



COOK COUNTY

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

2009

HANDBOOK

**National Objectives
Eligible Activities
Policies and Requirements**

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INTRODUCTION

This Handbook of Eligible Activities sets forth those activities for which funding may be applied from the Cook County Community Development Block Grant (CDBG) Program. The CDBG Program utilizes funds made available by the United States Department of Housing and Urban Development (HUD), a federal agency, for which Cook County is the Grantee, and for which the County has qualified as an "Urban County Entitlement" for the 2009-2011 Federal Fiscal Years. Accordingly, Cook County is entitled to receive a specified amount of funds based upon population, poverty and age of housing. In turn, the County may subgrant funds to eligible municipalities and organizations for various community development purposes. These funds must be used for eligible activities that meet the national objectives of the CDBG Program.

This Handbook and other documents developed by the Cook County Department of Planning and Development for the CDBG Program are based on federal statutes and regulations as formulated by the United States Department of Housing and Urban Development and other applicable federal agencies. The regulations apply to the following:

1. all 2009 CDBG funds;
2. all unobligated (not under contract) funds from previous program years presently assigned to subrecipients;
3. reprogrammed funds and amendments;
4. program income.

Not included in the Cook County CDBG Program are communities designated as metropolitan cities (e.g. Berwyn) over 50,000 in population (e.g., the City of Chicago, and others which may receive their own funds directly from HUD). Cook County CDBG funds may not be used, directly or indirectly, in areas not included in this program.

AREAS ELIGIBLE FOR FUNDING - EXCEPTION CRITERIA

Section 105 (C)(2) of Title I of the Housing and Community Development Act, of 1974, as amended, "permits metropolitan cities and urban counties (but not States) to have area benefit activities counted as benefitting low- and moderate-income persons if those activities either serve an area in which at least 51% of the residents are low- and moderate-income persons or serve an area which falls within the top one-quarter of all areas within the community's jurisdiction [Cook County Urban County area] in terms of the degree of concentration of low- and moderate-income persons. In either case, the activity must also be clearly designed to meet identified needs of low- and moderate-income residents of the area." (24 CFR Part 570.208(a)(1)(ii) with emphasis in the original).

Cook County has determined that, based on Census figures, the top one-quarter of all census block groups which would be eligible to undertake area benefit activities to principally benefit low- and moderate-income persons must have at least 49.0% low- and moderate-income persons. All water, sewer, and flood control projects must serve areas that are 49.0% or more low- and moderate-income.

Applicants for CDBG funds can no longer submit special income surveys to qualify CDBG projects on an area basis (census tract/block groups). Income surveys can only be completed for projects that provide services to a designated limited clientele. Contact with the Cook County Department of Planning and Development is required for survey methodology guidelines.

ADDITIONAL INFORMATION

1. Certain activities described in this Handbook are available on a year-round basis (Economic Development Loan Fund, Economic Development Infrastructure Improvements Set-Aside, Matching Funds Set-Aside and Clearance Activities). In addition, this Handbook contains information needed to prepare applications for funding and various guidelines necessary for the administration of CDBG projects by Subrecipients. Therefore, you are requested to retain this Handbook for future reference.
2. Based on past experience in the administration of this program, Cook County will limit the number of funded activities a subrecipient will receive depending on local capacity to administer these funds, past performance in the program, audit findings, and monitoring findings.
3. Any subrecipient of these funds will be required to meet all pertinent Federal statutes, Executive Orders, and regulations through a signed Agreement with Cook County for each activity approved.
4. Subrecipients are expected to start projects within **three** (3) months of the Notice to Proceed and complete projects within **twelve** (12) months of that Notice. If this deadline is not met, the project may be dropped and the funds added to the following program year's funds.
5. Organizations seeking funding for facilities (acquisition, rehabilitation, etc.) must apply through the municipality in which the proposed or existing facility is located, if the service area of the organization is equal to, or less than, the municipal area.
6. If an organization's service area is larger than the municipality in which it is located, the applying organization must obtain a letter of support from that municipality.
7. Separation of Church and State: Federal regulations prohibit the use of CDBG funds for the rehabilitation or acquisition of facilities owned and operated by organizations which are pervasively sectarian.
8. Cook County has adopted policies governing amendments, displacement, one-for-one rental housing replacement, and standards for determining "affordable rents," per 24 CFR Part 570-Community Development Block Grant Program-Final Rule.
9. **SINGLE AUDITS** (Single-Audit Act of 1984: 31 USC 7501-7507)
 - A. Each successful applicant will be considered a "Major" recipient under the single audit requirements, regardless of the amount of CDBG funds received in any one local fiscal year.
 - B. Annual single audits must be filed with the Cook County CDBG Program until all subrecipient projects are closed.

- C. **ANY APPLICANT WHO HAS NOT SUBMITTED SINGLE AUDITS, AS REQUIRED BY THE SUBRECIPIENT AGREEMENT, NEED NOT APPLY FOR ADDITIONAL FUNDING.**
- D. Each new applicant must submit a copy of its audit prepared by its CPA firm and dated within the last 12 months.

PART 1

- I. Primary National Objectives
- II. Criteria for Determining Project Eligibility in Meeting the National Objectives
 - A. **Low-and-Moderate-Income Benefit**
 - 1. Area Benefit Activities
 - 2. Limited Clientele Activities
 - 3. Housing Activities
 - 4. Job Creation/Retention Activities
 - B. **Elimination of Slum and Blight**
 - 1. Area Basis
 - 2. Spot Basis
 - C. **Additional Criteria**
 - 1. Acquisition
 - 2. Relocation
 - 3. Job Creation/Retention-Public Improvements

I. PRIMARY NATIONAL OBJECTIVES

- A.** The primary objective of the Community Development Block Grant Program "is the development of viable urban communities, by providing decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Consistent with this primary objective, not less than 70 percent of the aggregate of the Federal assistance provided under Section 106 ... shall be used for the support of activities that benefit persons of low and moderate income..." (Title I, Section 101©). In furtherance of this objective, it is the policy of the Cook County Community Development Block Grant Program that it will give first consideration to projects which will benefit low and moderate income persons.
- B.** The secondary objective of the Community Development Block Grant Program is the elimination of slum or blight, particularly in low and moderate income areas.

NOTE: If a proposed activity cannot meet one of these two national objectives, the activity is ineligible for CDBG assistance, in whole or in part.

The following section describes the criteria to determine eligibility in meeting the national objectives. Based on the guidelines, projects of a speculative nature, or those in which the end results or benefit cannot be determined, even if such projects are located in low and moderate income areas, will not be funded.

II. CRITERIA FOR DETERMINING PROJECT ELIGIBILITY IN MEETING NATIONAL OBJECTIVES

This section is divided into three parts in order to assist potential applicants in determining whether or not a proposed activity will meet one of the two national objectives described in Part I. Information provided under each part is intended to advise potential applicants of the required documentation to support an application and subsequent records to be maintained if the activity is approved for funding. To ensure that a national objective has been met, the maintenance of eligibility records will be monitored throughout the funding of awarded CDBG projects.

A. CRITERIA FOR DETERMINING PROJECT ELIGIBILITY IN MEETING THE PRIMARY NATIONAL OBJECTIVE OF LOW AND MODERATE INCOME BENEFIT

1. AREA BENEFIT ACTIVITIES: an activity, the benefits of which are available to all the residents in a particular area, where at least 49.0 percent of the residents are low and moderate income. Such an area need not be co-terminous with census tracts or other officially recognized boundaries but must be the entire area serviced by the activity. An activity that serves an area that is not primarily residential in character does not qualify under this criterion. For purposes of determining qualification under this criterion, activities of the same type that serve different areas will be considered separately on the basis of their individual service areas.

Examples of area benefit activities are:

- a) Reconstruction of streets, curbs, and gutters in a residential area where the low and moderate-income population of the service area of the activity is at least 49.0 percent, water and sewer will remain at 51%.

- b) The development of, or permanent improvements to, a neighborhood park in which the service area is primarily residential and is at least 49.0% low and moderate-income.

Example of how an area benefit activity can be ruled ineligible:

The construction of a public facility in an area that is 49.0% low and moderate income, but the users of the facility are not primarily low and moderate income.

RECORDS TO BE MAINTAINED: The following records are required to prove that the project qualifies as a low and moderate-income area benefit activity:

- (1) Boundaries of the service area
- (2) Location(s) of the activity
- (3) Census tract and block group data from 2000 Census information, provided by Cook County.

2. LIMITED CLIENTELE ACTIVITIES

- a) An activity which benefits a limited clientele, at least 51 percent of whom are low or moderate-(L/M) income persons. To qualify under this criterion, the activity must meet one of the following tests:

- (1) Benefit a clientele who are generally presumed to be principally low and moderate-income persons. The following groups are presumed by HUD to meet this criterion: abused children, battered spouses, elderly persons, disabled adults, homeless persons, illiterate adults, persons living with AIDS, and migrant farm workers; or
- (2) Require information on family size and income so that it is evident that at least 51 percent of the clientele are persons whose family income does not exceed the low and moderate-income limit; or
- (3) Have income eligibility requirements which limit the activity exclusively to low and moderate-income persons; or
- (4) Be of such nature and be in such location that it may be concluded that the activity's clientele will primarily be low and moderate income persons.

- b) A special project directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly or disabled persons to publicly owned and privately owned non-residential buildings, facilities, and improvements and the common areas of residential structures containing more than one dwelling unit.

- c) Examples of limited clientele activities include: construction of a senior citizens center, construction of job training facilities for disabled adults, renovation of a homeless shelter.

