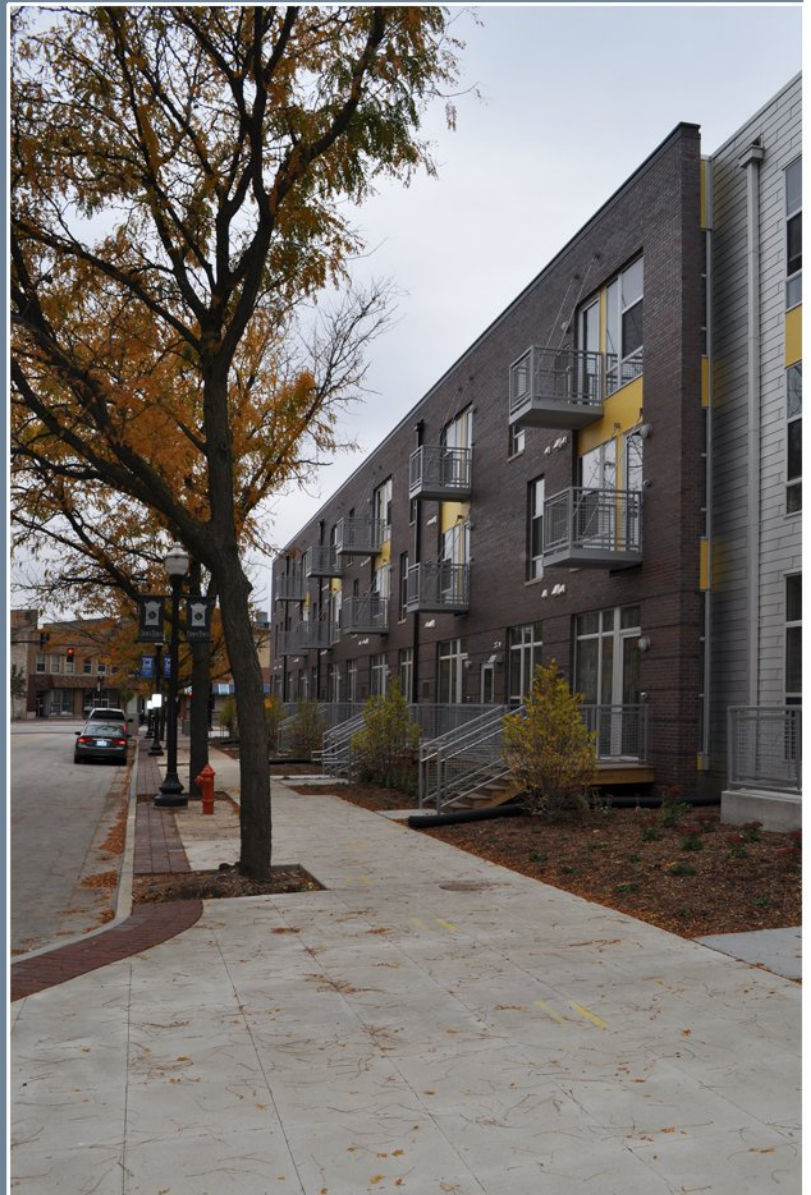


Affordable Housing Fund Program Guidelines



A HOUSING FINANCE INITIATIVE SPONSORED
BY KANE COUNTY, THE CITY OF ELGIN, AND
THE CITY OF ST. CHARLES

AFFORDABLE HOUSING FUND GENERAL GUIDELINES

I. PURPOSE

The Affordable Housing Fund (AHF) was established by the Kane County Board to provide gap financing for the preservation and/or development of affordable housing for middle and lower income households. The fund provides financing, under flexible terms, to both non-profit and for-profit developers for the acquisition, rehabilitation and/or new construction of both homebuyer and rental units. The fund is administered by the Kane County Development and Community Services Department under the oversight of the Kane-Elgin HOME Commission, a city-county commission formed for the purpose of accessing federal funds to address the area's housing needs. The Affordable Housing Fund is a combination of funds provided by the U.S. Department of Housing and Urban Development (HUD) including Community Development Block Grant (CDBG) and Home Investment Partnerships Program (HOME) funds, as well as the St. Charles Housing Trust Fund.

