



2017

Consolidated Annual Performance Evaluation Report

Prepared in
accordance with
Federal Regulations
Outlined in
24 CFR 91.520

McHenry County Community
Development Division

CR-05 - Goals and Outcomes

Progress the jurisdiction has made in carrying out its strategic plan and its action plan. 91.520(a)

This could be an overview that includes major initiatives and highlights that were proposed and executed throughout the program year.

McHenry County is midway through its five year strategic plan. Five over-arching goals were initially identified: infrastructure improvements; sustaining and/or increasing affordable housing; housing repairs to owner-occupied households; public facility improvements; and the provision of public services. Program years 2018 and 2019 will allow for additional activities that include Microenterprise, CDBG Downpayment Assistance, Historic Preservation, and Elimination of Slum and Blight. Because of the area benefit often seen in infrastructure projects, the goal of assisting 5000 individuals was met within the first year of the strategic plan; during the 2017 program year, 11,750 people benefited from water and sewer improvements alone. Affordable housing goals have been more difficult to obtain due to the time requirements inherent in property development funding, such as the pursuit of Low Income Housing Tax Credits, HOME property value caps, beneficiary eligibility screening, and overall investment underwriting considerations. Individual owner-occupied rehab projects bear a considerable administrative burden due to customized rehabilitation plans conducted by sub recipient organizations to ensure adherence to residential property codes, often expanding the original scope of work as activities commence and reveal additional necessary repairs not visible until later in the project. Even with cumbersome monitoring and grant management requirements in owner-occupied rehab, 84% of the five-year goal has been met, and future funding commitments project an additional 20-30 homeowner housing rehabilitated and successful attainment of the 125 unit five year goal. Looking to 2018 and beyond, priority has been shifted to affordable rental housing, utilizing tenant based rental assistance and increasing availability of affordable housing to households experiencing homelessness.

*The 2017 Annual Action Plan identified a goal of rehabilitating 47 rental units; however, the accomplishments table has the goal of "Homeowner Housing Added" instead of "Rental Units Rehabbed". Due to the absence of the goal outcome indicator "Rental Units Rehabbed" the accomplishments are reflected in "Homeowner Housing Added" instead.

Comparison of the proposed versus actual outcomes for each outcome measure submitted with the consolidated plan and explain, if applicable, why progress was not made toward meeting goals and objectives. 91.520(g)

Categories, priority levels, funding sources and amounts, outcomes/objectives, goal outcome indicators, units of measure, targets, actual outcomes/outputs, and percentage completed for each of the grantee's program year goals.

Goal	Category	Source / Amount	Indicator	Unit of Measure	Expected – Strategic Plan	Actual – Strategic Plan	Percent Complete	Expected – Program Year	Actual – Program Year	Percent Complete
Administration	Administration	CDBG: \$/ HOME: \$	Other	Other	10	6	60.00%	2	2	100%
Housing Repairs: CDBG	Affordable Housing	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	1	NA	0	1	NA
Housing Repairs: CDBG	Affordable Housing	CDBG: \$	Homeowner Housing Rehabilitated	Household Housing Unit	125	105	84.00%	25	22	88.00%
Increase Avail. or Sustainability of Affordable Hs	Affordable Housing Homeless	HOME: \$	Rental units rehabilitated	Household Housing Unit	25	10	40.00%	0	0	NA
Increase Avail. or Sustainability of Affordable Hs	Affordable Housing Homeless	HOME: \$	Homeowner Housing Added	Household Housing Unit	0	5	NA	47	8	17.02%
Increase Avail. or Sustainability of Affordable Hs	Affordable Housing Homeless	HOME: \$	Homeowner Housing Rehabilitated	Household Housing Unit	25	13	52.00%	8	0	0.00%

Increase Avail. or Sustainability of Affordable Hs	Affordable Housing Homeless	HOME: \$	Direct Financial Assistance to Homebuyers	Households Assisted	10	5	50.00%	2	4	200.00%
Increase Avail. or Sustainability of Affordable Hs	Affordable Housing Homeless	HOME: \$	Tenant-based rental assistance / Rapid Rehousing	Households Assisted	25	0	0.00%	0	0	NA
Increase Avail. or Sustainability of Affordable Hs	Affordable Housing Homeless	HOME: \$	Housing for Homeless added	Household Housing Unit	10	8	80.00%	8	6	75.00%
Infrastructure Improvements	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	5000	6735	134.70%	0	2940	NA
Infrastructure Improvements	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	0	536	NA	536	0	0.00%
Infrastructure Improvements	Non-Housing Community Development	CDBG: \$	Buildings Demolished	Buildings	0	0	NA	0	0	NA

