

# County of Cook, Illinois



## **Fifth Substantial Amendment to the Action Plan**

### ***Community Development Block Grant - Disaster Recovery (CDBG-DR)***

**Toni Preckwinkle, President  
Cook County Board of Commissioners**

***Prepared by:* The Department of Planning and Development  
of the Bureau of Economic Development**

*January 9, 2020*

## EXECUTIVE SUMMARY

### Overview

This document serves as the fifth Substantial Amendment to the Action Plan (“Substantial Amendment”) that was originally published in March 2014 (original Action Plan) and subsequently amended in September (Amendment 1), May 2015 (Amendment 2), April 2016 (Amendment 3), and February 2019 (Amendment 4) to receive Community Development Block Grant – Disaster Recovery (CDBG-DR) funds totaling \$83,616,000. Based on the scope of proposed modifications, this Substantial Amendment is HUD-required and has been developed in accordance with the Disaster Relief Appropriations Act, 2013 (Public Law 113-2). These grant funds are being made available through the U.S. Department of Housing and Urban Development (HUD) to assist disaster recovery efforts in response to declared major flooding disasters occurring in Cook County in 2013. These funds may be used only for specific disaster recovery-related purposes. Relevant HUD guidance for this funding was published at <https://www.hudexchange.info/cdbg-dr/cdbg-dr-laws-regulations-and-federal-register-notice/> under the heading: **Hurricane Sandy and Other Disasters Occurring in 2011-2013**.

In accordance with HUD requirements, Cook County will use this Substantial Amendment to guide the distribution of the CDBG-DR grant funds toward fulfilling two core aspects of recovery – housing and infrastructure – related to the declared disaster. This Substantial Amendment has also been designed to be consistent with the HUD primary objective of providing funds for local projects with activities that meet one of the following national objectives of the Housing and Community Development (HCD) Act of 1974, as amended: benefit to low/moderate-income persons; prevention or elimination of slums or blight; urgent need. At least fifty percent (50%) of the CDBG-DR grant award must be used for activities that benefit low- and moderate-income persons.

This Substantial Amendment combines the previous Action Plan and amendments into one document for clarity and accessibility. The Substantial Amendment provides an update to the unmet need assessment and a new expenditure schedule to reflect HUD’s approval of the County’s most recent expenditure deadline extension request.

### Administering Agency

Cook County is governed by the County Board President and the 17-member Board of Commissioners, who are elected to a four-year term. The President and Board approve all HUD-funded programs. The Board has designated the Department of Planning and Development (DPD) within the Bureau of Economic Development (BED) to serve as the lead agency for administration of HUD-funded programs on behalf of suburban Cook County. An Economic Development Advisory Committee (EDAC), comprised of Cook County residents and business owners, has provided additional advisement and approval related to HUD programming in advance of Board consideration, where needed. DPD is also affiliated with the Chicago Cook Workforce Partnership and the Cook County Land Bank Authority (CCLBA).

The mission of DPD is to develop sustainable and vibrant urban communities by “fostering economic opportunities and business development, preserving and expanding the supply of decent, affordable housing, promoting fair housing, and supporting programs that address the problems of homelessness.”

### Proposed Activities

This Substantial Amendment identifies the proposed uses of the allocation and how they might address long-term recovery needs. The regulations require that this Substantial Amendment include a single chart or table that illustrates, at the most practical level, how all funds programmed by this Substantial Amendment are budgeted. Note that the previous Action Plan Amendments have designated the amounts by funding round. HUD has eliminated the requirement to track and obligate the funding rounds by category. Instead, achieving

expenditure goals will be tracked by cumulative expenditure amounts. The following table fulfills this requirement.

Category	Total Allocation
Strategic Acquisition	\$220,000
Strategic Buyout	\$10,239,994
Infrastructure	\$42,680,476
Housing Construction and Rehabilitation	\$21,500,000
Residential Resilience	\$3,456,752
Down Payment Assistance	\$605,000
Planning	\$1,946,532
Administration	\$4,180,000
<b>TOTAL</b>	<b>\$84,828,754</b>

Note: The table above accounts for \$1,212,754 of program income received or estimated to be received. Therefore, the allocation column total exceeds the CDBG-DR allocation by the program income amount. The activities in the above table that will be made available to individual persons and households are the Strategic Acquisition and Buyout Programs, Residential Resilience, and Down Payment Assistance. Related materials will be made available in English and Spanish, as applicable.

### Funding Obligation Strategy

As of June 2017, all funds had been requested from HUD for obligation. Earlier in 2017, HUD amended the grant conditions to enable a cumulative disbursement schedule. This change eliminated the need to designate funding categories within a funding obligation request. Therefore, funding obligation request 4 only requested a total dollar amount. Three expenditure deadline requests under Obligation Rounds 2, 3, and 4 have been submitted and approved. The tables below indicate the expenditure deadlines for the four obligations and three expenditure extension deadlines. The fourth and final expenditure deadline request was approved by HUD on June 5, 2019.

All funds must be expended within two years of obligation per the dates shown in the tables below. The final obligation request had to be submitted to HUD by June 1, 2017 and all funds must be expended by September 29, 2019 or within two years of HUD's obligation of the final remaining funds, whichever is earlier. HUD considered and approved additional expenditure deadline extension requests in accordance with the requirements outlined in the federal register and as presented below.

### Cumulative Expenditure Schedule

Obligation Round	Obligation Date	Expenditure Deadline	Cumulative Amount that must be Expended by Deadline
#1	7/8/2014	7/3/2016	\$3,000,000.00**
#2	1/13/2015	1/14/2017	\$8,789,460.23**
#3	4/29/2016	4/30/2018	\$17,059,589.24**
#4	6/30/2017	7/1/2019	\$8,174,094.44**

\*\* Expenditure accomplished

**Extended Expenditure Schedule**

Obligation Round	Obligation Date	Expenditure Deadline	Cumulative Amount that must be Expended by Deadline
#2	1/13/2015	1/14/2018	\$1,970,539.77**
#3	4/30/2018	10/01/2022	\$7,416,177.76
#4	6/05/2019	10/01/2022	\$38,418,892.75

\*\* Expenditure accomplished

**Preliminary Needs Assessment**

In order to gain a fuller understanding of the scope and extent of related needs, Cook County DPD consulted with and reviewed research developed by other County departments and local/regional/state/federal agencies working in the disaster management/mitigation arena, including the Cook County Departments of Homeland Security and Emergency Management, Environmental Control, Transportation and Highways, the Cook County Forestry Preserve District, the Illinois and Federal Emergency Management Agencies (IEMA and FEMA, respectively), the Metropolitan Water Reclamation District (MWRD), the Center for Neighborhood Technology (CNT), the U.S. Army Corps of Engineers (USACE), and municipal and township leaders. The latter municipal consultations included surveys completed by municipal officials, discussions of geographic areas most affected by the 2013 flood disaster, and identification of key related projects.

DPD desires to fund projects that strategically assist with the recovery efforts and support other investments which are occurring. To that end, DPD continued to conduct Needs Assessments beyond the initial research to gain a more complete understanding of the impacts and unmet needs related to this flooding. Based upon discussions and review to-date, the budget included earlier in this Plan proposes that the CDBG-DR funding will support strategic acquisition of properties that experience recurring flooding; rehabilitation and remediation of homes that were impacted; infrastructure improvements to mitigate future flooding; the construction of some new housing for special needs populations and seniors, where demand is high; and, planning efforts to assess flooding risk, support recovery efforts, and potentially reduce the likelihood/impacts of future flooding.

**Stakeholder Consultation and Citizen Participation**

The stakeholder and general public consultation and citizen participation process for this Substantial Amendment conforms to the County's currently adopted Citizen Participation Plan, which was most recently amended in September 2014 with a CDBG-DR specific addendum. The Citizen Participation Plan is designed to improve compliance with HUD regulations, as well as more effectively engage the public in Cook County programs. This Substantial Amendment to the Action Plan was made available for public review and comment in excess of the required 7-day public review/comment period as prescribed by the related regulations.

This Substantial Amendment was made available to the public for review and comment for 15 days December 23, 2019 through January 6, 2020 per HUD requirements via the Cook County website (<http://www.cookcountyil.gov/economicdevelopment/>), as well as onsite at Cook County offices located at 69 West Washington Street, Chicago, IL 60602. Written comments were accepted during this period and were to be directed to Barbara Maloof at the aforementioned address or via email at [barbara.maloof@cookcountyil.gov](mailto:barbara.maloof@cookcountyil.gov). No comments were received for this Fifth Substantial Amendment.

General questions regarding this Plan or proposed programming, as well as requests for special assistance related to limited English proficiency or disabilities, should be directed to Barbara Maloof at (312) 603-1004 or [barbara.maloof@cookcountyil.gov](mailto:barbara.maloof@cookcountyil.gov).

Additionally, as noted in the County's Citizen Participation Plan (CPP) Addendum, last amended and submitted to HUD in October 2014, Cook County will ensure that all citizens have equal access to information and opportunities for input. Persons needing special accommodations due to disabilities or limited English

proficiency will have an opportunity to request said accommodations. The County is also in the process of developing a specific Language Access Plan (LAP) in accordance with HUD requirements, which will be incorporated within its standard CPP. The revised standard CPP, inclusive of the LAP, will be released for public review and comment prior to consideration for adoption later in 2020. Contingent upon the components of the LAP, the County will secure appropriate oral and written translation services for languages which meet the regulatory threshold per Federal requirements. Depending on the unique demographics and language proficiency levels of communities impacted by flooding and potential eligibility for CDBG-DR, the County may offer additional translation services at its discretion. The LAP will stipulate the appropriate written translation of vital documents (as deemed so by the County). This Citizen Participation Plan Addendum remains in effect.

## **NARRATIVE**

### **1. Updated Needs Assessment**

#### **Housing**

##### Introduction

As part of Cook County's Disaster Recovery Program design, the County conducted a preliminary need assessment as part of its initial Action Plan published in March 2014. Program categories and funded projects have been adjusted over the life of the Program as flooding impacts and associated needs information has evolved. Since 2014, Cook County has amended its Action Plan four times.