These guidelines are intended to create a unified set of standards for all housing units developed under the Affordable Housing Fund. Such units will be referred to throughout these guidelines as "assisted units". Supplemental guidelines specific to Homebuyer and Rental projects have also been established for projects supported by the Affordable Housing Fund.

Funds will be targeted to specific units that meet the income and affordability restrictions further described in these guidelines. With regard to rental projects, the County is particularly interested in those that provide for the greatest length of affordability with the least amount of subsidy. Ideally, projects funded by the Affordable Housing Fund will be located throughout the County to the greatest extent possible so no single community or neighborhood experiences a disproportionate concentration of income-restricted housing. In general, the purpose of the Affordable Housing Fund is to:

- Increase homeownership opportunities for low and moderate-income households (less than or equal to 80% of area median income); and
- Improve the quality, expand the supply, and/or increase the diversity of affordable rental units available to lower-income households (less than or equal to 80% of area median income).

Proposals that address the following objectives are strongly encouraged:

- Creation of affordable workforce housing that is in reasonable proximity to employment centers;

- Creation of high-quality housing in areas of the County characterized by substandard housing, high-cost housing or generally have a negative neighborhood image;
- Reduction of the number of vacant/foreclosed properties that adversely impact neighborhoods; and
- Development of housing in accordance with the Kane-Elgin Consortium’s Consolidated Plan Priority #1: Affordable Housing; General Principles and Specific Housing Criteria (See Appendix F).

II. GENERAL COMPLIANCE WITH FEDERAL REGULATIONS

Project Sponsors must comply with all applicable requirements of 24 CFR 92 concerning HOME funds, all applicable portions of 2 CFR Part 200 OMB’s Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and all other federal requirements and policies issued pursuant to these regulations, including, but not limited to, those set forth herein. Project Sponsors shall be responsible for complying with all applicable changes or additions to the requirements currently set forth in said regulations. Project Sponsors must comply with all other applicable federal, state and local laws and regulations governing the funds provided through this initiative.

III. HOUSING AUTHORITY JURISDICTION

Subject to all other guidelines and regulations of the Affordable Housing Fund, Housing Authorities and their associated 501(c)(3) instrumentalities are eligible to participate in financed projects subject to the documentation of jurisdiction. Housing Authorities are limited in their jurisdiction by Illinois State Statute, and as a creation of said Authority, their instrumentalities are restricted to the same jurisdiction and area of operation. If a project proposed for financing is outside of said jurisdictional area, the County will accept applications involving Housing Authorities and/or their instrumentalities only as accompanied with authorization/certification from DCEO, in accordance with the ILCS.

IV. ELIGIBLE/INELIGIBLE PROJECTS

All assisted units must be located within the Kane-Elgin Consortium Area, which includes all of Kane County (except the City of Aurora, and the Villages of Huntley, Hoffman Estates, and Montgomery), all of the City of Elgin (including that portion located in Cook County), all of the Village of Maple Park (including that portion located in DeKalb County), and all of the City of St. Charles (including that portion located in DuPage County).

Both new construction and rehabilitation projects are eligible for gap financing from the Affordable Housing Fund. For rehabilitation projects, funds may be used to make essential repairs or improvements to meet local code/Kane County standards, come into compliance with federal requirements of Section 504 or the Americans with Disabilities Act, abate lead-based paint, abate asbestos, make essential energy-related repairs or improvements, and repair or replace major housing systems in danger of failure. Projects only involving the acquisition of

vacant land or the demolition of structures are not eligible for gap financing from the Fund. Certain properties are considered either eligible or ineligible as follows:

1. **Eligible Properties:** Projects may include the following types of properties:
 - a. One or more buildings on a single site that are under common ownership, management, and financing;
 - b. Scattered-site properties, as long as the sites are under common ownership, management, and financing, and are assisted as part of a single project; and
 - c. Transitional and permanent housing, including group homes and Single Room Occupancy (SROs).