- d) RECORDS TO BE MAINTAINED: For each activity, one of the following three types of documentation must be kept to prove that the activity qualified under low and moderate income limited clientele:

- (1) Documentation showing that the activity is used by a segment of the population presumed by HUD to be L/M persons; e.g. abused children; or,

- (2) Documentation describing how the nature and, if applicable, the location of the activity establishes that it is used predominantly by L/M persons; or,
 - (3) Data showing the size and annual income of the immediate family of each person receiving the benefit.
3. **HOUSING ACTIVITIES:** A low and moderate (L/M) income housing activity is an activity which adds or improves permanent, residential structures which will be occupied by L/M income households upon completion. The housing can be either owner-occupied or renter-occupied in either one-family or multi-family structures. Rental units occupied by L/M income persons must be occupied at affordable rents (not to exceed 30% of household income).
- a) Examples of potentially eligible housing activities include:
 - (1) Rehabilitation of permanent housing;
 - (2) Acquisition of property for permanent housing;
 - (3) Conversion of nonresidential structures into permanent housing; and
 - (4) Eligible activities connected with new housing construction (but not the new housing construction itself).
 - b) For any type of housing activity which adds or improves permanent residential structures, compliance with the national objective is based on initial occupancy of the housing following completion of the CDBG-assisted work. Household income data for the initial occupants must be used to determine compliance.
 - c) Occupancy of housing shall be determined using the following rules:
 - (1) Residential Rehabilitation:
 - (i) One unit structures, which include individual owner-occupied condominium units, must be occupied by L/M households.
 - (ii) Two-unit structures must have at least one of the units occupied by L/M persons after rehabilitation.
 - (iii) More than two-unit structures must have at least 51% of the units occupied by L/M persons after rehabilitation. Buildings with more than four units will be referred to the HOME Investment Partnership Program.
 - (2) Acquisition of property or conversion of buildings for permanent housing: Compliance is based on household income of the occupants in the structures, according to the applicable rules listed above for residential rehabilitation and new housing construction.
 - d) **RECORDS TO BE MAINTAINED:** In order to prove that the activity qualified as a L/M income housing activity, the records must include:
 - (1) For each unit occupied by a L/M income household, the size and income of the household.

- (2) For rental housing:
 - (i) Rent charged (or to be charged) after assistance for each dwelling unit in each structure assisted; and
 - (ii) Information as necessary to show the affordability of units occupied (or to be occupied) by L/M income households pursuant to criteria established and made public by Cook County.
 - (3) For each property acquired on which there are no structures, evidence of commitments ensuring that the above criteria will be met when the structures are built.
4. **JOB CREATION OR RETENTION ACTIVITIES:** an activity designed to create or retain permanent jobs where at least 51 percent of the jobs, computed on a full-time equivalent basis, involves the employment of low and moderate income persons.
- a) As a general rule, each assisted business shall be considered to be a separate activity for purposes of determining whether the activity qualifies under this paragraph.
 - b) In certain cases, such as where CDBG funds are used to acquire, develop or improve a real property, the requirement may be met by measuring jobs in the aggregate for all businesses which locate on the property, provided such businesses are not otherwise assisted by CDBG funds.
 - c) All businesses and/or developers assisted under this part are required to enter into a FIRST SOURCE EMPLOYMENT AGREEMENT with the Cook County President's Office of Employment Training or the Northern Cook County Private Industry Council, as appropriate.
 - d) Documentation under this category is extensive and ongoing as is the determination for "appropriate" financial assistance. Therefore, activities under this category are administered by the Cook County Department of Planning and Development.
 - e) Specific activities funded under this category are:
 - (i) The Economic Development Loan Fund - loans to private for-profit businesses.
 - (ii) Infrastructure Improvements: Set-aside Fund
 - (iii) Infrastructure Improvements: Competitive.

B. CRITERIA TO DETERMINE PROJECT ELIGIBILITY IN MEETING THE NATIONAL OBJECTIVE OF THE ELIMINATION OF SLUM OR BLIGHT

There are two categories under which projects can qualify under the national objective of the elimination of slum or blight.

1. **ACTIVITIES TO ADDRESS SLUM OR BLIGHT ON AN AREA BASIS:**

- a) To qualify under this objective, an activity must meet all of the following criteria:

- (1) The area must be clearly delineated and designated by municipal resolution and must meet a definition of a slum, blighted, deteriorated or deteriorating area under State law. For the purpose of meeting this criterion, it is necessary to follow the formal procedures under State law for designating a slum or blighted area. Please make sure that you follow all the procedures required by the statutes that you choose to designate your area under.
 - (2) There must be a substantial number of deteriorating or deteriorated buildings or public improvements throughout the area. As a "safe harbor," HUD will consider this criterion to have been met if either of the following conditions prevails in the area:
 - (i) At least 25 percent of all the buildings in the area must be in a state of deterioration; or,
 - (ii) Public improvements throughout the area are in a general state of deterioration. It is insufficient for only one type of public improvement, such as streets, to be in a state of deterioration; rather, the public improvements taken as a whole must clearly exhibit signs of deterioration.
 - (3) Funded activities must address one or more of the conditions which contributed to the deterioration of the area.
- b) **DOCUMENTATION AND RECORDS TO BE MAINTAINED:** In order to prove that activities qualified as elimination of slum and blight on an area basis, documentation must include:
- (1) Boundaries of the area;
 - (2) Certified copy of a municipal resolution designating the area, including all reports, documentation and public hearing process required by the state law under which the designation occurs.
 - (3) A description of the conditions which qualified the area at the time of its designation in sufficient detail to demonstrate how the area met the criteria of B.1.a above:
 - (i) Buildings survey, including code violations for structures deemed substandard
 - (ii) Local definition of "substandard"
 - (iii) Details and scope of CDBG-assisted rehabilitation, by structure
 - (iv) Public Improvements - engineering survey/analysis documenting the condition of all public improvements to the extent necessary to qualify the area under this definition.
- c) See Appendix J: Review and Approval Procedures for Slum/Blight Designation on an Area Basis.
- d) Note: Rehabilitation of residential structures must meet the criteria listed under low and moderate income benefit - Housing Activities.

2. ACTIVITIES TO ADDRESS SLUM OR BLIGHT ON A SPOT BASIS:

- a) To qualify under this objective, an activity must meet the following criteria:
 - (1) The activity must be designed to eliminate specific conditions of blight or physical decay on a spot basis not located in a designated slum or blight area; and
 - (2) The activity must be limited to:
 - (i) Acquisition
 - (ii) Clearance
 - 3. Historic preservation of public property excluding buildings for the general conduct of government
 - (iv) Rehabilitation of buildings, but only to the extent necessary to eliminate specific conditions detrimental to public health and safety.
 - 3. Projects which are estimated to cost over \$20,000 may not be addressed as a part of the demolition set-aside program. These projects must be made part of a municipality's annual application.
- b) **RECORDS TO BE MAINTAINED:** In order to prove that an activity qualified as elimination of slum or blight on a spot basis, the records must include:
 - (1) A description of the specific condition of blight or physical decay treated; and
 - (2) For rehabilitation carried out under this category, a description by structure of:
 - (i) The specific conditions detrimental to public health and safety which were corrected; and
 - (ii) Details and scope of CDBG-assisted rehabilitation.
- c) Note: Public infrastructure cannot qualify under this standard.

C. ADDITIONAL CRITERIA FOR DETERMINING PROJECT ELIGIBILITY IN MEETING THE NATIONAL OBJECTIVES

1. ACQUISITION

- a) Where the assisted activity is acquisition of real property, a preliminary determination of whether the activity addresses a national objective may be used on the planned use of the property after acquisition. A final determination shall be based on the actual final use of the property. The final, eligible use of the property must be maintained for at least five (5) years after the project is closed via an audit by the County.
- b) Where the acquisition is for the purpose of clearance which will eliminate specific conditions of blight or physical decay, the clearance activity shall be considered the actual use of the property. However, any subsequent use or disposition of the cleared property shall be treated as a "change of use" under 24 CFR Section 570.505: "Use of Real Property".

2. RELOCATION

- a) Where the assisted activity is relocation assistance that the recipient/subrecipient is required to provide, such relocation assistance shall be considered to address the same national objective as is addressed by the displacing activity.
- b) Where the relocation assistance is voluntary on the part of the grantee, the recipient may qualify the assistance either on the basis of the national objective of land clearance for a redevelopment projects addressed by the recipients of the relocation assistance are low and moderate income persons.

3. JOB CREATION/RETENTION

In any case where the activity undertaken for the purpose of creating or retaining jobs is a public improvement and the area served is primarily residential, the activity must meet two requirements:

- a) The area served by the public improvements is at least 49.0% L/M income; and
- b) At least 51% of the jobs created and/or retained must be available to L/M income persons.

PART 2 Eligible Activities

SECTION A: HOUSING, RESIDENTIAL REHABILITATION AND HOUSING-RELATED ACTIVITIES

The following housing, residential rehabilitation and housing-related activities are eligible for funding under the Cook County Community Development Block Grant Program:

1. Discretionary Single Family Rehabilitation Program;
2. Single-family (1-4 units) Residential Rehabilitation Activities;
3. Fair Housing Activities;
4. Housing Counseling; (See also Public Service Activities)

1. Single Family Rehabilitation Set-Aside Program

HOME Program funds have been designated for use under this program. Funds are available on a year-round basis to rehabilitate homes located in the unincorporated areas and in municipalities that do not operate their own single-family rehabilitation programs. These funds are on a first-come, first-served basis. The County has entered into service agreements with regional rehabilitation agencies to assist in implementing this program. This set-aside may also be used by municipalities or agencies that expend all of their initial grant funds, contingent upon availability of funds.

2. Single-Family Residential Rehabilitation

- A. The use of Cook County CDBG funds for single-family residential rehabilitation projects is restricted to those residential structures that have been determined to be substandard, yet suitable for rehabilitation. Cook County defines substandard as any dwelling unit in violation of the pertinent local building codes and regulations. These local codes must, at minimum, meet the requirements of HUD's Section 8 Housing Quality Standards. Designation as a substandard unit must take into account both actual and incipient code violations. A structure that is designated to be substandard is considered suitable for rehabilitation under the following conditions:

- 1) All basic structural components of the unit are sound;
- 2) The cost of rehabilitation together with any existing mortgage(s) may not exceed 95 percent of the fair market value of the dwelling unit after rehabilitation;
- 3) The rehabilitation activities should extend the useable life of the dwelling unit for at least ten years.

