

ANALYSIS OF IMPEDIMENTS TO FAIR HOUSING CHOICE

MCHENRY COUNTY, ILLINOIS
SEPTEMBER 2012



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McHenry County, Illinois

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1. Introduction

A. Introduction to the Analysis of Impediments

The Urban County of McHenry County has prepared an Analysis of Impediments to Fair Housing Choice to satisfy the requirements of the Housing and Community Development Act of 1974, as amended. This act requires that any community receiving Community Development Block Grant (CDBG) funds affirmatively further fair housing. As a result, the Urban County is charged with the responsibility of conducting its CDBG programs in compliance with the federal Fair Housing Act. Additionally, the Urban County receives HOME program funds from HUD, which furthers the County's obligation to affirmatively further fair housing. The responsibility of compliance with the federal Fair Housing Act extends to nonprofit organizations and other entities, including local units of government, that receive federal funds through McHenry County.

Entitlement communities receiving CDBG and/or HOME entitlement funds are required to:

- Examine and attempt to alleviate housing discrimination within their jurisdiction
- Promote fair housing choice for all persons
- Provide opportunities for all persons to reside in any given housing development, regardless of race, color, religion, sex, disability, familial status or national origin
- Promote housing that is accessible to and usable by persons with disabilities, and
- Comply with the non-discrimination requirements of the Fair Housing Act. These requirements can be achieved through the preparation of an Analysis of Impediments to Fair Housing Choice.

The Analysis of Impediments to Fair Housing Choice (AI) is a review of a jurisdiction's laws, regulations and administrative policies, procedures and practices affecting the location, availability and accessibility of housing, as well as an assessment of conditions, both public and private, affecting fair housing choice.

B. Fair Housing Choice

Equal and free access to residential housing (housing choice) is a fundamental right that enables members of the protected classes to pursue personal, educational, employment or other goals. Because housing choice is so critical to personal development, fair housing is a goal that government, public officials and private citizens must embrace if equality of opportunity is to become a reality.

The federal Fair Housing Act prohibits discrimination in housing based on a person's race, color, religion, sex, disability, familial status or national origin. In addition, HUD issued a Final Rule on February 3, 2012, that prohibits entitlement communities from discriminating on the basis of actual or perceived sexual orientation, gender identity or marital status. Persons who are protected from discrimination by fair housing laws are referred to as members of the protected classes.

This Analysis encompasses the following five areas related to fair housing choice:

- The sale or rental of dwellings (public and private)
- The provision of financing assistance for dwellings

- Public policies and actions affecting the approval of sites and other building requirements used in the approval process for the construction of publicly assisted housing
- The administrative policies concerning community development and housing activities, which affect opportunities of minority households to select housing inside or outside areas of minority concentration, and
- Where there is a determination of unlawful segregation or other housing discrimination by a court or a finding of noncompliance by the U.S. Department of Housing and Urban Development (HUD) regarding assisted housing in a recipient's jurisdiction, an analysis of the actions which could be taken by the recipient to remedy the discriminatory condition, including actions involving the expenditure of funds made available under 24 CFR Part 570 (i.e., the CDBG program regulations) and/or 24 CFR Part 92 (i.e., the HOME program regulations).

As a federal entitlement community, the Urban County has specific fair housing planning responsibilities. These include:

- Conducting an Analysis of Impediments to Fair Housing Choice
- Developing actions to overcome the effects of identified impediments to fair housing, and
- Maintaining records to support the jurisdictions' initiatives to affirmatively further fair housing.

HUD interprets these three certifying elements to include:

- Analyzing housing discrimination in a jurisdiction and working toward its elimination
- Promoting fair housing choice for all people
- Providing racially and ethnically inclusive patterns of housing occupancy
- Promoting housing that is physically accessible to, and usable by, all people, particularly individuals with disabilities, and
- Fostering compliance with the nondiscrimination provisions of the Fair Housing Act.

This Analysis will:

- Evaluate population, household, income and housing characteristics by protected classes in each of the jurisdictions
- Evaluate public and private sector policies that impact fair housing choice
- Identify blatant or de facto impediments to fair housing choice where any may exist, and
- Recommend specific strategies to overcome the effects of any identified impediments.

HUD defines an impediment to fair housing choice as any actions, omissions or decisions that restrict or have the effect of restricting the availability of housing choices, based on race, color, religion, sex, disability, familial status or national origin.

This Analysis serves as the basis for fair housing planning, provides essential information to policy makers, administrative staff, housing providers, lenders, and fair housing advocates, and assists in building public support for fair housing efforts. The elected governmental bodies are expected to review and approve the Analysis and use it for direction, leadership and resources for future fair housing planning.



The Analysis will serve as a point-in-time baseline against which future progress in terms of implementing fair housing initiatives will be evaluated and recorded.

C. The Federal Fair Housing Act

1. What housing is covered?

The federal Fair Housing Act covers most housing. In some circumstances, the Act exempts owner-occupied buildings with no more than four units, single-family housing sold or rented without the use of a broker and housing operated by organizations and private clubs that limit occupancy to members.

2. What does the Fair Housing Act prohibit?

a. In the sale and rental of housing

No one may take any of the following actions based on race, color, religion, sex, disability, familial status or national origin:

- Refuse to rent or sell housing
- Refuse to negotiate for housing
- Make housing unavailable
- Deny a dwelling
- Set different terms, conditions or privileges for the sale or rental of a dwelling
- Provide different housing services or facilities
- Falsely deny that housing is available for inspection, sale, or rental
- For profit, persuade owners to sell or rent (blockbusting), or
- Deny anyone access to or membership in a facility or service (such as a multiple listing service) related to the sale or rental of housing.

b. In mortgage lending

No one may take any of the following actions based on race, color, religion, sex, disability, familial status or national origin:

- Refuse to make a mortgage loan
- Refuse to provide information regarding loans
- Impose different terms or conditions on a loan, such as different interest rates, points, or fees
- Discriminate in appraising property
- Refuse to purchase a loan, or
- Set different terms or conditions for purchasing a loan.

c. Other prohibitions

It is illegal for anyone to:

- Threaten, coerce, intimidate or interfere with anyone exercising a fair housing right or assisting others who exercise that right

- Advertise or make any statement that indicates a limitation or preference based on race, color, religion, sex, disability, familial status, or national origin. This prohibition against discriminatory advertising applies to single family and owner-occupied housing that is otherwise exempt from the Fair Housing Act.

3. Additional Protections for People with Disabilities

If someone has a physical or mental disability (including hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS Related Complex and mental retardation) that substantially limits one or more major life activities, or has a record of such a disability, or is regarded as having such a disability, a landlord may not:

- Refuse to let the disabled person make reasonable modifications to a dwelling or common use areas, at the disabled person's expense, if necessary for the disabled person to use the housing. Where reasonable, the landlord may permit changes only if the disabled person agrees to restore the property to its original condition when he or she moves.
- Refuse to make reasonable accommodations in rules, policies, practices or services if necessary for the disabled person to use the housing.

For example, a building with a "no pets" policy must make a reasonable accommodation and allow a visually impaired tenant to keep a guide dog.

4. Housing Opportunities for Families with Children

Unless a building or community qualifies as housing for older persons, it may not discriminate based on familial status. That is, it may not discriminate against families in which one or more children under the age 18 live with:

- A parent or
- A person who has legal custody of the child or children or
- The designee of the parent or legal custodian, with the parent or custodian's written permission.

Familial status protection also applies to pregnant women and anyone securing legal custody of a child under age 18.

Housing for older persons is exempt from the prohibition against familial status discrimination if:

- The HUD Secretary has determined that it is specifically designed for and occupied by elderly persons under a federal, state or local government program, or
- It is occupied solely by persons who are 62 or older, or
- It houses at least one person who is 55 or older in at least 80% of the occupied units, and adheres to a policy that demonstrates the intent to house persons who are 55 or older, as previously described.



A transition period permits residents on or before September 13, 1988 to continue living in the housing, regardless of their age, without interfering with the exemption.

5. Recent Changes to HUD Program Regulations

As of a Final Rule effective March 5, 2012, HUD implemented policy with the intention of ensuring that its core programs are open to all eligible individuals and families regardless of sexual orientation, gender identity or marital status. In response to evidence suggesting that lesbian, gay, bisexual and transgender individuals and families were being arbitrarily excluded from housing opportunities in the private sector, HUD's aim was to ensure that its own programs do not allow for discrimination against any eligible person or household, and that HUD's own programs serve as models for equal housing opportunity.

This change to HUD program regulations does not amend the Fair Housing Act to prohibit all discrimination in the private market on the basis of sexual orientation, gender identity or marital status. However, it prohibits discrimination of those types by any housing provider who receives HUD funding, including public housing agencies, those who are insured by the Federal Housing Administration, including lenders, and those who participate in federal entitlement grant programs through HUD.

D. The Illinois Human Relations Act

The Illinois Human Rights Act (HRA) prohibits discrimination in the area of real estate transactions based on race, color, religion, sex, national origin, ancestry, age, marital status, familial status, physical or mental disability, military status, sexual orientation, unfavorable discharge from military service, or persons with an order of protection. Consequently, persons residing in Illinois have more protection under State law than under federal law in the area of housing discrimination.

Under the Act, real estate transactions include the sale, exchange, rental or lease of real property, the brokering or appraising of residential real property, and the making or purchasing of loans or providing other financial assistance for purchasing, constructing, improving, repairing or maintaining a dwelling or secured by residential real estate.

The Illinois Human Rights Act has been determined by HUD to be substantially equivalent to the federal Fair Housing Act. This means that the Illinois HRA provides substantive rights, procedures, remedies and judicial review provisions that are substantially equivalent to the federal Fair Housing Act. As a result, HUD will refer complaints of housing discrimination that it receives from within Illinois to the Illinois Department of Human Rights for investigation.

The Illinois Department of Human Rights (IDHR) is the state agency responsible for enforcing the Illinois HRA. IDHR accepts and processes complaints of housing discrimination, and conducts an investigation of the charges. If substantial evidence of a violation of the Illinois HRA is found, IDHR will attempt to resolve the dispute through settlement discussions. Should conciliation fail, IDHR will file a complaint with the Illinois Human Rights Commission (HRC). Parties may also elect to have their claims decided in a circuit court of Illinois. If the complaint remains with the Illinois HRC, the case is scheduled for a public hearing before an administrative law judge.

The Illinois HRC is authorized under the Illinois HRA and provides a neutral forum for resolving complaints of discrimination filed under the Illinois HRA. The primary

responsibility of the HRC is to make impartial determinations of whether there has been unlawful discrimination as defined by the Illinois HRA. The HRC fights discrimination by investigating and resolving complaints through reconciliation by mediators and conciliators and through conducting a multi-faceted public education program.

E. Local Fair Housing Laws

McHenry County and a handful of its larger municipalities, including Crystal Lake, Harvard, McHenry and Woodstock, have passed legislation to create Human Relations Commissions (HRC) to handle matters of bias and discrimination at the local level. The County formed its Human Relations Council in 1995 to handle the challenges presented by the expanding population diversity that accompanied rapid growth – specifically, the council formed shortly after a Ku Klux Klan demonstration occurred in a County parking lot. The council met through 2007; however, it is no longer active. To address local complaints of housing discrimination, the County now distributes discrimination complaint forms at various government offices, collects and records complaints and then forwards complaints to the regional HUD office for investigation.

A 2005 study conducted by the Leadership Council for Metropolitan Open Communities concluded that Richmond is the only municipality of 30 in McHenry County that has adopted a code concerning fair housing practices.¹ In this sense, McHenry County lags others in the Chicago metropolitan area. By contrast, 68 communities in Cook County, 17 communities in DuPage County, six in Lake County, five in Will County and four in Kane County had adopted fair housing ordinances as of 2005.

The following table compares protections under fair housing laws at the federal and state levels. McHenry County residents are not afforded any additional protections under local fair housing laws. However, the extent of protection under the state Act is expansive by national standards.

Figure 1-1
Comparison of Statutory Protections against Housing Discrimination

Protected Class	Federal Fair Housing Act	Illinois Human Rights Act
Race	•	•
Color	•	•
National Origin	•	•
Religion/Creed	•	•
Sex	•	•
Familial Status (Families with children under age 18)	•	•
Handicap/Disability Status	•	•
Ancestry		•
Age		•
Marital Status		•
Military/Veteran Status		•
Sexual Orientation		•
Unfavorable Discharge from Military Service		•
Persons with an Order of Protection		•

¹ Breymaier, Rob and White, Brian. "Empty Promises: Fair Housing Ordinances in Metropolitan Chicago Suburbs." Leadership Council for Metropolitan Open Communities, January 2005.



F. Comparison of Accessibility Standards

There are several standards of accessibility that are referenced throughout the AI. These standards are listed below along with a summary of the features within each category or a direct link to the detailed standards.

1. Fair Housing Act

In buildings that are ready for first occupancy after March 13, 1991 and include four or more units:

- There must be an accessible entrance on an accessible route.
- Public and common areas must be accessible to persons with disabilities
- Doors and hallways must be wide enough for wheelchairs
- All ground floor units and all units in elevator buildings must have:
 - ✓ An accessible route into and through the unit
 - ✓ Accessible light switches, electrical outlets, thermostats and other environmental controls
 - ✓ Reinforced bathroom walls to allow later installation of grab bars, and
 - ✓ Kitchens and bathrooms that can be used by people in wheelchairs.

If a building with four or more units has no elevator and will be ready for first occupancy after March 13, 1991, these standards apply to ground floor units. These requirements for new buildings do not replace any more stringent standards in state or local law..

2. Americans with Disabilities Act (ADA)

Title II of the ADA applies to state and local services, including state and local housing programs. Government entities are obliged to assure that housing financed through state and local programs complies with ADA accessibility guidelines. A complete description of the guidelines can be found at www.ada.gov/stdspdf.htm.

3. Uniform Federal Accessibility Standards (UFAS)

UFAS accessibility standards are required for facility accessibility by people with motor and sensory disabilities for Federal and federally-funded facilities. These standards are to be applied during the design, construction, and alteration of buildings and facilities to the extent required by the Architectural Barriers Act of 1968, as amended. A complete description of the guidelines can be found at www.access-board.gov/ufas/ufas-html/ufas.htm.

4. Visitability Standards

The term “visitability” refers to single-family housing designed in such a way that it can be lived in or visited by people with disabilities. A house is visitable when it meets three basic requirements:

- At least one no-step entrance
- Doors and hallways wide enough to navigate a wheelchair through, and

- A bathroom on the first floor big enough to get into in a wheelchair, and close the door.

5. Universal Design

Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without adaptation or specialized design. Seven principles guide Universal Design. These include:

- Equitable use (e.g., make the design appealing to all users)
- Flexibility in use (e.g., accommodate right- or left-handed use)
- Simple and intuitive use (e.g., eliminate unnecessary complexity)
- Perceptible information (e.g., provide compatibility with a variety of techniques or devices used by people with sensory limitations)
- Tolerance for error (e.g., provide fail-safe features)
- Low physical effort (e.g., minimize repetitive actions)
- Size and space for approach and use (e.g., accommodate variations in hand and grip size).

G. Methodology

The firm of Mullin & Lonergan Associates, Inc. (M&L) was retained as consultants to conduct the Analysis of Impediments to Fair Housing Choice. M&L utilized a comprehensive approach to complete the Analysis involving the Urban County of McHenry County. The following sources were utilized:

- The most recently available demographic data regarding population, household, housing, income, and employment at the census tract and municipal level
- Public policies affecting the siting and development of housing
- Administrative policies concerning housing and community development
- Financial lending institution data from the Home Mortgage Disclosure Act (HMDA) database
- Agencies that provide housing and housing related services to members of the protected classes
- Consolidated Plans, Annual Plans and CAPERs for the Urban County
- The 1997 Analysis of Impediments to Fair Housing Choice
- Fair housing complaints filed with HUD and the state Human Rights Commission
- Real estate advertisements from area newspapers of record
- CHAS data tables available from HUD
- Residential segregation calculations based on those published by CensusScope
- Interviews and focus group sessions conducted with agencies and organizations that provide housing and housing related services to members of the protected classes.



1. Urban County Definition

Throughout this report, McHenry County is referred to as the Urban County. There is no geographic distinction between the two for the purposes of the AI, as the County may spend its CDBG allocation anywhere within its borders. There are no other federal entitlement communities in McHenry County, and no incorporated municipalities have opted out of its program.

H. Use and Presentation of Data

Because statistics in census data products are based on the collection, tabulation, editing and handling of questionnaires, errors in the data are possible. In addition to errors occurring during data collection, some of the census data is American Community Survey sample data rather than Summary File 1 (SF1) data, which is 100-percent data. Each data set is subject to sampling error and non-sampling error, respectively. Non-sampling error includes confidentiality edits applied by the Census Bureau to assure that data does not disclose information about specific individuals, households or housing units. Because of sampling and non-sampling errors, there may be discrepancies in the reporting of similar type of data. These discrepancies do not negate the usefulness of the census data.

In all cases, the latest available data was used to describe the most appropriate geographic unit of analysis. For variables or geographies for which 2010 Census data was unavailable for incorporation into the AI, 2006-2010 American Community Survey estimates were used. For variables or geographies where estimates were unavailable or unreliable, 2000 Census data was used.

I. Development of the AI

1. Lead Agency

The McHenry County Department of Planning and Development was the lead agency for the preparation and implementation of the AI. Staff members identified and invited numerous stakeholders to participate in the process for the purpose of developing a thorough analysis with a practical set of recommendations to eliminate impediments to fair housing choice, where identified.

2. Agency Consultation

The County engaged in an extensive consultation process with local public agencies, nonprofit organizations and other interested entities in an effort to develop a community planning process for the AI. A series of written questionnaires were mailed to many of the interviewees and detailed lists of issues were developed for the focus group sessions and interviews.

In Spring 2012, the consulting team conducted a series of focus group sessions and individual interviews to identify current fair housing issues impacting the various agencies and organizations and their clients. Comments received through these meetings and interviews are incorporated throughout the AI, where appropriate.

A list of the stakeholders identified and invited to participate in the AI process is included in Appendix A.

J. The Relationship between Fair Housing and Affordable Housing

As stated in the Introduction, fair housing choice is defined as the ability of persons, regardless of race, color, religion, sex, disability, familial status, or national origin, of similar income levels to have available to them the same housing choices. In Pennsylvania, this protection is also specifically extended to persons based on ancestry, age (40 and older), the use of guide or support animals, pregnancy and association or relationship with an individual with a disability. Persons who are protected from discrimination by fair housing laws are referred to as members of the protected classes.

This AI analyzes a range of fair housing issues regardless of a person's income. To the extent that members of the protected classes tend to have lower incomes, then access to fair housing is related to affordable housing. In many areas across the U.S., a primary impediment to fair housing is a relative absence of affordable housing. Often, however, the public policies implemented in towns and cities create, or contribute to, the lack of affordable housing in these communities, thereby disproportionately affecting housing choice for members of the protected classes.

This document goes well beyond an analysis of the adequacy of affordable housing in McHenry County. This AI defines the relative presence of members of the protected classes within the context of factors that influence the ability of the protected classes to achieve equal access to housing and related services.



2. Demographic Information

A. Demographic Profile

1. Population Trends

With a 2010 population of 308,760, McHenry County is the sixth largest County in Illinois. The County is located in the Northeast region of the state, bordering Wisconsin, about 35 minutes northwest of downtown Chicago. The County is one of seven in the Chicago Metropolitan Area and is proximate to large regional employment centers, the relatively populous city of Rockford and the Lake Geneva area, a tourist attraction.

Along with its location relative to regional economic drivers, the County's natural features have affected its growth and development. Agriculture continues to be the dominant land use, facilitated by the prevalence of rich soils; a local mining industry taps into sand and gravel deposits; and many streams, rivers, lakes and wetlands provide ecological diversity. Recent County plans have emphasized the need to balance development to accommodate population growth with the preservation of these resources.

While the expansion of the County's population has slowed since 2000, its growth between 2000 and 2010 was nearly double the national rate of 9.7% and was almost six times greater than the rate across the State of Illinois, 3.3%. At the same time, the population of Cook County, at the core of the metropolitan region, declined at a rate of 3.4%, while Chicago's population declined 6.9%.

Growth across McHenry County has been strong for decades. Its population nearly tripled between 1970 and 2010, while the population across the State of Illinois grew only 15.5%, as seen in Figure 2-1. A Northern Illinois University official cited the large lots and new homes available in the County as factors contributing to sprawl from Cook County and Chicago.²

Figure 2-1
Population Trends, 1970-2010

	1970	1980	10- Year Change	1990	10- Year Change	2000	10- Year Change	2010	10- Year Change	% Change 1970 - 2010
McHenry County	111,555	147,897	32.6%	183,241	23.9%	260,077	41.9%	308,760	18.7%	176.8%
Chicago-Joliet-Naperville MSA	7,882,640	8,052,917	2.2%	8,181,939	1.6%	9,098,316	11.2%	9,461,105	4.0%	20.0%
State of Illinois	11,110,285	11,426,518	41.9%	11,430,602	0.0%	12,419,293	8.6%	12,830,632	3.3%	15.5%

Source: U.S. Census SF-1 1990, 2000, 2010

Minnesota Population Center. National Historical Geographic Information System: Version 2.0. Minneapolis, MN: University of Minnesota 2011.

The College of William and Mary and the Minnesota Population Center. School Attendance Boundary Information System (SABINS): Version 1.0. Minneapolis, MN: University of Minnesota 2011.

² Kane, Tim. "Study Urges Affordable Housing, End to Sprawl." *Chicago Tribune*. 4 October 1999.



While McHenry County as a whole experienced growth of 18.7% between 2000 and 2010, population change varied greatly by municipality. For example, Huntley more than quadrupled in population, becoming the sixth largest municipality in the County. Lakemoor and Wonder Lake Village also experienced growth rates greater than 100% and now exceed 5,000 residents each. While municipality growth rates varied, most experienced growth, as seen in Figure 2-2. Five municipalities lost population during this period, and the population residing in the unincorporated areas also declined by almost one-third.

Figure 2-2
Population Change by Municipality, 2000-2010

Place	2000	2010	Change	Place	2000	2010	Change
Algonguin	23,276	30,046	29.1%	Lakemoor	2,788	6,017	115.8%
Barrington Hills	3,915	4,209	7.5%	Lakewood	2,337	3,811	63.1%
Bull Valley	726	1,077	48.3%	McCullom Lake	1,038	1,049	1.1%
Cary	15,531	18,271	17.6%	McHenry	21,501	26,992	25.5%
Crystal Lake	38,000	40,743	7.2%	Marengo	6,355	7,648	20.3%
Fox Lake	9,178	10,579	15.3%	Oakwood Hills	2,194	2,083	-5.1%
Fox River Grove	4,862	4,854	-0.2%	Port Barrington*	788	1,517	92.5%
Greenwood	244	255	4.5%	Prairie Grove	960	1,904	98.3%
Harvard	7,996	9,447	18.1%	Richmond	1,091	1,874	71.8%
Hebron	1,038	1,216	17.1%	Ringwood	471	836	77.5%
Holiday Hills	831	610	-26.6%	Spring Valley	5,398	5,558	3.0%
Huntley	5,730	24,291	323.9%	Trout Valley	599	537	-10.4%
Island Lake	8,153	8,080	-0.9%	Union	576	580	0.7%
Johnsburg	5,391	6,337	17.5%	Wonder Lake Village	1,345	4,026	199.3%
Lake in the Hills	23,152	28,965	25.1%	Woodstock	20,151	24,770	22.9%
McHenry County	260,077	308,760	18.7%	Unincorporated Areas	44,462	30,578	-31.2%

*Formerly known as Fox River Valley Gardens village

Source: U.S. Census Bureau, SF1 2000 and 2010 data



Population growth in McHenry County continues to significantly outpace statewide, national and surrounding urban averages.

Within the context of overall population growth, the County's racial and ethnic diversity has also expanded in the past two decades. As seen in Figure 2-3, the Hispanic population is more than 11 times larger than it was in 1990. The proportion of non-Whites to Whites has increased 8.5% between 1990 and 2010. In 1990, the County was 98.6% White, while it was 90.1% White in 2010. Of the non-White population, the proportion of persons who identified as Some Other Race increased 1.5%, followed by the proportion of Asians at 1.1%. The proportions of American Indians and Blacks increased the least, 0.1% and 0.5%, respectively.



Figure 2-3
Racial and Ethnic Population Composition, 1990-2010

	1990		2000		2010	
	#	%	#	%	#	%
McHenry County	147,897	---	260,077	---	308,760	---
White	145,769	98.6%	244,240	93.9%	278,257	90.1%
Non-White	2,128	1.4%	15,837	6.1%	30,503	9.9%
Black	108	0.1%	1,523	0.6%	3,283	1.1%
Asian/Pacific Islander	551	0.4%	3,837	1.5%	7,887	2.6%
American Indian	145	0.1%	445	0.2%	939	0.3%
Some other race	1,324	0.9%	7,211	2.8%	13,194	4.3%
Two or more races	*	*	2,821	1.1%	5,200	1.7%
Hispanic**	3,025	2.0%	19,602	7.5%	35,249	11.4%

* This category was not recorded in the 1990 Census.

** Hispanic ethnicity is counted independently of race.

Source: 1990, 2000 and 2010 Census SF-1

The strong growth in the Hispanic population is noteworthy. By 2010, Hispanics accounted for 11.4% of the total population. Between 2000 and 2010, Hispanic population growth of 15,647 persons accounted for about one-third of the County's overall population growth. Hispanics currently represent the fastest growing minority group and the largest minority group in the County. Figure 2-4 shows the growing proportion of Hispanics among the overall population.

Figure 2-4
Increasing Hispanic Share of Total County Population, 1990-2010

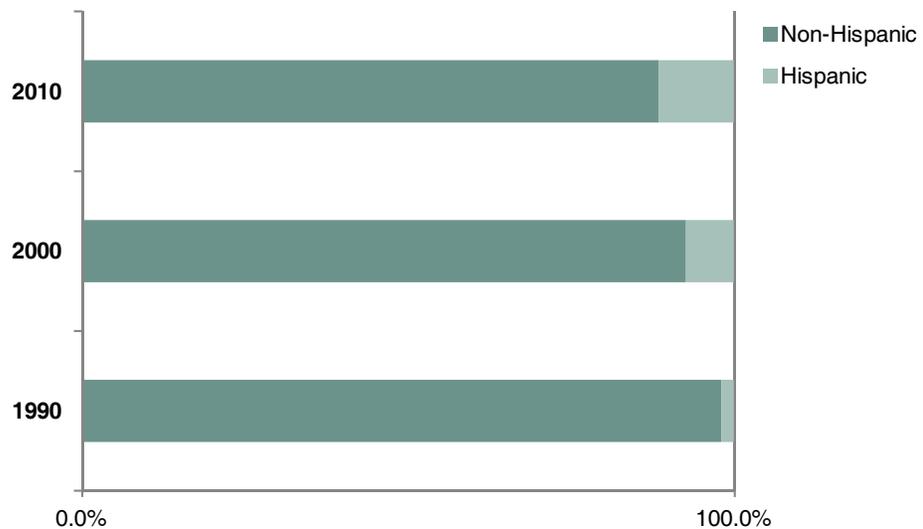
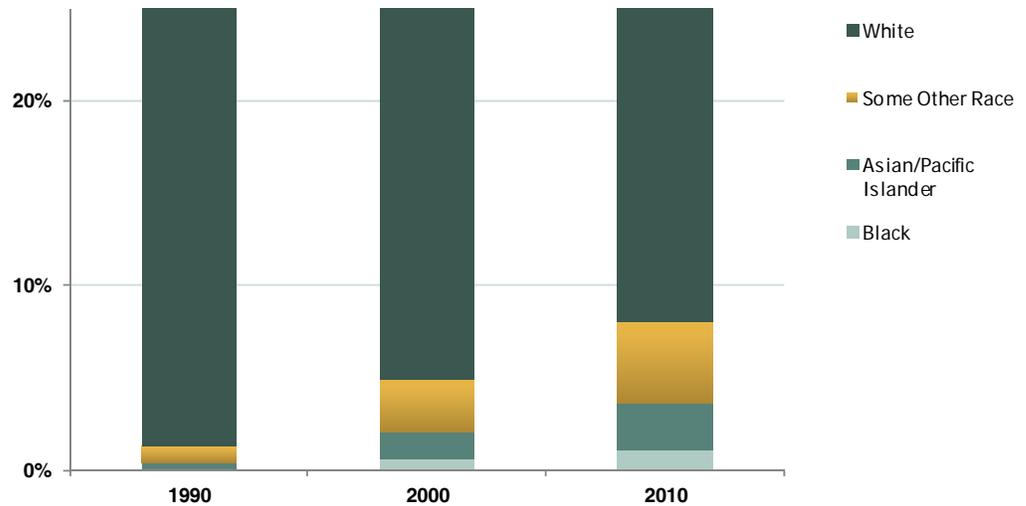


Figure 2-5
Expansion of Minority Populations, 1990-2010



McHenry County remains predominantly White, though it has experienced an expansion in racial and ethnic diversity in recent decades.

The non-White population increased from 1.4% of the total in 1990 to 9.9% in 2010. At the same time, the Hispanic population increased from 2.0% to 11.4%.

2. Areas of Racial and Ethnic Minority Concentration

McHenry County's Five-Year Consolidated Plan 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.

The composition of race and ethnicity by census tract is detailed in Figure 2-6 and depicted graphically in Map 2-1.



