

Lake County Illinois

*Lake County Courthouse and Administrative Complex
18 N. County Street
Waukegan, IL 60085-4351*



Minutes Report - Draft

Wednesday, August 24, 2011

7:00 PM

10th floor Assembly Room

Community Development Commission

1. **Roll Call**

Staff: Joel Williams, Vern Witkowski, Jonathan Burch, Megan Harrington and Laura Walley.

Guests: Cathy Curran of PADS; Kathy Ross and Joanne Kuhstuss of Countryside Association; Maureen Murphy of Catholic Charities; Mary Ellen Tamasy of the Lake County Residential Development Corporation; Lisa Pugliese of the Affordable Housing Corporation; John Gonzalez of COOL; Laura Rios of Lake County United; Helaine Raskin of The Josselyn Center; Demetri Pavlatos of Little Fort Housing; Carmen Patlan of Most Blessed Trinity Parish; Amy Kaufman of Community Partners for Affordable Housing; Betsy Lassar of Lake County Housing Action Coalition; Brian Smith of Full Circle Communities; Erin Westphal for Congressman Joe Walsh; Cathy Muehl of the Lake County Center for Independent Living; and Ezell Robins of the City of Waukegan.

Present 9 - Commissioner Pedersen, Commissioner Hewitt, Commissioner Cunningham, Vice-Chairman Ditzig, Commissioner Krapf, Chair Rose, Commissioner Northern, Commissioner Venturi and Commissioner Swartz

Excused 6 - Commissioner Calabresa, Commissioner Molek, Commissioner Russell, Commissioner Swanson, Commissioner Mancino and Commissioner Lawlor

2. **Approval of Minutes**

2.1 **11-0845**

Approval of Minutes - July 27, 2011

Attachments: [7.27.11 Minutes](#)

A motion was made by Commissioner Ditzig, seconded by Commissioner Venturi, that the minutes be approved. Motion carried unanimously.

Aye: 9 - Commissioner Pedersen, Commissioner Hewitt, Commissioner Cunningham, Vice-Chairman Ditzig, Commissioner Krapf, Chair Rose, Commissioner Northern, Commissioner Venturi and Commissioner Swartz

3. **Chair's Remarks**

The Chair had no remarks.

4. **Public Comment (items not on the agenda)**

Commissioner Cunningham thanked the agencies and her colleagues for their support during her recent illness. Chairman Rose welcomed her back. There were no other comments.

5. **Old Business**

There was no old business.

6. **New Business**

6.1 **11-0849**

Public Hearing - Housing & Community Development Needs.

- Annually, the Community Development Commission solicits comments from the public on

identified community needs.

- Comments are sought to guide the allocation of funds for the 2012 application process.

Mr. Joel Williams said that public comments were requested to inform the Community Development Commission (CDC) of the County's needs, which will help direct funding decisions during the PY2012 application and review cycle.

Ms Amy Kaufman, of Community Partners for Affordable Housing, stated that the economic downturn has not made housing more affordable for low- to moderate- income families. About 35% of the County's households pay more than 30% of their income on housing. Further, over the last 30 years, median housing values increased 81%, while incomes increased by only 24%. While Lake County made affordable housing throughout the county a priority, she stated that affordable housing remains limited in the southern area. As many minimum wage jobs are located there, a jobs-housing mismatch occurs, contributing to traffic congestion. Alleviation of this affordable housing shortage located near transit and employment centers would require substantial public subsidy, especially if the goal is to keep these units affordable in perpetuity, as provided by the land-trust model.

Ms. Betsy Lassar, of the Lake County Housing Action Coalition (Coalition), presented information on the Coalition, which strives to preserve and expand the range of affordable housing opportunities for income-qualified households. A letter, which provided further information and a list of the member organizations, was distributed to the CDC,. Ms. Lassar stated that affordable housing continues to be an issue, especially for those earning less than 80% of area median income (AMI). She added that Tenant Based Rental Assistance (TBRA) was not included in the current Consolidated Plan (CP), but is needed to assist very-low income citizens. The Coalition recommended that TBRA be included within the CP, especially to offer assistance in employment and transportation centers, as well as areas undergoing revitalization. Ms. Lassar stated that most of the Coalition's housing policy objectives were incorporated within the CP, but asked that more be done to maximize the impact of the federal housing funds.

