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# McHenry County Consolidated Plan 2015-2019

## 2<sup>nd</sup> Substantial Amendment

*Updated July, 2017*



Preamble to Substantial Amendment 2:

Per the County's Citizen Participation Plan, this proposed amendment is a considerable enough change to warrant the use of the Substantial Amendment process. Based on requests of the community, the ability to broaden the CDBG project delivery in McHenry County, and consideration of future grant opportunities available to support Community Development, McHenry County is proposing new activities and an update to its 2015-2019 Consolidated Plan. In terms of the availability of funding these activities, CDBG and HOME funding would be available in the 2018 and 2019 award years and in a 2017 Mini and grant administration provided funding is available. Amendments to the Consolidated Plan would allow the addition of activities related to Elimination of Slum/Blight on a Spot Basis, Historic Preservation, a Homeowner Downpayment Assistance Program, Microenterprise Loans and the availability of CDBG Public Service dollars as an automatic inclusion in a proposed HOME Tenant Based Rental Assistance Program as well as proposed CDBG Microenterprise and Downpayment Program projects. Clarification and a current update of some activities and information will also be included. Changes related to any section will be summarized at the bottom of each section and identified as Substantial Amendment 2. Sections with no change will not be tagged in any manner while sections changed under Substantial Amendment 1 will remain unchanged and will continue to be indicated as such.

# Executive Summary

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

### 1. Introduction

The U.S. Department of Housing and Urban Development (HUD) has designated McHenry County as an Urban County entitlement. As such, the County will receive Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds from HUD for housing and community development activities.

#### *Purpose of the Consolidated Plan*

- To provide decent housing by preserving the affordable housing stock, increasing the availability of affordable housing, reducing discriminatory barriers, increasing the supply of supportive housing for those with special needs, and transitioning homeless persons and families into housing.
- To provide a suitable living environment through safer, more livable neighborhoods, greater integration of low- and moderate- income residents throughout the County, increased housing opportunities, and reinvestment in deteriorating neighborhoods.
- To expand economic opportunities through more jobs paying self-sufficient wages, homeownership opportunities, development activities that promote long-term community viability, and the empowerment of low- and moderate- income persons to achieve self-sufficiency.
- Community Development Block Grant (CDBG): The primary objective of this program is to develop viable urban communities by providing decent housing, a suitable living environment, and economic opportunities, principally for persons of low- and moderate- income levels. Funds can be used for a wide array of activities, including: housing rehabilitation, homeownership assistance, lead-based paint detection and removal, construction or rehabilitation of public facilities and infrastructure, removal of architectural barriers, public services, rehabilitation of commercial or industrial buildings, and loans or grants to businesses.

Although the final allocation has not been determined, the County is basing its FY 2015 budget on estimated amounts. It is anticipated that the County will receive the following federal resources in FY 2015; estimated projections for five years follow in parentheses:

- CDBG: \$1,336,571 (\$6.6 million)
- HOME: \$433,030 (\$2.1 million)

## Substantial Amendment 2

McHenry County is considered by HUD to be an “Urban Entitlement Community” due to its population of over 250,000 individuals and an appeal in the 1990’s to begin the receipt of funds gleaned from federal income taxes. An Urban Entitlement Community is eligible to be a Grantee of federal funding under the following programs:

- The Community Development Block Grant (CDBG) Program
- The HOME Investment Partnerships Program (HOME)
- Housing for Persons With AIDS (HOPWA)
- The Emergency Solutions Grant (ESG) Program

McHenry County has been an entitlement community for the receipt of both CDBG and HOME from the very beginning of its receipt of funding in the mid-1990’s. McHenry County does not anticipate it will become a recipient of HOPWA funding during the remainder of the 2015-2019 Consolidated Plan.

The County is subject to a complex formula determined by HUD in which it may become an entitlement community under the Emergency Solutions Grant (ESG) Program. This formula is identified under 24 CFR 576.3 (b)(1) “States, Metropolitan Cities and Urban Counties.”

At the present time, the community makes local ESG Funding decisions through the McHenry County Continuum of Care to End Homelessness regarding a pre-determined allocation of ESG funding disbursed to the County, directly to subrecipients, through the State of Illinois. If the formula from HUD should demonstrate that McHenry County is an entitlement community in its own right under the ESG Program at a future date, the County will become entitled to not only State of Illinois funding but also a local County allocation. While the County does not anticipate this will occur in 2017, there is a greater possibility of this occurring in either/both 2018 and 2019 due to a more comprehensive identification of the homeless population undertaken in recent years, including the rollout of both Street Outreach Services and the Old Firehouse Assistance Center. This represents a paradigm change in approach to the manner in which homeless individuals and families have been encouraged to receive services; the availability of services received; and the localized nature of services and linkage provided.

If the County were to become an entitlement community under the ESG Program, the Community Development Division would become its grantee and would develop a plan of funding allocation respective of the current process entailed by the McHenry County Continuum of Care to End Homelessness. The main difference would be the administration of local funding and the reporting of ESG funds on the County’s CAPER report in addition to the State’s PER report.

## **2. Summary of the objectives and outcomes identified in the Plan Needs Assessment Overview**

The Strategic Plan provides a framework to address the needs of the County for the next five years using approximately \$6.6 million in Community Development Block Grant (CDBG) funds and \$2.1 million in HOME Investment Partnerships Program (HOME) funds. The three overarching objectives guiding the proposed activities are:

- Providing Decent Affordable Housing
- Creating Suitable Living Environments
- Creating Economic Opportunities

Outcomes show how programs and activities benefit a community or the people served. The three outcomes that will illustrate the benefits of each activity funded by the CDBG and HOME programs are:

- Improve Availability/Accessibility
- Improve Affordability
- Improve Sustainability

All future activities funded in the next five years will support at least one objective and one outcome. The County's framework for realizing the objectives and outcomes include the following goals:

- Provide Decent, Affordable Housing
- Provide a Suitable Living Environment
- Increase Homeownership
- End Chronic Homelessness

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

## **4. Summary of citizen participation process and consultation process**

McHenry County's goal for citizen participation is to ensure a broad participation of County residents, local jurisdictions, housing, economic, and service providers in the planning and implementation of community development and housing programming. Citizen participation takes the form of advertised community meetings and public hearings. In addition, the public is engaged in the process of carrying out the CDBG and HOME funded activities through the appointed CDBG Commission and Housing Commission, with representation from a large-cross section of stakeholders on both Commissions. The planning process for the preparation of the Five-Year Consolidated Plan and FY 2015 Annual Action Plan included the following distinct elements:

- Focus group sessions with representatives from County government (staff), non-profit organizations, and other service providers to gain stakeholder input on the identification of County needs.
- Additional meetings and telephone interviews with County departmental staff, McHenry County Housing Authority, and other provider agencies and stakeholders throughout the planning process to understand the current scope of programs, issues, and concerns. The one-on-one conversations helped to develop strategies to address the community needs that were identified in the focus group sessions.
- Review of existing community development-related planning documents, including the McHenry County 2030 Comprehensive Plan, McHenry County 2040 Long Range Transportation Plan, the Heartland Housing Study, McHenry County 2012-2014 Mental Health Board Three Year Plan, and the incorporation of relevant findings and data into the Consolidated Plan. For the development of the 2015-2019 Consolidated Plan and FY 2015 Annual Action Plan, a public notice was published on November 22, 2013 and the first public needs hearing was held on December 3, 2013. Comments submitted at the public meeting or via mail and e-mail to the Planning and Development Department by organizations and the general public are summarized below (#5 and #6). Additional information is located in AD-25, Administration, Citizen Participation Comments.

### **Substantial Amendment 1**

For the Substantial Amendment to the Consolidated Plan 2015-2019, a public notice was published in the local newspaper and distributed to libraries in the community on June 24, 2015 for a public comment period of June 24 through July 15, 2015 and a public hearing was conducted on July 1, 2015. No public comments were received regarding the elimination of CDBG loans for infrastructure and public facility projects and activities.

### **Substantial Amendment 2**

For the 2nd Substantial Amendment to the Consolidated Plan 2015-2019, a public notice was published in the local newspaper and distributed to libraries in the community on January 6, 2017 for a public comment period of January 6, 2017 to February 22, 2017 and public hearings will be conducted on both January 18, 2017 and February 1, 2017. Applicable sections of the Consolidated Plan will be updated to include information related to any public comments received. Considerable outreach efforts will be conducted in addition to the aforementioned meetings.

As a grantee, HUD enables a Public Jurisdiction to reserve the right to make local funding decisions for CDBG, HOME, HOPWA and ESG, as applicable. McHenry County involves local individuals from the community in decisions on funding through Commissions that offer suggested decisions of subrecipient awards. In late 2015, the County consolidated the functions of both the Community Development Block Grant Commission (responsible for CDBG) and the Housing Commission (responsible for HOME) into the Community Development and Housing Grant Commission. The Commission initially was defined to continue with all members until a "Sunset" period in December, 2016, at which time it would become a

Commission comprised of 10 members, including one from the County Board and a variety of community-based individuals with at least one from each of the County's six districts. In order to fill vacancies, the County will continue to provide notice of the availability of openings of Commission memberships as well as reports on the use of funding through both its Annual Action Plans and its CAPER (prior year) reports.

In terms of community outreach and citizen participation, the Community Development Division anticipates it will increase the breadth of its outreach to include additional and targeted stakeholder meetings, direct correspondence with potentially affected constituents, and a focused social media/meeting effort. The intent is to not only glean input but also to make the community aware of the benefits the HUD programs offer to the County.

#### **Comment Period 2:**

Substantial Amendment 2 requires some additional changes to correct some nuances of how activities were originally listed in the Consolidated Plan and to clarify some other activities that are newly proposed. In the interest of transparency and pursuant to HUD CPD 16-18, McHenry County opts to utilize the HUD-authorized 14 day time frame for public comments for this second posting. As Grantee, McHenry County has already demonstrated a significant effort in reaching out to the community as evidenced by the numerous comments and support letters received earlier in 2017. This comment period will last from June 7, 2017 through June 22, 2017.

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

During the public hearing for the draft plan conducted on September 11, 2014, comments were provided concerning various aspects of the plan in addition to clarification of their respective programs. The following is a summary of the comments. The full text version of the meeting minutes is located in the appendix (AD-25).

Staff conducted a second public comment period for the draft plan upon receiving the funding announcement from HUD for the 2015 program year. Comments were solicited between March 10, 2015 and March 25, 2015 and a second public hearing was held on March 19, 2015.

#### Family Health Partnership Clinic:

A staff member wanted to know why the focus for health facilities has been narrowed to special needs populations versus the past broader interpretation.

Response: Due to limited resources, the focus of funding is currently on special needs as a priority.

McHenry County Housing Authority:

A staff member wanted to know about the change in focus on funded agencies for public services.

Response: The 15% service cap limits the number of organizations that can receive funding. The goal is to rotate agencies so that new agencies may have the opportunity to receive funding to address service needs.

A question was asked concerning the tables in the document concerning the housing authority.

Response: Many of the tables in the document concerning the housing authority, with the exception of the waiting list information, are pre-populated tables in the IDIS eCon Plan program. Explanatory text can be provided in the document to clarify the tables.

Pioneer Center:

A staff member stated that they would like to see more acquisition of properties for group homes in McHenry County.

Response: McHenry County staff members encouraged the Pioneer Center staff member to consider the next HOME funding round and to speak with the Housing Commission.

A staff member asked about the TBRA program. Also, the staff member wanted his comment to be noted that the HMIS system (PNC) be an eligible service project in the future.

Response: Comments noted.

In addition, Pioneer Center for Human Services submitted a letter outlining funding needs and requests for funding to develop a comprehensive plan for the McHenry County Continuum of Care (CoC), to increase the case management and supportive services of the County's HMIS, and to include disabled persons in the population to be served.

**Substantial Amendment 1**

The Substantial Amendment 1 eliminates the local CDBG loan requirements for infrastructure and public facilities. There were no comments received in response to the proposed amendment.

**Substantial Amendment 2**

To be determined based on approach and questions posed to the County as of 02/22/2017.

Comment Period 2: As of February 22, 2017, McHenry County had received considerable input to Substantial Amendment 2 that is summarized in an attachment to the Plan. County staff will organize

any input in a similar manner and will synthesize this information into a seamless document after the second comment period ends on June 22, 2017.

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

All comments were accepted. Due to reduced funding levels, and the policy change to provide opportunities for additional organizations to potentially receive funding, past recipients of funding may not necessarily receive future dedicated funding. Funding will be based on the identified needs of the County and available funding.

In addition, Pioneer Center for Human Services submitted a letter outlining funding needs and requests for funding to develop a comprehensive plan for the McHenry County Continuum of Care (CoC), to increase the case management and supportive services of the County's HMIS, and to include disabled persons in the population to be served. This letter is included in the Citizen Participation comments (AD-25) appendices.

### **Substantial Amendment 1**

The Substantial Amendment 1 proposed elimination of the local requirement of CDBG loans for infrastructure and public facility projects and activities. No public comments were received during the public comment period.

### **Substantial Amendment 2**

**Comment Period 2:** The comment period has been opened for a second albeit shorter time frame from June 7, 2017 through June 22, 2017 pursuant to HUD CDP 16-18 authorizing a shorter than usual 14 day window of time for public comments. This timeframe still offers two open meetings and ample opportunity for public commentary.

In terms of the responses from the first comment period for Substantial Amendment 2, no comments were left out. All responses were carefully documented and will be reported along with the results of the second open comment period after it ends on June 22, 2017.

## **7. Summary**

The local policies regarding the CDBG and HOME programs that govern the allocation of funding to projects is attached in the Unique Appendices. The Substantial Amendment 1 eliminates local policy for CDBG funding to be awarded as a loan for infrastructure and public facilities.

The Substantial Amendment 2 clarified the County's role as grantee and identifies the potential that the County also has the possibility of becoming a grantee of ESG Funding locally.

## The Process

### PR-05 Lead & Responsible Agencies 24 CFR 91.200(b)

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

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

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

**Table 1 – Responsible Agencies**

### Narrative

The McHenry County Department of Planning, Community Development Division is the lead agency for the preparation of the Five Year Strategic Plan and administration of the CDBG and HOME grant programs. The County department works with subrecipients to implement program activities.

### Consolidated Plan Public Contact Information

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

### **1. Introduction**

McHenry County developed an outreach effort to maximize input from a large cross-section of stakeholders. This outreach effort included public meetings, published meeting notices and online notices, stakeholder meetings, in-person interviews, and telephone interviews.

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

McHenry County actively consulted with a variety of non-profits, social service providers, community citizens, and other governmental agencies. This was done in an effort to determine the needs of the County and better allocate entitlement resources. Focus group meetings were held on December 3-5, 2013 with affordable/special needs housing providers, fair housing advocates, business associations, homeless providers, community building organizations, and health and human service providers. In addition, three public hearings, which were open to the general public and advertised, were held on December 3, 2013, September 11, 2014, and March 19, 2015 at the McHenry County Government Center.

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

In its FY 2016 Continuum of Care Consolidated Application, it was demonstrated that the County is anticipating a sharp increase in the identified number of homeless individuals in its jurisdiction. McHenry County has funded new and promising approaches related to both Street Outreach and a local Old Firehouse Assistance Center that are available to homeless individuals and families. The projects also help to better identify the homeless population, thereby creating efforts to sustain new and improved projects that will offer housing, support, and/or services to these households.

McHenry County's CoC is one of only 4% nationwide operating as a sole volunteer entity. The model has been studied by the University of Chicago as such an approach has been proven to demonstrate more considerable input from community stakeholders dedicated to ending community homelessness as a result of this factor.

The McHenry County Housing Authority has been authorized by its Board to provide Housing Choice Vouchers for both a "moving on" program for CoC Permanent Supportive Housing programs and for a collaborative program seeking to reduce unnecessary hospitalizations among heavy users of services; has issued Requests For Funding for competitive Project-Based Vouchers for both HOME and/or Tax

Credit projects that often serve homeless families and individuals; and has included a preference for homeless individuals in its Public Housing.

Last, the County remains committed to funding a Tenant-Based Rental Assistance (TBRA) Program through the HOME program by incentivizing it through an automatic receipt of 20% of CDBG Public Services dollars to match the value of an allocated HOME TBRA via in years 2018 and 2019. The CD Division is open to a wide variety of interpretations of target TBRA client populations with a high priority of ending homelessness.

By providing these opportunities to homeless households and opportunities that benefit HOME-eligible low income clients through community-based rental opportunities in McHenry County. This can include very short-term assistance, programs that move clients from a more service-intensive environment, or projects that emulate the CoC's Rapid Rehousing program.

To provide an example of how the automatic CDBG Public Service allocation would work, if a subrecipient were allocated \$100,000 in HOME TBRA program, an automatic 20% allotment of CDBG Public Service dollars in the amount of \$20,000 would also be allocated to the subrecipient. These Public Services would not include the HOME-eligible Housing Inspection and Income Verification expenses that can be charged under the HOME Program. The County is establishing that a subrecipient may receive \$50 for each housing inspection it completes that results in a rental and \$75 for each income verification it completes (once annually) that results in a rental as part of this Consolidated Plan Amendment.

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

Both the HMIS and Coordinated Entry Projects have relegated to subrecipients. Originally awarded in the 2015 CoC Competition, the grantee Pioneer Center for Human Services opted to narrow its mission focus. County Community Development staff as Planning Grantees worked with Pioneer Center and developed a NOFA process to identify new subrecipients to manage these awards until the time of a permanent transfer. Although the County was asked by the CoC to assume both projects, County staff felt that the Coordinated Entry role was a more client-focused project. Hence, New Life Transitions was named as the Subrecipient for the Coordinated Entry role while the County was named to administrate the HMIS system. These changes have gone into place in 2017. Community Development staff as Planning Grantees worked with Pioneer Center and developed a NOFA process to identify new subrecipients to manage these awards until the time of a permanent transfer. Although the County was asked by the CoC to assume both projects, County staff felt that the Coordinated Entry role was a more client-focused project. Hence, New Life Transitions was named as

the Subrecipient for the Coordinated Entry role while the County was named to administrate the HMIS system.

HUD now allocates funding to the Illinois Department of Human Services as its grantee. In turn, this organization allows local community input on funding decisions for ESG. Subrecipients of ESG funding grant directly with the State after these decisions are made.

As previously indicated in ES-05, the County has the potential of receiving additional funding through the ESG Program. If this becomes the case, the County will reserve all administrative funding (of the portion allocated directly to McHenry County) to manage the program but will follow the local decisions for subrecipient funding made by the McHenry County Continuum of Care to End Homelessness.

**Comment Period 2:** This process as described remains the same. County Community Development staff are aware that many programs have been federally flat-funded and will not result in additional funding to the County. However, it is acknowledged that the sharp increase in the number of homeless individuals (now reported annually to HUD through the System Performance Measures) may result in a change. The County will continue to use the CoC as the mechanism for making funding decisions through the competitive process.

On June 6, 2017, McHenry County as Collaborative Applicant and HMIS Administrator for the CoC submitted the HUD-required SysPM, or System Performance Measures through the HDX system to HUD. As anticipated, the County saw a spike in the number of sheltered and street outreach clients from 172 in federal FY 2015 to 271 in federal FY 2016. During that same time frame, transitional housing client counts also increased, but only marginally from 173 to 178.

As previously mentioned, the expansion of activities to include street outreach under ESG (note that the County is not a direct recipient of ESG funding at this time) as well as an expansion of homeless services to include the Old Firehouse Assistance Center predictably provided the County non-profits with substantially improved mechanisms to identify the homeless population.

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

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

1	<b>Agency/Group/Organization</b>	MCHENRY COUNTY HOUSING AUTHORITY
	<b>Agency/Group/Organization Type</b>	PHA
	<b>What section of the Plan was addressed by Consultation?</b>	Public Housing Needs Market Analysis
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	In-person interview, survey response, and follow-up telephone interview.
2	<b>Agency/Group/Organization</b>	PIONEER CENTER OF MCHENRY COUNTY
	<b>Agency/Group/Organization Type</b>	Services - Housing Services-Elderly Persons Services-Persons with Disabilities Services-homeless Services-Health Services-Education Services-Employment Services - Victims
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Homelessness Strategy Homeless Needs - Chronically homeless Homeless Needs - Families with children Homelessness Needs - Veterans Homelessness Needs - Unaccompanied youth Anti-poverty Strategy
	<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	In-person interview, survey, and follow-up telephone interview.
3	<b>Agency/Group/Organization</b>	HABITAT FOR HUMANITY OF MCHENRY COUNTY
	<b>Agency/Group/Organization Type</b>	Housing
	<b>What section of the Plan was addressed by Consultation?</b>	Housing Need Assessment Market Analysis

<b>How was the Agency/Group/Organization consulted and what are the anticipated outcomes of the consultation or areas for improved coordination?</b>	In-person interview and survey.
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**Identify any Agency Types not consulted and provide rationale for not consulting**

A wide range of stakeholders were consulted to determine the level of housing and social service needs. This included housing and social service agencies in addition to public agencies and private nonprofit organizations whose missions included the provision of affordable housing and human services to low- and moderate- income households and persons.

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

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	McHenry County	The CoC documents and plans were utilized to create the Consolidated Plan and Annual Action Plan.

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

**Describe cooperation and coordination with other public entities, including the State and any adjacent units of general local government, in the implementation of the Consolidated Plan (91.215(I))**

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 is composed of governmental officials, citizens and not-for-profit service agencies and serves as an advisory commission that meets quarterly to oversee the execution of grant programs, with a specific focus on the CDBG grant. The County Board is currently considering policies to avoid any potential conflicts of interests related to funding decisions. 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 the HOME program grant, and two sub-committees meet quarterly to execute educational and outreach programming to further the understanding of best practices, policies, and planning for housing in the County.

## **Substantial Amendment 2**

On an annual basis, the CD Division will request that the County Board and CDHG Commission members recuse themselves from any potential funding decision in which an inherent conflict of interest is present. The Community Development Block Grant Commission and the Housing Commission have combined fully as of December, 2016 (with appropriate membership levels) and are now known as the Community Development and Housing Grant Commission.

### **Comment Period 2:**

HUD has requested that the County intensify its approach to determining agency capacity with awards of funding. The CD Division will employ the use of additional review factors related to financials, audits, and when appropriate, staffing levels.

### **Narrative (optional):**

Through multiple efforts, the following has been established:

1. The inclusion of CDBG dollars as a parity with HOME Tenant-Based Rental Assistance brought forth multiple applicants (potential subrecipients), all of whom would focus on homeless as a priority. The County already has this as an activity on its originally approved Consolidated Plan and has clarified that the CDBG Public Services are being offered as a parity and has included the aforementioned set amounts for both housing inspections and annual income verification for consistency among applicants. This project type can be funded under HOME beginning in 2018 and possibly in 2017 should the County be allocated more than its anticipated 2017 grant.
2. Through a combined effort of Centegra Hospital, the McHenry County Housing Authority, Thresholds and the McHenry County Mental Health Board, both homeless “high users” of the emergency system and existing Permanent Supportive Housing clients. The High User program is a Housing First methodology that will target its efforts at the Chronically Homeless population that utilize the emergency system as a sheltering resource and will target five Housing Choice Vouchers toward this effort. The “Moving On” Program will target 10 vouchers toward individuals currently residing in the community’s existing Permanent Supportive Housing projects. This in turn will allow for movement through these projects in order to target more of the Chronically Homeless population. These projects are underway.
3. Through the CoC’s 2016 Competition, one project was funded as a reallocation to Thresholds for Permanent Supportive Housing through the lease of scattered-site units for the Chronically Homeless. The Competition also resulted in the funding of two Rapid Rehousing projects for survivors of domestic violence at Turning Point. That project minimally expects to serve five households per year, depending on the length of assistance required by the clients. These projects are set to begin operating by the Fall of 2017. The 2016 Competition was very focused on project evaluation and outcomes. This will continue and will likely include agency capacity and other measures recommended by HUD.

