



Third Program Year Action Plan -- 2012

Executive Summary

The Kane County/City of Elgin HOME Consortium is a city-county partnership authorized by HUD for the purposes of receiving Federal HOME Program funds. It consists of Kane County, including the twenty-three municipalities that participate in the county's Community Development Block Grant (CDBG) Program, and the City of Elgin, which receives CDBG funds directly from HUD. The Consortium must prepare an Annual Action Plan, which meets Federal requirements, in order to receive both CDBG and HOME funds.

This plan describes the activities Kane County and the Kane County/City of Elgin Consortium will undertake in Program Year 2012 with funds received under two formula programs administered by the U.S. Department of Housing and Urban Development (HUD). The programs include the Community Development Block Grant Program (CDBG) and the HOME Investment Partnerships Program (HOME).

The overall objective of the CDBG Program is to foster the development of viable urban communities by providing decent housing, a suitable living environment, and expanded economic opportunities, principally for low- and moderate-income people. The CDBG Program provides funding for a wide range of housing and community development activities that help to strengthen neighborhoods and improve the overall quality-of-life for residents.

The HOME Program provides critical funding for a variety of affordable housing activities. The program leverages private-sector investment by offering a flexible source of "gap" financing for both the preservation and development of affordable housing for lower-income households.

Kane County has participated in the CDBG Program since 1998 as an "urban county" serving a program area that includes twenty-five municipalities and the unincorporated areas of the county. In 2004, Kane County and the City of Elgin formed a partnership – known as a "consortium" – in order to participate in the HOME Program. The area served by the consortium includes the county's CDBG program area and the City of Elgin.

In the spring of 2010, Kane County, as the lead entity of the consortium, adopted a Housing and Community Development Consolidated Plan for 2010 – 2014. The Consolidated Plan contains a housing and homeless needs assessment, a housing market analysis, and a strategic plan, which identifies priority needs in the consortium area, and establishes funding priorities for program years 2010 through 2014. The

activities outlined in this Annual Action Plan for Program Year 2012 address those priorities and will help the consortium meet the goals and objectives laid-out in the Consolidated Plan.

During Program Year 2012, Kane County estimates that its Community Development Fund will equal \$1,108,469. This amount represents the total of the County's Federal Fiscal Year 2012 formula allocation (\$1,058,469.00) and program income generated by activities funded in previous years (estimated at \$50,000.00). The Kane-Elgin HOME Consortium, for which Kane County is the lead entity, will receive \$550,835.00 in HOME Investment Partnerships Program funds during Program Year 2012. This amount represents the total of the County's Federal Fiscal Year 2012 formula allocation.

The Kane County Community Development Commission and the Kane-Elgin HOME Commission are charged with recommending to the Kane County Board how these Federal resources should be utilized to address the goals and objectives of the Consolidated Plan. For Program Year 2012, it is proposed that CDBG funds be allocated for a variety of projects that will address the priorities identified in the Strategic Plan, and that HOME funds are allocated for two programs that will address the need for affordable housing, which is the Consortium's highest priority.

The tables on the following pages provide a summary of the Community Development and HOME activities recommended for funding. With the exception of funds proposed for program administration and planning activities, 100% of the County's Community Development funding, and 100% of the Consortium's HOME funding is recommended for programs/projects that will benefit low- to moderate-income residents.

Table 1			
KANE COUNTY COMMUNITY DEVELOPMENT PROGRAM			
BUDGET FOR PROGRAM YEAR 2012			
Priority Needs Category	Program/Project Name	Program/Project Description	Com. Dev. Funding
Affordable Housing	Owner-Occupied Housing Rehabilitation Program	Provide housing rehabilitation assistance to income-eligible homeowners in the Kane County Com. Dev. Program Area.	\$250,000
	Homeownership Education and Counseling	Provide homeownership education and counseling services to prospective homebuyers and homeowners facing mortgage default and foreclosure.	\$25,000
Infrastructure	2012 Street Re-Surfacing & Sidewalk (Carpentersville)	Repair and replace paving on several streets and sidewalks	\$242,044
	N. 15 th St. Reconstruction Phase 1 (St. Charles)	Street resurfacing and upgrade of storm and sanitary sewer systems	\$100,000
	Offut & Lovedale Lane Roadway Improvements (North Aurora)	Drainage improvements and the addition of curb, gutter, and sidewalk	\$170,000
Homelessness	Lazarus House Emergency Shelter	Provide operating support for emergency homeless shelter and transitional housing program that serves central Kane County.	\$42,400
	PADS Emergency Shelter (Aurora)	Provide operating support for emergency homeless shelter that serves southern Kane County.	\$33,600
	PADS Emergency Shelter (Elgin)	Provide operating support for emergency homeless shelter that serves northern Kane County.	\$30,000
	Homeless Management Information Systems		\$21,800
Planning and Capacity-Building	Program Administration and Planning	Provide funds to cover expenses associated with administration of the Community Development Program, as well as certain planning activities.	\$193,625
GRAND TOTAL			\$1,108,469