This section encompasses updates made to the initial unmet needs assessment to further describe unmet needs specifically pertaining to affordable housing and explain the County's final program design for housing activities. The following pages provide information and data from the original and subsequent plans. This Substantial Amendment memorializes the County's understanding of the already distressed housing market conditions at the time of the flood, the damage impact data of the 2013 floods, and the assessment of affordable housing needs based on current conditions at the time of the post-flood assessment. The document describes the development of the County's response to provide protection from future events through resilient projects addressing the stabilization of existing affordable housing needs, and by increasing the number of affordable housing units which appeal to a range of household types.

##### Preliminary Needs Assessment

In order to gain a fuller understanding of the scope and extent of related needs, Cook County DPD consulted with, and reviewed research developed by, other County departments and local/regional/state/federal agencies working in the disaster management/mitigation arena including the Cook County Departments of Homeland Security and Emergency Management, Environmental Control, Transportation and Highways, the Cook County Forestry Preserve District, the Illinois and Federal Emergency Management Agencies (IEMA, and FEMA, respectively), the Metropolitan Water Reclamation District (MWRD), the Center for Neighborhood Technology (CNT), the U.S. Army Corps of Engineers (USACE), and municipal and township leaders. The latter municipal consultations included surveys completed by municipal officials, discussions of geographic areas most affected by the 2013 flood disaster, and identification of key related projects.

The initial needs assessment, conducted in calendar year 2014, noted substantial flooding documented throughout Cook County during the Spring of 2013 (February through April), with significant damage occurring along the Des Plaines River watershed that initiates in Wisconsin, flows into Cook County, and includes small tributaries running through the majority of the County. There are several smaller tributaries that flow into the river heading south and into the Illinois River.

Independent studies, inclusive of the County, focused upon disaster issues have proven extremely valuable. First, USACE recently conducted a full study of the Upper Des Plaines River Watershed.<sup>i</sup> MWRD, who is charged with stormwater management for all of Cook County, has also completed Detailed Watershed Plans<sup>ii</sup> for the six

major watersheds in Cook County. Additionally, the County solicited and reviewed extensive FEMA/IEMA data on funding provided to individual affected homeowners as a result of the flooding to gain a stronger understanding of the geographic distribution of existing assistance. Cook County's Department of Homeland Security and Emergency Management developed a Hazard Mitigation Plan<sup>iii</sup> which specifically outlines the needs for those who have experienced flooding within Cook County boundaries. The County has also reviewed FEMA Risk MAP assessments conducted in more than 20 municipalities in suburban Cook County. Lastly, a study by CNT, which focused on urban flooding and analyzed individual claims to FEMA/IEMA, as well as private insurers, helped to provide a fuller picture of the prevalence and location of the flooding impacts, related needs, and leverage of additional resources. Recognizing that broad community input was needed as part of this needs assessment, the County developed and transmitted an electronic survey to more than 200 stakeholder groups including more than 130 local municipalities and more than 70 housing providers throughout the County regarding flood impacts in their community and to their properties. (Note: The survey responses were last updated for Amendment 1 and are available upon request.)

DPD desires to fund projects that strategically assist with the recovery efforts and support other ongoing investments related to housing. Based upon discussions and review of available data to-date, the budget contemplates CDBG-DR funding to:

1. Support strategic acquisition/buyout of properties that experience recurring flooding.
2. Rehabilitate and remediate single-family homes that were impacted.
3. Construct and rehabilitate housing for the County's more vulnerable populations.

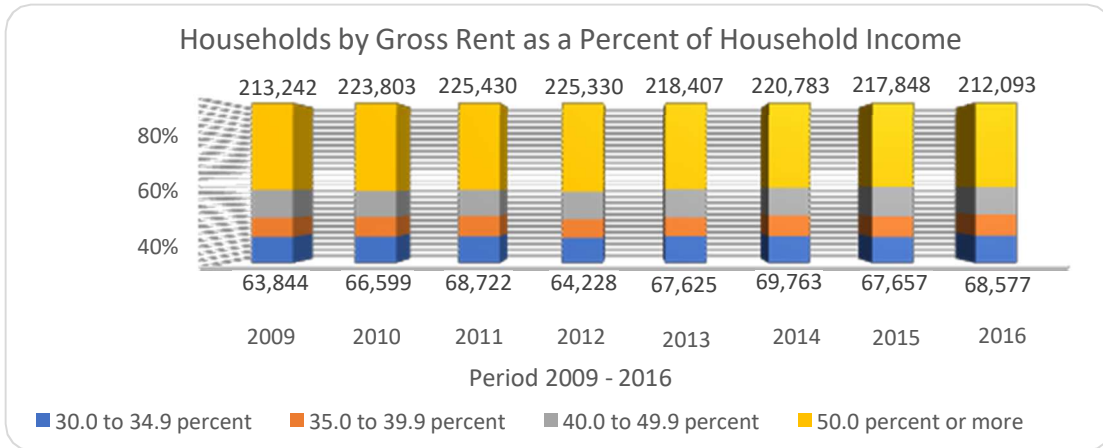
#### Pre-Flood State of Housing (prior to 2013)

At the time of the Spring 2013 floods, the Cook County housing market was already distressed from the economic recession beginning in 2008.<sup>iv</sup>

In the wake of the housing crisis, the need for a sufficient supply of quality, affordable, and stable rental housing became increasingly important. In the years leading up to the housing bust, easy access to credit, rising property values, and a strong economy fueled years of steadily increasing levels of homeownership. By 2007, the level of rental households nationally had declined to less than 33 percent. However, the collapse of the housing market in 2007 led to a dramatic reversal of this trend, and each year since 2007, the number of renter households has continued to grow. According to DePaul University's Institute for Housing Studies' 2013 State of Rental Housing in Cook County, by 2011, the level of renter households nationally had increased to over 35 percent, a level higher than it was in 2000.

Countywide, the total number of Cook County households declined slightly between 2007 and 2011 with declines in owner-occupied households being generally offset by increases in renter households. During this period in suburban Cook County, the number of renter-occupied households increased by 11 percent, while the number of owner-occupied households decreased by 5.9 percent.

As the number of lower-income renter households grew during the economic crisis, the supply of housing which was affordable for those households did not keep pace. Countywide, there was a significant gap in the demand for affordable housing relative to its supply. Within Cook County, this mismatch between the supply of and demand for affordable rental housing was acute in north and northwest suburban County areas. Similar to national trends during this period, the number of Cook County's renter households classified as rent burdened increased across all income categories between 2007 and 2011.



Source: American Community Survey Data 2009-2016

**Flood Impact on Housing Market**

Between 2007 and 2011, the supply of affordable rental housing remained stable or in some cases increased, but the demand for affordable rental outpaced any growth in the supply both in the City of Chicago and in suburban Cook County. In suburban Cook County, this affordability gap increased by more than 25 percent during this period, from 47,656 units in 2007 to 59,625 units in 2011. Contributing to the growing suburban rental affordability gap was the increase in lower-income renter households combined with a growth in suburban single-family rental units, which tend to have higher rent levels than rental units in multi-family properties.

The 2013 floods further exacerbated the housing market through the reduction in available housing supply. Steady, if not increasing, unmet demand placed additional pressure on the affordable housing market and especially amongst the most vulnerable populations in need of affordable housing during the year immediately following the Spring 2013 flooding. The following data and observations are provided to support this conclusion.

**Reduction of Housing Stock Due to Flood Damage**

FEMA Individual Assistance was examined for DR 4116, the disaster declaration related to the flooding event in April and May 2013. In particular, Housing Assistance (HA) data – one of two types of assistance available under the Individuals and Households Program (IHP) – was assessed to understand which municipalities had significant impact from this disaster. Individuals and households may receive more than one type of Housing Assistance and includes both homeowners and renters. The table below<sup>v</sup> identifies municipalities that met one of three criteria:

1. Five percent (5%) or more of the municipality’s housing units applied for assistance.
2. Four-hundred (400) or more eligible applications were submitted for assistance.
3. Damages exceeded \$1 million.

The 28 municipalities that met these criteria are listed in the table below.

Designated Address City	Applications	HA Eligible Applications	HA Approved Amount
Bellwood	2,070	1,359	\$3,945,337.78
Berkeley	295	218	\$642,718.57
Broadview	663	439	\$968,458.76
Brookfield	428	327	\$1,045,014.37
Calumet City	2,380	1,274	\$3,191,77.80
Calumet Park	617	385	\$1,021,609.21
Chicago Heights	1,231	713	\$1,951,766.33
Country Club Hills	763	485	\$1,526,254.55
Des Plaines	737	398	\$1,155,378.38
Dolton	2,044	1,126	\$2,715,636.48
Ford Heights	129	56	\$182,162.27
Forest View	196	172	\$1,955,337.50
Glenwood	334	195	\$609,417.00
Harvey	1,807	846	\$2,024,355.72
Hazel Crest	795	443	\$1,237,027.41
Hillside	415	274	\$775,9953.90
Markham	659	328	\$989,900.17
Maywood	1,748	1,107	\$2,585,148.25
Melrose Park	712	465	\$1,476,084.52
Park Ridge	743	513	\$1,149,595.00
Phoenix	151	72	\$175,257.09
Riverdale	1,137	599	\$1,354,266.51
Robbins	241	106	\$329,674.92
Sauk Village	408	196	\$572,114.83
Skokie	957	613	\$1,428,751.57
South Holland	1,551	1,000	\$2,765,171.96
Stone Park	170	91	\$289,884.17
Westchester	668	393	\$978,522.66
<b>Cook County Total</b>	<b>78,558</b>	<b>43,552</b>	<b>\$101,955,680.01</b>

To further demonstrate damage to Cook County homeowner property (excluding the City of Chicago), FEMA data as of April 3, 2014 reported the following information for eligible homeowner's real property losses, including specific data for owners reporting less than \$30,000 annual income, demonstrating the impact on the most vulnerable residents.<sup>vi</sup>

Applicant	Type of Damage	Number of Applications	Verified Real Property Loss	Paid
All	All	15,006	\$33.085M	\$27.657M
All	Major and Severe	530	\$7.340M	\$4.925M
Owners with annual income reported of less than \$30k	Total	6,097	\$12.816M	\$11.255M
Owners with annual income reported of less than \$30k	Major and Severe	198	\$2.501M	\$1.849M

The County also considered the reduction of existing housing supply as a result of Acquisition/Buyout programs for repetitive flooding properties. Repetitive loss properties emerged as a significant area needing



attention. IEMA administers an acquisition and buyout program through the Hazard Mitigation Grant Program (HMGP) and evaluated applications from Des Plaines, Glenview, Glenwood, and River Forest in Cook County.