Public Facilities	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	223	NA	0	223	NA
Public Facilities	Non-Housing Community Development	CDBG: \$	Public Facility or Infrastructure Activities for Low/Moderate Income Housing Benefit	Households Assisted	0	138	NA	130	0	0.00%
Public Facilities	Non-Housing Community Development	CDBG: \$	Homeless Person Overnight Shelter	Persons Assisted	0	0	NA	0	0	NA
Public Facilities	Non-Housing Community Development	CDBG: \$	Overnight/Emergency Shelter/Transitional Housing Beds added	Beds	0	0	NA	0	0	NA
Public Facilities	Non-Housing Community Development	CDBG: \$	Homelessness Prevention	Persons Assisted	0	213	NA	50	0	0.00%
Public Facilities	Non-Housing Community Development	CDBG: \$	Other	Other	3	4	133.33%	0	0	NA
Public Services	Public Services	CDBG: \$	Public service activities other than Low/Moderate Income Housing Benefit	Persons Assisted	0	198	NA	0	885	NA
Public Services	Public Services	CDBG: \$	Public service activities for Low/Moderate Income Housing Benefit	Households Assisted	3000	5980	199.33%	700	1886	269.43%

Table 1 - Accomplishments – Program Year & Strategic Plan to Date

Assess how the jurisdiction's use of funds, particularly CDBG, addresses the priorities and specific objectives identified in the plan, giving special attention to the highest priority activities identified.

The 2017 Action Plan followed a revised schema proposed in the Second Major Amendment to McHenry County's Consolidated Plan. Due to the continual poor performance of certain objectives, existing unmet goals were prioritized and if advantageous, amended to include an automatic parity: To incentivize organizations to pursue tenant based rental assistance, an automatic 20% CDBG Public Service grant was awarded to any TBRA request, and the introduction of microenterprise development in 2017 included public service dollars to support the primary economic development activities. Activities previously listed under the Affordable Housing category were delineated to more accurately account for HOME funding uses. This allowed for activity set-up details to be reflected under their appropriate corresponding goal category, and thereby carry over beneficiary information into microstrategy reports. HOME activities approved with 2017 funding were not entered into IDIS due to the delay in allocation disbursement and therefore projected outcomes are not represented in the CAPER. Additionally, due to the late disbursement of the County's entitlement award, the majority of 2017 projects saw no movement until late in the year. The final stage of the multi-year Walnut-Ash Sewer Improvement project was granted pre-award costs and thus move forward ahead of funding availability and close in 2017, reporting a low-mod area benefit to 2360 people. Two public service projects, serving a total of 692 low-mod clients, were completed and over-performed their projections. The remaining 2017 funded activities will report outcomes in 2018 and 2019.

CR-10 - Racial and Ethnic composition of families assisted

Describe the families assisted (including the racial and ethnic status of families assisted).

91.520(a)

	CDBG	HOME
White	2,253	8
Black or African American	41	0
Asian	9	0
American Indian or American Native	10	1
Native Hawaiian or Other Pacific Islander	1	1
Total	2,314	10
Hispanic	953	6
Not Hispanic	1,361	4

Table 2 – Table of assistance to racial and ethnic populations by source of funds

Narrative

Table 2 describes the race and ethnic composition of assisted individuals and families using data from the Summary of Accomplishments report.

CR-15 - Resources and Investments 91.520(a)

Identify the resources made available

Source of Funds	Source	Resources Made Available	Amount Expended During Program Year
CDBG	CDBG	1,381,647	708,786
HOME	HOME	416,920	212,252
HOPWA	HOPWA		
ESG	ESG		
Other	Other		

Table 3 - Resources Made Available

Narrative

Identify the geographic distribution and location of investments

Target Area	Planned Percentage of Allocation	Actual Percentage of Allocation	Narrative Description
Countywide LMC	100	60	non-area based assistance for LMI individuals and households
Low and Moderate Income Areas per Map 1		20	Areas that meet the exception criteria threshold for McHenry County
McHenry County Impacted Areas per Map 3		20	high percentage of minority population with low moderate income

Table 4 – Identify the geographic distribution and location of investments

Narrative

Due to the late disbursement of entitlement funds, the areas with planned activities will be executed in 2018 and reported in the 2018 CAPER. The 2018 Annual Action Plan will be written with this in mind.

Leveraging

Explain how federal funds leveraged additional resources (private, state and local funds), including a description of how matching requirements were satisfied, as well as how any publicly owned land or property located within the jurisdiction that were used to address the needs identified in the plan.