CDBG funds may not be used for general improvements to structures in excess of code violation corrections. All actual and incipient code violations must be corrected, except in emergency situations.

- B. The use of Cook County CDBG single-family residential rehabilitation funds is restricted to those applicants, both owners and renters, who qualify as low- and moderate-income households as defined by the Section 8 Income Limits established by HUD.
- C. Applications for CDBG funds, the purpose of which is to demolish or convert the use of rental units (including single-family rental units), which are occupied by or would be

occupied by low and moderate income households, **will not be funded**. (See Appendix G: Policy Governing One-for-One Replacement). Please note: If a single-family rental unit is converted to owner-occupant, this would be considered as a conversion to another use, and therefore not eligible for CDBG funding. Applications for CDBG funds for residential rehabilitation that would cause displacement of households will not be considered for funding.

- D. Cook County Single Family Residential Rehabilitation Program funds must be secured by permanent liens that are not to be forgiven. These liens will constitute program income when collected by the rehabilitation municipality/ agency and must be returned to Cook County at the time of collection.
- E. The following residential rehabilitation activities and related costs, either singly or in combination, through the use of secured loans, are eligible for funding:
 - 1) Repairs that are directed toward a cure of an accumulation of items of deferred maintenance, such as defects in electrical wiring or plumbing, the replacement of rotten wood, the repair of damaged walls, etc.;
 - 2) Replacement of principal fixtures and components of existing structures, such as furnaces, roofing, etc.;
 - 3) Renovation through alteration, additions to, or enhancement of existing structures, such as the addition of a room to relieve overcrowding or the installation of security devices, including smoke detectors and dead bolt locks;
 - 4) Measures to increase the efficient use of energy in structures through means such as the installation of storm windows and doors, siding, wall and attic insulation; and the conversion, modification, or replacement of heating and cooling equipment (if existing), including the use of solar energy equipment;
 - 5) Improvements to increase the efficient use of water through such means as water saving faucets and shower heads and repair of water leaks;
 - 6) Financing costs associated with the connection of residential structures to water distribution lines or local sewer collection lines on private property from the public right of way;
 - 7) Costs of initial homeowner warranty premiums;
 - 8) Costs of hazard insurance premiums, except where assistance is provided in the form of a grant;
 - 9) Project delivery costs, such as rehabilitation counseling, energy auditing, preparation or work specifications, loan processing, inspections, and other services related to assisting owners, tenants, contractors, and other entities, participating or seeking to participate in rehabilitation activities authorized by Cook County. Project delivery costs include the salaries of those personnel engaged in delivering these services for the rehabilitation program. Project delivery costs are limited to \$7,500 per projected unit, but not to exceed twenty-five percent (25%) of the grant allocation.
 - 10) Costs associated with lead-based paint hazard reduction.

- F. Single-Family residential rehabilitation projects funded through the resources of the Cook County CDBG Program must be implemented in accordance with the policy directives and management requirements outlined in the Cook County Manual of Administrative Procedures for Residential Rehabilitation as revised and updated. Cook County residential rehabilitation subrecipients will be monitored based upon this Manual.
- G. All funding proposal submissions for CDBG single-family residential rehabilitation programs must include the following:
 - 1) A copy of a current "waiting list" or a listing of target clientele by name and address;
 - 2) Completion, or updating, of a local rehabilitation program policy based on the Cook County Manual of Administrative Procedures for Residential Rehabilitation which identifies specific local program procedures and guidelines, specifically identifying the criteria and selection process for emergency work. This local policy must be submitted to Cook County for approval before the start of a local program.

3. Fair Housing Activities

- A. Cook County CDBG funds may be used by a not-for-profit agency to administer Fair Housing Activities on a regional basis within the Urban County's jurisdiction. These activities must endeavor to stop unfair and unlawful real estate practices, steering and discrimination in housing, as well as to achieve housing opportunities through the spatial deconcentration of low- and moderate-income households.
- B. Applicants who apply for funding for Fair Housing Activities must submit the following:
 - 1) A detailed line-item budget indicating the proposed use of CDBG and other contributory funds.
 - 2) A narrative summary of Action Plan identifying the specific unit of measure for the product and/or service proposed for funding, accompanied by quantifiable goals and anticipated accomplishments utilizing this unit of measure that may include seminars, Speakers Bureau of Banks Realtors and Appraisal Organizations; lending institutions, newsletters or brochures in English and languages other than English.
- C. Please note that some Fair Housing Activities can be classified as part of Cook County's Administration and are subject to the CDBG Administrative cap.

4. Housing Counseling

- A. Cook County CDBG funds may be used by a not-for-profit agency to administer a Housing Counseling Program on a regional or subregional basis within the Urban County jurisdiction. Eligible activities include providing assistance to persons seeking suitable housing and providing technical assistance for rehabilitation and home maintenance for property owners. These activities must principally benefit households with low- or moderate-incomes.
- B. Applicants who apply for funding for Housing Counseling must submit the following:

- 1) A detailed line-item budget indicating the proposed use of CDBG and other contributory funds.
 - 2) A narrative summary identifying the specific unit of measure for the product and/or service proposed for funding, accompanied by quantifiable goals and anticipated accomplishments utilizing this unit of measure.
- C. Housing Counseling Activities will be classified by Cook County as Public Service Activities subject to the CDBG Public Service cap.

SECTION B: ECONOMIC DEVELOPMENT ACTIVITIES

The objective of CDBG economic development activities is the retention and attraction of businesses in the Urban County which provide employment, principally to low- and moderate-income persons. To meet this objective, three activities are eligible for funding through the CDBG program:

1. Infrastructure Improvements: Competitive;
2. Infrastructure Improvements: Set-aside;
3. Economic Development Finance: Economic Development Loan Fund.

A determination of "reasonableness" in terms of grant funds compared to total jobs created or retained must be made. Reasonable means up to \$35,000 per created or retained full-time job. If the census tract where the project is located is over twenty percent (20%) poverty, these types of projects are presumed eligible. If not, other eligibility criteria apply.

1. Infrastructure Improvements: Competitive

- A. CDBG funds are available for infrastructure improvements for the purpose of economic development. Applications will be considered where grant funds are required to leverage a definite and timely private investment, and where the grant will result in retained or new permanent private-sector jobs, at least 51 percent of which will be filled by low- and moderate-income persons.
- B. Infrastructure improvement projects must be intended to assist specific private-sector companies that will locate or expand at the improved site, retaining or creating permanent employment. Evidence of private financing is required. Companies which will benefit from the proposed improvements must agree in writing to create a specific number of new jobs, must commit to fill at least 51 percent of all new jobs with low- and moderate-income persons, and must submit a timetable for the job creation. An employment referral agreement with the President's Office of Employment Training or similar entity, will be required in order to help ensure that jobs are filled by low- and moderate-income persons.
- C. Improvements may take place only on publicly-owned property or right-of-way.
- D. The following improvements may be carried out under this activity:
 - 1) The physical redevelopment of streets, alleys, streetlighting, signs, culverts, curbs, gutters, sidewalks, and other normal appurtenances to streets and structures facilitating the passage on or usage of streets (excluding expressways and limited access roads and their appurtenances);
 - 2) water and sanitary sewer facilities and storm drainage facilities, but not sewage treatment plants or interceptor sewers.
- E. If the improvement is to occur in an area which is primarily residential, the area must be at least 49.0% low and moderate income. Further, if the improvement is water or sewer, and primarily residential, the area must be at least 51% low and moderate income.

2. Infrastructure Improvements: Set-Aside

The same requirements apply to this sub-section as apply to "Competitive" Infrastructure Improvements. The County will assign funds to be available for application on a year-round basis. Subrecipients may apply to the County for projects funded from this set-aside at any time throughout the program year, with a maximum of \$200,000 per project.

3. Economic Development Finance: Economic Development Loan Fund

- A. The purpose of the Economic Development Loan Fund is to assist the financing of economic development projects located within the Urban County. These funds may be applied for at any time throughout the program year.
- B. The goal of the Loan Fund is to help attract businesses to the Urban County area and to assist existing businesses to expand and modernize. The fund is intended to help "fill the gap" in conventional financing often faced by smaller companies, not to duplicate the financing of private lenders and developers. Therefore, only projects for which the assistance of the Loan Fund is "appropriate" will be considered.
- C. Projects which may be funded are:
 - 1) Acquisition of real property, provided such acquisition does not cause any displacement of persons or businesses;
 - 2) Construction, reconstruction, or rehabilitation of commercial or industrial buildings and other real property improvements;
 - 3) Acquisition and installation of machinery and equipment;
- D. Ineligible projects are:
 - 1) Restaurants.
 - 2) Business start-ups.
 - 3) Projects with 100% public financing.
 - 4) Projects causing displacement of residential, commercial, or industrial tenants.
- E. Features of the Loan Fund are:
 - 1) No application fee;
 - 2) No credit report fee;
 - 3) No points charged;
 - 4) Loan amounts between \$25,000 and \$300,000;
 - 5) Interest rate equals one-half ($\frac{1}{2}$) of the prime rate when presented to loan review committee;
 - 6) Terms up to ten (10) years, with the deferment of principal payments for up to two (2) years available. Extended amortization schedules with balloon payments are not available;
 - 7) Second collateral position negotiable, provided there is sufficient value. Third collateral position is not acceptable;
 - 8) Casualty and liability insurance required;

- 9) Personal guarantees required;
 - 10) "Key Man" life insurance will be required;
 - 11) Minimum 10% equity of total project cost down payment (owner's cash or in-kind contribution).
- F. Criteria which must be met by an applicant in order to determine whether Economic Development Loan Fund assistance is "appropriate" are as follows:
- 1) Leverage - a potential project must combine private sources of funding along with Loan funds. Loan funds cannot exceed 25% of total project costs. Greater private commitments are strongly encouraged.
 - 2) Jobs - At least 51 percent of new and retained jobs must be filled by low- and moderate-income persons. A job will be considered retained only if the applicant can demonstrate that an existing business would close or leave the County if Loan funds are not received. A potential project should provide at least one new permanent full-time job for every \$35,000 in Loan funds. Lower fund costs per job are encouraged.
 - 3) Taxes - potential projects must maintain or generate additional real estate and sales taxes for both the local community and the County. In addition, income taxes, municipal utility taxes and user charges should result from project implementation.
 - 4) Firm Private Commitments - potential projects must have firm financial commitments from private lending institutions and equity from the individual or company involved. The emphasis here is on firm commitments, which may be contingent upon receipt of the County loan, and completion of an environmental review.
 - 5) Preference will be given to direct operating businesses.
- G. The business will be required to enter into an employment referral agreement with the Cook County President's Office of Employment Training or the Northern Cook County Private Industry Council in order to help ensure that the new jobs are filled by low- and moderate-income persons.
- H. An environmental review will be required and performed by County staff. In addition, the County must receive a copy of the environmental audit completed on behalf of the proposed private lender.
- I. Davis-Bacon wage requirements and documentation apply to all construction and rehabilitation activities and may apply to machinery installation.
- J. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, applies to all real property acquisitions.