2. **Ineligible Properties:** The following properties are not eligible:
 - a. Public housing properties financed under the Housing Act of 1937;
 - b. Properties previously financed with HOME funds that are still within their period of affordability; and
 - c. Projects assisted under 24 CFR Part 248 (prepayment of low-income housing mortgages) unless assistance is provided to priority purchasers of such housing.

V. DEVELOPMENT APPROVAL

Subject to all other guidelines and regulations of the Affordable Housing Fund, project sponsors must provide evidence of development approval from the controlling jurisdiction if the project site has been identified.

VI. ELIGIBLE/INELIGIBLE USE OF AHF FUNDS

1. **Eligible Costs:** Funds may be used to pay the following eligible costs:
 - a. Development Hard Costs: Including acquisition of property, site improvements, construction, rehabilitation, conversion and demolition.
 - b. Development Soft Costs: Including financing costs, building permit fees, legal and developer fees, property appraisals, credit and title costs, etc. Also included are engineering, architectural, or related professional services, project-related audit costs, affirmative marketing (See Appendix A) and marketing costs, and operating deficit reserves. Certain limits apply to soft costs, and all soft costs must be “reasonable and necessary.”

2. **Ineligible Costs:** Funds may not be used for the following:
 - a. Delinquent taxes, fees, or charges;
 - b. Impact fees;
 - c. Project reserve accounts;
 - d. Tenant/project-based rental assistance;
 - e. Non-federal matching contributions required under other federal programs; or

- f. Relocation Costs: Including costs associated with relocating occupants under the Uniform Relocation Assistance/Real Property Acquisition Policies Act of 1970. (See Section XII of these guidelines.)

VII. UNDERWRITING/SUBSIDY LAYERING REVIEW

Projects considered eligible for assistance will be analyzed based on project assumptions and risks to ensure they will meet affordability requirements. HUD establishes limits on the amount of funds that may be invested in affordable housing on a per-unit basis. (See Appendix B.) Before committing funds to a project that combines the use of other local, state, or federal assistance, the County will evaluate the project to ensure that no more funds than necessary and permitted by HUD are invested in a project. The County has established underwriting procedures in accordance with guidelines set forth by HUD. The underwriting process will include:

1. An examination of the sources and uses of funds for the proposed project;
2. A review of the project development budget to determine whether the development costs are necessary and reasonable. "Reasonableness" of development costs will be based on one or more of the following factors:
 - a. Costs of comparable projects in the same geographical area;
 - b. The qualifications of the cost estimators for the various budget line-items; and
 - c. Comparable costs published by recognized industry cost-index services.
3. An assessment of the current market demand in the area where the project will be located;
4. An assessment of the experience and the financial capacity of the project sponsor and/or owner;
5. An evaluation of the project sponsor's level of site control; and
6. An assessment of the written financial commitments for the project. Each applicant must provide the County with a formal certification as to whether or not additional governmental assistance will be provided to the project, and if so, the terms of such assistance.

Proposals must demonstrate that the project is not "economically feasible" without assistance from the Affordable Housing Fund. Applicants must provide evidence of their financial ability to implement the project.

During the evaluation of rental projects, the County will determine the reasonableness of the rate-of-return on equity investment by analyzing the project pro-forma. The pro-forma must include rent levels, market vacancies and operating expenses. It should also specify the consequences of tax benefits, if any, and any other assumptions used in calculating the project cash flow. The County will evaluate the pro-forma to ensure it projects, as accurately and reasonably as possible, revenues and expenses over a 30 year period.

In addition to the financial feasibility of the project, proposals will be reviewed in accordance with the purpose and objectives described in Section I of these guidelines.

If a project is selected for funding, the initial award amount will be based on an initial underwriting of anticipated project costs. Another underwriting will be conducted at the time of closing or construction start, since construction costs at the time of project proposal are typically estimates instead of firm bids and contracts. A final underwriting will be conducted upon construction completion or final draw, when the final sources and uses can be verified. The final amount disbursed for a particular project may differ from the initial award amount based on the results of the underwriting process.