4. The combination of an anticipated allocation of 2017 HOME funding and allocated Project-Based McHenry County Housing Authority Vouchers resulted in the award of Permanent Supportive Housing funding from the Illinois Housing Development Authority to Full Circle Communities for the land acquisition and new construction of a 24-unit building in downtown McHenry, IL. The project is aligned with TLS Veterans, a homeless services provider in McHenry County and will have onsite case management services for clients. This project was modified from being a larger 40+ unit project to a more focused 25 unit effort that serves a population with considerable needs.
5. Full Circle Communities completed an affordable housing project for seniors in Richmond, IL. Funded through CDBG, work entailed the clearance of the property to make way for the construction of the new project. Rent-up will continue and be completed by the end of 2017. This project is one that requires both a Consolidated Plan Amendment for the clarification of its activity type (to Infrastructure: Housing) and an amendment to the 2016 Annual Action Plan that will move the activity completion to 2017. The clarification of the activity will correctly document the rent-up and number of new units to HUD. This project contains 25 units, 2 of which are attached to Project-Based Vouchers from the McHenry County Housing Authority.

## **PR-15 Citizen Participation**

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

McHenry County's goal for citizen participation is to ensure a broad participation of County residents, local jurisdictions, housing, economic, and service providers in the planning and implementation of community development and housing programming. In addition to various trainings that are offered to all County residents and businesses, the public is engaged in the process of executing the grants through the CDBG Commission and the Housing Commission, and public information and comment sessions at large. For the development of the 2015-2019 Consolidated Plan and the FY 2015 Action Plan, a public notice was published on November 22, 2013 and the first public needs hearing was held on December 3, 2013. A second public hearing was conducted on September 11, 2014. A third public hearing was held on March 19, 2015. For the Substantial Amendment 2, this information will be updated once the Citizen Participation/Public Comment Period is over.

**Citizen Participation Outreach**

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
1	Public Hearing	Minorities  Persons with disabilities  Non-targeted/broad community  Residents of Public and Assisted Housing	No one attended the 1st Public Needs Hearing conducted on December 3, 2013.	No comments were received.	See above.	<a href="http://www.co.mchenry.il.us">www.co.mchenry.il.us</a>

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
2	Public Hearing	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	The 2nd Public Needs Hearing was conducted on September 11, 2014. Nine people attended (including three staff members). Attendees were from local agencies, including the Pioneer Center and the housing authority.	See AD-25, Citizen Participation Comments, for the full meeting minutes and comments.	All comments were accepted. Decisions concerning funding are based on a combination of available funding, identified needs, and County priorities.	<a href="http://www.co.mchenry.il.us">www.co.mchenry.il.us</a>

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
3	Public Hearing	Minorities Persons with disabilities Non-targeted/broad community Residents of Public and Assisted Housing	See AD-25, Citizen Participation Comments, for the full meeting minutes and comments.	See AD-25, Citizen Participation Comments, for the full meeting minutes and comments.	See AD-25, Citizen Participation Comments, for the full meeting minutes and comments.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
4	Public Hearing	Minorities  Persons with disabilities  Non-targeted/broad community  Residents of Public and Assisted Housing	See AD-25, Citizen Participation Comments, for the details. No response from public.	See AD-25, Citizen Participation Comments, for the details. No response from public.	See AD-25, Citizen Participation Comments, for the details. No response from public.	<a href="https://www.co.mchenry.il.us/home/showdocument?id=56287">https://www.co.mchenry.il.us/home/showdocument?id=56287</a>
5	Public Meeting	Non-targeted/broad community	See AD-25, Citizen Participation Comments, for the details. No response from public.	See AD-25, Citizen Participation Comments, for the details. No response from public.	See AD-25, Citizen Participation Comments, for the details. No response from public.	

Sort Order	Mode of Outreach	Target of Outreach	Summary of response/attendance	Summary of comments received	Summary of comments not accepted and reasons	URL (If applicable)
6	Public Meeting	Non-targeted/broad community	See AD-25, Citizen Participation Comments, for the details.	See AD-25, Citizen Participation Comments, for the details.	See AD-25, Citizen Participation Comments, for the details.	
7	Public Meeting	Non-targeted/broad community	See AD-25, Citizen Participation Comments, for the details.	See AD-25, Citizen Participation Comments, for the details.	See AD-25, Citizen Participation Comments, for the details.	
8	Public Meeting	Non-targeted/broad community	See AD-25, Citizen Participation Comments, for the details.	See AD-25, Citizen Participation Comments, for the details.	See AD-25, Citizen Participation Comments, for the details.	
9	Postal Mail	Residents surrounding proposed demo sites.	See AD-25, Citizen Participation Comments, for the details.	See AD-25, Citizen Participation Comments, for the details.	See AD-25, Citizen Participation Comments, for the details.	

**Table 4 – Citizen Participation Outreach**

## **Needs Assessment**

### **NA-05 Overview**

#### **Needs Assessment Overview**

According to 2010-2014 HUD CHAS Data, there are a total of 109, 220 households in McHenry County. Half of these households are considered LMI (low-moderate income) based on household incomes at or below the 2015 Chicago-Rockford-Naperville AMI, (Area Median Income) while the remaining half are at or above the regional AMI of \$76,000 household income. Housing costs of \$1,900 a month are considered affordable to the 100%+ AMI bracket. Moderate household income occupants consider \$1520 a month affordable, and low-income households are rent burdened once they surpass \$950 a month. The Fair Market Rent for a two-bedroom apartment in McHenry County in 2015 was \$1093, creating a cost burden to any household below 57% of AMI.

## **NA-10 Housing Needs Assessment - 24 CFR 91.205 (a,b,c)**

### **Summary of Housing Needs**

The Housing Needs Assessment is based on data provided by HUD through the Comprehensive Housing Affordability Strategy (CHAS) data, with supplemental data used when available. Although the CHAS data is dated, it provides a glimpse of the housing needs within the County. This data, in combination with supplemental data and interviews with agencies and housing providers in the County, can provide a snapshot view of the housing needs. Interviews with agencies that provide housing and social services provided an overview on housing needs. The following is a summary of the key points from the surveys and the stakeholder interviews:

- Extremely-low, very-low, and low-income households have a very difficult time finding affordable housing. In addition, moderate-income households have a difficult time as well.
- Small related households appear to have the most residents who are cost burdened across a range of income levels and tenure.
- The lack of affordable housing affects some of the area's most vulnerable citizens, according to local non-profits. Housing problems are broken down into four categories. The four housing problems include: cost burden, lack of complete plumbing or kitchen facilities, overcrowding, and zero/negative income.

The following bullet points summarize the tables found on the following pages:

#### **Renter households:**

- Between 0-30% of AMI lacking complete plumbing or kitchen facilities
- Between 0-30% of AMI with one or more of four housing problems
- Between 0-30% of AMI with housing problems paying more than 50% of their gross income on housing costs.

#### **Owner households:**

- Between 50-80% of AMI with one or more of four housing problems.
- Between 50-80% of AMI with housing problems paying more than 50% of their gross income on housing costs.

## **Households by Household Type**

*Renter households* paying more than 30% of their gross income on housing costs:

- Small related households between 50-80% of AMI
- Elderly households between 30-50% of AMI
- Other households between 30-50% of AMI

*Owner households* paying more than 30% of their gross income on housing costs:

- Small related households between 50-80% of AMI
- Elderly households between 30-50% of AMI.

*Renter households* paying more than 50% of their gross income on housing costs:

- Small related households between 0-30% of AMI
- Elderly renter households between 0-30% of AMI
- Other households between 0-30% of AMI

*Owner households* paying more than 50% of their gross income on housing costs:

- Small related households between 0-30%, 30-50%, and 50-80% of AMI
- Elderly households between 0-30% of AMI

## Substantial Amendment 2

According to 2010-2014 HUD CHAS Data, there are a total of 109, 220 households in McHenry County. Half of these households are considered LMI (low-moderate income) based on household incomes at or below the 2015 Chicago-Rockford-Naperville AMI, (Area Median Income) while the remaining half are at or above the regional AMI of \$76,000 household income. Housing costs of \$1,900 a month are considered affordable to the 100%+ AMI bracket. Moderate household income occupants consider \$1520 a month affordable, and low-income households are rent burdened once they surpass \$950 a month. The Fair Market Rent for a two-bedroom apartment in McHenry County in 2015 was \$1093, creating a cost burden to any household below 57% of AMI.

Demographics	Base Year: 2000	Most Recent Year: 2010	% Change
Population	264,870	317,417	20%
Households	91,240	113,133	24%
Median Income	\$64,826.00	\$0.00	-100%

**Table 5 - Housing Needs Assessment Demographics**

**Data Source:** 2000 Census (Base Year), 2006-2010 ACS (Most Recent Year)

## Number of Households Table

	0-30% HAMFI	>30-50% HAMFI	>50-80% HAMFI	>80-100% HAMFI	>100% HAMFI
Total Households	7,005	8,982	15,209	11,181	70,783
Small Family Households	2,545	2,985	5,444	4,625	41,904
Large Family Households	427	607	1,920	1,557	9,051
Household contains at least one person 62-74 years of age	1,062	1,743	3,198	2,083	11,099
Household contains at least one person age 75 or older	1,231	2,226	2,032	1,007	2,876
Households with one or more children 6 years old or younger	1,142	1,537	3,090	2,396	11,071

**Table 6 - Total Households Table**

**Data Source:** 2006-2010 CHAS

## Housing Needs Summary Tables

### 1. Housing Problems (Households with one of the listed needs)

	Renter					Owner				
	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total	0-30% AMI	>30- 50% AMI	>50- 80% AMI	>80- 100% AMI	Total
<b>NUMBER OF HOUSEHOLDS</b>										
Substandard Housing - Lacking complete plumbing or kitchen facilities	85	64	65	30	244	35	0	34	34	103
Severely Overcrowded - With >1.51 people per room (and complete kitchen and plumbing)	10	50	15	0	75	0	0	40	60	100
Overcrowded - With 1.01-1.5 people per room (and none of the above problems)	110	179	160	120	569	15	55	239	93	402
Housing cost burden greater than 50% of income (and none of the above problems)	2,017	1,165	393	55	3,630	2,767	2,758	3,580	1,308	10,413

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Housing cost burden greater than 30% of income (and none of the above problems)	359	1,352	1,728	336	3,775	195	1,415	3,789	3,687	9,086
Zero/negative Income (and none of the above problems)	309	0	0	0	309	451	0	0	0	451

**Table 7 – Housing Problems Table**

Data 2006-2010 CHAS  
Source:

2. Housing Problems 2 (Households with one or more Severe Housing Problems: Lacks kitchen or complete plumbing, severe overcrowding, severe cost burden)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
<b>NUMBER OF HOUSEHOLDS</b>										
Having 1 or more of four housing problems	2,227	1,459	633	205	4,524	2,812	2,813	3,881	1,482	10,988
Having none of four housing problems	888	1,935	3,153	1,580	7,556	304	2,728	7,542	7,919	18,493
Household has negative income, but none of the other housing problems	309	0	0	0	309	451	0	0	0	451

**Table 8 – Housing Problems 2**

Data 2006-2010 CHAS  
Source:

### 3. Cost Burden > 30%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	1,162	1,171	1,001	3,334	992	1,314	2,989	5,295
Large Related	160	234	260	654	208	294	1,258	1,760
Elderly	476	501	254	1,231	1,219	2,030	1,928	5,177
Other	760	830	693	2,283	598	581	1,385	2,564
Total need by income	2,558	2,736	2,208	7,502	3,017	4,219	7,560	14,796

**Table 9 – Cost Burden > 30%**

Data 2006-2010 CHAS  
Source:

### 4. Cost Burden > 50%

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
NUMBER OF HOUSEHOLDS								
Small Related	1,039	468	139	1,646	982	1,116	1,482	3,580
Large Related	130	64	10	204	188	279	572	1,039
Elderly	382	318	139	839	1,069	872	961	2,902
Other	611	350	154	1,115	588	509	618	1,715
Total need by income	2,162	1,200	442	3,804	2,827	2,776	3,633	9,236

**Table 10 – Cost Burden > 50%**

Data 2006-2010 CHAS  
Source:

### 5. Crowding (More than one person per room)

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
NUMBER OF HOUSEHOLDS										
Single family households	120	158	130	85	493	15	55	179	99	348
Multiple, unrelated family households	0	45	45	35	125	0	0	99	54	153

	Renter					Owner				
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	Total
Other, non-family households	0	25	0	0	25	0	0	0	0	0
Total need by income	120	228	175	120	643	15	55	278	153	501

**Table 11 – Crowding Information – 1/2**

Data Source: 2006-2010 CHAS

	Renter				Owner			
	0-30% AMI	>30-50% AMI	>50-80% AMI	Total	0-30% AMI	>30-50% AMI	>50-80% AMI	Total
Households with Children Present	0	0	0	0	0	0	0	0

**Table 12 – Crowding Information – 2/2**

Data Source  
Comments:

**Describe the number and type of single person households in need of housing assistance.**

The total number of single person households in need of housing assistance, as quantified by the January 2013 Point-in-Time (PIT) survey, continues to grow. In a pattern that remains constant since the first PIT survey, the number of homeless single person households is almost a third larger than homeless family households. There were 128 persons in households without children counted during the most recent PIT. This is up from 122 based on the 2009 PIT, and represents a large segment (62%) of the homeless population. In addition, since 1990, there has been an increase in the rate of single-person households (16.8% in 1990 versus 19.9% in 2012). This trend in household types will likely cause a greater demand for smaller units requiring less square footage.

**Estimate the number and type of families in need of housing assistance who are disabled or victims of domestic violence, dating violence, sexual assault and stalking.**

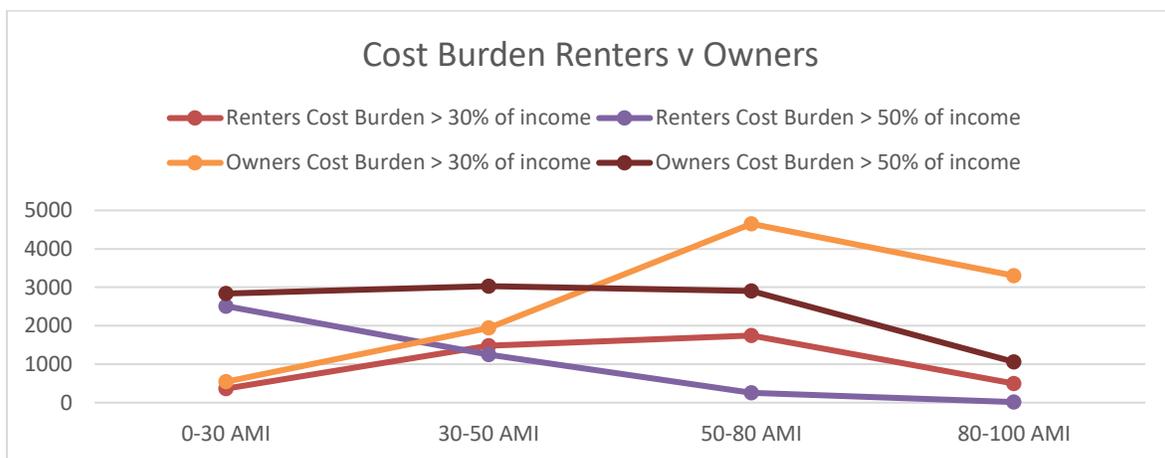
In McHenry County, Illinois, among the civilian non-institutionalized population, 8% reported a disability (2012 ACS). The likelihood of having a disability varied by age - from 3% of people under 18 years old, to 6% of people 18 to 64 years old, and 29% of those 65 and over. Disabled persons include the physically and developmentally disabled, severely mentally ill and elderly, particularly the frail elderly. There are an estimated 1,884 persons over the age of 18 with a disability who have poverty level incomes, equivalent to 9.3% of the disabled working population.

Not all persons with disabilities require supportive housing; however, those that cannot live with supportive family or are in need of help in activities of daily living do require supportive housing and/or services. Physically disabled individuals usually require modifications to their living space including the removal of physical barriers. Generally, accommodations are made to adapt the unit for use by wheelchair bound persons. There is no data on accessibility features of private rental units in McHenry County.

For victims of domestic violence, dating violence, sexual assault and stalking, the demand for services and housing has risen over the past five years. According to the 2009 Point-in-Time (PIT) survey, there were 32 victims of domestic violence. This number rose to 55 according to the 2015 PIT. Homeless housing and service providers who work with domestic violence victims indicated that the level of violence has increased greatly in the last few years. Turning Point, the only agency in the County whose mission is to address domestic violence against women and children, has found the demand for services to have increased dramatically in the last few years. Turning Point helped 1,700 victims of domestic violence and issued more than 600 orders of protection for McHenry County residents in 2012. Turning Point has experienced a greater demand for beds and services while providing the same number of emergency shelter beds as five years ago.

**What are the most common housing problems?**

Cost burden is the most frequently expressed housing problem. Low-moderate income households comprise the largest cohort experiencing excessive housing cost burdens; however, owner-occupied residents represent a larger population than their renting counterparts, as seen in the table below.



### **Are any populations/household types more affected than others by these problems?**

On a percentage and numeric basis, small related owner households were the most likely to experience cost burden >30%. In addition, 40% of all cost burden owner households between 50-80% of AMI were small related households. In addition, small renter households and other renter households had rates of 30% or higher. Similar trends were noted among households with cost burden >50% with other small owners (38.7%), other renters (40.2%), and elderly owners (31.4%) experiencing rates of 30% or higher. This information is shown in the tables above. Families with children are equally represented as families with elderly members (31,938 and 30,230 respectively). This trend offers predictive evidence for the anticipated increased demand for senior housing as baby boomers age. This singularity, coupled with the decline in family size present among McHenry County residents, indicates the demand for large family estates will continue to wane in favor of smaller, and presumably less expensive housing units. Further proof exists in the increase in housing cost burden seen among multiple household constituencies.

**Describe the characteristics and needs of Low-income individuals and families with children (especially extremely low-income) who are currently housed but are at imminent risk of either residing in shelters or becoming unsheltered 91.205(c)/91.305(c)). Also discuss the needs of formerly homeless families and individuals who are receiving rapid re-housing assistance and are nearing the termination of that assistance**

**If a jurisdiction provides estimates of the at-risk population(s), it should also include a description of the operational definition of the at-risk group and the methodology used to generate the estimates:**

No estimate for at-risk population is available.

**Specify particular housing characteristics that have been linked with instability and an increased risk of homelessness**

Family instability, in addition to the fallout from the Great Recession, has resulted in an increased risk of homelessness. The high cost of housing in the County, in addition to the large number of foreclosures and the slow job market has created a challenging environment to reduce homelessness. The majority of homes in the County are single family. The median sales price of \$235,000 makes homeownership unaffordable to more than 75% of County residents.

### **Substantial Amendment 2**

According to data collected in 2015 from the McHenry County Continuum of Care providers, 218 individuals seeking homeless services reported a mental illness; 193 reported some form of drug or alcohol abuse; and 89 individuals reported a chronic health condition or physical disability. These conditions are well known barriers to self-sufficiency and overwhelmingly more present in households without children: this characteristic suggests individuals suffering from housing stability barriers are also experiencing impediments establishing a family unit or caring for dependents. Moreover, those suffering from mental or physical conditions frequently struggle to maintain gainful employment, thereby resulting in housing instability and increased likelihood of homelessness.

## **Discussion**

See above.

## NA-15 Disproportionately Greater Need: Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

### Introduction

HUD defines a disproportionately greater housing need when a racial or ethnic group experiences housing problems at a rate 10 percentage points or greater than for the income level as a whole. The 2006-2010 CHAS data table below summarizes the percentage of each racial/ethnic group experiencing housing problems by HUD Adjusted Median Family Income (AMFI) levels. Housing problems include:

- Housing units lacking complete kitchen facilities and/or complete plumbing facilities
- Overcrowding (more than one person per room)
- Cost burden greater than 30%

Income classifications are as follows: 0%-30% AMFI is considered extremely low-income, 30%-50% AMFI is low-income, 50%-80% AMFI is moderate-income, and 80%-100% is middle-income.

The following racial/ethnic household groups experienced disproportionately greater need, for both renters and owners combined, as exemplified by housing problems:

- Hispanic households with incomes at 30-50% and 50-80%
- American Indian, Alaska Native households at 30-50%
- Asian households with incomes at 30-50% and 80-100% This information is summarized based on the HUD-generated tables below.

### 0%-30% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	6,245	603	580
White	5,515	553	485
Black / African American	50	10	0
Asian	69	15	10
American Indian, Alaska Native	10	0	10
Pacific Islander	0	0	0

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Hispanic	609	14	74

**Table 13 - Disproportionally Greater Need 0 - 30% AMI**

Data 2006-2010 CHAS  
Source:

\*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

### 30%-50% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	6,922	2,091	0
White	5,652	1,941	0
Black / African American	10	10	0
Asian	139	10	0
American Indian, Alaska Native	19	0	0
Pacific Islander	0	0	0
Hispanic	1,067	129	0

**Table 14 - Disproportionally Greater Need 30 - 50% AMI**

Data 2006-2010 CHAS  
Source:

\*The four housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than one person per room, 4. Cost Burden greater than 30%

### 50%-80% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	9,992	6,336	0
White	8,207	5,668	0

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Black / African American	104	50	0
Asian	164	100	0
American Indian, Alaska Native	0	4	0
Pacific Islander	0	0	0
Hispanic	1,388	439	0

**Table 15 - Disproportionally Greater Need 50 - 80% AMI**

Data 2006-2010 CHAS  
Source:

\*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

### 80%-100% of Area Median Income

Housing Problems	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	5,762	6,020	0
White	4,997	5,333	0
Black / African American	15	24	0
Asian	240	95	0
American Indian, Alaska Native	0	4	0
Pacific Islander	0	0	0
Hispanic	483	513	0

**Table 16 - Disproportionally Greater Need 80 - 100% AMI**

Data 2006-2010 CHAS  
Source:

\*The four housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than one person per room,
4. Cost Burden greater than 30%

### Discussion

See above.

## NA-20 Disproportionately Greater Need: Severe Housing Problems – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

### Introduction

HUD defines a disproportionately greater housing need when a racial or ethnic group experiences housing problems at a rate 10 percentage points or greater than for the income level as a whole. The distinction between housing problems and severe housing problems is the degree of cost burden and overcrowding.

Severe housing problems include:

- Housing units lacking complete kitchen facilities and/or complete plumbing facilities
- Overcrowding (more than 1.5 person per room)
- Cost burden greater than 50%

Income classifications are as follows: 0%-30% AMFI is considered extremely low-income, 30%-50% AMI is low-income, 50%-80% AMFI is moderate-income, and 80%-100% AMFI is middle-income. Based on this definition, the following household types experienced disproportionately greater housing need in McHenry County:

- American Indian, Alaska Native households incomes at 0-30% and 30-50%
- Hispanic households with incomes at 30-50% and 50-80%

This information is summarized in the following HUD-generated tables.