SECTION C: COMMERCIAL REHABILITATION

CDBG funds can be used to assist in the rehabilitation of commercial structures in neighborhood commercial areas. Improvements are limited to the correction of building code violations and renovation of facades. Code violations must be corrected prior to any facade work. Trade fixtures, equipment, and inventory are **not** eligible for funding under this category. Businesses located in the commercial structures should be primarily of a retail or service nature.

Commercial rehabilitation can qualify for CDBG assistance in one of two ways in order to meet a national objective.

1. Elimination of slum/blight on an area basis:

In order to qualify under this category, the applicant must meet all of the requirements listed in Appendix J of this Handbook. If the proposed area is experiencing a high vacancy rate, the applicant must provide an analysis that clearly determines the cause of the vacancies (e.g. competition from other areas; building obsolescence; rent cost per square foot, etc.), the continuing need for the commercial area, if in fact there is a market for it; and how the applicant will promote and market the area.

The applicant must perform a survey of the area to be qualified as slum/blight. Instructions for this task are found in Appendix J of this Handbook.

The advantage of using this category of eligibility, particularly after completing the above, is that all structures within the designated area, regardless of occupancy type, are eligible for assistance.

2. Principal benefit to low and moderate (L/M) income persons on an area basis:

In order to qualify under this category, the applicant must demonstrate that the business proposed for structural rehabilitation must have an identifiable trade area which serves primarily low and moderate (L/M) persons who represent 49.0 percent of L/M in the trade area. The applicant must demonstrate this through the provision of market area analysis for each business. Instructions for this task are found in the Subrecipient Application Form, Special Instructions - Commercial Rehabilitation section. Vacant buildings are not eligible for rehabilitation under this category unless a lease has been signed for a business meeting the trade area L/M benefit test. A business whose market does not serve low/moderate income clientele, such as an art gallery which sells expensive works of art, is not eligible under this category even if it is located in a low/moderate income neighborhood and/or commercial area.

This category is appropriate for a commercial area that has no proliferation of slum/blight conditions (less than 25 percent of structures), but rather a less obvious degree of substandard and deteriorating building conditions. The applicant should keep in mind that because the eligibility of a project under this category is qualified according to the trade areas of intended business participants, changes in participants will require a trade area analysis for each new type of participant.

Applicants are **STRONGLY ENCOURAGED** to qualify commercial rehabilitation under “Elimination of slum/blight on an area basis,” particularly where the majority of structures need renovation and /or a unified facade program is proposed along with correction of code violations.

In addition to qualifying this activity on the basis of one of the two national objectives, the applicant must also provide the following information with the project description:

1. A narrative which provides evidence that the project is needed and that the full cooperation from building owners has been established.
2. The financing mechanism being used. To the greatest extent feasible, private resources of at least 50 percent of the rehabilitation cost is required. The Block Grant portion of the rehabilitation cost must be in the form of a secured low interest loan.
3. To the extent feasible at the time of the application submittal, the addresses of the buildings to be rehabilitated.
4. Other public improvements in the designated area, regardless of funding source, to support rehabilitation activities.
5. A proposed policies and procedures manual governing the commercial rehabilitation program.

Successful applicants are advised that all code violations must be corrected in the rehabilitation of a structure prior to any cosmetic improvements such as facade renovation. The following requirements apply to commercial rehabilitation activities:

1. Each building must be reviewed for any potential historical significance and flood plain location;
2. Labor Standards/Davis-Bacon requirements apply where the cost is \$2,000 or more, regardless of the funding source;
3. The fair market value of the structure must be determined before rehabilitation along with existing debt to determine the financial feasibility of rehabilitation. The total debt after rehabilitation cannot exceed 95 percent of the post-rehabilitation fair market value.
4. Potential structures must be suitable for rehabilitation. Suitability includes:
 - A) all structural components of the building should be sound;
 - B) rehabilitation should extend the useable life of the structure for at least 10 years.
5. Code violation reports, rehabilitation specifications, bid documents, and contract documents are required for each building to be rehabilitated. These documents must be drafted by licensed building inspectors, rehabilitation specialists or architects.
6. All program income generated by a commercial rehabilitation must be returned to the County.

COOK COUNTY WILL NOT FUND A REHABILITATION ACTIVITY THAT WOULD CAUSE DISPLACEMENT OF BUSINESSES OR RENTER HOUSEHOLDS FROM COMMERCIAL STRUCTURES.

SECTION D: CAPITAL IMPROVEMENTS: Public Facilities and Improvements

Review the "Introduction" and "Part I" to determine the basis of eligibility.

Various community public facilities and improvement activities are eligible for funding under the Cook County Community Development Block Grant Program.

1. The following activities are eligible for funding under the specified conditions, except that equipment, on-going maintenance, repair, or operating expenses of facilities are not eligible under any circumstances:
 - A. Construction, reconstruction, or installation of public works, facilities (except for buildings for the general conduct of government), and site or other improvements. (See Policy Governing Use of Real Property, Appendix H.)
 - B. Physical redevelopment of streets, alleys, curbs, gutters, sidewalks, streetlighting, signs, traffic signals, street furniture, trees, culverts and other normal appurtenances to streets and structures facilitating the passage on, or usage of streets (excluding expressways and limited access highways and their appurtenances). Costs estimates for street-related improvements should be given on a street block by street block basis. Again, maintenance activities are not eligible for funding (e.g., pothole repair, seal coating, etc.).
 - C. Parks, playgrounds and other permanent recreational improvements.
 - D. Water and sanitary sewer facilities and storm drainage facilities, but not sewage treatment plants or interceptor sewers. Planning and construction of water and sewer facilities are subject to Executive Order 12372, which replaced OMB Circular A-95. A 60-day review period is required by local and/or state agencies charged with implementing E.O. 12372.
 - E. Acquisition, construction, reconstruction, rehabilitation or installation of distribution lines and facilities of privately-owned utilities, including the placing underground of new or existing distribution facilities and lines.
 - F. Activities to meet compliance with the Americans with Disabilities Act of 1990. Activities funded with CDBG funds will primarily involve alterations to existing facilities and include removal of architectural barriers, curb cuts for handicapped accessibility, renovation of washrooms, re-installation of drinking fountains, handicap ramp installation, elevator improvements, and the widening of doors and access ways.
 - G. Matching grants for other Federal, State or local programs of capital improvements which are eligible under this Part. Note: all funds involved in the project are subject to all CDBG statutes and regulations.
2. In general, the service area of all capital improvement projects must contain a concentration of low- and moderate-income persons of at least 49.0 percent. Census information is available at the Department of Planning and Development Offices.

3. Project delivery costs for capital improvements may include engineering fees, staff time, and other related expenses necessary to complete projects. Applications for funds to pay for these costs must be included in the requests for funds on a project-by-project-basis. (Note: Project delivery costs for capital improvements cannot exceed the lesser of 15% of the grant amount or \$40,000.)
4. Applications for capital improvement activities require that a project completion schedule and staff requirements to carry out the projects are included.
5. Applications for capital improvement projects must demonstrate how the public improvements to be carried out would support either housing or economic development activities.

Note: Under "Summary Project Description" please specify the exact work to be completed and the exact location(s). Specify if the proposed work is a replacement of existing facilities, or enlargement of existing facilities or construction of new facilities.

6. Labor Standards/Davis-Bacon requirements apply to all construction activities with costs of \$2,000 or more.

SECTION E: REAL PROPERTY ACQUISITION

1. Scope

Real Property Acquisition is defined as and encompasses any acquisition, in whole or in part, by purchase, lease, donation or otherwise of real property, including the acquisition of such interests as air rights, water rights, rights-of-way, permanent easements and the like.

2. Applicability of Federal Regulations

All real property acquisition activities described in this section and funded in whole or in part with Community Development funds, and all real property which must be acquired for an activity assisted with Community Development funds, regardless of the actual funding source for the acquisition, are subject to United States Department of Housing and Urban Development regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (The Uniform Act). Such regulations are currently contained in HUD Handbook 1378 and 49 CFR Part 24. These regulations detail a standard procedure for acquiring property, methods of determining a purchase price and outlines other documents which must be provided to the County prior to disbursement of funds. These regulations further require the applicant to provide relocation payments and assistance to any business or residential occupant of the property who will be displaced by the acquisition. **(Note: The County will not fund any acquisition which requires relocation)**. The applicant is strongly advised to read and review the federal regulations contained in HUD Handbook 1378 and 49 CFR Part 24 prior to the submission of the application. Copies of these two documents are available through the Cook County Department of Planning and Development.