VIII. MARKET ASSESSMENT

A Market Assessment ensures viable and sustainable projects, by evaluating current market data to address two key issues: pricing and absorption. The market assessment should evaluate and document the demand for the type and number of all housing units being developed, not just those designated as assisted units. The market assessment will assist the County in determining whether the project can be expected to be rented or sold to within the regulatory time frames and at the cost or price estimated by the developer. Timely occupancy of assisted units by eligible tenants/homeowners is critical to comply with statutory requirements as well as the sale and rental occupancy deadlines established by HUD. Additional requirements for rental projects are contained in the guidelines for rental projects.

IX. MATCHING FUNDS

Applicants are encouraged to include eligible forms of “matching” funds in their project financing. Matching funds are considered a permanent contribution to affordable housing. While there are many eligible forms of match, this program excludes certain sources and, in some cases, stipulates how match is calculated. (For detailed information regarding matching funds, please see HUD Notice CPD-97-03.) Generally, however, applicants may consider the following to be eligible forms of match:

1. Cash or cash equivalents from non-federal sources. Please note, however, that owner equity as well as cash contributions from owners or developers (or prospective owners or developers) are not eligible sources of match.
2. Value of waived taxes, fees or charges associated with projects.
3. Value of donated or land or real property.
4. Cost of infrastructure improvements associated with projects.
5. A percentage of the proceeds of multi-family housing bonds issued by the state, state instrumentality or local government.
6. Value of donated materials, equipment, labor and professional services.
7. Sweat equity.
8. Direct costs of supportive services to project residents.

X. ALLOCATING COSTS TO THE ASSISTED UNITS

Before determining the allowable gap financing amount, the County will establish the total eligible costs for the project. For projects with both assisted and non-assisted units, the costs must be allocated across units. In accordance with 24 CFR 92.205(d)(1), if both the assisted and non-assisted units are comparable in size, features and number of bedrooms, the eligible cost can be pro-rated across units. If the units are not comparable, actual costs must be determined and allocated unit by unit. The County must follow HUD rules regarding a subsidy layering analysis prior to project commitment.

XI. MAXIMUM INVESTMENT

Under the Affordable Housing Fund, the HOME program maximum per-unit gap financing is based on the Section 234 program limits for the Chicago metropolitan area as established by HUD and in effect at the time of funding award/commitment (See Appendix B). The actual subsidy provided, however, will depend on the following factors:

1. The proportion of the total project cost that is eligible; some project costs may not be eligible expenses;
2. The number of units in the project that are assisted; projects may have a mix of assisted and non-assisted units; and
3. The financial needs of the project; the County will not provide more subsidy than is required to make projects financially feasible. The County will determine what is reasonable and required.

XII. AFFORDABILITY PERIOD

Assisted units carry restrictions for varying lengths of time. Depending on the amount of AHF funds invested per unit, and whether the project involves rehabilitation or new construction, an “affordability period” will be established as follows:

Activity	AHF Investment Per Unit	Affordability Period
Rehabilitation	<\$25,000	5 Years
Rehabilitation	\$25,000-\$50,000	10 Years
Rehabilitation	>\$50,000	15 Years
New Construction	Any amount	20 Years

XIII. DETERMINING INCOME ELIGIBILITY

Homebuyers and renters must meet certain income requirements, which may vary depending on project size and HUD funding requirements (See Appendix C). The County may choose one of two definitions of annual gross income to determine income eligibility on a project by project

basis. Detailed guidance on determining income and sample forms can be found in HUD's "Technical Guide for Determining Income and Allowances for the HOME Program" (Publication HUD-1780-CPD, January 2005).

XIV. PROPERTY STANDARDS

At a minimum, all assisted units must meet local code and Kane County's rehabilitation standards (if rehabilitation project). They must also comply with the Illinois Energy Conservation Code. All projects must also comply with local ordinances and zoning standards, and all applicable federal, state, and regional standards. Additionally, the amenities, features, and overall design of all projects assisted under the AHF are subject to the review and approval of the County. Applicants may be required to furnish additional information, drawings, and details necessary to complete the review process.