KANE – ELGIN HOME CONSORTIUM
BUDGET RECOMMENDATIONS FOR PROGRAM YEAR 2011

Priority Needs Category	Program Name	Program Description	HOME Funding
Affordable Housing	Owner-Occupied Housing Rehabilitation Program	Provide housing rehabilitation assistance to income-eligible homeowners in Kane-Elgin Consortium Area.	\$270,752
	First Time Homebuyer Program	Provide downpayment and closing-cost assistance to income-eligible first-time homebuyers in the Kane-Elgin Consortium Area.	\$225,000
Planning and Capacity-Building	Administration	Provide funds to cover expenses associated with administration of the HOME Program.	\$55,083
GRAND TOTAL			\$550,835

Finally, although not included in this plan, the county will continue to implement various HUD programs aimed at stimulating the economy, recover from previous disaster declarations, and improving the health and safety of Kane County residents, including the Neighborhood Stabilization Program Round 1, Neighborhood Stabilization Program Round 3, Ike CDBG Disaster Assistance Program and Lead based Hazard Control Program.

Demographic Considerations

As part of the expanding Chicago metropolitan area, Kane County is experienced tremendous population growth and development pressures since the 2000 Census. As shown in Table 1 Kane County's population has grown from approximately 404,000 in 2000 to 515,269 in 2010 and is expected to grow to 692,000 by the year 2030.

The source of Kane County's population growth is primarily from two areas:

- the migration of families from elsewhere in the Chicago region into the County and,
- the migration of foreign-born people, particularly Hispanic and Asian, into the area. This two-pronged immigration pattern accounts for most of the present and projected population growth.

The magnitude of this population growth is cause for concern, as development patterns traditionally follow population growth. If unmanaged, growth could threaten the stability of communities as well as the County's agricultural base, which remains its dominant land use. In order to balance competing demands, the County adopted the 2030 Land Resource Management Plan, and is in the process of adopting its 2040 Comprehensive Plan, each of these plans establishes a rational approach to accommodating growth.

Funding Priorities

The Consolidated Plan identifies the priorities to be addressed during the 2010 to 2014 program years by the Consortium with Community Development Block Grant and Home Investment Partnership funds.

Priority #1: Affordable Housing

Consistent with the housing needs assessment and market analysis discussed earlier, the Consortium's objectives regarding affordable and special-needs housing are to preserve existing units throughout the area served by the Consortium, and to create additional units in areas where they are currently lacking and near employment centers. Additionally, the Consortium will initiate and/or participate in initiatives aimed at stabilizing homeowners at-risk of mortgage default and foreclosure. Specifically, the Consortium will:

- 1) Provide first-time homebuyer assistance and rehabilitation/repair assistance to low-income homeowners throughout the area. Homebuyer and home-maintenance education, and financial management counseling services will be encouraged as a component of such assistance.
- 2) Provide gap financing for affordable homeownership and rental opportunities, by providing development subsidies designed to reduce the market price of such housing. This activity is targeted for those areas where there is a jobs/housing mismatch, and where the supply of affordable housing is limited.
- 3) Support the availability of counseling services aimed at helping homeowners avoid mortgage default and foreclosure.

Funding Type	Affordable Housing Project Name	Amount
CDBG	Owner-Occupied Housing Rehabilitation Program	\$250,000
CDBG	Homeownership Education and Counseling	\$25,000
HOME	Owner-Occupied Housing Rehabilitation Program	\$270,752
HOME	First-Time Homebuyer Program	\$225,000
Total		\$770,752

Priority #2: Infrastructure

Public infrastructure directly affects the environmental quality of neighborhoods and communities. Both the county and city will utilize their Federal funding to provide “gap” funding for critical infrastructure projects. Generally, there are three main areas of concern;

- 1) storm water drainage,
- 2) sanitary sewers and potable water supply, and
- 3) streets and sidewalks.

In unincorporated areas, such projects will aim to improve neighborhoods plagued with inadequate infrastructure, thus enabling their annexation to adjacent municipalities. Within incorporated areas, priority will be placed on projects that are part of an overall effort to improve neighborhood conditions, including walk-ability and public safety.

Funding Type	Infrastructure Project Name	Amount
CDBG	2012 Street Re-Surfacing & Sidewalk (Carpentersville)	\$242,044
CDBG	N. 15 th St. Reconstruction Phase 1 (St. Charles)	\$100,000
CDBG	Offut & Lovedale Lane Roadway Improvements (North Aurora)	\$170,000
Total		\$613,859

Priority #3: Public Facilities

Local governments and non-profit organizations often lack the financial resources necessary to make capital improvements to community and public facilities. Kane County and the City of Elgin will provide support for the construction, rehabilitation and general improvement of public facilities such as parks, community centers, and facilities from which human services are provided to area residents.

In the 2012 Program Year Kane County will not be funding any Public Facilities projects.

