acquisition, rehabilitation, or construction of units for low-income persons

Organization to be determined – funding to support development of a year-round shelter should an organization or developer entity take such initiative

Proposed Activity

CDBG

In addition to focusing on sixteen (16) objectives as outlined in Table 3A, the 2012 Action Plan encourages funding economic development activities such as services that provide necessary job training, outreach efforts to market available technical assistance, applicant screening, review and underwriting application for assistance and management of funded activities and the screening, referral and placement of applicants for employment. Additionally, funding to support current job programs benefiting low-income or special needs population individuals are a priority.

HOME

Aside from basic development funding, the County should focus on the resurrection of the first-time homebuyer program, to be administered by Division staff or an outside agency, or consider the creation of a tenant-based rental assistance program modified to provide assistance in shorter durations such as six, nine, or twelve months, and to be administered by Division staff or an outside agency.

Geographic Distribution

Summary

The population of low/mod benefit persons is distributed about the County, with certain areas of high concentration in larger municipalities and near transit, while other areas lack access to services and transit. As such, projects are distributed about the County in correlation with the spatial distribution of the population with the best ability to serve low/mod areas. The first map that follows indicates the 2011 HUD estimates of Low/Mod areas of the County; it does not reflect the new census data from the 2010 census. Income verification surveys were completed for the Village of Island Lake and Wonder Lake. The City of Marengo attempted completion of an income survey, but due to lack of citizen participation, targeted project areas could not be certified. The Village of Lakemoor anticipates completion of an income survey at the end of 2011.

The second map represents desired areas for future HOME allocations based on access to economic interests and transit opportunities for affordable and mixed-rate housing developments that exist currently, or are planned for in the County's 2030 Consolidated Plan and as previously used in the 2011 Action Plan. These targeted areas remain unchanged. Unit development is also desired in infill areas of major municipalities or areas with connectivity to necessary services. Projects with increased density that have a reduced impact on natural resources or follow green building and site plan principles in relation to location are preferred. Additionally, the housing stock, as dispersed through the County, should remain diverse based on the population needs and provide for balanced communities.

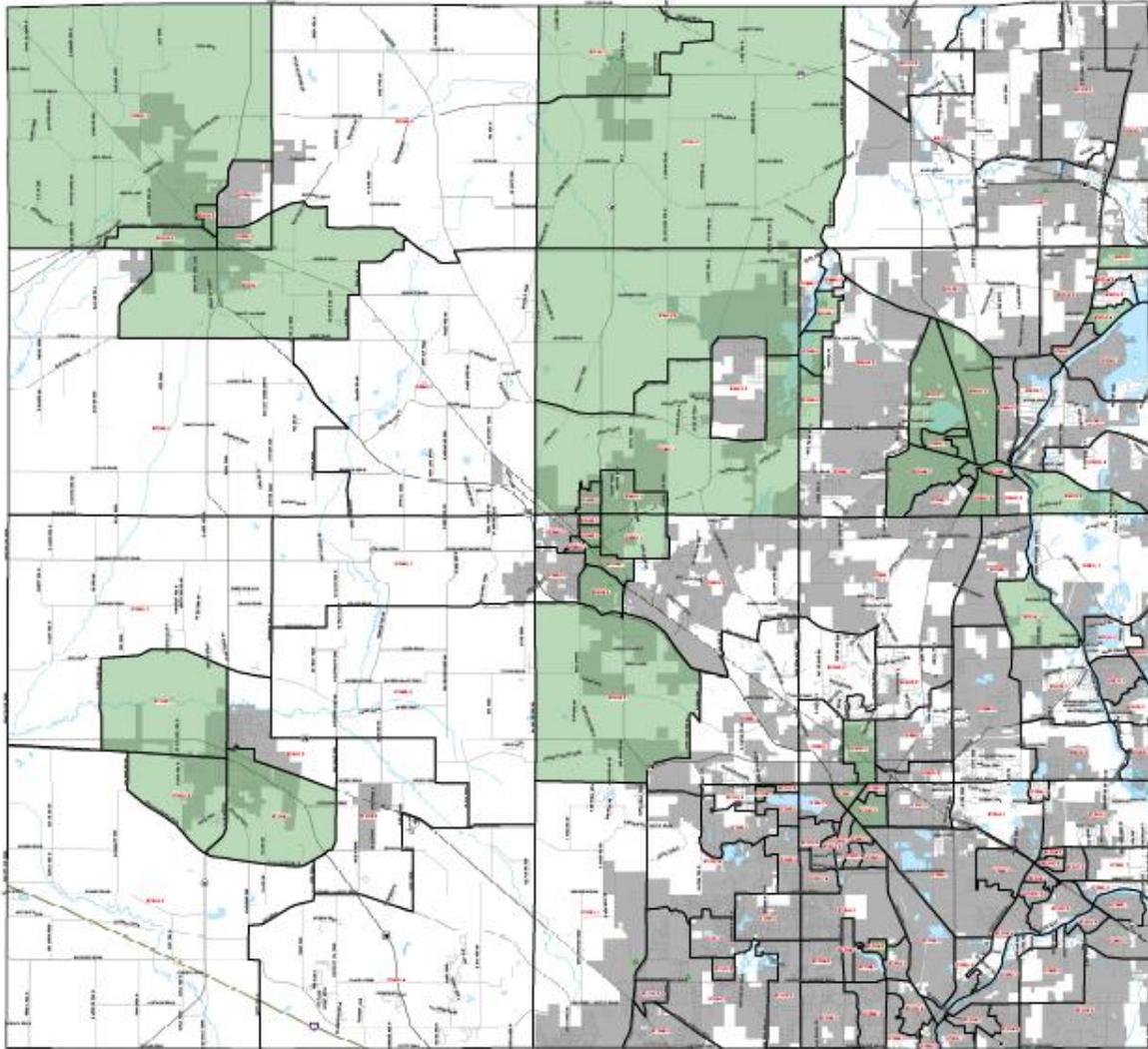
The final map illustrates key opportunities for economic development, which transitions to identifying areas that impact infrastructure and economic development programming through CDBG funding. The current and future industrial corridors identify geographically necessary connections between jobs and access to housing stock that supports the needs of major employers. HOME projects will be planned to include employer-assisted or workforce housing initiatives in these areas.

Population Statistics

The U.S. Census data compiled in the national 2010 census and currently in release, has not been made available in relation to the needs of this plan. Upon availability, the data will be incorporated accordingly either prior to final submission or represented in the 2011 CAPER. Additionally, in the conduct of the County Analysis of Impediments, County population data based on the new census and forecasts will be reported in connection with fair housing analysis and used to assist in general grant planning.