### 0%-30% of Area Median Income

Severe Housing Problems*	Has one or more of four housing problems	Has none of the four housing problems	Household has no/negative income, but none of the other housing problems
Jurisdiction as a whole	5,503	1,347	580
White	4,843	1,207	485
Black / African American	39	14	0
Asian	69	15	10
American Indian, Alaska Native	10	0	10

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
Pacific Islander	0	0	0
Hispanic	523	100	74

**Table 17 – Severe Housing Problems 0 - 30% AMI**

Data 2006-2010 CHAS  
Source:

\*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

### 30%-50% of Area Median Income

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
Jurisdiction as a whole	3,824	5,203	0
White	3,023	4,563	0
Black / African American	10	10	0
Asian	55	94	0
American Indian, Alaska Native	15	4	0
Pacific Islander	0	0	0
Hispanic	703	498	0

**Table 18 – Severe Housing Problems 30 - 50% AMI**

Data 2006-2010 CHAS  
Source:

\*The four severe housing problems are:

1. Lacks complete kitchen facilities, 2. Lacks complete plumbing facilities, 3. More than 1.5 persons per room, 4. Cost Burden over 50%

### 50%-80% of Area Median Income

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
Jurisdiction as a whole	4,223	12,099	0

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
White	3,277	10,610	0
Black / African American	25	129	0
Asian	50	214	0
American Indian, Alaska Native	0	4	0
Pacific Islander	0	0	0
Hispanic	858	975	0

**Table 19 – Severe Housing Problems 50 - 80% AMI**

Data 2006-2010 CHAS  
Source:

\*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

### 80%-100% of Area Median Income

<b>Severe Housing Problems*</b>	<b>Has one or more of four housing problems</b>	<b>Has none of the four housing problems</b>	<b>Household has no/negative income, but none of the other housing problems</b>
Jurisdiction as a whole	1,260	10,525	0
White	1,025	9,319	0
Black / African American	15	24	0
Asian	90	250	0
American Indian, Alaska Native	0	4	0
Pacific Islander	0	0	0
Hispanic	124	867	0

**Table 20 – Severe Housing Problems 80 - 100% AMI**

Data 2006-2010 CHAS  
Source:

\*The four severe housing problems are:

1. Lacks complete kitchen facilities,
2. Lacks complete plumbing facilities,
3. More than 1.5 persons per room,
4. Cost Burden over 50%

### Discussion

See above.

## NA-25 Disproportionately Greater Need: Housing Cost Burdens – 91.205 (b)(2)

Assess the need of any racial or ethnic group that has disproportionately greater need in comparison to the needs of that category of need as a whole.

### Introduction:

HUD defines a disproportionately greater housing need when a racial or ethnic group experiences housing problems at a rate 10 percentage points or greater than for the income level as a whole. The table below summarizes the percentage of each racial/ethnic group experiencing housing cost burden. Racial/ethnic groups are sub-divided into the percentage of each racial/ethnic group paying less than 30% (no cost burden), between 30%-50% (cost burden), and above 50% (severely cost burden) of their gross income on housing costs. The column labeled no/negative income is the population paying 100% of their gross income on housing costs. This, however, is assuming that these households have housing costs. Based on this definition, the following household types experienced disproportionately greater housing cost burden in McHenry County:

- American Indian, Alaska Native households with household cost burden paying above 50% (small sample sizes)

This information is summarized from the HUD CHAS data below.

### Housing Cost Burden

Housing Cost Burden	<=30%	30-50%	>50%	No / negative income (not computed)
Jurisdiction as a whole	71,386	25,180	14,765	580
White	64,708	22,067	12,730	485
Black / African American	533	194	119	0
Asian	1,552	567	349	10
American Indian, Alaska Native	28	4	25	10
Pacific Islander	15	0	0	0
Hispanic	4,035	2,198	1,505	74

**Table 21 – Greater Need: Housing Cost Burdens AMI**

Data Source: 2006-2010 CHAS

## **Discussion:**

### **Substantial Amendment 2**

The demographics of McHenry County are largely homogenous: of the 15,745 households experiencing at least one severe housing problem across all income categories, 82% identified as white; 86% of households with no severe housing burden among all income categories identified as white. Other races were nominally represented. Individuals identifying as ethnically Hispanic, regardless of race, represented 14% of households experiencing severe housing problems and 10% of households with no housing problems. The consistency seen in these subgroups suggest no one race or ethnicity is disproportionately affected by severe housing problems. It is worth noting that the households that did report at least one severe housing problem represent 14% of McHenry County households.

## **NA-30 Disproportionately Greater Need: Discussion – 91.205(b)(2)**

### **Are there any Income categories in which a racial or ethnic group has disproportionately greater need than the needs of that income category as a whole?**

Overall, American Indian, Alaska Native households and Hispanic households appear to have a disproportionately greater need for affordable housing compared to other racial or ethnic groups based on CHAS data. While Asian/Pacific Islander and American Indian/Native American households experienced housing problems and severe housing problems across a variety of income categories, it should be noted that these racial groups include small sample sizes. The following is an overall summary of the disproportionately greater needs in McHenry County:

#### *Disproportionately Greater Need: Housing Problems*

- Hispanic households with incomes at 30-50% and 50-80%
- American Indian, Alaska Native households at 30-50% (small sample size)
- Asian households with incomes at 30-50% and 80-100% (small sample size)

#### *Disproportionately Greater Need: Severe Housing Problems*

- American Indian, Alaska Native households incomes at 0-30% and 30-50% (small sample size)
- Hispanic households with incomes at 30-50% and 50-80%

#### *Disproportionately Greater Need: Housing Cost Burden*

- American Indian, Alaska Native households with household cost burden paying above 50% (small sample size)

### **If they have needs not identified above, what are those needs?**

The needs are identified above.

### **Are any of those racial or ethnic groups located in specific areas or neighborhoods in your community?**

The CDBG program includes a statutory requirement that at least 70% of funds invested benefit low-and moderate-income households. However, because there are so few areas over 50% LMI, HUD set the LMI threshold for McHenry County at 38.7%. HUD 2010 LMI estimates reveal that 38 of the 151 census block groups across McHenry County had at least 38.7% of residents meeting the definition for LMI status. Five of these block groups are located in previously identified areas of racial or ethnic

concentration. Areas of McHenry County where LMI block groups and minority concentrations coincide are identified for the purposes of this report as impacted areas. McHenry County defines areas of racial or ethnic concentration as census tracts where the percentage of a single minority or ethnic group is at least double the County average. Across McHenry County in 2010, Blacks comprised 1.1% of the population. Therefore, an area of Black concentration would include any census tract where the percentage of Black residents is 2.2% or higher. Of the 58 whole or partial tracts within the County, six meet this criterion. An area of Asian concentration, by the same definition, would include any tract where the percentage of Asian residents is 5.2% or higher. Six tracts meet this criterion. An area of Hispanic concentration includes any tract where at least 22.8% of all residents are of Hispanic ethnicity. Seven tracts qualify. In total, 14 census tracts across the County meet the definition for at least one type of racial or ethnic concentration. Five census tracts qualify as areas of concentration for more than one race/ethnicity. These definitions are consistent with the definitions in the County's 2012 Analysis of Impediments to Fair Housing Choice. The figures and maps that illustrate the location of LMI block groups, minority concentration, and impacted areas are attached in the Unique Appendices, AD-25.

# NA-35 Public Housing – 91.205(b)

## Introduction

### Totals in Use

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *

Table 22 - Public Housing by Program Type

\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

Data Source: PIC (PIH Information Center)

### Characteristics of Residents

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program	
									Average Annual Income
Average length of stay	0	0	2	5	0	5	0	0	
Average Household size	0	0	3	1	2	2	1	0	

	Program Type							
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher	
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program
# Homeless at admission	0	0	0	5	0	4	1	0
# of Elderly Program Participants (>62)	0	0	0	199	1	197	1	0
# of Disabled Families	0	0	4	337	0	331	6	0
# of Families requesting accessibility features	0	0	23	956	6	940	10	0
# of HIV/AIDS program participants	0	0	0	0	0	0	0	0
# of DV victims	0	0	0	0	0	0	0	0

**Table 23 – Characteristics of Public Housing Residents by Program Type**

Data Source: PIC (PIH Information Center)

### Race of Residents

Race	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers			Special Purpose Voucher		
				Total	Project - based	Tenant - based	Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
White	0	0	21	892	5	879	8	0	0
Black/African American	0	0	1	58	0	56	2	0	0
Asian	0	0	1	3	0	3	0	0	0

Program Type									
Race	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
American Indian/Alaska Native	0	0	0	2	1	1	0	0	0
Pacific Islander	0	0	0	1	0	1	0	0	0
Other	0	0	0	0	0	0	0	0	0

\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

**Table 24 – Race of Public Housing Residents by Program Type**

Data Source: PIC (PIH Information Center)

### Ethnicity of Residents

Program Type									
Ethnicity	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *
Hispanic	0	0	5	64	2	62	0	0	0
Not Hispanic	0	0	18	892	4	878	10	0	0

\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition

**Table 25 – Ethnicity of Public Housing Residents by Program Type**

Data Source: PIC (PIH Information Center)

### **Section 504 Needs Assessment: Describe the needs of public housing tenants and applicants on the waiting list for accessible units:**

The 23 public housing units are all single-family units and are therefore exempt from the provisions of Section 504. One of the units is currently accessible, although no disabled tenants currently live in any of the units. The MCHA and Section 8 offices are handicapped-accessible. MCHA has worked with area owners to modify units for voucher holders in need of modifications.

### **Most immediate needs of residents of Public Housing and Housing Choice voucher holders**

As of December 2013, there were 85 households waiting for public housing. No data was available on the income levels, household type, or racial/ethnic background of those on the waiting list. A majority of the current households in public housing are extremely low-income (65.2%) and primarily white, with Hispanic households the largest single racial/ethnic group. As of December 2013, there were 2,402 households on the waiting list. This included 1,652 families and 750 elderly persons waiting to receive Section 8 rental assistance. Eighty-eight percent were classified as having extremely low-incomes and 52% were families with children. Thirty-one percent had disabilities, 12% were African-Americans, 9% were elderly and 9% were Hispanic. The typical waiting time is 2 ½ to 3 years.

### **How do these needs compare to the housing needs of the population at large**

The lack of affordable housing is one of the primary issues identified during the development of the Consolidated Plan. The large waiting list, in addition to the increasing number of homeless persons, indicates that the housing needs for persons with disabilities and those with extremely low-incomes are currently unmet. The housing data reflects information from the McHenry County 2030 Comprehensive Plan. According to the Plan, the 3,548 subsidized rental units existing in McHenry County addressed only 16% of the demand for such units. The Heartland Analysis, completed in 2008, determined that only when income nears the \$75,000 mark does the supply of owner and rental housing in the county begin to match the financial capabilities of McHenry County families. There is also a shortage of more specialized affordable housing, such as permanent supportive housing, institutional care, and subsidized housing, particularly for the most vulnerable McHenry County residents including extremely low-income families, people with disabilities, and those with severe mental illness.

### **Discussion**

See above.

## NA-40 Homeless Needs Assessment – 91.205(c)

### Introduction:

McHenry County’s Continuum of Care (CoC) continues to work collaboratively to address the myriad of homeless issues in the County, including emergency, transitional, and permanent housing, and a range of social services agencies, from the Northern Illinois Food Bank to the PADS (Public Action to Deliver Shelter) to assist persons and families to become independent. Two major issues are impacting the level of homelessness in the County: the lack of affordable housing and the ongoing dislocation from the impact of the Great Recession. In addition, limited public transportation options impacts the ability of low-income households to access employment centers and social services. The McHenry County CoC Committee consists of a variety of people and organizations including representatives from McHenry County government agencies, food pantries, townships, faith-based organizations, housing developers, and healthcare and other social service providers, all working together to provide assistance and address the problem of homelessness. Committee members include, but are not limited to: the Salvation Army, PADS, Pioneer Center, Prairie State Legal Services, Turning Point, Home of the Sparrow, Crystal Lake Bank, Consumer Credit Counseling Services, Transitional Living Services, Illinois Migrant Council, Thresholds, Veterans Assistance Commission, Veterans Affairs the McHenry County Housing Authority, Crisis Line, Regional Office of Education (Lake-McHenry) and Department of Planning and Development – Community Development Division.

### Homeless Needs Assessment

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Persons in Households with Adult(s) and Child(ren)	120	12	257	318	200	155
Persons in Households with Only Children	0	0	14	10	10	30
Persons in Households with Only Adults	157	3	418	200	300	155
Chronically Homeless Individuals	26	0	30	20	20	0

Population	Estimate the # of persons experiencing homelessness on a given night		Estimate the # experiencing homelessness each year	Estimate the # becoming homeless each year	Estimate the # exiting homelessness each year	Estimate the # of days persons experience homelessness
	Sheltered	Unsheltered				
Chronically Homeless Families	0	0	1	0	0	0
Veterans	13	0	14	12	10	30
Unaccompanied Child	13	0	14	12	10	30
Persons with HIV	0	0	2	1	1	30

**Table 26 - Homeless Needs Assessment**

**Data Source Comments:** Figures from 2015 PIT Report 0630 for 1-28-15 and System Performance Reports 0700 Series for FY 15 (10-1-15 to 10-1-16)

**Substantial Amendment 2**

In its HUD CoC FY 2016 Consolidated Application, the McHenry County Continuum of Care to End Homelessness anticipates that it will see a sharp increase in sheltered and unsheltered homeless populations. As considerable improvements have been made in the community to confront homelessness and better identify and serve this population, previously unserved populations have surfaced. The community is working with a Coordinated Entry subrecipient to identify program gaps that will ultimately aid in better targeting resources.

Indicate if the homeless population is:  Has No Rural Homeless

**If data is not available for the categories "number of persons becoming and exiting homelessness each year," and "number of days that persons experience homelessness," describe these categories for each homeless population type (including chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth):**



**Nature and Extent of Homelessness: (Optional)**

<b>Race:</b>	<b>Sheltered:</b>	<b>Unsheltered (optional)</b>
White	175	3
Black or African American	22	2
Asian	0	0
American Indian or Alaska Native	2	0
Pacific Islander	0	0
<b>Ethnicity:</b>	<b>Sheltered:</b>	<b>Unsheltered (optional)</b>
Hispanic	193	5
Not Hispanic	21	4

Data Source  
Comments:

**Estimate the number and type of families in need of housing assistance for families with children and the families of veterans.**

McHenry County's efforts to reduce the number of unsheltered homeless households with dependent children include: 1) a 24-hour Crisis Line that is able to link homeless callers with shelter and service providers, 2) a number of frontline housing providers that work together to access housing through the use of shelter beds, seasonal emergency beds and hotel vouchers, and 3) outreach efforts including providing local police, township offices, food pantries and churches with information about shelter and services available for the homeless, and providing the community with the information necessary for them to assist people in accessing homeless services through educational efforts including a yearly "People in Need" forum.

During FY 2015-2016, McHenry County recorded serving 742 unique individuals. Nearly half, 43% (317) were receiving emergency shelter services from Pioneer Center, the county's only emergency shelter provider. 167 people (23%) were living in transitional housing: 50% of the transitional housing occupants were clients of Home of the Sparrow (84); followed by Pioneer Center's Kishwaukee Valley Road complex and scattered site HUD apartments which provided housing for 37 people (22%) and TLS Veterans' Hebron facility housed 46 people (28%).

In total, 556 of the 742 clients served (75%) are considered *Category 1 Literally Homeless* as defined by HUD 2014 data standards. A very small portion of the population (10% or 72 people) were contacted through two outreach programs operated by Home of the Sparrow (39) and Thresholds (33) with the end goal of connecting unsheltered homeless with services.

The only Rapid Rehousing program in McHenry County currently operating is offered by Home of the Sparrow; they reported placing 54 people in their own apartment without the need for long-term supportive services. The Rapid Rehousing program was only able to assist 7% of the 742 individuals needing services in FY 15-16. Turning Point will begin two RRH programs in FY 17.

Individuals in need of more intensive care may be placed in a Permanent Housing Program or a Permanent Supportive Housing Program. The latter program is exclusively available to the chronically homeless; they present with disabilities that prevent them from maintaining self-sufficient housing and have experienced at least a year of homelessness due to their individual barriers. The PSH programs in McHenry County are operated primarily by Thresholds which provided 48% of PSH placements (23 people) and Pioneer Center which provided 46% of PSH placements (22 people). TLS Veterans provided three clients with PSH units. These high acuity, service-heavy solutions comprise 6% of the overall population, with all county PSH programs providing housing to 48 individuals in FY 15-16.

Permanent Housing still offers supports, but those client needs often have lower barriers to stability that can be addressed with Case Management alone. Home of the Sparrow is the only agency that provides this service, and reported serving 84 people (11%) of the overall population and over double the number of households assisted with the PSH model of care.

In summary, roughly half of individuals experiencing homelessness in McHenry County are served through outreach and emergency shelter services (52% 389 of 742) and roughly a quarter temporarily reside in Transitional Housing (167 of 742); the remaining 25% (186 people) benefit from permanent housing with varying degrees of supports.

See additional text in AD-25, Administration, Unique Appendices.

### **Describe the Nature and Extent of Homelessness by Racial and Ethnic Group.**

The following racial and ethnicity data was extracted from HMIS Report 0625 – Annual Performance Report for FY 2015 (10-1-2015 to 9-30-2016). Total n=748

- White: 546 (85%)
- Black or African American: 81 (13%)
- American Indian or Alaska Native: 0
- Asian: 3 (>1%)
- Multiple Races: 13 (2%)

(n=643)

Ethnicity:

- Hispanic: 585 (86%)

- Non-Hispanic: 99 (14%)

(n=684)

### **Describe the Nature and Extent of Unsheltered and Sheltered Homelessness.**

While the Point in Time Count is useful as a national snapshot of homelessness, it is an unreliable measure of a community's total homeless experience. PIT volunteers are assigned areas to look for unsheltered homeless, but due to the shortage of daylight in January many of the locations are not visible to search teams. McHenry County has maintained its agrarian history and much of the county is open farmland, which provides ample remote locations for unsheltered homeless to set up temporary camp on expansive private property. For this reason, community stakeholders look to HMIS data collected by service providers at program entry, update, and exit. According to HMIS data, 418 of 518 households do not report children.

### **Discussion:**

Substantial Amendment 2:

In its HUD CoC FY 2016 Consolidated Application, the McHenry County Continuum of Care to End Homelessness anticipates that it will see a sharp increase in sheltered and unsheltered homeless populations. As considerable improvements have been made in the community to confront homelessness and better identify and serve this population, previously unserved populations have surfaced. The community is working with a Coordinated Entry subrecipient to identify program gaps that will ultimately aid in better targeting resources.

Comment Period 2:

The CoC entered its System Performance Measures Report on June 5, 2017. As predicted, the community identified an increase in Emergency Shelter and Street Homeless. An intern will begin to work with the Community Development Division in the Summer of 2017 to help better identify service gaps among the homeless population.

## **NA-45 Non-Homeless Special Needs Assessment - 91.205 (b,d)**

### **Introduction:**

See below for an overview on non-homeless special needs, in addition to the "Unique Appendices" in AD-25 for more information.

### **Describe the characteristics of special needs populations in your community:**

Persons with special needs include the elderly and frail elderly, persons with severe mental illness, developmentally disabled, physically disabled, persons with alcohol/other drug addictions, and public housing residents. Special housing options for segments of these populations have not been quantified. Many persons with such special needs also have very low incomes. Therefore, their needs may have already been taken into account in estimating the housing needs of persons with very low incomes. However, for some people, supportive housing – housing with supportive services – is needed as they are unable to undertake the activities of daily living (ADL) without assistance.

According to McHenry County Mental Health Board's Three Year Plan 2012-2014, housing is a high priority area for special needs populations. McHenry County sees a need for:

- Continuity of supportive services with permanent housing, such as group homes,
- Transitional housing with supportive services for persons working through stages of recovery alcohol/drug abuse,
- Services that allow the elderly or physically disabled to remain in their own homes.

According to McHenry County Mental Health Board's Three Year Plan 2012-2014, County objectives for the special needs populations include funding, over the next five years, the following:

- Development of at least 25 housing units for persons with special needs,
- Adding at least five medical and/or non-medical facilities, or support service agencies, to increase capacity or efficiency in serving at least an additional 200 persons with special needs,
- Increasing case management services to serve at least an additional 50 victims of domestic violence each year,
- Assisting agencies offering transportation to increase capacity to provide at least an additional 1,000 trips each year for low-income persons, persons with special needs, and the elderly.

**What are the housing and supportive service needs of these populations and how are these needs determined?**

See above estimates.

**Discuss the size and characteristics of the population with HIV/AIDS and their families within the Eligible Metropolitan Statistical Area:**

McHenry County is part of the Chicago MSA. While specific housing needs have not been defined in the County for persons with HIV/AIDS, the AIDS Foundation of Chicago (AFC) completed a Chicago Area AIDS Housing Plan 2008-2012, the most recent comprehensive study available.

According to the Plan, public health sources stated there were 27,770 living cases of HIV/AIDS reported in the Chicago region. AFC calculated that at least 15,000 individuals and households in the Chicago metropolitan area are in need of AIDS housing services. The Plan determined that a minimum of 10% in HIV/AIDS housing was needed annually to keep up with the demand. The full study can be found at the following web site:

[http://www.aidschicago.org/pdf/housing\\_plan\\_2008.pdf](http://www.aidschicago.org/pdf/housing_plan_2008.pdf).

**Discussion:**

## **NA-50 Non-Housing Community Development Needs – 91.215 (f)**

### **Describe the jurisdiction’s need for Public Facilities:**

Public facilities in the County continue to need upgrades and improvements to meet current needs. This includes rehabilitation of homeless facilities.

### **How were these needs determined?**

Discussions with staff members who work in homeless organizations, in addition to other stakeholders, provided an overview on the extent of the need for public facility improvements.

### **Describe the jurisdiction’s need for Public Improvements:**

The aging infrastructure in many parts of the County, particularly older sections of the communities of Harvard, Crystal Lake, McCullom Lake, Woodstock, and Wonder Lake continue to require ongoing maintenance and upgrades for proper operation. The most recent large infrastructure project was a water treatment facility in the Village of Union.

There are high priority needs in low- and moderate-income neighborhoods in the County for sewer and water, street, sidewalk and storm water drainage improvements.

### **How were these needs determined?**

Discussions with community staff members, in addition to engineers and other stakeholders, has provided an overview on the extent of the need for public infrastructure issues. Due to the topology of the County and some of the housing development patterns around small lakes and bodies of water, many communities have inadequate water and sewer infrastructure and have ongoing problems with flooding and water quality.

### **Describe the jurisdiction’s need for Public Services:**

The demand for public services has increased over the past five years and is likely to continue to increase over the next five years. Homeless services, in addition to providing funding for a food bank and housing counseling/homebuyer education, will constitute the majority of public service funding for the next five years.

## **Substantial Amendment 2**

Funding for Public Facilities will be limited as this objective has already been met for the entire Consolidated Plan. This means that funding will be limited to remaining residual unused funding from prior years will be allotted to Public Facilities and that funding such projects will become a Low Priority activity. However, projects are subject to approval by the McHenry County Board if deemed necessary and if identified in this Plan.

**Comment Period 2:** Funding for Public Facilities for Homeless will be a high priority and any other public facilities requests will be considered a low priority. As previously mentioned, this goal has been met, but still remains one that can be funded should a community need present itself.

### **How were these needs determined?**

The need for public services, particularly to maintain and enhance the capacity of the County to address homelessness and provide case management services to victims of domestic violence, will continue to be a high priority for the County. Discussions with social service stakeholders indicated that the need for services continues to grow. Limited federal resources requires a strategic and focused use of scarce public dollars for public services.

## **Substantial Amendment 2**

Funding for Public Facilities will be limited as this objective has already been met for the entire Consolidated Plan. This means that funding will be limited to remaining residual unused funding from prior years will be allotted to Public Facilities and that funding such projects will become a Low Priority activity. However, projects are subject to approval by the McHenry County Board if deemed necessary and if identified in this Plan.

**Comment Period 2:** Funding for Public Facilities for Homeless will be a high priority and any other public facilities requests will be considered a low priority. As previously mentioned, this goal has been met, but still remains one that can be funded should a community need present itself.

# Housing Market Analysis

## MA-05 Overview

### Housing Market Analysis Overview:

The housing stock in McHenry County consists primarily of single-family owner-occupied units with three bedrooms or more. Only 17% of the housing stock is renter-occupied. The need for more affordable housing, and in particular rental housing, is strong in the County.

