

Jodi Gingiss

Community Development Administrator



500 West Winchester Road, Unit 101
Libertyville, IL 60048-1371

Phone 847.377.2139

Fax 847.984.5745

jgingiss@lakecountyil.gov

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TO: Lake County Housing & Community
Development Commission(HCDC)

FROM: Jodi Gingiss, Community Development
Administrator

RE: Recommendation for Implementation of 2020-24 Consolidated Plan for Spending of HUD Grants

At the Advisory & Recommendation (ARC) meetings held in August and September of 2019, HCDC members discussed activities proposed for implementation of Lake County's new 2020-24 Consolidated Plan ("ConPlan") for the U.S. Department of Housing & Urban Development (HUD).¹ **All four ARCs were supportive of the staff recommendation described below.** Public comment can be further gathered at the upcoming HCDC meeting on October 23, 2019.

Staff recommends the HCDC implement the 2020-24 ConPlan in a new way that allows for strategic, prioritized investment. The Lake County 2020-24 ConPlan is grounded in the "On To 2050" plan authored by the Chicago Metropolitan Agency for Planning (CMAP). In that plan, CMAP headlines "Prioritized Investment" to "carefully target public resources to maximize regional benefits for mobility, the economic and quality of life for all residents". In the September 20th ARC meetings, the following recommended 2020-24 prioritized investments for HUD grants – will be discussed by ARC:¹

FIVE YEAR 2020-24 CONPLAN GOALS	Affordable Housing ARC Activities	Public Improvements ARC Activities	Public Services ARC Activities
1. Improve homeless crisis response system	HOUSING INTERVENTIONS IDENTIFIED IN GAPS ANALYSIS ¹	IMPROVED POINTS OF ENTRY IDENTIFIED IN GAPS ANALYSIS ¹	PROVEN MODELS & NEW SERVICES IDENTIFIED IN GAPS ANALYSIS ¹
2. Assist Persons with Special Needs	See Note Below ²	Facility Enhancements for People with Disabilities	Adaptive Equipment for People with Disabilities
3. Maximize Affordable Housing	PROVEN MODELS & NEW DEVELOPMENTS	SITE ACQUISITION	FAIR HOUSING
4. Prioritize Pathways for Economic Mobility	N/A	ADAPTIVE REUSE OF COMMERCIAL SITES	DOT-RECOMMENDED TRANSIT PILOTS/ EQUITY & INCLUSION PROGRAMS

¹ The "Gaps Analysis of the Homeless Crisis Response System in Lake County" authored by the Corporation for Supportive Housing (CSH) will guide ConPlan implementation of Goal #1 to Improve Homeless Crisis Response System. Last month, the Homeless Assistance ARC met to review the CSH Gaps Analysis in detail. Going forward, the Homeless Assistance ARC will serve as HCDC liaison with HUD's Continuum of Care (the Lake County Coalition for the Homeless).

² Affordable Housing projects serving people with special needs will receive additional points when scoring applications for Goal #3.

The 2020-24 ConPlan spending must also address the following four identified priority needs:

- Ending Homelessness
- Inclusive Growth (as defined by CMAP in On To 2050)
- Housing Accessibility
- Borderless Transit

These needs represent some of our community's most difficult problems to solve. Addressing these problems requires new partners, new agency capacity and new project sites that can come together over the next five years to achieve these ConPlan goals. As the most impactful community development and affordable housing activities often involve a very lengthy project timeline, staff encourages the early identification in 2020 of larger strategic, multi-staged projects which may span the length of the upcoming Con Plan cycle.

To identify HUD-eligible new project development (e.g. mixed-income housing) or new service creation/expansion (e.g. mobile homeless outreach), staff recommends the HCDC *make early flexible commitments to strategic partners selected through a call for five-year projects* in ways that assist in the creation of the new development or service. This approach is common among counties and cities that identify impactful community projects addressing priority needs in the five-year planning process. Early grant funding commitments allow implementation partners to plan new projects/service expansion and to raise funds necessary to bring strategic solutions to Lake County. Advance commitments are allowed by HUD when identified in a five-year Consolidated Plan developed with the community and taken through the public process that occurs at HCDC meetings.