Overall, the Community Development Division has determined that for every \$1 in CDBG money that has gone out since the beginning of 2015, \$4.44 in other resources has been leveraged. Much of this additional funding has filtered through the HOME Program by way of eligible matching tax credit programs. In fact, the HOME program delivered more than ten times its required match in 2017. With the realization of placing very low Statewide in its 2015 CAPER Evaluation, the Division and associated funding recommendation Commission have evaluated high match/leverage projects more positively in order to garner a greater impact for every federal dollar spent. Through use of judicial orders to demolish and claim title to abandoned properties, the County will be able to allocate publicly owned land to CDBG and HOME projects in the future. (Note that this will be done after exhaustive attempts are made to encourage land and building owners to take care of their properties). The City of Woodstock has allowed for use of one of its municipal buildings for the purpose of serving the increasing homeless population, thereby leveraging considerable resources.

Fiscal Year Summary – HOME Match	
1. Excess match from prior Federal fiscal year	2,293,759
2. Match contributed during current Federal fiscal year	13,736,702
3. Total match available for current Federal fiscal year (Line 1 plus Line 2)	16,030,461
4. Match liability for current Federal fiscal year	205,691
5. Excess match carried over to next Federal fiscal year (Line 3 minus Line 4)	15,824,770

Table 5 – Fiscal Year Summary - HOME Match Report

Match Contribution for the Federal Fiscal Year								
Project No. or Other ID	Date of Contribution	Cash (non-Federal sources)	Foregone Taxes, Fees, Charges	Appraised Land/Real Property	Required Infrastructure	Site Preparation, Construction Materials, Donated labor	Bond Financing	Total Match
410 Westwood HOS Rental	08/15/2017	6,624	0	0	0	0	0	6,624
470 Westwood HOS Rental	05/02/2017	37,233	0	0	0	0	0	37,233
767 Myrtle St. H4H Homebuyer	05/25/2017	16,870	0	0	0	0	0	16,870
785 Alden HHR Rental	12/31/2017	989,867	12,285,050	0	0	0	0	13,274,917
786 Hilltop H4H Homebuyer	06/07/2017	97,789	0	0	0	0	0	97,789
787 Scarlett HOS Rental	02/24/2017	38,706	64,306	0	0	0	0	103,012
804 Evergreen HOS Rental	04/06/2017	0	0	0	0	0	0	0
805 Forest H4H Homebuyer	05/25/2017	109,374	0	0	0	0	0	109,374
807 Bridle H4H Homebuyer	07/10/2017	90,883	0	0	0	0	0	90,883

Table 6 – Match Contribution for the Federal Fiscal Year

HOME MBE/WBE report

Program Income – Enter the program amounts for the reporting period				
Balance on hand at beginning of reporting period	Amount received during reporting period	Total amount expended during reporting period	Amount expended for TBRA	Balance on hand at end of reporting period
\$	\$	\$	\$	\$
0	0	0	0	0

Table 7 – Program Income

Minority Business Enterprises and Women Business Enterprises – Indicate the number and dollar value of contracts for HOME projects completed during the reporting period						
	Total	Minority Business Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Contracts						
Dollar Amount	24,929	0	0	0	0	24,929
Number	15	0	0	0	0	15
Sub-Contracts						
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0
	Total	Women Business Enterprises	Male			
Contracts						
Dollar Amount	24,929	0	24,929			
Number	15	0	15			
Sub-Contracts						
Number	0	0	0			
Dollar Amount	0	0	0			

Table 8 - Minority Business and Women Business Enterprises

Minority Owners of Rental Property – Indicate the number of HOME assisted rental property owners and the total amount of HOME funds in these rental properties assisted						
	Total	Minority Property Owners				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Dollar Amount	0	0	0	0	0	0

Table 9 – Minority Owners of Rental Property

Relocation and Real Property Acquisition – Indicate the number of persons displaced, the cost of relocation payments, the number of parcels acquired, and the cost of acquisition

Parcels Acquired		0	0			
Businesses Displaced		0	0			
Nonprofit Organizations Displaced		0	0			
Households Temporarily Relocated, not Displaced		0	0			
Households Displaced	Total	Minority Property Enterprises				White Non-Hispanic
		Alaskan Native or American Indian	Asian or Pacific Islander	Black Non-Hispanic	Hispanic	
Number	0	0	0	0	0	0
Cost	0	0	0	0	0	0

Table 10 – Relocation and Real Property Acquisition

CR-20 - Affordable Housing 91.520(b)

Evaluation of the jurisdiction's progress in providing affordable housing, including the number and types of families served, the number of extremely low-income, low-income, moderate-income, and middle-income persons served.