Previous population analysis of 2008 indicates Latinos and other minorities are localized in small residential areas scattered among the many municipalities. The geographic distribution of concentrations (over 500 persons per census tract) of Hispanic/Latino persons by census tract are located in and around Harvard, central and southwest Marengo, north, central and south Woodstock, southwest McHenry, north side of Crystal Lake and the Huntley/Lake in the Hills area. Asian persons were the second largest minority group increasing to an estimated 2.6 % in 2008 for McHenry County. The Huntley/ Lake in the Hills area has the five highest populations by census tract and the only high concentration (over 150 persons per census tract) of Asian persons in the County. The Black/African American population concentrations (over 75 persons per census tract) are located on the north side of Woodstock and in the Huntley/Lake in the Hills area. Some of these locations of minority concentration coincide with areas of low/mod income, but the minority populations in and around Huntley/ Lake in the Hills are not in a low/mod income area. Also areas of low/mod income exist in the County and do not have a concentration of minority persons. No recent information (i.e. American Community Survey 3-Year Estimates) is available that correlated income and minority populations by census tract, hence it could not be determined if any racial or ethnic group has a disproportionately greater need in comparison to the needs of a particular income category. Upon release of new census data, the County will re-evaluate the demographics and distribution per population of the County as outlined above.

Map One – Low/Mod Eligible Block Groups



*Green shaded areas indicate low-mod census tracts based on HUD

McHenry County Low Mod Eligible Block Groups, 2011 HUD Estimates

Map Two – Housing, Economic, Transit Corridors (future)

Corridor Assessment Base Map: McHenry County Future Land Use Map (partial display)

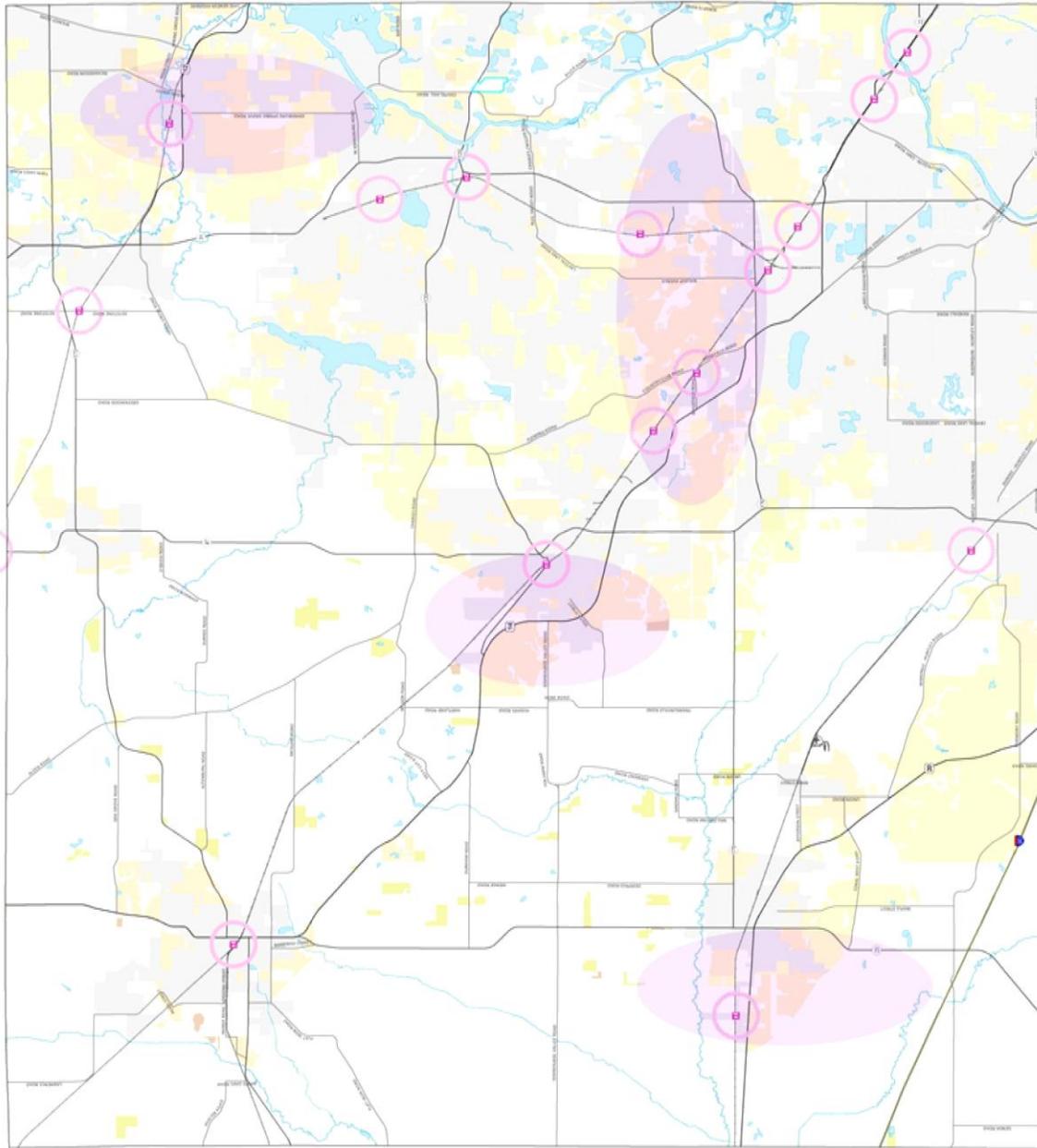
Source:
McHenry County 2030 Comprehensive Plan
Adopted April 20, 2010



Isolated Residential and Estate Developments are mapped for reference and are not to be used as precedent for future zoning requests.