The USACE report recommended non-structural measures including buyouts, with specific mention of Des Plaines, Park Ridge, River Grove, Riverside, Rosemont, and Wheeling. The Illinois Department of Natural Resources (IDNR) also maintains a list of repetitive loss properties. Buyouts are typically viewed as one of the higher value activities in terms of the benefit-cost ratio. In addition to buyouts, the USACE report recommended many areas for flood-proofing.

The MWRD, which manages Cook County watershed and stormwater, set aside \$30 million for additional buyouts in combination with the County's planned acquisition and buyout activities contemplated under the subject grant and the Department of Homeland Security (Cook County).

There has been a reduction of the existing housing supply as a result of the County's Acquisition/Buyout Programs. Implementation of this program equivocates an immediate demand for housing. Cook County's Department of Planning and Development has undertaken this program, either solely or in conjunction with the Cook County Departments of Homeland Security and MWRD. The ongoing combined Cook County Acquisition/Buyout Program is currently acquiring not less than 146 units of housing that have suffered repetitive flood damage and/or are likely to continue to experience severe flood damage, excluding IEMA activities in the above-listed areas, which may increase the total unit loss. These units are being demolished upon completion of the acquisition/buyout processes. Furthermore, the County maintains a list of additional homes that experienced repetitive loss (81) and homes that have experienced severe repetitive loss (111), based on FEMA data.

The FEMA data specific to Cook County renters (excluding the City of Chicago) is related to personal property damage. The table below demonstrates renters' losses as of April 3, 2014 for suburban Cook County renters eligible for assistance.

<b>Applicant</b>	<b>Type of Damage</b>	<b>Number of Applications</b>	<b>Verified Renters' Personal Loss</b>	<b>Paid</b>
All	All	3,593	\$4.440M	\$2.215M
All	Major and Severe	598	\$2.242M	\$1.652M
Renters with annual income reported of less than \$30k	Total	2,880	\$3.535M	\$2.150M
Renters with annual income reported of less than \$30k	Major and Severe	477	\$1.775M	\$1.366M

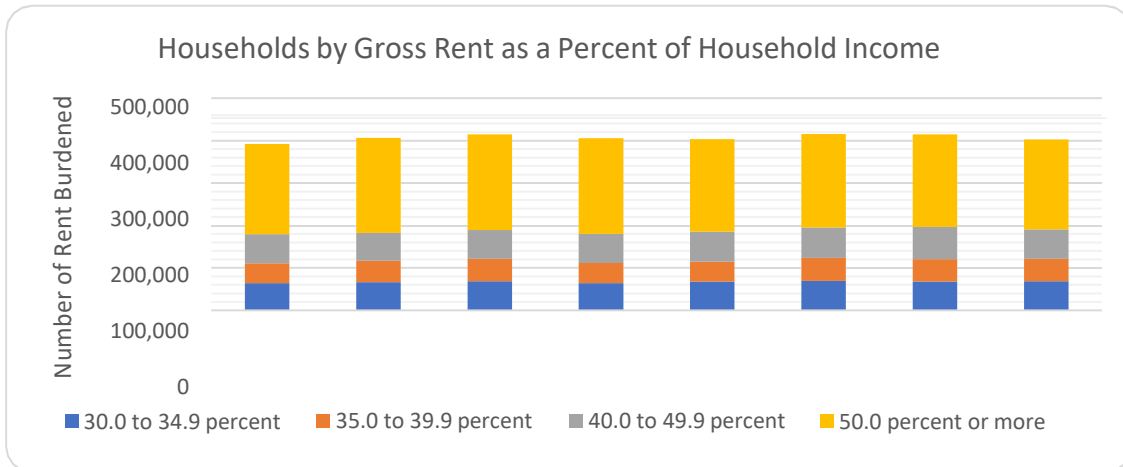
While the FEMA data above provides a snapshot of the damage experienced by homeowners and renters across municipalities in Cook County, FEMA Disaster Relief data does not reflect the full picture of impacted municipalities. Private insurance also covers a significant portion of the damages from disaster events yet may leave an unmet need. "The Prevalence and Cost of Urban Flooding" report from the CNT<sup>vii</sup> describes widespread impact from floods in Cook County – impacting 96% of ZIP codes – and not necessarily correlated with floodplains. While this report did not examine the flood impacts in 2013, the nature and extent of flooding in the 2013 event is likely similar to the flood events in 2007-2011 covered by the report.

#### Continued Increase in Affordability Gap Post-Flood

Mirroring national trends, the share of Cook County households that rent continued to increase in 2014. According to the Joint Center for Housing Studies, renter demand was at a 20-year high with 35.5 percent of households in the U.S. renting in 2014. Between 2011 and 2014, Cook County saw an increase of almost 39,000 renter households, and 43.7 percent of all households in 2014 were renters.

The recession and housing crisis had led to a sharp rise in demand for affordable rental housing in Cook County before the 2013 floods. This increase in demand led to a growing “affordability gap” or the difference between the demand for affordable rental housing by lower-income households and the supply of units that would be affordable at 30 percent of their income. This affordability gap continued after the 2013 floods.

In 2015, 44.2 percent of Cook County households were renters, an increase of roughly 17,900 renter households over 2014 and the highest rental rate since 2000. The affordability gap continued to climb, reaching a new peak of 187,848 in 2015. Between 2014 and 2015, nearly 9,000 fewer affordable units were available to lower-income renters, despite a growth of over 2,500 renter households needing affordable housing. Countywide, 53 percent of renter households paid 30 percent or more of their income towards housing in 2015.



Source: American Community Survey Data 2009-2016

**Market Development Activity**

The effects of the strengthening economy and regional housing market in response to the recession and housing crisis tend to obscure housing market effects of damage due to the 2013 flooding in the data reviewed for this analysis. In particular, as the regional labor market gained momentum post-recession, Cook County – led by the City of Chicago – saw an uptick in residential building activity. Moreover, as foreclosure activity abated, home sales activity stabilized and strengthened, and new luxury-style rental apartments were delivered to the market, both monthly homeowner costs and gross rents rose Countywide. Thus, economic factors were the primary drivers of the market during this period positively effecting higher-income household markets while, as evidenced by the preceding paragraphs, lower-income household markets continued to weaken.

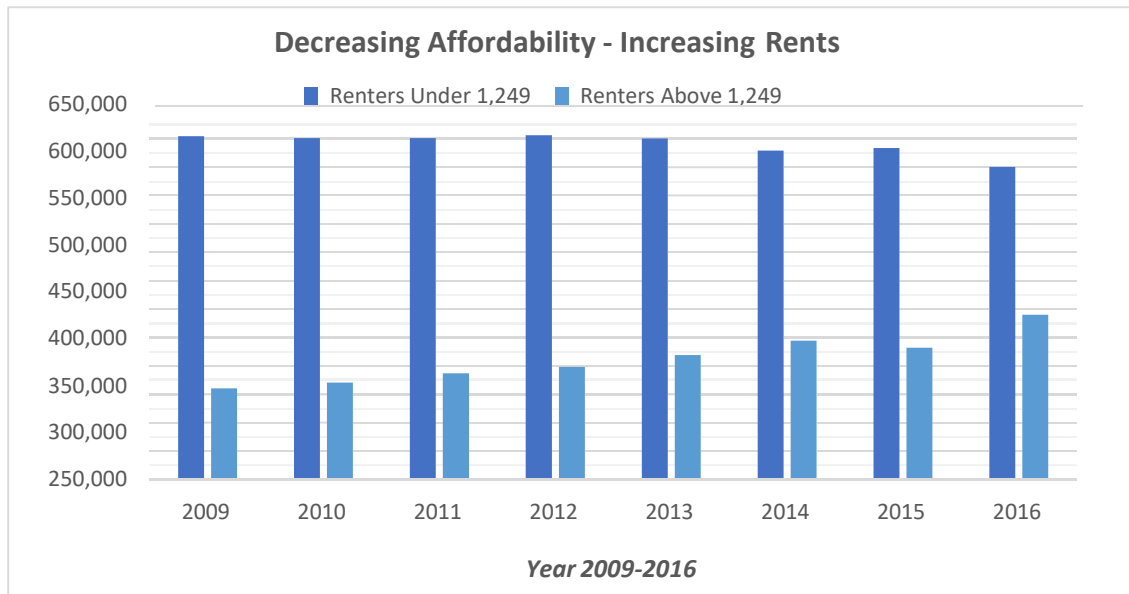
Residential development activity, as measured by the issuance of residential building permits, increased dramatically in Cook County after 2012. Between 2013 and 2014, building permit issuances rose 66.9 percent countywide. However, the vast majority of this increase was in multi-family permits within the City of Chicago – primarily for luxury-style high-rise apartment buildings within the Central Area.

Conversely, permitting activity within the “Outer Cook” portions of the County rose only 23.6 percent, with all of this increase in the multi-family sector. Within the 28 municipalities most impacted by the 2013 floods (based on FEMA housing assistance data), actual permit volumes were comparatively low, at just 92 units in 2013 and 170 units in 2014 for the 28 municipalities in aggregate. The increase was due almost entirely to a single development: the 89-unit Senior Suites affordable senior housing development in Bellwood. Thus, it is clear that flood damage recovery, as evidenced by construction activity, did not focus on the affordable

housing end of the market, as replacement units for the County’s most vulnerable populations remained un-constructed. Without the stimulus of the County’s CDBG-DR funding to incentivize the market to provide more affordable housing opportunities in the suburbs, this population’s housing needs would continue to be un-met.