	One-Year Goal	Actual
Number of Homeless households to be provided affordable housing units	8	3
Number of Non-Homeless households to be provided affordable housing units	134	21
Number of Special-Needs households to be provided affordable housing units	47	0
Total	189	24

Table 11 – Number of Households

	One-Year Goal	Actual
Number of households supported through Rental Assistance	0	0
Number of households supported through The Production of New Units	149	16
Number of households supported through Rehab of Existing Units	32	27
Number of households supported through Acquisition of Existing Units	8	9
Total	189	52

Table 12 – Number of Households Supported

Discuss the difference between goals and outcomes and problems encountered in meeting these goals.

The one year goal of producing 149 new units was ambitious and would only be achieved through large scale development. McHenry County has seen increased demand for senior housing, and several new developments have been awarded funds contingent on their ability to secure low income housing tax credits. Outcomes from these activities will be reported in subsequent CAPERS.

Discuss how these outcomes will impact future annual action plans.

Due to the demand for affordable rental housing, the County intends to shift priority from owner-occupied rehab projects to affordable rental projects. This will be accomplished through a separate HOME allocation application process for property developers or CHDO's prior to allocating remaining HOME funds to other activities.

Include the number of extremely low-income, low-income, and moderate-income persons served by each activity where information on income by family size is required to determine the eligibility of the activity.

Number of Households Served	CDBG Actual	HOME Actual
Extremely Low-income	190	11
Low-income	6	8
Moderate-income	3	5
Total	199	24

Table 13 – Number of Households Served

Narrative Information

Several HOME projects funded in previous years were completed. Nine units of new affordable housing were acquired, five were rehabbed, and three were new homeowners with down payment assistance. A CDBG clearance project benefitting senior renters brought 16 new units of affordable housing to the elderly, disabled or formerly homeless. Three units designated specifically for the homeless were completed and now rented to single parent households utilizing HOME funds. 2017 brought 52 new housing beneficiaries living in new or better conditions. Overall, the majority of beneficiaries were white, elderly, and extremely low income.

CR-25 - Homeless and Other Special Needs 91.220(d, e); 91.320(d, e); 91.520(c)

Evaluate the jurisdiction's progress in meeting its specific objectives for reducing and ending homelessness through:

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

McHenry County is a suburb of metropolitan Chicago that is more rural than suburban. 61% of the County is agricultural and 20% is vacant land or open space. This equates to 490 sq. miles of potential unsheltered homeless encampments, many of which could be located on remote, private farm land. The difficulty traversing this much space led to the relegation of outreach efforts to areas in which an individual would access resources and services. Outreach teams engage with service resistant individuals congregating in village squares or railroad stations, public libraries, and emergency rooms. System-wide, the McHenry County CoC has updated performance goals to include objective measurements and achievable goals. Home of the Sparrow, a homeless services program for women and children offers a robust Outreach and Referral Program fielding over 2000 calls annually. McHenry County is HMIS administrator, and will pursue additional funding to increase the capacity of providers to track diversion data collected from organizations that conduct their own outreach and prevention programs. HMIS data quality has significantly improved over the last year, making room for improvements to overall system-wide care coordination, needs analysis, and forecasting future programming through data-informed decision making.

Addressing the emergency shelter and transitional housing needs of homeless persons

During the 2017 program year, there were 645 individuals receiving homeless services. 504 were adults and 141 were children. Only eight children stepped foot inside an emergency shelter. McHenry County is on track to see a functional elimination of child homelessness. Of the adult population, 47% (239) were provided emergency shelter, and 36% (179) utilized transitional shelter. The remaining 86 individuals are currently in permanent housing programs, either Continuum of Care funded Permanent Supportive Housing programs or privately funded affordable housing. Excluding the possibility of an outlier, all permanent housing participants would have received emergency shelter or transitional housing prior to admittance into a permanent housing program. These statistics highlight the need for more affordable housing in the region.

Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: likely to become homeless after 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); and, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs

Technology has become the portal to information, providing those who are researching available resources the ability to quickly determine what programs are best suited to meet their needs. The region's 211 system is underdeveloped and rarely used. To supplement this practice, the McHenry County Community Foundation funded a mobile-based application called McHelp, offering: A 24 hour, seven day a week *Crisis Line for Text and Voice*, with anonymous access to trained, licensed crisis counselors in times of emergency, concern, anxiety or need; *A Way Out*, a partnership with the McHenry County Substance Abuse Coalition and are Police Stations to provide an easy access opportunity for treatment as well as amnesty to individuals with drug and alcohol use disorders; A proven suicide prevention training program called *Q.P.R. – Question. Persuade. Refer*; Connection to the existing 2-1-1 McHenry County Health & Human Resources via Text or Voice with live phone advice on housing, employment, family issues and social service support available all day, every day, and behavioral health support lists and links provided by the McHenry County Mental Health Board network of providers. Other resources within the County include: Community Services Block Grant (CSBG) Program for homelessness prevention; Prairie State Legal Services providing legal advocacy for issues such as lockouts and landlord negotiation; and last, a joint program between the Domestic Service provider Turning Point and Prairie State Legal Services to provide legal services for victims of domestic violence and enforce laws designed to protect victims and keep them housed (funded via the McHenry County CDBG Program).

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

TLS Veterans was awarded bonus funding during the 2017 CoC NOFA competition, opting to expand their housing program with new PSH beds. They will be combining Continuum funded programs such as PSH and RRH with County Entitlement funded TBRA to offer a comprehensive housing program not funded through the VA. Home of the Sparrow was also awarded a TBRA grant; both organizations anticipate a 2018 TBRA start date with an estimated 10-12 households projected to benefit over the two-year term of the grants.

Chronically homeless individuals will benefit from the first implementation phase of the County's Coordinated Entry System, a universal intake process that connects the most vulnerable homeless with permanent housing connected to supportive services. The McHenry County Housing Authority, in collaboration with Centegra Health Systems, the McHenry County Mental Health Board, and residential Behavioral Health provider Thresholds, launched a voucher program targeting homeless individuals whom are high utilizers of emergency services to provide subsidized housing and supportive care management.

The McHenry County CoC has been progressive and was awarded 2 of the 83 nationally awarded CoC TH-RRH projects. The intent of these programs is to attach a housing component to transitional project and to reduce the length of stay in homeless programs system-wide. The introduction of the joint TH-RRH Continuum of Care transitional housing program with rapid rehousing will introduce new resources to move individuals experiencing homelessness out of shelters and into their own homes. The McHenry County Continuum of Care is working toward the goal of becoming a high performing community; improving system performance measures such as length of time homeless and reducing returns to homelessness to ensure County residents that do experience homelessness will find it brief, rare, and non-recurring.

CR-30 - Public Housing 91.220(h); 91.320(j)

Actions taken to address the needs of public housing

McHenry County lacks affordable housing; therefore, project based vouchers are critical to the affordability of new developments. A collaborative was established after discussions held in 2016 seeking partnerships between permanent supportive housing providers and the Housing Authority. Homeless individuals identified as frequent utilizers of emergency services will have the opportunity to obtain a housing voucher connected with supportive services. The pilot program began in 2017, and is able to address the needs of high-barrier clients. The Housing Authority continues to invest Project-Based Vouchers into potential tax credit projects in efforts to make these applicants more competitive. In 2016, the local Housing Authority assumed ownership of the Renaissance Apartments complex, and in 2017 was awarded CDBG funds to conduct building improvements.

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

The Housing Authority purged its HCV waitlist and will conduct a lottery for two weeks in early 2018 for new applicants. The surge of new voucher holders will infuse the rental market with new, qualified tenants while ensuring private landlords receive consistent rental income. This could influence landlords to invest more in building improvements. Unfortunately, the region is suffering from a decrease in population as renters and homeowners alike seek regions with lower property taxes or even states with a lower income tax. McHenry County is not participating in the Rental Assistance Demonstration Program. Habitat for Humanity recently completed a HOME-funded Homebuyer project and former two voucher holders became homeowners.

Actions taken to provide assistance to troubled PHAs

The McHenry County Housing Authority has long been a stable and viable public housing agency providing Housing Choice Vouchers and Project Based Vouchers to address the lack of affordable housing in McHenry County. Further, the Housing Authority provides residential rehabilitation services through McHenry County's CDBG and HOME grants for home repairs that enable low income homeowners to remain housed by addressing life safety and structural repairs that are desperately needed.

CR-35 - Other Actions 91.220(j)-(k); 91.320(i)-(j)

Actions taken 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. 91.220 (j); 91.320 (i)

Over time, the CD Division has utilized its Analysis of Impediments to approach communities regarding laws that could prevent the development of affordable housing or fair housing. These efforts have resulted in changes to laws that now better promote fair housing investment. The County has relaxed ordinances on housing in unincorporated areas under its jurisdiction. For non-profits, when applicable, the County has also waived development fees on units designed for homebuyer and rental use. More recently, the County court system has worked more collectively to fast track homes better suited for demolition. This results in the County assuming ownership through judicial actions, thereby negating the property taxes imposed on the properties. Many of the municipalities have become much more agreeable to allowing for rental housing through their local ordinances as the need for affordable housing continues to increase. In some cases, private businesses have advocated for work force rental housing for their employees. The County has identified the need to better seek to ameliorate local jurisdictional policies regarding special assessments when housing units are constructed. This is a continued challenge as the municipalities seek hefty educational impact fees for new construction. The County will study methods to negotiate with such municipalities through its next Analysis of Impediments set to be completed in 2019.