Figure 2-6
Areas of Racial and/or Ethnic Concentration, 2010

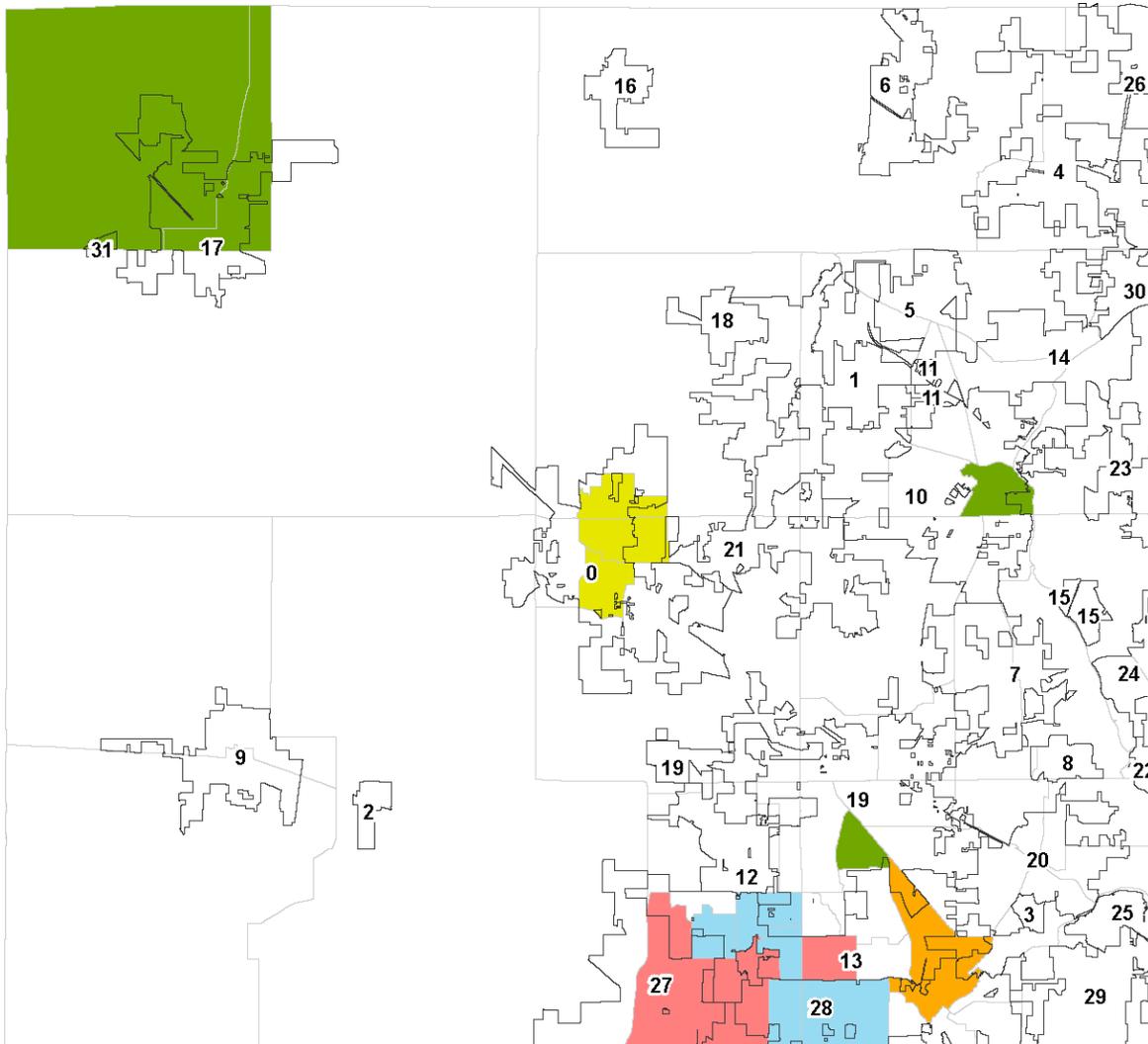
Tract	General Location	Population	Race and Ethnicity			
			% White	% Black	% Asian	% Hispanic
McHenry County		308,760	90.1%	1.1%	2.6%	11.4%
8701.01	Richmond, Hebron, Unincorp.	7277	94.8%	1.0%	0.8%	6.0%
8701.02	Fox Lake, Spring Grove	6765	96.3%	0.4%	0.9%	3.7%
8702	Unincorporated, parts of Harvard	6277	85.9%	0.7%	0.8%	19.1%
8703.01	Unincorporated, parts of Harvard	4657	78.4%	0.8%	0.7%	36.6%
8703.02	Harvard	4477	74.3%	0.6%	0.6%	41.7%
8704.01	Unincorporated, Greenwood, Woodstock	7974	91.7%	0.6%	1.3%	9.5%
8704.02	Woodstock	6016	78.7%	3.5%	3.0%	31.2%
8705	Wonder Lake	9274	94.8%	0.6%	1.2%	5.7%
8706.03	McCullom Lake	4630	89.9%	0.9%	0.5%	16.5%
8706.04	Johnsburg	6011	92.0%	0.8%	1.2%	10.4%
8706.05	McHenry	6419	90.8%	0.5%	1.1%	12.5%
8706.06	McHenry	4153	84.0%	0.6%	0.9%	23.1%
8707.02	Lakemoor	7686	95.5%	0.4%	1.0%	6.3%
8707.03	Ringwood, Johnsburg	5615	97.2%	0.4%	0.5%	3.1%
8707.04	Piskatee Highlands	3865	96.9%	0.7%	0.2%	4.6%
8708.03	Unincorporated, parts of Bull Valley	8140	94.1%	0.5%	2.8%	4.3%
8708.07	Crystal Lake	5413	85.9%	1.5%	2.7%	18.2%
8708.08	Crystal Lake	3763	92.3%	1.0%	2.0%	8.5%
8708.09	Prairie Grove, Unincorporated	6901	92.9%	0.8%	2.4%	5.8%
8708.10	Unincorporated, Prairie Grove, Oakwood Hills	4535	96.2%	0.3%	1.0%	4.4%
8708.11	Unincorporated, Holiday Hills	4620	90.9%	0.8%	1.1%	12.1%
8708.12	Island Lake	4873	90.3%	0.7%	2.4%	13.6%
8709.02	Uninc., Woodstock, Bull Valley, Crystal Lake	7631	89.8%	1.6%	2.2%	15.1%
8709.03	Woodstock	3579	83.4%	2.6%	0.7%	26.7%
8709.04	Woodstock	4805	89.2%	0.6%	1.2%	14.5%
8709.05	Woodstock	4919	81.7%	2.6%	3.5%	24.8%
8710.03	Unincorporated, part of Marengo	4649	89.8%	0.4%	0.6%	12.1%
8710.04	Unincorporated, part of Marengo	6030	90.9%	0.8%	0.3%	14.0%
8711.04	Huntley	17533	83.9%	2.2%	8.0%	11.1%
8711.05	Lakewood	5250	93.0%	0.5%	2.6%	7.0%
8711.06	Lakewood	9114	88.9%	1.5%	4.5%	9.5%
8711.07	Algonquin	5276	89.4%	1.8%	6.1%	5.0%
8711.08	Huntley, Unincorporated	5731	89.1%	1.4%	5.9%	7.0%
8711.09	Huntley, Unincorporated	5165	84.8%	1.2%	6.4%	13.0%
8712.01	Unincorporated	6734	93.1%	0.7%	1.7%	7.5%
8712.02	Unincorporated	5838	84.9%	1.7%	2.1%	22.9%
8712.05	Unincorporated, part of Algonquin	4660	91.6%	0.6%	1.3%	12.0%
8712.06	Algonquin	6695	86.1%	1.9%	8.8%	6.0%
8712.07	Unincorporated	4598	85.6%	2.6%	5.8%	12.0%
8712.08	Unincorporated	3947	92.8%	0.9%	3.6%	5.9%
8712.09	Crystal Lake	3474	89.5%	1.5%	2.4%	11.9%
8713.01	Crystal Lake	4653	92.9%	0.5%	1.3%	10.8%
8713.04	Unincorporated	3215	94.3%	0.3%	1.4%	5.8%
8713.05	Unincorporated, part of Cary	6705	91.9%	0.4%	2.8%	10.6%
8713.06	Cary	8421	90.1%	0.7%	2.8%	10.7%
8713.07	Unincorporated, part of Cary	4855	92.7%	0.9%	0.8%	10.1%
8713.10	Algonquin	4381	95.3%	0.7%	0.9%	6.5%
8713.11	Cary	4496	88.7%	2.7%	2.8%	11.3%
8714.02	Barrington Hills, Fox River Grove	6246	94.7%	0.6%	1.9%	4.9%
8714.04	Algonquin	4536	90.1%	1.4%	4.4%	8.7%
8715	Unincorporated, Union	11348	95.8%	0.6%	1.7%	4.7%
8716	Trout Valley, Cary	4935	93.1%	0.5%	1.4%	7.8%

Source: 2010 Census SF-1

There were 14 areas of racial or minority concentration in the County.

Five census tracts were areas of concentration for more than one race/ethnicity.

Map 2-1
Areas of Racial and Ethnic Concentration, 2010



- Places
- Census Tracts
- Black Concentration
- Hispanic Concentration
- Asian Concentration
- Black and Asian Concentration
- Black and Hispanic Concentration

Places Key:

- | | | |
|-------------------|------------------------|-------------------------|
| 0 - Woodstock | 11 - McCullom Lake | 21 - Bull Valley |
| 1 - Wonder Lake | 12 - Lakewood | 22 - Port Barrington |
| 2 - Union | 13 - Lake in the Hills | 23 - Lakemoor |
| 3 - Trout Valley | 14 - Johnsburg | 24 - Island Lake |
| 4 - Spring Grove | 15 - Holiday Hills | 25 - Fox River Grove |
| 5 - Ringwood | 16 - Hebron | 26 - Fox Lake |
| 6 - Richmond | 17 - Harvard | 27 - Huntley |
| 7 - Prairie Grove | 18 - Greenwood | 28 - Algonquin |
| 8 - Oakwood Hills | 19 - Crystal Lake | 29 - Barrington Hills |
| 9 - Marengo | 20 - Cary | 30 - Pistakee Highlands |
| 10 - McHenry | | 31 - Chemung |



3. Residential Segregation Patterns

Residential segregation is a measure of the degree of separation of racial or ethnic groups living in a neighborhood or community. Typically, the pattern of residential segregation involves the existence of predominantly homogenous, White suburban communities and low-income minority inner-city neighborhoods. Latent factors, such as attitudes, or overt factors, such as real estate practices, can limit the range of housing opportunities for minorities. A lack of racial or ethnic integration in a community creates other problems, such as reinforcing prejudicial attitudes and behaviors, narrowing opportunities for interaction, and reducing the degree to which community life is considered harmonious. Areas of extreme minority isolation often experience poverty and social problems at rates that are disproportionately high.³ Racial segregation has been linked to diminished employment prospects, poor educational attainment, increased infant and adult mortality rates and increased homicide rates.

The distribution of racial or ethnic groups across a geographic area can be analyzed using an index of dissimilarity. This method allows for comparisons between subpopulations, indicating how much one group is spatially separated from another within a community. The index of dissimilarity is rated on a scale from 0 to 100, in which a score of 0 corresponds to perfect integration and a score of 100 represents total segregation.⁴ The index is typically interpreted as the percentage of the minority population that would have to move in order for a community or neighborhood to achieve full integration.

With a 2010 White/Black dissimilarity index of 28.9, McHenry County is reasonably well integrated, based on national standards.⁵ The data indicates that in order to achieve full integration among White and Black residents, 28.9% of Black residents would have to move to another census tract within the County.

³ This aspect of segregation is related to the degree to which members of a group reside in areas where their group predominates, thus leading them to have less residential contact with other groups. See: Fossett, Mark. "Racial Segregation in America: A Nontechnical Review of Residential Segregation in Urban Areas." Department of Sociology and Racial and Ethnic Studies Institute, Texas A&M University, 2004.

⁴ The index of dissimilarity is a commonly used demographic tool for measuring inequality. For a given geographic area, the index is equal to $1/2 \sum ABS [(b/B)-(a/A)]$, where b is the subgroup population of a census tract, B is the total subgroup population in a city, a is the majority population of a census tract, and A is the total majority population in the city. ABS refers to the absolute value of the calculation that follows.

⁵ According to Douglas S. Massey, an index under 30 is low, between 30 and 60 is moderate, and above 60 is high. See Massey, "Origins of Economic Disparities: The Historical Role of Housing Segregation," in *Segregation: The Rising Costs for America*, edited by James H. Carr and Nandinee K. Kutty (New York: Routledge 2008) p. 41-42.



Figure 2-7
McHenry County Dissimilarity Indices, 2010

	DI with White Population	Population	Share of Total Population
White	---	278,257	90.1%
Black	28.9	3,283	1.1%
American Indian*	27.7	939	0.3%
Asian/Pacific Islander	33.4	7,887	2.6%
Other	32.9	13,194	4.3%
Two or More Races	12.7	5,200	1.7%
Hispanic**	28.5	35,249	11.4%
Total	---	308,760	---

* In these cases, sample size is too small to reliably interpret the DI. Caution should be exercised in interpreting results for subpopulations of fewer than 1,000.

** Hispanic ethnicity is counted independently of race.

Source: U.S. Census 2010, Mullin & Lonergan Associates

In addition to a White/Black index of 28.9, the County has a White/Asian index of 33.4 and a White/other-race index of 32.9. These figures indicate a moderate level of segregation. Other relatively low dissimilarity indices were those for multi-racial persons (12.7) and the Hispanic population (28.5). Perfect integration would receive an index score of 0.



Relative to other areas of the country and especially in comparison to the larger metropolitan region, McHenry County is reasonably well integrated.

According to dissimilarity index data, 33.4% of the Asian population and 32.9% of the Other Race population would have to move to other census tracts in order to increase integration. The County's Black population was more evenly dispersed, as perfect integration would require only 28.9% to relocate.

Since 2000, McHenry County's Hispanic population has become more integrated, suggesting that its rapid growth was spread beyond traditionally Hispanic neighborhoods. The Asian population has both become slightly more segregated in the past decade, while the dispersion of the Black population has remained at a fairly constant level.

Figure 2-8
Changes in Racial and Ethnic Integration, 2000-2010

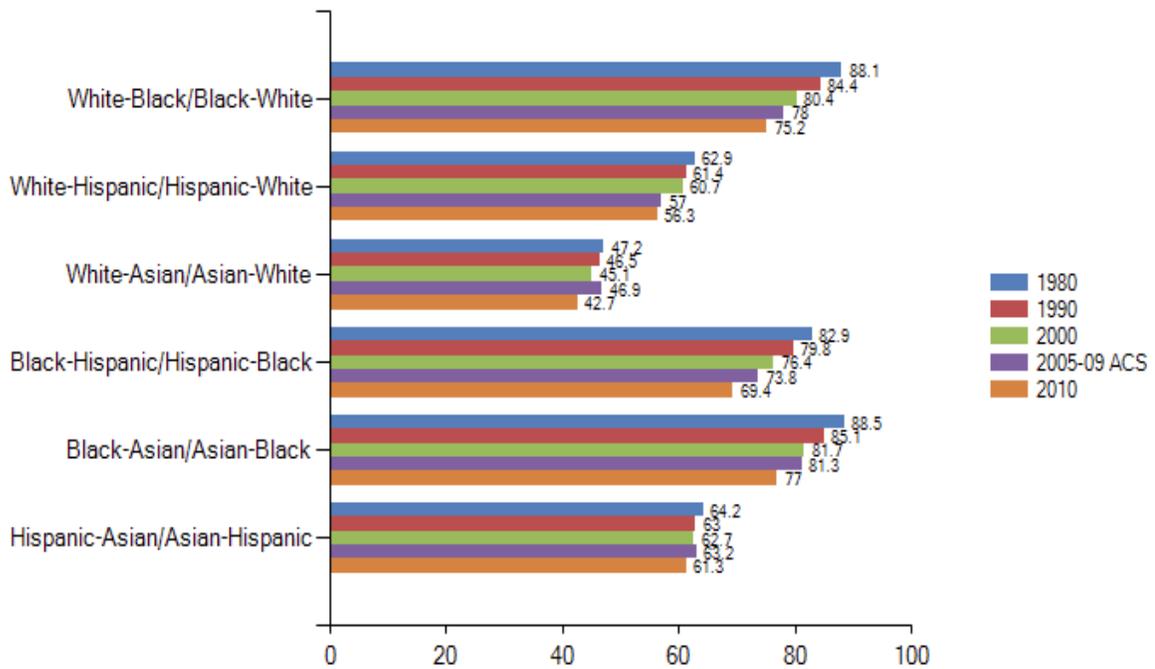
	Black ↑		Asian ↑		Hispanic ↓	
	Populatio	DI	Populatio	DI	Populatio	DI
2000	1,523	28.3	3,837	29.1	19,602	29.8
2010	3,283	28.9	7,887	33.4	35,249	28.5

Source: Census 2010 SF1, Census 2000, Mullin & Lonergan Associates



In an effort to understand the full context of settlement patterns, dissimilarity indices of McHenry County were also compared to those in the Chicago-Joliet-Naperville Metropolitan Statistical Area. From 2000 to 2010, all dissimilarity indices relative to the White population in the Chicago-Joliet-Naperville MSA improved. However, the White/Black dissimilarity index is still considered high at 75.2. The White/Hispanic and White/Asian indices are considered moderate at 56.3 and 42.7, respectively. All three of these indices are higher than their equivalents in McHenry County, which indicates that the region's minority populations are much more drastically segregated overall.

Figure 2-9
Segregation Indices for the Metropolitan Area, 1980-2010



Source: *Spatial Structures in Social Sciences*, Brown University

4. Race/Ethnicity and Income

Household income is one of several factors used to determine a household's eligibility for a home mortgage loan. The median household income (MHI) in McHenry County was \$76,482 in 2010. This was more than \$20,000 above the national median income of \$51,914.

Across racial and ethnic groups in the County, Asians had the highest MHI at \$91,176. Blacks had the second highest median household income, \$85,393, which exceeded the White median household income of \$77,054. Hispanics had the lowest median household income of \$57,041, which was



more than \$20,000 lower than the White median household income and was more than \$30,000 less than the Asian median household income.

Hispanics also had the highest poverty rate among minority groups, 16.1%, as compared to the Asian poverty rate of 2.2% and the White poverty rate of 5.5%. The 12.1% poverty rate among Blacks was much higher than that of the Asian or White population, despite the previously mentioned relatively high median income among this group.

Figure 2-10

Median Household Income and Poverty Rates by Race/Ethnicity, 2010

	Median Household Income	Poverty Rate
McHenry County	\$76,482	6.2%
Whites	\$77,054	5.5%
Blacks	\$85,393	12.1%
Asians	\$91,176	2.5%
Hispanics	\$57,041	16.1%

Note: Five-year sample data was selected because one- and three-year sample data, while available, included an unacceptably high margin of error within smaller racial/ethnic groups.

Source: U.S. Census Bureau, 2006-2010 American Community Survey (B19013, B19013A, B19013B, B19013D, B19013I, B17001, B17001A, B17001B, B17001D, B17001I)

The distribution of household income by race and ethnicity is consistent with these trends. Figure 2-11 shows a high proportion of Asian and Black households earning more than \$75,000 in McHenry County. Hispanic households were least likely to earn higher than \$75,000, while across the entire metropolitan area, Blacks were the least likely to be in this category. Across the Chicago-Joliet-Naperville MSA, Blacks were the most likely racial group to earn less than \$25,000, while in McHenry County, Hispanics were the most likely. Asians were most likely to earn more than \$75,000 in either location.

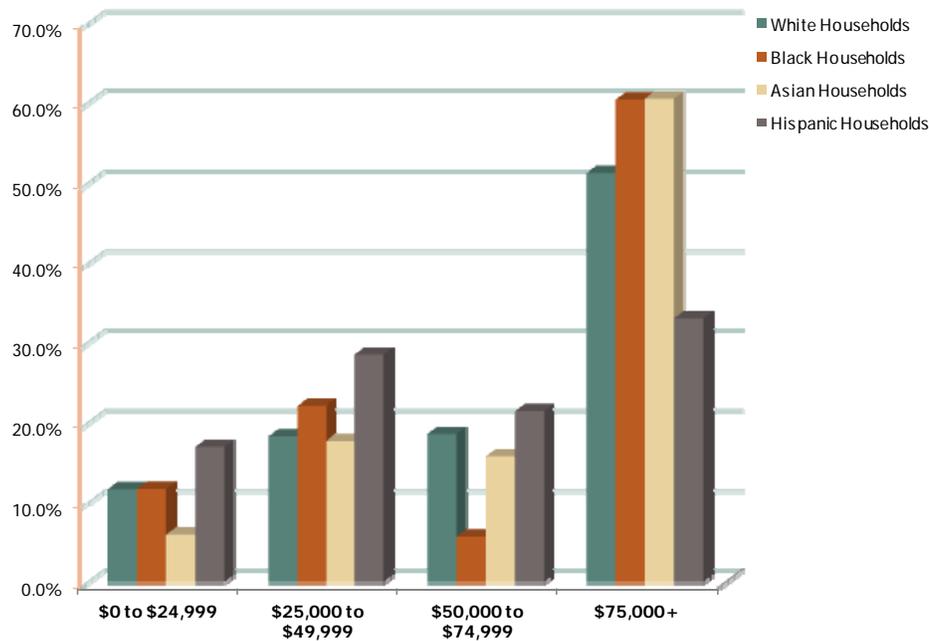


Figure 2-11
Household Income Distribution by Race and Ethnicity, 2010

	Total	\$0 to \$24,999	%	\$25,000 to \$49,999	%	\$50,000 to \$74,999	%	\$75,000 and higher	%
All Households in McHenry County									
McHenry County	108,106	12,736	11.8%	19,810	18.3%	20,151	18.6%	55,409	51.3%
Chicago-Joliet-Naperville MSA	3,424,098	680,433	19.9%	743,795	21.7%	629,597	18.4%	1,370,273	40.0%
White Households									
McHenry County	100,828	12,020	11.9%	18,008	17.9%	18,641	18.5%	52,159	51.7%
Chicago-Joliet-Naperville MSA	2,376,680	367,142	15.4%	478,142	20.1%	441,628	18.6%	1,089,768	45.9%
Black Households									
McHenry County	881	104	11.8%	195	22.1%	50	5.7%	532	60.4%
Chicago-Joliet-Naperville MSA	597,842	222,279	37.2%	149,409	25.0%	99,297	16.6%	126,857	21.2%
Asian Households									
McHenry County	2,144	127	5.9%	380	17.7%	340	15.9%	1,297	60.5%
Chicago-Joliet-Naperville MSA	171,199	27,524	16.1%	29,072	17.0%	29,712	17.4%	84,891	49.6%
Hispanic Households									
McHenry County	7,553	1,287	17.0%	2,152	28.5%	1,622	21.5%	2,492	33.0%
Chicago-Joliet-Naperville MSA	487,667	114,025	23.4%	156,835	32.2%	98,957	20.3%	117,850	24.2%

Source: U.S. Census Bureau, 2006-2008 American Community Survey (B19001, B19001A, B19001B, B19001D, B19001I)

Figure 2-12
Household Income Distribution by Race and Ethnicity, 2010





Hispanics experienced poverty at much higher rates than any other minority in 2010.

The median household income for Hispanics was substantially lower than the median income for Whites and Asians. Blacks and Hispanics also had poverty rates exceeding 12%, compared to 5.5% for Whites and 2.5% for Asians.

5. Concentrations of LMI Persons

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.⁶ 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. It is within these lower-income, higher-minority areas that other demographic, economic and policy characteristics will be analyzed.

The following figures and maps illustrate the location of LMI block groups and impacted areas.

⁶ This threshold is determined by HUD and represents the upper quartile of census tracts having the highest concentration of low and moderate income persons in the County.



Figure 2-13

Low-Moderate Income and Impacted Areas of the County, 2010

Tract	Block Group	% LMI	Concentration
8703.00	4	62.8%	Hispanic
8702.00	1	61.7%	
8709.02	3	59.6%	
8706.06	1	58.4%	Hispanic
8705.00	5	58.0%	
8709.05	1	56.0%	Black and Hispanic
8703.00	3	51.2%	Hispanic
8709.03	3	51.1%	Black and Hispanic
8706.03	2	49.9%	
8705.00	2	49.0%	
8706.04	2	49.0%	
8712.02	2	48.9%	Hispanic
8704.02	1	48.6%	Black and Hispanic
8706.06	2	48.3%	Hispanic
8703.00	5	47.7%	Hispanic
8705.00	4	47.7%	
8701.01	3	46.9%	
8706.05	2	46.8%	
8709.05	2	45.9%	Black and Hispanic
8710.04	1	44.6%	
8709.03	1	44.5%	Black and Hispanic
8710.04	2	44.1%	
8707.02	3	43.7%	
8711.02	1	43.4%	
8713.01	3	43.3%	
8707.04	1	42.4%	
8707.04	4	42.4%	
8712.05	3	42.2%	
8710.03	2	41.8%	
8701.01	4	41.0%	
8706.03	1	40.0%	
8708.07	2	39.7%	
8708.10	1	39.7%	
8704.01	2	39.2%	
8711.02	6	38.9%	
8703.00	1	38.8%	Hispanic
8713.01	1	38.8%	
8704.02	2	38.7%	Black and Hispanic

Source: 2012 HUD LMI Estimates

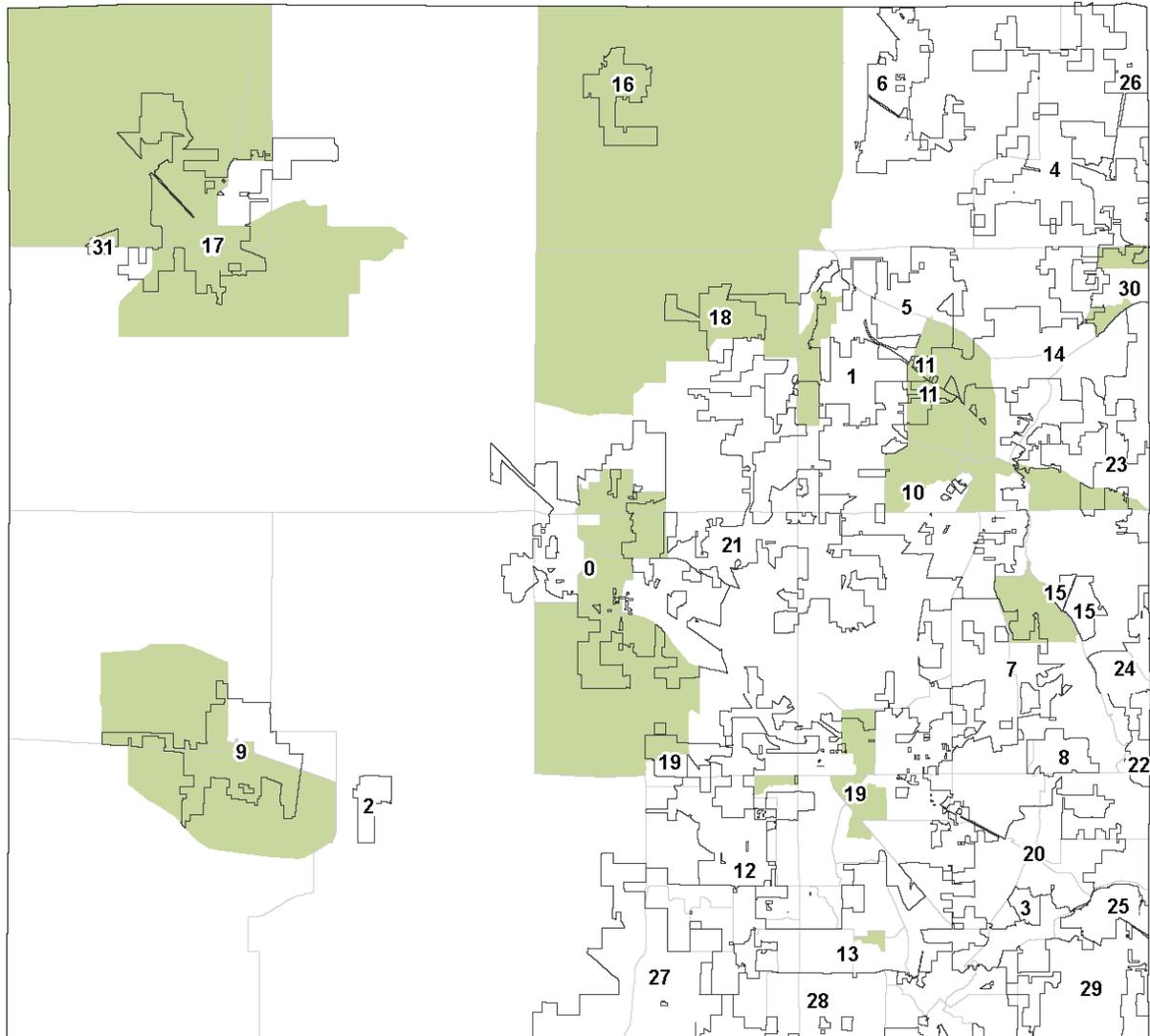


Thirteen block groups within the County include concentrations of both LMI persons and minorities.

Impacted areas are located in Chemung, Crystal Lake, Harvard, McHenry and Woodstock.



Map 2-2
Low- and Moderate-Income Block Groups, 2012



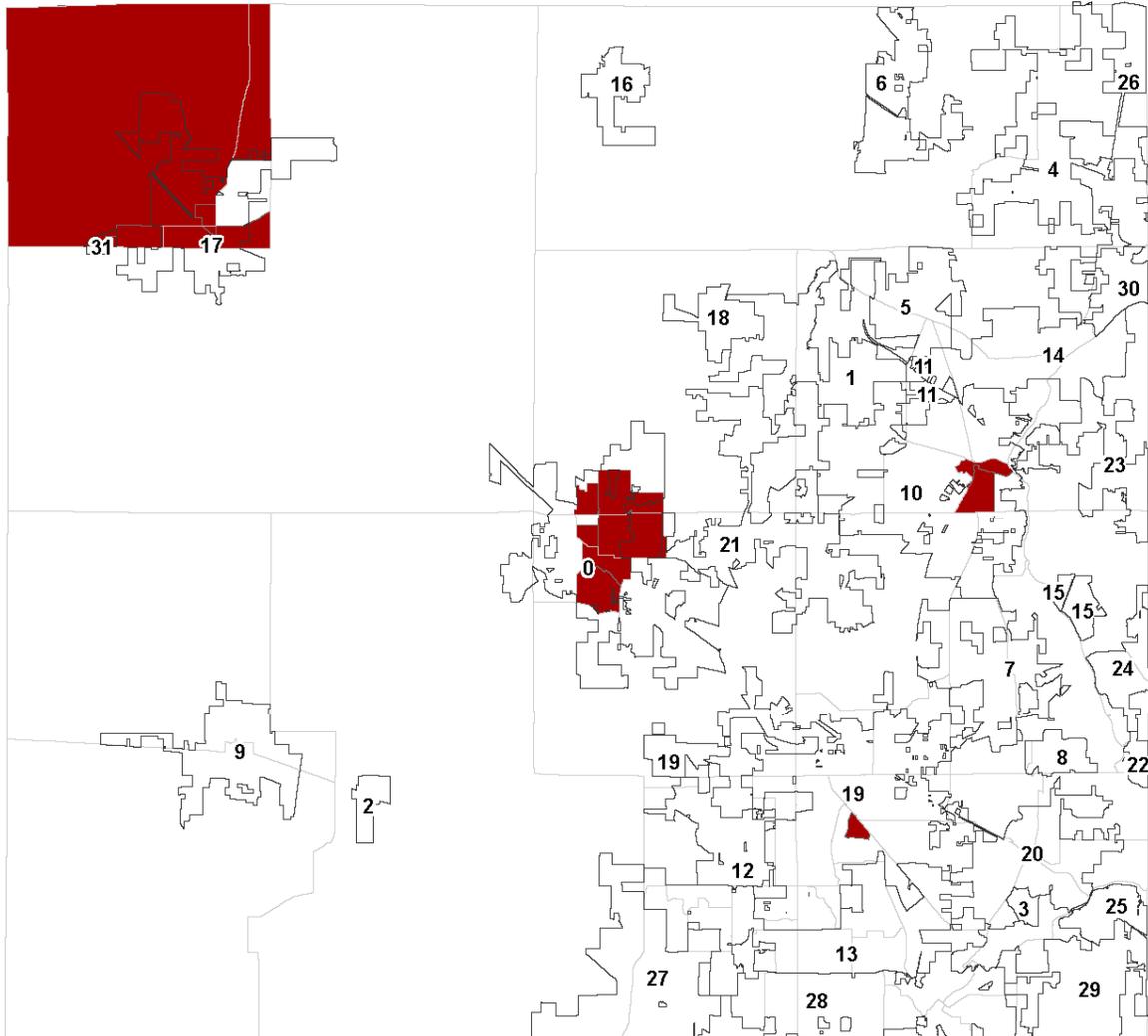
-  Places
-  Census Tracts
-  Block groups > 37.83% LMI

Places Key:

- | | | |
|-------------------|------------------------|-------------------------|
| 0 - Woodstock | 11 - McCullom Lake | 21 - Bull Valley |
| 1 - Wonder Lake | 12 - Lakewood | 22 - Port Barrington |
| 2 - Union | 13 - Lake in the Hills | 23 - Lakemoor |
| 3 - Trout Valley | 14 - Johnsburg | 24 - Island Lake |
| 4 - Spring Grove | 15 - Holiday Hills | 25 - Fox River Grove |
| 5 - Ringwood | 16 - Hebron | 26 - Fox Lake |
| 6 - Richmond | 17 - Harvard | 27 - Huntley |
| 7 - Prairie Grove | 18 - Greenwood | 28 - Algonquin |
| 8 - Oakwood Hills | 19 - Crystal Lake | 29 - Barrington Hills |
| 9 - Marengo | 20 - Cary | 30 - Pistakee Highlands |
| 10 - McHenry | | 31 - Chemung |



Map 2-3
Impacted Areas of McHenry County



- Places
- Census Tracts
- Impacted Areas

Places Key:

- | | | |
|-------------------|------------------------|-------------------------|
| 0 - Woodstock | 11 - McCullom Lake | 21 - Bull Valley |
| 1 - Wonder Lake | 12 - Lakewood | 22 - Port Barrington |
| 2 - Union | 13 - Lake in the Hills | 23 - Lakemoor |
| 3 - Trout Valley | 14 - Johnsburg | 24 - Island Lake |
| 4 - Spring Grove | 15 - Holiday Hills | 25 - Fox River Grove |
| 5 - Ringwood | 16 - Hebron | 26 - Fox Lake |
| 6 - Richmond | 17 - Harvard | 27 - Huntley |
| 7 - Prairie Grove | 18 - Greenwood | 28 - Algonquin |
| 8 - Oakwood Hills | 19 - Crystal Lake | 29 - Barrington Hills |
| 9 - Marengo | 20 - Cary | 30 - Pistakee Highlands |
| 10 - McHenry | | 31 - Chemung |



6. Disability and Income

As defined by the Census Bureau, a disability is a long-lasting physical, mental, or emotional condition that can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.

The Fair Housing Act prohibits discrimination based on physical, mental or emotional handicap, provided “reasonable accommodation” can be made. Reasonable accommodation may include changes to address the needs of disabled persons, including adaptive structural (e.g., constructing an entrance ramp) or administrative changes (e.g., permitting the use of a service animal). In McHenry County, 7.5% of the total population had a disability in 2010.⁷

According to the National Organization on Disabilities, a significant income gap exists for persons with disabilities, given their lower rate of employment. In McHenry County, persons with disabilities were more than twice as likely as persons without disabilities to live in poverty.⁸ In 2010, about 12.6% of those with disabilities were living below the poverty level. By comparison, about 6.4% of those without disabilities were living below the poverty level.



In McHenry County, persons with disabilities were about twice as likely to live in poverty as persons without disabilities.

Among all residents with a disability in 2000, 12.5% lived in poverty, compared to 6.4% of persons without disabilities.

7. Familial Status and Income

The Census Bureau divides households into family and non-family households. Family households are married couple families with or without children, single-parent families and other families comprised of related persons. Non-family households are either single persons living alone, or two or more non-related persons living together.

Title VIII of the Civil Rights Act of 1968 protects against gender discrimination in housing. Protection for families with children was added in the 1988 amendments to Title VIII. Except in limited circumstances involving elderly housing and owner-occupied buildings of one to four units, it is unlawful to refuse to rent or sell to families with children.

In the McHenry County, female-headed households grew from 6.9% of all households in 2000 to 8.8% of all households in 2010, and female-headed households with children increased from 3.9% to 5.7%. Similarly, the proportion of male-headed households grew from 3.2% in 2000 to 5.1% in 2010, and the proportion of male-headed households with children grew

⁷ U.S. Census Bureau, Census 2008-2010 (S1810)

⁸ U.S. Census Bureau, Census 2008-2010(C18130)



from 1.7% to 3.0%. By comparison, married-couple family households with children declined from 38.0% to 31.2% during the same period. Non-family households comprise a growing share of the population, expanding from 21.9% in 2000 to 24.7% in 2010.