**Increased Cost-Burdened Households Post-Flood**

The County defines a renter needing affordable housing as a renter household earning 150 percent of the poverty level. In 2011, such a household earned \$34,532. An affordable unit is one where a household earning that amount would pay 30 percent or less of their monthly income towards rent. In 2011, the monthly gross rent for such a unit would have been \$863.29. There were increases in the number of rent-burdened households across all income groups. The mismatch between the supply of and demand for affordable rental housing means additional lower-income renters are paying a higher share of their monthly incomes toward rent. In Cook County in both 2007 and 2011, the majority of rent-burdened households earned less than 50 percent AMI, and the number of lower-income rent-burdened households increased between 2007 and 2011.<sup>viii</sup>



Source: American Community Survey Data 2009-2016

Cook County has a higher share of rent burdened households than the country. In 2014, countywide over 52 percent of renter households paid 30 percent or more of their income towards housing compared to 49 percent of households nationally. Additionally, the number of severe rent-burdened households (the number of households paying 50 percent or more of their income towards rent) increased for low-income households earning 30 percent to 50 percent of the area median (between \$18,500 and \$31,300 in 2014). Since 2007, the share of these low-income renter households experiencing severe rent burden has increased from nearly 29 percent to 39 percent in 2014. This represents an increase of over 17,000 low-income renter households.<sup>ix</sup>

The Alliance to End Homelessness in suburban Cook County, the local Continuum of Care Agency, calculated the percentage of persons living in poverty by sub-region, as well as the cost burden of housing as a percent of income by sub-region for its FY2015 Illinois Department of Human Services Prevention Application.

**Persons Living in Poverty by Sub-Region in Suburban Cook County (SCC)**

Region	Total People	Percent of People	People in Poverty	Poverty Rate	Proportion of SCC's People in Poverty
N	1,046,278	42.43%	77,993	7.45%	30.95%
S	784,276	31.80%	102,584	13.08%	40.71%
W	635,506	25.77%	71,421	11.24%	28.34%
<b>Total</b>	<b>2,466,060</b>	<b>100.00%</b>	<b>251,998</b>	<b>10.22%</b>	<b>100.00%</b>

**Median Rents in Suburban Cook County**

Region	Average (of Median Rents)	Median (of Median Rents)	Ratio to Overall Median
N	\$1,177	\$1,111	1.134
S	\$941	\$928	0.947
W	\$918	\$916	0.935
<b>Total</b>	<b>\$1,020</b>	<b>\$980</b>	<b>1.000</b>

Source: U.S Census Bureau's 2007-2012 American Community Survey 5-Year Estimates Program

**Severe Housing Cost Burden (HBC): 50% or More Housing Cost Burdened in Suburban Cook County**

Region	Severe HBC	Percent of Total	All Renters	Percent of Renters	Percent Severe HCB of Total Renters
N	22,851	36.86%	97,942	41.14%	23.33%
S	21,478	34.65%	70,133	29.46%	30.62%
W	17,664	28.49%	69,986	29.40%	25.24%
<b>Total</b>	<b>61,993</b>	<b>100.00%</b>	<b>238,061</b>	<b>100.00%</b>	<b>26.04%</b>

Source: U.S Census Bureau's 2008-2012 American Community Survey 5-Year Estimates

The Alliance to End Homelessness in Suburban Cook County is the local Continuum of Care Agency and they completed an analysis of 2013 Homes in the Continuum (HIC) – Unmet Need which was presented in the original Action Plan. Within suburban Cook County at the countywide level, the Alliance has projected a need for additional beds of permanent supportive housing (PSH) to serve 434 people, including 46 families with children (141 people) and 293 adults in adult-only households (singles, couples, etc.). This unmet need calculation is for permanent supportive housing to serve homeless households, and the need for supportive housing more broadly could be higher.

It was determined that the County's housing stock of units available to low-income and vulnerable population groups already in jeopardy at the time of the floods, at a minimum, remained stagnant and non-responsive to these population groups' demands for housing.

**Recovery Response Priorities**

Based on the data and research presented, Cook County's CDBG-DR program is designed to address planning, infrastructure, and housing needs in a coordinated manner that focuses on communities and populations most impacted by this natural disaster. Within the housing market, the County's program provides assistance to both homeowners and renters with prioritization given to low-income populations most vulnerable and at risk, as supported by data from our partners at CNT, the Chicago Coalition for the Homeless, DePaul Housing Institute, IEMA, MWRD, and USACE.

Through the Programs designed to address the housing market, Cook County's goal is to increase affordable housing units across the continuum of affordable housing (both multi-family and single-family) to augment the loss of highly inundated units being acquired, offset the severe shortage of affordable units, and offset excessive diminishment of units from future events with an emphasis on the most vulnerable populations

within the County. To achieve the goal, the priority was to identify developments across the sectors or continuum of affordable housing to meet the direct and indirect results of the flood event.

Cook County's program design follows guidance presented in the Federal Registers cited below.

1. Federal Register (Vol 78 No 43, Pg. 14335), allows that *"...grantees may also fund new construction or rehabilitate units not damaged by the disaster if the activity clearly addresses a disaster-related impact and is in a disaster-affected area. This impact can be demonstrated by the disaster's overall effect on the quality, quantity, and affordability of the housing stock **and the resulting inability of the existing stock to meet post-disaster needs and population demands.**"*
2. From 78 FR 14329 March 5, 2013 at V1.A.1.d.(5)
 

*(5) Connection to the Disaster. Grantees are not limited in their recovery to returning to pre-disaster conditions. Rather, HUD encourages grantees to carry out activities that not only address disaster-related impacts, but leave communities sustainably positioned to meet the needs of their post-disaster populations and to further prospects for growth.*

Based on the data and research presented, Cook County's CDBG-DR housing programs are designed to address housing needs in a coordinated manner to primarily assist the most vulnerable and at-risk populations. The housing program goals are to:

1. Provide more resilient housing to those low-income homeowners experiencing non-substantial damage from the flood event and mitigate future housing losses for those homes with repetitive flooding through the Acquisition and Buyout Programs.
2. Address the reduction of housing stock as a direct and indirect need of the natural disaster and the unmet demand for affordable rental units through new construction and rehabilitation.
3. Meet the demand of housing cost-burdened households through programs requiring affordable rent periods and down payment assistance.

All housing programs meet the National Objective of LMI. Given the time constraints of the CDBG-DR funding and to further enhance the funding, consideration is given to those eligible projects which leverage other funding sources.

## Infrastructure

MWRD has a significant pipeline of stormwater management projects through its Phase 1 and Phase 2 programs. Phase 1 includes regional flood control projects that were recommended in MWRD's Detailed Watershed Plans, and these projects aim to address flood control and overbank flooding on regional waterways. Each recommended project was categorized as either streambank stabilization or flood control based on its primary objective. MWRD developed a prioritization methodology that recommended the highest priority for implementation be given to streambank stabilization projects that address public safety and/or protect structures or infrastructure in imminent danger of failure. The next highest priority was flood control projects, which were ranked using factors including the project's benefit-to-cost ratio, the number of benefiting communities, total dollar cost, and total dollar benefit. Cook County is focusing on the Phase 1 flood control projects given the nature and purpose of the CDBG-DR funding, though some streambank stabilization projects have flood control benefits as well.

MWRD's Phase 2 program includes projects that will assist communities with more localized flooding issues. Information about flooding concerns, current efforts underway, and any applicable studies were solicited from units of government and other agencies within Cook County. Over 600 problem areas and/or project requests were received. Based on the severity of flooding and project specifics, MWRD initially recommended 35

projects for implementation. The full set of Phase 2 projects approved by the MWRD Board in September 2013 are included in the Appendix of the March 2014 Action Plan. Phase 2 includes 12 projects now in the design stage and 23 conceptual projects in a variety of areas across Cook County. Four additional Phase 2 projects (in Brookfield, Burbank, Elk Grove Village, and Franklin Park) were approved by the MWRD Board in October 2014.

Many of these Phase 1 and Phase 2 projects will need or would benefit from local matching funding to help them move forward to implementation. The County is continuing to assess possible CDBG-DR support for these MWRD projects.

The southern portion of Cook County suffers the greatest economic need. This was recognized in the County's Consolidated Plan and Comprehensive Economic Development Strategy. To this end, the County is leveraging the efforts of a cluster strategy being developed for the south suburbs with these funds for communities that also suffer from flooding.

Infrastructure projects that improve the economic conditions of low- and moderate-income communities impacted by the floods and/or which improve the quality of life of low- and moderate-income residential areas not served by MWRD but nonetheless impacted by the 2013 floods will be considered a priority.

The County relied on a variety of studies as mentioned above, but a primary resource has been MWRD's six Detailed Watershed Plans (DWPs). The DWPs combined existing planning data with computer modeling, damage estimation, rainfall data, impacts of climate change, and other inputs to arrive at a data-driven set of recommended projects for each watershed. The projects were assessed based on project benefit, project cost, the area removed from the floodplain, and number of structures protected, among other factors. The County, in conjunction with MWRD, is using MWRD's analyses to identify the intersection of projects that require additional financial support and that also link to recovery from the declared disaster and accomplish the low-to-moderate income goals of the CDBG-DR program.

A particular focus is on the areas most impacted by the disaster that have seen significant recovery resources invested, such as FEMA individual assistance (see Appendix). Where eligible, the County will look at ways to protect these past recovery efforts by investing in projects that further enhance these communities. The County will be prioritizing infrastructure investments that will leverage and protect these past recovery efforts.

The County has identified, and will continue to identify, problem areas via the municipal surveys, referrals from the Cook County Department of Transportation and Highways, and other outreach and will evaluate the appropriate response. In tandem with MWRD and other partners, the needed comprehensive risk analysis will be conducted to determine the best infrastructure projects to pursue, including the installation of green infrastructure to improve stormwater management. The County will give consideration to critical facilities impacted by the Spring 2013 flood event.