1 inch = 1 mile



Map Three – Economic Development Corridors

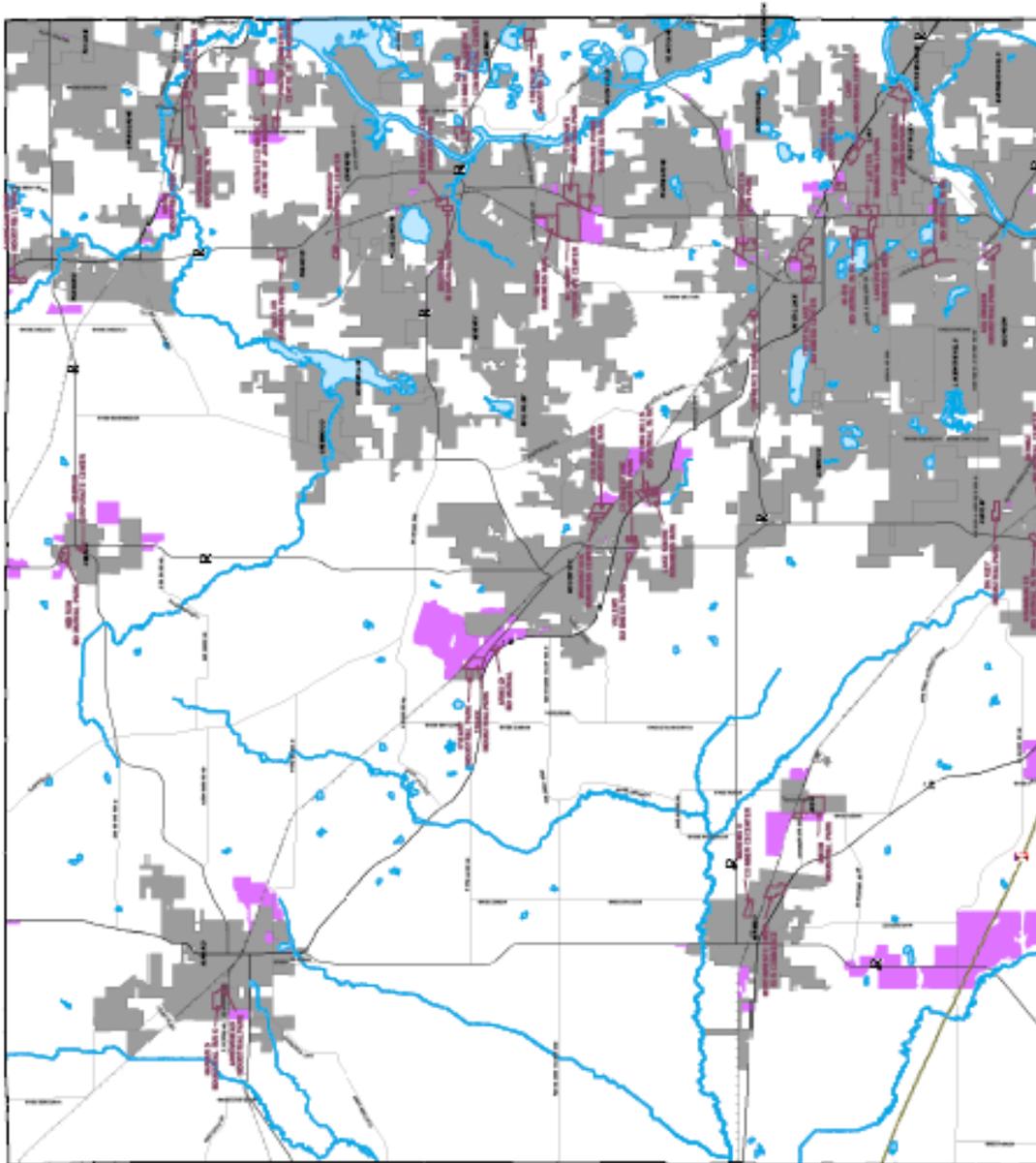
McHenry County Future Land Use Office/Research/Industrial

Source:
McHenry County 2030 Comprehensive Plan
Adopted April 20, 2010

- Legend
- county
 - city, village
 - industrial
 - office/research/industrial
 - agriculture
 - water

Isolated Residential and Estate Developments
are mapped for reference and are not to be used
as precedent for future zoning requests.

1 inch = 1 mile



Annual Affordable Housing Goals

Affordable housing is classically defined as housing costs equaling no more than thirty (30%) of income. The County is also in the process of identifying means to attribute transportation costs as part of the overall affordability index, especially considering the lack of transit options currently operating in the County. Table 3B, located in the Attachments' Section, highlights affordable housing goals for 2011. Specifically, the County has increased the target number of units to assist homeless, non-homeless, and special needs populations from previous years in order to meet the goals of its five year plan. Moreover, the County is sweeping unused funds from stalled CDBG and HOME projects from previous funding years to provide for housing activities that benefit the aforementioned populations, in addition to current rental stock rehabilitation.

The McHenry County Housing Commission will evaluate current housing stock and demographic conditions to determine the scope of a formal housing plan for the County, with specific content directed towards affordable unit development. Besides direct project evaluation criteria as related to the number of affordable units, HOME projects will be evaluated based on means of connectivity to economic, transit, and service centers, netting an overall more affordable lifestyle for residents in the County. The Division, Housing Commission, and McHenry County Board will review best practices for affordable housing planning and development implementation as part of a comprehensive housing planning process.

Additional information on affordable housing is included in Table 3B (attached). Also the McHenry County Housing Authority has a Section 8 Rental-Subsidy Program that includes rent vouchers to very low-income households and/or a contract with a landlord to subsidize the rent so that the tenant can afford to pay a portion of the rent. The County is also directing the resources of the Homeless Prevention, Rapid Re-housing (HPRP) Program towards sustaining housing affecting those that are in danger of or are homeless. The County Continuum of Care entity has begun implementation of plans in restructuring the methods of the time in place count and reporting for the homeless including bi-annual counting and efficient organization, and as such, the County anticipates a better assessment of the total homeless population in need of affordable units, and thus the County, Continuum of Care, and Housing Authority will work to establish practical housing goals when netted more information. It is anticipated other organizations will form partnerships to work towards sustaining supportive and transitional housing unit development. The County will target the NSP program, as further outlined in Section Eleven to assist in meeting affordable unit goals.

Section Eight

Public Housing

McHenry County's public housing agency is the McHenry County Housing Authority (MCHA). The County's public housing consists of rental housing owned by MCHA and funded under HUD's Public Housing Program. Public housing was obtained with HUD funds and also receives funds to operate the housing. The MCHA also owns 23 single-family homes countywide that have subsidized rents (approximately 30% of the renter's income). The McHenry County Housing Authority has a Resident Advisory Board who gives their input to the annual plan. To encourage residents to consider homeownership, residents are directed to the Corporation for Affordable Homes of McHenry County and Consumer Credit Counseling Service to receive financial assistance, counseling and education. MCHA is currently designated as a troubled housing authority by HUD and is working with HUD staff and technical assistance providers to remedy HUD concerns.

Federal funding for public housing, Section 8 rent subsidies, and privately owned federal- or state-assisted housing has progressively declined over the last 30 years. The federal program to construct new public housing ceased in the 1960s. Federal funds to operate this type of public housing have diminished. Federal contracts with landlords for Section 8 rent subsidy have shorter terms, and rent vouchers to individual households have also been limited. HOME and CDBG funds, the Illinois Rental Housing Support Program and the federal Low Income Housing Tax Credit Program all have continued to decline or are no longer available to the agency or others supporting agency efforts due to the economy. The Housing Authority is available as a resource to leverage vouchers as they become available per Requests for Proposal (RFP) by project owners, and will be assisted by the County in promoting the application and use of vouchers when applicable. During 2012, the County and Housing Authority will work to pair the allocation of HOME funds and project based-vouchers through NOFA and RFP processes for more cohesive development opportunities in the County that benefit high priority housing needs.

The McHenry County Housing Authority intends to service 23 subsidized affordable housing units with their capital improvement plan with an estimated cost of \$40,000.00 in 2011. The site improvements will include exterior repairs, weatherization, kitchen, bath and appliance upgrades to promote energy efficiency as well as health, safety rehab standards.