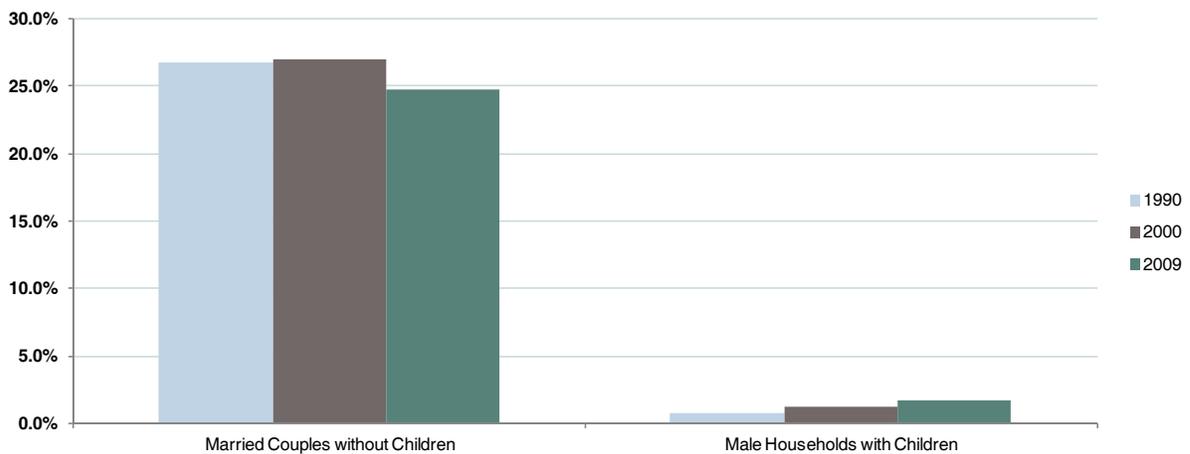
Figure 2-14
Female-headed Households and Households with Children, 1990-2010

	Total Households	Family Households										Non-family Households
		% of Total	Married-couple families		Female-headed Households			Male-headed Households				
			% of Total	With Children	Without Children	% of Total	With Children	Without Children	% of Total	With Children	Without Children	
1990	254,596	71.5%	61.2%	26.8%	34.4%	8.0%	3.3%	4.6%	2.3%	0.8%	1.6%	28.5%
2000	286,255	69.5%	58.1%	27.1%	31.0%	8.4%	4.2%	4.2%	2.9%	1.3%	1.7%	30.5%
2010	298,326	68.0%	55.3%	24.8%	30.4%	9.3%	5.1%	4.2%	3.5%	1.7%	1.7%	32.0%

Source: U.S. Census Bureau, 1990 (STF-3, P019); Census 2000 (SF-3, P10); American Community Survey (B11001, B11003)

Female-headed households with children often experience difficulty in obtaining housing, primarily as a result of lower-incomes and the potential unwillingness of some landlords to rent their units to families with children. Although they comprised less than 4% of families in McHenry County in 2000, female-headed households with children accounted for 37.3% of all families living in poverty.⁹ Among female-headed households with children in 2000, 16.7% were living in poverty, compared to 2.1% of married-couple families with children.

Figure 2-15
Household Type and Presence of Children, Urban County, 2000-2010



⁹ U.S. Census Bureau, Census 2000 (SF-3, P90)



There has also been a steady increase of male households with children between 1990 and 2010, as opposed to the decrease in married couples with children, as seen in Figure 2-15.

Female-headed households with children accounted for over one-third of all families living below the level of poverty in McHenry County.

Female-headed households with children comprised 37.3% of all families living in poverty, and 16.7% of all female-headed households with children lived in poverty. This rate is greater than the rate for any single racial minority.

8. Ancestry and Income

It is illegal to refuse the right to housing based on place of birth or ancestry. Census data on native and foreign-born populations reported that in 2010, 9.8% of all McHenry County residents were foreign-born. This was a lower rate than the 13.6% of residents of Illinois who were foreign-born.¹⁰

McHenry County's foreign-born population is statistically more likely to experience poverty. According to 2006-10 American Community Survey estimates, 9.7% of the foreign-born population for which poverty status is determined fell below the poverty line, compared to only 6.2% of all persons Countywide for whom this status is determined.¹¹

Persons with limited English proficiency (LEP) are defined by the federal government as persons who have a limited ability to read, write, speak or understand English. HUD issued its guidelines on how to address the needs of persons with LEP in January 2007. HUD uses the prevalence of persons with LEP to identify the potential for impediments to fair housing choice due to their inability to comprehend English. Persons with LEP may encounter obstacles to fair housing by virtue of language and cultural barriers within their new environment. To assist these individuals, it is important that a community recognizes their presence and the potential for discrimination, whether intentional or inadvertent, and establishes policies to eliminate barriers. It is also incumbent upon HUD entitlement communities to determine the need for language assistance and comply with Title VI of the Civil Rights Act of 1964.

American Community Survey (ACS) data reports on the non-English language spoken at home for the population five years and older. In 2010, the Census Bureau reported that 17,501 persons in McHenry County spoke English less than "very well."¹² This limited English proficiency subpopulation constituted 5.7% of the County's total population. Native Spanish speakers made up 70.5% of all LEP persons. Native Polish speakers made up 10.6% of all LEP persons, which made them the second largest single group in this category.

¹⁰ U.S. Census Bureau, QuickFacts, 2006-2010

¹¹ U.S. Census Bureau, American Community Survey 2005-09 (B06012)

¹² U.S. Census Bureau, 2007-09 American Community Survey (B16001)

Figure 2-16
Limited English Proficiency Language Groups, 2009

Language Group	Number of LEP Speakers	Percentage of All Persons Age 5 and Older
Total LEP	17,501	---
Spanish	12,338	70.5%
Polish	1,860	10.6%
Tagalog	406	2.3%
French or French Creole	340	1.9%
Italian	228	1.3%
German	346	2.0%

Source: American Community Survey 2008-2010 Estimates

In McHenry County, two of these single language groups include more than 1,000 persons with LEP, exceeding HUD “safe harbor” minimums.¹³ These language groups include Spanish speakers and Polish speakers. In order to determine whether the translation of vital documents is required, the County must conduct the four-factor analysis. The term “vital document” refers generally to any publication that is needed to gain access to the benefits of a program or service. The four-factor analysis requires entitlements such as McHenry County to evaluate the need for translation and/or other accommodations based on four factors:

- The number or proportion of persons with LEP to be served or likely to be encountered by the program
- The frequency with which persons with LEP come into contact with the program
- The nature and importance of the program, activity or services provided by the program, and
- Resources available to the grantee vs. costs

Although there is no requirement to develop a Language Access Plan (LAP), HUD entitlement communities are responsible for serving LEP persons in accordance with Title VI of the Civil Rights Act of 1964. Conducting the four-factor analysis is the best way to comply with this requirement. The obligation to translate vital documents would also extend to the McHenry County Housing Authority and all County subrecipients.

Discussion of existing County services for persons with LEP are described in the Public Sector Policies section of the report.

¹³ HUD has adopted “safe harbor” guidelines for translation of written materials for recipients to ensure they have no compliance finding with Title VI LEP obligations. Included in these guidelines is a recommendation that vital documents are translated when there are 1,000 or more within an LEP language group in the eligible population in the market area or among current beneficiaries. More information at http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq.





Native Spanish speakers account for more than 70% of all persons with limited English proficiency in McHenry County.

Native Polish speakers account for the majority of the remaining persons with LEP, at 10.6%.

9. Protected Class Status and Unemployment

As of February of 2012, the latest month for which data is available, McHenry County's unemployment rate was 9.1%, higher than the national rate of 8.3% and equal to the statewide unemployment rate of 9.1%.¹⁴

American Community Survey estimates spanning recent years provide detailed data by gender and race, indicating some differences in employment rates among groups. Women experienced unemployment at slightly lower rates than men, with 5.8% of women unemployed, compared to 6.0% of men. In McHenry County, Black residents were substantially more likely to be unemployed than White residents, with unemployment rates of 13.5% and 5.0%, respectively. Whites were the least likely to be unemployed, followed by Asians at 5.2%. Hispanics had an unemployment rate of 10%, which is lower than the proportion of Black persons who are unemployed.

¹⁴ Bls.gov



Figure 2-17
Civilian Labor Force, 2010

Civilian Labor Force	Illinois		Chicago-Joliet-Naperville MSA		McHenry County	
	Total	%	Total	%	Total	%
Total CLF	6,714,251	100%	5,006,693	100.0%	170,092	100.0%
Unemployed	639,748	5.9%	502,565	10.0%	15276	5.2%
Male CLF	3,534,429	52.6%	2,645,107	52.8%	92,238	54.2%
Unemployed	360516	6.0%	279788	10.6%	8894	9.6%
Female CLF	3,179,822	47.4%	2,361,586	47.2%	77,854	45.8%
Unemployed	279232	5.8%	222777	9.4%	6382	8.2%
White CLF	5,027,808	82.8%	3,457,163	69.1%	155,812	91.6%
Unemployed	398,396	5.0%	282,106	8.2%	13,872	8.9%
Black CLF	847,033	12.6%	758,181	15.1%		0.0%
Unemployed	157,405	13.5%	141,759	18.7%	*	*
Asian CLF	324,419	4.8%	297,292	5.9%	4,449	2.6%
Unemployed	23,514	5.2%	21953	0.1%	259	5.8%
Hispanic CLF	972,804	14.5%	941,486	18.8%	17,008	18.4%
Unemployed	107,692	10.0%	104,195	11.1%	1,648	9.7%

Source: U.S. Census Bureau, 2008-10 American Community Survey (C23001, C23002A, C23002B, C23002D, C23002I).

*Data not available



Blacks were substantially more likely than Whites to be unemployed in the Urban County in 2010.

Over 13% of Blacks were unemployed in 2010, compared to 5.0% of Whites.



B. Housing Market

1. Housing Inventory

The housing stock across the County expanded by 23,132 units, or 24.9%, between 2000 and 2010. While gains were reported for most incorporated areas, the number of housing units decreased in unincorporated areas of the County. The areas of greatest gain were in Wonder Lake, Richmond, Prairie Grove, Lakemoor and Huntley. In 10 municipalities, the total number of housing units has more than doubled since 2000.

Figure 2-18 describes the location of the areas where higher rates of new housing development have occurred since 1990. Map 2-4 illustrates the density of housing units across the County in 2010, demonstrating that homes are most densely located in the County's southeastern communities and in Woodstock.

Figure 2-18
Trends in Total Housing Units by Municipality, 2000-2010

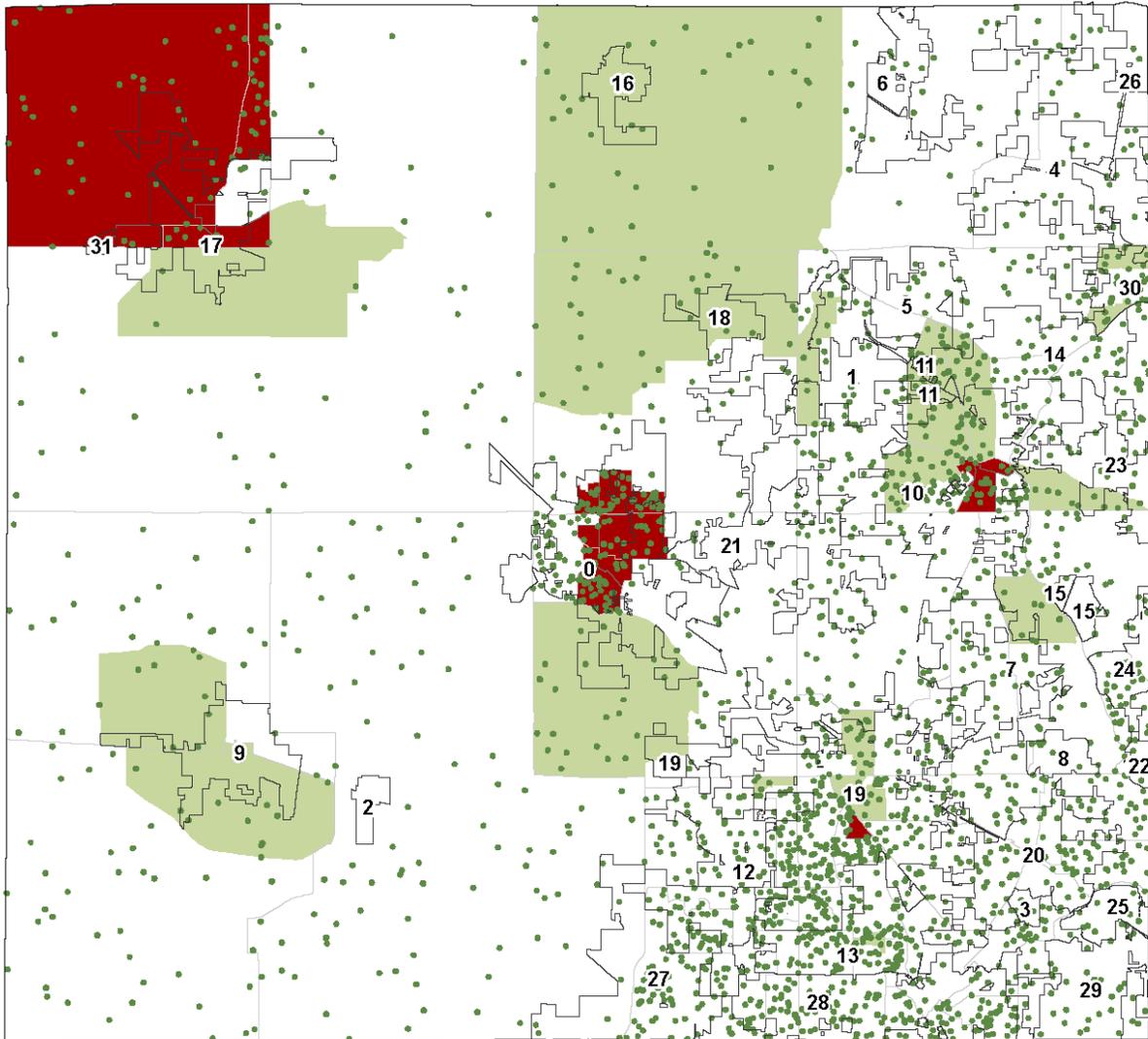
	2000	2010	Change		2000	2010	Change
McHenry County	92,908	116,040	24.9%	Unincorporated Areas	16,123	9,003	-44.2%
Algonquin	7,952	10,727	34.9%	Lakemoor	1,161	2,512	116.4%
Barrington Hills	1,456	1,675	15.0%	Lakewood	871	1,380	58.4%
Bull Valley	281	460	63.7%	McCullom Lake	418	440	5.3%
Cary	5,037	6,258	24.2%	McHenry	8,127	10,741	32.2%
Crystal Lake	13,459	15,176	12.8%	Marengo	2,475	3,046	23.1%
Fox Lake	4,652	5,622	20.9%	Oakwood Hills	736	802	9.0%
Fox River Grove	1,734	1,857	7.1%	Port Barrington	320	559	74.7%
Greenwood	86	100	16.3%	Prairie Grove	308	666	116.2%
Harvard	2,723	3,341	22.7%	Richmond	441	1,003	127.4%
Hebron	411	517	25.8%	Ringwood	174	297	70.7%
Holiday Hills	289	250	-13.5%	Spring Grove	1,205	1,886	56.5%
Huntley	2,501	10,499	319.8%	Trout Valley	200	193	-3.5%
Island Lake	2,893	3,142	8.6%	Union	208	230	10.6%
Johnsburg	1,875	2,398	27.9%	Wonder Lake	488	1,608	229.5%
Lake in the Hills	7,866	9,885	25.7%	Woodstock	7,599	9,767	28.5%

Source: 2000 Census (H1), 2010 Census (H1)

The density of housing units across the County varies greatly, as there is a strong contrast in neighborhood character between unincorporated areas and urban centers such as Woodstock.

The greatest gain in housing units during the last 10 years occurred in urban areas, with unincorporated space losing more than 9,000 units, or 44.2% of the total units in those areas in 2000.

Map 2-4
Distribution of Total Housing Units, 2010



- Places
- 1 dot = 50 housing units
- Census Tracts
- Impacted Areas
- Block groups > 37.83% LMI

Places Key:

- | | | |
|-------------------|------------------------|-------------------------|
| 0 - Woodstock | 11 - McCullom Lake | 21 - Bull Valley |
| 1 - Wonder Lake | 12 - Lakewood | 22 - Port Barrington |
| 2 - Union | 13 - Lake in the Hills | 23 - Lakemoor |
| 3 - Trout Valley | 14 - Johnsburg | 24 - Island Lake |
| 4 - Spring Grove | 15 - Holiday Hills | 25 - Fox River Grove |
| 5 - Ringwood | 16 - Hebron | 26 - Fox Lake |
| 6 - Richmond | 17 - Harvard | 27 - Huntley |
| 7 - Prairie Grove | 18 - Greenwood | 28 - Algonquin |
| 8 - Oakwood Hills | 19 - Crystal Lake | 29 - Barrington Hills |
| 9 - Marengo | 20 - Cary | 30 - Pistakee Highlands |
| 10 - McHenry | | 31 - Chemung |



2. Types of Housing Units

In 2010, single-family housing units comprised 88.4% of the housing stock in the County.

Figure 2-19
Trends in Housing Units in Structures by Municipality, 2010

	Total Units	Single-family units	Multi-family units				Total multi-family	Mobile home	Boat, RV, van, etc.	% MF
			2 to 4	5 to 9	10 to 19	20 or more				
McHenry County	114,791	100,663	4,616	4,089	2,749	1,855	13,309	792	27	11.6%
Algonquin	10,086	9,390	319	156	91	123	689	7	0	6.8%
Barrington Hills	1,617	1,617	0	0	0	0	0	0	0	0.0%
Bull Valley	470	431	39	0	0	0	39	0	0	8.3%
Cary	5,923	5,441	251	59	93	56	459	23	0	7.7%
Crystal Lake	15,312	11,741	904	1,131	712	444	3,191	353	27	20.8%
Fox Lake	5,235	3,988	281	271	225	463	1,240	7	0	23.7%
Fox River Grove	2,099	1,715	75	0	10	299	384	0	0	18.3%
Greenwood	69	66	3	0	0	0	3	0	0	4.3%
Harvard	3,302	2,525	323	351	23	41	738	39	0	22.4%
Hebron	521	410	87	21	3	0	111	0	0	21.3%
Holiday Hills	278	278	0	0	0	0	0	0	0	0.0%
Huntley	9,162	8,788	137	176	32	29	374	0	0	4.1%
Island Lake	3,122	2,974	33	70	45	0	148	0	0	4.7%
Johnsburg	2,590	2,373	150	9	30	13	202	15	0	7.8%
Lake in the Hills	9,940	9,185	211	179	334	31	755	0	0	7.6%
Lakemoor	2,384	1,655	41	184	371	11	607	122	0	25.5%
Lakewood	1,308	1,295	13	0	0	0	13	0	0	1.0%
McCullom Lake	484	462	18	0	0	4	22	0	0	4.5%
McHenry	10,796	8,630	676	665	493	332	2,166	0	0	20.1%
Marengo	2,844	2,232	263	154	103	0	520	92	0	18.3%
Oakwood Hills	807	807	0	0	0	0	0	0	0	0.0%
Port Barrington	603	603	0	0	0	0	0	0	0	0.0%
Prairie Grove	662	645	17	0	0	0	17	0	0	2.6%
Richmond	993	506	60	101	252	74	487	0	0	49.0%
Ringwood	300	297	0	0	0	3	3	0	0	1.0%
Spring Grove	1,832	1,812	20	0	0	0	20	0	0	1.1%
Trout Valley	188	188	0	0	0	0	0	0	0	0.0%
Union	266	253	9	0	0	0	9	4	0	3.4%
Wonder Lake	1,521	1,496	15	10	0	0	25	0	0	1.6%
Woodstock	10,138	7,103	894	1,066	503	548	3,011	24	0	29.7%

Source: U.S. Census Bureau, 2006-2010 ACS (B25024)

*Margins of error too large to find unincorporated areas

In 20 of the 30 communities, renter-occupied multi-family units represented less than 10% of the total occupied housing inventory in 2010. For example, in Barrington Hills, of the 1,497 total occupied units, none were renter-occupied multi-family units. In 20 municipalities, multi-family rental units constituted less than 10% of the total occupied housing stock.



Figure 2-20
Housing Units by Tenure and Structure Type, 2010

	Owner-Occupied				Renter-Occupied				% Renter-Occupied Multi-Family
	Total	Single-Family	Multi-Family	% Multi-Family	Total	Single-Family	Multi-Family	% Multi-Family	
McHenry County	90,930	87,876	2,404	2.6%	17,176	8,009	9,097	53.0%	8.4%
Algonquin	8,925	8,697	221	2.5%	966	548	418	43.3%	4.2%
Barrington Hills	1,381	1,381	0	0.0%	116	116	0	0.0%	0.0%
Bull Valley	399	399	0	0.0%	45	9	36	80.0%	8.1%
Cary	5,180	5,066	91	1.8%	569	233	336	59.1%	5.8%
Crystal Lake	11,299	10,131	815	7.2%	3,166	1,107	2,032	64.2%	14.0%
Fox Lake	3,332	3,013	312	9.4%	1,146	443	703	61.3%	15.7%
Fox River Grove	1,530	1,530	0	0.0%	335	81	254	75.8%	13.6%
Greenwood	56	55	1	1.8%	6	4	2	33.3%	3.2%
Harvard	1,929	1,863	27	1.4%	1,046	381	665	63.6%	22.4%
Hebron	326	311	15	4.6%	127	48	79	62.2%	17.4%
Holiday Hills	242	242	0	0.0%	8	8	0	0.0%	0.0%
Huntley	7,960	7,933	27	0.3%	760	445	315	41.4%	3.6%
Island Lake	2,525	2,525	0	0.0%	451	303	148	32.8%	5.0%
Johnsburg	1,998	1,967	16	0.8%	308	172	136	44.2%	5.9%
Lake in the Hills	8,843	8,538	305	3.4%	667	365	302	45.3%	3.2%
Lakemoor	1,481	1,425	8	0.5%	690	136	521	75.5%	24.0%
Lakewood	1,250	1,237	13	1.0%	36	36	0	0.0%	0.0%
McCullom Lake	314	310	4	1.3%	129	111	18	14.0%	4.1%
McHenry	7,809	7,337	472	6.0%	2,232	807	1,425	63.8%	14.2%
Marengo	1,979	1,873	14	0.7%	746	279	467	62.6%	17.1%
Oakwood Hills	782	782	0	0.0%	16	16	0	0.0%	0.0%
Port Barrington	599	599	0	0.0%	4	4	0	0.0%	0.0%
Prairie Grove	583	576	7	1.2%	43	43	0	0.0%	0.0%
Richmond	528	407	121	22.9%	359	79	280	78.0%	31.6%
Ringwood	260	260	0	0.0%	32	29	3	9.4%	1.0%
Spring Grove	1,715	1,715	0	0.0%	78	58	20	25.6%	1.1%
Trout Valley	175	175	0	0.0%	6	6	0	0.0%	0.0%
Union	226	216	6	2.7%	12	9	3	25.0%	1.3%
Wonder Lake	1,233	1,233	0	0.0%	125	100	25	20.0%	1.8%
Woodstock	6,322	5,990	332	5.3%	2,815	657	2,158	76.7%	23.6%

Source: U.S. Census Bureau, 2006-2010 ACS (B25032)

*Margins of error too large to find unincorporated areas

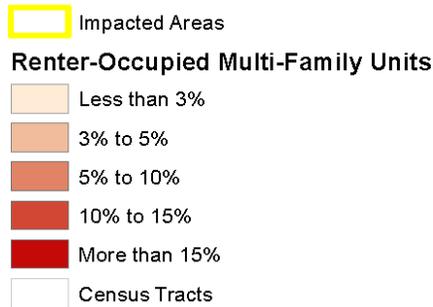
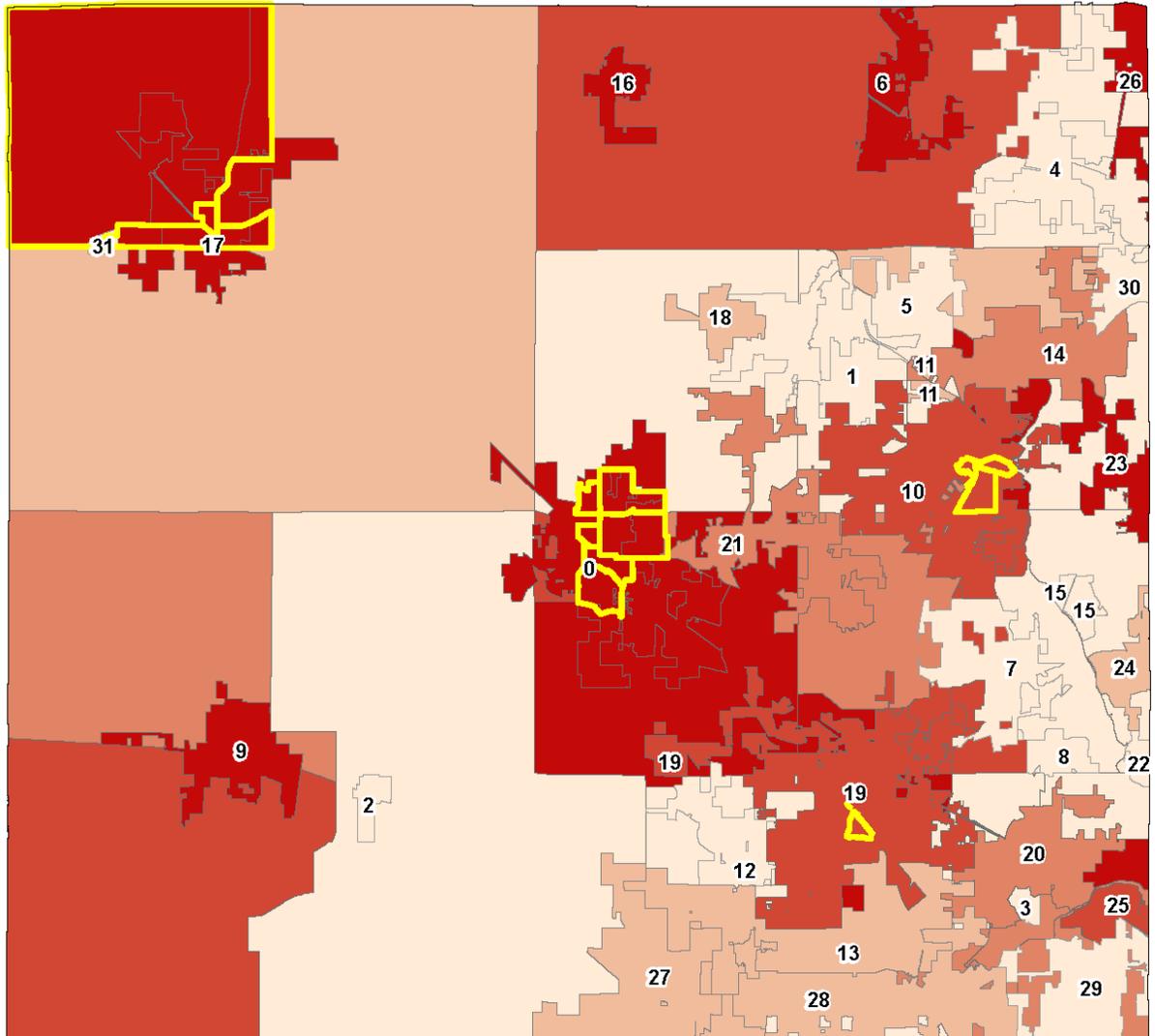
The following map illustrates the distribution of multi-family units across McHenry County, indicating the extent to which they are located with much greater density in certain communities. Renter-occupied multi-family units comprised more than 15% of all housing in the area in and surrounding Woodstock and in Chemung, Fox Lake, Harvard, Hebron, Lakemoor, Marengo and Richmond.

Renter-occupied multi-family units represented only 8.4% of the occupied housing stock in McHenry County in 2010.

In 20 of 30 municipalities, renter-occupied multi-family units accounted for less than 10% of the occupied housing stock.



Map 2-5
Renter-Occupied Multi-Family Units as Percent of All Occupied Units, 2010



Places Key:

- | | | |
|-------------------|------------------------|-------------------------|
| 0 - Woodstock | 11 - McCullom Lake | 21 - Bull Valley |
| 1 - Wonder Lake | 12 - Lakewood | 22 - Port Barrington |
| 2 - Union | 13 - Lake in the Hills | 23 - Lakemoor |
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3. Protected Class Status and Home Ownership

The value in home ownership lies in the accumulation of wealth as the owner's share of equity increases with the property's value. Paying a monthly mortgage instead of rent is an investment in an asset that is likely to appreciate.

According to 2006-2010 Census estimates, 86.9% of McHenry County's Asian households were homeowners, while 85.2% of White households were homeowners. By contrast, 62.9% of Blacks owned homes, while Hispanics had the lowest homeownership rate at 61.9%.

Minority home ownership varied widely among municipalities in McHenry County, as illustrated in Figure 2-21. Many of the communities reporting a 100% ownership rate among minority groups have a sample size too small for reliable analysis.

As previously noted, median incomes for Hispanics are significantly lower than those of Asians and Whites. This is one among several factors that contribute to the generally lower rates of homeowners for minorities across the County. Again, Asians had the highest median income, which could also influence their high rate of homeownership.

Figure 2-21
Housing Tenure by Race and Ethnicity, 2009

	White			Black			Asian			Hispanic		
	Total	# Owners	% Owners	Total	# Owners	% Owners	Total	# Owners	% Owners	Total	# Owners	% Owners
McHenry County	100,828	85,904	85.2%	881	554	62.9%	2,144	1,864	86.9%	7,637	4,731	61.9%
Algonquin	8,677	7,785	89.7%	170	170	100.0%	723	694	96.0%	669	557	83.3%
Barrington Hills	1,425	1,309	91.9%	0	0	-	64	64	100.0%	37	37	100.0%
Bull Valley	439	394	89.7%	0	0	-	0	0	-	8	8	100.0%
Cary	5,437	4,993	91.8%	12	12	100.0%	108	108	100.0%	330	159	48.2%
Crystal Lake	13,617	10,738	78.9%	134	64	47.8%	231	145	62.8%	1,093	527	48.2%
Fox Lake	4,363	3,243	74.3%	23	23	100.0%	20	20	100.0%	145	95	65.5%
Fox River Grove	1,799	1,481	82.3%	0	0	-	6	6	100.0%	80	64	80.0%
Greenwood	53	47	88.7%	0	0	-	3	3	100.0%	6	6	100.0%
Harvard	2,522	1,696	67.2%	0	0	-	26	12	46.2%	866	483	55.8%
Hebron	437	314	71.9%	4	0	0.0%	8	8	100.0%	22	22	100.0%
Holiday Hills	238	230	96.6%	0	0	-	0	0	-	11	11	100.0%
Huntley	8,150	7,533	92.4%	216	124	57.4%	267	255	95.5%	302	284	94.0%
Island Lake	2,819	2,420	85.8%	0	0	-	24	24	100.0%	227	154	67.8%
Johnsburg	2,240	1,932	86.3%	0	0	-	0	0	-	174	91	52.3%
Lake in the Hills	8,743	8,117	92.8%	116	116	100.0%	367	348	94.8%	665	562	84.5%
Lakemoor	1,948	1,270	65.2%	12	0	0.0%	58	58	100.0%	307	172	56.0%
Lakewood	1,172	1,146	97.8%	52	42	80.8%	62	62	100.0%	44	44	100.0%
McCullom Lake	393	290	73.8%	5	5	100.0%	0	0	-	41	15	36.6%
McHenry	9,304	7,499	80.6%	16	0	0.0%	168	106	63.1%	735	260	35.4%
Marengo	2,529	1,917	75.8%	11	0	0.0%	16	16	100.0%	225	147	65.3%
Oakwood Hills	783	767	98.0%	0	0	-	10	10	100.0%	20	20	100.0%
Port Barrington	541	537	99.3%	3	3	100.0%	36	36	100.0%	10	10	100.0%
Prairie Grove	558	539	96.6%	9	9	100.0%	24	24	100.0%	11	11	100.0%
Richmond	887	528	59.5%	0	0	-	0	0	-	19	19	100.0%
Ringwood	289	260	90.0%	0	0	-	3	0	0.0%	2	2	100.0%
Spring Grove	1,681	1,603	95.4%	36	36	100.0%	68	68	100.0%	0	0	-
Trout Valley	174	168	96.6%	0	0	-	7	7	100.0%	0	0	-
Union	238	226	95.0%	0	0	-	0	0	-	0	0	-
Wonder Lake	1,240	1,115	89.9%	0	0	-	11	11	100.0%	122	122	100.0%
Woodstock	8,149	5,864	72.0%	156	46	29.5%	107	62	57.9%	1,247	726	58.2%

Source: U.S. Census Bureau, 2006-2010 B25003, B25003A, B25003B, B25003D, B25003I

*Margins of error too large to find unincorporated areas



Lower household incomes among Hispanics are reflected in lowest home ownership rates when compared to Whites and other minorities.

Among minorities in McHenry County, 62.9% of Blacks and 61.9% of Hispanics were home owners, compared to 85.2% of Whites and 86.9% of Asians.



4. The Tendency of the Protected Classes to Live in Larger Households

Larger families may be at risk for housing discrimination on the basis of race and the presence of children (familial status). A larger household, whether or not children are present, can raise fair housing concerns. If there are policies or programs that restrict the number of persons that can live together in a single housing unit, and members of the protected classes need more bedrooms to accommodate their larger household, there is a fair housing concern because the restriction on the size of the unit will have a negative impact on members of the protected classes.