3. Eligible Subrecipients

All subrecipients eligible to receive Community Development funds are eligible to apply for and to undertake Real Property Acquisition activities. This includes eligible public agencies, private non-profit organizations, and in limited circumstances, acquisition for economic development projects and private for-profit organizations. However, most acquisition projects are undertaken by municipal subrecipients who have powers of condemnation. Other types of applicants who do not have authority to condemn property, but wish to apply for acquisition funds must indicate the probability of a voluntary sale, based on the fair market value (to be determined by an independent appraiser). The use of signed sales contracts are not permissible to indicate the probability of a voluntary sale. Non-profit and for-profit organizations, at the determination of the County, may be exempt from certain federal regulations contained in HUD Handbook 1378.

4. Eligible Activities

Real Property may be acquired for a project utilizing Community Development funds where the proposed use of the acquired property will contain an activity which can be demonstrated to principally benefit low- and moderate-income persons. It is the applicant's responsibility to reasonably demonstrate and certify in the application that the real property proposed to be acquired will be for an eligible use. The County will review the application for adherence with the above basic eligibility criteria. If funded, the acquisition grant shall be conditioned upon the applicant carrying out the eligible activity as proposed.

5. Ineligible Activities

Real Property Acquisition Projects which are not eligible, under any circumstances, include, but are not limited to:

- a. Acquisition of real property for the use of general government, such as City Halls, courthouses, jails, and police stations;
- b. Land banking activities where the specific use of the property to be acquired has not been determined.

6. Eligible Costs

Applicants may apply for and be granted Community Development funds for the purchase price of the real property, and for direct costs associated with such acquisition. The applicant may apply for project delivery cost funds for eligible expenses required to complete the project (e.g., legal fees, appraisal services, title reports, etc.). A Line Item Budget must be completed for the use of these funds for each project. Project Delivery Costs cannot exceed 15% of the grant request.

- a. **Purchase Price:** The full amount of the purchase price is eligible for grant assistance. Federal regulations governing Community Development funds require that an independent appraisal be made of the property to be acquired and the appraisal reviewed by a second independent appraiser. The amount identified in the review appraiser's report as fair market value and just compensation must be offered to the property owner. Unless documented otherwise and approved by the County, this amount shall be the purchase price and must be paid by the Subrecipient to the property owner regardless of the amount of Community Development funds granted. It is therefore important that the applicant carefully estimate the expected fair market value of the property at time of acquisition in the application.

Underestimating on the part of the applicant may cause the applicant to incur additional unexpected costs. Overestimating, on the other hand, may reduce the chance of funding with Community Development funds. The applicant must state in the application the methods by which the expected fair market value of the property has been determined.

- b. **Direct Costs:** Direct costs associated with real property acquisition are eligible for grant assistance. Direct costs include the cost of required appraisals, title reports and the Subrecipient's legal fees. To be eligible for payment for these direct costs, however, the Subrecipient must follow federal procurement procedures as outlined in 24 CFR Section 85.36 or 24 CFR Section 84.40 through 84.48, as applicable. As with the purchase price, the applicant is advised to carefully estimate the amount of direct costs.

7. Funding

Real Property Acquisition projects may be undertaken utilizing 100 percent Community Development funding, a mixture of Community Development funding and funding from local sources, or may be totally locally funded. **Regardless of the specific funding source**, all real property which must be acquired for an assisted activity, and any real property acquisition

project funded in whole, or in part, with Community Development funds, is subject to the United States Department of Housing and Urban Development regulations implementing the Uniform Act (See Subpart 2: Applicability of Federal Regulations). In cases where real property will be acquired in whole, or in part, with local funds, the County shall require the establishment of an escrow account where such funds shall be deposited prior to the Subrecipient's issuance of a formal offer to purchase. In cases where real property is acquired with Community Development funds, a mortgage lien on the property, naming Cook County, Illinois as Mortgagee, shall be required.

8. Minimizing Displacement

The applicant for a real property acquisition grant must indicate the current use and activity of the property in its application. Consistent with the County policy on displacement and because of current funding levels, **no acquisition project shall be funded which requires any business or household to be relocated from the proposed acquisition site.**

9. Environmental Review Required

HUD requires that all real property acquisition projects be reviewed prior to the commitment of federal funds in order to assess the impact of a project on the environment. This review shall be undertaken by the County. The applicant should be aware that this review process may delay the date by which Community Development funds may be available, and in the event of serious adverse environmental impacts, may effectively stop a project.

SECTION F: CLEARANCE ACTIVITIES

CDBG funds may be used for clearance and demolition, under certain circumstances, which includes removal of abandoned, dilapidated or unsafe structures and clearance of blighted parcels.

This activity qualifies under the category of elimination of slum and blight on a spot basis

Reimbursement for demolition costs is contingent upon the satisfactory submittal of the required documentation. In the event that an applicant is considering doing a demolition by consent agreement, please have your attorney contact the Department to discuss the consent agreement prior to entering into the agreement.

Demolition Program Guidelines

1. General:

Cook County sets aside a pool of funds for the County-wide Demolition Program. Urban County members may apply for these funds at any time during the program year and as long as funds are available. The set-aside fund is limited to activities where the cost per parcel is estimated to be under \$20,000.

Clearance costs required as part of an approved project must be applied for through the County's Demolition Program. Project related clearance costs will be considered on a priority basis. Both CDBG-funded project-related clearance cost (i.e. legal) and the clearance activity itself are subject to Federal procurement requirements found at 24 CFR Part 85.36.

2. Displacement:

As part of the County's policy to minimize displacement, CDBG funds may not be used to demolish any occupied structure. Further, funds may not be used to demolish any vacant occupiable dwelling unit. A vacant occupiable dwelling unit is defined as a unit that has been occupied at any time within one year prior to the date of application to the County's Demolition Program.

Environmental Assessments, Historical Preservation and Action in Flood Plains

Federal regulations governing CDBG require an environmental assessment for each demolition and clearance activity before funds can be obligated by the County or a subrecipient.

The nature of the Demolition Program makes this requirement difficult to fulfill and time consuming. Therefore, the United States Department of Housing and Urban Development has recommended that a multi-year environmental assessment be undertaken for those communities expected to undertake demolition and clearance activities on a regular basis. Each unit slated for demolition, however, must still be cleared through the State Historic Preservation Office, which requires original photographs, not copies, of each structure to be demolished. The proposed demolition site will then be examined for location in a flood plain. If a structure slated for demolition is located in a flood plain, the required public notification must occur before a notice to proceed with the demolition is issued.

Where structures are to be demolished outside of those municipalities with a multi-year environmental assessment, a full environmental review must be completed for each demolition. The only emergency

situations recognized by HUD are those resulting from "an act of God", such as tornadoes, hurricanes, earthquakes, etc.

Policy Governing Liens

The County's policy governing demolition liens is as follows:

Liens must be recorded against each property cleared utilizing County Demolition Program funds in an amount not less than the total Block Grant funds forwarded for the demolition of each property.

- A. General procedures applicable to the removal of structures located on privately owned property are as follows:
 - 1. The municipality will record a Notice of Lien naming itself as claimant.
 - 2. The municipality will execute, and return to the County, an Assignment of Lien naming "Cook County, Illinois" as assignee.
 - 3. A Mortgage and Demand Note for consensual demolitions of secondary structures (available from the County) must be recorded.
- B. General procedures applicable to the removal of structures located on publicly owned property are as follows:
 - 1. The public entity will execute, and return to the County, a Demand Note and Mortgage naming "County of Cook, Illinois" as Mortgagee.
 - 2. The County will not institute foreclosure proceedings, provided the use of said property does not change.

Contract Compliance

A. **Bidding Procedures**

Applicable state law and 24 CFR Part 85.36 set forth bidding requirements which must be followed for the procurement of demolition contractors, licensed well cappers, attorneys and related demolition work.

In general, bidding must be open and receipt of at least two (2) bids is preferred. The lowest, responsive, responsible, qualified bidder must receive the contract award. It is a national policy to award a fair share of contracts to minority business firms. Accordingly, affirmative steps must be taken to assure that minority businesses are utilized when possible as sources of needed work or services. Affirmative steps shall include the following:

- 1. Include qualified minority businesses on solicitation lists.
- 2. Assure that minority businesses are solicited whenever they are potential sources.

3. Prior to the time for advertisement of bids, contact County staff regarding procurement procedures and minority business directory(s).

In the process of developing guidelines on procurement process and new information will be forthcoming.

B. Davis-Bacon Act Requirements

Demolition Work, standing alone, is not subject to the prevailing wage requirements of the Davis-Bacon and related Acts. For example, the demolition of a building because such structure is no longer needed would not, in itself, be deemed a covered construction activity. If this existing building is being demolished as a phase of a covered construction project, the demolition would be deemed covered.

Therefore, if the cost of demolition is estimated to be greater than \$2,000, and redevelopment of the site is planned, the municipality must contact the planner assigned to your community before the contract specifications are prepared.

C. Sealing of Abandoned Water Wells

Unsealed abandoned wells constitute a hazard of public health and welfare. The sealing of such wells presents a number of problems, the character of which depends upon the construction of the well, the geological formations encountered, and the hydrologic conditions.

The basic concept of properly sealing abandoned wells is the restoration, as much as feasible, of the controlling geological conditions that existed before the well was drilled and constructed.

Each proposed demolition site must be closely examined to determine if an unsealed abandoned water well exists. If such a well does exist, Section 9 of the Illinois Water Well Construction Code Law (415 ILCS 30/9) applies, and must be included in bid specifications. A copy of the executed Water Well Sealing Form must accompany a request for payment submitted by a municipality to the County.

SECTION G: PLANNING ACTIVITIES

Planning activities consist of the costs for data collection, studies, needs identification, analysis, and the identification of alternative actions that will implement such plans.