Actions taken to address obstacles to meeting underserved needs. 91.220(k); 91.320(j)

Through the first three years of the 2015-2019 Consolidated Plan, the County has determined the following remain its biggest unmet needs: 1) Affordable Housing; 2) Lack of Economic Opportunity in High LMI Areas; 3) Crumbling Infrastructure; and 4) Ending Homelessness. Affordable housing remains a high priority and projects that can secure additional leveraging and resources are more heavily weighed as being viable. The County has initiated discussions with its highest LMI Area (within the City of Harvard) to work on a medium to long term plan of reducing poverty and blight while improving economic conditions. The County anticipates that this will result in the development of a Neighborhood Revitalization Strategy. Infrastructure projects, especially those that can incur costs on a pre-award basis or that can leverage additional resources will remain a priority and based on severity of need. Homelessness overall has reduced in the County through a myriad of initiatives. In the last federal fiscal year, eight children used the PADS emergency shelter, although it is more common in the US that a child is homeless than an adult. This is the result of affirmative efforts over time for the County to be progressive in many areas, including CDBG, HOME, CoC, ESG and the Housing Authority.

Actions taken to reduce lead-based paint hazards. 91.220(k); 91.320(j)

Currently, the County requires an “up-to-code” rehabilitation of owner-occupied rehabilitation

programs funded through the HOME program which would include lead abatement when necessary. The County also requires a lead assessment for CDBG owner-occupied rehabilitation programs in which \$25,000 or more is put into the home for rehabilitation. The County is reviewing a lower threshold for the lead standard for abatement in order to affirmatively eliminate the lead-based paint and other hazards in older homes. The County also intends to explore making an application to HUD for its lead programs if available. Last, the County has identified resources in 2017 to provide lead training to both County and subrecipient staff to ensure certification and awareness of lead hazards to improve abatement rates.

Actions taken to reduce the number of poverty-level families. 91.220(k); 91.320(j)

The County, as Planning grantee for the CoC, as made particular strides in reducing family homelessness over the last five years through encouragement and technical assistance with permanent housing and CoC Rapid Rehousing resources. The County initiated discussions with the City of Harvard (site of the highest poverty level census tract in the County) to review possibilities of development of a Neighborhood Revitalization Strategy to reduce poverty and improve economic conditions in this area. The County does not have any active economic development projects that could help create jobs in impoverished areas, but intends to strongly pursue options to identify regional or localized strategies to improve economic conditions to help create decent paying jobs that would help reduce poverty. The County continues to improve its stock of affordable housing, but realizes a continued significant need in this area as well. Efforts will continue at prioritizing low-income, decent rental housing to reduce rent burdens.

Actions taken to develop institutional structure. 91.220(k); 91.320(j)

The non-urban portions of the community operate under a Unified Development Ordinance to simplify the development process. Organizations that are non-profit have permit fees reduced or abated in these areas per request and approval of the County Board or Department Head.

Tax credits are encouraged in HOME programs and are supported through the competitive process by the addition of attached funding and vouchers as well as technical support from Community Development staff. Communities with their own regulations or ordinances regarding developments are encouraged to allow for appropriate zoning to develop much-needed affordable housing in the community. In the past, advocacy on part of the Community Development staff has been necessary to encourage such developments, but more recently has not presented as a need.

Actions taken to enhance coordination between public and private housing and social service agencies. 91.220(k); 91.320(j)

Projects submitted for HOME funding with attached social services (i.e.: collaborations) tend to be favored both by the local decision-making board and by the Illinois Housing Development Authority (for tax credits). The McHenry County Continuum of Care to End Homelessness tends to act as a catalyst

for the development of collaborative relationships between public and private entities, such as landlords. It is anticipated that these relationships will help the development of a master lease and other housing relationships, including special collaborations with the local mental health board.

The CoC Rapid Rehousing programs work with private owners to develop policies to quickly rehouse homeless families. These efforts will continue as Rapid Rehousing funding has continually increased over the past five years.