### Cost of Housing:

The median home value declined 2.6% between 2000 and 2012, most likely due to the fallout from the national housing market crisis. Conversely, the median contract rent rose by 0.4%, reflecting the increased demand for rental units, most likely due to the difficulty households were having in qualifying for a mortgage and the fallout from the rise in foreclosures. There is a great need for more affordable housing, particularly rental housing.

### Lead-Based Paint Hazard:

In 2000, HUD estimated that as many as 16,282 housing units built in McHenry County prior to 1970 and occupied by low and moderate income households contained lead-based paint.

### Public and Assisted Housing:

McHenry County Housing Authority (MCHA) owns and manages 23 units of single-family public housing scattered throughout Harvard, Woodstock, Crystal Lake and Wonder Lake. Additionally, the Authority administers 947 Housing Choice Vouchers, which recipients may use to settle anywhere within or beyond the Authority's physical jurisdiction.

There are a total of 2,411 units of public housing, rent vouchers or subsidized rental units, and assisted housing options that are available to extremely-low, very low and low-income households/individuals and to persons with disabilities. The types of units include regular rental units, permanent supportive housing for persons with special needs, and Medicaid/Medicare institutional care beds.

## MA-10 Number of Housing Units – 91.210(a)&(b)(2)

### Introduction

McHenry County has 108,995 occupied housing units that are primarily owner-occupied, with 82.8% of the units owner-occupied and 17.2% of the units renter-occupied. The 2012 ACS reported 116,270 total housing units (occupied and vacant) in McHenry County. This is an increase of 25.1% housing units from 2000, when 92,908 units were reported. The number of single-family units increased 27.2% while the number of multi-family units increased by 13.7%. One in four multi-family units are located in just two communities: Harvard and Woodstock. The areas of greatest overall housing gain were in Wonder Lake, Richmond, Prairie Grove, Lakemoor and Huntley.

### All residential properties by number of units

Property Type	Number	%
1-unit detached structure	93,465	78%
1-unit, attached structure	12,098	10%
2-4 units	4,793	4%
5-19 units	6,865	6%
20 or more units	1,902	2%
Mobile Home, boat, RV, van, etc	819	1%
<b>Total</b>	<b>119,942</b>	<b>100%</b>

**Table 27 – Residential Properties by Unit Number**

Data Source: 2006-2010 ACS

### Unit Size by Tenure

	Owners		Renters	
	Number	%	Number	%
No bedroom	110	0%	499	3%
1 bedroom	1,352	1%	3,695	21%
2 bedrooms	17,877	19%	7,397	42%
3 or more bedrooms	76,248	80%	5,955	34%
<b>Total</b>	<b>95,587</b>	<b>100%</b>	<b>17,546</b>	<b>100%</b>

**Table 28 – Unit Size by Tenure**

Data Source: 2006-2010 ACS

**Describe the number and targeting (income level/type of family served) of units assisted with federal, state, and local programs.**

The County will continue to fund the development of affordable units in 2015- 2019 targeted to lower income individuals, as well as those that assist persons with disabilities. The County included in the CDBG and HOME ranking criteria a weighted score for projects based on the threshold of income or special needs for persons served by such projects.

**Other Assisted Housing**

There are a total of 1,441 subsidized units in the County supported by an array of federal and state resources, including multiple funding sources such as HUD Section 211 and HUD Section 202 Elderly, Section 811 Disabled capital grants, USDA Section 515 Rural Housing, Illinois Housing Trust Fund, federal Section 142 Low Income Housing Tax Credits, and McHenry County's CDBG and HOME funds. All these financing programs require all or various minimum percentages of the units (typically 40-60%) to be affordable to low-income and very low-income households (e.g. below 80% or below 50% area median income, respectively, as defined by HUD).

These are affordable units targeted to very low-, low- and moderate-income households (some occupants may be extremely low-income), seniors and special needs households. The table with the number and type of assisted housing units is located in the Unique Appendices as part of the full Housing Market Analysis attachment.

**Provide an assessment of units expected to be lost from the affordable housing inventory for any reason, such as expiration of Section 8 contracts.**

No units are expected to be lost from the affordable housing inventory over the next five years.

**Does the availability of housing units meet the needs of the population?**

The limited number of affordable units for both low- and moderate- income households continues to be a large gap in the County housing market. The housing stock remains primarily single family owner occupied housing, with limited rental options. The number of sales homes built in the last 20 years has continued to outpace the level of development of rental housing. Also, the existing rental stock tends to be older and in poorer condition. Finally, while there are vacant rental units available in more distant areas of the County, such as Harvard, the lack of transportation options limits the number of potential renters. Conversely, it is particularly difficult to find affordable housing in the southeastern area of the County, which is closer to job centers and downtown Chicago, with more available transportation options.

According to the County's 2010 Comprehensive Plan, approximately one in three homeowners and one in two rental households were living in homes they could not afford. There continues to be a great need for affordable housing within the County.

**Describe the need for specific types of housing:**

The need for more affordable housing, and in particular rental housing, is strong in the County. Multi-family housing, which makes up a small proportion (11.6%) of the current housing stock, could be developed to allow for more affordable housing. According to the County's Comprehensive Plan, additional multifamily housing would allow the County to achieve higher densities in town centers and suburban areas and accommodate future growth without the need to expand considerably into exurban and rural areas. In addition, multifamily housing development should be an important part of any future countywide workforce housing initiative. Also, due to the high cost of housing, it has become increasingly difficult for young, first-time homebuyers to purchase in the County. Older residents who may be looking for a smaller unit would find a limited supply of suitable units, with only 5% of the housing stock containing a one-bedroom unit. Over 30% of the housing units contain four bedrooms or more.

In addition, the McHenry County Economic Development Corporation (MCEDC) stated that businesses also want more affordable housing, which is currently expensive for local workers, especially in the southern area of the County.

**Discussion**

## MA-15 Housing Market Analysis: Cost of Housing - 91.210(a)

### Introduction

The median home value declined 2.6% between 2000 and 2012, most likely due to the fallout from the national housing market crisis. Conversely, the median contract rent rose by 0.4%, reflecting the increased demand for rental units, most likely due to the difficulty households were having in qualifying for a mortgage and the fallout from the rise in foreclosures.

In addition, 2012 ACS data reveals the increasing gap in housing affordability. The data shows that 45.5% of households are paying 35% or more of household income in gross rent, an increase from 41.6% of households in 2009.

For owner households with a mortgage, 32% of the households are paying 35% or more of household income on selected monthly housing costs, an increase from 31.2% of households in 2009. Reflecting the impact of the Great Recession on the sales housing market, housing values declined by 17.4%, from \$256,400 in 2009 to \$218,400 in 2012.

While the median gross rent also declined during the same period, the rate was much slower, with a decline of 3.7%. This is likely due to the increased demand for rental housing, which rose from 15.7% to 17.2% of housing tenure from 2009 to 2012, while the rate of owner occupancy declined.

A recent study conducted by the Illinois Housing Development Authority (IHDA) looked at the number of affordable rental units by census tract based on the 2011 ACS data. The study found that in areas of the southern portion of the County fewer than 20% of the units were affordable to households at 80% of Area Median Income (AMI), while in areas to the north and east, primarily those areas identified as “impacted areas,” the number of rental units available to households at 80% of AMI was over 75%. These areas tended to be in locations with few public transportation options.

### Cost of Housing

	Base Year: 2000	Most Recent Year: 2010	% Change
Median Home Value	167,400	0	(100%)
Median Contract Rent	677	0	(100%)

Table 29 – Cost of Housing

Data Source: 2000 Census (Base Year), 2006-2010 ACS (Most Recent Year)

Rent Paid	Number	%
Less than \$500	2,755	15.7%
\$500-999	8,836	50.4%
\$1,000-1,499	4,621	26.3%

Rent Paid	Number	%
\$1,500-1,999	892	5.1%
\$2,000 or more	442	2.5%
<b>Total</b>	<b>17,546</b>	<b>100.0%</b>

**Table 30 - Rent Paid**

Data Source: 2006-2010 ACS

## Housing Affordability

% Units affordable to Households earning	Renter	Owner
30% HAMFI	1,013	No Data
50% HAMFI	2,954	893
80% HAMFI	9,826	8,861
100% HAMFI	No Data	18,950
<b>Total</b>	<b>13,793</b>	<b>28,704</b>

**Table 31 – Housing Affordability**

Data Source: 2006-2010 CHAS

## Monthly Rent

Monthly Rent (\$)	Efficiency (no bedroom)	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Fair Market Rent	717	815	966	1,231	1,436
High HOME Rent	766	869	999	1,231	1,371
Low HOME Rent	663	711	853	985	1,100

**Table 32 – Monthly Rent**

Data Source: HUD FMR and HOME Rents

## Is there sufficient housing for households at all income levels?

The National Low Income Housing Coalition provides annual information on the Fair Market Rent (FMR) and affordability of rental housing in counties and cities in the U.S. for 2013. In McHenry County, the FMR for a two-bedroom apartment is \$966. In order to afford this level of rent and utilities without paying more than 30% of income on housing, a household must earn \$3,220 monthly or \$38,640 annually. Assuming a 40-hour work week, 52 weeks per year, the level of income translates into a Housing Wage of \$18.58.

In McHenry County, a minimum-wage worker earns an hourly wage of \$8.25. In order to afford the FMR for a two-bedroom apartment, a minimum-wage earner must work 90 hours per week, 52 weeks per year. The NLIHC estimates that 50% of County renters are currently unable to afford the two-bedroom FMR.

In addition, median income increased by 52% between 2000 and 2012, adjusting for inflation. Still, according to the housing study conducted in 2008, one third of all households in the County have incomes below \$50,000, which is the income needed to make ends meet in the County.

**How is affordability of housing likely to change considering changes to home values and/or rents?**

As noted in the above analysis, the continued high price of both owner-occupied and rental housing reduces the ability of low-income households to find affordable housing. The number of apartments renting for less than \$500 decreased 53% between 2000 and 2012. In addition, median gross rents increased by 0.4% from 2000 to 2012, adjusted for inflation, while the median home value declined by 2.6%, reflecting an increased demand for rental housing by a range of income groups. As a result, the inventory of affordable rental units significantly decreased at the same time that rental rates increased.

**How do HOME rents / Fair Market Rent compare to Area Median Rent? How might this impact your strategy to produce or preserve affordable housing?**

As noted earlier, the County's median gross rent of \$1,018 (2012) is higher than the HOME Rents/FMR for most of the zero- to one- bedroom units, and comparable to the two-bedroom HOME Rent/FMR. This reflects a need for more affordable housing units.

**Discussion**

## MA-20 Housing Market Analysis: Condition of Housing – 91.210(a)

### Introduction

See below for information on the condition of housing in McHenry County.

### Definitions

*A structure is unfit for human occupancy whenever the code official finds that such a structure is unsafe, unlawful or, because of the degree to which the structure is in disrepair or lacks maintenance, is unsanitary, vermin- or rat-infested, contains filth and contamination, or lacks ventilation, illumination, sanitary or heating facilities or other essential equipment required by this code, or because the location of the structure constitutes a hazard to the occupants of the structure or to the public.*

### Condition of Units

The HUD table below shows the number of housing units, by tenure, based on the number of conditions or characteristics the unit has. Selected conditions are similar to housing problems in the Needs Assessment and include (1) the lack of complete plumbing facilities, (2) the lack of complete kitchen facilities, (3) more than one person per room, and (4) cost burden greater than 30%. The table also includes the calculations for the percentage of total units that category represents. Due to the nature of the HUD table, no indication is provided concerning which of the four conditions listed above constitutes one of the conditions.

Renter-occupied units have a higher percent of units with a substandard condition; however, most units only have one substandard condition. Few owner or renter-occupied units have more than one substandard condition.

### Condition of Units

Condition of Units	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
With one selected Condition	34,113	36%	8,313	47%
With two selected Conditions	440	0%	508	3%
With three selected Conditions	55	0%	20	0%
With four selected Conditions	0	0%	0	0%
No selected Conditions	60,979	64%	8,705	50%
<b>Total</b>	<b>95,587</b>	<b>100%</b>	<b>17,546</b>	<b>100%</b>

Table 33 - Condition of Units

Data Source: 2006-2010 ACS

## Year Unit Built

Year Unit Built	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
2000 or later	22,450	23%	2,500	14%
1980-1999	36,960	39%	5,326	30%
1950-1979	26,912	28%	6,293	36%
Before 1950	9,265	10%	3,427	20%
<b>Total</b>	<b>95,587</b>	<b>100%</b>	<b>17,546</b>	<b>100%</b>

**Table 34 – Year Unit Built**

Data Source: 2006-2010 CHAS

## Risk of Lead-Based Paint Hazard

Risk of Lead-Based Paint Hazard	Owner-Occupied		Renter-Occupied	
	Number	%	Number	%
Total Number of Units Built Before 1980	36,177	38%	9,720	55%
Housing Units build before 1980 with children present	2,870	3%	53,348	304%

**Table 35 – Risk of Lead-Based Paint**

Data Source: 2006-2010 ACS (Total Units) 2006-2010 CHAS (Units with Children present)

## Vacant Units

	Suitable for Rehabilitation	Not Suitable for Rehabilitation	Total
Vacant Units	0	0	0
Abandoned Vacant Units	0	0	0
REO Properties	0	0	0
Abandoned REO Properties	0	0	0

**Table 36 - Vacant Units**

Data Source: 2005-2009 CHAS

## Need for Owner and Rental Rehabilitation

The older communities in the County, including Harvard and Woodstock, in addition to the homes built as cottage homes near lakes and other bodies of water, are in need of rehabilitation. Wonder Lake, for instance, is an area of the County that has made a number of requests for CDBG funds to finance housing rehabilitation (in addition to the infrastructure issues of failing sewer and water systems). The area is currently a “target area” for the HOME rehabilitation program. Over 20% of the housing stock in the County was built before 1950, and much of the building stock in the older core areas was constructed prior to 1939. As noted earlier, 47% of the renter-occupied units have one selected condition compared to 36% for owner-occupied units.

The overall housing stock in the County is in good condition. One hundred and twenty-six owner-occupied housing units in the County lack complete plumbing facilities, compared to 120 rental units. For kitchen facilities, 202 owner occupied housing units lack complete kitchen facilities, compared to 295 rental units.

### **Estimated Number of Housing Units Occupied by Low or Moderate Income Families with LBP Hazards**

In 2000, HUD estimated that as many as 16,282 housing units built in McHenry County prior to 1970 and occupied by low and moderate income households contained lead-based paint.

### **Discussion**

## MA-25 Public and Assisted Housing – 91.210(b)

### Introduction

McHenry County is served by McHenry County Housing Authority which owns and manages 23 units of single-family public housing.

### Totals Number of Units

	Program Type									
	Certificate	Mod-Rehab	Public Housing	Vouchers						
				Total	Project -based	Tenant -based	Special Purpose Voucher			
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled *	
# of units vouchers available			23	947				0	0	0
# of accessible units										

**\*includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

**Table 37 – Total Number of Units by Program Type**

Data Source: PIC (PIH Information Center)

### Describe the supply of public housing developments:

### Describe the number and physical condition of public housing units in the jurisdiction, including those that are participating in an approved Public Housing Agency Plan:

McHenry County Housing Authority owns and manages 23 units of single-family public housing scattered throughout Harvard, Woodstock, Crystal Lake and Wonder Lake. Additionally, the Authority administers 947 Housing Choice Vouchers, which may be used to settle anywhere within or beyond the Authority’s physical jurisdiction.

See above. MCHA was able to continue with its modernization efforts of its public housing units with additional funds allocated from the American Rapid Recovery Act, and was able to concentrate on some energy efficiency improvements, including installing energy efficient furnaces and windows.

MCHA will continue to use the capital fund program over the next five years to rehabilitate and modernized its public housing units to ensure housing quality standards, as well as energy efficiency.

## Public Housing Condition

Public Housing Development	Average Inspection Score
McHenry County Housing Authority	90

Table 38 - Public Housing Condition

### Describe the restoration and revitalization needs of public housing units in the jurisdiction:

McHenry County Housing Authority will continue ongoing maintenance and upkeep of the housing units to maintain a decent standard of occupancy.

### Describe the public housing agency's strategy for improving the living environment of low- and moderate-income families residing in public housing:

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

MCHA will continue to work to provide financial literacy counseling and life skills training, in addition to sending job opening notices to public housing tenants.

In addition, MCHA is a member of the Chicago Regional Housing Choice Initiative (CRHCI) and the Regional Housing Initiative (RHI). CRHCI is a program funded by HUD to determine if housing counseling will help place people in areas of greater opportunity, or "opportunity areas" as defined by HUD, with good schools, employment opportunities, and transportation. The Regional Housing Initiative (RHI) supports the development, rehabilitation and preservation of quality rental homes near these opportunity areas. To achieve this goal, RHI provides operating subsidies in the form of project-based vouchers to owners of rental buildings in Cook, DuPage, Lake, and McHenry counties, and the cities of Chicago, Joliet, Oak Park and Waukegan.

Each year, the RHI publishes notices and accepts applications from owners and developers of housing developments requesting project-based assistance. These applications are evaluated and scored by the RHI participating housing authorities prior to acceptance. MCHA anticipates awarding project based voucher assistance to developments in McHenry County that have been approved by the RHI partnership.

Woodstock Commons, located in Woodstock, received seven vouchers in 2010. In addition, MCHA will allocate seven project-based vouchers to a new workforce housing apartment complex in Crystal Lake (Congress Park Apartments) in 2014-2015 and will administer another eight vouchers allocated through

RHI as part of its efforts to address housing needs. The apartments are located within one mile of the Crystal Lake Metra station.

MCHA will continue working with the Regional Housing Initiative (RHI) and the other regional housing authorities and may allocate future vouchers based on the RHI competition.

**Discussion:**

## MA-30 Homeless Facilities and Services – 91.210(c)

### Introduction

McHenry County has a mix of facilities available for emergency, transitional, and permanent beds. The County’s emergency housing includes PADS (Public Action to Deliver Shelter) church sites, PADS emergency shelter facility and hotel vouchers provided by the Housing Authority, Salvation Army, Township Offices and others (including faith-based organizations). Transitional housing includes PADS, Home of the Sparrow, and Transitional Living Facilities, while permanent supportive housing is provided by Pioneer Center and Thresholds, Inc.

The following table provides data on the facilities and housing targeted to homeless households.

### Facilities and Housing Targeted to Homeless Households

	Emergency Shelter Beds		Transitional Housing Beds	Permanent Supportive Housing Beds	
	Year Round Beds (Current & New)	Voucher / Seasonal / Overflow Beds	Current & New	Current & New	Under Development
Households with Adult(s) and Child(ren)	24	0	89	0	0
Households with Only Adults	11	40	52	26	0
Chronically Homeless Households	0	0	0	10	0
Veterans	0	0	20	10	0
Unaccompanied Youth	0	0	0	0	0

**Table 39 - Facilities and Housing Targeted to Homeless Households**

Data Source Comments:

**Describe mainstream services, such as health, mental health, and employment services to the extent those services are used to complement services targeted to homeless persons**

In January, 2016, the McHenry County Continuum of Care to End Homelessness began to utilize its newly developed plan to end homelessness. This plan calls for the addition of 60 units of Permanent Supportive Housing and 22 units of Rapid Rehousing through the Plan's three year life.

Also in January, 2016, services began at the Old Firehouse Assistance Center, a project located just off of the Woodstock Square that is more easily accessible to homeless individuals. The Center offers clients the opportunity to present for supportive services that include linkage and direct service opportunities.

Capacity building continues as the McHenry County Housing Authority has worked with providers to develop a "Moving On" program to encourage turnover at existing Permanent Supportive Housing programs of the CoC and has demonstrated a homeless preference for its public housing program.

For both the Continuum of Care and the Emergency Solutions Grant programs, special consideration has been made to carefully select and fund projects that the community needs and that both perform well and increase capacity. This has included continual enhancement of scoring rubrics and prioritization of needed community activities.

**Comment Period 2:** The CoC will need to focus on solutions to expand the efforts at moving individuals out of homelessness. This cannot be conducted by simply building housing but will take a coordinated effort at having the right level of service spectrum to meet the community's needs.

McHenry County has discussed the development of a Strategic Plan that would provide a framework for homeless housing and service delivery. This would be similar to a 10-year Plan to End Homelessness.

The identified objectives from the Continuum of Care include funding for the following:

Development or rehabilitation of at least 10 emergency or transitional housing facilities or units,

- Creation of at least two year-round emergency shelter facilities,
- Work with the Continuum of Care on development of the plan, and
- Increase in case management capacity and/or supportive services for at least an additional 100 homeless families or individuals over five years.

The goal is to provide homeless individuals and families with the necessary shelter and supportive services to enable them to move from homelessness to permanent housing and then live as independently as possible while maintaining stable permanent housing. McHenry County's Continuum of Care strategy includes a number of components, including: information and referrals (I/R) as well as outreach, prevention, supportive services and shelter (emergency, transitional, permanent supportive and permanent).

## Information and Referrals

- The McHenry County Continuum of Care Crisis Line - A 24-hour toll free number staffed by crisis line professionals providing targeted referrals to appropriate assistance, including homeless prevention and related services.
- Provider's Care Network (PCN) - The PCN is McHenry County's Continuum of Care Homeless Management Information System (HMIS) linking housing and service providing agencies together in an on-line network.

## Substantial Amendment 2

The McHenry County Continuum of Care funded a Coordinated Entry Program in 2015 that will connect the most vulnerable Chronic Homeless individuals with appropriate Permanent Supportive Housing.

**List and describe services and facilities that meet the needs of homeless persons, particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth. If the services and facilities are listed on screen SP-40 Institutional Delivery Structure or screen MA-35 Special Needs Facilities and Services, describe how these facilities and services specifically address the needs of these populations.**

There were 202 available beds in the County, representing a combination of beds in emergency shelter, transitional housing and permanent supportive housing for a variety of types of households that range from single adults, single-parents and families with children, and persons with special needs. In addition there are some additional emergency shelter beds available either on a seasonal basis or through vouchers for hotel rooms. These beds were distributed as follows:

- Emergency shelter: 35 year-round beds (also 40 beds in cold weather provided by 7 churches on a rotating basis and an average of 8 beds daily through hotel vouchers)
- Transitional housing: 139 beds
- Permanent supportive: housing 28 beds

**The following is more specific information on facilities for the homeless:**

The Continuum of Care Exhibit 1 and the Housing Inventory Chart includes general information on the chronically homeless. The January 2015 Housing Survey Point-in-Time survey reported no persons in the sheltered or unsheltered categories reporting having HIV/AIDS.

## **Emergency Shelter Housing**

Emergency shelter is provided with a combination of hotel vouchers, emergency shelters and, in cold weather months, overnight accommodations with meals at seven participating churches. However, there is only one permanent emergency shelter facility located in McHenry County having 14 year-round beds. Due to the nature of the PADS system the number of beds ranges from 14 in the spring and summer to 40 or more beds during the winter when each of the seven churches open their doors one night a week from 7 pm to 7 am from October-April. Each church site offers a warm evening meal, a safe place to sleep, morning breakfast and case management. All church sites are run and operated by volunteers. In addition, on a daily basis an average of eight beds are provided through hotel vouchers. These are available through several different agencies or units of government. The charts below provide detailed information.

### **Substantial Amendment 2:**

In January, 2016, the McHenry County Continuum of Care to End Homelessness began to utilize its newly developed plan to end homelessness. This plan calls for the addition of 60 units of Permanent Supportive Housing and 22 units of Rapid Rehousing through the Plan's three year life.