Mr. Demetri Pavlatos, of Little Fort Housing, introduced his organization to the CDC, stating that they are investing their own funds in purchasing and rehabilitating scattered site homes, to be offered at the lowest possible rent. Mr. Pavlatos eventually expected to have 40 – 50 homes available in the Round Lake Beach and Waukegan areas.

Ms. Helaine Raskin, of The Josselyn Center, introduced the Center, which provides affordable, accessible, out-patient mental health treatment. During 2010, 1,005 unduplicated clients were served, with over 20,000 visits provided. The Center offers individual, couple, family, and group sessions, as well as vocational and psychological testing and treatment. All assistance is offered on a sliding-fee basis, based on client income.

Mr. Williams distributed a letter from the Center for Enriched Living, which stated the need for accessibility improvements at the agency's facility.

Ms. Cathy Curran, of PADS, spoke of the 10-Year Plan to End Homelessness (Plan), stating that TBRA is an essential part of the Plan. Ms. Maureen Murphy, of Catholic Charities, continued the presentation on the Plan, speaking about the need to prevent people from becoming homeless. The Plan addressed this by indicating the need for supportive services, case management, expansion of permanent housing, subsidized rent options, and the provision of coordination and planning services. Currently, 80% of the County's residents that qualify for subsidized housing are unable to receive this assistance. Ms. Murphy added that the recent Homeless Prevention Rapid Rehousing Program (HPRP), had proved very successful, but featured a limited time-frame and funding amount. Through HPRP's assistance, homelessness was prevented for 334 families. She said that alternative funding sources need to be located to offer a similar program and that TBRA should become a priority of the current Consolidated Plan.

Ms. Mary Ellen Tamasy, of Lake County Residential Development Corporation (LCRDC), distributed copies of a recent article stating that area rental units have a 93.9% occupancy rate, causing rents to rise about 11% over the past two years. Affordable rental housing development has stagnated, as building costs remain high in comparison with the rents allowed. New development requires the use of IHDA's low-income housing tax credit program, which is very competitive, only offered once yearly, and generally requires projects of at least 100 units. While LCRDC does partner with for-profit companies for its larger developments, the agency also offers scattered-site homes for larger families, for which the County has a great need. She requested that affordable rental housing be a high priority during the upcoming application and review cycle.

As there were no other public comments offered, Chairman Rose asked the CDC for comments.

Commissioner Pedersen thanked the audience for their participation and their work on behalf of the County's citizens, stating that all comments would be taken into consideration.

Commissioner Venturi thanked everybody for attending, expressed the value of their input, and affirmed the importance of affordable housing.

Commissioner Cunningham thanked the agencies for their work and for taking the time to attend the Public Hearing and express their critical needs. Her heart goes out to all those in need.

Chairman Rose thanked those in attendance, noting the passion expressed for the community and its needs. He voiced the CDC's understanding of the need for jobs and affordable housing and of the need for sustainability of each program's impact. Additionally, he stated that working toward neighborhood stabilization would help to build safer communities. He asked for a mutual understanding of the economic constraints that face both the agencies and the CDC, as they all work toward the upcoming funding cycle.

Vice-Chairman Ditzig addressed Mr. Pavlatos, of Little Fort Housing, thanking him for rehabilitating homes for affordable housing purposes. Mr. Pavlatos stated that a major problem is "flippers", who overspend on appliances and then list the homes for sale, thereby removing properties which could have been rented at reasonable rates. Ms. Ditzig also thanked the other agencies working on behalf of the County's citizens, adding that Zion Township had space available, if The Josselyn Center wished to expand.

Commissioner Swartz added her thanks to the agencies and asked about the process that would be followed to act upon tonight's comments. Mr. Williams said that once the Public Hearing was closed the CDC could discuss the comments received.

Commissioner Krapf commented on the rising cost of housing and on families having trouble preventing homelessness. He empathized with the agencies that strive to provide affordable housing.