Identification of the purpose for the planning activity should be fully described in the narrative section of the Project Summary. Proposed accomplishments should clearly identify the client base for the planning study and the expected end results.

Eligible planning activities are limited to the following:

1. Neighborhood community development;
2. Affordable housing;
3. Economic development;
4. Historic preservation;
5. Capital improvements, excluding engineering and design costs related to specific projects;
6. Strategies to implement plans.

NOTE: No more than 20% of the County's entitlement amount can be spent for the sum of program administration, fair housing activities, and planning activities. Marketing and any related materials, brochures, videos, etc. are not eligible.

SECTION H: PUBLIC SERVICE ACTIVITIES

CDBG funds may be used to provide Public Service Activities provided these activities meet the low and moderate income national objectives as an area benefit or limited clientele. Public Service Activities must be either a new service or contain a quantifiable increase in the level of service provided over the past 12 months.

Identification of the reasons or purpose for the public service activity should be fully described in the narrative section of the Project Summary. Proposed accomplishments should clearly identify the client base that the public service activity will serve.

Public Service Activities include, but are not limited to:

1. Housing Counseling Activities
2. Services for Senior Citizens and Disabled Persons
3. Services for Homeless Persons
4. Drug Abuse counseling and treatment.

If funded, documentation will be required to show that either the Public Service Activity is available to all residents in a particular area which is primarily residential and in which at least 51% are low- to moderate-income (L/M Income) persons (L/M Area Benefit); or the Public Service Activity is limited to a specific group of people who are generally presumed to be principally L/M income persons (L/M Limited Clientele).

Contact with the County is strongly suggested to determine project eligibility and sources of documentation **prior** to submission of an application for CDBG assistance.

APPENDICES

APPENDIX A

ENVIRONMENTAL REVIEWS

I. The Purpose

- A. Each activity assisted by the Community Development Block Grant (CDBG) Program must comply with regulations outlined in the National Environmental Policy Act (NEPA). Each CDBG assisted project shall undergo an Environmental Review based on the United States Department of Housing and Urban Development procedures as found in 24 CFR Part 58 in tandem with NEPA regulations.
- B. The Environmental Review process identifies and evaluates environmental impacts of a proposed action. Cumulative impacts and the physical and social environmental effects of a project are examined. The Review determines the environmental significance of a project to an area and an area to a project. The Environmental Review can be a useful planning tool to determine if project modifications are necessary or in determining future development in this area. **NOTE: The environmental review is not a substitute for an environmental audit.**

II. The Evaluation

- A. **Stages.** Each project is reviewed for an overview of the action and its compliance with regulations, including:
 - 1. A basic assessment of the project, its probable results and consequences.
 - 2. A check for compliance with applicable Statutes, Executive Orders and regulations other than HUD's.
 - 3. An evaluation to determine if the project will have a significant effect on the physical or social environment.
- B. **Base Criteria.** The environmental review can lead to a detailed base examination of a project's action. A base for this evaluation starts with the following criteria:
 - 1. Will the action change the size, use, capacity, character or location?
 - 2. Will the action change land use or increase density?
 - 3. Is the action administrative, with no resulting development or construction?
- C. **Decision.** The Environmental Review will result in a determination of the impact of the project's actions.
 - 1. A finding will be made that the project is exempt from further environmental review.
 - 2. A categorical exclusion determines that the action should have no significant adverse effect on the environment. The project, however, must still meet applicable Statutes, Orders and regulations.

3. An Environmental Assessment will be written if the project may have an effect on the environment. It is necessary to conduct further investigations of the effects on the physical and social environment in addition to an examination of feasible alternatives.
4. An Environmental Impact Statement will be required if the actions are found to have a significant effect on the human environment.

D. Public Review Procedures. Each Environmental Review for a project is completed in random order. The Cook County CDBG program will conduct the Review.

1. An Environmental Assessment requires a comment period for both the general public and HUD officials. The finding of no significant impact requires a public notice and HUD review with a cumulative comment period of approximately 32 days.
2. Regulations include restrictions on activity in a floodplain. If an action will be within a flood hazard zone, a detailed examination of the project is necessary, along with an interagency notice and public notices with a cumulative comment period of approximately 65 days.
3. No funds can be obligated until the "Notice to Proceed" has been issued from the County. This "Notice to Proceed" cannot be issued until appropriate comment periods have expired, and HUD has issued and the County has received, a "Release of Grant Conditions".

APPENDIX B

POLICY GOVERNING PROJECT CHANGES

APPLICABILITY

The policy contained herein applies to all Block Grant Program Funds regardless of the original fiscal year designation.

DEFINITION

Project Amendment - occurs when the subrecipient requests and receives County approval to:

1. Drop an approved project, or
2. Create a new project; subject to County Board approval, or
3. Change the location of an approved project, or
4. Substantially change the approved scope of work.

TIMING

The County will review preliminary requests for eligibility, feasibility and principal benefit. The County will then notify the subrecipient if a request for project change is acceptable. Upon positive notification by the County, the subrecipient must submit a formal request for project amendment. If the request is for a change in the use of CDBG funds from one eligible project to another, the subrecipient must make the request available for public comment for a 30-day period before final approval.

PRELIMINARY REQUEST

The preliminary request to change projects shall contain:

1. Subrecipient Application Form.
2. Attachments required for specific projects, per special instructions.
3. Project Summary, per special instructions.
4. Narrative clearly stating why change is necessary.

Upon notification from the County of the acceptability of the preliminary requests, the subrecipient will be authorized to submit a formal request.

FORMAL REQUEST

The formal request for project amendments shall contain:

1. A certified copy of the notice of public hearing. Said notice shall afford at least a 10 day comment period, or a 30-day comment period if the amendment is to use CDBG funds for a different project, and shall be made through publication in the **non-legal section** of community newspapers, posting of notices in public places, i.e., municipal buildings and schools, and mailings to civic organizations and neighborhood groups.
2. A certified copy of the minutes of the public hearing.

3. A certified copy of the subrecipient Board resolution requesting the project amendment to include specific project numbers, project titles and dollar amounts. Contact the County prior to passage of your resolution for review of the resolution.

APPROVAL

New projects require County Board approval.

The County will then issue a "Summary Budget" formally authorizing a project change. The County will notify HUD of each approved project change. The "Summary Budget" does not constitute a "Notice To Proceed". A new "Notice To Proceed" will be issued separately. Do not commit any funds until receipt of the new "Notice to Proceed".

If the project amendment is substantial, an environmental review may be required. See Appendix A. This would delay the issuance of the "Notice to Proceed."

APPENDIX C

PROGRAM INCOME

The County of Cook is responsible to the United States Department of Housing and Urban Development for all income generated from the use of Community Development Block Grant funds. Program income, with the exception of income generated from certain residential rehabilitation programs, must be returned to Cook County upon its receipt by the Subrecipient. The County will reissue the funds as needed for pre-approved, eligible activities.

Definition: "Program Income" - gross income received by a subrecipient and directly generated from the use of Community Development Block Grant funds. Program income includes, but is not limited to, the following:

1. Repayment of loans for residential rehabilitation of private property, including installment loans or deferred payment forgivable loans.
2. Proceeds from residential rehabilitation mortgages when titles transfer.
3. Proceeds from the sale of property acquired or improved with CDBG funds pursuant to CDBG Regulations governing the use of real property.
4. Collection of liens, e.g. demolition costs funded with CDBG funds, including:
 - a. proceeds from the sale of property acquired through Quit Claim Deed voluntarily submitted by owner in lieu of demolition lien;
 - b. proceeds from the sale of property acquired at a Sheriff's Auction, as a Sheriff's Deed, upon foreclosure of a demolition lien;
 - c. cash payment by owner for amount of lien; or
 - d. mortgages collected as the result of the sale of property to a third party.
5. Proceeds from the sale of homes purchased and/or rehabilitated with CDBG funds.
6. Rental income realized from occupants of acquired property.
7. Repayment proceeds from Economic Development loans.
8. Proceeds from mortgage foreclosures and judgments on notes.

NOTE: CDBG funds disbursed to subrecipients by Cook County for approved pay-outs cannot be deposited in interest-bearing investment instruments or accounts. Therefore, interest earned is not program income. Interest earned in this manner would cause an audit finding and must be returned to the United States Treasury.

Policy Governing the Use of Program Income

1. Eligible uses: activities are limited to those listed in the "Handbook of Eligible Activities" and must be undertaken in accordance with all rules and regulations governing the use of CDBG.
2. Program income generated by both subrecipients and County programs will be reprogrammed by the County.
3. Program Income should be made payable to:

"Cook County Treasurer" and mailed to:

Cook County Dept. of Planning and Development
ATTN: Business Manager
69 West Washington Street, Suite 2900
Chicago, IL 60602-3007

Pre-Approved Economic Development Loan Funds: Residential Rehabilitation

Recordkeeping requirements:

1. The Economic Development loan program must be pre-approved by the County.
2. Program income must be accounted for separately from the grant amount from which it was generated. It shall not be added to the original grant amount.
3. In all instances of the generation of program income loan funds, quarterly financial reports must be made to the Cook County CDBG Staff Accountant.
4. In all instances of pre-approved residential rehabilitation loan funds, the program income must be substantially disbursed before requesting funds from an existing CDBG grant. Drawdowns from the County cannot be deposited in interest bearing accounts (see Note above).
5. Interest earned on program income must be returned to the County on an annual basis. Make the check payable to "Cook County Treasurer".

APPENDIX D

SECTION 8 INCOME GUIDELINES

<u>Number of Persons</u>	<u>Low Income Limits of Family or Household</u>	<u>Very Low Income Limits for Family or Household</u>	<u>Extremely Low Income Limits for Family or Household</u>
1	\$42,200	\$26,400	\$15,850
2	\$48,250	\$30,150	\$18,100
3	\$54,250	\$33,950	\$20,350
4	\$60,300	\$37,700	\$22,600
5	\$65,100	\$40,700	\$24,450
6	\$69,950	\$43,750	\$26,250
7	\$74,750	\$46,750	\$28,050
8+	\$79,600	\$49,750	\$29,850

(Published 02/08)

Please note: The new Section 8 Income Guidelines will be published by HUD in February, 2009.