In McHenry County, two minority groups were more likely than Whites to live in families with three or more people. In 2010, 62.1% of White families had three or more people. By comparison, 72.5% of Black families and 77.9% of Asian families had three or more persons. However, 60.9% of Hispanics had a family with three or more persons, which was 1.2% less than Whites.

Figure 2-22
Families with Three or More Persons, 2010

	Percent of Families with Three or More Persons	
	McHenry County	Chicago-Joliet-Naperville MSA
White	62.1%	59.5%
Black	72.5%	67.0%
Asian	77.9%	70.8%
Hispanic	60.9%	56.3%

Note: Sample size for other racial groups was not sufficiently large for reliable analysis.

Source: U.S. Census Bureau, Census 2010 (SF1, P28)

To adequately house larger families, a sufficient supply of larger dwelling units consisting of three or more bedrooms is necessary. In McHenry County, accommodating a large family is much easier in owner housing than the rental market. Of 17,176 rental units in 2010, only 34.4% had three or more bedrooms, compared to 81.6% of the owner housing stock.



Figure 2-23

Housing Units by Number of Bedrooms, 2010

	Renter-Occupied Housing Stock		Owner-Occupied Housing Stock	
	# units	% of all units	# units	% of all units
McHenry County	17,176	---	90,930	---
0-1 bedroom	4,147	24.1%	1,408	1.5%
2 bedrooms	7129	41.5%	15352	16.9%
3 or more bedrooms	5,900	34.4%	74,170	81.6%

Source: 2006-10 American Community Survey (B25042)

5. Cost of Housing

Increasing housing costs are not a direct form of housing discrimination. However, a lack of affordable housing does constrain housing choice. Residents may be limited to a smaller selection of neighborhoods because of a lack of affordable housing in those areas.

In general, income increases during the last decade more than kept pace with housing costs. The median income among McHenry County households increased 60.6%, adjusted for inflation, while the median housing value rose 10%. Also, the median gross rent held steady. Though the median housing value in 2009 was \$238,000, a sum that is likely unaffordable to lower-income households, the increase in median household income relative to the increases in housing costs is one sign that in a general sense, the affordability of housing in McHenry County has improved within the last decade.

Figure 2-24

Trends in Housing Value, Rent and Income, 1990-2008

	Median Housing Value	Median Gross Rent	Median Household Income
1999	\$216,469	\$980	\$46,850
2009	\$238,153	\$982	\$75,248
Change	10.0%	0.2%	60.6%

Note: All figures adjusted to 2010 dollars

Sources: U.S. Census Bureau, 1990 Census (STF3-H061A, H043A, P080A), Census 2000 (SF3-H76, H63, P53), 2006-10 American Community Survey (B25077, B25064, B19013); Calculations by Mullin & Lonergan Associates, Inc.

a. Rental Housing

In McHenry County, the number of units renting for less than \$500 fell 31.3% between 2000 and 2010. During the same time, the number of units renting for more than \$1,000 per month increased almost 200%. The data does not provide a distinction between units that were actually lost from the inventory (through demolition, etc.) and those for which



rents were increased. This figure, due to the categorical nature of the variable, cannot be adjusted for inflation.

Figure 2-25
Loss of Affordable Rental Housing Units, 2000-2009

Units Renting for:	2000	2010	Change	
			#	%
Less than \$500	2,100	1,443	-657	-31.3%
\$500 to \$699	3,514	1,227	-2,287	-65.1%
\$700 to \$999	5,757	5,485	-272	-4.7%
\$1,000 or more	2,704	8,062	5,358	198.2%

Sources: U.S. Census Bureau, Census 2000 (SF3, H62), 2006-10 American Community Survey (B25063)



McHenry County has lost almost one third of its units renting at less than \$500 per month since 2000.

During the same years, the number of units renting for over \$1,000 per month increased almost 200%.

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 2012. In McHenry County, the FMR for a two-bedroom apartment is \$958. In order to afford this level of rent and utilities without paying more than 30% of income on housing, a household must earn \$3,193 monthly or \$38,320 annually.¹⁵ Assuming a 40-hour work week, 52 weeks per year, this level of income translates into a Housing Wage of \$18.00 per hour.

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 89 hours per week, 52 weeks per year.



Minimum-wage and single-income households cannot afford a housing unit renting for the HUD fair market rent in McHenry County.

¹⁵ The 30% rule for affordability is used here due to its establishment as a HUD standard. HUD defines households of any income level paying more than 30% of household income on housing expenses as "cost-burdened."



Monthly Supplemental Security Income (SSI) payments for an individual are \$698 in McHenry County and across Illinois. If SSI represents an individual's sole source of income, \$209 in monthly rent is affordable, while the FMR for a one-bedroom is \$853.

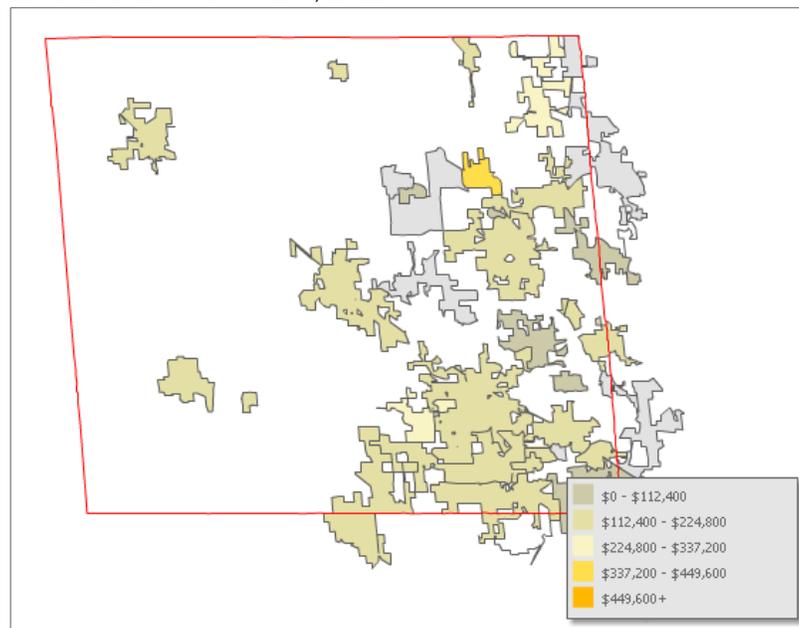


A household relying on a monthly SSI payment of \$698 as its only form of income cannot afford a one-bedroom unit renting for the HUD fair market rent of \$853 in McHenry County.

b. Sales Housing

According to research conducted by the Chicago Tribune, Ringwood carried the highest median housing sales price among McHenry County communities as of June 2012, at \$407,500. The following graphic from the Tribune's interactive real estate site indicates that in most incorporated areas of the County, homes sell for between \$112,400 and \$224,800, with medians exceeding a quarter million in Lakewood and Spring Grove. It is unclear how many sales within each jurisdiction are counted in the median; thus the figures are subject to skew. More detailed multi-list service data was requested for analysis, but it was unavailable for review.

Figure 2-26
Median Home Sales Price, 2012



Source: Chicago Tribune



3. Evidence of Housing Discrimination

This section analyzes the existence of fair housing complaints or compliance reviews where a charge of a finding of discrimination has been made. Additionally, this section will review the existence of any fair housing discrimination suits filed by the United States Department of Justice or private plaintiffs in addition to the identification of other fair housing concerns or problems.

Housing discrimination complaints originating in McHenry County are investigated by the Illinois Human Rights Commission or HUD's Office of Fair Housing and Equal Opportunity. There is no fair housing enforcement mechanism built into McHenry County law, nor does any municipality aside from Richmond enforce its own local fair housing ordinance. Referrals to state and federal investigatory offices are provided by the area's fair housing advocates, including various County government offices and nonprofit agencies such as Prairie State Legal Services, Inc. and HOPE Fair Housing Center. These groups provide education and outreach, sponsor community events, offer guidance on fair housing complaints and work to promote a mutual understanding of diversity among residents. To date, no government or nonprofit agency has conducted testing for discrimination in McHenry County's real estate market.

A. Existence of Fair Housing Complaints

The number of complaints reported may under-represent the actual occurrence of housing discrimination in any given community, as persons may not file complaints because they are not aware of how or where to file a complaint. Discriminatory practices can be subtle and may not be detected by someone who does not have the benefit of comparing his treatment with that of another home seeker. Other times, persons may be aware that they are being discriminated against, but they may not be aware that the discrimination is against the law and that there are legal remedies to address the discrimination. Also, households may be more interested in achieving their first priority of finding decent housing and may prefer to avoid going through the process of filing a complaint and following through with it. According to the Urban Institute, 83% of those who experience housing discrimination do not report it because they feel nothing will be done. Therefore, education, information, and referral regarding fair housing issues remain critical to equip persons with the ability to reduce impediments.

1. U.S. Department of Housing and Urban Development

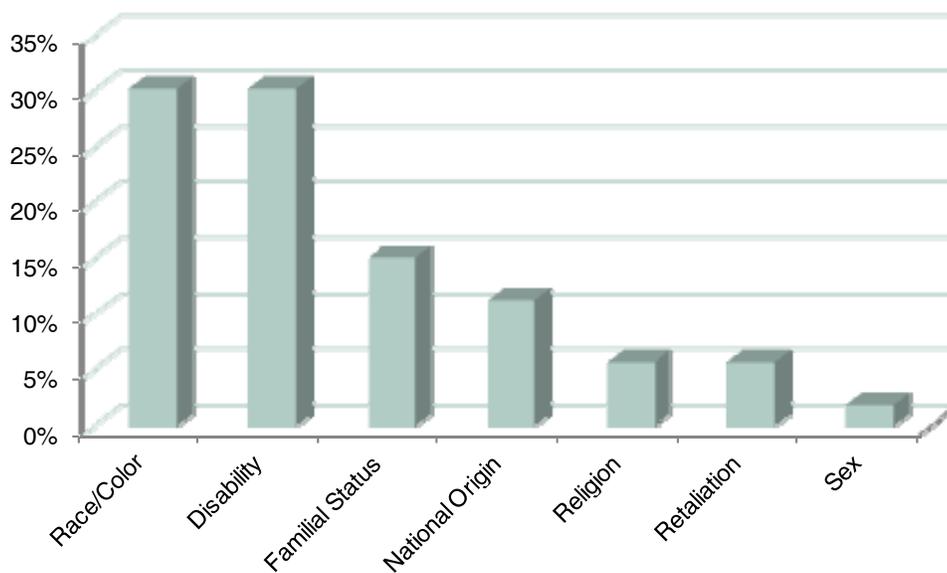
The Office of Fair Housing and Equal Opportunity (FHEO) at HUD receives complaints from persons regarding alleged violations of the federal Fair Housing Act. Fair housing complaints originating in McHenry County were obtained and analyzed for the period of October 1, 1997, the date of the County's last AI, through March 5, 2012. In total, 39 complaints originating in McHenry County were filed with HUD during this period, an average of about two or three per year. The volume of cases closed per year ranged from zero and one in 1998 and 1999 to nine in 2004. However, there is no clear pattern of increase or decrease in the number of complaints reported or resolved by year.

HUD provided information on the geographic distribution of cases. Fair housing complaints originated in localities across the County, with the greatest occurrence in Woodstock, where 15 complaints were based. Other communities with more than one complaint were Crystal Lake (six), McHenry

(four), Huntley (three), Cary and Harvard (two each). No other jurisdiction had more than one fair housing complaint during the 14-plus years studied. While the relatively low total of complaints filed certainly does not allow for statistically valid analysis, it is worth noting that more populous municipalities did not necessarily have higher complaints totals. Crystal Lake, the largest municipality in McHenry County with a 2010 population of 15,176, had less than half the number of complaints of Woodstock, which had 9,767 residents. Similarly, Huntley, population 24,291, had only three complaints, and Algonquin, population 10,727, had none. Again, the data does not necessarily suggest that more discrimination occurs where more complaints occur; it could simply indicate that awareness is higher in such areas.

Race/color and disability were the most common grounds for complaint, cited in 16 cases each. Of the 39 complaints filed, 12 were filed on two or more bases; as a result, the following chart reflects a higher total.

Figure 3-1
HUD Complaints by Basis of Discrimination in McHenry County, 2007-2012



Across all 39 complaints filed with HUD, discriminatory terms, conditions and privileges, facilities and services relating to rental transactions was the most commonly cited issue, factoring into more than 30% of all cases. General terms, conditions and privileges were separately cited in an additional 23.1% of cases, while failure to make reasonable accommodation was an issue in about one-fifth of cases. Many cases involved more than one issue. A breakdown of all issues cited appears in Figure 3-2.



Figure 3-2

Issues Cited in HUD Complaints in McHenry County, 2007-2012

Issue for Complaint	Occurrence	% of All Cases
Terms, conditions, privileges, services, facilities (rental)	12	30.8%
Terms, conditions, privileges, services, facilities (general)	9	23.1%
Refusal to rent or negotiate for rent	8	20.5%
Failure to make/permit reasonable accommodation/modification	8	20.5%
Actions under Section 818 (coercion, etc)	6	15.4%
Refusal to sell or negotiate for sale	5	12.8%
Terms, conditions, privileges, services, facilities (sale)	4	10.3%
Lending	2	5.1%
Advertising, statements and notices	1	2.6%
Non-compliance with accessibility design requirements	1	2.6%

Source: HUD FHEO

In terms of result, of the 37 complaints that were resolved as of March 2012, four (10.8%) were conciliated with a successful settlement. A complaint is considered conciliated when all of the parties to the complaint enter into a conciliation agreement with HUD. Such agreements include benefits for the complainant, and affirmative action on the part of the respondent, such as civil rights training. HUD has the authority to monitor and enforce these agreements. Of these, two involved disability, while one involved race and the other involved national origin. While the disability cases related to a lack of accessible facilities and failure to make accommodation, the race and ethnicity cases related to rental discrimination.

Of the total complaints filed, 17 (45.9%) were found to be without probable cause. This occurs when the preponderance of evidence obtained during the course of the investigation is insufficient to substantiate the charge of discrimination. Another 16 cases (43.2%) were administratively closed, due to complaint withdrawal before or after resolution, judicial dismissal or the complainant's refusal to cooperate.

Caution should be used when interpreting complaints that are administratively closed. This resolution does not always mean that housing discrimination has not occurred. In the case of a complainant withdrawing a complaint, an uncooperative complainant, or a complainant who cannot be located, it is possible that the complainant changed his or her mind, decided against the trouble of following through with the complainant, chose to seek other housing without delay or opted to drop the case for some other reason.

2. Illinois Human Relations Commission

The Illinois Human Relations Commission (HRC) provided data on housing complaints originating in McHenry County between September 1997 and March 2012. During these 14-plus years, there were 25 filings, equivalent to an average of about one or two cases per year.

Of the 25 total filings with the HRC, nine alleged discrimination on the basis of race, seven alleged discrimination on the basis of disability and four alleged discrimination on each of the bases of ethnicity and familial status. This breakdown of the bases for discrimination is generally consistent with

the analysis of HUD complaints, for which race/color and disability were the most common bases for complaint, followed by familial status and national origin.



Across McHenry County, race and disability were the primary bases for housing discrimination complaints to both HUD and the Illinois Human Rights Commission between 1997 and 2012.

Nearly two-thirds of all fair housing complaints involved issues of race, disability or both.

The Commission provided a summary of cases by municipality. About half of all cases (12 of 24) originated in Woodstock. Crystal Lake accounted for four cases, and two cases were based in McHenry and Lake in the Hills. Cary, Harvard, Johnsburg, Lakemoor and Richmond each had one case. This pattern is also generally consistent with the HUD distribution, though the sample size is too small for statistical analysis.

Both cases ending in a finding of probable cause involved properties in Woodstock. Other results included lack of substantial evidence (equivalent to HUD's "no cause" finding) in 12 cases, administrative closures in four cases and "adjusted with terms/adjusted and withdrawn, e.g. settled," denoted for seven cases. The data does not indicate which outcomes are connected to which complaints.

B. Patterns and Trends in Fair Housing Complaints

Race and disability remain the primary bases of discriminatory complaints filed with HUD or the Illinois Human Rights Commission, followed by familial status and national origin/ethnicity. The relatively low occurrence of complaints suggests that awareness of fair housing rights and recourse may be low, which would call for increased education and outreach. Paired real estate testing, which has heretofore never been conducted in McHenry County, would provide greater insight as to the extent of discrimination that may occur in the local real estate market.



Limited awareness of housing rights and discrimination recourse may be reflected in the relatively low number of housing complaints that originate in McHenry County.

Interviews conducted during the development of the AI suggested that discrimination is occurring, whether or not it is reported. Additional education and outreach is needed to improve access to available fair housing services.



C. **Existence of Fair Housing Discrimination Suit**

There is no pending fair housing discrimination suit involving McHenry County.

D. **Determination of Unlawful Segregation**

There is no pending unlawful segregation order involving McHenry County.



4. Review of Public Sector Policies

The analysis of impediments is a review of impediments to fair housing choice in the public and private sector. Impediments to fair housing choice are any actions, omissions, or decisions taken because of race, color, religion, sex, disability, familial status or national origin that restrict housing choices or the availability of housing choices, or any actions, omissions or decisions that have the effect of restricting housing choices or the availability of housing choices on those bases. Additionally, Illinois law prohibits discrimination on the basis of ancestry, age, marital status, military/veteran status, sexual orientation, military discharge and orders of protection. Policies, practices or procedures that appear neutral on their face but which operate to deny or adversely affect the provision of housing to members of a protected class may constitute such impediments.

An important element of the AI includes an examination of public policy in terms of its impact on housing choice. This section evaluates the public policies in McHenry County to determine opportunities for furthering the expansion of fair housing choice.

A. Policies Governing Investment of Federal Entitlement Funds

From a budgetary standpoint, housing choice can be affected by the allocation of staff and financial resources to housing related programs and initiatives. The decline in federal funding opportunities for affordable housing for lower-income households has shifted much of the challenge of affordable housing production to state, County and local government decision makers.

McHenry County's federal entitlement funds received from HUD may be used for a variety of activities to serve a variety of needs, as follows:

- **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.
- **HOME Investment Partnerships Program (HOME):** The HOME program provides federal funds for the development and rehabilitation of affordable rental and ownership housing for low and moderate income households. HOME funds can be used for activities that promote affordable rental housing and homeownership by low and moderate income households, including reconstruction, moderate or substantial rehabilitation, homebuyer assistance, and tenant-based rental assistance.

1. Project Proposal and Selection

The Community Development Division of the Department of Planning and Development is responsible for the overall planning, administration and monitoring of HUD grants made directly to McHenry County. The Division works with two advisory committees to determine allocation recommendations. The CDBG Commission, which comprises government



officials, citizens and members of service agencies, meets monthly to oversee the execution of grant programs with a focus on CDBG activities. The Housing Commission, composed of government officials, housing industry representatives, housing and service providers and the general public, works with the development of the HOME program grant. Its three subcommittees meet monthly to execute educational and legislative programming to further the understanding of best practices, policies and planning for housing in McHenry County. Subject to the guidance of these bodies, the Community Development Division compiles the Five-Year Consolidated Plan, which establishes policies and priorities to govern entitlement spending. The current Consolidated Plan is effective from 2010 to 2014.

McHenry County allocates its formula grant funds on a competitive basis. Because there are no other federal entitlement communities within the County, the County may allocate its project activities in any program-eligible location. The Community Development Division reviews all applications and makes recommendations to the commissioners relative to allocation decisions. Generally, commissioners rely on the programmatic expertise of staff and accept staff recommendations for funding approval.

In the FY 2010 - 2014 Consolidated Plan, the County identified three strategies to meet its affordable housing needs. These include:

- **Expanding the supply of affordable rental housing** through acquisition/rehabilitation of previously owner-occupied single-family housing, acquisition/rehabilitation/modernization of existing rental stock in the private and assisted housing market, and the development/construction of new rental housing. The County planned to encourage developers to leverage HOME funds with support from the Illinois Housing Development Authority, project-based Section 8 vouchers, the Section 202 and Section 811 programs and federal Low-Income Housing Tax Credits. The creation of the Housing Commission was part of this strategy. In total, the County planned to fund the development of at least 30 rental units for lower-income or elderly households between 2010 and 2014.
- **Maintaining the condition of the existing owner and rental stock currently occupied by lower-income and elderly households** through providing loans and grants to homeowners and incentives to owners of rental property to modernize units that are occupied by income-eligible renters. Between 2010 and 2014, the County planned to fund the rehabilitation of at least 50 units and fund emergency repairs to at least 125 owner units.
- **Providing homeownership opportunities to lower-income families, along with buyer counseling, fair housing education and foreclosure counseling.** The County planned to target these activities to areas where homes were most likely to be affordable (see following section). Between 2010 and 2014, the County planned to fund homebuyer projects and fund counseling and education to assist at least 500 households.

The goal to create 30 rental housing units for lower-income or elderly households over the course of five years is low, especially given the overwhelming need for affordable rental housing identified by the County's Comprehensive Plan. According to the Plan, the 3,548 subsidized rental units existing in McHenry County in 2010 addressed only 16% of the demand for such units. Arguably, facilitating the development of 30 units *annually* would still be insufficient to address existing need, much less the increase in need that would follow from population growth projections. While the level of HUD funds allocated to the County is limited, facilitating the development of new rental housing should be an entitlement spending priority of increased importance.



In order to meet the existing demand and future need for affordable rental units identified by the Comprehensive Plan, the County would need to create, incentivize and/or facilitate affordable rental housing at a rate far beyond its five-year target of 30 total units.

Applications for the HOME program are evaluated according to standards set in the application packet distributed to potential funding subrecipients. County staff members weigh each proposed project using project threshold criteria explained in the packet. Among common inclusions, such as consistency with the Consolidated Plan, leverage of other funding sources and past applicant performance, the County has established a weighted scoring system for projects based on income thresholds and special needs, including projects that specifically serve persons with disabilities.

All project applications for County entitlement programs include a signature page following a series of assurances, including assurance that the grant will be conducted and administered in compliance with the Fair Housing Act, Section 504 of the Rehabilitation Act and Title VI of the Civil Rights Act, among other laws. In order to uphold the County's own annual certification to HUD that it will affirmatively further fair housing, the County is required to ensure that the use of its grant funds is entirely consistent with this purpose. For that reason, the County should strive to avoid granting funds to any municipality or organization that may be engaged in discriminatory behavior relative to the Fair Housing Act. For any community or agency deemed to be engaging in discriminatory behavior, the County could arrange education on fair housing, particularly regarding zoning, land use, design and construction.



To emphasize a programmatic commitment to affirmatively further fair housing, the County should amend its CDBG and HOME program applications to specify that funding will not be awarded to any municipality or organization that the County determines may be engaged in discriminatory behavior relative to the Fair Housing Act.



2. Affirmative Marketing Policy

The County is federally required to adopt affirmative procedures and requirements for all CDBG- and HOME-assisted housing with five or more units. Such a plan should include:

- Methods of informing the public, owners, and potential tenants about fair housing laws and the County policies
- A description of what the owners and/or the County will do to affirmatively market housing assisted with CDBG or HOME funds
- A description of what the owners and/or the County will do to inform persons not likely to apply for housing without special outreach
- Maintenance of records to document actions taken to affirmatively market CDBG- and HOME-assisted units and to assess marketing effectiveness, and
- A description of how efforts will be assessed and what corrective actions will be taken where requirements are not met.

The County adopted an updated Affirmative Marketing Plan Policy for the FY 2011 CDBG and HOME contract rounds. Contract meetings for that year also included an affirmative marketing and fair housing component, according to the 2012 CAPER. New to 2011, the County also implemented new requirements for HUD-funded projects that require direct acknowledgement of affirmative marketing requirements as part of the application and contracting process.

McHenry County's Affirmative Marketing Plan Policy applies to all HUD-funded programs involving housing with five or more units. Additionally, it includes a review of laws that apply to other (non-HUD) assistance provided by the County.

The Community Development Division supplies each recipient of funding for a covered project with an Affirmative Marketing Plan packet, which must be completed by the recipient and approved by the Division. The packet requires recipients to determine the demographic composition of neighborhood where the project is to be located and specify an outreach strategy to reach populations least likely to apply. The recipient must list media outlets and connect them with a target audience. Additionally, the recipient must list community contacts to be involved in outreach and provide details about the specific materials and methods to be used in advertising. Finally, the packet includes a section on staff training.

The County's plan requires that all recipients provide their staff members with updated information in regard to regulation and fair housing provisions. On-site training programs are required to cover marketing, outreach, data collection, reporting and record keeping. The County sends updated fair housing law updates to recipients annually, and recipients are responsible to update their affirmative fair housing marketing plans accordingly.

All recipients must maintain a fair housing marketing file to hold advertisements, flyers and other public information to demonstrate that the appropriate logo and language have been put into practice. Additionally, recipients must maintain up-to-date records on Census data, applications and surveys about community residents, applicants, residents of the funded project and records about tenant selection or rejection. Recipients must

provide the Division with access to all related records for the purpose of determining compliance with civil rights and nondiscrimination requirements.

Aside from a lack of specificity on when and how often the Division will evaluate compliance and what penalties may exist in the case of noncompliance, the County's Affirmative Marketing Plan Policy is written to ideal fair housing standards.

3. Spending Patterns

Across all formula grant funding sources, the County allocated \$2,044,040 in FY 2011 funds for a variety of activities related to the expansion of housing opportunities, including CHDO capacity building and acquisition for the development of 82 units of affordable housing for seniors, the largest single-project allocation of HOME funds the County has ever made.¹⁶ Other housing activities included homebuyer assistance and the rehabilitation of 58 owner units facilitated through both CDBG and HOME funds. Additionally, the County invests in the revitalization of low- and moderate-income areas through CDBG infrastructure and public facilities projects.

The County annually monitors its progress in meeting the needs identified in the Five-Year Consolidated Plan and calibrates its activity recommendations accordingly, ensuring that its entitlement programs adapt to changing conditions. As an example, in the 2012 Annual Plan, the Division made a change to recommend funding tenant-based rental assistance (TBRA) and first-time homebuyer programs through the HOME program, as a result of analyzing grant expenditures in 2011 and evaluating the types of applications that were requested but deemed ineligible under the County's specific HOME criteria. To further this goal, the County is in the process of amending its Five-Year Consolidated Plan to add TBRA as an activity that is consistent with the Plan. Once approved by the County Board, the Housing Commission will issue a local Notice of Funding Availability (NOFA). The County estimates it will be able to provide monthly rental subsidies to assist up to 25 households for two years with an allocation of \$300,000 in HOME funds.

Currently, the County does not allocate CDBG funds for pure fair housing activities. The provision of fair housing services is eligible as either a program administration cost, per 24 CFR 570.206, or as a public service, per 24 CFR 570.201(e). Such services might include making all persons aware of the range of available housing options, enforcement, education, outreach, avoiding undue concentrations of assisted persons in areas with many low- and moderate-income persons, testing and other appropriate activities. During interviews conducted during the development of the AI, County staff members indicated a willingness to consider undertaking pure fair housing activities, likely by engaging the services of a qualified provider, assuming that a self-imposed cap on the percentage of the County budget available for public services rises to 15%.

¹⁶ The Residences of Lake in the Hills project will include 21 County HOME units to be affordable for 20 years.





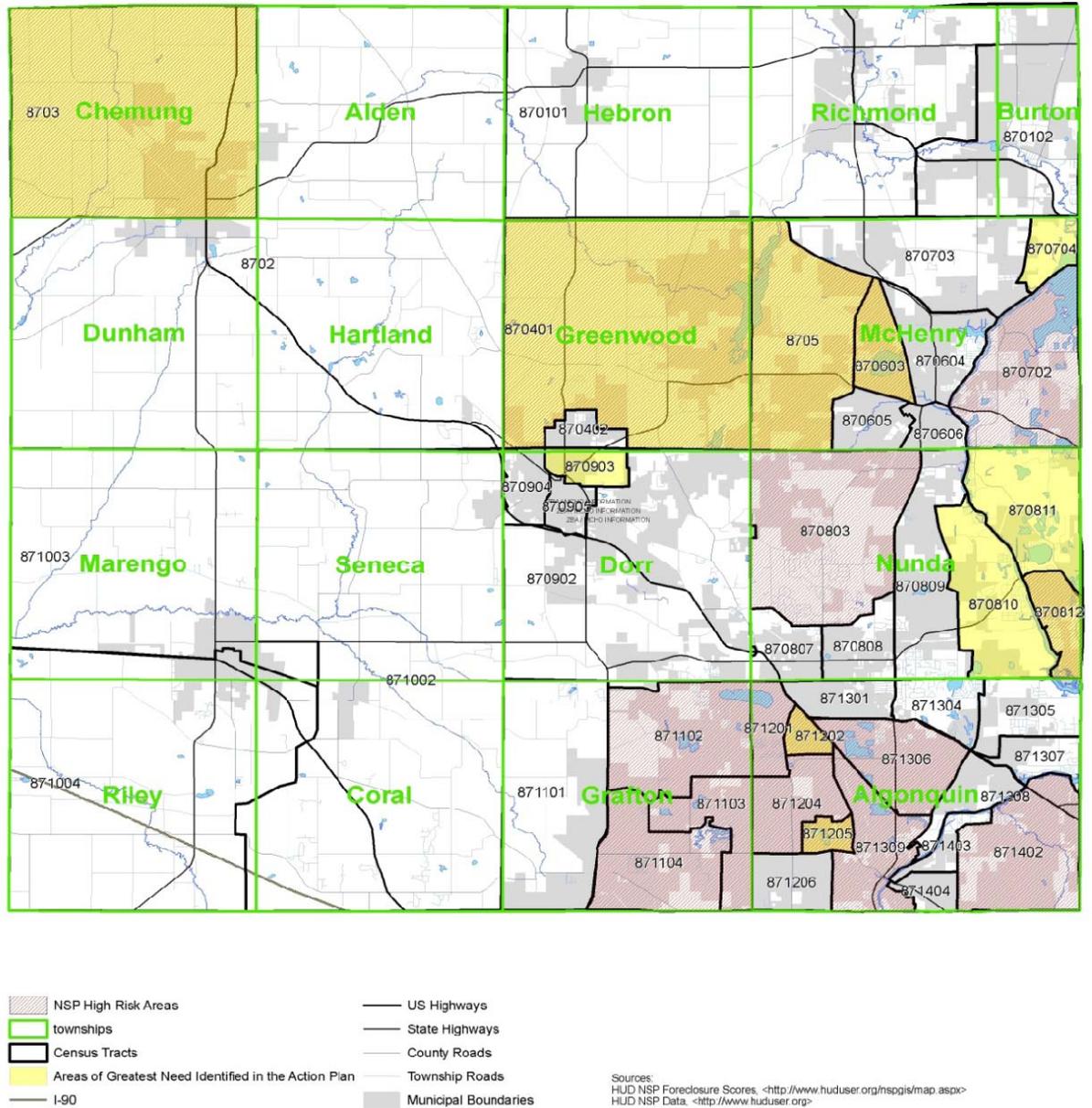
Pure fair housing activities do not currently factor into the County's annual CDBG budget. However, the County is open to the possibility of engaging a qualified subrecipient to provide fair housing services.

An allocation of 1% to 3% of the annual CDBG budget could provide a level of services appropriate for the County's needs. The provision of pure fair housing services is especially important due to the continued lack of a widely recognized fair housing advocacy agency in the County.

4. Geographic Distribution of Projects

In the Consolidated Plan, the County established a policy to target investment to some extent in communities with the highest foreclosure risk, as informed by HUD Neighborhood Stabilization Program data, and the highest need, as determined in each year's Action Plan. A map of these areas is included below from the Consolidated Plan. County planning documents note that only a few neighborhoods have a majority of low- and moderate-income (LMI) residents, including the older, central sections of Woodstock, Harvard and McHenry and in the Village of Wonder Lake. However, HUD allows for a lower LMI threshold for McHenry County, 38.7%, which also includes areas in Crystal Lake and Marengo, as well as the villages of Hebron, Greenwood, McCullom Lake, Lake-in-the-Hills and some of the surrounding unincorporated space. 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.