Commissioner Northern also thanked the service providers for their comments and their efforts. As he works with affordable housing, he voiced his understanding of the limited funds available to provide decent and safe living environments and he requested that the agencies form partnerships to enhance the effect of their efforts.

Commissioner Hewitt thanked the agencies for their good works, acknowledging that there is never enough time to complete all that remains to be done.

Ms. Cathy Muehl, of Lake County Center for Independent Living, received permission to add her comments at this point, as she had arrived late. As an Independent Living Advocate, she assists the disabled with housing issues, such as locating affordable rental units. Ms. Muehl said that local housing voucher providers are not accepting new names, as the waiting lists are too long. Further difficulties are encountered as social security income proves insufficient to obtain safe housing. She requested that the CDC consider these issues.

As there was no response to his requests for further comments, Chairman Rose closed the Needs Public Hearing at 7:56 p.m.

Mr. Williams requested staff direction on the comments received. Upon question, he informed the CDC that a comment requesting a change in the priority level of a goal would require an amendment to the Consolidated Plan (CP), necessitating CDC direction, a thirty-day comment period, and approval by HUD. Other comments could be incorporated through scoring criteria adjustments within the program applications, which will be presented for approval during this meeting.

Commissioner Swartz asked for more information on TBRA, including the reason that it was not included within the current CP. Staff explained the County's history with TBRA, including the reasons for its omission from the CP, and its possible uses. If the CDC so wishes, it may direct staff to begin the amendment process to incorporate TBRA within the current CP. Staff added that if a CDC member wanted to have an item added to the

agenda, the Chairman or staff should be contacted with the request. Commissioner Swartz asked for input on TBRA from the CDC, but members present had no relevant experience. Following discussion on the applicable funding source and possible stipulations for TBRA qualification, staff was directed to research the subject in depth and report its findings during the next meeting, as part of an action item for a possible CP amendment.

Chairman Rose opened the Needs Public Hearing at 7:10 p.m. and closed it at 7:56 p.m.

6.2 11-0850

Public Hearing on Revised Citizen Participation Plan.

- Last October, the Community Development Commission approved revisions to the Citizen Participation Plan.
- These revisions reflected updates to the Illinois Freedom of Information Act (FOIA); incorporated changes to the by-laws; formalized the process by which complaints are heard; and clarified the substantial amendment process.
- Adoption of the approved revisions were delayed until after the 2011 Annual Action Plan process, but shall be in effect upon the completion of the Public Hearing, which concludes the required 15-day comment period.
- Comments are sought regarding the Citizen Participation Plan.

Attachments: [CPP-Revised 8.24.11](#)

Chairman Rose reminded the CDC of their approval of revisions to the Citizen Participation Plan (CPP) during the October 2011 meeting. This Public Hearing will conclude the approval process.

Mr. Williams said the CDC had deferred these final steps in order to concentrate on the PY2011 application and review process. The fifteen-day comment period began with a published notice requesting comments and will conclude with tonight's Public Hearing. This will finalize the CPP's adoption and it will be submitted to HUD. Mr. Williams went over the CDC-sanctioned changes to the CPP, emphasizing the revision that amended the definition of a substantial amendment and clarified its approval process.

Chairman Rose opened the Citizen Participation Plan Public Hearing at 8:17 p.m.

As there was no response to his requests for comments, Chairman Rose closed the Citizen Participation Plan Public Hearing at 8:19 p.m.

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6.5 11-0848

Project Change Request - Affordable Housing Corporation 2010 & 2011 Waukegan Homebuyer Assistance Programs.

- Last October, the CDC approved a request to modify the Waukegan Homebuyer Assistance Program to address the issue of foreclosure in Waukegan.
- The new structure of the program has not created the demand anticipated, and AHC is seeking to revert to its previously successful program structure.

- The proposed change, if approved, does not require a substantial amendment to any Action Plan, public hearing or comment period.
- The attached memos outline the request, of which staff recommends approval.

Attachments: [AHC Waukegan Staff Memo 8.19.11](#)

[AHC Waukegan Memo 8.19.11](#)

Mr. Williams requested that the order of the next three items be reversed, to begin with Item 6.5, then proceed to Item 6.4, and, lastly, to Item 6.3. There was no objection.