Also in January, 2016, services began at the Old Firehouse Assistance Center, a project located just off of the Woodstock Square that is more easily accessible to homeless individuals. The Center offers clients the opportunity to present for supportive services that include linkage and direct service opportunities.

Capacity building continues as the McHenry County Housing Authority has worked with providers to develop a "Moving On" program to encourage turnover at existing Permanent Supportive Housing programs of the CoC and has demonstrated a homeless preference for its public housing program.

For both the Continuum of Care and the Emergency Solutions Grant programs, special consideration has been made to carefully select and fund projects that the community needs and that both perform well and increase capacity. This has included continual enhancement of scoring rubrics and prioritization of needed community activities.

**Comment Period 2:** The CoC will need to focus on solutions to expand the efforts at moving individuals out of homelessness. This cannot be conducted by simply building housing but will take a coordinated effort at having the right level of service spectrum to meet the community's needs.

## **MA-35 Special Needs Facilities and Services – 91.210(d)**

### **Introduction**

As described in NA-45, needs are generally determined by the social service and housing agencies most directly in contact with special needs populations in McHenry County.

According to McHenry County Mental Health Board's Three Year Plan 2012-2014, housing is a high priority area for special needs populations. McHenry County sees a need for:

- Continuity of supportive services with permanent housing, such as group homes
- Transitional housing with supportive services for persons working through stages of recovery alcohol/drug abuse
- Services that allow the elderly or physically disabled to remain in their own homes

According to the McHenry County Mental Health Board's Three Year Plan 2012-2014, County objectives for the special needs populations include funding, over the next five years, the following:

- Development of at least 25 housing units for persons with special needs
- Adding at least five medical and/or non-medical facilities, or support service agencies, to increase capacity or efficiency in serving at least an additional 200 persons with special needs
- Increasing case management services to serve at least an additional 50 victims of domestic violence each year
- Assisting agencies offering transportation to increase capacity to provide at least an additional 1,000 trips each year for low-income persons, persons with special needs, and the elderly
- .

Providers of services to disabled persons report an increased housing need for their clients. Housing experts report an increasing demand for units accessible to seniors and people with physical disabilities. Currently, one provider has 13 group homes and another provider has two group homes. One multi-family apartment building supplies 25% of its units to people with disabilities. Homeless providers surveyed report that having a disability is a significant cause of homelessness.

**Including the elderly, frail elderly, persons with disabilities (mental, physical, developmental), persons with alcohol or other drug addictions, persons with HIV/AIDS and their families, public housing residents and any other categories the jurisdiction may specify, and describe their supportive housing needs**

There is an inadequate supply of affordable, accessible, and supportive housing for populations with special needs within McHenry County. A few of the existing services include the Pioneer Center for Human Services for persons who are in need of supportive housing. Pioneer Center provides services for children and adults with disabilities. Pioneer Center supports thirteen group homes, eight of which are

for individuals with developmental disabilities and five of which are for people who have a mental illness. Both CDBG and HOME funds have been used to acquire and rehabilitate the group homes.

NAMI of McHenry County also provides for persons who are in need of supportive housing and concentrates on persons with severe mental illness. NAMI owns two group homes in McHenry County and CDBG funds have been utilized for necessary rehabilitation activities at one of their group homes. Turning Point assists women that are victims of domestic violence by providing services; CDBG funds have been used to assist their operations. Family Alliance assists the County's elderly population. 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.

### **Describe programs for ensuring that persons returning from mental and physical health institutions receive appropriate supportive housing**

The Continuum of Care Committee is developing written discharge protocols with agencies in four institutional areas: foster care, health care, mental health and corrections. There are regular informal contacts between these agencies and CoC members to give priority for emergency shelter and transitional housing beds to these populations when they exit these institutions:

#### Foster care:

For over five years, McHenry County has benefited from a Family Care grant through the Substance Abuse and Mental Health Services Administration (SAMHSA). In particular, the group was able to identify transition-age youth as a priority; programs were developed through this grant that continues to support children in foster care situations. CoC organizations create effective programming inclusive of wrap-around and recovery-oriented services. Such services seek to engage clients to remain active in programming based on ability. In some instances, a client who is asked to leave a program is provided with a 30-60 day time frame (or as otherwise mandated) and corresponding additional support to obtain housing. Clients who enter into substance abuse programs, incarceration or temporary mental health/nursing home supports are offered the opportunity to return to their program slot within a 30-day time frame. Clients who will be gone longer than 30 days will be provided with a preference for program entry if a slot is available for them when they are able to re-enter.

#### Health:

CoC members work closely with Centegra Hospital (two community locations), Northern Illinois Medical Center and Mercy Health Systems to coordinate care for individuals exiting health care programs. Centegra also manages the community crisis line and coordinates with regional providers; this effort results in a wide array of service opportunities for clients, particularly those with special needs. This system of care, at times, results in a client admission 50 miles away or more, as specialty services tend to be more available in nearby Chicago.

### Mental Health:

Elgin Mental Health Center and Centegra Specialty Hospital have a formally implemented protocol that focuses on community resources, entitlements, and referrals to appropriate housing and supportive services before discharge. Discharge planning begins prior to release and involves establishing a point of contact with a community provider, ensuring continuity of medications to the community and other specialty services required to help integrate the individuals into the community. Planning occurs through long-term relationships that Thresholds, PADS, Home of the Sparrow, Youth Service Bureau, Turning Point and TLS have with mental health stakeholders.

### Corrections:

McHenry County Circuit Court, McHenry County Drug Court, McHenry County Sheriff's Department, McHenry County Housing Authority and all 17 Townships are responsible. The Sheriff/Court system already offers discharge planning for veterans who are incarcerated.

### **Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. 91.315(e)**

The County will continue to fund social service programs to address the housing and supportive service needs of persons who are not homeless but have other special needs. This will be based on the priorities established by the County review committee to select activities that have the greatest impact on improving the lives of County residents.

Individuals with special needs will be assisted with CDBG funds. Programs in FY 2015 may include funds for case management services to increase capacity.

### **For entitlement/consortia grantees: Specify the activities that the jurisdiction plans to undertake during the next year to address the housing and supportive services needs identified in accordance with 91.215(e) with respect to persons who are not homeless but have other special needs. Link to one-year goals. (91.220(2))**

### **Substantial Amendment 2**

McHenry County has a special outlay of grant funding for senior citizens known as the Senior Services Grant Fund. Allocated through the collection of property taxes, this fund provides annual support on a competitive basis to community providers that address the needs of McHenry County seniors as allowable by State of Illinois statutory guidelines.

The County has been authorized by the United States Department of Housing and Urban Development to utilize administrative funding to study the community's needs for senior services in order to best

utilize grant funding and capacity building opportunities. The Community Development staff assist in the oversight of the Senior Services Grant Fund and would seek input from the Senior Services Grant Commission pending the availability of Community Development administrative dollars to develop a study. It is intended for the study to provide strategic direction to the Commission.

**Comment Period 2:** The factor remains regarding the ability to use CDBG Administrative funding to support the development of a study for Senior Services. This will be discussed in greater detail at the Senior Services Grant Commission meeting in July, 2017 as it is likely this will entail more of a strategic planning approach rather than study development. The Senior Services Grant Commission would benefit from having targeted approaches to its funding cycles.

## **MA-40 Barriers to Affordable Housing – 91.210(e)**

### **Negative Effects of Public Policies on Affordable Housing and Residential Investment**

McHenry County completed an Analysis of Impediments to Fair Housing Choice (AI) in 2012 that helped to identify public policies that had a negative effect on fair housing, affordable housing and residential investment.

A few of the key barriers include limited zoning for multi-family development, the high cost of land and construction, and the lack of public financing incentives to reduce these costs. While affordability/income is not 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.

In addition, McHenry County's employment opportunities and lack of transportation are barriers that affect the location of affordable housing. These barriers can prevent development and force lower income households to live far from job opportunities. This home-to-work distance makes it more difficult for the unemployed to find work; for the employed, it lengthens the commute, which lowers the quality of life.

## MA-45 Non-Housing Community Development Assets – 91.215 (f)

### Introduction

McHenry County is primarily a bedroom community with the majority of residents employed outside of the County. The County has one of the highest rates of persons who work outside of their county of residence in the Chicago region. As a result, the County has the second highest commute time in the Chicago region. One of the objectives identified in the 2030 Comprehensive Plan is to reduce the number of residents who travel outside of the County for employment.

The largest number of workers who live in the County, according to the Business Activity table below, are employed in the Manufacturing sector, with Education and Health Care Services the second largest. These two sectors alone represent almost one-third of the employment for County residents.

According to the data by occupation, the Management, Business, and Financial sector is the largest, with 37% of County residents working in this sector. This is consistent with the types of employment opportunities available for County residents. Health Care and Manufacturing continue to be the main drivers of the regional economy.

### Economic Development Market Analysis

#### Business Activity

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Agriculture, Mining, Oil & Gas Extraction	519	445	0	1	1
Arts, Entertainment, Accommodations	12,639	8,195	10	11	1
Construction	6,988	5,188	6	7	1
Education and Health Care Services	18,411	11,274	15	16	1
Finance, Insurance, and Real Estate	9,265	3,077	8	4	-4
Information	2,830	990	2	1	-1
Manufacturing	19,145	15,472	16	22	6
Other Services	5,130	3,247	4	5	1

Business by Sector	Number of Workers	Number of Jobs	Share of Workers %	Share of Jobs %	Jobs less workers %
Professional, Scientific, Management Services	13,370	4,175	11	6	-5
Public Administration	427	395	0	1	1
Retail Trade	18,249	12,164	15	17	2
Transportation and Warehousing	5,409	1,438	4	2	-2
Wholesale Trade	11,118	5,696	9	8	-1
Total	123,500	71,756	--	--	--

**Table 40 - Business Activity**

**Data Source:** 2006-2010 ACS (Workers), 2010 Longitudinal Employer-Household Dynamics (Jobs)

## Labor Force

Total Population in the Civilian Labor Force	172,739
Civilian Employed Population 16 years and over	159,578
Unemployment Rate	7.62
Unemployment Rate for Ages 16-24	21.42
Unemployment Rate for Ages 25-65	5.10

**Table 41 - Labor Force**

Data Source: 2006-2010 ACS

Occupations by Sector	Number of People
Management, business and financial	41,392
Farming, fisheries and forestry occupations	5,558
Service	11,370
Sales and office	28,767
Construction, extraction, maintenance and repair	13,872
Production, transportation and material moving	10,553

**Table 42 – Occupations by Sector**

Data Source: 2006-2010 ACS

## Travel Time

Travel Time	Number	Percentage
< 30 Minutes	73,258	50%
30-59 Minutes	46,376	31%
60 or More Minutes	27,834	19%
<b>Total</b>	<b>147,468</b>	<b>100%</b>

**Table 43 - Travel Time**

Data Source: 2006-2010 ACS

## Education:

### Educational Attainment by Employment Status (Population 16 and Older)

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
Less than high school graduate	8,022	1,020	2,826

Educational Attainment	In Labor Force		Not in Labor Force
	Civilian Employed	Unemployed	
High school graduate (includes equivalency)	32,751	2,711	8,903
Some college or Associate's degree	44,674	3,411	9,289
Bachelor's degree or higher	49,398	1,693	8,478

**Table 44 - Educational Attainment by Employment Status**

Data Source: 2006-2010 ACS

### Educational Attainment by Age

	Age				
	18–24 yrs	25–34 yrs	35–44 yrs	45–65 yrs	65+ yrs
Less than 9th grade	371	1,248	1,444	1,879	2,017
9th to 12th grade, no diploma	3,051	2,005	1,787	3,505	3,099
High school graduate, GED, or alternative	8,389	7,973	12,290	24,113	12,524
Some college, no degree	7,833	8,635	11,992	22,070	7,032
Associate's degree	1,265	2,956	4,590	7,179	1,180
Bachelor's degree	2,427	9,614	14,022	17,642	4,156
Graduate or professional degree	181	3,262	5,422	9,645	3,048

**Table 45 - Educational Attainment by Age**

Data Source: 2006-2010 ACS

### Educational Attainment – Median Earnings in the Past 12 Months

Educational Attainment	Median Earnings in the Past 12 Months
Less than high school graduate	0
High school graduate (includes equivalency)	0
Some college or Associate's degree	0
Bachelor's degree	0
Graduate or professional degree	0

**Table 46 – Median Earnings in the Past 12 Months**

Data Source: 2006-2010 ACS

**Based on the Business Activity table above, what are the major employment sectors within your jurisdiction?**

The Manufacturing sector employs the largest number of workers, with Education and Health Care Services the second largest. These two sectors alone represent almost one-third of the employment for County residents.

According to the McHenry County Workforce Network 2013 Labor Report, the manufacturing industry contributed to 23% of the County's GRP (Gross Regional Product). Wages from manufacturing jobs also tended to pay above average and offer more benefits. Two manufacturing clusters in the County with the largest number of workers include advanced materials and biotech/biomed, both of which pay above average annual wages.

While these sectors are major employers within the County, the data clearly supports the County as primarily a bedroom community. While the County has 123,500 workers, it provides only 71,756 jobs. This means 58% of employed County residents commute from the County to jobs elsewhere, likely to Chicago and other inner-ring job centers. This assertion is supported by interviews with community stakeholders.

#### **Describe the workforce and infrastructure needs of the business community:**

Economic development staff stated that one of the biggest challenges is finding employees with the right set of skills to match current job openings. This was particularly true in the manufacturing sector, where employers wanted staff members with mechanical technical skills. The McHenry County Workforce Network has found it difficult to train for specific manufacturing jobs.

Two of the current areas of need include transportation and logistics, in addition to drivers. The County's central location in the Midwest and proximity to major manufacturing centers in the Chicago region has provided a basis for demand in the transportation and logistics fields.

In addition, due to the lingering impact of the recession, there is a large population of 50 to 62 year olds in need of employment. Many are discouraged workers who have been unemployed for a longer period of time. Work Net has received a grant to connect discouraged workers with potential training opportunities. In addition, Work Net has established a "Mature Workers" networking group.

The 2013 Labor Report stated that the aging workforce continues to be a concern in many of the major industries in the County and brings up significant challenges in building a pipeline of replacement workers. The potential identified impacted industries include real estate, mining, transportation, and manufacturing.

Work Net coordinates with other agencies for services, such as the Department of Rehabilitation Services, to meet specific rehabilitation training needs.

A lack of transportation and affordable housing were identified as two areas of need within the County. The lack of transportation options limits the ability of some residents to access employment centers, while many manufacturing firms in outlying areas have a limited pool of candidates for open positions.

**Describe any major changes that may have an economic impact, such as planned local or regional public or private sector investments or initiatives that have affected or may affect job and business growth opportunities during the planning period. Describe any needs for workforce development, business support or infrastructure these changes may create.**

The County recently completed a Long Range Transportation Plan 2040 to provide a framework for transportation needs within the County. This includes not only road projects but infrastructure projects that may require coordination with other County projects. This could be one area of regional public investment that may impact job and investment growth opportunities in the County.

Also, McHenry County is part of the Chicago Metropolitan Area for Planning (CMAP). The County will be applying to CMAP in 2014 for funding and research assistance to develop a focused economic development and workforce outreach plan to assist the County to outline economic development efforts and plans.

**How do the skills and education of the current workforce correspond to employment opportunities in the jurisdiction?**

As noted above, there is a mismatch between the current workforce and employment opportunities. A higher level of skills is required for many positions, in particular skilled manufacturing.

McHenry County Workforce Network is supported by the Workforce Investment Board (WIB). The WIB, in its recent report, found that the local workforce system will continue to meet workforce challenges through the following:

- Ensuring training programs are aligned with area demand occupations and industries, through training activities that will develop the skills of workers and a pipeline of qualified employees for area businesses
- Focusing on enhancing strengths, identifying and addressing gaps
- Workforce and Economic Development partners seeking input from area employers on their current and future needs
- Developing integrated strategies that not only improve business attraction and retention strategies but also enhance career pathways of workers through collaboration with industry, education, McHenry County Workforce Network and McHenry County Workforce Investment Board
- Seeking greater effectiveness of area resources by linking workforce development with traditional economic development strategies

- Developing strategies to attract emerging industries and workers' skills for those industries

**Describe any current workforce training initiatives, including those supported by Workforce Investment Boards, community colleges and other organizations. Describe how these efforts will support the jurisdiction's Consolidated Plan.**

McHenry County College serves as a resource center for the County. It provides training on computer operations, mock interviews, referrals, job training, etc. Funding for programs is limited since most programs are earmarked for re-training. Identified needs included areas with job growth potential, a welding boot camp, and medical training. Logistics was also identified as a need. In addition, some companies will help to pay for training. A need for GED training exists. A need exists for high level manufacturing skills, including welders, people with medical skills, agri-tech, and logistics.

In addition, a new registered nursing program has been popular and has been designed to meet the growing need for trained medical personnel in the County.

**Does your jurisdiction participate in a Comprehensive Economic Development Strategy (CEDS)?**

No

**If so, what economic development initiatives are you undertaking that may be coordinated with the Consolidated Plan? If not, describe other local/regional plans or initiatives that impact economic growth.**

The County does not have a CEDS, although members of Work Net and others in the County economic development field have recently talked about developing a comprehensive economic development strategy. Attempts are currently underway to fund a CEDS, which will most likely occur in the next five years.

According to the McHenry County Long Range Transportation Plan 2040, there is the potential to link public works and infrastructure projects with transportation improvement projects, such as projects to eliminate barriers, such as links from one roadway system/street to another system. The County could identify key road and drainage infrastructure projects and "piggy-back" with County transportation projects to maximize public investment resources and minimize duplication of infrastructure projects, resulting in greater impact.

**Discussion**

## **Substantial Amendment 2**

Proposed changes to the Consolidated Plan would allow for applicant organizations to seek a combination of public service and economic development dollars to develop Microenterprise projects with low to moderate income clients. The applicant organization would devise the structure of the project in their proposal to the CD Division. The County is anticipating that up to 5 Microenterprise LMI clients could be served.

### **Comment Period 2:**

The initial discussions related to Microenterprise entailed clarifying the approach would best be served by identifying a Subrecipient agency (i.e. a non-profit or local unit of government) to manage the project. This organization would then identify and approve a candidate base of Microenterprises that are “for profit” and therefore would meet the objectives. Initial discussions regarding the project type involved what is tantamount to a Special Economic Development activity. This will be a continued discussion, especially as the Division begins the onset of the 2020-2024 Consolidated Plan.

## **MA-50 Needs and Market Analysis Discussion**

### **Are there areas where households with multiple housing problems are concentrated? (include a definition of "concentration")**

Areas of the County where concentrations of households with multiple housing problems exist include the older areas of the following communities: Harvard, McHenry, Woodstock, and Wonder Lake. Harvard and McCullom Lake also have areas of concentration of low- and moderate-income (LMI) residents. The greatest need in these areas is for infrastructure improvements and rental housing rehabilitation programs.

More than half of the County residents identified as low- and moderate-income live within the cities of Woodstock, Harvard and McHenry and the Village of Wonder Lake. These areas are mainly in the older sections of the towns and sometimes extend into the surrounding unincorporated areas. In addition, HUD has allowed McHenry County to identify areas where at least 38.7% of the residents are low-and-moderate income. These LMI areas are located in the cities of Crystal Lake and Marengo, as well as in the villages of Hebron, Greenwood, McCullom Lake, Lake-in-the-Hills and Union. There are also some subdivision developments in unincorporated areas of McHenry and Nunda townships where at least 38.7% of the residents are low- and moderate- income.

McHenry County does not limit investment to these areas, but generally tends to direct projects to address local need, which is greatest in these areas. Wonder Lake has been a recent target area for the HOME rehabilitation program.

### **Are there any areas in the jurisdiction where racial or ethnic minorities or low-income families are concentrated? (include a definition of "concentration")**

The CDBG program includes a statutory requirement that at least 70% of funds invested benefit low-and moderate-income households. However, because there are so few areas over 50% LMI, HUD set the LMI threshold for McHenry County at 38.7%. McHenry County defines areas of racial or ethnic concentration as census tracts where the percentage of a single minority or ethnic group is at least double the County average.

There are 14 census tracts of minority concentration within the County, five of which are concentrations of more than one race/ethnicity. These areas are found in Algonquin, Chemung, Crystal Lake, Harvard, Huntley, Lake in the Hills, McHenry and Woodstock. Thirteen block groups within those census tracts include concentrations of both low-moderate income persons and minorities. Impacted areas, or areas of minority concentration and LMI, are located in Chemung, Crystal Lake, Harvard, McHenry and Woodstock (See Map in Unique Appendices, AD-25).

### **What are the characteristics of the market in these areas/neighborhoods?**

The areas/neighborhoods of concentration of minority and LMI persons tend to be in older areas with a higher level of housing rehabilitation needs. These geographic areas are identified above. Most of the calls for the weatherization program, in addition to the housing rehabilitation program, are from these areas of the County. In addition, due to the settlement patterns within the County, many older lakeside communities contain former summer cottages that now have year-round residents. These homes were never constructed as year-round homes and often require more maintenance due to age. Many of these units are located in areas without municipal water and sewer services, and often suffer from ongoing flooding issues.

**Are there any community assets in these areas/neighborhoods?**

Many of the communities, in particular McHenry and Woodstock, have vibrant downtown areas with strong business districts offering an array of amenities. These downtown areas have experienced recent reinvestments into the building stock. In addition, many social service agencies are located in these two communities, providing easy access for those in need of services. The Metra system provides easy access to downtown Chicago in addition to neighborhoods throughout the region. The school districts in McHenry County are highly rated, providing an array of educational opportunities.

**Are there other strategic opportunities in any of these areas?**

There are opportunities to better link the transportation system with not only the minority concentration and LMI areas but throughout the County. Harvard, for instance, contains a large number of vacant rental units that could be rehabilitated and occupied. Stakeholders noted that it was difficult to get Section 8 voucher holders to move to Harvard due to the limited number of available transportation options.

# Strategic Plan

## SP-05 Overview

### Strategic Plan Overview

#### *Priority Needs included in Substantial Amendment 2*

The County has identified the following new activities:

- Removal of Slum/Blight on a Spot Basis
- Economic Development through Microenterprise
- Historic Preservation of National Landmarks
- Housing Opportunities via Downpayment Assistance
- Linkage of 20% in Public Service dollars to HOME TBRA
- Linkage of 10% in Public Service Dollars to Downpayment Assistance projects
- Linkage of 15% in Public Service dollars to Microenterprise projects

#### *Influence of Market Conditions*

An inadequate supply of affordable housing, in addition to the high cost of housing in the County for low-income persons (paying more than 30% of household income for housing), remains a major housing problem in McHenry County. The addition of a committed allotment of 20% of the awarded amount of HOME Tenant-Based Rental Assistance (TBRA) will provide an organization with the supportive service funding needed to ensure Low to Moderate Income Housing clients maintain community-based rentals.

#### *Anticipated Resources*

The County anticipates receiving \$6,600,000 in CDBG and \$2,100,000 in HOME entitlement funding over the five year consolidated plan time frame.

#### *Institutional Delivery Structure*

The County relies on a network of public sector, private sector, and non-profit organizations to implement the Strategic Plan, particularly to address homelessness and special needs. The County works closely with the PADS system and the Continuum of Care to confront homelessness. The County will directly contract with private third party business to demolish and clear blighted properties on a spot basis.

## **Goals**

- Declaration of slum blight conditions on a spot basis for the purposes of Historic Preservation activities to 1 property of historic significance listed on the National Register of Historic Places
- Removal of slum/blight on a spot basis to 4 properties
- Downpayment Assistance to 10 LMI households
- Provide a microenterprise loan, technical assistance and general support to 5 LMI clients
- Public Services: Assist 40 additional LMI persons through committed Public Service dollars attached to HOME TBRA Programs
- Public Services: Assist additional 5 LMI persons through committed Public Service dollars attached to Microenterprise programs
- Public Services: Assist 10 additional LMI households/24 additional LMI clients through committed Public Service dollars attached to Homebuyer Downpayment Assistance programs

## **Public Housing**

McHenry County *will continue to support the efforts of MCHA to supply affordable housing to County residents.*

## **Barriers to Affordable Housing**

HUD is now requiring public jurisdictions and housing authorities to developed Affirmatively Furthering Fair Housing plans. The County and the McHenry County Housing Authority are considering an option to become part of a regional Fair Housing plan that would keep plan costs low but also would ensure compliance with HUD requirements.