(Revised December, 2008)

APPENDIX E

POLICY GOVERNING DISPLACEMENT:

Cook County Residential Antidisplacement and Relocation Assistance Plan

INTRODUCTION

In response to the requirements under the regulations of 24 CFR 570.606 regarding relocation, displacement and acquisition activities, the County, in the award, amendment, and/or monitoring of projects involving the use of federal Community Development Block Grant (CDBG) funds, hereby makes this document its "Cook County Residential Antidisplacement and Relocation Assistance Plan."

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 ("The Uniform Act"), effective for all HUD assisted programs, regulates activities involving the following project types: acquisition, rehabilitation, demolition, and privately undertaken acquisition activities (economic development) carried out as part of a federally assisted project or program. Rehabilitation activities include single-family, multi-family and commercial rehabilitation projects. Any relocation activities required by these types of projects are governed by this displacement plan.

I. The policy minimizing displacement and providing relocation assistance to persons involuntarily and permanently displaced by activities of the Community Development Block Grant Program is as follows:

A. **Minimizing Necessary Displacement**

It shall be the policy of the Cook County Community Development Block Grant Program to recommend and approve for funding, Community Development projects which will minimize to the greatest extent feasible, the displacement, whether permanently or temporarily, of persons (hereby defined to include families, individuals, businesses, non-profit organizations or farms) caused by the use of CDBG funds awarded, in whole or in part, for projects involving single- or multi-family rehabilitation, acquisition, commercial rehabilitation, demolition, economic development, or capital improvement activities. In furtherance of this policy, the County will, to the greatest extent feasible, avoid funding projects which cause displacement. Projects which are deemed beneficial, but which may cause displacement may be recommended and approved for funding only if it has been demonstrated that such displacement is necessary and vital to the project and efforts have been taken to reduce the number of persons required to be displaced. Further, it shall be the policy of the Cook County Community Development Block Grant Program to recommend and approve for funding those projects which may cause such displacement only when it has been clearly demonstrated that the goals and anticipated accomplishments of a project clearly outweigh the adverse effects of displacement imposed upon persons who must relocate.

B. **Mitigating Adverse Effects of Necessary Displacement**

It shall be the policy of the Cook County Community Development Block Grant Program to provide relocation assistance to all persons directly, involuntarily, and permanently displaced by a CDBG assisted project involving acquisition of real property, demolition, rehabilitation or economic development activities as required and in compliance with HUD regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of

1970 (Public Law 91-646), as amended. The cost of relocation assistance may be paid from local public funds, CDBG funds, or funds available from other sources. Further, it shall also be the policy of the Cook County Community Development Block Grant Program to provide relocation assistance to all low- and moderate-income households who are directly, involuntarily, and permanently displaced by, or for, assisted activities which are excluded from HUD regulations implementing Public Law 91-646. This assistance shall be provided expressly for the purpose of mitigating the adverse effects upon low- and moderate-income households who must be displaced in order to carry out an approved project. This assistance shall be as follows:

1. The referral to housing counseling centers within the County and the provision of specific referrals to comparable housing as necessary prior to displacement;
2. The issuance of priority status for the Section 8 Housing Assistance Payments Program for income qualified households relocating within the jurisdiction of the Housing Authority of the County of Cook;
3. The provision of a Moving and/or Storage Expense Payment not to exceed an amount based on the applicable schedule approved by the Federal Highway Administration, for each household displaced; and;
4. In instances where displacement is of a short-term temporary nature due to rehabilitation work that is not conducive to staging the work, the CDBG program may, on a case-by-case basis, determine that certain payments are in order as outlined and identified in Item II-B.

II. The policy providing relocation assistance to persons involuntarily and temporarily displaced by activities of the Community Development Block Grant Program is as follows:

A. Payments to Mitigate Locally Produced Adverse Effects

It shall be the policy of the Cook County Community Development Block Grant Program to allow local communities and non profit entities the right to determine that payments to displaced persons are required in order to mitigate any adverse effects of displacement which may be specific to a locality. Such local determination shall be in accordance with 24 CFR Part 570.606(d) of the Federal regulations governing the Community Development Block Grant Program and shall be consistent with this County policy. Further, any such local determination must be deemed appropriate by the Cook County Community Development staff prior to its enactment by the locality and reasonable in relation to the amount of available funds.

B. Payments for Short-Term Temporary Relocation Expenses

In concert with the provisions of Item I, it shall be the policy of the Cook County Community Development Block Grant Program to provide certain relocation payments to low- and moderate-income households involuntarily and temporarily displaced by, or for, a CDBG assisted project under the following temporary relocation procedures:

1. Temporary residential relocation may occur for a period of at least one day and for no more than 30 days under this policy. Any temporary residential relocation beyond 30 days must be clearly detailed in writing in advance and be approved by Cook County prior to any temporary displacement activity occurring.

2. Owner/occupants and/or tenants of structures that are being rehabilitated with Cook County CDBG funds may be eligible for temporary relocation assistance. This assistance only applies to those persons residing in the structures at the time the rehabilitation application is originally received by the County.
3. A structure is considered eligible if the condition of the unit has been declared in writing by the Subrecipient building code inspector to be temporarily uninhabitable because of the required rehabilitation activities.
4. If the structure and its occupants are determined to be eligible for temporary relocation assistance as defined in parts 2 and 3 of this Section of this policy, the owner/occupant and/or tenants shall be eligible for the actual reasonable cost of temporary lodging facilities until the unit is determined by the Subrecipient building inspector to be habitable once more. Approved lodging accommodations include hotels, motels, apartments, or a friend's or relative's home. The lodging allowances must be approved in advance for reasonableness by the local Subrecipient rehabilitation official and Cook County.
5. If it becomes necessary to rent a dwelling unit for the maximum allowed period of temporary relocation under this policy, 30 days, then a living unit of appropriate size and condition as defined by the Section 8 Housing Quality Standards may be rented (including utilities) not to exceed the appropriate Section 8 Fair Market Rent schedule. The local Subrecipient rehabilitation official and Cook County must approve in advance any unit and its rent level before acceptance.
6. If the rented unit is unfurnished, funds may be granted for moving furnishings from the home to the rented unit and returned to the home. These moving expenses must not exceed an amount based on the applicable schedule of the Federal Highway Administration. The local Subrecipient rehabilitation official and Cook County must approve in advance any request for moving expenses.
7. Any expenses incurred and approved by actions undertaken under the provisions of this policy should be submitted to Cook County by Subrecipients for payment from Cook County's Temporary Relocation Payment Fund. Complete documentation and receipts will be necessary to approve such submissions.
8. **Any change or exceptions to the provisions and procedures identified in this policy must be approved by Cook County prior to the start of the displacement causing project.**

APPENDIX F

POLICY GOVERNING ONE-FOR-ONE REPLACEMENT DWELLING UNITS

Cook County will avoid awarding funds for displacement causing activities. Should a displacement causing activity project be funded, appropriate documentation in sufficient detail must be included as part of an application for funding from the County. In response to funding displacement causing activities, the County may need to document the replacement of all occupied and vacant occupiable low/moderate-income dwelling units demolished or converted to another use as a direct result of funding provided under the Housing and Community Development Act of 1974, as amended, as described in 24 CFR 570.606(b)(1).

Before obligating or expending funds that will directly result in such demolition or conversion, Cook County will make public and submit to the HUD Field Office the following information in writing:

1. A description of the proposed assisted activity;
2. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be demolished or converted to a use other than low/moderate-income dwelling units as a direct result of the assisted activity;
3. A time schedule for the commencement and completion of the demolition or conversion;
4. The general location on a map and approximate number of dwelling units by size (number of bedrooms) that will be provided as replacement dwelling units;
5. The source of funding and a time schedule for the provision of replacement dwelling units; and
6. The basis for concluding that each replacement dwelling unit will remain a low- or moderate-income dwelling unit for at least 10 years from the date of initial occupancy.

The County will assure that relocation assistance is provided as described in 570.606(b)(2), to each low-/moderate-income household displaced by the demolition of housing or by the conversion of a low-/moderate-income dwelling to another use as a direct result of assisted activities. The cost of relocation assistance may be paid from local public funds, CDBG funds, or funds available from other sources.

Consistent with the goals and objectives of the activities assisted under the Act, Cook County will take the following steps to minimize the displacement of persons from their homes:

1. The County, through the Department of Planning and Development, will follow the policies and recommendations for funding projects that minimize, to the greatest extent feasible, displacement causing activities as outlined in Appendix E, The Cook County Residential Antidisplacement and Relocation Assistance Plan.
2. The County will avoid funding any project causing displacement of persons or businesses.
3. The County will only demolish vacant and unoccupiable structures that are substandard and can not be economically rehabilitated into standard units. The County **will not demolish** vacant occupiable structures that have been occupied within the last year.
4. The County will avoid funding any project that involves the conversion of low/moderate income dwelling units to non-residential purposes.

APPENDIX G

POLICY GOVERNING USE OF REAL PROPERTY

The standards described apply to real property within the recipient's control that was acquired or improved in whole or in part using CDBG funds. These standards shall apply from the date CDBG funds are first spent for the property until five years after the project is audited and closed.