Advance commitments to large, strategic ConPlan projects may result in uneven timing of expenditures that must be balanced with HUD's annual grant expenditure timing requirements. Some funding sources require annual application rounds, which will continue.³ Project spending (or lack thereof) can be balanced by program spending, which is more consistent, as approved by the HCDC in its Grant Funding Allocation Policy. Staff proposes that gaps in spending also be filled through a limited version of HCDC's annual grant funding application process (outlined below).

To achieve maximum transparency, staff recommends the following process:

1. *Completed*: Series of consultations as detailed in 2020-24 ConPlan.
2. *Completed*: Two Con Plan Public Hearings, with more to follow before final passage of 2020-24 ConPlan by Lake County Board in the second quarter of 2020.
3. **Underway: HCDC reviews Recommended Implementation of 2020-24 ConPlan**
4. Proposed: Imminent call for strategic new projects that may take up to five years to complete and can be scheduled flexibly, with HCDC guidance, to meet HUD's annual grant spending deadlines. These projects must address 2020-24 ConPlan goals and priority needs.
5. Proposed: Five-year projects and programs would be selected by ARCs in late 2019 and published in the Strategic Plan section of the 2020-24 ConPlan early in 2020. After at least two

³ Emergency Solutions Grant (ESG) and Video Gaming Revenue (VGR) grants will still be offered through annual application rounds (in the case of VGR as proscribed in Lake County VGR Fund Policy).

public hearings and 30 days public comment period, the 2020-24 Strategic Plan would be presented to Lake County Board for approval in the second quarter of 2020.

6. **Proposed:** Customary Annual funding application rounds will take place PY2020 to 2024 in support of:
 - a. **Goal #1:** Emergency Solutions Grant funding & New CDBG Public Service-funded activities necessary to address Gaps Analysis¹ – advised by the Homeless Assistance and Public Services ARCs, respectively.
 - b. **Goal #2:** All CDBG-Funded Facility Enhancements and Public Service-funded Adaptive Equipment for People with Special Needs – advised by the Public Improvements ARC and Public Services ARCs, respectively.
 - c. **Goal #3:** New affordable housing projects (local government, non-profit agencies and/or developers) not previously identified in 2020-24 ConPlan (Affordable Housing ARC).
 - d. **Goal #4:** The Public Improvements ARC will review annual applications for facility enhancements.

Summary Table

	Call for Strategic Five-Year Projects	Limited Annual Application Round
Affordable Housing ARC ⁴	Proven affordable housing models, vacant/abandoned properties redeveloped for housing, local government affordable housing initiatives, affordable housing development	AHP, HUD As Needed
Homeless Assistance ARC ⁵	As identified by Gaps Analysis in consultation with HUD Continuum of Care (Lake County Coalition for the Homeless)	ESG
Public Improvements ARC	<u>ADAPTIVE REUSE OF COMMERCIAL SITES/ PLACEMAKING IN TARGET AREAS</u>	<u>CDBG Facility Enhancements</u>
Public Services ARC ⁶	Fair housing legal assistance, Equity & Inclusion Programs, proven homeless assistance models (e.g. homelessness prevention) plus new homeless/housing services identified as needs in the CSH Gaps Analysis	DOT-Recommended Transit Pilots & Adaptive equipment

⁴ The Affordable Housing ARC makes funding recommendations for the Lake County Affordable Housing Program in concert with its HUD grant recommendations.

⁵ The Homeless Assistance ARC will be advising on Emergency Solutions Grants (ESG) while also consulting with the other three ARCs and the Lake County Coalition for the Homeless (HUD Continuum of Care) on how best to address the gaps identified in our homeless crisis response system.

⁶ The Public Services ARC will also be advising on Lake County Video Gaming Revenue grant recommendations.