Identify actions taken to overcome the effects of any impediments identified in the jurisdictions analysis of impediments to fair housing choice. 91.520(a)

The community developed an Analysis of Impediments to identify appropriate target community needs. Discussions on revisions of this Plan occurred in 2016 and 2017 through the HUD mandate of replacing it with an Affirmatively Furthering Fair Housing Plan. However, this mandate was temporarily rescinded by HUD, and the County has made the decision to develop a revised Analysis of Impediments by Spring of 2019 to glean a more updated view on community needs. Over time, many of the barriers that existed with housing developments in the local communities have been revised through ordinance changes. The jurisdiction has made it a point to only award CDBG and HOME funding to local jurisdictions that did not impose community housing barriers.

CR-40 - Monitoring 91.220 and 91.230

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

The County monitors multiple programs, including the CoC, ESG, CDBG, HOME, IHDA and Senior Services grants (the latter two are not paid from federal resources). Monitoring may include, but not be limited to: desk monitoring, review of invoices and wage reports, onsite visits, onsite monitoring, review of subrecipient policies and procedures, and extensive onsite reviews (full monitoring). The County reviews HOME programs on a rolling basis. CoC programs are monitored every three years, and more frequently if they have findings in a prior monitoring. CDBG and HOME programs that are current (i.e. a HOME construction project) receive frequent onsite visits for compliance, construction standards, Davis Bacon (or prevailing wage) as applicable. CDBG and HOME projects are also subject to “post-closure” monitoring. CD Division staff tend toward utilization of all or parts of the monitoring forms developed by HUD for consistency. The County requires that WBE/MBE and Section 3 bidders be prioritized for the awarding of a competitive bids, and all ads for seeking bids must encourage these bidders to come forward. The CD Division plans to procure a resource to develop the next Analysis of Impediments with the HUD decision to hold off on the Affirmatively Furthering Fair Housing Plan until 2024. This will allow for a revised comprehensive study of the housing needs for planning purposes over the next five years. The CD Division plans to complete its Consolidated Plan internally, but will reach out and procure technical assistance or support as needed throughout this process.

Citizen Participation Plan 91.105(d); 91.115(d)

Describe the efforts to provide citizens with reasonable notice and an opportunity to comment on performance reports.

Public notices were published in the local newspaper, posted on the county website, disseminated to public libraries with a request to post the notice on their community boards, and announced at community stakeholder meetings such as the McHenry County Continuum of Care to End Homelessness. CD Division staff spent considerable time meeting with subrecipients at their locations or in the CD Division office to provide comprehensive, in-depth support and guidance regarding data entry requirements, progress reporting, and federal program compliance. Outreach to new prospective applicants was a priority so as to diversify and expand the breadth of community resources funded through federal monies. Current and prospective applicants were mentored and encouraged by CD

Division staff to use new and innovative program concepts that leverage other community resources and collaborative action.

The County recently has revised its Citizen Participation Plan (CPP); the CPP still requires that the jurisdiction follow the mandated minimum 15 day public comment period for the performance (CAPER) report. The County did not receive any public comments related to the CAPER but had received significant commentary on Substantial Amendment 2 to the Consolidated Plan. Reasonable notices were provided through a local newspaper in existence for longer than a year as well as through availability in office and through a public meeting during the comment period. Citizens had the opportunity to review the outcomes the Division had achieved not only for 2017, but also for years 2015 and 2016 (these reports remain online as do follow up CAPER report letters from the local Field Office along with County responses). The County is able to offer reasonable accommodations to non-English Speaking and disabled individuals in order for them to better access the CAPER information.

CR-45 - CDBG 91.520(c)

Specify the nature of, and reasons for, any changes in the jurisdiction's program objectives and indications of how the jurisdiction would change its programs as a result of its experiences.

The County had already met (or projected to meet) its goals in multiple categories. At the request of a potential subrecipient, the Community Development Division created Substantial Amendment 2 to the Consolidated Plan. This revision allowed for additional activities that now include Elimination of Slum and Blight/Spot Basis (for parity with a State grant from IHDA); Historic Preservation; CDBG Downpayment Assistance; and Microenterprise. All of the new categories of funding had applicants come forward except for the Downpayment Assistance program. The jurisdiction would consider the following changes to either its existing Consolidated Plan, a future Plan, or its Policies and Procedures: 1) Cap the maximum amount available per unit for the CDBG Owner-Occupied Rehabilitation Program; 2) Consider payment of salary only for Public Services to encourage leverage for fringe and other needs; 3) Eliminate Owner-Occupied Rehabilitation under the HOME program as it may be challenging to identify clients for the program; 4) Include Special Economic Development Activities; 5) Better clarify the Microenterprise program and market it to local communities with Economic Development departments; 6) Impose a lower "trigger" amount for the requirement of lead abatement in the Owner-Occupied Rehabilitation programs to affirmatively further efforts to remove unsafe lead from older homes; 7) Consider self-management of the Downpayment Assistance Program in the future due to the number of calls received by the Division annually.