The County also examined FEMA Public Assistance damage estimates from 2013 flooding. In total, the damage estimates for Cook County (excluding the City of Chicago) exceeded \$7 million. Excluding the Debris Removal and Emergency Protective Measures categories, the damage estimate is more than \$2.1 million. A full list of damage assessment data by FEMA applicant is included in the Appendix. The most impacted municipalities included Des Plaines, Franklin Park, Forest View, and Maywood. While significant damage occurred, Cook County did not meet the FEMA threshold and was therefore denied Public Assistance. As a result, much of this damage may still be an unmet need. The County is comparing this data with the municipal survey results, FEMA Risk MAP assessments, and other information gathered to determine where support may still be needed.

Infrastructure projects identified that meet the needs outlined above may be considered under the Urgent Need national objective if a benefit to low- and moderate-income persons cannot be demonstrated.

## 2. Connections Between Needs and Allocation(s) of Funds

The above assessment has identified a significant need for resources to address housing and infrastructure projects and initiatives in suburban Cook County. As a result, the allocation of CDBG-DR funding is focused on the following activity categories.

- *Strategic Acquisition and Buyout Programs* – A significant need exists for property acquisition and buyout activity in suburban Cook County. IEMA, USACE, and IDNR all indicate the need for resources to support this activity. IEMA’s most recent round of Hazard Mitigation Grant Program applications related to the April 2013 flooding resulted in buyout requests that far exceeded the available funding. IEMA’s program also requires a local match. MWRD has also initiated a buyout program this year. Given the high benefit-cost ratio typically associated with buyouts, the County is proposing to allocate a significant amount to this activity. The County will work with partners like the Forest Preserve District of Cook County and local park districts to identify the proper future ownership and use of the subject properties. Given the buyout resources available from other entities, as well as Cook County’s recent success obtaining additional FEMA funding for buyouts, Cook County is reducing its allocation to the Strategic Acquisition category.
- *Residential Resilience* – Based on consultations and a review of FEMA Housing Assistance data, a significant unmet need likely remains on homes impacted by last year’s flooding. The County will continue working with IEMA, local jurisdictions, and other partners to gain a more detailed understanding of the unmet need, but currently anticipates supporting rehabilitation and remediation efforts in the two sub-regions of suburban Cook County: south and north with the dividing line as 39<sup>th</sup> Street. At this time, the scope of the rehab/remediation will focus on flood mitigation and clean up. The County will also make sure to remediate any lead-based paint that is found.
- *Infrastructure* – As noted in the above needs assessment, MWRD has identified a strong pipeline of infrastructure projects to address flooding issues in suburban Cook County. In many cases, local resources or a local match is needed to move the projects forward. Some of these projects are proceeding very soon, making them good candidates for partnership with the CDBG-DR funding. The County will continue working with the above partners, Cook County Departments of Transportation and Highways, and local jurisdictions to identify the infrastructure projects that align best with the purpose and eligibility requirements of the CDBG-DR funding. Given the identified need and required funding, the County has made a significant allocation for this activity category. The Infrastructure category is receiving a slightly increased allocation to accommodate a planned program to support design and engineering of solutions to flooding problems with a connection to the Spring 2013 disaster.
- *Housing Construction and Rehabilitation* – The needs assessment identified an unmet need for over 400 units of permanent housing (PSH) in suburban Cook County. Given the high cost of housing in the north and northwest, and the recent PSH projects in the south and west suburbs, the County may focus these resources in the north/northwest and western part of the Cook County. The County will work with local jurisdictions and other partners to identify projects that best meet these unmet needs in disaster-impacted areas. Note the majority of the projects anticipated to be completed will be highly leveraged and using the Low Income Housing Tax Credit (LIHTC) as allocated by the Illinois Housing Development Authority (IHDA).
- *Down Payment Assistance* – A Down Payment Assistance program for qualified homebuyers under the Housing Construction and Rehabilitation Program. Resulting from the new construction agreement with the developer, there are a total of 18 single-family homes for sale in the Village of Summit. Cook

County down payment assistance will be offered for all homes developed with CDBG-DR funding to assist qualified LMI households in purchasing a home. This assistance may also include closing costs.

- *Planning* – The County’s consultations have uncovered a continued need for planning support related to flood mitigation efforts. Coordination with the needs identified in the County’s new Hazard Mitigation Plan (HMP) and support for HMP implementation is a key area of focus. Furthermore, planning capacity challenges exist in suburban Cook County particularly on stormwater planning issues, and the CDBG-DR funding provides an important opportunity to address these gaps. Municipalities have inquired about available support for planning through the CDBG-DR funding. The Chicago Metropolitan Agency for Planning (CMAP), the official regional planning organization for northeastern Illinois, currently provides planning assistance to suburban Cook County municipalities through its Local Technical Assistance (LTA) program. The County intends to use CDBG-DR funding to support an increased level of stormwater planning via the LTA program. This LTA support may be combined with other planning support to allow municipalities to better prepare proposed projects for MWRD’s Phase 2 program or to pursue the capital improvements themselves. Furthermore, MWRD is piloting an initiative to create storm water master plans focused on problem areas, with four plans to be developed in suburban Cook County, and the County will partner accordingly. One of these pilot plans overlaps with the County’s NDRC pilot area, and additional planning resources may be required to support the efforts to improve the County’s disaster resilience. The County is also interested in determining how best to bring important tools like Flow Path modeling, sewershed optimization, and soil mapping to suburban jurisdictions and other partners to drive better stormwater management investment decisions. Center for Neighborhood Technology (CNT) has developed the “Rain Ready” Initiative that works with local communities to create stormwater plans that include early warning systems and discusses how neighbors can work together. CDBG –DR funding is being used to bring this program to additional suburban communities. Diagnostic testing that can point to solutions for reducing infiltration and inflow into the sewer system is another area the County is considering. The County will support efforts to amend MWRD’s existing Detailed Watershed Plans to be approvable under Section 319 of the Clean Water Act and thereby create access to new sources of funding for stormwater management projects. Lastly, the County is examining geographies in need of FEMA map amendments and other local planning needs that will mitigate future flooding and foster long term economic recovery in impacted areas. Given all of these identified needs, we are allocating significant resources to be able to support this array of important planning efforts that will reduce future costs and flood impacts.

The County will identify priority projects based upon the continuing needs assessment and solicit participation from municipalities, sub-recipients, developers, or individual residents, as appropriate. CDBG funds will be approved and distributed on a project-by-project basis with priority given to those projects located within areas of greatest need, as listed elsewhere in this Plan, and those projects that help achieve the CDBG-DR low- and moderate-income expenditure requirement.

### **3. Planning and Coordination**

As part of the development of the Action Plan and its Substantial Amendments, the Department of Planning and Development has worked with Cook County’s Departments of Transportation and Highways and Environmental Control, the Forest Preserve District of Cook County, the Metropolitan Water Reclamation District, FEMA, and IEMA. Additionally, Cook County’s Department of Homeland Security and Emergency Management has undertaken the writing of our first Multi-Jurisdictional All Hazards Mitigation Plan. This final Plan was adopted by the County Board in September 2014. County leadership have participated in several workshops around the concepts of planning for natural disasters, as well as convened meetings specifically to deal with the flooding which occurred in April 2013. Through this process, several areas are being targeted for specific study – whether for storm water management or better infrastructure.



#### **4. Leveraging of Funds:**

The CDBG-DR Funds will be used in conjunction with other funds and therefore leverage resources strategically to reach the highest impact. Specifically, they will be used as local match to identified infrastructure projects, including those recommended for implementation by MWRD. IEMA and MWRD also has funds for buyout of flood damaged homes that require a local match. FEMA has already invested more than \$63 million in the County in emergency relief for individuals and homeowners, and Cook County, through their own CDBG-DR and corporate funding, will be making additional investments in the municipalities and unincorporated areas of Cook County. In regard to the Residential Resilience program, DPD will be working with the Northwest Housing Partnership, and Neighborhood Housing Services, and utilizing their funding for Torrens projects and funding from the National Mortgage Settlement to fund a larger Residential Resilience program. Additional funds have also been raised from the Federal Home Loan Bank of Chicago, Affordable Housing Program. In the case of housing construction and rehabilitation, CDBG-DR would be a small portion of the total project costs, which will also include Low Income Housing Tax Credits, State of Illinois Trust Funds and subordinate funding in some instances.

#### **5. Protection of People and Property: Construction Methods**

Cook County Written Housing Standards for Owner Occupied Single Family and Multi Family Residential Rehabilitation and New Construction will be used for CDBG Homeownership Purchase and/or Rehabilitation assisted activities. In addition, all homes either newly constructed or renovated will adhere to HUD's Green Building Standard or Green Retrofit program per the HUD Green Building Retrofit Checklist. The County's written Housing Standards, as well as the Green Building Standard or Retrofit, will be incorporated in the CDBG agreements by reference. All housing that requires rehabilitation or is newly constructed must meet the applicable building codes of the municipality or local housing jurisdiction in which it is located, as well as the HUD Green Building Retrofit Checklist. Local building codes and written housing standards take precedence if they are more stringent than County standards. If no code enforcement exists in the Jurisdiction, the property will be governed by the current Building Officials and Code Administrators (BOCA) International Code for the State of Illinois. Cook County Written Housing Standards will be used to describe in detail the specifications for the rehabilitation work needed to bring substandard housing into compliance with the State of Illinois BOCA Code. Green or energy efficient/environmentally friendly components will be included in these standards. When proceeding with work in the infrastructure category, the County will incorporate resilience performance standards that can be applied to each infrastructure project. In particular, the County is looking to resources like the *Toolkit for Resilient Cities*, a research effort produced by Arup, the Regional Plan Association, and Siemens. This report identified five resilience performance indicators – robustness, redundancy, diversity and flexibility, responsiveness, and coordination – that can be used to help assess the resilience of infrastructure. The County will incorporate these indicators into its assessment of potential infrastructure projects, with a goal of strengthening each of these areas through the set of projects that are selected for funding. The County will also use research and resources developed through HUD's Rebuild by Design competition, as well as the Rockefeller Foundation's work on city resilience. The County certifies that it will apply the resilience standards required in Section V.3.e of the June 3, 2014 Notice.

