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

FROM: Jodi Gingiss, Community Development
Administrator

RE: Identifying Key Projects in Support of 2020-24 ConPlan Strategic Goals

Last summer, the HCDC hosted two public hearings on Lake County's draft 2020-24 Consolidated Plan ("ConPlan") for submission to the U.S. Department of Housing & Urban Development. This ConPlan will govern the spending of HUD grant dollars in Lake County over the next five years. The public and HCDC demonstrated support for the following priority needs and focused goals:

PRIORITY NEEDS	GOALS
End Homelessness Inclusive Growth ² Housing Accessibility Borderless Transit	Improve Homeless Crisis Response System ¹ Assist Persons with Special Needs Maximize Affordable Housing Prioritize Pathways for Upper Economic Mobility ²

These goals and needs were identified through public hearings, community consultations and agency surveys. They leverage excellent work done previously by transit-focused and regional planners. These needs and goals intentionally echo and build on each other: Inclusive growth requires accessible, affordable housing AND pathways for economic mobility. Increasingly borderless transit makes housing in affordable areas a better option for getting to work and services. Ending homelessness requires helping people with special needs and providing service-enriched affordable housing.

This ConPlan is focused on achieving tough goals with many natural barriers such as lack of funding, community resistance and stigma, and 444 square miles of farm, recreational, industrial, and residential land³ settled in both suburban and urban patterns.

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, the HCDC may opt for early identification in 2020 of larger strategic, multi-staged projects which may span the length of the upcoming Con Plan cycle.

¹ Based on the Gap Analysis authored by CSH and presented to the HCDC on June 12, 2019.

² Based on needs identified in the regional plan, OnTo 2050, authored by the Chicago Metropolitan Agency for Planning and presented to the HCDC on May 15, 2019.

³ Plus 935 square miles of water.

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.

Lake County is looking for partners (local government, government agencies and social service agencies) to respond to a Call for Key Projects and Proven Programs to help make substantial progress towards its ConPlan goals to:

1. Improve Lake County's homeless crisis response system
2. Assist Persons with Special Needs
3. Maximize Affordable Housing
4. Prioritize Pathways for Economic Mobility

In the development of the ConPlan, the following potential new key projects⁴ have been identified:

- New/improved points of entry into the homeless crisis response system⁵
- New housing solutions for the homeless crisis response system
- Affordable housing development
- In Target Areas⁶ Only: Adaptive Reuse of Commercial Sites & Other Placemaking Opportunities

This Call includes a Call for Proven Programs⁴ in Support of 2020-24 ConPlan Goals in order to reduce the application burden on agencies that apply for HUD funding annually for successful programs.⁷

To demonstrate support of our partners, in 2020 Lake County intends to identify the primary potential recipients of Community Development Block Grant (CDBG) and HOME grant funds for the HUD Consolidated Plan (ConPlan) period 2020-24. Early identification of potential CDBG/HOME recipients comes with collaboration and support from Lake County. Actual funding awards will be made one year in advance via the creation of the Annual Action Plan (AAP).

Any conditional reservation of five-year funding for key projects will be subject to HUD's annual entitlement process, Applicant progress toward project feasibility, Lake County board approval and compliance requirements such as environmental review and expenditure deadlines. Building projects with federal funds bring innumerable requirements including state & federal prevailing wages, so please confer with Lake County Community Development staff for budgeting purposes.

⁴ Eligible Expenses include: Acquisition (of land or building), Demolition/Clearance, Rehabilitation, New Construction (Facilities and/or Housing) and Microenterprise Assistance.

⁵ As identified in the CSH Gap Analysis of the Homeless Crisis Response in Lake County (www.lakecountyhomeless.org)

⁶ Fox Lake, Mundelein, North Chicago, Round Lake area, Waukegan & Zion

⁷ Proven programs such as Downpayment Assistance, Homeownership Prevention, Owner-Occupied Rehab, Pay for Success: Permanent Supportive Housing, Rapid Rehousing and Small Business Microloans.

Technical assistance will be made available for selected Key Projects in Support of the 2020-24 ConPlan.

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.⁸ 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 current annual application process (outlined in accompanying memo).

⁸ 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).