Homeless and Special Needs

In addition to the oversight of the HPRP grant referenced in this Plan, the County proposes to use HOME funding to address specific objectives related to homeless, including the planning for services and actual bed and transitional housing units in an effort to end chronic homelessness. No organizations to date have expressed an interest in taking the lead role in development of such a facility, however, it is a priority goal of the Continuum of Care Committee and thus, will continue to be an option for HOME fund use should an application be presented.

In addition to the CDBG and HOME funding to McHenry County, the Continuum of Care receives funding for projects to remediate homelessness in the County.

The Continuum of Care has included the following general goals in their comprehensive plan:

1. Immediate utilization of existing agencies that are involved in homeless activities;
2. Strengthening the homeless related activities and services of these agencies;
3. Examining, on an on-going basis, the gaps in coverage of existing programs;
4. Assisting in the development of facilities and programs to address these gaps;
5. Promoting the development of homeless prevention activities;
6. Working to maintain and then increase the level of permanent supportive housing facilities and services; and
7. Work on developing outreach activities and linkages between agencies in order to effectively reach the chronic homeless and then provide or refer them to the appropriate housing and supportive services.

The Continuum is in the process of developing a new strategic plan and initial programming to develop a Ten-Year Plan to end homelessness. Additionally, a new project ranking and new Super-NOFA subcommittee was created within the structure of the Continuum to provide for more focused work on specific goals and strategies. The latest ranking criteria was used in assisting in review of the bonus project applications. This ranking will be evaluated and amended as necessary in 2012 for use as part of the 2012 round. After completion of the 2011 NOFA application round, including the submission for renewal and bonus project funding, the Continuum will focus on adequate restructuring including the development of bylaws, and membership procedures and requirements. In previous planning, the Continuum of Care

strategy (currently being updated) addressed action steps to assist individuals and families with children that were homeless as outlined below:

- Set up regular meetings with providers of housing to homeless households with children to develop a Continuum endorsed strategy, within the next 12 months, ensuring that the necessary supportive services and assistance in finding PH housing is being provided to these clients in order that they can successfully attain and maintain permanent housing.
- Convene regular meetings with service providers to develop, within the next twelve months, a Continuum-endorsed plan, including information/referral, on-going outreach activities and immediate access to housing, to provide immediate assistance to unsheltered homeless households with children.

The County will continue to work with the Continuum to merge the above into a plan to also assist individuals and families with children at imminent risk of becoming homeless through use of HPRP funds or perhaps tenant based rental assistance programs, and increased access to supportive services and assistance, and a regular procedure for intake of such families.

The Division and Housing Commission will work more closely with the Continuum to generate project work as related to the specific homeless objectives identified in this Plan.

Special needs populations that are not homeless such as victims of domestic violence are served through specific objectives in the Action Plan, Items 10 through 13. Further, it has been a tradition that CDBG emergency funds often times assist seniors and the frail elderly, groups that are typically not capable of getting necessary services and maintenance work for their dwelling units on their own. Additionally County HOME and CDBG funds are used to develop and rehab units for disabled and special needs persons in the County on an annual basis.

The Continuum indicated a total count of 203 homeless persons reported including 43 children, 25 families, 51 veterans, and 22 victims of domestic violence. Thirty-three (33) total people were reported as chronically homeless. The Continuum had previously identified a plan to create seven (7) new permanent beds for the chronically homeless in 2011 in conjunction with Corporation for Affordable Homes of McHenry County's (CAHMCO) State of Illinois NSP grant that included acquisitions. Because the current status of the project is undetermined, the County will assist development as applicable with HOME and NSP funds as allowed and outlined herein this Plan. The County will also continue to work with Pioneer Center to increase the capacity of the PADS program in the County.

Section Ten

Barriers to Affordable Housing

While a more in-depth discussion of barriers to affordable housing is included in the Five-Year Consolidated Plan, it is important to note current barriers to affordable housing in the County that will be assessed or acted upon in 2012. Zoning, the high cost of land and construction and the lack of public financing incentives to reduce these costs have been identified as major barriers to affordable housing. The County is currently completing an Analysis of Impediments, anticipated to be completed in Spring 2012, thus this plan along with the review work of the Housing Commission's Legislative Committee in reviewing local zoning ordinances will result in recommendations for comprehensive residential zoning practices that promote a diverse housing stock attentive to the needs of affordable development and fair housing issues. While affordability/income is not identified directly as a protected class under the Fair Housing Act, the County recognizes the interchangeable nature of fair housing and affordability issues, and therefore will evaluate conditions accordingly when appropriate. The Committee will continue to monitor compliance within the County as related to the Illinois Affordable Housing Planning and Appeals Act. The Analysis of Impediments also will serve as a basis for new analysis of census data in the County, and therefore a more complete analysis of populations affected by grant programs. In the interim period of completion, the Division will work with the Housing Commission and County Board to implement policies and procedures that address impediments identified in the previous study, and enact final policies and procedures based on the final Analysis of Impediments Action Plan. The Education Committee of the Housing Committee will also research tools for the planning and development of affordable housing to present as best practices throughout the County.

The County has submitted an interim action plan to address impediments to the Regional Office of Fair Housing, serving as a guide for related activities until the new Analysis and subsequent Fair Housing Action Plan is completed. The County has also formulated fair housing reporting procedures and engaged the assistance of various levels of local government and nonprofit agencies. Further, all recipients of HOME and CDBG funding are required to comply with affirmative marketing efforts.

Additional Grant Programs

The County administers three grant programs that are aside from the traditional CDBG and HOME scope of the 2011 Action Plan.

Community Development Block Grant-Recovery (CDBG-R)

The CDBG-R grant provides funding to projects eligible under the traditional CDBG program, but includes ARRA provisions requiring the use of American-made products, labor requirements, enhanced reporting and contracting requirements, and is generally geared towards projects that are deemed shovel-ready and promote economic growth through temporary or permanent construction jobs. As previously discussed in this Plan, additional funds will be available after completion of the currently obligated CDBG-R project in the Village of Wonder Lake. The County will deobligated the remaining fund balance, and allocate funds towards an infrastructure project that is deemed shovel-ready for the purposes of meeting the required grant expenditure deadline in 2012. Additionally, infrastructure projects are congruent with the previous Action Plan amendment for the CDBG-R grant. CDBG-R funds may also be used to complete a proposed phase of a currently contracted or contingency CDBG infrastructure project, that in turn will assist in mediating the current funding limits of the CDBG grant.