## **Homelessness Strategy**

The County continues to work closely with the McHenry County Continuum of Care to End Homelessness (CoC) to provide homeless services and emergency, transitional, and permanent housing for homeless individuals and families, including veterans, those with special needs, the disabled, HIV/AIDS, and victims of domestic violence. County Planning and Development staff members participate in the CoC and homeless services are prioritized for funding in the CDBG program.

## SP-10 Geographic Priorities – 91.215 (a)(1)

### Geographic Area

Table 47 - Geographic Priority Areas

1	<b>Area Name:</b>	Low and Moderate Income Areas per Map 1
	<b>Area Type:</b>	Areas that meet the exception criteria threshold for McHenry County
	<b>Other Target Area Description:</b>	Areas that meet the exception criteria threshold for McHenry County
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	
	<b>Other Revital Description:</b>	
	<b>Identify the neighborhood boundaries for this target area.</b>	
	<b>Include specific housing and commercial characteristics of this target area.</b>	
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	
	<b>Identify the needs in this target area.</b>	
	<b>What are the opportunities for improvement in this target area?</b>	
	<b>Are there barriers to improvement in this target area?</b>	
2	<b>Area Name:</b>	McHenry County Impacted Areas per Map 3
	<b>Area Type:</b>	high percentage of minority population with low moderate income
	<b>Other Target Area Description:</b>	high percentage of minority population with low moderate income
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	

	<b>Revital Type:</b>	
	<b>Other Revital Description:</b>	
	<b>Identify the neighborhood boundaries for this target area.</b>	
	<b>Include specific housing and commercial characteristics of this target area.</b>	
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	
	<b>Identify the needs in this target area.</b>	
	<b>What are the opportunities for improvement in this target area?</b>	
	<b>Are there barriers to improvement in this target area?</b>	
<b>3</b>	<b>Area Name:</b>	Countywide LMC
	<b>Area Type:</b>	non-area based assistance for LMI individuals and households
	<b>Other Target Area Description:</b>	non-area based assistance for LMI individuals and households
	<b>HUD Approval Date:</b>	
	<b>% of Low/ Mod:</b>	
	<b>Revital Type:</b>	
	<b>Other Revital Description:</b>	
	<b>Identify the neighborhood boundaries for this target area.</b>	
	<b>Include specific housing and commercial characteristics of this target area.</b>	
	<b>How did your consultation and citizen participation process help you to identify this neighborhood as a target area?</b>	
	<b>Identify the needs in this target area.</b>	
	<b>What are the opportunities for improvement in this target area?</b>	
	<b>Are there barriers to improvement in this target area?</b>	

**General Allocation Priorities**

Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA

for HOPWA)

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

Most recently, the Village of Union has received funding for a large infrastructure project, while Wonder Lake has received attention due to failing water and sewer systems. The community is also a target for the HOME rehabilitation program.

The County is working to develop a system for prioritizing goals and scoring for local CDBG applications. Once an application meets the basic eligibility requirements (LMI benefit, eligible activity that meets a National Objective, addresses one of the stated goals in the Consolidated Plan, etc.), a set of scoring criteria would be used. See SP-25 for more details.

## SP-25 Priority Needs - 91.215(a)(2)

### Priority Needs

Table 48 – Priority Needs Summary

1	<b>Priority Need Name</b>	Affordable Housing-Rental
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Large Families Families with Children Elderly Individuals
	<b>Geographic Areas Affected</b>	high percentage of minority population with low moderate income Areas that meet the exception criteria threshold for McHenry County non-area based assistance for LMI individuals and households
	<b>Associated Goals</b>	Administration Public Services Rental Rehab Tenant Based Rental Assistance Homeless Housing Infrastructure - Housing
	<b>Description</b>	Affordable Housing: a) Rental housing development or acquisition/rehabilitation/rental assistance b) Tenant Based Rental Assistance (TBRA) c) Services attached to TBRA Programs to ensure clients can remain housed (Public Services)
	<b>Basis for Relative Priority</b>	Affordable housing is greatly needed in the County.
2	<b>Priority Need Name</b>	Infrastructure: Public Improvements
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Non-housing Community Development

	<b>Geographic Areas Affected</b>	non-area based assistance for LMI individuals and households
	<b>Associated Goals</b>	Administration Infrastructure - Non Housing Infrastructure - Housing
	<b>Description</b>	Infrastructure improvements to facilitate housing development and maintenance of existing public use facilities and space.
	<b>Basis for Relative Priority</b>	An aging infrastructure within the County dictates the need to maintain a high priority for these projects.
<b>3</b>	<b>Priority Need Name</b>	Affordable Housing: Non-Rental
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Large Families Elderly
	<b>Geographic Areas Affected</b>	non-area based assistance for LMI individuals and households
	<b>Associated Goals</b>	Administration Housing Repairs: CDBG Owner Occupied Rehab Public Services Housing Opportunities Via Downpayment Assistance Down Payment Assistance - HOME
	<b>Description</b>	a) Owner Housing Repairs  b) Homebuyer Activities/Downpayment Assistance (attached to specific housing)  c) Housing opportunities through Downpayment Assistance (non-specific housing)  <b>Comment Period 2: CDBG Downpayment</b>

	<b>Basis for Relative Priority</b>	Affordable housing is severely lacking in McHenry County.
4	<b>Priority Need Name</b>	Public Services: Homeless Populations
	<b>Priority Level</b>	High
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Chronic Homelessness Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth
	<b>Geographic Areas Affected</b>	non-area based assistance for LMI individuals and households
	<b>Associated Goals</b>	Administration Public Services
	<b>Description</b>	Public Services: Homeless Populations
	<b>Basis for Relative Priority</b>	Ending all homelessness by 2020 remains a nationwide priority.
	5	<b>Priority Need Name</b>
<b>Priority Level</b>		Low

	<b>Population</b>	Extremely Low Low Large Families Families with Children Elderly Individuals Families with Children Mentally Ill Chronic Substance Abuse veterans Persons with HIV/AIDS Victims of Domestic Violence Unaccompanied Youth Elderly Persons with Mental Disabilities Persons with Physical Disabilities Persons with Developmental Disabilities Victims of Domestic Violence
	<b>Geographic Areas Affected</b>	non-area based assistance for LMI individuals and households
	<b>Associated Goals</b>	Administration Public Services
	<b>Description</b>	Public Services: Non-homeless Populations
	<b>Basis for Relative Priority</b>	Services to homeless populations are prioritized. As of 2016, the County has already exceeded its public service goals.
6	<b>Priority Need Name</b>	Public Facility Improvements
	<b>Priority Level</b>	Low
	<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Elderly Individuals

	<b>Geographic Areas Affected</b>	non-area based assistance for LMI individuals and households
	<b>Associated Goals</b>	Administration Public Facilities
	<b>Description</b>	Facility: Medical facilities Non-medical facilities <b>Comment Period 2:</b> HIGH priority for projects with a homeless focus.
	<b>Basis for Relative Priority</b>	2016- Priority level reduced to low due to achievement of this goal.
<b>7</b>	<b>Priority Need Name</b>	Elimination of Slum/Blight on a Spot Basis
	<b>Priority Level</b>	High
	<b>Population</b>	Other
	<b>Geographic Areas Affected</b>	high percentage of minority population with low moderate income Areas that meet the exception criteria threshold for McHenry County non-area based assistance for LMI individuals and households
	<b>Associated Goals</b>	Administration Eliminate/Clear Slum/Blight on a Spot Basis
	<b>Description</b>	Demolition and Clearance of blighted structures in the County
	<b>Basis for Relative Priority</b>	The County has the capacity to advance additional grant funding to complete these demolition projects by prioritizing this need.
<b>8</b>	<b>Priority Need Name</b>	Economic Development through Microenterprise
	<b>Priority Level</b>	Low
	<b>Population</b>	Extremely Low Low Moderate
	<b>Geographic Areas Affected</b>	high percentage of minority population with low moderate income Areas that meet the exception criteria threshold for McHenry County non-area based assistance for LMI individuals and households

	<b>Associated Goals</b>	Administration Public Services Foster Economic Development Via Microenterprise
	<b>Description</b>	Loans to LMI clients for the development of Microenterprise (less than 5 employees) that enable clients to move to self-sufficiency. Services are attached to enable subrecipient organization to provide support to clients.
	<b>Basis for Relative Priority</b>	The Microenterprise program is being added to broaden the approach taken by the County while identifying that other needs, such as ending homelessness, remain a higher priority.
<b>9</b>	<b>Priority Need Name</b>	Historic Preservation of National Landmarks
	<b>Priority Level</b>	Low
	<b>Population</b>	Extremely Low Low Moderate Middle
	<b>Geographic Areas Affected</b>	non-area based assistance for LMI individuals and households
	<b>Associated Goals</b>	Administration Eliminate/Clear Slum/Blight on a Spot Basis Historic Preservation of National Landmarks
	<b>Description</b>	Declaration of slum/blight to National Landmark property, thereby allowing for Historic Preservation to take place. Ultimately, the intention of said preservation would be to sustain historic properties that provide for: historic tourism activities, possible LMI, artistic or educational benefit. Comment Period 2: May utilize funding for Façade Improvements to a Public Building for an historic structure, especially one meeting an Area Benefit.
	<b>Basis for Relative Priority</b>	While other activities are a high priority, especially those serving LMI clients either directly or through an area benefit, historic properties that are distressed can quickly deteriorate, making them inaccessible to future generations and diminishing the ability to draw tourists to the County.
<b>10</b>	<b>Priority Need Name</b>	Downpayment Assistance
	<b>Priority Level</b>	Low

<b>Population</b>	Extremely Low Low Moderate Large Families Families with Children Rural Chronic Homelessness Individuals Families with Children Mentally Ill Victims of Domestic Violence
<b>Geographic Areas Affected</b>	non-area based assistance for LMI individuals and households
<b>Associated Goals</b>	Administration Public Services Housing Opportunities Via Downpayment Assistance
<b>Description</b>	An assistance program developed by a non-profit or similarly qualified organization to provide Low to Moderate Income households with downpayment assistance toward the purchase of a home in McHenry County.
<b>Basis for Relative Priority</b>	Community Development staff have received well over thirty phone calls requesting this type of assistance.

**Narrative (Optional)**

The following is a framework for the priorities needs and the goals to address the specified need over the next five years (FY 2015-2019). The final determination on funded activities will occur during the review process for the prioritization of projects.

The County has determined that in order to strategically focus limited public resources it would need to establish clear criteria for funded activities. In the past, projects were funded on an “as needed” basis depending on the current crisis or need. While this may be necessary in cases of an immediate threat to the public health and safety of residents, the desire exists to prioritize the goals and scoring for applications for funding that maximizes the outputs and results in leveraged activities that benefit that largest number of County residents, particularly in low- and moderate- income areas.

The criterion for selecting projects includes the following:

- The correction of public safety and health issues (flood mitigation, contaminated wells), preventative measures (mental health counseling, legal assistance, rental assistance), crisis intervention (legal assistance, 24/7 crisis counseling), meeting basic needs (food banks), and community development.
- The County will continue with the two-step application review. The first would be to determine that an application meets the basic eligibility criteria (LMI benefit, eligible activity) and addresses one of the County's stated goals in the CP.
- The County will have target areas where large costly public infrastructure projects in a single location need to be phased in over several years in order to receive sufficient funding. Projects should be completed in 2-3 phases and be shovel-ready upon submission of the funding application. Applicants with infrastructure projects must pay for engineering design and construction oversight. Engineering costs will be counted as leveraging (percent of the total cost) when reviewing the application. The County encourages mid-range planning among municipalities and municipalities can engage engineering services earlier rather than later. This arrangement would also enable municipalities to begin leveraging additional funding from other sources to supplement CDBG funds.
- Target areas are defined as "Impact Areas" as defined in the Consolidated Plan. These are areas with a concentration of LMI households and minority concentration. Many of the communities in these areas need infrastructure improvements in addition to housing rehabilitation.
- Leveraged projects will score higher. Projects must have a minimum of 10% leveraging with more points given for higher levels of leveraging.
- Projects must be a minimum of \$20,000 in total cost.
- Applicants cannot receive funding for the same project annually, except for the HMIS function with the Continuum of Care, which will be maintained annually.
- The ability to complete a project or a practical phase of a project within the CDBG Program Year will score higher.

## SP-30 Influence of Market Conditions – 91.215 (b)

### Influence of Market Conditions

<b>Affordable Housing Type</b>	<b>Market Characteristics that will influence the use of funds available for housing type</b>
Tenant Based Rental Assistance (TBRA)	The lack of affordable rental housing influenced the decision to provide TBRA in McHenry County.
TBRA for Non-Homeless Special Needs	The lack of affordable rental housing influenced the decision to provide TBRA in McHenry County, potentially for non-homeless special needs.
New Unit Production	The limited number of affordable units for both low- and moderate- income households continues to be a gap in the County housing market. The housing stock remains primarily single family owner occupied housing, with limited rental options. The lack of affordable housing in the County has prompted the County to develop new affordable housing.
Rehabilitation	The number of sale homes built in the last 20 years has continued to outpace the level of development of rental housing. As a result, the existing rental stock tends to be older and in poorer condition, requiring rehabilitation to maintain affordability.
Acquisition, including preservation	The 2012 ACS data reveals the increasing gap in housing affordability. The data shows that 45.5% of households are paying 35% or more of household income in gross rent, an increase from 41.6% of households in 2009. For owner households with a mortgage, 32% of the households are paying 35% or more of household income on selected monthly housing costs, an increase from 31.2% of households in 2009. Acquisition of existing units for permanent supportive housing has been one tool the County will continue to use over the next five years.

**Table 49 – Influence of Market Conditions**

## SP-35 Anticipated Resources - 91.215(a)(4), 91.220(c)(1,2)

### Introduction

The following table displays the anticipated resources broken down by program type. Projections are made for FY 2015 and the remaining four years of the Consolidated Plan.

### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,336,571	0	0	1,336,571	5,182,901	CDBG funds will be used to address community development needs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	433,030	0	0	433,030	1,430,255	HOME funds will be used to address community housing needs, including homelessness and special needs.

Table 50 - Anticipated Resources

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

**Substantial Amendment 2**

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.

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.

In addition, through the County's updated funding application process, a new County policy requires a minimum of 10% leveraging for CDBG funds with more points given for projects that provide a higher match percentage.

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.

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.

In addition, through the County's updated funding application process, a new County policy requires a minimum of 10% leveraging for CDBG funds with more points given for projects that provide a higher match percentage.

Further, projects that demonstrate thorough planning and that can develop further resources based on a CDBG or HOME allocation will score better during staff project review. Funding decisions will continue to be made by the Community Development and Housing Grant Commission. These decisions will be now reported to the newly-created Public Health and Community Services Committee, which would forward its recommendations for final approval of subrecipient awards to the McHenry County Board.

**Comment Period 2:** This information remains the same but will involve a greater review of capacity, financials, and audits to ensure project completion and meeting appropriate time frames.

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

Not applicable.

**Discussion**

## SP-40 Institutional Delivery Structure – 91.215(k)

Explain the institutional structure through which the jurisdiction will carry out its consolidated plan including private industry, non-profit organizations, and public institutions.

Responsible Entity	Responsible Entity Type	Role	Geographic Area Served
HABITAT FOR HUMANITY	Subrecipient	Ownership	Jurisdiction
HOME OF THE SPARROW, INC. CRYSTAL LAKE	Continuum of care	Homelessness	Jurisdiction
MCHENRY COUNTY PADS, INC.	Continuum of care	Homelessness	Jurisdiction
PIONEER CENTER FOR HUMAN SERVICES	Continuum of care	Homelessness Non-homeless special needs public services	Jurisdiction
TRANSITIONAL LIVING SERVICES	Continuum of care	Homelessness Non-homeless special needs public services	
MCHENRY COUNTY HOUSING AUTHORITY	PHA	Public Housing	Jurisdiction
TURNING POINT, INC.	Continuum of care	Homelessness Non-homeless special needs public services	Jurisdiction

**Table 51 - Institutional Delivery Structure**

### Assess of Strengths and Gaps in the Institutional Delivery System

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

## Substantial Amendment 2

County has been actively working to address the gaps in the institutional delivery system. The process management and institutional structure has been developed to provide a high level of oversight and input into the community development and housing funding decisions. Stakeholders from a cross-section of sectors are involved, including direct service providers and members of the non-profit, for profit, and governmental sectors. The CDBG funding process is continually aligned with emerging community needs and the desire to exceed the goals on the Consolidated Plan.

### Availability of services targeted to homeless persons and persons with HIV and mainstream services

Homelessness Prevention Services	Available in the Community	Targeted to Homeless	Targeted to People with HIV
<b>Homelessness Prevention Services</b>			
Counseling/Advocacy	X	X	
Legal Assistance			
Mortgage Assistance			
Rental Assistance	X	X	X
Utilities Assistance	X	X	X
<b>Street Outreach Services</b>			
Law Enforcement			
Mobile Clinics	X	X	
Other Street Outreach Services	X	X	
<b>Supportive Services</b>			
Alcohol & Drug Abuse	X	X	X
Child Care	X	X	
Education	X	X	
Employment and Employment Training	X	X	
Healthcare	X	X	X
HIV/AIDS	X	X	X
Life Skills	X	X	
Mental Health Counseling	X	X	X
Transportation	X	X	X
<b>Other</b>			

Table 52 - Homeless Prevention Services Summary

**Describe how the service delivery system including, but not limited to, the services listed above meet the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth)**

McHenry County's efforts to reduce the number of unsheltered homeless households with dependent children include: 1) a 24-hour Crisis Line that is able to link homeless callers with shelter and service providers, 2) a number of frontline housing providers that work together to access housing through the use of shelter beds, seasonal emergency beds and hotel vouchers, and 3) outreach efforts including providing local police, township offices, food pantries and churches with information about shelter and services available for the homeless, and providing the community with the information necessary for them to assist people in accessing homeless services through educational efforts, including a yearly "People in Need" forum. Provider agency and Crisis Line staff workers also update each other on available shelter and services as well as new unsheltered clients in need during regular meetings and through caseworker communications.

Transitional Living Service's (TLS) received a Supportive Services for Veteran Families (SSVF) grant in 2013. The HUD grant for a small, soon-to-be-implemented program will provide permanent supportive housing to chronically homeless veterans with serious, persistent issues such as mental illness and addictions. HUD funding will go toward rental assistance. Peer-mentoring and case-management services will be provided through the veterans' drop-in center and employment coaching through TLS-HVRP. The CoC has signed a Memorandum of Understanding (MOU) to work with TLS to meet reporting requirements in HMIS.

**Substantial Amendment 2**

McHenry County's efforts to reduce the number of unsheltered homeless households with dependent children include: 1) a 24-hour Crisis Line that is able to link homeless callers with shelter and service providers, 2) a number of frontline housing providers that work together to access housing through the use of shelter beds, seasonal emergency beds and hotel vouchers, and 3) street outreach efforts including providing local police, township offices, food pantries and churches with information about shelter and services available for the homeless, and providing the community with the information necessary for them to assist people in accessing homeless services through educational efforts, including a yearly "People in Need" forum. Provider agency and Crisis Line staff workers also update each other on available shelter and services as well as new unsheltered clients in need during regular meetings and through caseworker communications.

TLS will continue to offer the Supportive Services for Veteran Families support to veterans in need.

**Describe the strengths and gaps of the service delivery system for special needs population and persons experiencing homelessness, including, but not limited to, the services listed above**

As noted earlier, the CoC is aware of gaps in the service delivery system and they are working to develop a strategic plan that will provide a framework and guidance for the homeless programs and services over the next five to ten years. According to the most recent CoC application, coordination of services comes in various forms. For instance, the HUD-VASH Program, managed by the Lovell Federal Health Care Center, participates in the CoC and coordinates with other CoC members. Veterans with HUD-VASH vouchers are invited to and participate in food distributions for low-income veterans sponsored by Transitional Living Services (TLS).

Home of the Sparrow is continuing its collaboration with a CHDO partner to develop additional affordable housing through NSP dollars, with anticipated new housing in early 2014. The McHenry County Department of Planning, through both the CDBG Commission and the Planning Commission, works with community providers, including CoC organizations, to develop strategies from its Annual Action Plan.

The CoC has also implemented a ranking procedure for organizations funded through the ESG program. This ranking procedure will be enhanced by the new planning program being implemented by HUD, with the intention that data provided consistently to the Ranking Committee of the CoC will result in clearly defined programs for the community.

**Substantial Amendment 2**

noted earlier, the CoC is aware of gaps in the service delivery system and developed a strategic plan that provides a framework for confronting homelessness for years 2016-2018. According to the most recent CoC application, coordination of services comes in various forms. For instance, the HUD-VASH Program, managed by the Lovell Federal Health Care Center, participates in the CoC and coordinates with other CoC members. Veterans with HUD-VASH vouchers are invited to and participate in food distributions for low-income veterans sponsored by Transitional Living Services (TLS).

Home of the Sparrow has developed several new affordable housing units over the course of the past three years through its collaboration with a CHDO partner and through the use of HOME Investment Partnerships Program funding. The McHenry County Department of Planning, through the CDHG Commission, works with community providers, including CoC organizations, to develop strategies for its Annual Action Plan. This can include, and has included, the development of new affordable housing.

The CoC has continually enhanced its ranking procedure for organizations funded through both the ESG and CoC programs. Ranking procedures generally involve past performance and targeted future outcomes for the CoC in order to most effectively utilize funding.

**Provide a summary of the strategy for overcoming gaps in the institutional structure and service delivery system for carrying out a strategy to address priority needs**

A gap in services identified in the 2013 McHenry County Continuum of Care application included the lack of reliable and adequate public and private transportation or transportation assistance, job placement and employment related trainings, adequate services to address the growing problem of transitional age youth homelessness, and access to medical care including inpatient treatment. It was also agreed that a well-designed and formalized coordinated centralized assessment system would probably help the CoC better utilize its present service system and provide data that could be used to determine the specific service needs for the future.

**Substantial Amendment 2**

As discussed earlier, with the onset of a new set of bylaws in the fall of 2012, the McHenry County CoC reformulated its committee structures to better develop strategies for ending homelessness in McHenry County. This resulted in the establishment of a Strategic Planning Committee that was able to prioritize seven different objectives. In turn, procedures were identified to ensure that households at imminent risk of homelessness get the right services at the right time and at the right level. Included is a strategy to help homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again.