Does this Jurisdiction have any open Brownfields Economic Development Initiative (BEDI) grants?

No

[BEDI grantees] Describe accomplishments and program outcomes during the last year.

CR-50 - HOME 91.520(d)

Include the results of on-site inspections of affordable rental housing assisted under the program to determine compliance with housing codes and other applicable regulations

Please list those projects that should have been inspected on-site this program year based upon the schedule in §92.504(d). Indicate which of these were inspected and a summary of issues that were detected during the inspection. For those that were not inspected, please indicate the reason and how you will remedy the situation.

The Community Development Division oversaw a great deal of HOME activities in 2017. This included acquisition of several units of housing for affordable rental and new construction of rental units. Pre-and-post rehabilitation/construction inspections were completed on a periodic basis. Subrecipient organizations were able to turn over acquired and rehabilitated units fairly quickly and utilized these units to move families out of homelessness. This required less administrative burden on CD staff. The newly constructed units required more intense and frequent project oversight. Although CDBG information is not requested here, the Division also oversaw the completion of an affordable housing program that utilized CDBG funding for lot clearance prior to construction. This project required the same level of frequent oversight and review by Division staff. As needed, Division staff reviewed new construction projects for applicable codes with coworkers in the Building Division of the County as well as onsite inspections from the applicable municipality. All new housing projects were awarded occupancy certificates prior to tenant lease-up. CD Division staff provided technical assistance to subrecipients in order to relay regulations, lease-up requirements, and income limits as applicable by program.

Provide an assessment of the jurisdiction's affirmative marketing actions for HOME units. 92.351(b)

The County requires that each organization submit an Affirmatively Furthering Fair Housing Marketing Plan (AFFMP) with their application for HOME (and applicable CDBG) funding. The Plan utilizes a format developed by HUD. Demographically, the County has experienced a use of the HOME units that mirrors the County's population statistics or even more strategically is marketed toward individuals who would otherwise have not applied for renting the unit had it not been for the marketing efforts of the subrecipient. The County is satisfied with marketing efforts of its subrecipient but encourages revisions to their AFFMP periodically, especially when population statistics are known to be updated or changed.

Refer to IDIS reports to describe the amount and use of program income for projects, including the number of projects and owner and tenant characteristics

The County did not utilize any HOME program income in 2017 but leveraged 2014/2016 HOME resources in the amount of \$226,000 toward a major development for seniors age 62 and over in Huntley, IL. Of the seventy-nine units, two are funded through the HOME program; however, the

development would not have been possible without the local HOME resources or the attached Project-Based Vouchers from the Housing Authority. This project yielded \$18,331,867 in local, private, and State resources on top of the HOME investment. Four additional rental units funded with \$486,181.80 in HOME funding are geared toward lower income homeless families were acquired and rehabilitated in non-impact areas. These units are primarily targeted toward individuals fleeing domestic violence or exiting a shelter as part of the community's strategy to end family homelessness. The affordable rentals continue to be successful as the County has experienced a drop in family homelessness over the past five years. Lastly, the County provided \$297,551.57 in funding toward the acquisition and rehabilitation of five housing units for its homebuyer programs. The tenants selected for these programs tend to be lower income through a reduced rate mortgage. Characteristically, the most common homebuyers tend to be single parent families who have exited a Housing Voucher rental.

Describe other actions taken to foster and maintain affordable housing. 91.220(k) (STATES ONLY: Including the coordination of LIHTC with the development of affordable housing). 91.320(j)

The County prioritizes both the rental of and the rehabilitation of affordable rental units in its Consolidated Plan. An applicant submitted a request for funding for a 2018 HOME award in order to rehabilitate rental housing that is centrally located in the County and very affordable to its tenants. While this represents 2018 funding, the decision to do so was made in 2017. The County also accepts applications for CDBG rehabilitation to renovate public facility type rentals such as group homes, although no applicants have come forward in recent years for this purpose. The Community Development Division is also a fair and affordable housing advocate and affirmatively works with developers of all types to most effectively utilize its HOME and CDBG resources to create new construction and acquisition and rehabilitation type housing. The County also offers resources to subrecipients for owner-occupied rehabilitation programs under both CDBG and HOME; a great deal of resources in 2017 were outlaid for owner-occupied programs, but completion will not occur until 2018-2019.