Neighborhood Stabilization Program (NSP)

The NSP grant provides for the acquisition, rehabilitation, and sale of foreclosed homes in the County in an effort to stabilize neighborhoods that would otherwise face decline due to property value decreases from foreclosures. For every property sold as part of the program, the County will continue the cycle of acquisition and rehabilitation for the duration of the program, and that funds are available. The program mandates that at least twenty-five percent of the funding be used to house persons at 50%AMI or less. As such, the County has incorporated the use of HOME funds with NSP to make the sale and rent of such units financially feasible considering the context of high taxes and fees in the County. Buyers of NSP homes are required to participate in credit counseling courses to become stable homeowners. NSP homes benefit several demographics and are dispersed throughout, though high-risk foreclosure areas are predominately located in the southeast and east sections of the County. The County previously worked with the Corporation for Affordable Homes of McHenry County (CAHMCO) as the developer entity, however, CAHMCO was no longer able to continue NSP operations and thus the Division assumed full responsibilities of the program as of May 2011. Additionally, the County continues to contract with Consumer Credit Counseling Services to execute marketing

and counseling portions of the NSP Program. Below is a table indicating the status of each of the fifteen (15) properties originally acquired under the grant:

Property Address	Status
377 Pierson St., Crystal Lake	Rental with CAHMCO until Nov. 31; reverts back to County for sale
807 Division St., Harvard	Under contract, will close in October 2011
7504 Maple Dr., Wonder Lake	Sold
315 Country Ln., Algonquin	Sold
103 Palisades Ln, Oakwood Hills	Sold
9609 Witchie Dr., Fox River Grove	Sold
7520 Salem Rd., Wonder Lake	Sold
1030 Wimbledon Dr., Island Lake	Sold
234 1 st St., Woodstock	Sold
11003 Myrtle, Huntley	Sold
1109 Hayes, Harvard	Complete, for sale
703 Lincoln, Harvard	Minor construction (exterior improvements), for sale
650 Dartmoor, Crystal Lake	Major construction, for sale later winter, early spring
376 McHenry, Woodstock	Minor construction, Designated rental, pending contract sale with nonprofit
1365 Geringer, Algonquin	Minor construction, Designated rental, awaiting contract with potential nonprofit

CAHMCO was also the developer entity responsible for the administration of NSP funds from the State of Illinois grant through the Illinois Housing Development Authority (IHDA), and said funds were to be targeted towards a rental development to benefit local County social services agencies and members of the Continuum of Care. Due to the current unknown status of the grant as it stands with IHDA, the County will target the use of the NSP program income towards the development of more rental units as applicable and available.

Homeless Prevention Rapid Re-housing (HPRP)

HPRP is one of several grant programs created under Title XII of the American Recovery and Reinvestment Act of 2009 (ARRA). The HPRP funds provide assistance for people who would

otherwise be homeless if not for the assistance of this program, mostly due to financial crisis, or people that are currently homeless. Funds can be used to provide rental payment assistance, security deposits, utility payments, moving costs, and motel/hotel vouchers in the event homeless shelters are full. The HPRP program requires case management for assessment of financial needs prior to receipt of financial assistance. Also, the HPRP program allows legal assistance and credit counseling services. The program guidelines require McHenry County to work closely with the Continuum of Care Committee for information currently registered in the Continuum of Care sponsored Homeless Management Information System. Further, the County partners with the McHenry County Housing Authority, Consumer Credit Counseling Services, Prairie State Legal, and Pioneer Center for the execution of the grant. Division Staff oversees the HPRP program. Both the Continuum of Care and the Division report to HUD on program progress throughout McHenry County.

Section 3, MBE/WBE Programming

The County is in the process of developing a certification program for Section 3 businesses in the County to encourage local hiring of low/mod income persons. A registry of Section 3 businesses will be available on the County website for reference by subrecipients. Additionally, the County seeks to expand the capacity of Minority Business Enterprises (MBE) and Women Business Enterprises (WBE) by creating a registry of such businesses based on State of Illinois and comparable local certifications. For both Section 3 and MBE/WBE, the County is developing a formal policy for such business preferences as part of the procurement process.

Lead Based Paint

The incidence of elevated blood levels from lead-based paint has decreased in the past 10 years. However, it is generally assumed that the oldest housing units and those with the lowest value or having the lowest rents are likely to still have lead-based paint hazards. The Five-Year Consolidated Plan has a more detailed discussion of lead-based paint and the plan contains an estimate of 45,000 units in the County that meet the old and low value/rent criteria and therefore potentially may have lead. The McHenry County Health Department includes lead testing whenever blood tests are necessary. If elevated blood lead levels are found in persons who are low income, they are referred to the McHenry County Housing Authority who has funding to address lead-based paint hazards. McHenry County's Rehabilitation Standards require compliance with state and federal regulations. Agencies receiving grants through the County are monitored for compliance with these standards. Additionally, County inspectors working with HUD programming are certified under the new EPA lead paint laws known as Renovation, Repair, and Painting Program (RRP). Going forward, the County will partner with the Housing Authority and County Health Department to increase public outreach and knowledge related to lead-based paint, include lead-based paint safety during tenant-landlord workshops, track lead-abatement efforts, and ensure lead-safety information is distributed and available as necessary. Additionally for any projects to dwelling units built before 1978, the County requires lead testing

and if necessary abatement prior to the onset of project work. In 2011, the County treated eleven (11) homes for lead contamination, and will continue to conform with EPA and State requirements. Further, homes are tested for lead and upon remediation, tested using an approved clearance test method to ensure safe habitability.

Mold

The County has actively engaged best practices for inspection in the detection and treatment of mold in residences and commercial structures in the County. In 2011, the County remediated three (3) homes for mold; said structures passed a subsequent required clean air test. In 2012, the County will maintain this pro-active approach in detecting and remediating mold in the County.

Poverty

The County's primary anti-poverty strategy is based on the premise that it may be able to alleviate the impact of poverty on families by increasing affordable housing units and financial resources for affordable housing development combined with services to address the special needs of the low-income population. To enhance the adaptability of financing mechanisms normally used for affordable development, the County will ensure that HOME and CDBG funds used for development activities will serve as a leveraging resource rather than a primary resource of funding. The County has begun to establish relationships with banking CRA entities so that more households and developers have access to stable financing options thus also reducing the impact of poverty.

The focus of the County's Continuum of Care group, and as identified as a priority need is to draft a ten-year plan to end homelessness and access social service gaps that would otherwise address poverty.

Gaps and Underserved Needs

The following Gaps and Action remain as unmet per the Consolidate Plan:

Gap: The Homelessness Continuum of Care system needs more resources. There is no permanent, year-round emergency shelter. There is lack of agency participation and funding for training and licenses to enable more agencies to utilize the Powman Communication Network (PCN). Insufficient inter-agency coordinated case management hinders the ability to identify and engage the chronically homeless and to link them to mainstream programs.

Action: Exploration continues to create one or more year-round emergency shelter facilities. The CoC plans to utilize federal homelessness stimulus funds passed through the state to retain staff for the information system. McHenry County's HPRP funds and Five Year Consolidated Plan for 2010-2014 include objectives addressing these gaps. An organization or partnership of organizations will need to be established in

taking the lead on the development of an emergency shelter; organizations will need to leverage additional funding.