## SP-45 Goals Summary – 91.215(a)(4)

### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Tenant Based Rental Assistance	2015	2019	Affordable Housing Homeless	Countywide LMC	Affordable Housing-Rental	CDBG: \$100,000 HOME: \$500,000	Tenant-based rental assistance / Rapid Rehousing: 25 Households Assisted
2	Historic Preservation of National Landmarks	2018	2019	Non-Housing Community Development	Low and Moderate Income Areas per Map 1	Historic Preservation of National Landmarks	CDBG: \$318,000	Facade treatment/business building rehabilitation: 1 Business
3	Foster Economic Development Via Microenterprise	2017	2019	Non-Housing Community Development	Countywide LMC	Economic Development through Microenterprise	CDBG: \$100,000	Businesses assisted: 5 Businesses Assisted
4	Eliminate/Clear Slum/Blight on a Spot Basis	2017	2019	Non-Housing Community Development	McHenry County Impacted Areas per Map 3 Low and Moderate Income Areas per Map 1 Countywide LMC	Elimination of Slum/Blight on a Spot Basis Historic Preservation of National Landmarks	CDBG: \$88,500	Buildings Demolished: 4 Buildings

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
5	Homeless Housing	2015	2019	Affordable Housing Homeless	Countywide LMC	Affordable Housing-Rental	HOME: \$199,038	Housing for Homeless added: 10 Household Housing Unit
6	Rental Rehab	2015	2019	Affordable Housing	McHenry County Impacted Areas per Map 3 Low and Moderate Income Areas per Map 1 Countywide LMC	Affordable Housing-Rental	HOME: \$300,000	Rental units rehabilitated: 25 Household Housing Unit
7	Down Payment Assistance - HOME	2015	2019	Affordable Housing	Countywide LMC	Affordable Housing: Non-Rental	HOME: \$50,000	Direct Financial Assistance to Homebuyers: 10 Households Assisted
8	Housing Opportunities Via Downpayment Assistance	2018	2019	Affordable Housing	Countywide LMC	Affordable Housing: Non-Rental Downpayment Assistance	CDBG: \$75,000	Direct Financial Assistance to Homebuyers: 10 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Infrastructure - Non Housing	2015	2019	Non-Housing Community Development	Countywide LMC	Infrastructure: Public Improvements	CDBG: \$2,213,168	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 5000 Persons Assisted  Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 20 Households Assisted
10	Infrastructure - Housing	2015	2019	Affordable Housing	Countywide LMC	Affordable Housing-Rental Infrastructure: Public Improvements	CDBG: \$194,952	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 25 Households Assisted
11	Public Facilities	2015	2019	Non-Housing Community Development	Countywide LMC	Public Facility Improvements	CDBG: \$385,000	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 3000 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
12	Housing Repairs: CDBG	2015	2019	Affordable Housing	McHenry County Impacted Areas per Map 3 Low and Moderate Income Areas per Map 1	Affordable Housing: Non-Rental	CDBG: \$1,095,415	Homeowner Housing Rehabilitated: 125 Household Housing Unit
13	Owner Occupied Rehab	2015	2019	Affordable Housing	McHenry County Impacted Areas per Map 3 Low and Moderate Income Areas per Map 1 Countywide LMC	Affordable Housing: Non-Rental	HOME: \$650,000	Homeowner Housing Rehabilitated: 25 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
14	Public Services	2015	2019	Public Services	Countywide LMC	Affordable Housing-Rental Affordable Housing: Non-Rental Public Services: Homeless Populations Public Services: Non-homeless Populations Economic Development through Microenterprise Downpayment Assistance	CDBG: \$929,000	Public service activities for Low/Moderate Income Housing Benefit: 3000 Households Assisted

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
15	Administration	2015	2019	Administration	Countywide LMC	Affordable Housing-Rental Affordable Housing: Non-Rental Infrastructure: Public Improvements Public Facility Improvements Public Services: Homeless Populations Public Services: Non-homeless Populations Elimination of Slum/Blight on a Spot Basis Economic Development through Microenterprise Historic Preservation of National Landmarks Downpayment Assistance	CDBG: \$1,020,437 HOME: \$164,247	Other: 10 Other

Table 53 – Goals Summary

## Goal Descriptions

<b>1</b>	<b>Goal Name</b>	Tenant Based Rental Assistance
	<b>Goal Description</b>	TBRA with CDBG Public Services

2	<b>Goal Name</b>	Historic Preservation of National Landmarks
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<p><b>Goal Description</b></p>	<p>McHenry County proposes to declare a Spot Blight to an historic property for potential Historic Preservation. Activities funded under this National Objective will foster a positive change in the environment of an area containing a deteriorating or blighted property.</p> <p>Eliminating Slum/Blight on a Spot Basis entails removing specific conditions of blight or physical decay to a specific location <u>not</u> located in a slum or blighted <u>area</u>. These efforts are intended to improve conditions, property values, and economic development in the surrounding area. This will enable outside organizations or local governments to seek funding for this purpose.</p> <p>To determine that a building or contiguous buildings are considered “blighted” on a Spot Basis, the County is proposing to use conditions that are defined by the Illinois Housing Development Authority (IHDA) through its Abandoned Residential Property Program. Though this IHDA program specifically focuses on residential properties, it provides potential subrecipients or the County with relatable guidelines. Besides residential structures, non-residential buildings of historical significance would also be allowable. In order to be considered blight on a spot basis, the building or contiguous buildings must meet at least one of the following applicable scenarios as defined by IHDA:</p> <p>A) Construction was initiated on the property and was discontinued prior to completion, leaving a building unsuitable for occupancy, and no construction has taken place in 6 months;</p> <p>B) Multiple windows on the property are boarded up, closed off or smashed through, broken off or unhinged, or multiple window panes are broken and unrepaired;</p> <p>C) Doors on the property are smashed through, broken off, unhinged or continuously unlocked;</p> <p>D) The property has been stripped of copper or other materials, or interior fixtures to the property have been removed;</p> <p>E) Gas, electrical or water services to the entire property have been terminated;</p> <p>F) One or more written statements of the mortgagor or the mortgagor's personal representative or assigns, including documents of conveyance, indicate a clear intent to abandon the property;</p> <p>G) Law enforcement officials have received at least one report of trespassing or vandalism or other illegal acts being committed at the property in the last 6 months;</p>
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		<p>H) The property has been declared unfit for occupancy and ordered to remain vacant and unoccupied under an order issued by a municipal or county authority or a court of competent jurisdiction;</p> <p>I) The local police, fire or code enforcement authority has requested the owner or other interested or authorized party to secure or winterize the property due to the local authority declaring the property to be an imminent danger to the health, safety and welfare of the public;</p> <p>J) The property is open and unprotected or is in reasonable danger of significant damage due to exposure to the elements, vandalism or freezing; or</p> <p>K) Other evidence indicates a clear intent to abandon the property.</p> <p>While HUD guidelines codify a variety of activities eligible for funding in entitlement communities under Slum/Blight on a Spot Basis under 24 CFR 570.208(b)(2), the County proposes only the following eligible activities:</p> <ol style="list-style-type: none"> <li>1. Acquisition and demolition (or court ordered demolition) of a dilapidated property; and</li> <li>2. Preservation and/or rehabilitation of a deteriorated building of historic significance.</li> </ol>
<b>3</b>	<b>Goal Name</b>	Foster Economic Development Via Microenterprise
	<b>Goal Description</b>	The definition of a microenterprise is not included in the CDBG regulations but is defined at 42 USC 69 Section 5302(a)(22) as a commercial enterprise that has 5 or fewer employees, 1 or more of whom owns the enterprise.

4	<b>Goal Name</b>	Eliminate/Clear Slum/Blight on a Spot Basis
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<p><b>Goal Description</b></p>	<p>McHenry County proposes to remove at least four properties from Slum/Blight on a Spot Basis through demolition in unincorporated areas of the County.</p> <p>Eliminating Slum/Blight on a Spot Basis removes conditions of blight or physical decay to a specific location <u>not</u> located in a slum or blighted <u>area</u>. These efforts are improve conditions, property values, and economic development in the surrounding area.</p> <p>Removing properties from Slum/Blight on a Spot Basis will occur through demolition and will be taken on by County staff through procurement and oversight of contracted third party entities. Administrative management of demolitions will fall within the County’s administrative cap.</p> <p>To demonstrate a building or contiguous buildings are considered “blighted” on a spot basis, the County is proposing to use conditions that are defined by the Illinois Housing Development Authority (IHDA) through its Abandoned Residential Property Program. Though this IHDA program specifically focuses on residential properties, it provides potential subrecipients or the County with relatable guidelines. Besides residential structures, non-residential buildings of historical significance would also be allowable. In order to be considered blight on a spot basis, the building or contiguous buildings must meet at least one of the following applicable scenarios as defined by IHDA:</p> <p>A) Construction was initiated on the property and was discontinued prior to completion, leaving a building unsuitable for occupancy, and no construction has taken place in 6 months;</p> <p>B) Multiple windows on the property are boarded up, closed off or smashed through, broken off or unhinged, or multiple window panes are broken and unrepaired;</p> <p>C) Doors on the property are smashed through, broken off, unhinged or continuously unlocked;</p> <p>D) The property has been stripped of copper or other materials, or interior fixtures to the property have been removed;</p> <p>E) Gas, electrical or water services to the entire property have been terminated;</p> <p>F) One or more written statements of the mortgagor or the mortgagor's personal representative or assigns, including documents of conveyance, indicate a clear intent to abandon the property;</p> <p>G) Law enforcement officials have received at least one report of trespassing or vandalism or other illegal acts being committed at the property in the last 6 months;</p>
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		<p>H) The property has been declared unfit for occupancy and ordered to remain vacant and unoccupied under an order issued by a municipal or county authority or a court of competent jurisdiction;</p> <p>I) The local police, fire or code enforcement authority has requested the owner or other interested or authorized party to secure or winterize the property due to the local authority declaring the property to be an imminent danger to the health, safety and welfare of the public;</p> <p>J) The property is open and unprotected or is in reasonable danger of significant damage due to exposure to the elements, vandalism or freezing; or</p> <p>K) Other evidence indicates a clear intent to abandon the property.</p> <p>While HUD guidelines codify a variety of activities eligible for funding in entitlement communities under Slum/Blight on a Spot Basis under 24 CFR 570.208(b)(2), the County proposes only the following eligible activities:</p> <ol style="list-style-type: none"> <li>1. Acquisition and demolition or court ordered demolition of a dilapidated property; and</li> <li>2. Preservation and/or rehabilitation of a deteriorated building of historic significance.</li> </ol>
5	<b>Goal Name</b>	Homeless Housing
	<b>Goal Description</b>	Units designed for formerly homeless.
6	<b>Goal Name</b>	Rental Rehab
	<b>Goal Description</b>	Rehab of rental units
7	<b>Goal Name</b>	Down Payment Assistance - HOME
	<b>Goal Description</b>	Direct Financial Assistance to homebuyers.

8	<b>Goal Name</b>	Housing Opportunities Via Downpayment Assistance
	<b>Goal Description</b>	Down Payment assistance without rehab.
9	<b>Goal Name</b>	Infrastructure - Non Housing
	<b>Goal Description</b>	Water Treatment, Sewer, Storm water, Drainage, Sidewalks, Streets, Curbs and Gutter Improvements.
10	<b>Goal Name</b>	Infrastructure - Housing
	<b>Goal Description</b>	Infrastructure activities for LMI Housing
11	<b>Goal Name</b>	Public Facilities
	<b>Goal Description</b>	Public Facility Improvements.
12	<b>Goal Name</b>	Housing Repairs: CDBG
	<b>Goal Description</b>	Housing repairs to address health and safety issues.
13	<b>Goal Name</b>	Owner Occupied Rehab
	<b>Goal Description</b>	Owner Occupied Rehab
14	<b>Goal Name</b>	Public Services
	<b>Goal Description</b>	Public Services: Services low- to moderate- income persons.
15	<b>Goal Name</b>	Administration
	<b>Goal Description</b>	Grantee Administration of the HOME and CDBG grants including financial oversight, project reporting, monitoring.

**Estimate the number of extremely low-income, low-income, and moderate-income families to whom the jurisdiction will provide affordable housing as defined by HOME 91.315(b)(2)**

Over the next five years, 90 units will be provided to LMI families using HOME funds.

The following are estimates for each housing activity by income category:

TBRA: 25 Extremely low-income

Purchase/Rehab Downpayment: 10 moderate-income

Owner-occupied rehab:

45 extremely low-income

50 low-income

55 moderate income

Rental: 18 low-income

7 moderate-income

## **SP-50 Public Housing Accessibility and Involvement – 91.215(c)**

### **Need to Increase the Number of Accessible Units (if Required by a Section 504 Voluntary Compliance Agreement)**

McHenry County Housing Authority (MCHA) is not required by a Section 504 Voluntary Compliance Agreement to increase the number of accessible units.

### **Activities to Increase Resident Involvements**

As stated in MA-25, McHenry County Housing Authority has a Resident Advisory Board that is directly involved in a management capacity. Additionally, one public housing tenant has a seat on the full Housing Authority Board of Directors. Further, MCHA involves its residents in management activities with a community service requirement such as volunteering 8 hours/month in some public benefit activity or participating in training, counseling or classes toward gaining self-sufficiency and independence. Scattered-site tenants are encouraged to take part in local neighborhood watch or crime prevention programs.

MCHA will continue to work to provide financial literacy counseling and life skills training, in addition to sending job opening notices to public housing tenants.

### **Is the public housing agency designated as troubled under 24 CFR part 902?**

No

### **Plan to remove the ‘troubled’ designation**

N/A

## **SP-55 Barriers to affordable housing – 91.215(h)**

### **Barriers to Affordable Housing**

McHenry County completed an Analysis of Impediments to Fair Housing Choice (AI) in 2012 that helped to identify public policies that had a negative effect on fair housing, affordable housing and residential investment.

A few of the key barriers include limited zoning for multi-family development, the high cost of land and construction, and the lack of public financing incentives to reduce these costs. While affordability/income is not 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.

In addition, McHenry County's employment opportunities and lack of transportation are barriers that affect the location of affordable housing. These barriers can prevent development and force lower income households to live far from job opportunities. This home-to-work distance makes it more difficult for the unemployed to find work; for the employed, it lengthens the commute, which lowers the quality of life.

### **Strategy to Remove or Ameliorate the Barriers to Affordable Housing**

The AI provided the following Fair Housing Action Plan, some of which address barriers to affordable housing, in addition to fair housing:

**McHenry County  
Implementation Schedule for AI Fair Housing Action Plan**

	Planned Action Year					Responsible Entity
	2012	2013	2014	2015	2016	
<b>Goal: Strengthen institutional structure to address fair housing issues at the local level</b>						
Task: The County will further fair housing with activities such as education and annual outreach		•	•	•	•	DPD, County Board
<b>Goal: Eliminate local government barriers to affordable housing development</b>						
Task: Provide one-on-one technical assistance to local governments aimed at identifying and overcoming procedural and regulatory barriers to affordable housing. Local elected officials, planning commission members and zoning hearing board members should receive training, which should be mandatory for local units of government receiving CDBG or HOME funds.			•	•	•	Planning Commission, DPD
Task: Review remaining municipal ordinances prior to the next CDBG/HOME funding cycle to identify the existence of any provisions inconsistent with the FHA	•					DPD
Task: Establish a formal policy of refusing to grant CDBG or HOME funds to municipalities determined to be engaging in unlawful discrimination	•					DPD
Task: Continue requiring all CDBG and HOME recipients to certify compliance with a series of laws related to equal opportunity and non-discrimination	•	•	•	•	•	DPD
Task: Closely monitor and advise local government zoning and land use practices. Promote the use and adoption of model ordinances, especially as they relate to the removal of barriers to affordable housing and accommodating group homes for persons with disabilities	•	•	•	•	•	Planning Commission
<b>Goal: Address the growing unmet need for affordable rental housing</b>						
Task: In order to meet existing demand and the future need for affordable rental units identified in the Comprehensive Plan, create, incentivize and/or facilitate affordable housing at a		•	•	•	•	DPD, County Board
Task: Develop an affordable housing setaside requirement for residential developments that occur where public water and sewer are in place		•	•	•	•	DPD, County Board
Task: Enact the proposed Tenant-Based Rental Assistance initiative, which would provide affordable housing for up to 25 households for two years		•	•	•	•	DPD, County Board
<b>Goal: Amend policy and program documents to affirmatively further fair housing</b>						
Task: Amend CDBG and HOME application documents to specify a policy of affirmatively furthering fair housing and rejecting funding for developers who are non-compliant		•				DPD
Task: Continue to invest housing funds outside impacted areas		•	•	•	•	DPD, County Board
<b>Goal: Increase access to Department programs for persons with limited English proficiency</b>						
Task: Complete four-factor analysis of needs and language access plan according to HUD's LEP guidance		•				DPD, MCHA
<b>Goal: Continue to work toward effectively using transit as a tool to connect affordable housing with jobs</b>						
Task: Continue to collaborate with Pace and Metra to negotiate ways to meet the needs of residents, such as the expansion of the Pace shuttle service area	•	•	•	•	•	DPD, Planning Commission
Task: Seek ways to expand MCRide for local residents commuting to jobs	•	•	•	•	•	DPD, Planning Commission, County Board
Task: Identify and incentivize opportunities around existing areas of public transit for the development of medium-density and high-density affordable multi-family housing	•	•	•	•	•	DPD, Planning Commission
<b>Goal: Address the concentration of voucher holders in impacted areas</b>						
Task: Continue participation in regional voucher mobility initiatives to encourage the integration of affordable voucher units in communities of opportunity and promote the distribution of tenant-based voucher households across a wider variety of neighborhoods	•	•	•	•	•	MCHA
<b>Goal: Increase participation by members of the protected classes on appointed housing boards and commissions</b>						

**SP-55 Fair Housing Action Plan**

## **SP-60 Homelessness Strategy – 91.215(d)**

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

McHenry County's efforts to identify and engage persons routinely sleeping in the street include: 1) a 24-hour Crisis Line that is able to link homeless callers with shelter and service providers, 2) the PADS Day Service Center and Thresholds serve as daily drop-in centers where staff people are available to help homeless clients access services and shelter, 3) staff from service provider agencies go out and engage homeless people living in the street (as observed by staff or reported by clients and community), 4) a mobile office developed by the Veterans Assistance Commission that is available for use by agencies for street outreach activities, 5) a number of front-line housing providers that work together to access housing through the use of shelter beds, seasonal emergency beds and hotel vouchers, and 6) outreach efforts with local police, township offices, food pantries and churches about homeless people identified in their areas.

The lack of a systematic analysis of the CoC's methods of accessing mainstream benefits, the lack of CoC wide training on how to identify eligibility and program changes for mainstream programs were identified as needs. It was also agreed that a well-designed, formalized coordinated centralized assessment system would probably help the CoC assist its clients more quickly in accessing eligible mainstream benefits now and provide data that could be used to determine how to more efficiently access mainstream benefits in the future.

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

A few of the key issues to address the emergency and transitional housing needs of homeless persons includes the lack of a 24-hour permanent site year-round emergency shelter, the need for additional transitional shelter (or rapid re-housing) beds and facilities for families with children (especially large families), beds for transitional age youth, crisis respite beds, the decline in the number of vouchers available and the need for more overall affordable housing opportunities. It was also agreed that a well-designed, formalized and coordinated centralized assessment system would help the CoC better utilize its present housing facilities and provide data that could be used to determine the specific housing needs for the future.

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

As stated earlier, McHenry County's efforts to reduce the number of unsheltered homeless households with dependent children include: 1) a 24-hour Crisis Line that is able to link homeless callers with shelter and service providers, 2) a number of frontline housing providers that work together to access housing through the use of shelter beds, seasonal emergency beds and hotel vouchers, and 3) outreach efforts including providing local police, township offices, food pantries and churches information about shelter and services available for the homeless, and providing the community with the information necessary for them to assist people in accessing homeless services through educational efforts including a yearly "People in Need" forum. Provider agency and Crisis Line staff workers also update each other on available shelter and services as well as new unsheltered clients in need during regular meetings and through caseworker communications.

**Help low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families who are likely to become homeless after being discharged from a publicly funded institution or system of care, or who are receiving assistance from public and private agencies that address housing, health, social services, employment, education or youth needs**

Pioneer Center for Human Services operates a Runaway and Homeless Youth (RHY) Basic Center Program (BCP) that provides emergency shelter placement, crisis intervention and reunification counseling to homeless or at-risk youth and families. The Pioneer Center RHY BCP will fund short term emergency placement when needed for the homeless youth. Youth and families may self-refer or may also be referred by police, schools, and other provider agencies. All runaway and homeless youth up to age 25 may be eligible for assistance. Pioneer Center also conducts community outreach as well as prevention related activities to reduce the incidence of runaways in the service area and to increase the number of homeless runaway and at-risk youth referred to them for counseling services. As the other CoC agencies are seeing an increase in homelessness among the transitioning youth population, they have begun working with the RHY BCP program staff and through the CoC to develop strategies to address this issue.

## **SP-65 Lead based paint Hazards – 91.215(i)**

### **Actions to address LBP hazards and increase access to housing without LBP hazards**

The Lead Based Paint (LBP) program in the County is a state funded program. Each municipality determines their lead based paint needs and programs. McHenry County Health Department refers low-income persons with elevated blood lead levels to the McHenry County Housing Authority. This agency has funding to address lead-based paint hazards.

Through McHenry County Housing Authority, the County offers an owner-occupied housing rehabilitation program. Lead abatement is one aspect of the rehabilitation program if a problem with lead paint is identified during the rehabilitation project. For any projects to dwellings constructed before 1978, the County requires lead testing and, if necessary, abatement prior to any construction activity. Additionally, County inspectors working with HUD funded programs are certified under the new EPA lead paint laws known as Renovation, Repair, and Painting Program (RRP). A LBP training session was last conducted in 2009 or 2010. An estimated 150 local contractors participated, and an estimated 40-50 became certified.

Recently, the McHenry County Department of Health, along with the Centers for Disease Control and Prevention, the U.S. Environmental Protection Agency, and the U.S. Department of Housing and Urban Development, participated in National Lead Poisoning Prevention Week. Outreach programs to enhance awareness of lead-based paint and testing will occur in FY2015-2019.

### **How are the actions listed above related to the extent of lead poisoning and hazards?**

The owner-occupied housing rehabilitation program offers lead abatement as one aspect of the rehabilitation program. Staff members who operate the program estimate that up to 85% of the structures built before 1950 have lead paint. The community of Harvard (in addition to other older communities in the County) is estimated to have a housing stock with high levels of lead.

According to the Illinois Department of Public Health's 2011 Annual Surveillance Report, An estimated 19,984 children were tested for the first time and six had elevated lead content. Relative to other counties in Illinois, this is a relatively low rate. Elevated blood lead levels have been decreasing steadily over the past 20 years, even while the number of persons tested has increased.

### **How are the actions listed above integrated into housing policies and procedures?**

Most of the owner-occupied housing rehabilitations are for older, single, or disabled residents. This program assists in keeping housing affordable for those most vulnerable County residents. In addition, the County requires lead testing and, if necessary, abatement prior to any construction activity.

## **SP-70 Anti-Poverty Strategy – 91.215(j)**

### **Jurisdiction Goals, Programs and Policies for reducing the number of Poverty-Level Families**

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

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

### **How are the Jurisdiction poverty reducing goals, programs, and policies coordinated with this affordable housing plan**

In addition to the above, there is a desire to allocate 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 Comprehensive Plan. Housing development is also desired in infill areas of major municipalities or areas with connectivity to necessary services. HOME projects that include employer-assisted or workforce housing initiatives in these areas will be a priority for the County.

## **SP-80 Monitoring – 91.230**

**Describe the standards and procedures that the jurisdiction will use to monitor activities carried out in furtherance of the plan and will use to ensure long-term compliance with requirements of the programs involved, including minority business outreach and the comprehensive planning requirements**

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.

Since McHenry County depends on subrecipients for implementation, the County plans to annually assess the performance of subrecipients and categorize organizations as high, moderate, or low risk to monitor and assist accordingly. Additionally, the risk assessment will serve as an additional tool in determining funding capacity. Performance assessment will consist of review of timely submission of reports and documentation of expenditures, adequate on-site documentation of the eligibility of beneficiaries and compliance with other HUD program requirements.

Project eligibility and compliance with CDBG National Objectives and HOME affordability period, match and other requirements are determined at the time of application review.

### **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 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 tenants by AMI as per the written agreement – HOME units have HOME-qualified tenants; income verification is completed on an annual basis by the manager; rents collected do not exceed the HOME rent requirements and are in accordance with utility restrictions and/or additional subsidy requirements as applicable; the units are in compliance with local 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.