XV. ACCESSIBILITY

The following accessibility standards/requirements apply to all funded projects.

1. American with Disabilities Act (ADA) (42 U.S.C. 12131; 47 U.S.C. 155, 201, 218, and 225).
 - a. Provides comprehensive civil rights to individuals with disabilities in areas of employment, public accommodations, state and local government services and telecommunications.
 - b. Discrimination includes the failure to design and construct facilities (built for first occupancy after January 26, 1993) that are accessible to and usable by persons with disabilities.
 - c. ADA requires the removal of architectural and communication barriers that are structural in nature in existing facilities. Removal must be readily achievable, easily accomplishable and able to be carried out without much difficulty or expense.
2. Fair Housing Act: Multifamily rental units must meet the design and construction requirements specified at 24 CFR 100.205, which implement the regulations of the Fair Housing Act (42 U.S.C. 3601-19).
3. Section 504 of the Rehabilitation Act of 1973: Section 504 prohibits discrimination in federally assisted programs on the basis of handicap. This section of the Rehabilitation Act imposes requirements to ensure that "qualified individuals with handicaps" have access to programs and activities that receive federal funds. The definition of who must comply includes any entity that receives federal funding. (See Appendix D for a summary of Section 504 requirements.)

XVI. UNIFORM RELOCATION ACT

All projects assisted are subject to the Uniform Relocation Assistance/Real Property Acquisition Policies Act, as amended (URA). Regulations governing URA are found at 49 CFR Part 24.

XVII. OTHER REQUIREMENTS

1. Labor Standards: Projects must comply with federal labor standards in accordance with the Davis-Bacon Act, applicable provisions of the Contract Work Hours and Safety Standards Act, and other applicable federal laws and regulations pertaining to labor standards. Generally, if projects contain eight (8) or more units, all laborers and mechanics employed in the construction work must be paid wages and fringe benefits equal to those specified in the federal wage determination issued for the local area. The developers of such projects will be required to submit documentation to the County to ensure that contractors (both generals and subs) complied with these requirements, and should include associated costs in their project budgets. Given the varying thresholds associated with different funding sources, however, the County reserves the right to waive this requirement and make adjustments to project budgets and financing amounts/terms accordingly.
2. Lead-Based Paint: Projects involving rehabilitation and receiving federal assistance constitute HUD-associated housing for the purposes of the Lead-Based Paint Poisoning Prevention Act and are, therefore, subject to federal regulations 24 CFR Part 35.
3. Selection of a Construction Contractor: The developer must provide the County with construction specifications and costs estimates for the work proposed. To ensure completeness, cost efficiency, and market competitiveness, the County will review the project specifications and associated costs, which will be mutually agreed to by both parties. The developer will select a construction contractor that will be required to complete the project in accordance with the approved specifications and costs. The County will conduct on-site inspections throughout the rehabilitation/construction of the project to assure the project is completed as required.
4. Debarment and Suspension: Developers and contractors are prohibited from employing, awarding contracts, or funding any contractors or subcontractors that have been debarred, suspended, proposed for debarment, or placed on an ineligibility status by HUD.
5. Environmental Review: The County is responsible for ensuring that the environmental review process is satisfied before funds can be committed to a specific project, and an applicant for financing is responsible to refrain from any activity that constitutes a commitment of financing to the project. This includes but is not limited to entering into contracts or agreements related to the purchase of property. These requirements are detailed in 24 CFR Part 58. Developers are expected to cooperate with the County in satisfying these requirements by providing information in their possession and access to the project site.
6. Equal Opportunity: No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits

of, or be subjected to discrimination under any program or activity funded in whole or in part with Program funds. All entities applying for funds through the Program will provide certification of compliance with all federal requirements under the Equal Opportunity legislation. In addition, funds must be made available in accordance with the following:

- a. The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100: Executive Order 11063, as amended, (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (non-discrimination in Federally Assisted programs) and implementing regulations issued at 24 CFR Part 1;
- b. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146.
- c. The prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8;
- d. The requirements of Executive Order 11246 (Equal Employment Opportunity) and the implementing regulations at 41 CFR Chapter 60;
- e. The requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) that:
 - i. To the greatest extent feasible, opportunities for training and employment arising in connection with the planning and carrying out of any project assisted with Program funds be given to low-income persons residing within the general area in which the project is located; and
 - ii. To the greatest extent feasible, contracts for work to be performed in connection with any such project be awarded to businesses, including but not limited to, individuals or firms doing business in the field of planning, consulting, design, architecture, building construction, rehabilitation, maintenance, or repair, which are located in or owned in substantial part by persons residing in the same metropolitan area of the project.
- f. The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise), and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, each applicant must make efforts to encourage the use of minority and women's business enterprises (M/WBE) in connection with AHF funded activities. The Consortium maintains an M/WBE directory of firms available for bidding on projects and each applicant must comply with the County's M/WBE Outreach Program, which is further described in Appendix E.

7. Fair Housing in Marketing: Project developers/owners must comply with the Kane-Elgin HOME Consortium's affirmative marketing procedures and requirements for multi-family projects with 5 or more assisted housing units. The County will evaluate projects involving single-family projects with 5 or more assisted units to determine whether affirmative marketing efforts are appropriate. Such efforts include procedures to be

used by developers to inform and solicit applications from persons in the housing market area not likely to apply for housing without special outreach. (See Appendix A)

8. Conflicts of Interest: The following conflict of interest provisions apply:
 - a. For units of general local government, 24 CFR Part 85.36;
 - b. For non-profit organizations, Uniform Grant Guidelines 2 CFR 200;
 - c. For all others, 24 CFR Part 92.356.

XVIII. SECURING THE INVESTMENT OF AHF FINANCING

The County will secure the Affordable Housing Fund investment by requiring the Project Sponsor to execute a mortgage and note, documenting the repayment terms and interest rate. Further, the County will require the recordation of covenants or deed restrictions to document the affordability period applicable to the project.

XIX. FUND ADMINISTRATION

The Kane County Development and Community Services Department is responsible for the administration of the Affordable Housing Fund, under the oversight of the Kane-Elgin HOME Commission. Questions regarding the program may be directed to Chris Dall, Assistant Director, at 331-312-9231 or dallchristopher@kanecountyil.gov, or Toni Mallett, Community Development Program Manager, at 630-444-1076 or malletttoni@kanecountyil.gov.

Provision Regarding the Waiver of Program Guidelines: The County may waive compliance with any provision of these Program Guidelines if to do so does not violate federal, state, county, or municipal laws or regulations, and is in the best interest of the Consortium.

APPENDIX A

Affirmative Marketing Procedures

The Kane-Elgin Consortium and its program participants will follow a policy of nondiscrimination and equal opportunity in compliance with 24 CFR 92.351. Program participants will be informed of Fair Housing laws and these affirmative marketing procedures. In order to comply with the regulations, the County will oversee a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the County/Project Sponsors with such persons or entities, public and private, in order to facilitate the activities of the County to provide affordable housing.

- A. Affirmative steps shall include:
 - 1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - 2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - 3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - 4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - 5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
 - 6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed above.

- B. Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the County's affirmative marketing policy:
 - 1. Use of commercial media,
 - 2. Use of community contacts,
 - 3. Use of the Equal Housing Opportunity logotype or slogan, and
 - 4. display of fair housing poster;
 - 5. Including the above in press releases and solicitations for owners, and written communication to fair housing and other groups.

- C. Procedures to be used by Project Sponsors and owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing program or the housing without special outreach. Communication through:
 - 1. Use of Public Housing Authority,
 - 2. Use of community organizations,
 - 3. Use of places of worship,
 - 4. Use of employment centers,
 - 5. Use of fair housing groups, and/or
 - 6. Use of housing counseling agencies;

Program participants will be responsible for documenting their compliance with these affirmative marketing procedures. They shall maintain files containing copies of all correspondence, press releases, public notices, lists of organizations receiving such releases and/or notices, and any other relevant documents. An annual assessment of the program participant's affirmative marketing efforts will be conducted either independently by the Consortium or in conjunction with the appropriate project sponsor to determine compliance.