#### **6. Public Housing, HUD-Assisted Housing, and Housing for the Homeless**

As noted earlier, while no housing authority owned or managed property has specifically documented damage related to the flooding, it did exacerbate existing building deterioration. Additionally, privately-owned properties which house housing choice voucher holders may be eligible for assistance. It is further anticipated that related outreach regarding the program and available funding will shed light on need and related eligibility within the aforementioned categories. Additionally, the County will continue to coordinate with the Continuum of Care to identify properties which serve as housing for the homeless/at-risk of homelessness as potential funding targets.

It is anticipated that there will be a focus on housing that is permanent supportive housing to further assist households with special needs. Consideration of a focus on geographic areas adjacent to the Des Plaines Watershed is based in part on the existence of such housing in the South and West, whereas the North continues to have a need for additional supportive housing of a similar scale. Moreover, the State of Illinois has committed in two Consent Decrees, *Williams v. Quinn* and *Colbert v. Quinn*, to provide community supportive housing. While Cook County was not a party to the decrees, we see supportive housing as an important community resource and will help to assist in this effort where possible and appropriate with CDBG-DR funds.

Cook County has also been approached by several developers to assist with funding for permanent supportive housing. Several of the projects are in communities that have suffered from the April 2013 flooding, so Cook County has made an initial funding allocation for supportive replacement housing.

As for low income homeowners, the County will use a portion of the funding to create the Residential Resilience Program that will serve as a resource for residences with one to four units.

## 7. Disaster-Resistant Housing

Cook County is providing new construction and rehabilitation of existing housing with these grant funds and will have an opportunity to encourage provision of disaster-resistant housing for low income groups, as well as persons with disabilities and seniors. To that end, Cook County will use this grant along with its HOME, CDBG, and ESG funding to address the following:

- (a) The transitional housing, permanent supportive housing, and permanent housing needs of individuals and families who are homeless or at-risk of homelessness. As an active member of The Alliance to End Homelessness in Suburban Cook County (Alliance), Cook County DPD works with the other Alliance agencies to produce new units of housing for such persons and families, preserve the units already available through rehabilitation, and fund housing stabilization services. This is accomplished through a collaborative application for Continuum of Care funding, as well as: Community Development Block Grant (rehab and public service funding); HOME Investment Partnerships Program (new construction and renovation); and Emergency Solutions Grants (shelter, street outreach, homeless prevention, and rapid rehousing) funding. Flooding is the most common natural disaster that affects housing in Cook County, so **no** new construction is carried out in the floodplain.
- (b) The prevention of low-income individuals and families with children from becoming homeless is part of the mission of the Alliance. The Alliance brings together a safer range of services and housing options for those in need with multiple information and access points for emergency assistance. Homeless service providers, local government agencies, community groups, faith-based organizations, and other concerned residents bring together their housing and emergency assistance resources and participate in joint planning. Information is available to the public through wide distribution of printed brochures, web-based information systems, and a Virtual Call Center that provides referral assistance to residents throughout suburban Cook County. Some member organizations provide legal assistance and other pro bono services for those who are homeless or at risk of losing their housing. Alliance agencies partake in community fairs, clinics, or walk-in events designed to engage unsheltered persons in services. Other efforts such as street outreach and meals-only services at the shelter target unsheltered homeless persons. The 150 Homes Team (a local effort of the 100,000 Homes Campaign) has been working with the most vulnerable unsheltered persons to secure housing through Section 8 Flow Vouchers and Permanent Supporting Housing (PSH) units.

Persons calling the Virtual Call Center, which is also funded by the County, are referred to an agency in their area that will best be able to assist them. While the Virtual Call Center exists, its hours and staffing are limited, and the County is exploring ways to support a more comprehensive 211 system that would also provide disaster recovery benefits. The Alliance's Homelessness Prevention Committee

has been working on coordinated protocols for screening and eligibility determination. The Homeless Prevention Committee has also been working toward developing a standard coordinated assessment process to determine the best way to assist an applicant to regain stability in their current housing; to achieve stability as they move to new permanent housing; or, for those in emergency shelters or who are unsheltered, to move as quickly as possible into permanent housing and achieve stability.

Coordination of services is standard through use of HUD mandated Homeless Information System (HMIS) and all agencies are required to use it.

- (c) The special needs of persons who are not homeless but require supportive housing are taken into consideration during the Cook County Consolidated Planning and annual funding allocation processes. Housing projects are awarded to developers and non-profits on a competitive basis. However, there are several Court cases especially in Northwest Cook County against municipalities regarding the placement of these facilities. The State of Illinois is also under a Consent Decree to find suitable housing for persons currently living in nursing homes, but who can successfully live in the communities with support in Cook County (Colbert v. Quinn). To that end, Cook County will work with several developers who are looking to build supportive housing in the communities that have been affected by the flood, but not in the flood plain. An emphasis is placed on projects serving vulnerable populations. Additional multipliers are also given for projects serving: individuals at the lowest income levels; persons with disabilities; persons with mental illness; and persons with additional housing challenges.
- (d) Cook County will also address how planning decisions affect racial, ethnic, and low-income concentrations directly in response to this disaster. It will ensure that all planning practices conform to Federal fair housing and equal opportunity protocols, as well as the County's Human Rights ordinance.
- (e) One of the most troubling issues the County contends with is the spatial mismatch between the respective locations of jobs and housing. The County reached out to as many constituents as possible as part of its Planning for Progress (PFP) strategic planning initiative. PFP was inclusive of the 2015-2019 Consolidated Plan, focused on affordable housing, community development, and economic development needs and priorities, and was submitted to HUD in August of 2015. A common repeating theme in the outreach conducted, and feedback obtained to-date, concerned the location of new construction housing in "opportunity areas" and co-located with other investments. While CMAP defined preliminary opportunity areas in their Fair Housing Equity Assessment (FHEA), the County is exploring potential approaches related to target areas and related prioritization of resources including but not limited to the renovation and maintenance of existing housing.

## 8. Minimize or Address Displacement

All CDBG-DR-funded acquisitions of real property are expected to be voluntary acquisitions and are exempt from Section 301 of the URA. Given the nature of the funding, relocations will be funded in accordance with the regulations and limitations set out under the Uniform Relocation Act (URA). Funding will be available to relocate renters who currently live in a flood plain and have experienced repetitive and excessive damage. In addition to receiving moving expenses, they are eligible for the difference between their current rents and the new rents for up to 42 months.

Homeowners will be offered a fair market value for their property, as determined by a third-party appraisal. The homeowner is also allowed to seek a determination of fair market value. If the two are not aligned, a third-party will be engaged to make the final determination of Fair Market Value. These homes will be demolished, and the property will be given to a public agency to be maintained as wetlands, forest preserves, or park district areas that can sustain flooding with minimal damage.

## 9. Program Income

CDBG-DR program income is the gross income received by Cook County and its sub-recipients directly generated from the use of CDBG-DR funds. Program income may come from the following sources:

- Proceeds from the sale or lease of property purchased or improved with CDBG-DR funds.
- Proceeds from the sale or lease of equipment purchased with CDBG-DR funds.
- Gross income from the use or rental of real or personal property acquired, constructed, or improved by Cook County (or a sub-recipient), less the costs incidental to generate program income.
- Payments of principal and interest on loans made using CDBG-DR funds.
- Proceeds from the sale of loans or obligations secured by loans made with CDBG-DR funds.
- Interest earned on a program pending its disposition.

Program income does not include to following:

- Income earned from the investment of initial proceeds of a grant advance from the U.S. Treasury.
- Interest earned on loans or other forms of assistance with CDBG-DR funds that are used for activities that are determined by HUD to be ineligible.
- Interest earned on the investment of amounts reimbursed to a program account prior to the use of the reimbursed funds for eligible activities.
- Any income received in a single program year by the grantee and its sub-recipients that does not exceed \$25,000.
- Income generated by certain Section 108 activities (refer to 570.500(a)(4)(ii)).
- Proceeds from sub-recipient fundraising activities.
- Funds collected through special assessments to recover non-CDBG-DR outlays of public improvements.
- Proceeds from the disposition of real property by a sub recipient or the County, that was acquired or improved with CDBG-DR funds, when the disposition occurs after the time period specified in 570.503(b)(7) for sub-recipient owned property (generally five years after the expiration of the sub recipient agreement) or the time period required by 570.505 for grantee-owned property.

Cook County may authorize a sub-recipient to retain program income for additional CDBG-DR projects pursuant to a written agreement. Program income (other than program income deposited in a revolving loan fund) must be disbursed prior to the drawdown of additional funds from the U.S. Treasury (or in the case of a sub-recipient, from the County). The CDBG-DR regulations require the County to determine if it has excess program income on hand and return any excess to its line of credit.

Any program income received as a result of this program will be recycled into the program for further support of eligible related activities (minus any allowable administrative expenses).

## 10. Monitoring Standards and Procedures

Cook County will follow its new Monitoring Standards and Procedures, which have been written as part of their HUD-funded One CPD technical assistance process. Monitoring protocols will vary by activity type and are

particularly intensive for housing projects. A full copy of the internal policies/procedures manual including monitoring was recently provided to HUD. In short, Cook County will perform a desk review of each multifamily property to review Tenant Income Certifications, perform an onsite inspection, as well as a full financial review with a full risk assessment within the first year of operation (using our new Risk Assessment Tool). Subsequent compliance assessments will occur within the triennial cycle for multifamily properties in the County loan portfolio. Any single-family homes that are renovated or constructed, will have an annual letter certifying occupancy. Any infrastructure improvements or facility improvements will be monitored for change in use and all agencies funded (sub-recipients and developers) will be monitored by program and finance staff and also have a full financial audit each year.