Mr. Burch presented an overview of the requested change to these projects, which had been previously changed to encourage FTHB purchase of foreclosed homes in Waukegan. Staff recommended reversion to these projects' former structure, which had proven highly successful.

Ms. Pugliese provided additional information concerning this request, necessitated by market conditions caused by the ongoing economic downturn. Two factors were thought to slow the usage of these funds; 1) the difficulty of dealing with bank-owned foreclosures and short sales, and 2) the cost of repairs on these properties. The agency has confirmed that the City of Waukegan wishes to revert to the projects' former structure, which allowed the prospective homebuyer to choose any Waukegan home listed for sale. Ms. Pugliese answered questions about the loan that would be made to a FTHB through these projects.

A motion was made by Commissioner Venturi, seconded by Commissioner Krapf, that AHC's request for a project change in its 2010 & 2011 Waukegan Homebuyer Assistance Programs be approved. Motion carried unanimously.

Aye: 9 - Commissioner Pedersen, Commissioner Hewitt, Commissioner Cunningham, Vice-Chairman Ditzig, Commissioner Krapf, Chair Rose, Commissioner Northern, Commissioner Venturi and Commissioner Swartz

6.4 11-0847

Project Change Request - Affordable Housing Corporation 2010 Downpayment Assistance Program.

- Conditions in the housing market and the practices of the Illinois Housing Development Authority (IHDA) have led the Affordable Housing Corporation to request a change in their project for 2010 Downpayment Assistance.
- The proposed change, if approved, does not require a substantial amendment to the 2010 Action Plan, public hearing or comment period.
- The attached memos outline the request, of which staff recommends approval.

Attachments: [AHC LC DAP Staff Memo 8.19.11](#)

[AHC LC DAP Memo 8.19.11](#)

Ms. Pugliese informed the Commission of the current structure of this FTHB project, which provided loans of ten percent of the purchase price, with a \$15,000 maximum, for down payment and closing costs. Lake County provided a \$1,000 loan, as well as paying the \$2,000 project delivery fee for each FTHB. The Illinois Housing Development Authority (IHDA) provided the remainder of the funds for each home. As this project had

proven very successful, the state funds that AHC procured are running short. Unfortunately, IHDA will not accept new applications for additional trust fund monies currently utilized for this purpose, as the economy has negatively affected the fund. To continue assisting as many as possible, AHC proposed reducing the loan assistance to \$4,500 per homebuyer, with \$3,000 provided by its remaining IHDA funds and \$1,500 provided by Lake County, along with the project delivery fee. Once the IHDA money has run out, Lake County would cover the full amount, not to exceed the project's awarded amount. In this manner, AHC would be able to assist 32 additional homebuyers. Ms. Pugliese further requested that, should IHDA provide additional funds, the project could revert to its original structure. She then answered CDC questions about down payment requirements. Chairman Rose requested notification if the project reverted to this original form.

A motion was made by Commissioner Pedersen, seconded by Commissioner Cunningham, that AHC's request for a project change in its 2010 Downpayment Assistance program be approved. Motion carried unanimously.

Aye: 9 - Commissioner Pedersen, Commissioner Hewitt, Commissioner Cunningham, Vice-Chairman Ditzig, Commissioner Krapf, Chair Rose, Commissioner Northern, Commissioner Venturi and Commissioner Swartz

6.3 11-0846

Project Change Request - Affordable Housing Corporation 2011 Downpayment Assistance Program & 2011 Rehabilitation Administration.

- Conditions in the housing market have led the Affordable Housing Corporation to request a change in their 2011 projects for Downpayment Assistance and for Rehabilitation Administration.
- The proposed change, if approved, requires a substantial amendment to the 2011 Action Plan and a 30-day comment period.
- The attached memos outline the request, of which staff recommends approval.

Attachments: [AHC Rehab Staff Memo 8.19.11](#)

[AHC Rehab Memo 8.19.11](#)

Mr. Williams stated that this item constituted a substantial amendment to the 2011 Annual Action Plan and, if approved, would require the publication and mass mailing of a notice of solicitation of comments. Following the thirty-day comment period, the amendment would be submitted for HUD's approval.