Figure 4-1
NSP Targets and Areas of Greatest Need, 2010



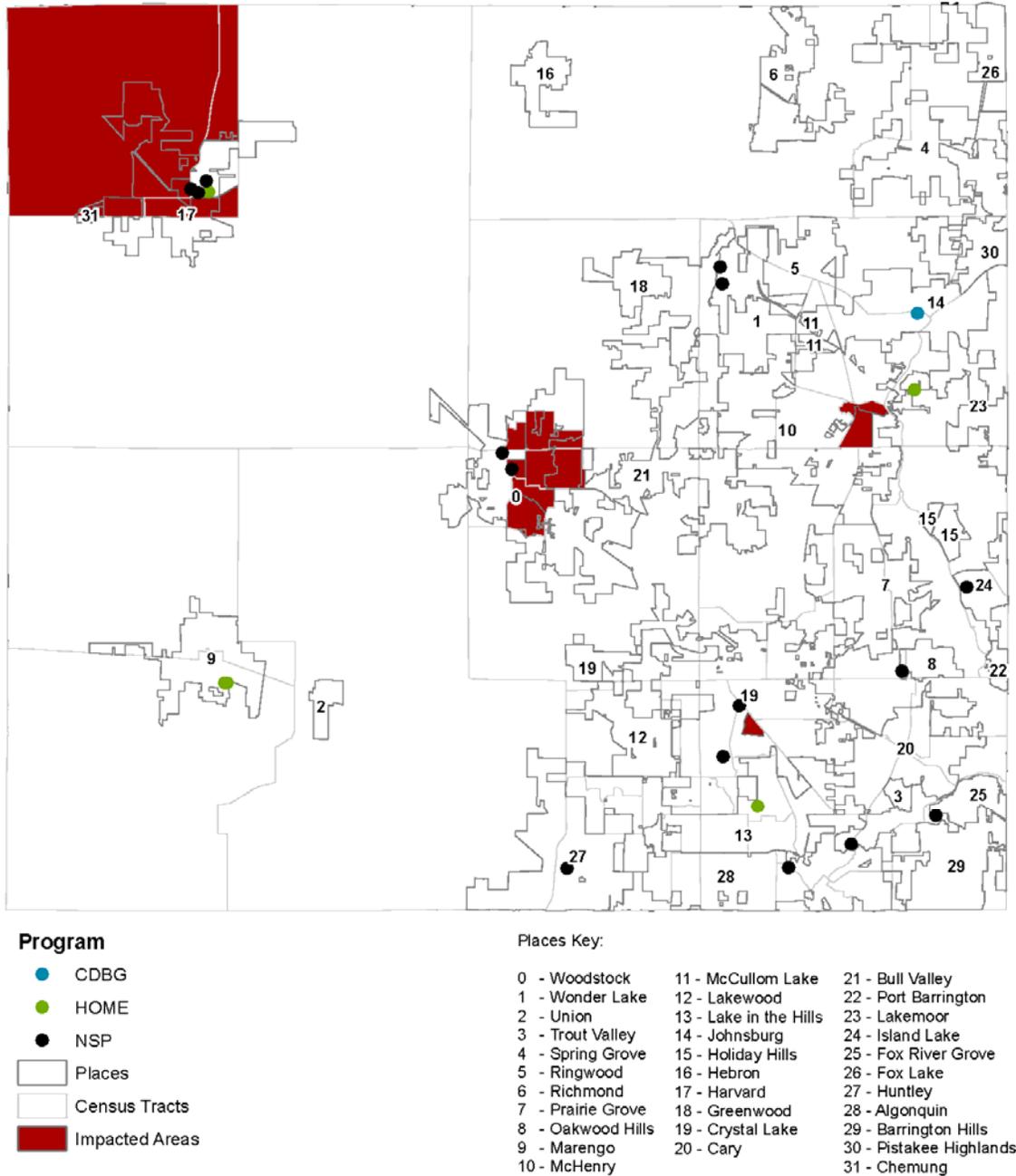
The expanding diversity of residents in McHenry County calls for new attention to creating new housing opportunities outside of racially or ethnically concentrated LMI areas. As a comparison of the maps in the demographic section of this document will show, such areas exist in and around Harvard, Woodstock, Crystal Lake and McHenry. Typically, affordable housing projects are easier to accomplish in impacted neighborhoods, due to the lower cost of land, the prevalence of zoning appropriate for affordable housing types and a lower probability of community opposition. For example,



a review of investment sites indicated that the creation of new housing, such as through construction by Habitat for Humanity, often occurs in communities such as Harvard. However, in administering the CDBG and HOME programs, it is important for the County to strike a balance between revitalizing the neighborhoods in greatest need and creating new housing opportunities elsewhere, so that members of the protected classes may have access to a wider range of options.

Map 4-2 on the following page illustrates the degree to which the County's CDBG, HOME and NSP housing investments are distributed outside of impacted areas of concentration of both minorities and LMI persons. In particular, NSP funds have assisted in the creation of affordable housing opportunities throughout the County's more urbanized eastern half as well as in Harvard and Woodstock.

Figure 4-2
Geographic Location of Federal Housing Investments



B. Appointed Boards and Commissions

A community's sensitivity to fair housing issues is often determined by people in positions of public leadership. The perception of housing needs and the intensity of a community's commitment to housing related goals and objectives are often measured by board members, directorships, and the extent to which these individuals relate within an organized framework of agencies, groups and individuals involved in housing matters. The expansion of fair housing choice requires a team effort and public leadership and commitment is a prerequisite to strategic action.

Members of McHenry County's leadership appoint residents to serve on dozens of various boards and commissions focused on a wide range of issues. The following bodies are especially relevant to issues of fair housing. The County's housing-related boards and commissions were noted to have representation among members of the protected classes. The experiences and perspectives of more persons with disabilities and racial and ethnic minorities enhance the decision-making process, further ensuring that the County is able to understand and serve the needs of these populations.

1. Zoning Board of Appeals

The County's Zoning Board of Appeals, along with a County Hearing Officer, are advisory bodies appointed by the County Board that conduct public hearings and make recommendations on all petitions for zoning action. This body has seven regular members and two alternate members. As of Spring 2012, the nine members who provided demographic information included four White men and four White women, none of whom reported a disability.

2. Community Development Block Grant Commission

The Community Development Block Grant (CDBG) Commission is a recommending body as related to HUD-funded projects authorized by the County Board. The Commission reports directly to the McHenry County Board Planning and Development Committee. The Commission is composed of members of the McHenry County Board, various service and government agency representation, and at-large County voting district representation. The 17-member body is staffed by the Community Development Division. Of the seven members who provided demographic information, five were White males and two were White females, none of whom reported a disability.

3. Housing Commission

Members of the County's Housing Commission are appointed by the chairman of the County Board in consultation with the Planning and Development Committee and CDBG Commission, subject to confirmation by the full County Board. The Commission is a recommending body as related to HUD-funded projects authorized by the Board and an educational resource for initiatives related to housing policy and planning. Its members are affiliated with housing-related organizations, users of housing services, members of the general public and members of the County Board. Of the 15 members who provided demographic information, 10 were White males and five were White females, none of whom reported a disability.

4. McHenry County Housing Authority Board of Directors

This seven-member body is charged with oversight and budget determinations related to the management of the County's Housing Authority. The board consists of five White males and two White females. One member reported having a disability.

In total, demographic information was available for 30 members of appointed County boards and commissions related to housing. Though non-White persons comprised 9.9% of all County residents in 2010 and 11.4% were Hispanic, all board and commission members were non-Hispanic and White. Additionally, 7.5% of County residents reported having a disability in 2010, though only one board member reported a disability. The experiences and perspectives of members of the protected classes would enhance the decision-making processes in the County and offer the opportunity for advancing fair housing choice in all aspects of County government.



Racial and ethnic minorities and persons with disabilities are underrepresented on County boards and commissions dealing with housing-related issues.

Encouraging participation by members of the protected classes in local governance will increase the extent to which their unique needs and views are represented in decision-making.

C. Accessibility of Residential Dwelling Units

From a regulatory standpoint, local government measures to control land use (such as zoning regulations) define the range and density of housing resources that can be introduced in a community. Housing quality standards are enforced through the local building code and inspections procedures.

1. Private Housing Stock

In Illinois, the Human Rights Act requires accessibility for persons with disabilities in certain multi-family dwellings built after March 13, 1991. This includes buildings of four or more units that have an elevator as well as ground-floor units in buildings of four or more units without an elevator. The Act's standards, detailed at 775 ILCS 5/3-102.1(C)(3), are consistent with those contained in the Illinois Accessibility Code for adaptable dwelling units. The Illinois Department of Human Rights encourages, but does not require, municipalities to determine whether the design and construction of newly constructed multi-family units meet state standards. Each local government that regulates design and construction does so according to its own adopted set of standards and procedures.



McHenry County has adopted the 2006 International Building Code and the 2006 International Residential Code, among other sets of standards and amendments. Newly constructed residential properties in unincorporated areas would be subject to these standards via the County inspection process run through the Department of Planning and Development. Some municipalities, such as Lake in the Hills, have adopted the State of Illinois Accessibility Code to ensure that established standards for design and construction are consistent with greater accessibility requirements.

According to County planning staff, McHenry County is required to enforce the Illinois Accessibility Code; however, this is achieved without formal adoption of the code by local resolution or ordinance. State law simply requires compliance with the State Code, with which McHenry County complies.

County staff members have noted a lack of coordination among the County and its municipalities in relation to building codes. The absence of standardization drives up the cost of development and redevelopment. In some communities, unnecessarily onerous fees and requirements discourage the creation of affordable housing. Any efforts to limit more affordable housing options and entry into a community by the people who typically buy affordable housing are equivalent to housing discrimination. This would include assessment of building, development, impact and other similar fees without consideration of waiving such fees for affordable housing developers. Communities may not aim to limit social need and the demand for services it can engender by creating barriers for affordable housing developers. To combat differences across communities, the Community Development Division and the Housing Commission have undertaken educational efforts with municipalities, developers and the public. The Division has had success in the past in negotiating municipal permit fee waivers for affordable housing projects.



A lack of standardization in building codes and approvals processes across County municipalities has left room for inequity and has escalated the cost of residential development.

The County's efforts to obtain municipal permit fee waivers for affordable developments are commendable and should continue. Currently, the approvals process remains a means of discouraging affordable residential development in some communities.

2. Public Housing Stock

Section 504 of the Rehabilitation Act of 1973 and 24 CFR Part 8 requires that 5% of all public housing units be accessible to persons with mobility impairments. Another 2% of public housing units must be accessible to persons with sensory impairments. In addition, an Authority's administrative offices, application offices and other non-residential facilities must be accessible to persons with disabilities. The Uniform Federal Accessibility



Standards (UFAS) is the standard against which residential and non-residential spaces are judged to be accessible.

The public housing program in McHenry County consists of 23 single-family and duplex units, all of which have three bedrooms. Units are located in Woodstock, Crystal Lake, Wonder Lake and Harvard. The McHenry County Housing Authority indicated during the development of the AI that it has undertaken a Section 504 needs assessment, though the document was not available for review.



McHenry County Housing Authority should complete its Section 504 Needs Assessment and implement the Transition Plan, if one is required.

The Housing Authority should complete the required Section 504 Needs Assessment. If the assessment resulted in the development of a Transition Plan describing how MCHA would achieve compliance, then the Transition Plan should be implemented.

D. Language Access Plan for Persons with Limited English Proficiency

As noted in an earlier section of this report, the Census Bureau has estimated the number of LEP Spanish speakers in McHenry County at 12,338, far exceeding the “safe harbor” threshold of 1,000 that HUD has offered as an indication that a community should consider language accommodations.

In light of the recent expansion in the Hispanic population, the Department of Planning and Development should conduct a review to determine how well persons with LEP are being served by the Department’s currently available programs. If considerably large LEP populations are among the potential beneficiaries of the Department’s programs, the Department should perform a four-factor analysis to determine the extent to which the translation of vital documents is warranted.¹⁷ (The term “vital document” refers generally to any publication that is needed to gain access to the benefits of a program or service.) Although there is no requirement to develop a Language Access Plan (LAP) for persons with LEP, HUD entitlement communities are responsible for serving LEP persons in accordance with Title VI of the Civil Rights Act of 1964. Preparation of an LAP is the most effective way to achieve compliance.



The Department of Planning and Development should conduct the four-factor analysis to determine whether a Language Access Plan is warranted.

The limited-English population of Spanish speakers may need assistance accessing departmental government programs and services.

¹⁷ The four-factor analysis is detailed in the *Federal Register* dated January 22, 2007.



E. Comprehensive Planning

A community's comprehensive plan is a statement of policies relative to new development and preservation of existing assets. In particular, the land use element of the comprehensive plan defines the location, type and character of future development. The housing element of the comprehensive plan expresses the preferred density and intensity of residential neighborhoods within the County. Taken together, the land use and housing elements of the comprehensive plan define a vision of the type of community that McHenry County wishes to become.

The McHenry County 2030 Comprehensive Plan, adopted in April 2010, provides long-range policy recommendations for the County's built form and physical assets in consideration of preserving its natural resources. The plan represents a regional effort spearheaded by the Regional Planning Commission, which met with more than 150 stakeholders during the three-year process of the plan's development. The plan's regional perspective is a reflection of the role of County government in recognizing individual community autonomy while providing coordination to meet shared needs. One of the central goals of the planning process was to reconcile the very different needs of communities in the rural western and the urban eastern portions of the County. Overall, the plan was designed to accommodate anticipated growth and development while maintaining McHenry County's rural character, natural resources and quality of life.

While the state's requirements for comprehensive planning do not include provision for a specific housing element, the 2030 Plan considers the topic of housing and neighborhood character from a variety of perspectives, including connectivity, historic preservation, development patterns, sustainability and affordability. The plan acknowledges the need to provide for the needs of residents in all stages of life at a variety of income levels, stating a need to address affordability issues cooperatively among the County, municipalities, housing advocates and the housing industry. According to the plan, housing in McHenry County is slightly more affordable than in other areas of the Chicago region. More than 40% of households were living in housing they could not afford as of 2008, compared to 47% of households in Kane County and 42% in Will County. Even given the downturn in the housing market that began in 2006, however, the Plan noted that the County faces significant challenges in meeting a shortage of housing affordable to families making less than the County's median income of \$72,000. The supply of 3,548 subsidized units within McHenry County was determined to meet the needs of only 16% of the existing demand for such units among lower-income households.

The plan cited additional multi-family housing as a means of accommodating future growth without the need to expand considerably into exurban and rural areas. Higher-density housing could, additionally, address affordability by reducing the amount of land purchased for development. Finally, the plan states that multi-family housing includes "a diverse range of housing types that could be used to increase housing choices for all income levels throughout McHenry County." As of 2000, the highest proportions of multi-family housing were located in Woodstock and Harvard, where this housing type comprised more than 30% of all units. Other communities, including Johnsburg, Prairie Grove, Bull Valley, Barrington Hills, Spring Grove and the unincorporated portions of the County, were noted to offer very little attached or multi-family housing. Most residential development in the unincorporated areas has consisted of large-lot estate properties.

To conclude the housing section, the County made the following policy statements, among many others, related to fair housing choice. The County stated that it would:

- Support the establishment of transit-oriented development around train stations and other regional transit hubs; encourage municipalities to create at least 2,000 new housing units within one half-mile of new Metra stations; encourage municipalities to seek infill and redevelopment opportunities to create 1,000 new housing units within one half-mile of existing Metra stations
- Work with municipalities and regional transit providers to better coordinate development and service routes throughout the County
- Encourage municipalities to examine subdivision design standards that can reduce lot sizes and increase density, including substantially reduced front-yard setbacks and zero side-yard requirements in planned developments
- Encourage municipalities to bring back pre-WWII development styles, particularly mixed uses incorporating upper-level residential uses above lower-level retail or office uses
- Encourage municipalities with water and sewer to attain a housing mix with at least 30% of stock in single-family attached or multi-family housing
- Work with municipalities and townships to coordinate the development of a wider variety of housing opportunities, including affordable housing, throughout the County
- Establish a program to educate the public on the need for modern affordable housing and provide accurate information regarding its potential positive and negative impacts
- Work with municipalities to establish a Workforce Housing Trust Fund that is a consistent, dedicated source of revenue intended to provide financial assistance to local affordable housing developments and projects
- Discourage the conversion of rental units to condominiums and encourage the development of new affordable rental housing
- Create an intergovernmental task force or commission to examine how to make housing more affordable and to create an atmosphere of cooperation among municipalities
- Encourage the demand for new estate housing to be satisfied primarily within unincorporated areas and municipalities with already established low-density rural character, such as Spring Grove, Johnsburg, Bull Valley, Barrington Hills, Ringwood, the Harmony area of Coral Township and the Prairie Grove area of Nunda Township

In a more general sense, the 2030 Plan's guidance on resource preservation, infrastructure and land use is influenced by smart growth principles, which include limiting the premature conversion of undeveloped space and the promotion of compact, contiguous development. The county intends to encourage future development adjacent to existing infrastructure and maximize the use and efficiency of existing facilities. As of 2009, 61.2% of all land space across the



county was devoted to agricultural uses, with an additional 11.2% covered by open space. Single-family residential lots covered 6.3% of all land, and multi-family residential lots covered 0.4%. The future land use map for 2030 envisions 45% of land used for agricultural purposes, 12% for open space and a total of 11% for residential uses, 6% of which would be multi-family.

The 2030 Plan projects the county's future population at 495,000 persons, a net increase of approximately 177,000 persons that would require an additional 63,500 housing units. The county estimated that up to 68,900 more persons could be accommodated within the 2009 municipal boundaries, while an additional 119,800 could be accommodated within the development areas identified on the future land use map, included below.

Both the current and future land use maps display the differences between the densely developed southwestern area of the County, which has a full infrastructure network and the majority of transit linkages to employment opportunities in downtown Chicago, and the rural western half of the County, comprised to a large extent of land where the installation of public water and sewer systems would be inappropriate. Affordable housing opportunities should be promoted in infrastructure-served areas with transit connections outside of racially/ethnically concentrated areas of poverty.

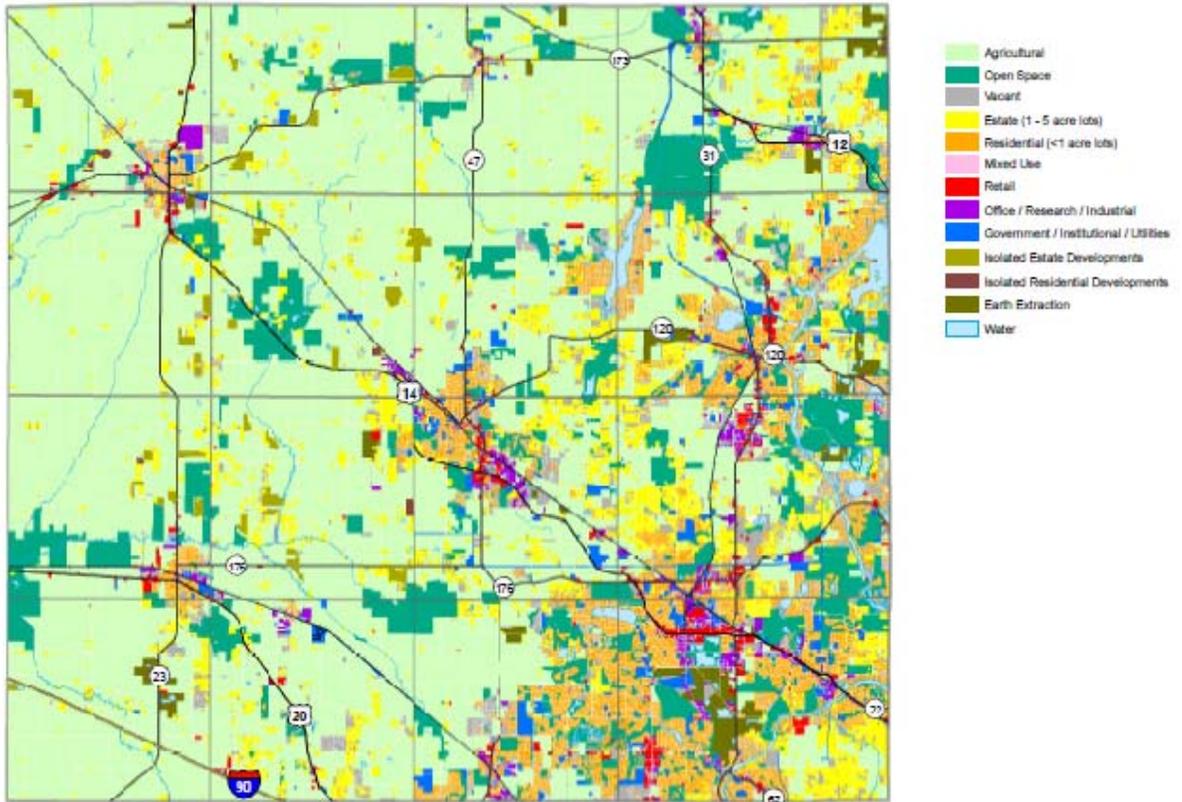


By nature of governmental structure, the County is limited in the ways in which it can impact local housing policy in incorporated communities. However, the housing policies established in the 2030 plan serve as an outstanding regional model for expanding fair housing choice in the unincorporated areas.

The County has direct land use control only over unincorporated space, but has stated the intention to influence the land use and housing policies of municipalities in a manner that will promote a variety of affordable housing options.



Figure 4-3
2009 Existing Land Use Map and 2030 Future Land Use Map



F. Zoning

In Illinois, the power behind land development decisions resides with municipal governments through the formulation and administration of local controls. These include comprehensive plans, zoning ordinances and subdivision ordinances, as well as building and development permits. All of McHenry County's 30 municipalities enforce local zoning ordinances, and the County enforces a zoning ordinance relative to unincorporated space.

The County is currently in the process of replacing its zoning ordinance with a Unified Development Ordinance, which will integrate zoning regulations with subdivision regulations and other development rules. The document will regulate all aspects of development in unincorporated areas of the County and is being designed to implement the 2030 Comprehensive Plan and Water Resources Action Plan. Given the fact that the land use and housing policies contained in the 2030 Plan are designed to broaden affordable housing opportunities in a variety of ways, the plan's implementation via the Unified Development Ordinance is a proactive step to affirmatively further fair housing.

For this analysis, County staff members were consulted to develop a list of municipal zoning ordinances for study that were considered a representative sample of the variety existing, in terms of community type and characteristics. The communities selected also represent a geographic cross-section of the County, as they are scattered across its entire expanse. In addition to the County's zoning ordinance, the review covered ordinances for the following municipalities:

- Crystal Lake
- Harvard
- Huntley
- Lake in the Hills
- Marengo
- McHenry
- Spring Grove
- Woodstock

Summaries of the zoning ordinances reviewed to identify regulations that may potentially impede fair housing choice are included in Appendix B.

The analysis of zoning regulations was based on the following five topics raised in HUD's Fair Housing Planning Guide, which include:

- The opportunity to develop various housing types (including apartments and housing at various densities)
- The opportunity to develop alternative designs (such as cluster developments, planned residential developments, inclusionary zoning and transit-oriented developments)
- Minimum lot size requirements
- Dispersal requirements and regulatory provisions for housing facilities for persons with disabilities (i.e. group homes) in single family zoning districts
- Restrictions on the number of unrelated persons in dwelling units.

1. Date of Ordinance

Generally speaking, the older a zoning ordinance, the less effective it will be. Older zoning ordinances have not evolved to address changing land uses, lifestyles and demographics. However, the age of the zoning ordinance does not necessarily mean that the regulations impede housing choice by members of the protected classes.

The ordinances reviewed for this analysis ranged in publication date from 1986 to 2009, though all have been amended through recent years. All of the ordinances reviewed were noted to contain modern terminology and updates pursuant to changes in law.

2. Residential Zoning Districts and Permitted Dwelling Types

The number of residential zoning districts is not as significant as the characteristics of each district, including permitted land uses, minimum lot sizes, and the range of permitted housing types. However, the number of residential zoning districts is indicative of the municipality's desire to promote and provide a diverse housing stock for different types of households at a wide range of income levels.

Similar to excessively large lots, restrictive forms of land use that exclude any particular form of housing, particularly multi-family housing, discourage the development of affordable housing. Allowing varied residential types reduces potential impediments to housing choice by members of the protected classes.

The array of residential uses permitted by right varied substantially among ordinances for the communities reviewed. To one extreme, the Village of



Spring Grove permits only single-family dwellings on individual lots in residential districts, allowing multi-family dwellings only within Planned Unit Developments (PUDs). By contrast, the cities of Harvard and McHenry have each established several districts where a variety of dwelling units is permitted by right. Spring Grove has approximately 29 acres of land zoned for future development as a Planned Unit Development; the maps for Harvard and McHenry demonstrate a relatively large percentage of land where attached homes, townhouses or apartments can be developed. In Harvard, particularly, relatively large entire neighborhoods are designated R-2, a district that allows attached homes by right. Harvard, McHenry and Lake in the Hills have set aside what appear to be undeveloped parcels zoned for townhouse or multi-family development. During AI interviews, County staff members estimated that fewer than five municipalities allowed multi-family housing development by right.

About one-third of total land area in the Village of Huntley is covered by a Sun City community, Del Webb's first venture outside of the Sun Belt. This planned development is an "active adult community" consisting primarily of ranch-style homes. Portions of Sun City are zoned for multi-family use, though the majority of land is designated as SF-2, Garden Residential with lot sizes starting at 6,500 square feet. Outside of Sun City, Huntley has one sizeable development zoned as multi-family and several scattered townhome or condominium areas in the portion of the municipality located in McHenry County.

The remaining four communities fall somewhere between extremes, establishing one or two zoning categories for alternatives to single-family housing and applying them sparingly to zoning maps. In the case of Woodstock, for example, only the R-3 and R-4 districts allow for dwelling types other than single-family homes. The amount of land designated R-3 and R-4 is minimal and scattered.

Though the majority of unincorporated space across McHenry County is unsuitable for dense residential development, due to topography or the absence of infrastructure, the County's zoning ordinance still establishes categories that allow alternatives to single-family detached dwellings. The two-family residential and multi-family residential zones are very limited in land coverage and typically located along the borders of developed municipal neighborhoods.



There was little to no land zoned and available for the development of multi-family housing in many of the zoning ordinances reviewed.

A lack of land zoned and available for multi-family development and large minimum lot sizes constitute discriminatory land use provisions. There are few, if any, opportunities to develop affordable housing in such communities.

3. Permitted Residential Lot Sizes

Because members of the protected classes are often also in low-income households, a lack of affordable housing may impede housing choice by members of the protected classes. Excessively large lot sizes may deter



development of affordable housing. A balance should be struck between areas with larger lots and those for smaller lots that will more easily support creation of affordable housing. Finally, the cost of land is an important factor in assessing affordable housing opportunities. Although small lot sizes of 10,000 square feet or less may be permitted, if the cost to acquire such a lot is prohibitively expensive, then new affordable housing opportunities may be severely limited, if not non-existent.

The most important distinction among McHenry County ordinances was the proportion of land available for higher-density residential uses. In some communities, particularly sparsely developed municipalities and across much of the County's unincorporated land, zoning is used as a tool to preserve rural space. The County has established large minimum lot sizes from a half acre up to five acres to discourage sprawl in certain areas. In Spring Grove, all residential lot sizes are required to be at least 30,000 square feet, an arrangement that would present challenges for affordable housing developers. In the remaining municipalities, ordinances were noted to provide for smaller lot sizes that would encourage affordable housing options.



Most of the ordinances reviewed provide minimum lot sizes that would accommodate the development of affordable housing. In some communities, however, affordable housing types are practically excluded by demanding lot minimums of one half-acre and larger. This strategy is not unequivocally inappropriate, as the County's large lot minimums reflect a smart-growth initiative to discourage sprawl beyond infrastructure-equipped areas.

4. Alternative Design

Allowing alternative designs provides opportunities for affordable housing by reducing the cost of infrastructure spread out over a larger parcel of land. Alternative designs may also increase the economies of scale in site development, further supporting the development of lower-cost housing. Alternative designs can promote other community development objectives, including agricultural preservation or protection of environmentally sensitive lands, while off-setting large lot zoning and supporting the development of varied residential types. However, in many communities, alternative design developments often include higher-priced homes. Consideration should be given to alternative design developments that seek to produce and preserve affordable housing options for working and lower income households.

Most of the ordinances reviewed contained a provision for planned unit or cluster development through overlay districts. These districts exist to promote a more efficient use of space and preservation of open space through providing flexibility in design standards and density. In the absence of affordable housing set-asides within these arrangements, however, the districts typically include primarily low-density, higher-priced homes.

The Illinois Affordable Housing Planning and Appeal Act (310 ILCS 67/1) (AHPA), adopted in 2004, encourages counties and municipalities to incorporate affordable housing within their housing stock sufficient to meet county or community needs. AHPA required that municipalities found to have



less than 10% of their year-round housing stock affordable, as defined in the Act, must prepare and adopt an affordable housing plan that at a minimum must a) state the total number of affordable units necessary to reach the 10% threshold, b) identify lands within its borders that would be appropriate for new affordable housing and existing structures appropriate for conversion to affordable housing, and c) identify incentives that may be offered for the purpose of attracting affordable housing. Finally, the community must establish one of three goals: a minimum of 15% of all new development or redevelopment should be affordable housing; a minimum of 10% of all housing should be affordable; or a minimum 3% increase in the overall percentage of affordable housing units.

It is unclear which municipalities in McHenry County have complied with an AHPA mandate to create an affordable housing plan. Spring Grove has created such a plan, available online, that opts to hit the 10% overall target though capitalizing on what it characterizes as “substantial land development possibilities,” including annexation. Based on the state’s analysis, an affordable sales price particular to the Village was \$123,720, and an affordable rent was \$775. As a part of its strategy to reach the 10% goal, Spring Grove’s plan stated that officials would consider providing developers with density bonuses for incorporating affordable housing.

The County’s Unified Development Ordinance, which is still under development, contains a provision to confer bonuses in exchange for affordable housing inclusions in residential development. The provision is voluntary. According to AI interviews, one subdivision developer agreed to participate prior to the housing market collapse, while none have participated since.



The County should require affordable housing set-asides in residential developments that occur where public water and sewer are in place.

Requiring an affordable housing set-aside in new residential developments would help the County to address the demonstrated unmet need for housing available to lower-income households.

5. Definition of Family

Restrictive definitions of family may impede unrelated individuals from sharing a dwelling unit. Defining family broadly advances non-traditional families and supports the blending of families who may be living together for economic purposes. Restrictions in the definition of family typically cap the number of unrelated individuals that can live together. These restrictions can impede the development of group homes, effectively impeding housing choice for the disabled. However, in some cases, caps on unrelated individuals residing together may be warranted to avoid overcrowding, thus creating health and safety concerns.



The ordinances reviewed for the AI could be divided into two categories based on the definition of “family.” The first category, which includes the City of Harvard and McHenry County, defines the term in very broad and inclusive ways. There were no limits placed on the number of related or unrelated individuals living together. The definitions advance non-traditional families and support the blending of families who may be living together for economic reasons that could otherwise limit their housing choice.

The remaining communities limit the number of unrelated individuals. Marengo, McHenry and Spring Grove do not allow more than three unrelated persons to constitute a family, while Huntley and Lake in the Hills set the cap at five unrelated persons. While this cap can restrict housing choice for non-traditional families, the regulations make exceptions or separate provisions in each case for group homes for persons with disabilities.



None of the ordinances reviewed have a definition of family that unlawfully restricts residents of a group home. However, ordinances that describe families in terms of relationship rather than function could be revised to provide more options for non-traditional families and those living together for economic reasons.

6. Regulations for Group Homes for Persons with Disabilities

Group homes are residential uses that do not adversely impact a community. Efforts should be made to ensure group homes can be easily accommodated throughout the community under the same standards as any other residential use. Of particular concern are those that serve members of the protected classes such as the disabled. Because a group home for the disabled serves to provide a non-institutional experience for its occupants, imposing conditions are contrary to the purpose of a group home. More importantly, the restrictions, unless executed against all residential uses in the zoning district, are an impediment to the siting of group homes in violation of the Fair Housing Act.

Two primary purposes of a group home residence are normalization and community integration. By allowing group residences throughout the community in agreement with the same standards as applied to all other residential uses occupied by a family, the purposes of the use are not hindered and housing choice for the disabled is not impeded. Toward this end, municipalities may not impose distancing requirements on group homes for persons with disabilities.

Woodstock and McHenry County do not place any locational restrictions on group homes, allowing them to exist as single-family residences in districts where single-family homes are permitted by right. These ordinances also do not impose any requirements on group homes that do not apply to single-family homes.

All of the remaining communities place extra restrictions on group homes for persons with disabilities that are inconsistent with fair housing standards, as follows:

- Spring Grove allows “group homes for the handicapped” as special uses within the B-1 and B-2 business districts and imposes additional application requirements that are not demanded for single-family dwellings.
- Lake in the Hills restricts group homes to only certain residential districts and imposes additional regulatory requirements that are not demanded for single-family dwellings.
- Marengo imposes distancing and professional staffing requirements.
- Harvard imposes additional requirements, and group homes are permitted as a conditional use in only some residential districts.
- Huntley imposes additional staff supervision and permitting requirements and allows group residences in only two residential districts.
- Crystal Lake unlawfully excludes recovery from substance abuse as a disability and imposes additional regulatory requirements for family care homes, including the Limited Use approval process.
- The City of McHenry imposes additional staff supervision, psychological rehabilitation and conditional use application requirements.



The Department of Planning and Development should initiate work with municipalities to which County funds are allocated to ensure that zoning regulations are consistent with fair housing standards, particularly as they relate to the regulation of group homes for persons with disabilities. Until such time when communities with discriminatory ordinances amend them to comply with fair housing standards, the County must not approve applications for CDBG or HOME program funds submitted by those communities.

G. Public 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. HUD has designated MCHA as a troubled housing authority and is working with MCHA staff members and technical assistance providers to improve its administration.

According to stakeholders consulted during the development of the AI, the Authority has focused its efforts on creating housing opportunities primarily through the use of vouchers due to the expanded geographic and other options inherent to the program. However, the HUD voucher payment standard, equivalent to about \$850



for a two-bedroom apartment in the Chicago metropolitan area, is insufficient to afford a unit in some McHenry County communities. This circumstance has resulted in the concentration of voucher holders in more affordable areas, including Woodstock and McHenry, which include areas of racial and ethnic concentration.

As of June 2012, the waiting list for vouchers was nearly 2,500 households, a number that would require three to four years to accommodate with the current voucher supply.

The demographic characteristics of public housing residents and applicants appear in Figure 4-3. Of the 22 households living in public housing units in June 2012, all were families with children, and one household had a disabled member. About two-thirds of public housing households (15) were White, while two were Black, one was Asian and four were of other race, a category that generally tends to correlate with Hispanic ethnicity. Similarly, the waiting list for public housing was about two-thirds White. Minority are somewhat overrepresented in public housing compared to their share of the general County population, totaling about 10% in 2010. There were nine households with a disabled member waiting for a public housing unit. In order to accommodate these households, the Authority reports that it provides reasonable accommodations upon request and notifies all applicants that such flexibilities are available.