Fair Housing

As previously described in Section Ten of the Plan, Fair Housing issues as a result of completion of the Analysis of Impediments is a priority for the County in order to maintain compliance and utilize funding for the purpose of the grants. In September 2011, the County formally approved an allocation of HOME administration funds to be used in the completion of a new Analysis of Impediments. Contracting with the selected firm is currently underway. It is anticipated that the Analysis will be completed in the Spring of 2012, and will provide a Fair Housing Action Plan, in addition to key census analysis and forecasting. The Division and Housing Commission also worked to create a Fair Housing Complaint reporting system, in using established HUD reporting forms and developing a guide for reporting methods and complaint tabulation. The County has partnered with the townships, Housing Authority, local nonprofits and municipalities and the State's Attorney's Office to provide County residents with the means to report fair housing complaints. The County will gather complaints and forward them to the Region V office. Finally, the County adopted an affirmative marketing plan, and requires all grant funding recipients to either present a plan for approval, or adopt the County's plan as a condition of receiving funding. In Spring of 2012, the Housing Commission will host a fair housing education event series targeting elected and municipal offices, and residents, landlords, real estate and banking professions timed with the release of the new Analysis of Impediments.

Foster and Maintaining Affordable Housing

Please reference Section Seven of this report as related to affordable housing goals. To encourage the development of affordable housing, the County has released NOFA's targeted at a broad range of housing stock types and populations served in line with the goals as presented in this Plan. Further, through the County's Action Plan and previous executed activities, the County places a priority on owner occupied rehabilitation programs geared towards maintaining the affordable stock in the County. Additionally, in 2012 the County will work with entities towards acquisition of more units of existing housing to add to the affordable stock of the County during a Spring release of the 2012 NOFA. Please reference tables 3B and 3C for additional information.

Institutional Structure

McHenry County's institutional structure and coordination is described in detail in the Five-Year Consolidated Plan. In summary, the Community Development Division of the Department of Planning and Development is responsible for overall planning, administration and monitoring of the HUD grants made directly to the County. Two Commissions support HUD programming. The CDBG Commission composed of governmental officials, citizens and not-for profit service agencies, is an advisory commission that meets monthly to oversee the execution of grant programs, with a specific focus on the CDBG grant, however, the County Board is currently considering restricting of the Commission to avoid current and potential conflicts of interests as related to funding decisions, and seeks to construct voting and ex-officio blocs of the Commission. The Housing Commission is composed of government officials, housing industry representatives, housing and service providers and the general public, and is divided into a voting bloc and ex-officio bloc to utilize the capacity of certain professionals while preventing conflict of interest issues. Further, the Housing Commission works with development of the HOME program grant, and three sub-committees meet monthly to execute educational and legislative programming to further the understanding of best practices, policies, and planning for housing in the County.

The Continuum of Care also meets monthly on projects and issues related to the homeless. The McHenry County Housing Authority has a 7-member commission appointed by the McHenry County Board. The MCHA implements public housing projects and a variety of other programs related to low-income people and housing needs.

Community Development Block Grant (CDBG)

The Community Development Block Grant Program of the County is in program compliance one year after sanctioning from HUD. The new application round procedures included a pre-application period in which educational trainings were held for subrecipients, and project reviews and initial onsite inspections were conducted prior to application to ensure cost reasonableness, and provide feedback to organizations related to project development. Applications include evaluation criteria so that organizations are aware of the value of each content area. Actual project evaluations were completed by staff using the criteria and with respect to the goals of the Consolidate Plan and Annual Action Plan; assessments were provided to the applicant and Commission in a staff report prior to the project hearings and final allocation.

New to the CDBG program is the use of contingency allocations, whereby funds are allocated to projects above the available level of funding, so that in the event funds are available as a result of increased grant funding or deobligation, contracts can be immediately issued to eligible projects pending financial feasibility for completion. General construction projects were also required to be completed prior to October 15, 2011 as part of an effort to maintain a healthy CDBG ratio. This in turn netted more comprehensive and substantive projects that were prepared for execution despite the funding delay.

Allocations were awarded in early 2011, and Division staff completed all environmental reviews and releases for funding, along with revisions to contracts to include enhanced compliance with Fair Housing, OMB circular compliance, and Davis Bacon and procurement regulations. Subrecipients were also trained in advance on new Division procedures, procurement, and Davis Bacon. The County was not able to issue contracts until July and August of 2011 due to the delay in release of grant funds from HUD as part of the Congressional budgeting process. The County will use these same practices and procedures in administration of the 2012 CDBG grant program, however, does anticipate minor changes to the ranking criteria based on subrecipient feedback.

The County does not anticipate program income from the CDBG Program in 2012. The only means of generating program income would be through the return of funds invested as part of the homeowner occupied rehabilitation program, or certain economic development programs. Program income for CDBG projects would be used to fund contingency projects. Further, no program income has been generated from 2011, nor does the County receive proceeds from Section 108 loans or settlements. It is the policy of the County to allocate funds to projects as outlined per community development and housing goals and objectives outlined in the Consolidated Plan and Action Plan, and deobligated and reallocate funds that are not expended

in contract, or returned for non-compliance to projects designated as eligible for allocation under contingency, or funds are used as part of the upcoming funding round if applicable. The County estimates that one hundred (100%) percent of the funds will be used for activities that benefit persons of low and moderate incomes.

HOME Investment Partnerships (HOME)

The HOME program continues to be redeveloped to ensure compliance with HUD regulations. In 2011, the County made allocations of 2010 program year funds to correct CHDO reserve violations, and is in the process of resolving all outstanding IDIS issues related to HOME.

To allow for improved programming, the County will now offer a NOFA application process to be released at different points throughout the year, with certain application periods open to specific funding types. Additionally, the program will follow project review and underwriting criteria when conducting project evaluations, weighted leveraging of resources and increased unit capacity as a high priority for HOME fund allocations. In calendar year 2012, the County will complete any remaining allocation work related to program year 2011 funding, and administer the 2012 rounds beginning in Spring 2012. The revised HOME application process including developer meetings, increased project budgeting and proforma requirements, and resource leveraging evaluation will continue, along with revisions to underwriting standards specific to the County, and the completion of developer capacity reviews.

Additionally, the County requires subrecipients and sub-grantees to provide for the twenty-five (25%) percent match requirement through cash, in-kind, or other leveraging contributions. Division staff has been working through multi-layered financing concepts with area organizations and developers to leverage other investment forms such as tax-credits and bonding. Section Three of this Action Plan outlines such resources. The County does not currently use HOME funds for refinancing or tenant-based rental assistance activities; however, the latter has been identified as a potential activity in 2012. Additionally, the County uses recapture guidelines for homeownership activities. Currently, a recapture agreement is executed to capture the full HOME subsidy out of net proceeds from the sale. Recapture requirements means that if the property does not continue as the principal residence of the owners for the duration of the period of affordability being a minimum of five (5) years or greater as per HOME regulations based on investment total, the County will recapture the full amount of the HOME investment received by the owners as calculated by using the appropriation conditions listed below:

- In the event of a sale of the property during the period of affordability, the County shall recapture an amount equal to the HOME investment in the property.
- In the event of a cash-out refinancing during the period of affordability, the County shall recapture an amount equal to the HOME investment in the property.

