

**COMMUNITY DEVELOPMENT BLOCK GRANT COMMISSION
MINUTES OF JANUARY 28, 2009**

CALL TO ORDER

Chairman Draffkorn called the meeting to order at 8:15 a.m.

ROLL CALL/ATTENDANCE

Members Present: Sue Draffkorn, Yvonne Barnes, Scott Breedon, Randy Donley, Tina Hill, Barbara Wheeler, Carol Louise, Phil Bartman, Mark Ruda, Robert Pierce, Joseph Powlowski, Rosemary Kurtz, Robert Martens, Kimberly Larson and Craig Hubert

Members Absent: Robert Miller and Ellen Hamilton

Staff Present: John Labaj, Deputy County Administrator; Dennis Sandquist, Director – Planning & Development; Maryanne Wanaski, Deputy Director/Principal Planner – Planning & Development; Jean Niemann, Community Development Coordinator, Faith Taylor, IDIS Coordinator and Pat Melone, CDBG Administrative Specialist.

Ms. Draffkorn announced that CDBG Commission Meetings are scheduled on the fourth Wednesday of the month. Commissioners and staff then introduced themselves to all present.

Folders containing program information were distributed to the Commission and Ms. Draffkorn asked if Commissioners would like a review or whether they would prefer to read on their own at a later date. Commissioners decided on the latter.

APPROVAL OF MINUTES

Motion by Mr. Pierce seconded by Ms. Louise to approve the November 5, 2008 (special meeting) minutes as presented. The minutes were approved on a unanimous voice vote.

PUBLIC PARTICIPATION

None

OLD BUSINESS

Review of Commissioners' Report for October, November and December, 2008

Ms. Niemann said there were not any meetings in November and December due to the holidays, so there are Commission Reports for three months. The reports track funding with current month activity highlighted in gray. She pointed out there was a slight change in format on the summary page – the addition of the American Dream Downpayment Initiative (ADDI) Program - and then went on to review individual drawdowns. Mr. Bartman asked if we were being penalized by HUD for not making the ratio. Ms. Niemann said we were not being penalized at this point. We received a letter noting that we did not meet the ratio and telling us that it is very important for us to meet the ratio next year. Mr. Martens asked if everything was satisfactory with the state of the monitoring. Ms. Niemann said we have been given the “go ahead” to fund projects, but two of the eleven findings are still open and need to be resolved. That is a matter of documentation – we need to do inspections on all the rental property and have the IDIS system reviewed by HUD so they know we have made all the corrections.

Mr. Martens asked if the contracts were being held up and Ms. Niemann responded that at this point the findings are not holding up the funding.

Mr. Powalowski joined the meeting at 8:30 a.m.

Ms. Kurtz asked for an update on the Neighborhood Stabilization Program (NSP). Ms. Niemann said the project is moving along and that she and Ms. Taylor are going to NSP training on the 3rd and 4th of February and will learn more about the timing of the project then. Our application was reviewed by the Chicago Office and forwarded to the Washington Office for further review. As far as we know it is fine. Ms. Taylor said there was a summary and tables on NSP in the packets. This is a one-time special grant (CDBG 2008) and we were deemed eligible to receive approximately 3 million. In order to receive this money we amended our 2008 CDBG Annual Action Plan. She summarized the program and its objectives and requirements.

NEW BUSINESS

Commissioners' Meeting Packets – Electronic and Mail Update

Contact Information Update

Ms. Draffkorn asked Commissioners to update their contact information and indicate whether or not they would like a hard copy of future packets.

McHenry County Housing Authority

Ms. Biel Claussen introduced herself to the Commission. She referred to HUD monitoring of the HOME program resulting in some significant changes as to how their rehab program is run. (A summary was distributed.) Ms. Biel Claussen said there were two main findings. One finding was that McHenry County did not have a rehab. standard. The Housing Authority was using the Section 8 Housing quality Standards which HUD felt was not sufficient. The second was that they were not administering it according to the lead based paint rules. For the past few months the Housing Authority has been working with a consultant that was hired by the County to help them develop a new Plan of Action to run this program. This is now significantly different than what was presented in their grant applications. Due to all the changes the cost of the program is rising. They are now going to split it into two parts. HOME funds will be used for a total rehab. program. Under the HOME program when you do rehab work in a house you have to bring that home into complete compliance with the rehab standards. In the CDBG program you can do some emergency work and leave some other problems until later. They are going to raise the total rehab. amount (previously \$25,000) to \$60,000 and that will be a forgivable loan to the homeowner. They will also give them a lead based paint grant (usually about \$3,000) because that money does not usually add to the value of the house. Eligible homes must have an appraised value below \$271,050 (set by HUD). The Loan to Value including the anticipated forgivable rehab loan and all other liens on the property, must not exceed 110% of the appraised value of the home, and that is the "walk-away" policy. This will be tried out for about a year and if it seems like too many homes are being "walked away from," they may come back next year and change that. The people who are eligible for the rehab. program has not changed. It is people who earn 50% or less of the median income. The second part of the program would be funded through CDBG program funds and would be an emergency repair program. They will limit the forgivable loan to \$20,000 and that is for a major emergency that needs to be addressed right away. The term would be dependent on the amount of the loan. Five years for loan amounts that are less than \$15,000 and 10 years for loans exceeding 15,000. At this time there are four programs outstanding because things were "on hold" while the new procedures were developed, which the County is reviewing. Funding for 2007 HOME - \$452,150. (approximately 8 homes); 2008 HOME - \$222,519 (approximately 4 homes); there are two CDBG allocations, one for \$300,000 and one for \$344,000 (5 and 17 homes). So they anticipate rehabbing about 44 homes in the next two years.

Review of Rehab Construction Standards

Ms. Niemann said these standards were developed with the Housing Authority and by a consultant, Gerry Diaz. She reviewed codes and standards and said this is in response to HUD findings that allow us to have property standards. Some of the projects we fund may not require a building permit in some towns (because every town has a different building ordinance,) so this addresses "livability" and what we consider "up to standard." She added that we needed to have these approved by our Commission so they are our official standards. Ms. Niemann addressed various questions and concerns of commissioners.

Ms. Hill joined the meeting at 8:40 a.m.

Motion by Mr. Bartman, seconded by Mr. Powalowski to approve the Rehab. Construction Standards. On a voice vote all members voted aye. Ms. Draffkorn declared the motion passed.

MEMBERS' COMMENTS, MISCELLANEOUS BUSINESS AND ANNOUNCEMENTS ADJOURNMENT

Ms. Hill asked Ms. Biel Claussen about an article in the newspaper regarding a dissatisfied client of the McHenry County Housing Authority's Rehab. Construction Program. She said that the Housing Authority would be working with the client to make her more satisfied.

Ms. Draffkorn said that Commissioner Ellen Hamilton had e-mailed her that she would be a "snow-bird" this year and would miss at least four meetings. Ms. Draffkorn pointed out that the by-laws provide for removal of a member with 3 consecutive unexcused absences. This will be put on the February Agenda for discussion.

Ms. Niemann said there will be a McHenry County Housing Crisis Forum meeting on February 13 in the Administration Building conference rooms. There will be a number of speakers who will address short and long term solutions to the housing crisis in McHenry County. The meeting will start at 8:30 a.m. and run through "a little before noon."

ADJOURNMENT

Motion by Ms. Louise seconded by Mr. Powalowski to adjourn the meeting. The motion carried on a unanimous voice vote.

Meeting adjourned at 9.00 a.m.