Priority #4: Homelessness

The Consortium will work to increase the availability of both emergency-shelter and transitional-housing services and facilities. Furthermore, it will continue to support the Continuum of Care for Kane County, as a vehicle through which services to the homeless population are coordinated and funding is obtained to address critical needs.

Funding Type	Homelessness Project Name	Amount
CDBG	Homeless Management information Systems (HMIS)	\$21,800
CDBG	Lazarus House Emergency Shelter	\$42,400
CDBG	PADS Emergency Shelter (Aurora)	\$33,600
CDBG	PADS Emergency Shelter (Elgin)	\$30,000
Total		\$127,800

Priority #5: Planning and Capacity-Building

As Kane County continues to grow and develop, planning will continue to play a critical role in ensuring a high quality-of-life for residents. The Consortium will support community planning in general, and will undertake, where necessary, specific planning activities that contribute to the effective use and leveraging of housing and community-development resources. Particular attention will be given to planning activities aimed at improving living conditions in the urban-corridor along the Fox River.

As the county and city expand their participation in Federal housing and community development programs, they will work to identify and build the capacity of non-profit organizations (especially potential Community Housing Development Organizations, or CHDO's) with which they may partner to address the needs identified in this plan.

Funding Type	Planning and Capacity-Building Project Name	Amount
CDBG	Program Administration and Planning	\$193,625
HOME	Administration	\$55,083
Total		\$248,708

PERFORMANCE OUTCOME MEASUREMENT

US Department of Housing & Urban Development (HUD) expects Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) grantees to use performance measurement systems to address productivity and program impact. Beginning in 2006, HUD implemented a refined performance measurement system. The 5 components of the performance measuring system are as follows:

- Goals,
- Inputs,
- Activities,
- Outputs, and
- Outcomes.

Determining appropriate measurements for “outcomes” is critical to the performance measurement system. Developing “outcome” measurements is complex because CDBG and HOME funds can be used for a variety of activities with differing funding priorities from year to year. The amount of CDBG and HOME funds received by Kane County is small relative to the large amount of housing, human services, and economic development activities in Kane County.

Three broad Objectives are established for activities funded with CDBG and/or HOME that focus on low and moderate-income households that are consistent with the needs and strategies of the Consolidated Plan:

- Create suitable living environments
- Provide decent, affordable housing
- Create economic opportunities

There are 3 possible common Outcomes which describe change for each of the 3 broad Objectives, i.e., “what type of change or result is sought?”

- **Availability/Accessibility** – activities funded with CDBG and/or HOME that make services, infrastructure, housing, or shelter available or accessible to

low and moderate-income people, including persons with disabilities. Accessibility does not refer only to physical barriers, but to making the affordable basics of daily living available and accessible to low and moderate income people.

- **Affordability** – activities funded with CDBG and/or HOME that provide affordability in a variety of ways in the lives of low and moderate-income people. This can include the creation or maintenance of affordable housing, basic infrastructure hookups, or services including transportation or day care.
- **Sustainability (promoting livable or viable communities)** – projects funded with CDBG and/or HOME where the activity or activities are aimed at improving communities or neighborhoods, helping to make them livable or viable by providing benefit to persons of low and moderate-income or by removing or eliminating slum or blighted areas, through multiple activities or services that sustain communities or neighborhoods.

Progress toward Outcomes is measured with Output Indicators, examples of which include the number of:

- Households assisted
- Community-wide assistance activities
- Persons served (in shelters or public services)
- Rental housing units produced
- Housing units rehabilitated
- Years of affordability
- Homeowners assisted or homeownership units created

Objectives are combined with Outcomes to produce an Outcome Statement. Outcomes are the “benefits” relating to a change in conditions, status, attitudes, knowledge, or behavior that result from the funded programs. The means or reported outcomes are the Consolidated Annual Performance and Evaluation Report (CAPER) and the ongoing reporting to the federal Integrated Data and Information System (DIS). Since many activities are multi-year (such as construction projects), the outcomes are measured on an annual basis over 5-year periods. The Outcomes portion of the measuring system will be reported each year in the CAPER.

Evaluation of Past Performance

Kane County has participated in the CDBG Program since 1998 as an “urban county” serving a program area that includes twenty-five municipalities and the unincorporated areas of the county. In 2004, Kane County and the City of Elgin formed a partnership – known as a “consortium” – in order to participate in the HOME Program. The area served by the consortium includes the county’s CDBG program area and the City of Elgin.

Over the past decade, the county has used its annual CDBG and HOME allocations to fund a variety of programs and projects which have improved housing conditions,

strengthened neighborhood infrastructure, enhanced public facilities, and expanded emergency shelter services. With the roughly \$16.5 million in federal assistance received since 1998, the county's projects have leveraged an estimated \$45 million in state, local, and private resources, for a total community investment of approximately \$62 million.

Kane County has consistently met or exceeded HUD's standards regarding performance and timeliness. At the close of each program year, the county summarizes the year's activities and accomplishments in a Consolidated Annual Performance and Evaluation Report (or "CAPER"), which is made available to the public during a fifteen-day comment period prior to being submitted to HUD.