If any action(s) have been deemed non-compliant with this policy, a determination will be made as to whether such action was done willfully. Upon determining the program participant willfully failed to comply with affirmative marketing requirements, the Consortium (or project sponsor) will require the program participant to seek guidance from an appropriate equal opportunity agency (i.e., HOPE Fair Housing Center, Leadership Council for Open Metropolitan Communities). If there is a second occurrence of willful noncompliance, the program participant will be debarred from future participation in the Consortium's programs. Additionally, the Consortium may foreclose their lien on the project.

Upon determining the program participant did not willfully fail to comply with this policy, a written notice of noncompliance will be sent to the program participant, who will be counseled on the proper program procedures in order to ensure future compliance. In the event of a second incidence of noncompliance, the Consortium will make the appropriate sanctions.

Questions regarding these Affirmative Marketing Procedures may be directed to the Kane County Development and Community Services Department, 719 South Batavia Avenue, Geneva IL 60134.

APPENDIX B

HOME Maximum Per-Unit Subsidy Limits

(Pending HUD Approval)

0 BR	1 BR	2 BR	3 BR	4+ BR
\$187,658	\$215,122	\$261,595	\$338,419	\$371,477

APPENDIX C

Income Limits

Effective: 6/1/2026

	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% AMI	\$ 25,550	\$29,200	\$32,850	\$36,450	\$39,400	\$42,300	\$45,200	\$48,150
50% AMI (Very Low Income)	\$42,550	\$48,600	\$54,700	\$60,750	\$65,650	\$70,500	\$75,350	\$80,200
60% AMI	\$51,060	\$58,320	\$65,640	\$72,900	\$78,780	\$84,600	\$90,420	\$96,240
80% AMI (Low Income)	\$68,050	\$77,800	\$87,500	\$97,200	\$105,000	\$112,800	\$120,550	\$128,350

APPENDIX D

Section 504 Requirements

Removal of Physical Barriers

- For **new construction** of multi-family projects, 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent of the units (but not less than one unit) must be accessible to individuals with sensory impairments.
- The Section 504 definition of **substantial rehabilitation** multi-family projects includes construction in a project with 15 or more units for which the rehabilitation costs will be 75 percent or more of the replacement cost. In such developments, 5 percent of the units in the project (but not less than one unit) must be accessible to individuals with mobility impairments, and an additional 2 percent (but not less than one unit) must be accessible to individuals with sensory impairments.
- When **rehabilitation less extensive than substantial rehabilitation** is undertaken, alterations must, to the maximum extent feasible, make the unit accessible to and usable by individuals with handicaps, until 5 percent of the units are accessible to people with mobility impairments. Alterations to common spaces must, to the maximum extent feasible, make the project accessible.
- Accessible units must be, to the maximum extent feasible, distributed throughout projects and sites and must be available in a sufficient range of sizes and amenities so as to not limit choice.
- Owners and managers of projects with accessible units must adopt suitable means to assure that information regarding the availability of accessible units reaches eligible individuals with handicaps. They also must take reasonable non-discriminatory steps to maximize use of such units by eligible individuals.
- When an accessible unit becomes vacant, before offering the unit to a non-handicapped individual, the owner/manager should offer the unit: first, to a current occupant of the project requiring the accessibility feature; and second, to an eligible qualified applicant on the waiting list requiring the accessibility features.
- The usual standards for ensuring compliance with Section 504 are the Uniform Federal Accessibility Standards (UFAS), although deviations are permitted in specific circumstances.

Provide Program Accessibility

- Individuals with handicaps must be able to find out about, apply for and participate in Federally-assisted programs or activities.
- Special communication systems may be needed for outreach and ongoing communication (e.g., Telecommunications Devices for the Deaf (TDD), materials on tape or in Braille, accessible locations for activities and meetings).
- Policies and procedures must be non-discriminatory (e.g., housing providers may not ask people with handicaps questions not asked of all applicants, screen individuals with handicaps differently or assess an individual's ability to live independently).

