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# Memorandum

To: CDC Housing Application Review Committee (ARC)  
 From: Community Development Division  
 Re: PY2013 HOME/LCAHP Application Review – Review Notes

**Program Name:** Accessible Safe Homes for Elders  
**Applicant:** Christ Church/ElderCARE  
**Program/Project Type:** Owner Occupied Rehabilitation-PROGRAM  
**Funding Request and Eligibility:** \$15,000 LCAHP; Eligible under LCAHP

## Introduction:

### *Brief Description of Proposal, Discussion of Eligibility*

The Accessible Safe Homes for Elders is an outgrowth of ElderCARE's Safety and Fall Prevention Initiative. The majority of the LCAHP funds will be used to provide direct assistance to homeowners to fund safety improvements in homes for material, equipment and labor costs. Due to the limited scope of owner-occupied rehabilitation, this program does not meet HOME requirements and thus is only eligible under LCAHP.

## Proposal Details:

### *Type of Program*

Owner occupied rehabilitation – provides rehabilitation financing assistance to homeowners to make physical modifications to a residence; provides for program delivery costs as applicable and appropriate which includes application processing, work scope development, coordination of bidding and specifications or cost quotes for materials, equipment and labor, coordination and oversight of contractors and/or volunteers and project close-out requirements among other eligible costs as contracted.

### *Program Specific Information/Key Program Criteria*

<b>Total Proposal Cost:</b>	\$81,820
<b>Funding Request:</b>	\$15,000 LCAHP
<b>Applicant Match/Leveraging:</b>	\$66,820

ElderCARE's Safety and Fall Prevention Initiative is geared towards allowing for elders to remain independent in their own homes and mitigate fall risks, the initiative specifically provides community education to prevent falls, transportation to medical appointments and assistance

in creating safe and accessible environments, the last component being the primary provision directly related to the proposed program. The program’s capacity was developed last year through the incorporation of LCAHP funding to provide grants that utilize professional contractor services for the installation of equipment and materials. The program provides grants up to \$750 to eligible households to complete rehabilitation modifications to residences to assist in fall prevention. Typical activities may include the installation of grab bars, proper railings, ramps, resolving tripping hazards, and other accessibility improvements. The program is limited to elderly homeowners 65 years of age and older earn 100% area median income or less. Homeowners are required to provide a detailed account of desired rehabilitation as part of the program application process and work with ElderCARE in executing contracts with contractors for the rehabilitation performed.

*Targeted populations (AMI, demographics)*

Elderly households are considered priority targeted populations according to the Consolidated Plan. Please note the following breakdown:

<b>Total number of units/households to be served:</b>	40 households (program-specific) 500 households (initiative)
<b>Number of units/households at ≤50% AMI:</b>	37
<b>Number of units/households at ≤80% AMI:</b>	2
<b>Number of units/households at ≤100% AMI:</b>	1

Generally, elderly households are presumed at 50% AMI or less. The proposed program allows for applicants up to 100%AMI.

*Type of units (bedrooms, type of construction)*

The program benefits existing single-family household units, which may be up to 4 total housing units containing and owner-occupant utilizing the residence as a primary residence. There is no limitation on bedroom limits.

**Technical Review:**

*Consolidated Plan Priorities*

Owner-occupied rehabilitation is a HIGH priority activity under the current Consolidated Plan. Such rehabilitation contributes to the preservation of affordable homeownership units.

*Program Location, Market Conditions/Need*

The program is designed to serve residents that live primarily in northern Lake County, the applicant designates IL Route 60 as the general southern border. Per the ElderCARE’s research, falls is the leading cause of death from accidental injury for those 65 years and older, and 75% of falls occur in the home. Additionally, ElderCARE notes utilizing Lake County hospital data that a significant number of hospitalizations for the elderly is related to falls and a high cost health care issue due to hospitalizations and required care either in nursing facilities or outpatient/home care after hospital discharge. The elderly population continues to be a growing population of the County, and as noted by the applicant, the over 65 population equals 10.5% of the total population of the

County. Elderly homeowners view safety improvements as too costly and thus do not address such needs. The Lake County Department of Health has identified fall risk prevention programming as a need under its strategic planning.

*Proposed Units and Type of Construction – Feasibility/Appropriateness for targeted population and demographics*

Owner-occupied rehabilitation is a suitable proposal and construction type for elderly residents seeking to maintain their residence.

*Program Readiness/Effectiveness*

The program is in the second year of inception as currently structured. Written documents including applications and contracts meet requirements, however ElderCARE has indicated they are under revision to better serve homeowners for readability/accessibility. Per ElderCARE, the program experienced a delay in execution to build capacity and appropriate policies, procedures, and documentation in order to execute the program in compliance with funding sources and in an efficient and effective manner. The program utilizes a combination of quarterly and proposed bi-monthly application round approach with intermittent marketing and education and does not limit the number of grants awarded to homeowners in a round, but noted that some program design and outreach issues contributed to the delay in start and amount of grants in progress. ElderCARE is currently taking steps to engage a pool of contractors that can address the limited scopes of work and volunteers to assist prospective homeowners in completing the application and to market the program.

*Match and Leveraging*

Match is not applicable to LCAHP-only projects. The program leverages 82% in financing for the total proposal cost for an array of private, foundation, and corporate sources. All leveraging sourced is eligible under the AHP program.

*Capacity/Program Team*

ElderCARE has managed such rehabilitation programming since 2006 and has program staff/providers/volunteers that meet capacity needs to administer the program. The current program functionality is in the second year of increased capacity and expected volume of work scope. Proper measures are in place or are in progress to achieve capacity to net a program that is in regular operation with multiple projects occurring at a time however at this time full capacity does not appear to be achieved for the desired program scope.