- 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.

For HOME projects executed in 2012, the County will adopt a pro-rata recapture for future HOME agreements as related to homeowner assistance. This will also continue to be the basis for NSP properties, and NSP/HOME properties. Any subsidy per unit of \$15,000 or less will be subject to provisions for five years; other subsidy amounts will be per HOME program rules. Homebuyer assistance and development subsidy are subject to recapture on a pro-rata share using a formula based on the initial subsidy in total over the period of affordability. Recapture is triggered when the residence no longer becomes the primary residence for that assisted person. Net proceeds mean the sale price minus loan payments and closing costs. The recapture provisions are included in a recorded recapture agreement or in the recorded mortgage documents for each house assisted with HOME funds, and units are monitored to ensure compliance with affordability to avoid, but if necessary commence the recapture process.

To maintain compliance with HOME, each recipient of HOME funds is required to file an approved affirmative marketing plan, or adopt the County's plan as a condition of each funding agreement. Most organizations use several methods of meeting affirmative marketing requirements, including multi-lingual documents, and outreach to local businesses, schools, service centers and churches. Organizations are encouraged to work with other local agencies to share resources and develop policies that meet marketing requirements within each individual organization. The County continues to update 504 compliance records and procedures, and follows policies and programs that prohibit discrimination in employment, housing, access to education and public services.

To further programming responsive to the needs of minorities and women, the County is implementing new MBE/WBE procurement policies and procedures as outlined in Section Eleven. The County is also in the process of identifying agencies that serve the specific populations to coordinate outreach and ensure that clientele is aware of County programming.

Program Monitoring

McHenry County's monitoring standards and procedures are described in detail in the Five-Year Consolidated Plan. The County has specific written monitoring guides with evaluation checklist and review forms for each Program to ensure regulatory compliance and execution efficiency. Each organization that is monitored receives an oral and written report of the monitoring findings and concerns along with required corrective actions. Division staff assists organizations in resolving issues as to maintain program compliance.

HOME Monitoring

Each HOME project recipient is monitored on an annual basis, with unit rentals monitored according to total units and periods of affordability. The monitoring guide developed by the Division is composed of six sections:

- Section One – HOME Program overview
- Section Two – Procedures and Monitoring
- Section Three – Monitoring Preparation
- Section Four – Monitoring Checklists
- Section Five – Monitoring Schedule
- Section Six – HOME Project Checklists

The goal of the program monitoring is to ensure contract compliance, livability standards, and that correct income verification, leasing, and rent procedures are followed. The County monitors tenant selection and compliance with fair housing laws. Based on the program and/or project type, there are specific objectives for monitoring. Major types and goals are:

- For home-buyer assistance programs: ensure the homebuyer maintains primary occupancy during the terms of the compliance period; if the home is sold ensure proper recapture and/or resale methods are in place so as to preserve the HOME investment;
- For homeowner occupied rehabilitation: enforce compliance periods if determined per the written agreement (not required per HOME regulations);
- For rental projects: enforcement of HOME assisted units by ensuring a proper mix of AMI's as per the written agreement exists – HOME units have HOME qualified tenants; income verification is completed on an annual basis by the manager; rents collected do not exceed the HOME rents requirements and are in accordance with utility restrictions and/or additional subsidy requirements as applicable; the units are to code and County/municipal standards; following the units if the development is sold to ensure the new owner follows the HOME regulations as per the agreement for the terms of affordability.

Each section outlines specifics to the administration and monitoring of the HOME Program. Further guidance and monitoring is available and conducted in accordance with the HOME Monitoring CPD Manual, the HOME Final Rule 24 CFR Part 92 and other applicable OMB and HUD regulations.

CDBG Monitoring

Each subrecipient construction project is evaluated by inspectors prior to completion of the bid process to ensure that specifications for work are cost reasonable. Pre-construction conferences to review contract requirements and prevailing wage are conducted by the County with subrecipients and contractors. Projects are inspected during and post construction prior to final reimbursement. For service projects, organizations are monitored to observe actual number of clients served versus reporting, and conduction of staff interviews based on position

content. All CDBG projects are monitored through review of mandatory quarterly reports and supporting documentation for reimbursement. Contracts with subrecipients contain specific expenditure requirements and timelines, and are monitored on a monthly basis. If during monitoring contracts are found to be non-compliant, funds will be swept for allocation and obligation to the next eligible project.

Special Grant Monitoring

Each special grant is monitored for compliance with ARRA regulations including reporting and expenditure requirements. As in the case of HOME and CDBG, findings result in corrective actions or the sweeping of funds to be used by other recipients.

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Community Outreach and Education

McHenry County is committed to improving the quality of life for all citizens through community development and housing initiatives. The McHenry County Board, Planning and Development Committee, and Community Development Block Grant and Housing Commissions provide oversight for HUD programming to ensure that every funding source is leveraged and utilized to maximize impact for persons in need.

The Community Development Division operates a series of bi-quarterly training programs for subrecipients, sub-grantees, and the general public on a range of topics from procurement to lead-safety. Division staff assist subrecipients in project development, procurement, and administration to maintain enforcement of regulations and improve the overall quality of project work so that the organization, clientele, and County receive the most benefit from each project dollar. The Division administration provides planning assistance to both the Commissions and communities that do not have capacity to execute community development and housing programs benefiting residents. Additionally, the Division works with the County's Division of Transportation and McHenry County Economic Development Corporation to proactively develop planning initiatives that encompass housing, transportation, and economic development with the understanding that each concentration is co-dependent of the others to ensure vitality. The Housing Commission is dedicated to sponsoring educational outreach programs for residents to understand housing choices, and municipalities and other officials to understand methods of providing affordable, decent housing in the County. Other initiatives include addressing fair housing in the County, tenant-landlord issues, and future housing planning policy development.