#### **Substantial Amendment 2:**

The CD Division has enhanced its efforts at monitoring and will be devising a more formalized schedule in 2017.

## Expected Resources

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

#### Introduction

The following table displays the anticipated resources broken down by program type. Projections are made for FY 2015 and the remaining four years of the Consolidated Plan.

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	1,336,571	0	0	1,336,571	5,182,901	CDBG funds will be used to address community development needs.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 1				Expected Amount Available Remainder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	433,030	0	0	433,030	1,430,255	HOME funds will be used to address community housing needs, including homelessness and special needs.

Table 54 - Expected Resources – Priority Table

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

**Substantial Amendment 2**

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.

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.

In addition, through the County's updated funding application process, a new County policy requires a minimum of 10% leveraging for CDBG funds with more points given for projects that provide a higher match percentage.

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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.

In addition, through the County's updated funding application process, a new County policy requires a minimum of 10% leveraging for CDBG funds with more points given for projects that provide a higher match percentage.

Further, projects that demonstrate thorough planning and that can develop further resources based on a CDBG or HOME allocation will score better during staff project review. Funding decisions will continue to be made by the Community Development and Housing Grant Commission. These decisions will be now reported to the newly-created Public Health and Community Services Committee, which would forward its recommendations for final approval of subrecipient awards to the McHenry County Board.

**Comment Period 2:** This information remains the same but will involve a greater review of capacity, financials, and audits to ensure project completion and meeting appropriate time frames.

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

Not applicable.

**Discussion**

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Infrastructure - Non Housing	2015	2019	Non-Housing Community Development	McHenry County Impacted Areas per Map 3 Low and Moderate Income Areas per Map 1	Infrastructure: Public Improvements	CDBG: \$653,771	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 500 Persons Assisted
2	Housing Repairs: CDBG	2015	2019	Affordable Housing	Countywide LMC	Affordable Housing: Non-Rental	CDBG: \$175,000	Homeowner Housing Rehabilitated: 5 Household Housing Unit
3	Owner Occupied Rehab	2015	2019	Affordable Housing	Countywide LMC	Affordable Housing-Rental Affordable Housing: Non-Rental	HOME: \$389,727	Rental units rehabilitated: 0 Household Housing Unit Homeowner Housing Rehabilitated: 7 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
4	Public Services	2015	2019	Public Services	Countywide LMC	Public Services: Homeless Populations Public Services: Non-homeless Populations	CDBG: \$200,485	Other: 700 Other
5	Public Facilities	2015	2019	Non-Housing Community Development	Countywide LMC	Public Facility Improvements	CDBG: \$0	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit: 500 Persons Assisted Other: 0 Other
6	Tenant Based Rental Assistance	2015	2019	Affordable Housing Homeless	Countywide LMC	Affordable Housing-Rental	HOME: \$500,000	Tenant-based rental assistance / Rapid Rehousing: 25 Households Assisted
7	Down Payment Assistance - HOME	2015	2019	Affordable Housing	Countywide LMC	Affordable Housing: Non- Rental	HOME: \$20,000	Direct Financial Assistance to Homebuyers: 1 Households Assisted
8	Rental Rehab	2015	2019	Affordable Housing	Countywide LMC	Affordable Housing-Rental	HOME: \$795,000	Rental units rehabilitated: 5 Household Housing Unit

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
9	Infrastructure - Housing	2015	2019	Affordable Housing	McHenry County Impacted Areas per Map 3 Low and Moderate Income Areas per Map 1 Countywide LMC	Affordable Housing-Rental Affordable Housing: Non-Rental Infrastructure: Public Improvements Elimination of Slum/Blight on a Spot Basis	CDBG: \$300,000	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit: 50 Households Assisted

Table 55 – Goals Summary

### Goal Descriptions

1	<b>Goal Name</b>	Infrastructure - Non Housing
	<b>Goal Description</b>	Fund infrastructure improvement projects with a LMA benefit non-housing.
2	<b>Goal Name</b>	Housing Repairs: CDBG
	<b>Goal Description</b>	Fund repairs to housing units occupied by extremely low-, very low-income or special needs populations within McHenry County Rehabilitation Standards.

3	<b>Goal Name</b>	Owner Occupied Rehab
	<b>Goal Description</b>	Fund the development or acquisition/rehabilitation of units for extremely low-, very low-, low-income or elderly households/fund the rehabilitation of housing units occupied by extremely low-, very low income or elderly homeowners to meet McHenry County Rehabilitation Standards; Fund homebuyer projects that allow low-and moderate-income people to own a home.
4	<b>Goal Name</b>	Public Services
	<b>Goal Description</b>	Fund support service agencies to increase capacity or efficiency of services to serve homeless populations; fund service agencies to increase services or maintain existing level of service for non-homeless, extremely low- to moderate-populations.
5	<b>Goal Name</b>	Public Facilities
	<b>Goal Description</b>	
6	<b>Goal Name</b>	Tenant Based Rental Assistance
	<b>Goal Description</b>	
7	<b>Goal Name</b>	Down Payment Assistance - HOME
	<b>Goal Description</b>	
8	<b>Goal Name</b>	Rental Rehab
	<b>Goal Description</b>	
9	<b>Goal Name</b>	Infrastructure - Housing
	<b>Goal Description</b>	

## Projects

### AP-35 Projects – 91.220(d)

#### Introduction

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

#### Projects

#	Project Name
1	Infrastructure Improvements
2	Affordable Housing -Housing Repairs CDBG
3	Affordable Housing: HOME Program
4	Public Services
5	Public Facilities
6	CDBG and HOME Grant Administration

Table 56 – Project Information

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

The priorities were established as a result of stakeholder discussions and an analysis of need within the County

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

<b>1</b>	<b>Project Name</b>	Infrastructure Improvements
	<b>Target Area</b>	Low and Moderate Income Areas per Map 1 Countywide LMC
	<b>Goals Supported</b>	Infrastructure - Non Housing
	<b>Needs Addressed</b>	Infrastructure: Public Improvements
	<b>Funding</b>	CDBG: \$681,772
	<b>Description</b>	Fund infrastructure improvement projects that benefit households in low- and moderate-income areas.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	Water Treatment, Sewer, Storm water, Drainage, Sidewalks, Streets, Curbs and Gutter Improvements.
<b>2</b>	<b>Project Name</b>	Affordable Housing -Housing Repairs CDBG
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Housing Repairs: CDBG
	<b>Needs Addressed</b>	Affordable Housing: Non-Rental
	<b>Funding</b>	CDBG: \$187,000
	<b>Description</b>	Fund repairs to housing units occupied by extremely low-, very low-income or special needs populations within McHenry County Rehabilitation Standards.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	

	<b>Planned Activities</b>	Fund repairs to housing units occupied by extremely low-, very low-income or special needs populations within McHenry County Rehabilitation Standards.
<b>3</b>	<b>Project Name</b>	Affordable Housing: HOME Program
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Owner Occupied Rehab
	<b>Needs Addressed</b>	Affordable Housing-Rental Affordable Housing: Non-Rental
	<b>Funding</b>	HOME: \$389,727
	<b>Description</b>	Fund the development or acquisition/rehabilitation of rental units for extremely low-, very low-, low-income or elderly households/fund the rehabilitation of housing units occupied by extremely low-, very low income or elderly homeowners to meet McHenry County Rehabilitation Standards; Fund homebuyer projects that allow low-and moderate-income people to own a home; Fund Tenant Based Rental Assistance (TBRA). A minimum of 15% of the funding \$64,954.50 will be awarded to a CHDO for this project. The remaining entitlement funding will be awarded to either CHDO or non-CHDO applicants.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	Fund the development or acquisition/rehabilitation of rental units for extremely low-, very low-, low-income or elderly households/fund the rehabilitation of housing units occupied by extremely low-, very low income or elderly homeowners to meet McHenry County Rehabilitation Standards; Fund homebuyer projects that allow low-and moderate-income people to own a home; Fund Tenant Based Rental Assistance (TBRA). A minimum of 15% of the funding \$64,954.50 will be awarded to a CHDO for this project. The remaining entitlement funding will be awarded to either CHDO or non-CHDO applicants.
<b>4</b>	<b>Project Name</b>	Public Services
	<b>Target Area</b>	Countywide LMC

	<b>Goals Supported</b>	Public Services
	<b>Needs Addressed</b>	Public Services: Homeless Populations
	<b>Funding</b>	CDBG: \$200,485
	<b>Description</b>	Fund support service agencies to increase capacity or efficiency of services to serve homeless populations; fund service agencies to increase services or maintain existing level of service for non-homeless, extremely low- to moderate-populations.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	See above.
5	<b>Project Name</b>	Public Facilities
	<b>Target Area</b>	Countywide LMC
	<b>Goals Supported</b>	Public Facilities
	<b>Needs Addressed</b>	Public Facility Improvements
	<b>Funding</b>	:
	<b>Description</b>	Fund the rehabilitation of a public facility for a documented structural damage resulting in a health safety issue or causing inherent danger excluding any lack of maintenance or neglect; Fund the expansion of a public facility when documentation can support the likelihood that expansion or rehabilitation will increase the number of low- and moderate-income or limited clientele persons served. NOTE: NO FUNDING WILL BE ALLOCATED TO THIS PROJECT IN 2015.
	<b>Target Date</b>	
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	NOTE: NO FUNDING WILL BE ALLOCATED TO THIS PROJECT IN 2015.

<b>6</b>	<b>Project Name</b>	CDBG and HOME Grant Administration
	<b>Target Area</b>	McHenry County Impacted Areas per Map 3 Low and Moderate Income Areas per Map 1 Countywide LMC
	<b>Goals Supported</b>	Tenant Based Rental Assistance Rental Rehab Down Payment Assistance - HOME Infrastructure - Non Housing Infrastructure - Housing Public Facilities Housing Repairs: CDBG Owner Occupied Rehab Public Services
	<b>Needs Addressed</b>	Affordable Housing-Rental Infrastructure: Public Improvements Affordable Housing: Non-Rental Public Services: Homeless Populations Public Services: Non-homeless Populations Public Facility Improvements Elimination of Slum/Blight on a Spot Basis Economic Development through Microenterprise Historic Preservation of National Landmarks Downpayment Assistance
	<b>Funding</b>	CDBG: \$267,314 HOME: \$43,303
	<b>Description</b>	CDBG and HOME Grant Administration including NOFA and contracting to Sub-Recipients, financial transactions, reporting, and monitoring.
	<b>Target Date</b>	7/31/2018
	<b>Estimate the number and type of families that will benefit from the proposed activities</b>	
	<b>Location Description</b>	
	<b>Planned Activities</b>	CDBG and HOME Grant Administration including NOFA, contracting to Sub-recipients and Developers, monitoring, reporting and financial oversight.

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

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

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

Most recently, the Village of Union received funding for a large infrastructure project, while Wonder Lake has received attention due to failing water and sewer systems. The community is also a target for the HOME rehabilitation program.

The County has developed a system for prioritizing goals and scoring for local CDBG applications. Once an application meets the basic eligibility requirements (LMI benefit, eligible activity that meets a National Objective, addresses one of the stated goals in the Consolidated Plan, etc.), a set of scoring criteria is used.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>

**Table 57 - Geographic Distribution**

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

The areas/neighborhoods of concentration of minority and LMI persons tend to be in older areas with a higher level of housing rehabilitation needs. These geographic areas are identified above. Most of the calls for the weatherization program, in addition to the housing rehabilitation program, are from these areas of the County. In addition, due to the settlement patterns within the County, many older lakeside communities contain former summer cottages that now have year-round residents. These homes were never constructed as year-round homes and often require more maintenance due to age. Many of these units are located in areas without municipal water and sewer services, and often suffer from ongoing flooding issues.

These projects often address the issue of aging infrastructure in the County, including water and sewer

projects.

Most recently, the Village of Union has received funding for a large infrastructure project, while Wonder Lake has received attention due to failing water and sewer systems. The community is also a target for the HOME rehabilitation program.

The County is working to develop a system for prioritizing goals and scoring for local CDBG applications. Once an application meets the basic eligibility requirements (LMI benefit, eligible activity that meets a National Objective, addresses one of the stated goals in the Consolidated Plan, etc.), a set of scoring criteria would be used.

### **Discussion**

See above.

## Affordable Housing

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

#### Introduction

See below for the one year goals for the number of households to be supported.

<b>One Year Goals for the Number of Households to be Supported</b>	
Non-Homeless	0
Total	0

**Table 58 - One Year Goals for Affordable Housing by Support Requirement**

<b>One Year Goals for the Number of Households Supported Through</b>	
Rental Assistance	
The Production of New Units	
Rehab of Existing Units	
Acquisition of Existing Units	
Total	

**Table 59 - One Year Goals for Affordable Housing by Support Type**

#### Discussion

See above.

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

### **Introduction**

McHenry County is served by McHenry County Housing Authority (MCHA) which owns and manages 23 units of single-family public housing.

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

MCHA will continue to use the capital fund program over the next year to rehabilitate and modernized its public housing units to ensure housing quality standards, as well as energy efficiency.

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

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

MCHA will continue to work to provide financial literacy counseling and life skills training, in addition to sending job opening notices to public housing tenants.

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

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

### **Discussion**

See above.

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

### **Introduction**

McHenry County’s Continuum of Care (CoC) continues to work collaboratively to address the myriad of homeless issues in the County, including emergency, transitional, and permanent housing, and a range of social services agencies, from the Northern Illinois Food Bank to the PADS (Public Action to Deliver Shelter) to assist persons and families to become independent. Two major issues are impacting the level of homelessness in the County: the lack of affordable housing and the ongoing dislocation from the impact of the Great Recession. In addition, limited public transportation options impacts the ability of low-income households to access employment centers and social services.

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

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

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

The McHenry County Continuum of Care (CoC) plans to reach out and assess the needs of individuals experiencing homelessness through a “Coordinated Intake and Assessment” system that is currently under development. The CoC plans to employ the use of best practices in other Continuums and an assessment of community needs in order to develop an approach that best meets the needs of McHenry County.

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

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

McHenry County has discussed the development of a Strategic Plan that would provide a framework for

homeless housing and service delivery. This would be similar to a 10-year Plan to End Homelessness.

The identified objectives from the Continuum of Care include funding for the following:

- Development or rehabilitation of at least 10 emergency or transitional housing facilities or units,
- Creation of at least two year-round emergency shelter facilities,
- Work with the Continuum of Care on development of the plan, and
- Increase in case management capacity and/or supportive services for at least an additional 100 homeless families or individuals over five years.

The goal is to provide homeless individuals and families with the necessary shelter and supportive services to enable them to move from homelessness to permanent housing and then live as independently as possible while maintaining stable permanent housing. McHenry County's Continuum of Care strategy includes a number of components, including: information and referrals (I/R) as well as outreach, prevention, supportive services and shelter (emergency, transitional, permanent supportive and permanent).

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

The housing needs of low-income individuals and families with children are high due to a combination of the slow economic recovery, a lack of well-paying jobs, and the high cost of housing. With the cost of a two-bedroom unit approaching \$1,000 per month, few low-income individuals or families can afford a unit in the County. Over 30% of the households in the County earn less than \$50,000 annually. In addition, 47% of owners with mortgages, 17% of owners without mortgages, and 55% of renters in the county spent 30% or more of household income on housing. This financial position leaves many individuals and families who are currently housed in a precarious situation with no safety net if a major housing repair is needed or a large housing expense occurs.

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

**assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

In terms of rapid rehousing assistance, the CoC agencies have shifted their focus to the creation of a Rapid Rehousing Program for families and the addition of new affordable housing to the community. Home of the Sparrow collaborated with the McHenry County Planning Department and a CHDO in Cook County to bring 13 new units of housing for formerly homeless women and children to the community. This housing will address approximately 45 individuals annually with attached supportive services. Efforts will continue by CoC organizations through HOME and NSP Programs, as well as additional collaborations. In addition, Home of the Sparrow has been granted a \$300,000 HOME award for the acquisition and rehabilitation of an additional five to six units of affordable housing for formerly homeless women and children to be provided with safe, decent and affordable housing upon their exit from homelessness. These units will be mainly comprised of foreclosed properties that could potentially become blighted were it not for this program.

**Discussion**

See above.

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

### **Introduction:**

McHenry County completed an Analysis of Impediments to Fair Housing Choice (AI) in 2012 that identified the public policies that had a negative effect on fair housing, affordable housing and residential investment.

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

The AI provided the following Fair Housing Action Plan, some of which address barriers to affordable housing, in addition to fair housing:

### **Discussion:**

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

### **Introduction:**

The following is a brief summary of the planned actions from the Consolidated Plan (CP) and Annual Action Plan (AP).

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

Funding to support service agencies to increase capacity or efficiency of services to serve homeless populations; in addition to increasing services or maintaining the existing level of service for non-homeless, extremely low- to moderate-populations will assist in meeting underserved needs.

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

The lack of affordable housing is one of the primary issues identified during the development of the Consolidated Plan. The large waiting list indicates that the housing needs for persons with disabilities, in particular mental health, and those with extremely low-incomes, are currently unmet. The owner-occupied housing rehabilitation program and acquisition/rehabilitation of rental units (homeless priority) will assist in fostering and maintaining affordable housing in McHenry County.

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

The Lead Based Paint (LBP) program in the County is a state funded program. Each municipality determines their lead based paint needs and programs. McHenry County Health Department refers low-income persons with elevated blood lead levels to the McHenry County Housing Authority. This agency has funding to address lead-based paint hazards.

Through McHenry County Housing Authority and Habitat for Humanity of McHenry County, the County offers an owner-occupied housing rehabilitation program. Lead abatement is one aspect of the rehabilitation program if a problem with lead paint is identified during the rehabilitation project. For any projects to dwellings constructed before 1978, the County requires lead testing and, if necessary, abatement prior to any construction activity. Additionally, County inspectors working with HUD funded programs are certified under the new EPA lead paint laws known as the Renovation, Repair, and Painting Program (RRP). A LBP training session was last conducted in 2009 or 2010. An estimated 150 local contractors participated, and an estimated 40-50 contractors became certified.

Recently, the McHenry County Department of Health, along with the Centers for Disease Control (CDC) and Prevention, the U.S. Environmental Protection Agency (EPA), and the U.S. Department of Housing and Urban Development (HUD), participated in National Lead Poisoning Prevention Week. Outreach

programs to enhance awareness of lead-based paint and testing will occur in FY2015-2019.

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

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

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

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

The McHenry County Department of Planning and Development is responsible for the overall planning, administration and monitoring of the County's Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME) and other HUD funds made directly to the County.

Two locally appointed 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.

The Housing Commission is composed of government officials, housing industry representatives, housing and service providers and the general public, and 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 two sub-committees meet monthly to execute educational and outreach programming to further the understanding of best practices, policies, and planning for housing in the County.

Other partnerships exist to deliver services in the County. The Continuum of Care meets monthly on projects and issues related to the homeless. McHenry County Housing Authority (MCHA) has a seven member commission appointed by the McHenry County Board. MCHA implements public housing projects and a variety of other programs related to low-income people and housing needs.

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

The County has been actively working to address the gaps in the institutional delivery system. The

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

**Discussion:**

See above.

## Program Specific Requirements

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

**Introduction:**

See below for program specific requirements.

#### Community Development Block Grant Program (CDBG) Reference 24 CFR 91.220(I)(1)

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

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

#### Other CDBG Requirements

1. The amount of urgent need activities	0
2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan.	100.00%

#### HOME Investment Partnership Program (HOME) Reference 24 CFR 91.220(I)(2)

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

N/A

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

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 refinancing during the period of affordability, the County shall ensure that the loan terms of any loan to which HOME funds are subordinated are reasonable and sustainable. The County is currently developing procedures on refinancing HOME investment in the properties.
- 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. The County's five year Consolidated Plan also permits option for resale if deemed appropriate. Resale agreements must state fair return and reasonable qualifications for low income homebuyers.

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 Section 504 compliance records and procedures, and follows policies and programs that prohibit discrimination in employment, housing, access to education and public services.

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

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

received by the owners and the period of affordability requirement is listed below:

- The voluntary or involuntary sale or transfer of the property during the period of affordability will trigger repayment of direct HOME subsidy, subject to availability of net proceeds, to McHenry County to be utilized for HOME eligible activities.
- Subordination of McHenry County Mortgages due to Refinancing of Primary Loans. In the event of refinancing during the period of affordability, the County shall ensure that the loans terms of any loans to which HOME funds are subordinated are reasonable and sustainable. McHenry County's provisions are summarized as follows: Should the mortgagor under a McHenry County mortgage desire to refinance a mortgage which is superior to the McHenry County mortgage, McHenry County will subordinate its mortgage, as follows: homeowner may not take cash out; homeowner may roll into the new first mortgage only reasonable and customary closing costs associated with the refinancing (this does NOT include points paid to buy down the interest rate); the new first mortgage principal balance cannot exceed the original first mortgage principal; the new first mortgage must be a fixed rate loan (15 year permissible on a case by case basis, dependent on capacity to make payments); balloon mortgages are not permissible; if the prior mortgage required escrowing of taxes and insurance, the new mortgage shall also have this requirement.
- In the event of a foreclosure, the County shall recapture from the net proceeds up to the original amount of the direct HOME subsidy investment and subordinate to the first mortgage lien against the property.
- The Recapture revisions shall be enforced through a mortgage, note and recapture agreement filed with the McHenry County Recorder's Office and the requirements within shall be triggered upon a sale or transfer of the HOME assisted property.
- The amount recaptured will be the entire amount of the HOME direct subsidy to the homeowner, with the total collections capped by net proceeds. Net proceeds are the sales price minus the superior loan repayment (other than HOME) and any closing costs.

All projects using homebuyer assistance must follow the County's Homebuyer policy adopted in January 2014.

See below for the Discussion section for an outline of the Resale option.

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

N/A

Resale

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

Specific examples where McHenry County would use the resale method include:

1. Providing funds for the CHDO developer to acquire property to be developed or to acquire affordable ownership units;
2. Providing funds for site preparation or improvement, including demolition;
3. Providing funds for construction materials and labor.

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

Enforcement of Resale Provisions. The resale policy is enforced through the use of a

Declaration of Covenants for Resale will specify:

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

Fair Return on Investment. The McHenry County Planning and Development Department will administer its resale provisions by ensuring that the Owner receives a fair return on his/her investment and that the

home will continue to be affordable to a specific range of incomes. Fair Return on Investment means the total homeowner investment which includes the total cash contribution plus the approved capital improvements credits as described below:

1. The amount of the down payment;
2. The cost of any capital improvements, documented with receipts provided by the homeowner, including but not limited to:
  - a. Any additions to the home such as a bedroom, bathroom, or garage;
  - b. Replacement of heating, ventilation, and air conditioning systems;
  - c. Accessibility improvements such as bathroom modifications for disabled or elderly, installation of wheel chair ramps and grab bars, any and all of which must have been paid for directly by the Owner and which were not installed through a federal, state, or locally-funded grant program; and
  - d. Outdoor improvements such as a new driveway, walkway, retaining wall, or fence.

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

Affordability to a Range of Buyers. The County will ensure continued affordability to a range of buyers, particularly those whose total household incomes range from 50 percent to no greater than 80 percent AMI.

## Appendix - Alternate/Local Data Sources

<b>1</b>	<b>Data Source Name</b> test
	<b>List the name of the organization or individual who originated the data set.</b> 1
	<b>Provide a brief summary of the data set.</b> 1
	<b>What was the purpose for developing this data set?</b> 1
	<b>How comprehensive is the coverage of this administrative data? Is data collection concentrated in one geographic area or among a certain population?</b> 1
	<b>What time period (provide the year, and optionally month, or month and day) is covered by this data set?</b> 1
	<b>What is the status of the data set (complete, in progress, or planned)?</b> 1