- (a) A subrecipient may not change the use of any such property (including the beneficiaries of such use) from that for which the acquisition or improvement was made unless the recipient provides affected citizens with reasonable notice of, and an opportunity to comment on, any such proposed change, and either:
 - 1. The new use of such property qualifies as meeting one of the national objectives and is not a building for the general conduct of government; or
 - 2. The requirements in paragraph (b) are met.
- (b) If subrecipient determines, after consultation with affected citizens, that it is appropriate to change the use of the property to a use which does not qualify under paragraph (a)(1) of this appendix, it may retain or dispose of the property for such use if the Cook County CDBG program is reimbursed in the amount of the current fair market value of the property less any portion thereof attributable to expenditures of non-CDBG funds for acquisition of, and improvements to, the property.
- (c) If the change of use occurs within five years of the project being audited and closed, income from the disposition of the real property shall be returned to the Cook County CDBG Program.
- (d) Following the reimbursement of the CDBG program pursuant to paragraph (b) of this section, the property is no longer subject to any CDBG requirements.

APPENDIX H

INELIGIBLE ACTIVITIES

The purpose of this section is to identify activities which are **statutorily not eligible** for CDBG assistance to local governments. Ineligible activities include, but are not limited to:

1. Buildings, or a portion thereof, used for the general conduct of government, except for the removal of architectural barriers to accommodate disabled persons.
2. General government expenses.
3. Operating expenses, maintenance or repair of publicly owned streets, parks, playgrounds, water and sewer facilities, neighborhood facilities, senior centers, centers for persons with disabilities, parking and other public facilities and improvements, and services.
4. Political activities.
5. Construction equipment, police equipment, etc.
6. Equipment which is not an integral, permanent fixture for an otherwise eligible activity.
7. New housing construction.
8. Entertainment.
9. Income payments, such as payment for income maintenance and housing allowances.
10. Construction or rehabilitation of churches or any religious building.
11. Improvements to real property not owned by the grant applicant.

APPENDIX I

REVIEW AND APPROVAL PROCEDURE FOR SLUM/BLIGHT DESIGNATION ON AN AREA BASIS

To qualify a project as addressing slums or blight on an **area basis**, the proposed project must meet the following criteria:

1. The area must meet a definition of slum or blighted area under State law, including all reports, documentation and public hearing process required by the State law selected;
2. The area must be clearly delineated;
3. At least 25 percent of all the buildings in the area must be in a state of deterioration; **or**

Public improvements throughout the area are in a general state of deterioration. It is insufficient for only one type or public improvement, such as a sewer system, to be in a state of deterioration; rather, the public improvements taken as a whole must clearly exhibit signs of deterioration;
4. The proposed project(s) must address one or more of the conditions which contribute to the slum/blight condition of the area.

A municipal resolution is required that specifically identifies the slum/blight area, and incorporates the above-cited items 1 through 4. The Staff Attorney assigned to the Block Grant Program will review said resolution, which must also meet the requirements of State statutes.

Applicants are required to document activities that qualify as eliminating slums and blight on an area basis. Said documentation must include:

1. A clear map delineating the area boundaries; and
2. A description of the conditions which qualified the area at the time of its designation in sufficient detail to demonstrate how the area qualified, including the following:
 - a. Building survey, include code violations for structures deemed substandard
 - b. Local definition of "substandard"
 - c. Details and scope of CDBG-assisted rehabilitation, by structure
 - d. Public Improvements - engineering survey/analysis documenting the condition of all public improvements to the extent necessary to qualify the area.

County planning staff will review the above-cited items 1 and 2, and conduct a site visit to the proposed slum/blight area.

In consultation with the Staff Attorney, County planning staff will determine if the proposed slum/blight area is qualified. In instances where the evidence submitted does not clearly indicate the area to be slum/blight, the County will forward the resolution and documentation to HUD for assistance in making a final determination.

APPENDIX J

MUNICIPAL FAIR HOUSING PLAN

NEW OR AMENDED PLAN

Applicants for Community Development Block Grant (CDBG) funds in 2009

The county requires municipalities that apply for Community Development Block Grant funds to have a Fair Housing Plan. The "Cook County Consolidated Community Development Plan 2005 - 2009" includes an amendment to the Cook County Fair Housing Action Plan that may require your municipality to amend its Fair Housing Action Plan, if you intend to apply for Community Development Block Grant (CDBG) funds in 2009.

A Fair Housing Action Plan is required as part of a municipal application for 2009 CDBG funds. Applications for 2009 CDBG funds will be due February 20, 2009. If your municipality is granted 2009 CDBG funding, your governing body must approve a Fair Housing Plan prior to signing an agreement with the county.

Amendment to the Cook County Fair Housing Action Plan

The Cook County Department of Planning and Development, Cook County Commission on Human Rights, and non-profit fair housing organizations performed an analysis of the major impediments to fair housing choice in the county and how to address them. Ten of the impediments are addressed in the amendment to the Cook County Fair Housing Action Plan.

The amendment includes a requirement that municipalities receiving federal funds from the CDBG Program administered by the county have a Fair Housing Action Plan that includes all of the protected classes in the Cook County Human Rights Ordinance and specific actions to actively further fair housing. The required components of a fair housing plan and the "Amendment to the Cook County Fair Housing Action Plan" are attached.

Fair Housing Performance Measurement

If your municipality submitted an acceptable fair housing plan with the 2008 CDBG Application, your 2009 Application must include a description of the fair housing actions carried out over the past year and the results of those actions.

MUNICIPAL FAIR HOUSING PLAN

MINIMUM REQUIREMENTS

APPLICABILITY

The requirement to have a new fair housing action plan, if the municipality has no fair housing action plan, or amended fair housing action plan, if the municipality has a fair housing action plan that does not include all the required components listed below, applies to all municipalities applying to the county for federal funds.

FAIR HOUSING ACTION PLAN REQUIREMENTS

At a minimum, a fair housing action plan must include the following components.

Protected Classes

A municipal fair housing action plan must include the protected classes that are in the Cook County Fair Housing Action Plan, as amended. People must be protected from discrimination in housing when it is “based upon a person’s race, color, sex, age, religion, disability, national origin, ancestry, sexual orientation, marital status, parental status, military discharge status, source of income, gender identity, or housing status.”

Actions to Promote Fair Housing

Specific actions that the municipality will take to actively further fair housing, including fair housing education and outreach, for current and prospective residents. This may include such actions as brochures for residents and Realtors and community programs/meetings to promote diversity in its population. These activities should be multi-lingual, if appropriate. The actions should be based on a community’s particular circumstances.

Performance Measurements

HUD has established a mandatory Performance Measurement System for recipients of federal funding. The outcomes (quantifiable results) of each activity must be reported to the county for inclusion in HUD reports. The outcome indicators for each type of activity are listed on the following page. A performance measurement system that will allow the municipality and the county to determine if the fair housing actions have been taken and what outcomes these actions have produced.

Fair Housing Complaints

Provide a mechanism for investigating fair housing complaints. If a municipality does not have the resources to investigate fair housing complaints, include in the plan a commitment to refer complaints to the Cook County Human Rights Commission or a fair housing organization for investigation.

AMENDMENT TO THE COOK COUNTY FAIR HOUSING ACTION PLAN

Public Sector Impediments	Proposed Actions of Cook County	Measurements
Not all categories of protected classes in the County Human Rights Ordinance are included in the County Fair Housing Action Plan.	Add to the County Fair Housing Action Plan the categories of protected classes in the County Human Rights Ordinance that are not already included.	The County Fair Housing Action Plan is amended to include these protected classes.
Municipalities that have not updated their fair housing plans.	Require subgrantees to update their plans, if necessary, to include all of the protected classes in the Cook County Human Rights Ordinance and actions to actively further fair housing.	Annually review plans for compliance and monitor subgrantees to ensure that they are carrying out the proposed actions.
Municipalities that are not involved in educational outreach regarding fair housing.	Provide fair housing education and awareness to municipalities through fair housing organizations.	Number of municipalities that get involved in educational outreach.
Some municipalities do not have the resources to address fair housing issues, including investigating and litigating fair housing complaints.	Identify these municipalities through the annual review of plans and refer them to the Cook County Human Rights Commission as a resource.	Number of municipalities that refer complainants to the Commission.
Rental housing is lost through tear-downs and redevelopment.	Determine if the County Zoning and Land Use Plan should be amended to prevent the loss of rental housing in unincorporated areas.	The plan is amended, if necessary.
Some new housing developments do not meet ADA requirements.	Communicate this requirement to municipalities.	This requirement is communicated to Cook County Consortium municipalities.
Unequal enforcement of building codes.	Encourage municipalities to adopt property maintenance codes and standard procedures for inspections.	Number of these municipalities that adopt property maintenance codes and standard procedures for inspections.
Excessive zoning and land use regulations.	Promote the desirability of a diverse population and worker housing to retain and attract businesses through fair housing organizations.	Number of relevant municipalities that make the retention and construction of affordable housing possible.
Insufficient affordable and decent housing for low- to moderate-income workers in job growth areas.	Work with the Northeastern Illinois Planning Commission to complete and promote the regional land use plan.	Completion of plan and activities to promote it.
Municipal fair housing activities and materials in English only.	Encourage municipalities to have multi-lingual activities and materials, if needed in their jurisdiction.	The creation and use of multi-lingual activities and materials where appropriate.

Source: Cook County Consolidated Community Development Plan 2005 - 2009, page 178.

APPENDIX K

PUBLIC SERVICE APPLICATIONS FOR PROGRAM YEAR 2009

According to HUD regulations (24 CFR Chapter 5, Section 570.201), "To be eligible for CDBG assistance, a public service must be either a new service or a quantifiable increase in the level of an existing service above that which has been provided by or on behalf of the unit of general local government (through funds raised by the unit or received by the unit from the State in which it is located) in the 12 calendar months before the submission of the action plan. (An exception to this requirement may be made if HUD determines that any decrease in the level of a service was the result of events not within the control of the unit of general local government.)"

HUD has advised the County that this regulation must be adhered to when making funding decisions. In the past, the county often has funded continuing projects annually. Since the beginning with the 2008 CDBG Program Year (October 1, 2009 - September 30, 2010), the County has stopped funding public service projects unless they meet one of the above criteria. Delaying the implementation of this regulation for one year will allow those who are affected by this change to secure other sources of funding to replace traditional CDBG funds.