Ms. Lisa Pugliese, of the Affordable Housing Corporation (AHC), provided a brief history of AHC's rehabilitation program, which includes the rehabilitation of owner-occupied properties, as well as the acquisition/rehabilitation of foreclosed properties, for resale to income-qualified households. When submitted, AHC's 2011 project proposed the rehabilitation of 18 owner-occupied homes and no acquisition rehabilitations, due to its participation in the Neighborhood Stabilization Program (NSP). The 2011 project has not met expectations, as many income-qualified homeowners are now in a negative-equity position, which prevents their participation. Further, AHC would like to help alleviate the current abundance of foreclosed homes. The agency requested the reduction of owner-occupied rehabilitations to 4 – 5 units and the addition of 6 – 7 acquisition

rehabilitations. Should the demand for owner-occupied rehabilitations suddenly increase, AHC might need to adjust these quantities. Ms. Pugliese made the CDC aware that acquisition rehabilitations incur an average loss of \$20,000, as AHC would bring each property up to code and address all health, safety, and structural-soundness issues, in addition to the cosmetic repairs. The agency requested the re-purposing of \$150,000 in unused First Time Homebuyer (FTHB) funds to be used for the above-mentioned project and also proposed re-purposing the unused portion of its Rehabilitation Administration project funds for use as deferred financing for the owner-occupied borrowers. Due to the economy, more households are in need of deferred financing as they cannot afford an amortized loan for the needed repairs. Ms. Pugliese answered the Commission's questions about the project, including property selection, rehabilitation, and resale to income-qualified households. AHC would like to concentrate on neighborhoods where they could purchase several homes, thereby contributing to area stabilization.

A motion was made by Commissioner Ditzig, seconded by Commissioner Hewitt, that AHC's request for the project changes be approved. Motion carried unanimously.

Aye: 9 - Commissioner Pedersen, Commissioner Hewitt, Commissioner Cunningham, Vice-Chairman Ditzig, Commissioner Krapf, Chair Rose, Commissioner Northern, Commissioner Venturi and Commissioner Swartz

6.6 11-0843

Project Change Request - Round Lake Beach Infrastructure Project #C1116.

- The Village of Round Lake Beach was originally awarded CDBG funds for the following activities under Roadway Improvement Goal #3.1.1: Street Resurfacing and Watermain Improvements on Woodland Drive from Cedar Lake Road to Sunset Avenue, including spot curb repairs, shoulder widening, sidewalk replacement, and drainage upgrades (1,900 lineal feet of roadway improvements and watermain replacement).
- The Village has requested a project change given reduced CDBG funding and reduced local funds.
- The new project would be funded under Water Supply System Improvement Goal #3.1.2: Watermain Improvements on Woodland Drive from Cedar Lake Road to Sunset Drive, including 7 fire hydrants, 4 valves, and 41 service connections (1,900 lineal feet).
- The project change requires a substantial amendment to the 2011 Action Plan and a 30-day comment period.
- Given the fact that the project change is still in line with the original application and is only a reduction in the scope of the project, staff recommends approval of the request.

Mr. Vern Witkowski stated that Round Lake Beach requested a project change due to reduced CDBG and local funds. The project was approved under Goal 3.1.1, Roadway Improvement and also included watermain improvements. The Village asked to change this to Goal 3.1.2, Water Supply System Improvement, at the same site originally stipulated for the same footage, 1,900 lineal feet, but without the street resurfacing component. Staff recommended approval of the request, which constitutes a substantial amendment to the 2011 Action Plan, requiring a 30-day comment period.

A motion was made by Commissioner Venturi, seconded by Commissioner Cunningham, that Round Lake Beach's request for a change in its PY2011 Public Infrastructure project (C1116) be approved. Motion carried unanimously.

Aye: 9 - Commissioner Pedersen, Commissioner Hewitt, Commissioner Cunningham, Vice-Chairman Ditzig, Commissioner Krapf, Chair Rose, Commissioner Northern, Commissioner Venturi and Commissioner Swartz

6.7 11-0855

Approval of PY2012 Housing Application Materials

- The PY2012 Housing Application Materials have been updated per the guidance of the Housing Application Review Committee (ARC).
- The scoring criteria have also been updated per ARC guidance.
- Staff seeks approval of these application materials.