A larger percentage of voucher holders and applicants were White – 86.4% and 76.5%, respectively, more closely reflecting the County's overall population composition. More than half of households waiting for a voucher (1,354 households) were families with children, while an additional 237 elderly households and 176 with a disabled member had applied for assistance. While smaller units were more commonly in demand, with the majority of households (78.9%) requesting a one- or two-bedroom unit, more than 500 households were in need of units with three or more bedrooms. The length of the waiting list and the variety of unit types requested describes the unmet need for affordable rental housing in McHenry County.

Figure 4-4

Characteristics of Public Housing Households and Waiting List Applicants, 2012

	Current Residents		Waiting List Applicants	
Total households	22	100.0%	108	100.0%
Income level				
Extremely low income (30% or less of AMI)	16	72.7%	99	91.7%
Very low income (30.1% to 50% of AMI)	4	18.2%	9	8.3%
Low income (50.1% to 80% of AMI)	2	9.1%	0	0.0%
Household type				
Families	22	100.0%	108	100.0%
Elderly	0	0.0%	0	0.0%
Member with a disability	1	4.5%	9	8.3%
Race and ethnicity				
Black	2	9.1%	7	6.5%
White	15	68.2%	75	69.4%
Asian	1	4.5%	1	0.9%
Other race	4	18.2%	25	23.1%
Hispanic **	*	-	*	-
Characteristics by bedroom size				
3 Bedroom	22	100.0%	108	100.0%

* Data point not listed

Source: McHenry County Housing Authority, June 2012

Figure 4-5

Characteristics of Voucher Households and Waiting List Applicants, 2012

	Current Voucher Holders		Waiting List Applicants	
Total households	941	100.0%	2,449	100.0%
Household type				
Families	*	-	1,354	55.3%
Elderly	218	23.2%	237	9.7%
Member with a disability	362	38.5%	176	7.2%
Race and ethnicity				
Black	57	6.1%	257	10.5%
White	813	86.4%	1,874	76.5%
Asian	4	0.4%	11	0.4%
Other	2	0.2%	268	10.9%
Hispanic **	65	6.9%	*	-
Characteristics by bedroom size				
1 Bedroom	478	50.8%	1,092	44.6%
2 Bedroom	194	20.6%	841	34.3%
3 Bedroom	149	15.8%	450	18.4%
4 Bedroom	71	7.5%	59	2.4%
5+ Bedroom	49	5.2%	7	0.3%

* Data point not listed

Source: McHenry County Housing Authority, June 2012



MCHA participates in the Chicago Regional Housing Choice Initiative (CRHCI), a regional pilot program to implement HUD's "access to opportunity" principles. In May 2011, MCHA and six other area public housing authorities joined the Chicago Metropolitan Agency for Planning, the Metropolitan Mayors Caucus, the Metropolitan Planning Council, workforce investment boards and other civic agencies in initiating a scaling-up of existing efforts to create regional housing choice for voucher households.

The same seven housing authorities continue to administer the Regional Housing Initiative (RHI), a unique collaboration to pool project-based vouchers to support regional development and preservation priorities. Both CRHCI and RHI remain national models for removing barriers to housing choice.

The RHI was formed to provide financial incentives in the form of operating subsidies to developers and owners of quality rental housing. The public housing authorities involved have agreed to make project-based subsidies (RHI vouchers) available for up to 335 rental housing units in developments throughout the metropolitan region in order to address an unmet need for quality affordable rental homes near good jobs, transit options, quality schools and other attractive amenities. RHI provides project-based subsidies that can serve as a dependable funding stream that can keep apartments affordable for 15 or more years.¹⁸

The vouchers generally fund the difference between reasonable market rents and the tenant's rent payment. Tenants are required to pay 30% of gross monthly income, plus a utility allowance. RHI is intended to foster economically diverse living environments; therefore, no more than 25% of a development can receive RHI vouchers, except in the case of special needs housing. RHI vouchers/units can constitute 100% of the units in a development of supportive housing for people with disabilities.

To date, RHI has awarded operating subsidies to more than 300 apartments in 18 developments, facilitating the construction or rehabilitation of more than 900 total mixed-income units. This has included Woodstock Commons in McHenry City (about 120 units). The program includes a resident selection preference for people working within 12 miles of each development.

Among the activities planned in 2011 by CRHCI to build upon RHI were to:

- Create two region-wide waiting lists (one for households interested in project-based opportunities and the other for tenant-based opportunities)
- Provide mobility counseling, workforce development and links to Continuum of Care programs and services for participating families in both opportunity areas and revitalizing neighborhoods
- Evaluate short- and long-term program benefits for participating families by tracking variables such as job creation and changes in household income, commutes, school improvement and access to opportunity.

Programs such as RHI have a direct benefit on fair housing choice in McHenry County, addressing an identified need for a greater number of affordable rental units as well as distributing the units among areas of opportunity, with linkages to employment and amenities.

Two policy documents utilized by MCHA were reviewed for this analysis. A summary of the reviews of the administrative plans for both public housing and the Section 8 Housing Choice Voucher Program are included below.

¹⁸ Regionalhousinginitiative.org

a. Section 8 Housing Choice Voucher Administrative Plan

The Housing Choice Voucher Administrative Plan (Admin Plan) is the policy and procedure manual that includes the regulations governing this housing assistance program. Generally, the Admin Plan includes policies that describe the selection and admission of applicants from the PHA waiting list, the issuance and denial of vouchers, occupancy policies, landlord participation, subsidy standards, informal review/hearing procedures, payment standards, the Housing Quality Standard (HQS) inspection process, and reasonable rents, to name a few. MCHA's Admin Plan was reviewed from a fair housing perspective to ensure that members of the protected classes are afforded adequate housing choices. Specifically, the Plan was reviewed to determine the presence of the following policies and whether these policies were in compliance with the Fair Housing Act:

- Fair housing and equal opportunity non-discrimination clause that provides a list of the protected classes within a PHA's jurisdiction,
- Reasonable accommodation policies for persons with disabilities (in the application process, unit search and selection, and grievance process),
- Accommodations for persons with limited English proficiency (LEP) and a list of services a PHA is willing to provide such persons,
- Definition of "family" and whether or not it includes non-traditional households with unrelated individuals,
- Tenant selection policies and waiting list preferences to determine whether members of the protected classes are given any special consideration or if the local preferences restrict their housing choice,
- Recruitment of landlords who own properties in non-impacted areas,
- Portability policies and procedures and their effect on members of the protected classes,
- Higher payment standards for units that accommodate persons with disabilities, and
- Grievance policies and procedures.

The first section of MCHA's Section 8 Administrative Plan contains its fair housing policy. It states that the authority will not discriminate on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial status or disability. This list of protected classes has not been updated to reflect recent HUD program regulation requiring that federal funding recipients cannot discriminate on the basis of sexual orientation, gender identity or marital status.





To achieve compliance with March 2012 changes to HUD program regulation, MCHA must update the ACOP and Admin Plan to add sexual orientation, gender identity and marital status as protected classes.

Public housing authorities, like all HUD funding recipients, may no longer discriminate on these grounds.

This section contains additional statements of MCHA policies that have the effect of affirmatively furthering fair housing, such as conveying information on federal, state and local discrimination protections during family briefing sessions and including fair housing information and discrimination complaint forms as part of the voucher holders' packet. Finally, MCHA states that it will maintain lists of units available in all neighborhoods within its jurisdiction with the aim of promoting mobility and housing choice.

The Admin Plan includes an Equal Opportunity Housing Plan that considers affirmative marketing and areas of low-income and minority concentration. To promote greater housing opportunities for families outside of impacted areas, the Plan states that it will notify owners about the program through information published in the *Northwest Herald* newspaper and the *Woodstock Independent*. Owner handbooks distributed through the voucher program explain equal opportunity rights and responsibilities. To adequately serve persons with disabilities, the Authority maintains a close relationship with the Pioneer Center and updates a list of accessible apartments. According to MCHA staff members, landlord participation is currently sufficient to meet the needs of voucher holders.

MCHA defines a family as two or more persons sharing residency whose income and resources are available to meet the family's needs, provided that one member is age 18 or older. This flexible definition allows non-traditional families, which often cohabit for economic reasons, to live together. However, the Admin Plan specifies that singles do not qualify.

MCHA has established a local preference for families living or working in McHenry County. The reason is not stated in the Admin Plan, though it is presumably to ensure that MCHA can meet local needs in light of the large number of households waiting for assistance in and nearer to Chicago's urban core. This local preference is not uncommon among suburban housing authorities, though it can have the effect of stemming what would otherwise be integration into the community of lower-income households from jurisdictions that are more predominantly populated by minorities.

The voucher waiting list has been closed since April 2012. Waiting list closings and openings are posted within the Authority and on its website. Additionally, the Authority advertises through local newspaper and notifies social service agencies, supportive service agencies and local governments.



MCHA has set a payment standard of 100% of the HUD-determined fair market rent for all of McHenry County. This standard reflects an effort to balance housing choice (allowing voucher holders the maximum number of apartment selections possible) with an aim to assist as many families as possible given limited federal resources.

When awarded a voucher, families are given 90 days to locate a suitable unit. However, extensions of the 90-day period may be granted for larger families, extenuating circumstances or if a consistent effort to locate a unit was unsuccessful. This flexibility benefits households with disabilities, which generally have a more difficult time locating an appropriate affordable unit. However, the Authority reported that 3.7% of voucher recipients are still unable to secure private housing within the time allotted by the extension (120 days).

According to MCHA, voucher holders are distributed uniformly across the County, with a higher concentration in more densely developed cities with access to employment, services and transportation. Between January 2011 and March 2012, the Authority managed 11 port-ins and 25 port-outs. The porting policy is communicated to voucher recipients at their initial briefing, and partnership with other Chicago-area housing authorities has facilitated a streamlined process that promotes mobility opportunities.

b. Public Housing Admission and Continued Occupancy Plan (ACOP)

The Admission and Continued Occupancy Plan (ACOP) includes a public housing authority's policies on the selection and admission of applicants from a waiting list, screening of applicants for tenancy, occupancy standards and policies, informal review/grievance hearing procedures, rent determinations, and procedural guidelines on conducting inspections, to name a few. MCHA's ACOP was reviewed from a fair housing perspective to ensure that members of the protected classes are afforded adequate housing choices. Specifically, the ACOP was reviewed to determine the presence of the following policies and whether these policies were in compliance with the Fair Housing Act:

- Fair housing and equal opportunity non-discrimination clause that provides a list of the protected classes within a PHA's jurisdiction,
- Reasonable accommodation policies for persons with disabilities (relative to the application process, unit selection, and grievance procedures),
- Accommodations for persons with limited English proficiency (LEP) and a list of services a PHA is willing to provide such persons,
- Definition of "family" and whether or not it includes non-traditional households with unrelated individuals,
- Tenant selection policies and waiting list preferences to determine whether members of the protected classes are given any special consideration or if the local preferences restrict their housing choice,

- Accommodations for applicants who refuse a unit offered due to a disability or other special circumstance,
- Transfer policies and procedures and whether such policies impede housing choice for members of the protected classes,
- Pet policy accommodations for persons with disabilities that require service or assistance animals, and
- Grievance policies and procedures.

MCHA's ACOP begins with a statement of compliance with a series of laws related to civil rights. It states that the Authority will not discriminate on the basis of race, color, national origin, sex, religion, familial status or disability. As mentioned previously, MCHA must update the list of protected classes to reflect March 2012 HUD program regulation requiring that federal funding recipients cannot discriminate on the basis of sexual orientation, gender identity or marital status.

With regard to accommodating persons with disabilities or other special needs, MCHA outlines a comprehensive set of policies to inform applicants and residents of available accommodations. The Authority publishes all documents in simple, clear writing so that applicants with learning or cognitive disabilities are assisted to understand as much as possible. Any notice or document relative to citizen or immigration status will be provided to non-English-speaking individuals in a language that they understand. In general, documents will be translated when there are sufficient numbers of applicants or residents speaking the language to warrant the expense. In order to ensure that it meets the needs of potential program participants who do not speak English proficiency, MCHA should conduct a four-factor analysis, determining language needs across the general population and whether current policies are sufficient to ensure that potential program beneficiaries can adequately access MCHA documents and other communications. Currently, MCHA publishes critical forms in Spanish and employs two Spanish speakers who assist in translation.

MCHA conducts affirmative marketing on an as-needed basis so that the waiting list includes a mix of races, ethnic backgrounds, ages and disabilities proportionate to the mix of those groups in the eligible population of the area. MCHA regularly reviews the need for and scope of marketing efforts, including outreach to those least likely to apply.

In order to live in an MCHA unit, a household must qualify as a family. By the Authority's definition, this is a group of people related by blood, marriage, adoption or affinity that live together in a stable family relationship, with or without children. The inclusion of "affinity" as an acceptable bond opens opportunities for non-traditional family arrangements, such as those existing for economic reasons.

The Authority's public housing waiting list operates on a first-come, first served basis. Beyond that, local preferences include tenants participating in the Housing Choice Voucher program if one or more of the following conditions applies: homeless due to fire, tornado or other natural causes; their unit fails housing quality standards due to landlord neglect; a family member's life is endangered; or any other case

deemed by the MCHA executive director to be an emergency. Further, applicants living or working in McHenry County will be offered assistance before those living and working elsewhere. When selecting a family for a unit with accessible features, MCHA gives a preference to families that include a person with disabilities who can benefit from those features. If no family needing accessible features can be found for such a unit, MCHA will house a non-disabled family, but can require that family to move if a family needing the unit features can take advantage of the unit.

When applicants are offered a unit, they may reject the offer without being removed from the waiting list if the rejection is based on a legitimate reason, such as inaccessibility to employment, education, job training, day care, etc, or if the unit is inappropriate for the applicant's disabilities, or a family does not need a unit's accessible features and does not want to be subject to a 30-day notice to move. The racial/ethnic composition of a neighborhood is not considered to be a legitimate basis for rejecting an offer; however, all of MCHA's units are scattered-site single-family housing, so no unit exists in a concentration of racial/ethnic minority public housing residents.

MCHA allows rejected applicants to appeal Authority determinations via an informal hearing process. MCHA provides denials promptly in written form, containing reason(s) for the decision and the right to appeal within 10 days of the denial. There is no stated policy of accommodation in the grievance process for persons with disabilities, though the thorough treatment of reasonable accommodation provided more generally in a previous section of the ACOP suggests that such accommodations would likely be provided if requested.

MCHA allows transfers without regard to race, color, national origin, sex, religion or familial status. Residents can be transferred to accommodate a disability. Because all public housing units have three bedrooms, a tenant whose family size requires a different sized unit may receive a voucher. While residents generally bear the cost of transfers, any transfers for reasonable accommodations will be paid for by the Authority.

The ACOP does not contain a policy on pets, though it is possible that such a policy exists as a separate stand-alone document. It is important that any policy limiting the size and type of animal allowed to reside at public housing properties excludes service animals for persons with disabilities.

H. Taxes

Taxes impact housing affordability. While not an impediment to fair housing choice in and of themselves, real estate taxes can impact the choice that households make with regard to where to live. Tax increases can be burdensome to low-income homeowners, and increases are usually passed on to renters through rent increases. Tax rates for specific districts and the assessed value of all properties are the two major calculations used to determine revenues collected by a jurisdiction. Determining a jurisdiction's relative housing affordability, in part, can be accomplished using tax rates.



However, a straight comparison of tax rates to determine whether a property is affordable or unaffordable gives an incomplete and unrealistic picture of property taxes. Local governments with higher property tax rates, for example, may have higher rates because the assessed values of properties in the community are low, resulting in a fairly low tax bill for any given property. In all of the communities surrounding a jurisdiction, comparable rates for various classes of property (residential, commercial, industrial, etc.) are assigned to balance each community's unique set of resources and needs. These factors and others that are out of the municipality's control must be considered when performing tax rate comparisons.

State legislation also directly affects a jurisdiction's ability to levy taxes. In Illinois, property tax caps are in place in the collar counties around Chicago (DuPage, Grundy, Kane, Kendall, Lake, McHenry, and Will counties) and suburban Cook County in an attempt to curb high increases in property taxes. Tax increases had resulted from rapid increases in assessed housing value, a direct result of a booming housing market. These areas are now limited to yearly increases of 5%, or the rate of inflation, whichever is less. This restriction can hamper the ability of local governments to match service needs with revenue, but does help to keep taxes more affordable in high-growth areas where affordable housing is in demand.

In McHenry County, each township has a separate assessor and board of appeals. The County's Office of Assessment is responsible for educating individual township assessors and ensuring that the process is fair and consistent with state law. Township assessors value all real estate within their jurisdictions so that assessed value reflects one-third of the fair market value as of January 1 of the assessment year, in accordance with state law. Following this determination, McHenry County applies a state-determined equalization factor, or multiplier, that becomes part of the property tax equation each year. Equalization is calculated by comparing a County's market value (actual selling price) with assessed values (assigned by the County). In McHenry County in 2011, the equalization factor was 1.034800, meaning that a property's assessed value was equal to about 34.5% of its fair market value.

Tax rates are levied on every \$100 dollars of assessed value. Composite taxes are aggregates of a variety of taxing districts, including the County, the city and local school districts, among others. In McHenry County, 66 cents of every property tax dollar goes to a taxpayer's local school district, according to the County's Popular Annual Financial Report. The County itself receives the next largest share, 10 cents on every dollar, followed by municipalities, which get an average 6.8 cents. Other taxing bodies receiving smaller shares include fire protection districts, township, library districts, the conservation district and park districts.

While tax rates vary widely according to a home's specific location within McHenry County, the median levy for a home worth the median value of \$251,200 would be \$4,948 per year, or \$412 per month. This is equivalent to roughly 2% of the home's market value, or about 6% of the median household income. By that measure, the tax burden shared by McHenry County residents ranks among the heaviest in the country, as only 30 other counties have a higher property tax as percentage of median income.¹⁹

According to the 2011 Annual Report from McHenry County's Office of Assessment, that year continued a slide in the overall valuation of real estate across the County, with short sales and bank-owned sales representing a significant portion of the residential market. A tabulation of new construction by

¹⁹ Comparison calculations drawn from tax-rates.org.

property class shows that the \$22.5 million in valuation created in 2011 was the nadir of a decline from \$189.9 million that was created in 2007 (followed by \$120.9 million in 2008, \$64.6 million in 2009 and \$34.8 million in 2010). Only \$39,450 in new apartment construction valuation was created in 2011. During the same five years, the number of households seeking the disabled persons property tax exemption rose steadily from 436 to 1,495, potentially indicating the increased economic stress placed upon this disproportionately poor population group during the recession.

As property values slide, rates have increased to compensate, according to a comparison of the levies imposed by County taxing bodies between 2011 and 2012.²⁰ Local governments, school districts and other taxing agencies (such as libraries or community colleges) must raise a certain level of annual revenue to meet debt obligations that were incurred in prior, more prosperous years. In this sense, the loss of valuation due to foreclosure has a direct and negative impact on housing affordability for McHenry County taxpayers.

The significance of higher property taxes on residential properties is that the amount of taxes must be factored into the question of affordability. If a property owner is considering the purchase of a home, estimating the monthly mortgage payment must include the mortgage principal and interest, property taxes and homeowner's insurance.

Illinois' policy of requiring reassessment every four years minimizes inequity in the system of taxation, as changes in assessed value keep pace with changes in market value across the board. In states that do not require periodic reassessment, the assessed values of years long past continue to apply to 1) neighborhoods that are in decline, resulting in over-taxation on poorer residents, and 2) neighborhoods where values have increased, resulting in under-taxation on those who are prospering.

Illinois law provides property tax relief for targeted policy outcomes and special-needs populations through a number of exemptions and credits, including a General Homestead Exemption (which effectively reduces equalized assessments by \$6,000) and exemptions for disabled veterans, returning veterans and homestead improvement. Programs for seniors and veterans include additional homestead exemptions and an assessment freeze. It is the property owner's responsibility to apply for these as provided by law.

According to recent data from the Illinois Comptroller's office, most local governments and school districts in the state lean heavily on real estate tax revenues. Dependency varies from less than one-third of revenues for counties and municipalities to half of revenues for school districts and more than half of revenues for some special districts. The Property Tax Extension Limitation Law (PTELL) represents an effort to limit the impact of rising property taxes. However, further diversification remains a desirable aim in restructuring the funding systems of local governments and school districts.



Continuing decline in the general property tax base over the course of recent years has resulted in taxing bodies increasing McHenry County's already considerable property tax rates.

Due to significant local reliance on property taxes as a revenue source, property taxes are a component of housing affordability for those living in the County.

I. Public Transit

Households without a vehicle, which in most cases are primarily low-moderate income households, are at a disadvantage in accessing jobs and services, particularly if public transit is inadequate or absent. Access to public transit is critical to these households. Without convenient access, employment is potentially at risk and the ability to remain housed is threatened. The linkages between residential areas (of concentrations of minority and LMI persons) and employment opportunities are key to expanding fair housing choice.

According to the 2006-2010 American Community Survey, there were 1,312 workers age 16 and up without a vehicle available, making them transit-dependent. This was equivalent to 0.9% of all workers over age 16 in McHenry County. The low number of transit-dependent workers is not surprising, given the gaps in linkage between existing public transit options in McHenry County. The 1997 Analysis of Impediments to Fair Housing Choice concluded that it would be “nearly impossible” to live and work in the County without access to a vehicle.

Figure 4-6
Means of Transportation to Work by Race/Ethnicity, 2010

Means of Transportation to Work	Total		White		Black		Hispanic	
Drove vehicle alone	123,216	81.3%	114,282	82.2%	1,098	80.2%	10,404	72.3%
Carpool	12,024	7.9%	9,604	6.9%	82	6.0%	2,789	19.4%
Public transportation	4,126	2.7%	3,808	2.7%	26	1.9%	168	1.2%
Walked	2,224	1.5%	1,862	1.3%	48	3.5%	412	2.9%
Taxi, motorcycle, bike or other means	1,604	1.1%	1,459	1.0%	39	2.8%	257	1.8%
Worked at home	8,411	5.5%	7,970	5.7%	76	5.6%	353	2.5%
Total	151,605	100.0%	138,985	100.0%	1,369	100.0%	14,383	100.0%

Source: 2006-10 American Community Survey (B08105A, B08105B, B08105I, B08301)

The vast majority of County residents (89.2%) drove to work, with 81.3% driving alone. Throughout McHenry County, only 2.7% of residents utilized public transportation to get to work. No significant differences were noted across racial and ethnic groups in the use of public transit, though Black workers were somewhat more likely to walk to work, and Hispanic workers were substantially more likely to carpool.

McHenry County workers are served primarily by Metra commuter rail service or Pace suburban bus services. The exceptions are three of the largest communities in the County, which currently have no Metra and almost no Pace service: Huntley, Lake in the Hills, and Algonquin.

- The Metra train system, an expansive network covering nearly 500 miles across the metropolitan area, connects McHenry County to Chicago and the suburbs between. The system offers service in Cook County, DuPage, Kane, Lake, Will and McHenry counties on a hub-and-spoke model. Its Union Pacific/Northwest Line is the most direct means of service to McHenry County. Three other lines (Light Orange, Pink, and Green) run into Kane County, while all others go from Chicago to Will County. McHenry County’s Metra stops are at Fox River Grove, Cary, Pingree Road, Crystal Lake, McHenry, Woodstock and Harvard, connecting the County’s major population concentrations. Metra service to McHenry



County runs on weekdays from about 5:00 a.m. to 1:00 a.m., though the frequency of service varies substantially by station.

A one-way Metra ride from Woodstock or McHenry to downtown Chicago would cost \$8.25, while a reduced-fare ride would be \$4.00 each way. A one-way ride to downtown Chicago from Fox River Grove or Cary would be \$7.25 or \$3.25. A full-priced ride within McHenry County would cost between \$2.75 and \$4.25 each way.

- The Pace bus system calls itself “the backbone of Chicago’s suburbs,” providing tens of thousands of daily riders with fixed-bus routes, van pools and Dial-a-Ride trips. Pace’s fixed-route bus service carries commuters throughout the suburbs using a set schedule and routing, with 199 fixed routes serving more than 220 communities in the six-county area. Three Pace routes serve McHenry County. One (Route 806) provides rush-hour service between Crystal Lake and Fox Lake via McHenry and Johnsburg. Another route provides rush-hour service between Crystal Lake and Harvard via Woodstock. A third route provides rush-hour service between Woodstock and McHenry via Wonder Lake. While these routes deliver access to noted employment centers, schools, hospitals and other community amenities, access to other areas and service in non-peak hours is extremely limited. A regular fare on a Pace bus is \$1.75, though seniors and persons with disabilities ride free.

According to local affordable housing providers, the absence of adequate public transportation throughout McHenry County limits the development of affordable housing to those areas served by public transit. However, Census data indicates that there remains a substantial lower-income minority population that is not transit dependent. By virtue of vehicle access, this population is not bound in locational choice to areas of the County that are within walking distance of transit routes.



Many municipalities in McHenry County do not receive regular service from a large, fixed-route transit provider.

Residents of rural areas, particularly in the western half of the County, are especially isolated from service, due to the financial infeasibility of extending routes to sparsely developed areas. The lack of transit service in these communities presents a barrier to the development of affordable housing for members of the protected classes who depend on transit.

a. Accessibility

Pace buses and Metra rail cars and stations have integrated accessibility features to achieve compliance with the American with Disabilities Act (ADA). For those unable to access fixed-route bus or rail services, ADA paratransit service is available throughout the region via Pace, which operates the nation’s largest paratransit service and its second-largest vanpool program. In McHenry County, Pace provides paratransit within ¾ mile of its three fixed routes, but only on weekdays during the morning and afternoon rush hours. The limited availability of paratransit has a profound effect on housing choice for persons with



disabilities who rely on this service. The vanpool program allows groups to save on costs through the use of a van that is owned, insured and maintained by Pace, but is driven by participants.

b. Transportation Planning

County planners have acknowledged the problems presented by the gaps in the local public transit system. The 2030 Plan for McHenry County anticipates a 56% increase in the total population, including substantial growth in the number of residents over the age of 60. The older population mix will create a greater demand for more comprehensive public transit and more service from private transit suppliers. To address this issue, the County is nearing completion on its 2040 Transportation Plan. One of the elements of the Plan includes expansion of the MCRide Program. MCRide is a demand-response public transit system provided mainly in southeast McHenry County, and begun as a pilot program in February 2012. The system links the communities of Woodstock, Crystal Lake and McHenry currently, and provides general public transit service between the hours of 6 a.m. and 10 p.m. Fares are a flat \$2 fee for the first five minutes plus \$0.25/mile thereafter. The average one-way fare is under \$3 for a 5-10 mile trip. The goal of the service is to attract employees commuting to work. Currently, about 300 employees use the daily service to commute to their jobs. The participating municipalities must contribute 25% to their cost of MCRide. Residents 60 and older and persons with disabilities who live in the townships of Greenwood, McHenry and Dorr are also eligible to use MCRide at a lower fare.

Metra has reported that the Union-Pacific/North West rail line serving McHenry County serves the largest population and number of jobs of any Metra-serviced corridor. In response to increases in demand, Metra plans to improve service along this line with improvements to existing stations and investment in new stations. New sites include Johnsburg, which would serve the eastern portion of the County, and a future station in southeast Woodstock.

Pace has not committed funding to expand fixed-route bus service in McHenry County. However, its Vision 2020 plan describes other new programs, such as Bus Rapid Transit and local demand/response shuttles. The County has worked with Pace to expand Dial-a-Ride transit services in a larger underserved area. In addition, as part of the County's 2040 Transportation Plan, the County is studying the need to update or adjust Pace routes to reflect where the population and employment centers are located.

Transportation planning efforts on the part of McHenry County have involved creative solutions to bridge gaps due to a lack of funding or the infeasibility of extending fixed-route service.

These solutions should include the active implementation of plans to facilitate higher-density, mixed-use developments along transit routes to create connections between affordable housing options in non-impacted areas and access to jobs and amenities. Additionally, the County should continue to work with Pace to negotiate ways to meet community public transportation needs.



5. Private Sector Policies

A. Mortgage Lending Practices

The Fair Housing Act prohibits lenders from discriminating against members of the protected classes in granting mortgage loans, providing information on loans, imposing the terms and conditions of loans (such as interest rates and fees), conducting appraisals and considering whether to purchase loans. Unfettered access to fair housing choice requires fair and equal access to the mortgage lending market regardless of race, color, national origin, religion, sex, familial status, disability or any other statutorily protected basis.

An analysis of mortgage applications and their outcomes can identify possible discriminatory lending practices and patterns in a community. Home Mortgage Disclosure Act (HMDA) data contains records for all residential loan activity, reported by banks pursuant to the requirements of the Financial Institutions Reform, Recovery and Enforcement Act of 1989. Any commercial lending institution that makes five or more home mortgage loans annually must report all residential loan activity to the Federal Reserve Bank, including information on applications denied, withdrawn, or incomplete by race, sex, and income of the applicant. This information is used to determine whether financial institutions are serving the housing needs of their communities.

The most recent HMDA data available for McHenry County is for 2010. The data included for this analysis is for three years, 2008 through 2010, and constitutes all types of applications received by lenders by families: home purchase, refinancing or home improvement mortgage applications for one- to four-family dwellings and manufactured housing units across the entire County. The demographic and income information provided pertains to the primary applicant only. Co-applicants were not included in the analysis. Figure 5-1 summarizes three years of HMDA data by race, ethnicity, and action taken on the applications, followed by detailed analysis.



Figure 5-1
Cumulative Summary Report Based on Action Taken Mortgage Data, 2008-10

	Total Applications*		Originated		Approved Not Accepted		Denied		Withdrawn/Incomplete	
	#	%	#	%	#	%	#	%	#	%
Loan Purpose										
Home purchase	14,607	21.4%	7,137	48.9%	618	4.2%	1,267	8.7%	5,347	36.6%
Refinancing	51,575	75.6%	25,236	48.9%	2,471	4.8%	8,388	16.3%	13,811	26.8%
Home improvement	2,008	2.9%	810	40.3%	145	7.2%	593	29.5%	397	19.8%
Loan Type										
Conventional	51,184	75.1%	25,806	50.4%	2,568	5.0%	8,106	15.8%	13,157	25.7%
FHA	15,834	23.2%	6,806	43.0%	615	3.9%	2,036	12.9%	5,993	37.8%
VA	1,092	1.6%	536	49.1%	49	4.5%	98	9.0%	373	34.2%
FHS/RHS	80	0.1%	35	43.8%	2	2.5%	8	10.0%	32	40.0%
Property Type										
One to four-family unit	68,085	99.8%	33,131	48.7%	3,232	4.7%	10,216	15.0%	19,536	28.7%
Manufactured housing unit	99	0.1%	50	50.5%	2	2.0%	30	30.3%	17	17.2%
Applicant Race										
Native American	177	0.3%	63	35.6%	8	4.5%	65	36.7%	37	20.9%
Asian	1,357	2.0%	720	53.1%	78	5.7%	250	18.4%	265	19.5%
Black	428	0.6%	171	40.0%	28	6.5%	101	23.6%	112	26.2%
Hawaiian	123	0.2%	61	49.6%	6	4.9%	21	17.1%	25	20.3%
White	55,051	80.7%	29,832	54.2%	2,762	5.0%	8,683	15.8%	12,181	22.1%
No information	5,257	7.7%	2,293	43.6%	350	6.7%	1,125	21.4%	1,186	22.6%
Not applicable	5,797	8.5%	43	0.7%	2	0.0%	3	0.1%	5,749	99.2%
Hispanic**	3,216	4.7%	1,309	40.7%	229	7.1%	889	27.6%	663	20.6%
Total*	68,190	100.0%	33,183	48.7%	3,234	4.7%	10,248	15.0%	19,555	28.7%

Source: Federal Financial Institutions Examination Council, 2008 to 2010

Note: Percentages in the Originated, Approved Not Accepted, Denied, and Withdrawn/Incomplete categories are calculated for each line item with the corresponding Total Applications figures. Percentages in the Total Applications categories are calculated from their respective total

* Total applications also include 1,966 loans purchased by another institution.

** Hispanic ethnicity is counted independently of race.

1. Applicant Characteristics

Across McHenry County during the latest three years, lenders received 14,607 applications for home purchase mortgages, 51,757 applications for mortgage refinancing and 2,008 home improvement equity loans. The preponderance of refinancing loans as a percentage of all applications is a reflection of current market conditions, indicating that many homeowners are taking advantage of historically low interest rates to reduce monthly housing costs, while home purchase rates continue to be sluggish as a result of the housing market crash that hit its nadir in 2008.

Of the three loan types, refinancing loans and purchase loans were equally likely to be successful, as 48.9% of both types were approved. More than one in every four refinancing applications were withdrawn or left incomplete, and 16.3% were denied. By comparison, an even higher proportion of home purchase loans – one-third – were withdrawn or left incomplete, and only 8.7% were denied. Home improvement loans represent only a small share of all applications, with 2.9% of the total, but carry the highest denial rate: 29.5% of applications of this type were rejected, while 40.3% were approved.