Attachments

Table 3A: Summary of Specific Annual Objectives

Table 3B: Annual Affordable Housing Completion Goals

Table 3C: Project Estimates

SF424

Certifications

**Table 3A
Summary of Specific Annual Objectives for Program Year 2012**

Obj. #	Specific Objectives	Sources of Funds	Performance Indicators	Expected Number	Actual Number	Outcome/ Objective *
	Rental Housing Objectives					
1	Fund the development or acquisition/rehabilitation of rental units for extremely low-, very low-, low-income or elderly households.	CDBG/ HOME	Housing Units	10		DH-2
	Owner Housing Objectives					
2	Fund the rehabilitation of housing units occupied by extremely low-, very low-income or elderly homeowners to meet County's Rehabilitation Standards	HOME CDBG	Housing Units	7		DH-2
3	Fund emergency repairs to housing units occupied by extremely low-, very low-income or elderly homeowners	CDBG	Housing Units	15		DH-2
4	Fund homebuyer projects that allow low- and moderate-income people to own a home	HOME	Housing Units	5		DH-2
	Homeless Objectives					
6	Provide funding to develop or rehabilitate emergency or transitional housing facilities or units	CDBG	Housing Units	6		SL-3
7	Provide funding to create emergency shelter facilities and transitional housing beds	CDBG/ HOME	Housing Units/Public Facilities	1 Pub. Fac.		SL-1
8	Fund the development of a Ten-Year Plan to End Homelessness through the Continuum of Care.	CDBG	No measure for planning	N/A		SL-3
9	Fund an increase in case management capacity and/or supportive services to serve homeless families or individuals.	CDBG	People	50		SL-1
	Special Needs Objectives					
10	Fund the development or modification of housing units for persons with special needs.	CDBG/ HOME	Public Facilities/ Housing Units	1 Public Facility		DH-1
11	Fund medical and/or non-medical facilities or fund support service agencies to increase capacity or efficiency to serve persons with special needs.	CDBG	Public Facilities /People	2 Public Facilities		SL-1
12	Fund case management services to increase capacity to serve victims of domestic violence (women and children)	CDBG	People	70		SL-1
13	Fund medical and dental services to increase capacity for eligible individuals	CDBG	People	30		SL-1
	Community Development Objectives					
14	Fund food pantries to increase capacity to serve more low-income individuals	CDBG	People	150		SL-1
17	Fund the rehabilitation or expansion of public facilities and/or public services to allow for greater efficiency and/or an increase of low-mod income or limited clientele persons served	CDBG	Public Facilities/ People	3 Public Facilities/ 125 People		SL-1
	Infrastructure Objectives					
15	Fund infrastructure improvement projects that benefit households in low- and moderate-income areas	CDBG	Households	200		SL-1

	Public Facilities Objectives					
	See objectives listed under Homeless, Special needs and Community Development.					
	Public Services Objectives					
5	Fund homebuyer and fair housing counseling and education	CDBG	Households	100		SL-1
16	Fund agencies offering transportation to increase their capacity to provide additional trips each year for low-income persons, persons with special needs and elderly.	CDBG	People	0		SL-1
	See objectives listed under Special Needs and Community Development					
	Economic Development Objectives					
EDO-3	Provide funds for job training, applicant screening, underwriting applications, referral and/or placement of low-income applicants for employment	CDBG	People	50		EO-1 EO-3
EDO-1	Fund job creation or retention activities	CDBG	People	50		EO-1 EO-3
EDO-2	Provide funding for microenterprise businesses for stabilization, expansion or start-up purposes	CDBG	Businesses	0		EO-3
	Other Objectives					
OO-1	Creation of a Housing Commission	HOME	People	Completed		DH-1,2,3 SL-1,2,3
OO-2	Update of the County's Analysis of Impediments Report	HOME	People	In progress	2012 expected completion date	DH-1,2,3 SL-1,2,3

*Outcome/Objective Codes

	Availability/Accessibility	Affordability	Sustainability
Decent Housing	DH-1	DH-2	DH-3
Suitable Living Environment	SL-1	SL-2	SL-3
Economic Opportunity	EO-1	EO-2	EO-3

**TABLE 3B
AFFORDABLE HOUSING COMPLETION GOALS**

Grantee Name: McHenry County Program Year: 2012	Expected Annual Number of Units To Be Completed	Actual Annual Number of Units Completed	Resources used during the period			
			CDBG	HOME	ESG	HOPWA
BENEFICIARY GOALS (Sec. 215 Only)					NA	NA
Homeless households	25 (30+HPRP)		X	X	NA	NA
Non-homeless households	7		X	X	NA	NA
Special needs households	4		X	X	NA	NA
Total Sec. 215 Beneficiaries*	36		X	X	NA	NA
RENTAL GOALS (Sec. 215 Only)					NA	NA
Acquisition of existing units	4			X	NA	NA
Production of new units	5 (HOME2011-2012/NSP)			X	NA	NA
Rehabilitation of existing units	7		X	X	NA	NA
Rental Assistance	15				NA	NA
Total Sec. 215 Affordable Rental	31		X	X	NA	NA
HOME OWNER GOALS (Sec. 215 Only)					NA	NA
Acquisition of existing units	6 (NSP)				NA	NA
Production of new units	2			X	NA	NA
Rehabilitation of existing units	10		X	X	NA	NA
Homebuyer Assistance	5			X	NA	NA
Total Sec. 215 Affordable Owner	23		X	X	NA	NA
COMBINED RENTAL AND OWNER GOALS (Sec. 215 Only)					NA	NA
Acquisition of existing units	10		<input type="checkbox"/>	<input checked="" type="checkbox"/>	NA	NA
Production of new units	7		<input type="checkbox"/>	<input type="checkbox"/>	NA	NA
Rehabilitation of existing units	17		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	NA	NA
Rental Assistance	15		<input type="checkbox"/>	<input type="checkbox"/>	NA	NA
Homebuyer Assistance	5		<input type="checkbox"/>	<input type="checkbox"/>	NA	NA
Combined Total Sec. 215 Goals*	54		X	X	NA	NA
OVERALL HOUSING GOALS (Sec. 215 + Other Affordable Housing)					NA	NA
Annual Rental Housing Goal	31		X	X	NA	NA
Annual Owner Housing Goal	23		X	X	NA	NA
Total Overall Housing Goal	54		X	X	NA	NA

Department of Planning and Development
McHenry County Government Center - Administration Building

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To: Tina Hill, Chairman
Planning and Development Committee

From: Maryanne Wanaski, CD Administrator
Community Development Division

Date: October 27, 2011

Re: Community Development Resolutions

Action Required:

Recommendation to the McHenry County Board to approve the Resolution authorizing approval and submission of the 2012 Annual Action Plan to HUD

Background:

Per HUD regulations, the County is required to submit an Annual Action Plan that outlines goals and objectives for expenditure of HUD grant funds as applied to the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Programs, and other special grants as awarded.

Discussion:

The 2012 Annual Action Plan has gone through two periods of public comment (August-September and September-November) for input as related to specific measurable goals and objectives for funding of housing and community development programs. (The Plan is available in print and online on the Community Development Division webpage for review.) On October 25, 2011 the Community Development Division held a public hearing to receive formal commentary. Prior input has been incorporated into the document through prescribed means as outlined by HUD.

The Plan will be used to guide the 2012 CDBG and HOME allocations, whereas in the past, allocations had been made and just adopted as part of the Plan. As witnessed with the 2011 Action Plan, this practice has netted improved project work and the actual accomplishment of goals and objectives as outlined in the master HUD 2010-2014 Consolidated Plan of the County.