Attachments: [2012 Lake County Consortium HOME Application](#)
[2012 HOME Scoring Criteria](#)

Mr. Burch informed the CDC of the changes to the Housing Application materials recommended by the Housing Application Review Committee (ARC). Comments received after completion of the PY2011 application process were considered during the update, generating changes to the application and the scoring criteria. Following a discussion on the housing needs expressed during the Needs Public Hearing earlier in the evening, staff was directed to adjust the scoring criteria to place emphasis on projects located near employment opportunity centers and/or targeting neighborhoods for stabilization.

A motion was made by Commissioner Venturi, seconded by Commissioner Northern, that the PY2012 Housing application materials, with scoring criteria adjustments to allocate points for projects located near employment opportunity centers and/or targeting neighborhood stabilization be approved. Motion carried unanimously.

Aye: 9 - Commissioner Pedersen, Commissioner Hewitt, Commissioner Cunningham, Vice-Chairman Ditzig, Commissioner Krapf, Chair Rose, Commissioner Northern, Commissioner Venturi and Commissioner Swartz

6.8 11-0856

Approval of PY2012 Public Infrastructure Application Materials

- The PY2012 Public Infrastructure Application Materials have been updated per the guidance of the Public Infrastructure Application Review Committee (ARC).
- The scoring criteria have also been updated per ARC guidance.
- Staff seeks approval of these application materials.

Attachments: [2012 Lake County Public Infrastructure Application](#)
[2012 Public Infrastructure Scoring Criteria](#)

Mr. Witkowski went over the ARC-recommended changes to the PY2012 Public Infrastructure Application materials, which included minor changes to the scoring criteria. Projects meeting the minimum requirements to apply will no longer be awarded points, while projects addressing health, safety and welfare concerns will continue to receive additional points. ARC member Krapf stated his belief that the projects should be ready to proceed in a timely manner.

A motion was made by Commissioner Pedersen, seconded by Commissioner Swartz, that the PY2012 Public Infrastructure application materials be approved. Motion carried unanimously.

Aye: 9 - Commissioner Pedersen, Commissioner Hewitt, Commissioner Cunningham, Vice-Chairman Ditzig, Commissioner Krapf, Chair Rose, Commissioner Northern, Commissioner Venturi and Commissioner Swartz

6.9 11-0857

Approval of PY2012 Consolidated Application Materials

- The PY2012 Consolidated Application Materials have been updated per the guidance of the Public Services & Homelessness Application Review Committees (ARC).
- The application is developed in conjunction with Waukegan & North Chicago.
- The scoring criteria are being updated per ARC guidance.
- Staff seeks approval of these application materials.

Attachments: [2012 Consolidated Application](#)

Mr. Williams apprised the CDC of the changes to the Consolidated Application recommended by the Public Services ARC and the Homeless Assistance ARC. As both committees' recommendations were very similar, this joint relationship will continue for future funding rounds. The changes were basically directed to provide additional information on the agencies, the clients served, assistance type and quantity, referrals/follow-up, employees, employee-to-client ratios, and changes to an agency's Board of Directors. The scoring criteria are currently under review, so staff requested that the application receive approval, with the scoring criteria to be presented for approval during a future CDC meeting. Commissioner Ditzig commented that many of the changes would require the institution of tracking mechanisms at the agencies, setting the tone for ongoing expectations. She expressed her hope that this would not greatly penalize any agency in this initial year of these requirements.

A motion was made by Commissioner Venturi, seconded by Commissioner Hewitt, that the PY2012 Consolidated Application materials be approved. Motion carried unanimously.

Aye: 9 - Commissioner Pedersen, Commissioner Hewitt, Commissioner Cunningham, Vice-Chairman Ditzig, Commissioner Krapf, Chair Rose, Commissioner Northern, Commissioner Venturi and Commissioner Swartz

7. Staff Reports

7.1 Community Development Administrator's Report

There was no report.

8. Adjournment

Chairman Rose adjourned the meeting at 9:13 p.m.