The County currently conforms to all A-133 single financial audit requirements. Please see the Financial Proficiency documents previously submitted to HUD, for details.

Additionally, the Department of Planning and Development within the Bureau of Economic Development is subject to audits by the Office of the County Auditor (OCA), which has a mission to provide independent and objective assurance and consulting services designed to add value and improve the County's operations while promoting transparency and accountability in government. The OCA assists the County in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of countywide risk management, control, and governance processes.

The OCA operates in accordance with the County Ordinance, Chapter 2, Article IV, Division 6, Auditor, Sec. 2-311, which grants the OCA the authority to conduct financial, management, and performance audits of all Cook County departments, offices, boards, activities, agencies, and programs, and in any government entity that is funded in whole or in part by the County pursuant to the County's annual appropriation bill. The OCA reports directly to the President and Board of Commissioners of Cook County. An organizational diagram showing that responsible audit staff report independently to the President of the County Board and the County Board's Audit Committee which has been submitted to HUD as part of the County's Financial Proficiency documents.

## **11. Procedures to Detect & Prevent, Fraud, Abuse & Mismanagement**

Section 10 above describes the monitoring mechanism that will be used to detect fraud, abuse, and mismanagement. We will also involve the Office of the County Auditor as needed. (Information about the functions of the County Auditor was provided in the Financial Proficiency documents previously submitted to HUD.) Additionally, Cook County has adopted an Ethics Ordinance that provides direction for ethical conduct of the President, County Cook Commissioners, and all County employees that are to be followed in conducting the business of Cook County. This Ordinance contains conflict of interest provisions and can be viewed on the County website at [www.cookcountyil.gov](http://www.cookcountyil.gov). Cook County staff must go through an annual training on the Ethics ordinance and is responsible to report suspected fraud, waste and/or abuse to the County Office of Inspector General. Additionally, the County will comply with all HUD conflict of interest provision.

## **12. Capacity**

Activities funded by this grant will be carried out by County staff or by sub-recipients, contractors, or developers under the supervision of County staff. DPD currently administers the Community Development Block Grant (CDBG), HOME Investment Partnerships Program grant (HOME), Emergency Solutions Grant, and Neighborhood Stabilization Program. Cook County is timely in its obligation of funds, expenditures, project completion, and reporting. Under its CDBG program, Cook County has implemented over 130 capital improvement projects over the past three years and has significant experience in this area. These programs are audited each year by an external auditor. The County's CDBG and HOME programs have been monitored by HUD in the last three years. The County successfully administered both the CDBG-R program and the Homelessness Prevention and Rapid Re-housing (HPRP) Program.

### 13. Description of Programs/Activities

A general description of programs and activities appears in the below Activity Summary Table. Cook County intends to carry out all of the programs and activities through sub-recipients or developers.

CATEGORY	TOTAL ALLOCATION
Strategic Acquisition	\$220,000
Strategic Buyout	\$10,239,994
Infrastructure	\$42,680,476
Housing Construction and Rehabilitation	\$21,500,000
Residential Resilience	\$3,456,752
Down Payment Assistance	\$605,000
Planning	\$1,946,532
Administration	\$4,180,000
<b>TOTAL</b>	<b>\$84,828,754</b>

Cook County residents and business owners will access the Strategic Acquisition and Buy Out Programs through applications already submitted to IEMA and/or via a program mechanism to be outlined by the County. Cook County will work with local jurisdictions and/or other County agencies (e.g., the Forest Preserve District of Cook County) on the acquisition/disposition of the subject properties.

The Residential Resilience program will provide small amounts in the form of a forgivable loan to existing homeowners to deal with issues that remain unresolved from the floods.

The Infrastructure Program will be used to fund strategic infrastructure projects the County and its partners have identified to address flood impacts or mitigate future flooding.

Housing Construction and Rehabilitation will be identified as part of IHDA's 2014 and future funding rounds, where the housing can be identified as housing for vulnerable populations.

Down Payment Assistance will be offered for all homes developed with CDBG-DR funding to assist qualified LMI households in purchasing a home. This assistance may also include closing costs.

Planning dollars will be used to fund studies in municipalities and/or unincorporated areas of Cook County to determine what projects/efforts would help address current flooding problems. Other efforts, as noted in Section 2 above, will also be supported via the planning allocation.

### 14. Basis for Allocation

The needs assessment has informed the allocation determinations in that two high priority needs were identified: housing and infrastructure.

### 15. Unmet Needs Not Yet Addressed

The unmet need in Cook County is huge and growing. USACE is planning to go to Congress later this year to seek the \$400 million that was identified as needed within their study. Again, these funds will be used in part to support areas where they have identified for local and state government to assist in all that needs to be done. Cook County will look to supplement rather than duplicate these efforts with CDBG-DR funds. Given the scope of the need and the size of the related eligible geography the County recognizes that its CDBG-DR funding will only partially address the unmet need. However, the County is hopeful that effective utilization of this funding will set the stage for other internal and external efforts.

To that end, Cook County has now signed an Intergovernmental Agreement with MWRD, who was granted the authority by Cook County to address stormwater management. MWRD has done a full watershed management study of the County and is now working with each individual municipality to identify areas of overland flooding. Cook County will be looking to partner with MWRD to fund studies in communities that may not have the wherewithal to work with MWRD and may need additional outside help. The Chicago Metropolitan Agency for Planning (CMAP) may also be engaged to help with preparing either Comprehensive Plans or other plans around flooding issues for municipalities with capacity limitations.

## 16. Program/Activities Details

The County is actively monitoring the aggregate low-moderate level of its projects and related expenditures, and at least \$15 million of the allocated funding under categories other than Single Family Rehab and Replacement Housing will serve low-to-moderate income beneficiaries. The Infrastructure category in particular will have significant expenditures that benefit low-to-moderate income areas, but this will vary by project, several of which are still under eligibility review. This monitoring will ensure that the required 50 percent low-mod beneficiary threshold is met.

Activity	Description	Total Budget
<p><b>Administration</b></p> <p>Eligibility: Cook County is allowed to use up to 5% of the Grant for Administration Services</p> <p>National Objective: N/A</p> <p>Projected Start Date: 6/1/2014 Projected End Date: 9/29/2022</p>	<p>Administration of the Grant Funds and Programs</p> <p>Location/Geographic Description: N/A</p> <p>Responsible Organization: DPD</p> <p>Performance Measures: Timely and compliant administration of the grant; timely expenditures; timely reporting</p>	\$4,180,000
<p><b>Planning</b></p> <p>Eligibility: Cook County is allowed to use up to 15% of the Grant for Planning Purposes</p> <p>National Objective: N/A</p> <p>Project Start Date: 9/1/2014 Projected End Date: 12/31/2019</p>	<p>Will be used for Planning Studies of smaller geographies and an array of planning activities as detailed above.</p> <p>Location/Geographic Description: TBD</p> <p>Responsible Organization: DPD/Potential Sub-recipient(s)</p> <p>Performance Measures: Completion of studies and identification of projects needed to assist the identified geography.</p>	\$1,946,532
<p><b>Strategic Acquisition</b> <b>Strategic Buyout</b></p> <p>Eligibility: Repetitive loss properties</p> <p>National Objective: Low- and Moderate-Income; Area of Urgent Need</p> <p>Projected Start Date: 6/1/2014</p>	<p>These two programs will work in tandem with each other. The primary difference is that Strategic Acquisition pertains to eligible property purchased post-Spring 2013 flood event and utilizes storm value. Strategic Buyout pertains to property purchased before the Spring 2013 flood event and utilizes pre-storm value. In both cases, property will be demolished and conveyed to the local municipality and converted to open land.</p> <p>This activity will work in conjunction with local municipalities to undertake voluntary buyout of owner-</p>	<p>\$220,000 \$10,239,994 (funding threshold per property will be determined on a case-by-case basis)</p>

Activity	Description	Total Budget
<p>Projected End Date: 9/30/2022</p>	<p>occupied houses or other properties impacted by the flood event, with a focus in low-mod areas or owned by low-mod households which meet the Cook County buyout criteria: structures not protected by capital improvements; projects in approved watershed plans; structures subject to flooding depth of one foot above the low entry elevation for any one historic event; subject to a flooding depth of one-half foot for any two historic flood events; or, a FEMA repetitive-loss structure.</p> <p>Buyout is the only alternative in many flood prone areas of the County where there is no permanent infrastructure solution to the flooding. This will result in long-term recovery for these households.</p> <p>The buyout will be performed in conjunction with the Cook County Forest Preserve District, local park districts, or other partners, allowing the land to be returned to open land for easier flow of waterways.</p> <p>Location/Geographic Description: TBD (see needs assessment)</p> <p>Responsible Organization: Cook County DPD, IEMA, MWRD, Cook County Forest Preserve District, municipal park districts</p> <p>Performance Measures: No. of units (approximately 60 anticipated)</p>	
<p><b>Residential Resilience</b></p> <p>Eligibility: Housing with an unmet need</p> <p>National Objective: Low/Mod Housing</p> <p>Projected Start Date: 6/1/2014 Projected End Date: 9/30/2022</p>	<p>LMI households needing assistance with rehabilitation and/or remediation occurring as a result of the flood event. Program will prioritize construction of flood mitigation items. This will result in long-term recovery for these households. Additionally, rehabilitation of deteriorated, affordable single-family and rental housing stock supporting families, seniors, special needs, and Housing Authority of Cook County eligible households.</p> <p>Location/Geographic Description: Cook County (including areas within the Villages of Wheeling and Niles)</p> <p>Responsible Organization: Neighborhood Housing Services (South) and Northwest Housing Partnerships (North) – Nonprofit sub-recipients will administer the program</p> <p>Performance Measures: No. of units (250 anticipated)</p>	<p>\$3,456,752</p>