*Labor Standards and Affirmative Marketing Requirements*

There are no applicable labor standards; ElderCARE would be required to conform to the County's affirmative marketing requirements for the program.

*Program Underwriting/Feasibility Analysis*

Underwriting is not applicable to this owner-occupied rehabilitation program. The program is feasible per the presented scope, amount of total budgeted funds and proposed program timeline however elements of execution are still in development. The current marketing approach of the program relative to the larger program scopes of the applicant are narrow and do not net a regular rate of turnover in use of the program by households.

*Program Design Components versus Requirements*

The program has satisfactory contracting requirements for operating a basic owner occupied rehabilitation program. Homeowners are required to acquire proper permits for construction work as applicable per the local code jurisdiction, and contractors are required to be licensed and insured. As for program selection criteria, ElderCARE employees a grant review committee to review applications on a “blind basis” meaning homeowner personal identifiers are removed once an eligible applicant is screened. Significant application materials were developed for the program and are satisfactory for the scope and nature of the rehab program to determine eligibility, need, and actual work scope to be completed. The actual contacts to be executed between the homeowners and contractors provide for timely execution of rehabilitation work to be completed and satisfy County provisions.

*Budgeting*

The program budget is in line with expected costs for an owner occupied rehabilitation program of this scope and in fact provides for a significant amount of direct beneficiary costs.

*Cost Reasonableness/Efficiency in use of funds*

The program as proposed sets grant maximum contributions to homeowners that are reasonable for small home improvement modifications to assist in preventing falls. Staff has determined that while funds are used in a cost reasonable manner, predominantly for contractor payments and limited overhead. The estimated ratio of direct beneficiary costs to what would be tabulated as program delivery is 94/6% use of funds from all sources, and such is mirrored in the LCAHP use of funds. The current processing of grants and applications is current lacking efficiency primarily due to initial start-up from the prior year. Please reference prior “program readiness/effectiveness” notes herein.

*Additional technical requirements*

None.

<b>Criteria Point</b>	<b>Points/Multiplier/Total</b>	<b>Discussion/Evaluation</b>
<b>County Plan Criteria</b> <i>6 point base</i>	6/0/6	Owner-occupied rehabilitation is considered a High priority under the Consolidated Plan
<b>Preference Areas</b> <i>15 point base</i>	6/0/6	The program and tangential portion of program meets the long-term housing stability preference, affordability
<b>Capacity – Applicant Experience Overall</b> <i>10 point base</i> <b>Program</b> <i>10 point base</i>	10/0/10 6/3/18	Overall capacity is adequate; current program scope/capacity issues for direct program type are in mediation
<b>Viability/Market Need</b> <i>8 point base</i>	8/2/16	Need is adequately evidenced based on population statistics, community initiatives
<b>Incomes for Target Population</b> <i>6 point base</i>	6/0/6	Majority of population served is elderly-owner at or below 50%AMI

<b>Connection to services/resources</b> <i>5 point base</i>	5/2/10	Households are connected to other service/benefits as necessary, comprehensive programming/specific program is part of larger initiative program
<b>Program Accessibility</b> <i>10 point base</i>	5/3/15	Geographic/demographic limits; still addressing application accessibility limits
<b>Program Feasibility</b> <i>12 point base</i>	6/3/18	Proposed program is feasible/capacity and marketing limitations impact feasibility to achieve desired outcomes and regular use of funding at this time
<b>Procurement</b> <i>10 point base</i>	10/0/10	Procurement and contracting practices acceptable for scope of program
<b>Program Planning/PofA</b> <i>10 point base</i>	8/2/16	Programming meets requirements; provides for access to resources to net successful programming; still identifying programming resolutions for expenditure capacity/new proposed timeline/no PofA required
<b>Financial Evaluation</b> <i>20 point base</i>	18/3/54	Budgeting for scope is appropriate, costs are reasonable; financial controls of organization are adequate; low risk investment based on expectation to meet eligibility requirements; expenditure rates currently lack; direct asst. to household versus program delivery rates is significant
<b>Leveraged financing Match (HOME only)</b> <i>9 point base</i>	9/3/27	Leveraged financing is significant and from broad amount of sources
<b>Construction costs per HUD max/local market/cost reasonableness</b> <i>15 point base</i>	10/2/20	Costs are reasonable; budget reasonable and prepared per scope of program; lacks efficiency in use of funding from prior programming (current) proposed programming changes to increase efficiency
<b>Fees/Program Delivery</b> <i>5 point base</i>	5/3/15	Minimal application fee is to household is acceptable; program delivery costs are nominal, reasonable and necessary
<b>Community Revitalization</b> <i>10 point base</i>	5/0/5	Preservation of units, economic
<b>TOTAL Points Max. w/mult.: 331</b>	<b>Total Scored:252</b>	<b>Percentage of Possible Points: 76%</b>

**Staff Comments:**

The proposed program is currently funded under the LCAHP program and carries a balance of \$15,000/\$15,000. To date, two grants to homeowners had been awarded and more are currently in process and expenditures are anticipated from August and September 2013. While ElderCARE experienced some delay in contracting with the County as a result of the need to determine contract requirements related to the scope of work and use of

government funds, the applicant still required time to build capacity to execute a successful program, thus resulting in a delay of expenditure. Staff recommends that ElderCARE consider broadening the marketing approach and allowing for rolling applications or commit to the bi-monthly proposed application cycle until the number of applications increases to a steady rate. Typically, owner occupied rehab programs of all scales operate on such a basis and maintain an open /closed waiting list when funds as budgeted become depleted. Lastly, ElderCARE should consider a more regular marketing and presentation effort which would increase the capacity and effectiveness of the rehabilitation program, but also the overall Safety and Fall Prevention Initiative.