Across racial and ethnic groups, loan application types were generally similar. The most common loan type across all groups was refinancing, constituting 79.2% of applications for Asians and 75.8% of applications for

Whites. Hispanics and Blacks were somewhat less likely to refinance, as this loan type represented 72.1% of all applications for Hispanics and 66.1% of all applications for Blacks. Blacks were more likely than any other group to apply for a home purchase loan, as 29.2% of applications from Black households were for this purpose.

Figure 5-2
Loan Application Type by Race/Ethnicity, 2008-10

	Total	White	Black	Asian	Other	No data	Hispanic*
Home purchase	14,607	11,741	125	263	60	2,418	782
	21.4%	21.3%	29.2%	19.4%	20.0%	21.9%	24.3%
Refinance	51,575	41,742	283	1,075	225	8,250	2,320
	75.6%	75.8%	66.1%	79.2%	75.0%	74.6%	72.1%
Home improvement	2,008	1,568	20	19	15	386	114
	2.9%	2.8%	4.7%	1.4%	5.0%	3.5%	3.5%
Total	68,190	55,051	428	1,357	300	11,054	3,216
	100.0%	80.7%	0.6%	2.0%	0.4%	16.2%	4.7%

Note: Percentages within racial/ethnic groups are calculated within each group's total.

* Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2008 to 2010

The vast majority of applications regarded one- to four-family housing structures, with only 99 applications (less than 1%) requesting financing for manufactured units. The denial rate for manufactured units, 30.3%, was substantially higher than the overall denial rate of 15% for all housing types.

The most commonly sought type of financing was conventional loans, a category that represented about three in every four loan applications. An additional 22.2% of applications were for loans insured by the Federal Housing Administration (FHA), a type of federal assistance that has historically benefited lower-income residents. Smaller percentages of applications were for loans backed by the Department of Veterans Affairs (VA) or Farm Services Administration or Rural Housing Service (FSA/RHS).

The racial and ethnic composition of loan applicants generally reflects the County's general demographic distribution. While 6.8% of all McHenry County households in 2010 were Hispanic, Hispanic households constituted 4.7% of the loan applications for which racial/ethnic data were reported. Similarly, 0.6% of all households in the County were Black, while 0.7% of the loan applications for which race was reported were filed by Black households. Asian households represent 2.4% of race-specified applications and 2.0% of all households in the County. Finally, White households represented 96.4% of applications for which race was specified and 93.3% of County residents. Participation in the market for mortgages by minority households is an indication of awareness of and access to mortgage products among these groups.

Grouping all three years of data into the analysis increases the likelihood that differences among groups are statistically significant. This is especially important in view of the data on mortgage application denials, which also suggests differences according to race and ethnicity.



2. Application Denials

During the years 2008 through 2010, a total of 10,248 mortgage loan applications were denied across McHenry County. The overall cumulative denial rate was 15%, with denials by race and ethnicity ranging from 15.8% for White households to 36.7% for Native American households. In reporting denials, lenders are required to list at least one primary reason for denial and may list up to two secondary reasons. As Figure 5-3 demonstrates, a substantial proportion of denials occurred for no given reason. The primary basis for the rejection of 1,954 applications, or 19.1% of all denials, was left blank. While insufficient collateral was the most common reason for denial across all groups, it was most commonly cited for Black applications, factoring into roughly one-third of denials.

Figure 5-3

Primary Reason for Mortgage Denial by Household Race/Ethnicity, 2008-10

	Total	White	Black	Asian	Other	Hispanic	No Info
Collateral	26.9%	27.0%	32.7%	26.0%	25.6%	23.8%	25.6%
No reason reported	19.1%	19.6%	13.9%	19.6%	18.6%	16.8%	15.0%
Debt-to-income ratio	18.3%	18.4%	11.9%	18.0%	19.8%	19.8%	18.2%
Credit history	12.0%	11.7%	18.8%	4.8%	16.3%	17.3%	14.8%
Incomplete application	9.5%	9.1%	5.0%	10.8%	8.1%	6.2%	12.4%
Other	8.2%	8.0%	8.9%	10.8%	10.5%	8.4%	9.0%
Unverifiable information	3.2%	3.2%	5.0%	6.4%	1.2%	4.3%	2.8%
Employment history	1.2%	1.3%	1.0%	1.6%	0.0%	1.3%	1.0%
Insufficient cash	1.3%	1.3%	3.0%	2.0%	0.0%	1.8%	1.0%
Insurance denied	0.3%	0.3%	0.0%	0.0%	0.0%	0.2%	0.2%

* Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2008 to 2010

➤ Observation

Mortgage loan denial rates among racial and ethnic minority applicants were higher than the denial rate for White applicants between 2008 and 2010.

For this analysis, lower-income households include those with incomes between 0%-80% of MFI, while upper-income households include households with incomes above 80% MFI. Applications made by lower-income households accounted for 32.2% of all denials between 2008 and 2010, though they accounted for only 23.7% of total applications for those three years.

Figure 5-4 distributes the denials by income level among racial and ethnic groups. Among lower-income households, denial rates were generally higher for minorities. While the overall lower-income denial rate was 20.4%, the denial rates for lower-income Asians, Blacks, Hispanics and households of other race (consisting primarily of Native Americans) were 31.3%, 29.5%, 33% and 33.7%, respectively.

While denial rates were generally lower for upper-income households, differences persisted across racial and ethnic groups. The overall upper-income denial rate was 15.3%, compared to 26.3%, 27.2% and 25.2% for upper-income Hispanic, Other Race and Black households, respectively. Lower-income White households were less likely to experience denial than any of these three upper-income minority groups.

Figure 5-4
Denials by Race/Ethnicity and Income Level, 2008-10

		Total	White	Black	Asian	Other	No data	Hispanic*
Lower-Income	Total Applications	16,181	13,940	95	224	104	1,818	1,363
	Denials	3,295	2,843	28	70	35	319	450
	% Denied	20.4%	20.4%	29.5%	31.3%	33.7%	17.5%	33.0%
Upper-Income	Total Applications	42,652	36,100	270	1,060	184	5,038	1,549
	Denials	6,513	5,509	68	173	50	713	408
	% Denied	15.3%	15.3%	25.2%	16.3%	27.2%	14.2%	26.3%
Total	Total Applications	68,190	55,051	428	1,357	300	11,054	3,216
	Denials	10,248	8,683	101	250	86	1,128	889
	% Denied	15.0%	15.8%	23.6%	18.4%	28.7%	10.2%	27.6%

Note: Total also includes applications for which no income data was reported.

* Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2008 to 2010



Observation

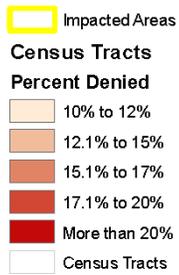
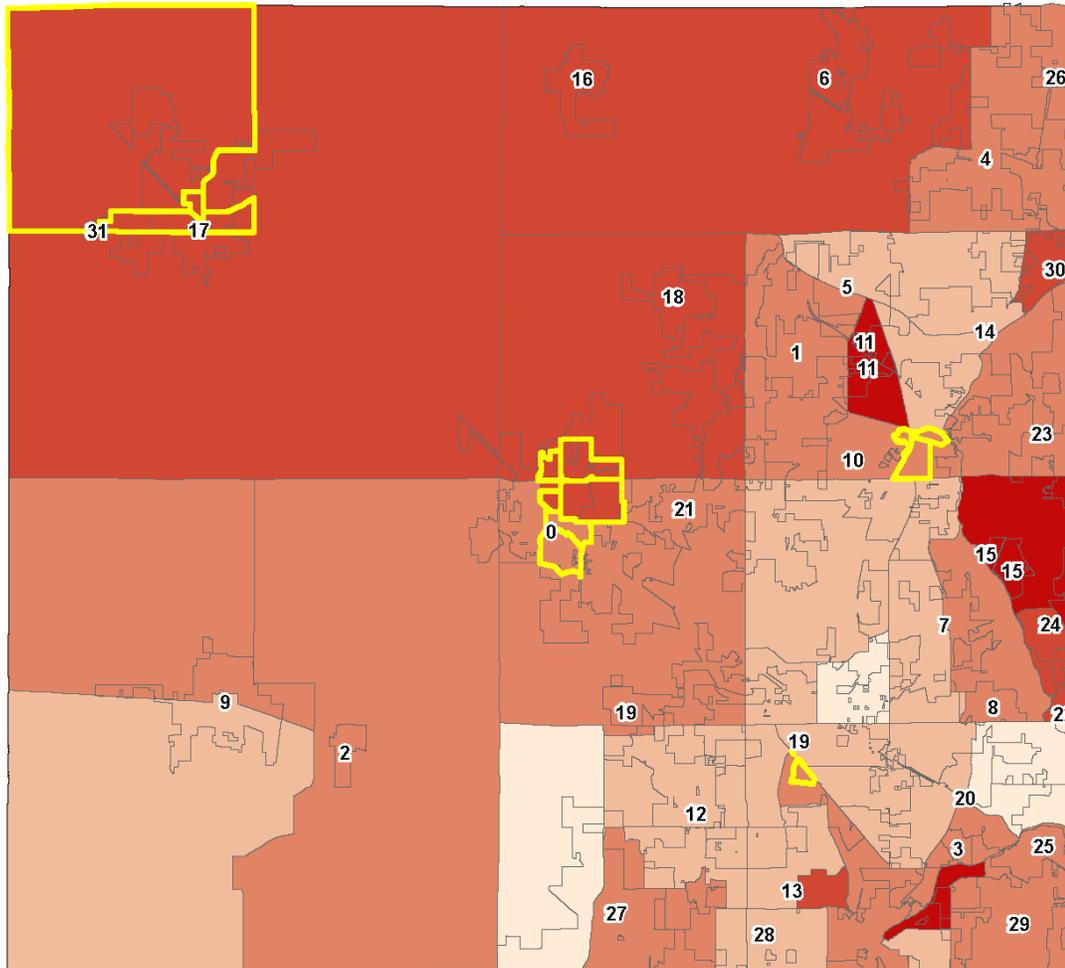
Over the course of the three years studied, upper-income minority households experienced denial rates that were higher than those of lower-income White households.

Among upper-income Black, Hispanic and Other Race (primarily Native American) households, mortgage denial rates were 25.2%, 26.3% and 27.2%, respectively, compared to a denial rate of 20.4% among lower-income Whites.

Denial rates by census tract across McHenry County are illustrated in the following map. Of the 47 total tracts within the County, three report denial rates exceeding 20%. The denial rates in impacted areas range from 12% to 20%



Map 5-1
Percent of Mortgage Applications Denied by Census Tract, 2008-10



Places Key:

- | | | |
|-------------------|------------------------|-------------------------|
| 0 - Woodstock | 11 - McCullom Lake | 21 - Bull Valley |
| 1 - Wonder Lake | 12 - Lakewood | 22 - Port Barrington |
| 2 - Union | 13 - Lake in the Hills | 23 - Lakemoor |
| 3 - Trout Valley | 14 - Johnsburg | 24 - Island Lake |
| 4 - Spring Grove | 15 - Holiday Hills | 25 - Fox River Grove |
| 5 - Ringwood | 16 - Hebron | 26 - Fox Lake |
| 6 - Richmond | 17 - Harvard | 27 - Huntley |
| 7 - Prairie Grove | 18 - Greenwood | 28 - Algonquin |
| 8 - Oakwood Hills | 19 - Crystal Lake | 29 - Barrington Hills |
| 9 - Marengo | 20 - Cary | 30 - Pistakee Highlands |
| 10 - McHenry | | 31 - Chemung |



3. High-Cost Lending

The widespread housing finance market crisis of recent years has brought a new level of public attention to lending practices that victimize vulnerable populations. Subprime lending, designed for borrowers who are considered a credit risk, has increased the availability of credit to low-income persons. At the same time, subprime lending has often exploited borrowers, piling on excessive fees, penalties and interest rates that make financial stability difficult to achieve. Higher monthly mortgage payments make housing less affordable, increasing the risk of mortgage delinquency and foreclosure and the likelihood that properties will fall into disrepair.

Some subprime borrowers have credit scores, income levels and down payments high enough to qualify for conventional, prime loans, but are nonetheless steered toward more expensive subprime mortgages. This is especially true of minority groups, which tend to fall disproportionately into the category of subprime borrowers. The practice of targeting minorities for subprime lending qualifies as mortgage discrimination.

Since 2005, HMDA data has included price information for loans priced above reporting thresholds set by the Federal Reserve Board. This data is provided by lenders via Loan Application Registers and can be aggregated to complete an analysis of loans by lender or for a specified geographic area. HMDA does not require lenders to report credit scores for applicants, so the data does not indicate which loans are subprime. It does, however, provide price information for loans considered “high-cost.”

A loan is considered high-cost if it meets one of the following criteria:

- A first-lien loan with an interest rate at least three percentage points higher than the prevailing U.S. Treasury standard at the time the loan application was filed. The standard is equal to the current price of comparable-maturity Treasury securities.
- A second-lien loan with an interest rate at least five percentage points higher than the standard.

Not all loans carrying high APRs are subprime, and not all subprime loans carry high APRs. However, high-cost lending is a strong predictor of subprime lending, and it can also indicate a loan that applies a heavy cost burden on the borrower, increasing the risk of mortgage delinquency.

Between 2008 and 2010, there were 68,190 home purchase, refinance or home improvement loans made for single-family or manufactured units in McHenry County. Of this total, 65,070 disclosed the borrower’s household income and 1,252 reported high-cost mortgages. Overall, upper-income households were less likely to have high-cost mortgages than lower-income households (3.2% of loans or upper-income households were high-cost, compared to 5.5% of lower-income loans).

An analysis of loans in McHenry County by race and ethnicity reveals that minorities are overrepresented in high-cost lending. Among lower-income minority households of a sample size large enough for analysis, 10.5% of mortgages obtained by Hispanics were high-cost, compared to 5.5% of the mortgages obtained by lower-income White households.



A similar trend was apparent among upper-income households. While Asian households were the least likely to have high-cost mortgages (1.7%), the 3.3% high-cost rate for White households was substantially lower than the 7.1% rate for Hispanics. Details appear in Figure 5-5.

Figure 5-5
High-Cost Loans by Race/Ethnicity and Income Level, 2008-10

		Total	White	Black	Asian	Other	No data	Hispanic*
Lower-Income	Total Originations	7,608	6,979	32	97	40	460	531
	High-Cost	417	393	0	3	2	19	56
	% High-Cost	5.5%	5.6%	0.0%	3.1%	5.0%	4.1%	10.5%
Upper-Income	Total Originations	22,455	20,073	108	587	76	1,611	647
	High-Cost	722	661	5	10	8	38	46
	% High-Cost	3.2%	3.3%	4.6%	1.7%	10.5%	2.4%	7.1%
Total	Total Originations	33,183	29,832	171	720	124	2,336	1,309
	High-Cost	1,139	1,054	5	13	10	57	102
	% High-Cost	3.4%	3.5%	2.9%	1.8%	8.1%	2.4%	7.8%

Note: Total also includes 3,120 loans for which no income data was reported.

* Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2008 to 2010

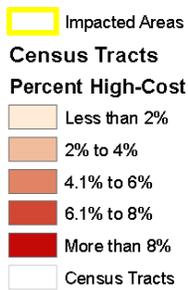
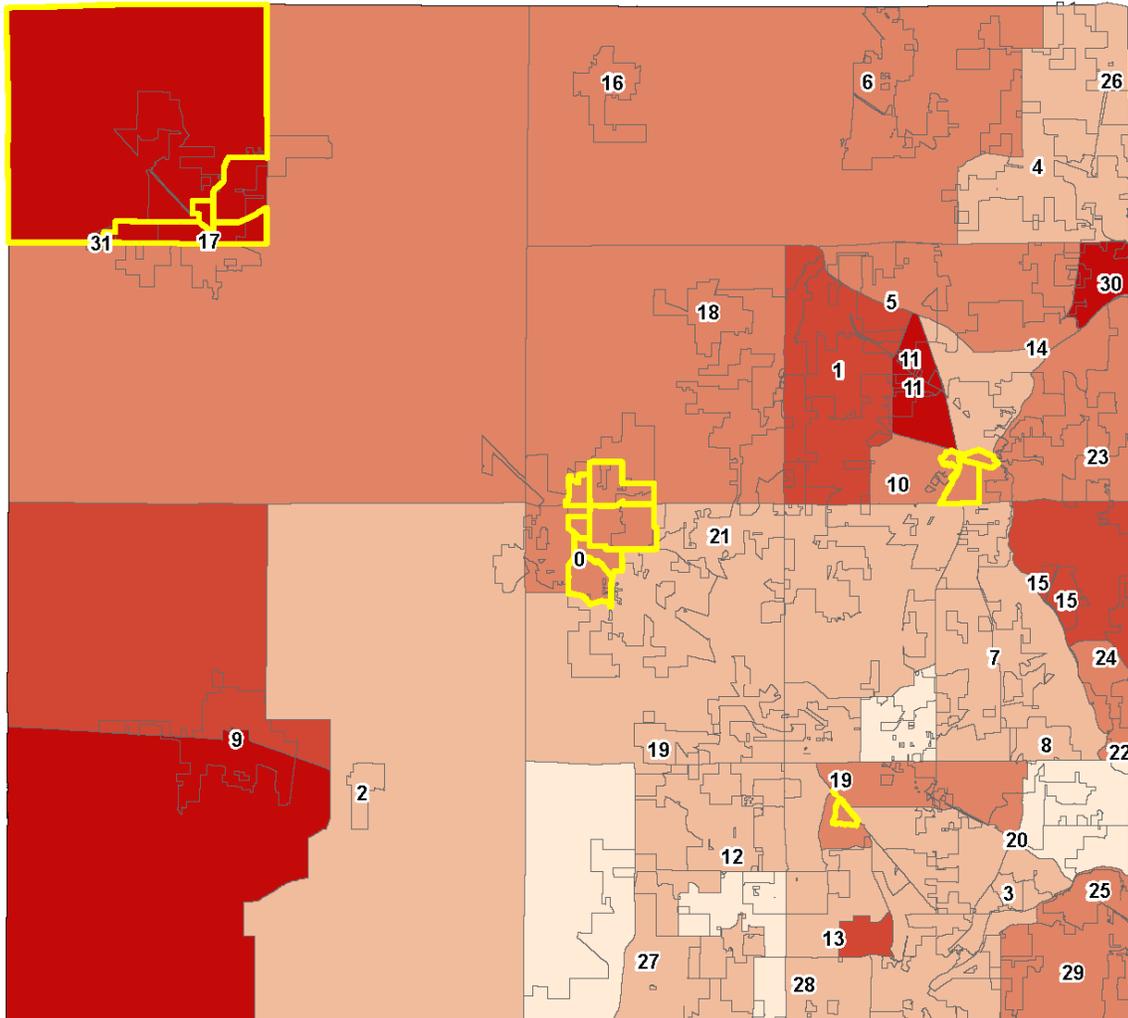
➤ Observation

Hispanic households, both upper-income and lower-income, are more likely to receive high-cost mortgage loans than lower-income White households.

This trend places Hispanic homeowners at greater risk for eviction, foreclosure and bankruptcy.

The distribution of high-cost loans by census tract across McHenry County is depicted on the following map. There are eight tracts where high-cost mortgages constitute more than 5% of all mortgage loans. In no area do high-cost loans exceed 10% of all loans. In the impacted areas of Chemung and Harvard, more than 8% of loans were high-cost, while the percentage was lower in other impacted areas.

Map 5-2
High-Cost Loans by Census Tract, 2008-10



Places Key:

- | | | |
|-------------------|------------------------|-------------------------|
| 0 - Woodstock | 11 - McCullom Lake | 21 - Bull Valley |
| 1 - Wonder Lake | 12 - Lakewood | 22 - Port Barrington |
| 2 - Union | 13 - Lake in the Hills | 23 - Lakemoor |
| 3 - Trout Valley | 14 - Johnsburg | 24 - Island Lake |
| 4 - Spring Grove | 15 - Holiday Hills | 25 - Fox River Grove |
| 5 - Ringwood | 16 - Hebron | 26 - Fox Lake |
| 6 - Richmond | 17 - Harvard | 27 - Huntley |
| 7 - Prairie Grove | 18 - Greenwood | 28 - Algonquin |
| 8 - Oakwood Hills | 19 - Crystal Lake | 29 - Barrington Hills |
| 9 - Marengo | 20 - Cary | 30 - Pistakee Highlands |
| 10 - McHenry | | 31 - Chemung |



4. Annual Trends

Studying mortgage application data on an annual basis allows insight into the influence of housing market trends on the behavior of applicants and banks. Figure 5-6 illustrates annual change.

Figure 5-6
Mortgage Application Loan Results by Year, 2008-10

	2008		2009		2010	
	#	%	#	%	#	%
Total loans						
Applied for	20,053	100.0%	26,167	100.0%	21,970	100.0%
Black	151	0.8%	168	0.6%	109	0.5%
White	16,257	81.1%	20,921	80.0%	17,873	81.4%
Asian	379	1.9%	506	1.9%	472	2.1%
Hispanic*	1,333	6.6%	1,080	4.1%	803	3.7%
Other race	119	0.6%	95	0.4%	86	0.4%
No information/NA	3,147	15.7%	4,477	17.1%	3,430	15.6%
Originated	8,866	44.2%	12,902	49.3%	11,415	52.0%
Black	52	34.4%	76	45.2%	43	39.4%
White	7,976	49.1%	11,627	55.6%	10,229	57.2%
Asian	176	46.4%	283	55.9%	261	55.3%
Hispanic*	498	37.4%	450	41.7%	361	45.0%
Other race	46	38.7%	44	46.3%	34	39.5%
No information/NA	616	19.6%	872	19.5%	848	24.7%
Originated - High Cost	671	7.6%	453	3.5%	128	1.1%
Black	3	5.8%	3	3.9%	-	0.0%
White	618	7.7%	422	3.6%	123	1.2%
Asian	7	4.0%	6	2.1%	-	0.0%
Hispanic*	70	14.1%	41	9.1%	8	2.2%
Other race	7	15.2%	3	6.8%	-	0.0%
No information/NA	36	5.8%	19	2.2%	5	0.6%
Denied	3,918	19.5%	3,369	12.9%	2,961	13.5%
Black	42	27.8%	36	21.4%	23	21.1%
White	3,316	20.4%	2,891	13.8%	2,476	13.9%
Asian	93	24.5%	90	17.8%	67	14.2%
Hispanic*	432	32.4%	264	24.4%	193	24.0%
Other race	34	28.6%	22	23.2%	30	34.9%
No information/NA	433	13.8%	330	7.4%	365	10.6%

Note: Data is for home purchase, refinance and improvement loans for owner-occupied one-to-four family and manufactured units. Other application outcomes include approved but not accepted, withdrawn, incomplete or purchase by another institution.

* Hispanic ethnicity is counted independently of race.

Source: Federal Financial Institutions Examination Council, 2008-10

While housing markets across the country have experienced steep declines in sales volume and mortgage applications since 2008 as a result of buyer reluctance in an unstable market, the number of applications in McHenry County increased from 20,053 in 2008 to 26,167 in 2009 before falling to 21,970 in 2010. As noted previously, refinancing loans comprise a large percentage of total applications. This is true in all three years.



The percentage of applications that resulted in loan originations increased between 2008 and 2010, on the whole and generally across racial and ethnic groups. The number of loans that were high-cost dropped substantially each year, likely as a direct result of increasing statutory control over predatory lending practices. It is also possible that education and outreach related to borrowing has contributed to the decline in high-cost loans. Between 2008 and 2010, the proportion of applications resulting in denials declined from 19.5% to 13.5%. This change also occurred generally across minority groups.

B. Real Estate Practices

McHenry County is served by the McHenry County Association of Realtors (MCAR), a nonprofit trade organization with about 670 members in the County. MCAR functions as the local arm of the Illinois Association of Realtors and the National Association of Realtors.

Fair housing and ethics are core parts of the licensing and continuing education requirements for all Realtors licensed in Illinois. Agents and brokers are required to achieve 12 hours of continuing education hours every two years. Two three-hour classes are dedicated to fair housing as part of the required continuing education curriculum. These lectures, which focus on the members of the protected classes, include role-playing and a HUD-produced film of a variety of fair housing scenarios. According to the Realtors, fair housing is the first thing discussed in realty offices and the first discussed with clients.

Anyone may file a complaint alleging a breach of ethics on the part of a member. Complaints are reviewed by an appointed Professional Standards Committee, which determines whether the complaint is justified. No complaints have been filed in recent years.

C. Newspaper Advertising

Under federal law, no advertising with respect to the sale or rental of a dwelling may indicate any preference, limitation, or discrimination because of race, color, religion, sex, handicap, familial status or national origin. In addition, Pennsylvania law extends protection to persons based on ancestry, guide dogs or support animals, age (40 and above), pregnancy, and the disability of an individual with whom the person is known to have a relationship or association.

Publishers and advertisers are responsible under federal law for making, printing, or publishing advertisements that violate the Fair Housing Act on its face. Thus, they should not publish or cause to be published an advertisement that expresses a preference, limitation or discrimination on the basis of race, color, religion, sex, handicap, familial status, or national origin. The law, as found in the Fair Housing Amendments Act of 1988, describes the use of words, photographs, symbols or other approaches that are considered discriminatory.

The real estate sections of the *Northwest Herald* published on a series of dates in January and February 2012 were examined to identify impediments to housing choice within the published advertisements for houses and other dwelling units held out for sale or for rent. A search of the advertisements showed that several major real estate firms placed the HUD fair housing logo in their banner ads. The publisher's notice and the newspaper's policies on accepting and printing real



estate ads were included in Sunday editions in large, bold type, indicating that the newspaper does not knowingly accept advertising that violates laws prohibiting discrimination based on race, color, sex, handicap, familial status, national origin or religion.

In the hundreds of for-sale and rental ads reviewed, there were no instances of blatantly discriminatory language. One ad for a property with a deep lot noted that it would be “great for kids.” While this ad would not likely to be read as discouraging families without children, a general rule of thumb for real estate advertising is to describe the property, not the people who should live there. A rental ad in a different section was potentially more problematic, including the phrase “intentionally quiet.” This language could easily be interpreted as a preference for families without children.

The consistency of all other rental and sales ads with fair housing standards would seem to indicate that the systems for screening ads before publication at the *Northwest Herald* effectively control for potential housing discrimination.

6. Evaluation of Current Fair Housing Profile

A. Fair Housing Policies and Actions since the Previous AI

McHenry County's last Analysis of Impediments to Fair Housing Choice was completed in 1997. The County reports progress in fair housing initiatives annually in the CAPER. The actionable issues identified in 1997 were as follows, in summary form. The action steps recommended in the last AI are also included for reference.

Impediment 1: General lack of understanding of fair housing rights among social service providers and local government officials

Recommendation: HOPE Fair Housing Center should spearhead a fair housing workshop in April 1998 to be attended by social service providers, local government officials, landlords, Realtors, lenders and other housing providers.

Impediment 2: There is no widely recognized fair housing advocate in McHenry County.

Recommendation: The County should designate a local fair housing advocate to work closely with County and municipal officials as a liaison with the community. Incoming housing discrimination complaints should be referred to a local and conveniently accessible office in the County. Community outreach and education should be more specific to the County. The local fair housing provider should provide a linkage with HOPE Fair Housing Center, Prairie State Legal Services and/or HUD FHEO in Chicago.

Impediment 3: HMDA data, though it must be interpreted with caution, indicates a disparity in loan denial rates by racial group.

Recommendation: The local lending community should continue to provide education and outreach to the minority community, especially the Hispanic community, to better prepare applicants prior to loan application submission. Community organizations should monitor annual HMDA data.

Impediment 4: The County has projected substantial population growth, which will impact employment, housing, transportation, social and governmental services. The forecasts call for more affordable housing development.

Recommendation: For every 100 new jobs created, 15 new affordable housing units should be created. Based on forecasting, a minimum of 6,122 additional affordable units will be required by the year 2020.



Impediment 5: Most municipal zoning ordinances lack in at least one if not all criteria for fair housing.

Recommendation: Each municipality should review the AI section covering zoning, building code and other land use controls and implement the prescribed changes.

Impediment 6: Only one municipality has an occupancy code.

Recommendation: The County and all other municipalities should consider the adoption of occupancy limitations. This would leave less to the interpretation of landlords and tenants on what is reasonable.

Impediment 7: Very few municipalities have fair housing mechanisms in place or have any significant understanding of fair housing law.

Recommendation: The County should provide a “fair housing kit” to assist community planning for all municipalities that request one, as well as to all social service providers who deal with housing issues.

Impediment 8: Neither the County nor any of its 30 cities and villages have a fair housing ordinance.

Recommendation: Human Relations Commissions in the County as well as the larger cities of Harvard, Woodstock, Crystal Lake and McHenry should spearhead the process of adopting and implementing local fair housing ordinances.

The fact that most of these impediments are echoed in the 2012 AI, 15 years later, speaks to long-entrenched systemic inequities that are difficult to address as well as action steps that the County and municipalities have not fully implemented, for a variety of reasons. For example, the County’s Human Relations Commission is now defunct, far from being in a position to spearhead the adoption of a fair housing ordinance. While at least one municipality has adopted its own fair housing ordinance, it was perhaps unrealistic to expect each community to take the initiative to review and amend its code of ordinances to achieve consistency with the AI’s recommendations.

However, fair housing has become an increasingly important component of CDBG and HOME program administration since the last AI was conducted, in reflection of the issues that study revealed. The following actions indicate the County’s commitment to affirmatively further fair housing choice:

- Following the useful life of the 1997 AI and prior to the completion of the current AI, the County filed an interim action plan with HUD detailing actions it would take leading up to the release of the new AI.
- The County routinely posts Fair Housing posters (HUD-928.1) in various County office locations.



- The Legislative Committee of the County Housing Commission was trained by staff members on the basis of fair housing and has reviewed local fair housing ordinances in other jurisdictions (counties, Chicago, the State of Illinois) and fair housing educational materials. The Committee viewed an Emory Law fair housing presentation regarding the Westchester County, NY case.
- The Legislative Committee will plan a fair housing educational event timed with the completion of the AI study.
- At the McHenry County People in Need forum on January 28, 2012, County staff and Housing Commissioners presented information for residents and service providers on fair housing.
- The County trains subrecipients regarding fair housing requirements during HOME and CDBG contracting meetings, pre-application meetings and at other sessions accordingly.
- The County sought to broaden input in the administration of the CDBG and HOME programs in recent years through the establishment of advisory committees for both funding sources.
- The Commission recently drafted an update to the Affirmative Marketing Plan that was adopted for the FY 2011 CDBG and HOME funding rounds.
- The Commission implemented new requirements for HUD-funded projects that require funding recipients to directly acknowledge affirmative marketing requirements as part of the application and contracting process.
- The 2030 Comprehensive Plan, adopted in 2010, advances a series of housing and land use strategies that will have the effect of expanding affordable opportunities for lower-income renters, who are disproportionately likely to be members of the protected classes. This population is also served by the 2012 Annual Plan recommendation to include tenant-based rental assistance as a HOME program activity.

B. Advocacy Organizations

Several fair housing advocacy organizations serve the County and its municipalities. A summary of these is included below.

- **The HOPE Fair Housing Center**, based in Wheaton (DuPage County), is a nonprofit agency founded in 1968 with a mission of ensuring that all people may freely choose a place to live. The Center's service area spans all of northern Illinois. The agency receives funding through HUD's Fair Housing Initiatives Program (FHIP) to conduct fair housing activities that include education, outreach and enforcement. According to the Center's 2010 Annual Report, HUD awarded the Center a 100% (excellent) rating, the highest possible mark for effective and efficient use of FHIP resources. Typically, the Center focuses on training through audio-visual presentations and enforcement through the investigation of housing, lending, insurance and governmental policies and practices that potentially discriminate against members of the protected classes. The Center receives fair housing complaints directly or via referral from other agencies and is empowered to investigate and settle discrimination allegations or refer cases to HUD. The Center's activities in



McHenry County have been limited and have not included large-scale testing of the real estate market for discrimination.

- **Prairie State Legal Services** provides legal representation to low-income people to empower them to solve problems without legal representation through legal education and increased access to the courts. The organization has branches throughout the state. If the potential for housing discrimination emerges during the development of a case, Legal Aid refers the client to file a complaint with a fair housing enforcement agency.

A representative of the agency interviewed for the AI reported that there are two full-time staff attorneys serving McHenry County, along with volunteers. The agency is focused on affordable housing application denials, lease terminations and evictions, as well as denials of reasonable accommodation for persons with disabilities.

7. General Fair Housing Observations

This section of the AI is a summary of general observations included in earlier sections of the report. General observations include the results of primary and secondary research that define the underlying conditions, trends, and context for fair housing planning in the County. These observations in and of themselves do not necessarily constitute impediments to fair housing choice. Rather, they establish a contextual framework for the impediments to fair housing choice that are presented in the following section of the AI.