Activity	Description	Total Budget
<p><b>Housing Construction and Rehabilitation</b></p> <p>Eligibility: Housing</p> <p>National Objective: Low/Mod Housing, Limited Clientele, or Urgent Need</p> <p>Projected Start Date: 6/1/2014 Projected End Date: 9/30/2022</p>	<p>New construction of multiple rental and for-sale housing developments to provide affordable replacement throughout Cook County for families, seniors, and special needs households.</p> <p>Location/Geographic Description: Areas near heavily impacted areas, but not in flood plains, including Himes and LaGrange</p> <p>Responsible Organization: Nonprofit or For Profit Developers</p> <p>Performance Measures: No. of units (250+ anticipated)</p>	\$21,500,000
<p><b>Down Payment Assistance</b></p> <p>Eligibility: Housing</p> <p>National Objective: Low/Mod Household</p> <p>Projected Start Date: 7/1/2017 Projected End Date: 9/30/2022</p>	<p>Program will assist homebuyers with purchasing a home through the provision of up to 100% of the down payment.</p> <p>Maximum Award: \$40,000 per household</p> <p>Eligible Applicants: Households with income 80% of AMI or less</p> <p>Eligibility Criteria: Households who are at or below 80% AMI. Priority will be given to households with income 80% of area median income (AMI) or less; persons with disabilities and seniors; and, those who resided in manufactured housing units (MHU) that were damaged or destroyed by the April 2013 flood event.</p>	\$605,000
<p><b>Infrastructure</b></p> <p>Eligibility: Needed infrastructure improvements that address flooding</p> <p>National Objective: Low/Mod Area Benefit and Urgent Need</p> <p>Projected Start Date: 6/1/2014 Projected End Date: 9/30/2022</p>	<p>There are 15 infrastructure projects already underway or being considered for funding. Conversations are ongoing with MWRD, IEMA, USACE, and local municipalities for the final funding decisions.</p> <p>Location: Countywide</p> <p>Responsible Organization: Cook County in coordination with units of local government</p> <p>Performance Measures: 15-20 infrastructure projects approved</p>	\$42,680,476

## 17. Environmental

Due to the nature and design of this program, these actions are subject to a HUD-required environmental review. DPD assumes responsibility for environmental reviews at the appropriate level.

## 18. Fair Housing

Cook County has a current Analysis of Impediments (AI) to Fair Housing, which was submitted to the U.S. Department of Housing and Urban Development's Office of Fair Housing and Equal Opportunity and Office of Community Planning and Development in 2012. A new Consolidated Plan was developed for 2015-2019 and included updates as applicable for fair housing impediments and proposed actions to affirmatively further fair housing. It was submitted to HUD in August 2015.

## 19. Duplication of Benefits

Cook County DPD will administer the CDBG-DR funding with a focus on preventing the duplication of benefits. For the purposes of this program, duplication of benefits is taken to indicate a situation where a beneficiary receives more disaster assistance than the amount of loss or receives benefits for a loss already covered by other sources. Disaster assistance includes private and public sources such as donations, insurance proceeds, volunteer work, and grants. The focus on preventing duplication of benefits is meant to guard against fraud and ineligible use of taxpayer funding, and to ensure federal government funding is the last source of recovery funding made available.

Assistance is considered duplicative when two sources exceed the need for the same recovery item. Assistance is not duplicative when two sources contribute to the same need and total assistance does not exceed the total need. Different sources of assistance can be combined to meet recovery needs as long as the assistance is not duplicative.

In administering the CDBG-DR funding, DPD will establish a process to work with federal, state, and local sources of disaster assistance to verify any assistance applied for and/or received by beneficiaries. DPD will work with all potential beneficiaries to determine the level of unmet need prior to providing any assistance. DPD will require all beneficiaries to:

- Report all assistance sought or received including insurance, loans, and grants.
- Sign an affidavit certifying that all assistance has been reported.
- Allow DPD to check for sources of disaster assistance.
- Sign a subrogation agreement, to be used if a duplication of benefits is determined.

The Project Management function within the Housing and Community Development divisions of DPD, in conjunction with any sub-recipients funded for this purpose, will be primarily responsible for gathering and verifying the above information. Any issues identified will be escalated to the Program Managers for review and final determination.

The County is already working with FEMA/IEMA and MWRD to ensure that funds are supportive of their related efforts and not duplicative. Cook County has administered flood assistance to individual homeowners through other Federal funds in the past and will follow a similar program model.

For the new construction and rehabilitated housing, a full subsidy layering analysis will be performed as part of the underwriting.

## 20. Procurement

Cook County has its own procurement code, which will guide the procurements needed for this grant, as applicable. However, most of the solicitation of sub-recipients is not subject to the Procurement Code. Cook County DPD has administered hundreds of CDBG projects via sub-recipients in recent years and requires all sub-recipients to adhere to HUD procurement standards. Sub-recipients will be identified to assist with the

Residential Resilience program based on past experience and capacity to perform. As for new construction and rehabilitated homes, Cook County will review proposals that are simultaneously sent to IHDA as part of their Qualified Allocation Plan and will review them based on the following Housing Prioritization criteria based on the HOME program. The County has chosen and will choose all projects in accordance with the CDBG-DR Regulations.

## **Cook County Housing Prioritization Criteria**

In general, entities submitting for housing funding and those receiving housing funding will be reviewed, evaluated, and monitored based on the following guidelines:

1. Complete Application – This comprehensive request should include all documents requested on the Housing Checklist. Those documents not available should be indicated with a full and detailed explanation. Any missing or non-submitted documents may cause a delay or denial of request of housing funds.
2. Qualified Development Team – The applicant must include and identify information about the persons or organizations that will be responsible for carrying out all aspects of the proposed project. This includes but is not limited to the following areas: (a) Housing, (b) financing, (c) construction, architectural design, and management, (d) management of housing, including marketing, leasing, and assets, and (e) legal team.
3. Past Performance – The County will consider the past performance of developers that will include but is not limited to: the ability to successfully structure and close a project, timeliness of completing a project, management practices of other housing facilities, and payment history on the servicing of their loans.
4. Underwriting Analysis – The applicant must provide a detailed development cost breakdown which includes all acquisition, construction, soft costs, and fees. A full operating budget must also be submitted documenting an economically feasible project after payment of expenses and debt. A subsidy layering review is conducted to determine the appropriate level of housing subsidy. This review is summarized in the Department's Staff Report presented to the County Board of Commissioners. All other financing components of the transaction must be identified at the time of request, including the most reasonable loan amounts, interest rate, and terms. A final financial review is performed prior to loan closing to ensure that the project is still economically feasible. The project's analysis of the operating budget or pro-forma must show that there is adequate cash flow to meet all debt service requirements (by all lenders) and provide for adequate reserves throughout the affordability period. A capital needs assessment is required for all projects with 26 or more total units. A market analysis is required for new construction and new single-family housing projects which will indicate a favorable market for the proposal.
5. Risk Management – Generally, the property is used as security for the housing funds provided to a development. The County is generally in a second mortgage position behind the primary lender but will evaluate request for modifications to this request.
6. Compliance Monitoring – When HUD required, the County will require annual rental compliance monitoring throughout the affordability period. The owner remains responsible throughout the affordability period to continue to comply with all federal regulations applicable to the project, including but not limited to: 1) maintaining the appropriate rent levels, 2) income qualifying the household, 3) maintaining the appropriate number of assisted units as required by federal regulations, 4) collecting all necessary documentation in a timely manner and forwarding it to the County, and 5) ensuring an adequately maintained facility.

7. Asset Monitoring – The County also reserves the right to perform asset monitoring to ensure continued viability of a project. This includes, but is not limited to, the review of financial statements, records retained at the management office related to operations, insurance documentation, affirmative fair marketing, and other pertinent documents. This review must be conducted annually for projects with 10 or more assisted units.

## **21. Waivers**

Cook County intends to utilize the waivers and alternative requirements applicable to this appropriation published by HUD in the Notices.

## **22. Substantial Amendments**

At a minimum, the following modifications will constitute a substantial amendment: a change in the program benefit or eligibility criteria; the allocation or reallocation of more than \$1 million; or, the addition of any activity. Cook County may substantially amend the Action Plan by following the same procedures required for the preparation and submission of the initial Action Plan. Amendments to the Action Plan that do not meet the threshold to be considered a substantial amendment will not require a public comment period, but all amendments will be numbered sequentially and posted on the disaster recovery website.

## **23. Pre-Agreement Costs**

Pre-Agreement costs of this grant include planning costs, preparation of the required Certification of Controls, Processes and Procedures and accompanying documents, conducting the needs assessment, data analysis, and preparation of this Action Plan.

## **24. Public Comments**

To be inserted upon conclusion of public comment period.

## Appendix

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<sup>i</sup> United States Army Corps of Engineers (USACE). Executive Summary: The Upper Des Plaines River Watershed, August 2013. <https://www.lrc.usace.army.mil/Portals/36/docs/projects/desplainesil/feasibilityreport/Executive%20Summary.pdf>

<sup>ii</sup> Metropolitan Water Reclamation District of Chicago IL. Watershed Plans. [https://www.mwrd.org/irj/go/km/docs/documents/MWRD/internet/protecting\\_the\\_environment/Stormwater\\_Management/htm/detailed\\_watershed\\_plans.htm](https://www.mwrd.org/irj/go/km/docs/documents/MWRD/internet/protecting_the_environment/Stormwater_Management/htm/detailed_watershed_plans.htm)

<sup>iii</sup> Cook County Multi-Jurisdictional Hazard Mitigation Plan. Volume 1 – Planning Area-Wide Elements. September 2014.

<sup>iv</sup> Institute of Housing Studies, DePaul University. 2013 State of Rental Housing in Cook County.

<sup>v</sup> Cook County Priority Communities. DR-4116 IA.

<sup>vi</sup> Cook County. Property Loss Data. DR-4116. April 2013.

<sup>vii</sup> “The Prevalence and Cost of Urban Flooding”

<sup>viii</sup> Institute of Housing Studies, DePaul University. 2016 State of Rental Housing in Cook County.

<sup>ix</sup> Institute of Housing Studies, DePaul University. 2017 State of Rental Housing in Cook County.