A. Demographic and Housing Market Observations

- Population growth in the County continues to significantly outpace statewide, national and surrounding urban averages. This growth has resulted in a continuous demand for housing that the Comprehensive Plan projects will continue to grow.
- McHenry County remains predominantly White, though it has experienced an expansion in racial and ethnic diversity in recent decades. The non-White population increased from 1.4% of the total in 1990 to 9.9% in 2010. At the same time, the Hispanic population increased from 2.0% to 11.4%.
- 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 are located in Chemung, Crystal Lake, Harvard, McHenry and Woodstock.
- Relative to other areas of the country and especially in comparison to the larger metropolitan region, McHenry County is reasonably well integrated. According to dissimilarity index data, 33.4% of the Asian population and 32.9% of the Other Race population would have to move to other census tracts in order to increase integration. The County's Black population was more evenly dispersed, as perfect integration would require only 28.9% to relocate.
- Hispanics experienced poverty at much higher rates than any other minority in 2010. The median household income for Hispanics was substantially lower than the median income for Whites and Asians. Blacks and Hispanics also had poverty rates exceeding 12%, compared to 5.5% for Whites and 2.5% for Asians. Lower household incomes among Hispanics are reflected in lowest home ownership rates when compared to Whites and other minorities. Among minorities in McHenry County, 62.9% of Blacks and 61.9% of Hispanics were home owners, compared to 85.2% of Whites and 86.9% of Asians.
- Persons with disabilities were about twice as likely to live in poverty as persons without disabilities. Female-headed households with children comprised more than one-third all families living in poverty.
- Native Spanish speakers account for more than 70% of all persons with limited English proficiency (LEP) in McHenry County. Native Polish speakers account for the majority of the remaining persons with LEP, at 10.6%.



- Blacks were substantially more likely than Whites to be unemployed in the County in 2010. More than 13% of Blacks were unemployed in 2010, compared to 5.0% of Whites.
- Renter-occupied multi-family units represented only 8.4% of the occupied housing stock in the County in 2010. In 20 of the 30 municipalities, renter-occupied multi-family units accounted for less than 10% of the occupied housing stock. Housing choice for lower-income households is restricted by an inadequate supply of affordable multi-family rental housing units in non-impacted areas. A lack of larger rental units consisting of three or more bedrooms has a disproportionately greater impact on minority families, who tend to live in larger families.
- The density of housing units across the County varies greatly, as there is a strong contrast in neighborhood character between unincorporated areas and urban centers such as Woodstock. The greatest gain in housing units during the last 10 years occurred in urban areas, with unincorporated space losing more than 9,000 units, or 44.2% of the total units in those areas in 2000.
- Housing affordability continues to be a problem:
 - The County lost nearly one-third of its units renting for less than \$500 per month between 2000 and 2010. By comparison, the number of units renting for more than \$1,000 roughly doubled.
 - Minimum-wage and single-income households cannot afford a two-bedroom housing unit renting for the HUD fair market rent of \$958. Persons with disabilities receiving a monthly SSI check for \$698 as their sole source of income cannot afford a one-bedroom unit renting at the fair market rate of \$853.
 - Continuing decline in the general property tax base over the course of recent years has resulting in taxing bodies increasing the already considerable property tax burden saddling McHenry County residents. Due to significant local reliance on property taxes as a revenue source, taxes are an important component of housing affordability for those living in the County.

8. Impediments to Fair Housing Choice

A. Public Sector – *Under the Control of McHenry County*

- **The inactivity of the County’s Human Rights Commission has removed what institutional structure was formerly in place to address fair housing issues at the local level.**

The 1997 AI recommended that this Commission spearhead efforts for the County and municipalities to adopt local fair housing ordinances. The Commission became defunct in 2008, along with the political will to codify a countywide fair housing policy.

While the state’s fair housing ordinance extends protection against discrimination to a wide variety of protected classes that apply to McHenry County residents, there is no local institutional structure in place to coordinate fair housing efforts or collect housing discrimination complaints. The lack of complaints received by the State Human Rights Commission and HUD FHEO from McHenry County residents is perhaps less likely an indicator of a discrimination-free community than it may be an indication of low general awareness of rights and responsibilities under fair housing law.

Proposed Action Step: The Department of Planning and Development and/or the Housing Commission should propose the resurrection of the Human Rights Commission through legislative action that charges it with responsibilities beyond education and policy direction. Ideally, the Human Rights Commission would enforce an ordinance that empowers it to receive and investigate discrimination complaints. At the least, the Commission could serve as a widely recognized point of contact for fair housing information and referrals.

Alternately, or as an interim step, the Department of Planning and Development should designate a staff member as the County’s Fair Housing Officer. This person could serve as a point of contact for fair housing complaints, providing information and referrals. Additionally, the Fair Housing Officer could coordinate, monitor and track fair housing activities within County government.

Proposed Action Step: The County should allocate 1% to 3% of its annual CDBG entitlement grant to pure fair housing activities, which could include education, outreach, testing and other appropriate activities.



- **Affordable housing development opportunities vary drastically by municipality, as some maintain policies or practices that have the effect of limiting entry to the community by lower-income households.**

A lack of standardization in building codes and approval processes across County municipalities has left room for inequity and has escalated the cost of residential development. Fees and proffers limit fair housing choice in that they add considerably to the cost of development and therefore detract from the economic feasibility of affordable housing. The County's efforts to obtain municipal permit fee waivers for affordable developments are commendable and should continue. However, the approval process remains a means of discouraging affordable residential development in some communities.

Some individual local government zoning ordinances reviewed during the AI were found to impose undue requirements or limitations on group homes. Other communities discourage compact, more affordable residential development by devoting the vast majority of land area to very large minimum lots for the development of single-family homes. In several communities, the zoning ordinance includes provisions for multi-family housing, but little or no undeveloped land is available for such uses. All of these measures limit fair housing choice.

The 2030 Plan is an outstanding regional model for removing barriers to fair housing, including an array of housing and land use policies that encourage production of affordable units in a manner that connects residents of all types to jobs and amenities without compromising the County's rural character or natural resources. The County has direct land use control only over unincorporated space, but has stated the intention to influence the land use and housing policies of municipalities in a manner that will promote a variety of affordable housing options.

Proposed Action Step: The County should provide one-on-one technical land use planning assistance to local units of government aimed at identifying and overcoming procedural and regulatory barriers to fair housing and 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 applying for CDBG or HOME funds.

Proposed Action Step: The County Planning Department should review the remaining municipal ordinances (prior to the next CDBG/HOME funding cycle) to identify the existence of provisions that are inconsistent with the Fair Housing Act. This task would facilitate the Community Development Division's review and approval of funding requests from local units of government.

Proposed Action Step: The County should establish a formal policy of refusing to grant CDBG and HOME funds to municipalities that are determined to be engaging in unlawful discrimination.



Proposed Action Step: The County should closely monitor and advise local government zoning and land use policies and practices. The County should 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.

Proposed Action Step: The County currently requires all CDBG and HOME funding recipients to certify compliance with a series of laws related to equal opportunity and non-discrimination. This practice should continue.

- **Especially given projections for continued population growth, there is a substantial unmet need for affordable rental housing in McHenry County.**

According to the 2030 Comprehensive Plan, the 3,548 subsidized rental units existing in McHenry County in 2010 addressed only 16% of the demand for such units. It will take the McHenry County Housing Authority three to four years to serve the approximately 2,500 households on the waiting list for Housing Choice Vouchers. While the County has identified the development of additional rental housing as a Five-Year Consolidated Plan priority, its goal of creating 30 rental units for lower-income or elderly households by 2014 will not adequately address the overwhelming need for affordable housing. Arguably, facilitating the development of 30 units *annually* would still be insufficient to address existing need, much less the increase in need that would follow from the 2030 Plan's population growth projections. While the level of federal funds available to the County to allocate to housing goals is limited, facilitating the development of new rental housing should be an entitlement spending priority of increased importance.

Proposed Action Step: In order to meet the existing demand and future need for affordable rental units identified by the Comprehensive Plan, the County should create, incentivize and/or facilitate affordable rental housing at a rate far beyond its five-year target of 30 total units.

Proposed Action Step: The County should require affordable housing set-asides in residential developments that occur where public water and sewer are in place. Requiring an affordable housing set-aside in new residential developments would help the County to address the demonstrated unmet need for housing available to lower-income households.

Proposed Action Step: The County should enact the proposed Tenant-based Rental Assistance (TBRA) initiative, which would provide affordable housing for up to 25 households for two years.



- **Some of the policy documents used by McHenry County in the administration of housing programs could be improved, from a fair housing perspective.**

In light of its rapidly expanding Hispanic population, the Department of Planning and Development should conduct the four-factor analysis to determine whether a Language Access Plan is warranted. The limited-English population of Spanish speakers may need assistance accessing department government programs and services.

To emphasize a programmatic commitment to affirmatively further fair housing, the County should amend its CDBG and HOME program applications to specify that funding will not be awarded to any municipality or organization that the County determines may be engaged in discriminatory behavior relative to the Fair Housing Act.

In order to most effectively apply CDBG, HOME and other federal funds to the aim of affirmatively furthering fair housing, the County must continue to strike 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. Particularly, in order to expand the array of housing opportunities available to members of the protected classes, the County should continue to foster the creation of affordable family rental housing in non-impacted areas.

Proposed Action Step: The Department of Planning and Development should evaluate the extent to which its programs and services meet the needs of populations with limited English proficiency by conducting the four-factor analysis.²¹

Proposed Action Step: The Department of Planning and Development should amend CDBG and HOME application documents to specify its policy of affirmatively furthering fair housing and rejecting funding for developers who are non-compliant.

Proposed Action Step: The County should continue to invest its housing funds outside impacted areas of concentration of both minorities and LMI persons.

- **Public transit is limited to the County's most densely developed areas. Residents of rural communities, particularly in the western side of the County, are especially isolated from service, due to the financial infeasibility of extending routes to sparsely developed areas.**

Much of the County's more sparsely populated western half does not receive regular service from a large, fixed-route transit provider. While this arrangement is certainly understandable from a transportation management perspective, it has the effect of limiting fair housing choice. The lack of transit service in these communities presents a barrier to the development of affordable housing.

²¹ The four-factor analysis is detailed in the *Federal Register* dated January 22, 2007.

Proposed Action Step: The County should continue to collaborate with Pace and Metra to negotiate ways to meet the transportation needs of residents. The expansion of Pace shuttle service area is one example of past success.

Proposed Action Step: The County should continue to seek ways to expand MCRide, a local public transit option for residents commuting to places of employment in Woodstock, Crystal Lake and McHenry.

Proposed Action Step: The County should identify and incentivize opportunities around existing areas of public transit for the development of medium-density and high-density affordable multi-family housing for families.

- **Due to the wide range of affordability levels across County municipalities, Housing Choice Voucher holders are located primarily in less expensive communities that are more likely to be impacted areas.**

In order to determine the fair market rent (FMR), HUD annually performs a survey of the rental market within the Chicago metropolitan region. As with many jurisdictions nationally, McHenry County's less expensive rental properties that would be affordable at the HUD FMR and available to voucher holders are located in older, more densely populated communities. The 2012 HUD FMR is insufficient to support rent prices in the County's more expensive communities, which are typically non-impacted areas with greater employment opportunities. Therefore, voucher holders tend to be concentrated in areas such as McHenry and Woodstock.

Proposed Action Step: MCHA's participation in regional voucher mobility initiatives should continue. These programs have encouraged the integration of affordable voucher units in communities of opportunity and have promoted, through counseling and other efforts, the distribution of tenant-based voucher households across a wider variety of neighborhoods, many of them in non-impacted areas.

- **Racial and ethnic minorities and persons with disabilities are underrepresented on County boards and commissions dealing with housing-related issues.**

Though non-White persons comprised 9.9% of all County residents in 2010 and 11.4% were Hispanic, 100% of the members of boards and commissions surveyed were non-Hispanic and White. Additionally, 7.5% of County residents reported having a disability in 2010, though only one board member reported a disability. Encouraging participation by members of the protected classes in local governance will increase the extent to which their unique needs and views are represented in decision-making.



Proposed Action Step: The County should recruit members of the protected classes to submit applications to be appointed to public boards and commission. Additionally, the County should monitor participation by members of the protected classes with the intention of maintaining representative minority representation.

B. *Private Sector – Not under the Control of McHenry County*

- **Mortgage lending data from 2008 to 2010 suggests that racial minorities are more likely to experience mortgage application denial or high-cost lending than White applicants.**

Over the course of the three years studied, upper-income minority households experienced denial rates that were higher than those of lower-income White households. Among upper-income Black, Hispanic and Other Race (primarily Native American) households, mortgage denial rates were 25.2%, 26.3% and 27.2%, respectively, compared to a denial rate of 20.4% among lower-income Whites.

Hispanic households, both upper-income and lower-income, were disproportionately represented among recipients of high-cost mortgage loans. This trend places minority homeowners at greater risk for eviction, foreclosure and bankruptcy.

9. Fair Housing Action Plan

	Planned Action Year					Responsible Entity
	2012	2013	2014	2015	2016	
Goal: Strengthen institutional structure to address fair housing issues at the local level						
Task: Propose the resurrection of the Human Rights Commission through legislation that charges it with responsibilities beyond education and policy direction; alternately or as an interim step, designate a Planning and Development staff member as the County's Fair Housing Officer, to serve as a point person for fair housing issues and coordinate fair housing activities within County government		•	•	•	•	Department of Planning and Development, Planning Commission, County Board
Task: Allocate 1% to 3% of the County's annual CDBG grant to pure fair housing activities, such as education, outreach and testing		•	•	•	•	DPD, County Board
Goal: Eliminate local government barriers to affordable housing development						
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
Goal: Address the growing unmet need for affordable rental housing						
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 rate far beyond the Consolidated Plan target of 30 units over five years		•	•	•	•	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 (TBRA) initiative, which would provide affordable housing for up to 25 households for two years		•	•	•	•	DPD, County Board

cont'd ...



Goal: Amend policy and program documents to affirmatively further fair housing						
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
Goal: Increase access to Department programs for persons with limited English proficiency						
Task: Complete four-factor analysis of needs and language access plan according to HUD's LEP guidance		•				DPD, MCHA
Goal: Continue to work toward effectively using transit as a tool to connect affordable housing with jobs						
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
Goal: Address the concentration of voucher holders in impacted areas						
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
Goal: Increase participation by members of the protected classes on appointed housing boards and commissions						
Task: Recruit members of the protected classes to apply for appointments to County boards and commissions dealing with housing issues	•	•	•	•	•	DPD, Planning Commission, County Board



10. Signature Page for the Urban County

By my signature I certify that this report fulfills the requirement that McHenry County, as part of its certification to affirmatively further fair housing, must complete an Analysis of Impediments to Fair Housing Choice. The County intends to take appropriate actions to overcome the effects of the impediments identified through the analysis and to maintain records reflecting actions in this regard.

Kenneth D. Koehler, Chairman
McHenry County Board

Date



APPENDIX A

Stakeholders Identified and Invited to Participate
in the Development of the AI



Type of Organization	Contact Name	Title	Name of Organization
Municipal Planning & Zoning Directors/Staff	Ben Mason	Senior Planner	Village of Algonquin
	Katherine Parkhurst	Senior Planner	Village of Algonquin
	Sarah Kenney	Planning & Zoning Coordinator	Village of Barrington Hills
	Emily Berendt	Planning Commissioner	Village of Bull Valley
	Peter Helms	Plannign Commssion Chair	Village of Bull Valley
	Latika Bhide	Planner	City of Crystal Lake
	Elizabeth Maxwell	Planner	City of Crystal Lake
	Michelle Rentzsch	Planning Director	City of Crystal Lake
	Ronald Schmitt	Planning & Zoning Commission Chair	Village of Greenwood
	Tim Perkins	Building and Zoning Officer	City of Harvard
	Charles Nordman	Senior Planner	Village of Huntley
	James Williams	Planner	Village of Huntley
	Kimberly Husby	Chair, Planning and Zoning Commission	Village of Johnsburg
	Tom Bitterman	Zoning Board Committee Chair	Village of McCullom Lake
	Ken Smith	Building Director/Inspector	Village of Oakewood Hills
	Paul Smith	Chairman, Building Planning & Maintenance	Village of Oakewood Hills
	Keith Kolarski	Chairman, Plan Commission	Village of Port Barrington
	Bob Gray	Chairman, Planning Commission	Village of Prairie Grove
	Audie Beeson	Chairman, Planning Commission	Richmond Township
	Trent Turner	Building & Zoning Officer	Village of Spring Grove
	Bob Ahlberg	Consultant, Village Planner	Village of Wonder Lake
	Jim Cavanaugh	Chair, Planning and Zoning Commission	Village of Wonder Lake
	Tom Stock	Chairman, Planning and Zoning Commission	Village of Lake in the Hills
	Rick Dudek	Chairperson, Admin/Development Comm.	Village of Cary
	Jim Kastner	Planning and Zoning Administrator	City of Woodstock
	Nancy Baker	City Planner	City of Woodstock
	Doug Martin	Deputy City Administrator	City of McHenry
	Roger Fox	Consultant, Village Planner	Village of Fox River Grove
	Frank Urbina	Building Commissioner/Architect	Village of Fox Lake
	Barbarah Klasen	Township Supervisor	Greenwood
	Frank Desort	Building Inspector	Island Lake
	Raymond Dobosz	Building Inspector	Village of Holiday Hills
	Catherine Peterson	Village Administrator	Village of Lakewood
	Kimberly Jakubik	Planning Committee Chair	Village of Lakemoor
	Randal Funk	Building Inspector	Hebron
	Jason Shull	Building Commissioner	City of Marengo
	Lauri Olson	Village President	Village of Richmond
	Bob Baker	Village President	Trout Valley
John Kelly	Trustee	Union	
Public Housing Authority	Julie Biel Claussen	Executive Director	McHenry County Housing Authority
Affordable Housing/Special Needs Housing	Matt Kosetcki	Executive Director	Public Action to Deliver Shelter (PADS)
	Tom Riley	Grants Coordinator	Pioneer Center/McHenry Co Community Homes
	Mary Anne Welch	Development Director	Turning Point
	Debbie DeGraw	Vice President	Home of the Sparrow
	Jerry Monica	Executive Director	Habitat for Humanity
Fair Housing Advocacy	Barb Szul	Grants Coordinator	Transitional Living Services
	Melanie Cairns	Attorney	Prairie State Legal Services
Local Board of Realtors	Elise Livingston	President	McHenry County Association of Realtors



APPENDIX B

Zoning Ordinance Review Charts



Village of Spring Grove

Date of ordinance	2005 with amendments through 2008; updated in 2010	Comments
Residential districts and dwelling unit types permitted by right	E-5, Estate Residential: single family dwelling	Only single family dwelling units are permitted on individual lots in residential districts. Multi-family dwellings permitted only within Planned Unit Developments (PUDs).
	E-2, Estate Residential: single family dwelling	
	E-1, Estate Residential: single family dwelling	
	R-1, Single Family Residential: single family dwelling	
	R-2, Single Family Residential: single family dwelling	
Smallest minimum residential lot size permitted	E-5, Estate Residential: 5 acres	Only the R-1 and R-2 districts have minimum lot sizes of less than 1 acre. Even these two districts have minimum lot sizes that are rather large and may not be cost-effective for the development of more affordable housing options.
	E-2, Estate Residential: 2 acres	
	E-1, Estate Residential: 1 acre	
	R-1, Single Family Residential: 40,000 sf	
	R-2, Single Family Residential: 30,000 sf	
Alternative design	Planned Unit Developments permitted on a conditional basis.	All uses permitted in other zoning districts are permitted within PUDs.
Definition of family	Limits the number of unrelated persons living together as a housekeeping unit to 3.	Although a cap of 3 is placed on the number of unrelated persons living together, group homes are permitted more than 4 unrelated persons.
Treatment of group homes	Termed "group home for the handicapped." Includes a dwelling shared by 4 or more handicapped persons who live together as a single housekeeping unit	No cap on the number of unrelated persons with disabilities; however, the use is allowed only on a conditional basis in the B-1 and B-2 business districts. Also, additional application requirements not required of single family dwellings are required. These provisions are inconsistent with the FHA.



Lake in the Hills

Date of ordinance	2002	Comments
Residential districts and dwelling unit types permitted by right	RE-5, Residential Estate District: single family detached	Only two districts permit alternatives to single family detached units.
	RE-2, Residential Estate District: single family detached	
	RE-1, Residential Estate District: single family detached	
	R-1A, One Family Dwelling District: single family detached	
	R-1B, One Family Dwelling District: single family detached	
	R-2, One Family Dwelling District: single family detached	
	R-3, Two Family Dwelling District: single family detached, two family	
	R-4, Multiple Family Dwelling District: single family detached, two family, single family attached, multiple family	
Smallest minimum residential lot size permitted	RE-5, Residential Estate District: 5 acres	Minimum lot sizes in the R-1A, R-1B, R-2, R-3 and R-4 districts are sufficiently small to encourage more affordable housing options.
	RE-2, Residential Estate District: 2 acres	
	RE-1, Residential Estate District: 1 acre	
	R-1A, One Family Dwelling District: 16,000 sf	
	R-1B, One Family Dwelling District: 12,000 sf	
	R-2, One Family Dwelling District: 10,000 sf	
	R-3, Two Family Dwelling District: 10,000 sf to 12,000 sf	
	R-4, Multiple Family Dwelling District: 3,800 sf to 10,000 sf	
Alternative design		
Definition of family	Limits the number of unrelated persons who can live together to 5.	Group homes are regulated separately.
Treatment of group homes	No limit on the number of unrelated persons with disabilities who can live together. Permitted as a conditional use in R-1A, R-1B, R-2, R-3 and R-4 districts, which triggers a public hearing and additional regulatory requirements above what is required for single family dwelling units.	The restriction of group homes to some of the residential zoning districts, and the additional regulatory requirements, are inconsistent with the FHA.



Marengo

Date of ordinance	2002 with amendments through 2009	Comments
Residential districts and dwelling unit types permitted by right	ER, Estate Residential District: single family detached	Alternatives to single family dwellings permitted by right only in R-5 district.
	R-1, Single Family District: single family	
	R-2, Single Family Residential District: single family	
	R-3, Single Family Residential District: single family	
	R-5, Multiple Family Residential District: multiple family dwellings, single family, two-family	
Smallest minimum residential lot size permitted	ER, Estate Residential District: 1 acre	Minimum lot sizes for single family dwellings are sufficiently small (outside of the ER district) to encourage more affordable housing options.
	R-1, Single Family District: 14,000 sf	
	R-2, Single Family Residential District: 7,500 sf	
	R-3, Single Family Residential District: 7,500 sf	
	R-5, Multiple Family Residential District: 5,000 sf to 14,000 sf	
Alternative design	Planned Unit Developments permitted by special use.	
Definition of family	Limits the number of unrelated persons who can live together as a single housekeeping unit to 3.	Group homes are defined and regulated separately.
Treatment of group homes	No limit on the number of persons with disabilities who may live together; however, paid professional staff required to be present unless a conditional use permit is obtained. Distancing requirement of 1,000 feet between group homes. Permitted by right in all residential districts if less than 8 persons plus staff, licensed by State and separated by 1,00 feet.	Distancing and professional staffing requirements are inconsistent with the FHA.



Harvard

Date of ordinance	1987 with amendments through 2010	Comments
Residential districts and dwelling unit types permitted by right	R-1, Single Family Residence District: single family	A variety of dwelling units permitted by right in several districts.
	R-1A, Single Family Residence District: single family	
	R-1B, Single Family Residence District: single family	
	R-2, Single Family Residence District: single family, two family	
	R-3, Single Family Residence District: single family, two family, multi-family	
	R-55, Residential Zoning District: single family, two family, multi-family	
	R-T, Townhouse Residence District: single family, two family, multi-family	
Smallest minimum residential lot size permitted	R-1, Single Family Residence District: 13,000 sf	Minimum lot sizes for single family dwellings are sufficiently small in all districts to encourage more affordable housing options.
	R-1A, Single Family Residence District: 9,500 sf	
	R-1B, Single Family Residence District: 8,712 sf	
	R-2, Single Family Residence District: 8,712 sf to 12,300 sf	
	R-3, Single Family Residence District: 5,000 sf to 12,300 sf	
	R-55, Residential Zoning District: 5,000 sf to 12,300 sf	
	R-T, Townhouse Residence District: 8,712 sf to 12,300 sf	
Alternative design		
Definition of family	No limit on the number of unrelated persons who can live together as a single housekeeping unit.	
Treatment of group homes	Termed "developmentally disabled group home." Up to 8 persons with disabilities are permitted, however staff supervision is required. The "mental and physical condition of the occupants...must be such as to avoid the home being detrimental or incompatible with the neighborhood" is vague and burdensome. Permitted as a conditional use in the R-1, R-2, R-3 and R-t districts only, thus requiring a public hearing.	Group homes have additional regulatory requirements than single family dwelling units, and are permitted by conditional use in only some of the residential districts. These provisions are inconsistent with the FHA.



Huntley

Date of ordinance	2009 with amendments through 2011	Comments
Residential districts and dwelling unit types permitted by right	RE-1, Residential District: single family	Multi-family dwellings permitted by right only in R-4 and R-5 districts.
	RE-2, Residential District: single family	
	R-1, Single Family Detached Residence District: single family	
	R-2, Single Family Detached Residence District: single family	
	R-3, Duplex Residence District: single family, duplex	
	R-4, Townhouses, Condominiums Residence District: single family, duplex, multi-family up to 4 units, townhouse up to 4 units	
	R-5, Multiple Family Residence District: boarding house, multi-family up to 20 units, townhouse	
Smallest minimum residential lot size permitted	RE-1, Residential District: 40,000 sf	Minimum lot sizes for single family dwellings are sufficiently small in most districts to encourage more affordable housing options.
	RE-2, Residential District: 20,000 sf	
	R-1, Single Family Detached Residence District: 12,600 sf	
	R-2, Single Family Detached Residence District: 8,400 sf to 40,000 sf	
	R-3, Duplex Residence District: 8,400 sf to 40,000 sf	
	R-4, Townhouses, Condominiums Residence District: 8,400 sf to 40,000 sf	
	R-5, Multiple Family Residence District: 3,000 sf to 40,000 sf	
Alternative design	Planned Development Districts	
Definition of family	Limited to not more than 5 unrelated persons living together in a common household.	Group home defined and regulated separately.
Treatment of group homes	Termed "group residence" for housing more than 3 unrelated persons including senior citizens, terminally ill, disabled and others with special needs, who "need psychological rehabilitation" and are provided 24-hour staff supervision. Permitted by conditional use only in R-5, R-5 and HC, Health Care districts.	Additional requirements of staff supervision, persons in need of psychological rehabilitation, and conditional permit in only two residential districts are inconsistent with the FHA.



Woodstock

Date of ordinance	2006 with amendments through 2009	Comments
Residential districts and dwelling unit types permitted by right	E, Estate District: single family detached	Alternatives to single family dwellings permitted by right only in R-3 and R-4 districts.
	R, Single Family Detached Residential District: single family detached	
	R-1B, Single Family Detached Residential District: single family detached	
	R-1C, Single Family Detached Residential District: single family detached	
	R-1D, Single Family Detached Residential District: single family detached	
	R-3, Single Attached Residential District: single family detached, townhouse up to 4 units, two family	
	R-4, Multiple-Family Residential District: single family detached, townhouse up to 8 units, two family	
Smallest minimum residential lot size permitted	E, Estate District: 1 acre	Minimum lot sizes for single family dwellings are sufficiently small in several districts to encourage more affordable housing options.
	R, Single Family Detached Residential District: 7,200 sf	
	R-1B, Single Family Detached Residential District: 8,500 sf	
	R-1C, Single Family Detached Residential District: 10,000 sf	
	R-1D, Single Family Detached Residential District: 20,000 sf	
	R-3, Single Attached Residential District: 7,200 sf to 10,000 sf	
	R-4, Multiple-Family Residential District: 7,200 sf to 10,000 sf	
Alternative design	Accessory residential structures permitted for persons 55 and older in all residential districts. Apartment dwelling units permitted above a ground floor commercial use in B-1, B-2, and B-4 districts by right.	These alternate designs encourage more affordable housing opportunities.
Definition of family	Limited to 5 unrelated persons living together as a single housekeeping unit; also includes "or as otherwise defined by the Federal Fair Housing Act"	Consistent with the FHA provisions.
Treatment of group homes	Group Home, Type 1 includes a single family residence for up to 5 unrelated persons with disabilities and staff. Permitted by right in all residential districts. Group Home, Type 2 includes a structure or facility for more than 5 unrelated persons with disabilities.	Consistent with the FHA provisions.



Crystal Lake

Date of ordinance	Amended through 2010	Comments
Residential districts and dwelling unit types permitted by right	E, Estate District: single family detached	Two family and multi-family units permitted by right only R-3A and R-3B districts.
	RE, Residential Estate District: single family detached	
	R-1, Single Family Residential District: single family detached	
	R-2, Single Family Residential District: single family detached	
	R-3A, Two Family Residential District: single family detached, two family	
	R-3B, Multi-Family Residential District: single family detached, two family, single family attached, multi-family	
Smallest minimum residential lot size permitted	E, Estate District: 3 acres	Outside the E and RE districts, minimum lot sizes are less than one-quarter of an acre. This variety of smaller lot options provides more affordable choice for housing development.
	RE, Residential Estate District: 20,000 sf	
	R-1, Single Family Residential District: 10,000 sf	
	R-2, Single Family Residential District: 8,400 sf	
	R-3A, Two Family Residential District: 7,200 sf for single family; 11,000 sf for a two-family structure	
	R-3B, Multi-Family Residential District: 7,200 sf for a single family; 5,400 sf plus 4,000 sf/unit for multi-family structures	
Alternative design	Inclusionary Zoning voluntary provisions are available for developers to provide a set-aside of affordable housing units in exchange for a density bonus. Such developments must be within PUDs, include a minimum of 10 units, and benefit renters up to 60% of AMI and homebuyers up to 80% of AMI.	An innovative technique to foster the creation of affordable housing units in the city.
Definition of family	Limits the number of unrelated persons living together as a single housekeeping unit to 5.	Group homes defined and regulated separately.
Treatment of group homes	Termed "family care" and includes up to 8 unrelated persons who reside together in a single housekeeping unit. Includes elderly, handicapped, impaired, minors. Excludes are persons whose disability "arises from current use or addiction to a controlled substance." Categorized as a Limited Use in all residential districts, thus triggering additional review procedures, including additional stipulations and conditions applied by the City, as well as the possibility of denial.	The FHA defines disability to include persons who are recovering from substance abuse. Additional regulatory requirements above that which is required for single family dwelling units, including the Limited Use approval process, are inconsistent with the FHA.



City of McHenry

Date of ordinance	1986 with amendments through 2011	Comments
Residential districts and dwelling unit types permitted by right	E, Estate District: 1 acre	A relatively good variety of density among several districts with small lot options for more affordable housing opportunities.
	RS-1, Low -Density Single-Family Residential District: 30,000 sf	
	RS-1a, Medium Low -Density Single-Family Residential District: 18,000 sf	
	RS-2, Medium Density Single-Family Residential District: 10,890 sf	
	RS-3, Medium-High-Density Single-Family Residential District: 9,000 sf	
	RS-4, High-Density Single-Family Residential District: 5,000 sf	
	RA-1, Attached Residential District: 2,175 sf to 7,900 sf	
	RM-1, Low -Density Multi-Family Residential District: 1,675 sf to 6,223 sf	
	RM-2, High-Density Multi-Family Residential District: 1,405 sf to 4,840 sf	
Smallest minimum residential lot size permitted	E, Estate District: single family detached	Dwelling unit options other than single family detached permitted by right only in RA and RM districts.
	RS-1, Low -Density Single-Family Residential District: single family detached	
	RS-1a, Medium Low -Density Single-Family Residential District: single family detached	
	RS-2, Medium Density Single-Family Residential District: single family detached	
	RS-3, Medium-High-Density Single-Family Residential District: single family detached	
	RS-4, High-Density Single-Family Residential District: single family detached	
	RA-1, Attached Residential District: single family detached, townhouses up to 6 units	
	RM-1, Low -Density Multi-Family Residential District: single family detached, townhouses up to 6 units, multiple family	
	RM-2, High-Density Multi-Family Residential District: single family detached, townhouses up to 6 units, multiple family, two family	
Alternative design		
Definition of family	Limits the number of unrelated persons living together in a single household to 3.	Group homes defined and regulated separately
Treatment of group homes	Defined as "a half-way house or similar non-hospital residential facility housing more than 3 unrelated persons who need psychological rehabilitation and who are provided 24-hour professional supervision." Permitted only as a conditional use in all commercial districts, thus triggering a public hearing.	The requirement for staff supervision, psychological rehabilitation, and conditional use application requirements are inconsistent with the FHA.



McHenry County

Date of ordinance	2000 with amendments through 2009	Comments
Residential districts and dwelling unit types permitted by right	E5, Estate Residential: 5 acres	Larger minimum lot sizes are appropriate for the rural areas, much of which is without public sewer and/or water service. Still accommodates a variety of residential options.
	E3, Estate Residential: 3 acres	
	E2, Estate Residential: 2 acres	
	E1, Estate Residential: 1 acre	
	R-1, Residential: 0.5 acres	
	R-2, Two Family Residential: 1 acre	
	R-3, Multiple Family: 2 acres	
Smallest minimum residential lot size permitted	E5, Estate Residential: single family	Alternatives to single family dwellings permitted by right only in R-2 and R-3 districts. Limits affordable housing options, even in the rural areas of the county.
	E3, Estate Residential: single family	
	E2, Estate Residential: single family	
	E1, Estate Residential: single family	
	R-1, Residential: single family	
	R-2, Two Family Residential: two family	
	R-3, Multiple Family: multiple family, boarding house	
Alternative design		
Definition of family	One or more individuals occupying a dwelling unit and living as a single household unit.	An inclusive definition accommodating any configuration of a single housekeeping unit.
Treatment of group homes	Defined as "a residence offering permanent living arrangements for disabled individuals...offer rehabilitative services...and strive to create a living environment which enables residents to develop their life skills to full capacity." Permitted by right in all residential districts.	An inclusive definition that regulates group homes for persons with disabilities in the same way that single family dwelling units are regulated, and consistent with the FHA.