Make Employment Accessible

- Employers must not discriminate.
- Employers must remove physical and administrative barriers to employment.
- Employers must make reasonable accommodations for individuals with known handicaps (e.g., job restructuring, providing readers or sign interpreters, making facilities accessible).

Administrative Requirements

- If recipients or subrecipients have 15 or more employees, they must:
 - Designate a Section 504 Coordinator; and
 - Notify program participants and employees of non-discrimination policies.
- All recipients and subrecipients must conduct self-evaluations of compliance with Section 504.

APPENDIX E

Minority/Women Business Enterprise Outreach Program

Kane County has established this outreach program in order to maximize the participation of Minority-owned and Women-owned Business Enterprises (M/WBE) in projects funded under its programs funded by the U.S. Department of Housing and Urban Development (HUD).

An M/WBE is a business that is at least 51% owned and operated by one or more minority person(s) or women. "Minority" means Asian/Pacific Americans, Black Americans, Hispanic Americans, or Native Americans.

The county has compiled a directory, in consultation with the United States Small Business Administration, the Illinois Capital Development Board, the Illinois Department of Transportation, and the Federation of Women Contractors, of eligible M/WBEs located in Kane County. The directory is categorized by occupation or specialty (i.e. building contractors, heavy-highway contractors, landscape contractors, and professional services). All qualified M/WBEs located in Kane County are encouraged to apply for inclusion in the directory, which will be reviewed and updated annually. The directory will be distributed to all project sponsors as well as any other interested parties.

All project sponsors will be required to identify the M/WBEs utilized in the completion of their projects and to document their efforts in obtaining bids, price quotes, or proposals from M/WBEs for their particular project. The county will tabulate the utilization of M/WBEs by all project sponsors in order to prepare and submit reports required by HUD.

Requests for proposals issued by, and contracts awarded by, Kane County or its project sponsors will, however, be subject to all applicable federal, state and local procurement standards. The county's procurement procedures require the award of contracts to organizations with the most cost-effective and responsive bid or quote, therefore, M/WBEs and all other bidders will have equal access to available contracts and business.

When practicable, the county will participate in local business conferences in order to encourage the increased utilization of M/WBEs. Also, the county will take every opportunity to express its interest in the use of M/WBEs for the completion of its own projects and to enlist further support and participation in the program.

Questions regarding the M/WBE Outreach Program may be directed to the Kane County Development and Community Services Department, 719 South Batavia Avenue, Geneva IL 60134.

APPENDIX F

Excerpt from Kane-Elgin Consortium's Consolidated Plan Priority #1: Affordable Housing

General Principles

1. Promote Economic Development and Sustainability: Housing, when appropriately located, can encourage a healthy business climate. The mismatch between where the jobs are and where workers can afford to live has significant costs. Increasingly, employers recognize that local housing for all levels of their workforce promotes stability and productivity for the workers as well as the individual company.
2. Encourage an Array of Quality Housing Options: Developments with units at price points accessible to a wide range of income levels are needed to provide the local workforce and residents with a housing supply that is critically needed and currently lacking.
3. Support Innovative Community Development and Design: Quality residential and mixed-use developments maintain, enhance, or create livable streets, neighborhoods, and public spaces oriented to the pedestrian. A variety of housing types provides a healthy mix of residents from different age groups, racial and cultural backgrounds, income levels, and household types. New developments foster a sense of community, while promoting a choice of housing options, privacy, and convenient access to nearby amenities.
4. Provide for Mixed Uses within a Neighborhood: In order to enhance community livability, a mix of land uses within a neighborhood is desirable. Such a mix brings amenities including retail, restaurants, and schools in closer proximity to residents. The location of schools, entertainment districts, parks, businesses, institutions, and recreational facilities will be consciously integrated with new and existing residential developments to encourage ease of pedestrian access.
5. Minimize Cost of Municipal Services: Clustering housing near existing infrastructure minimizes the per capita costs of municipal services by allowing for more efficiency and economies of scale.
6. Promote the Use of Public Transit: Housing, together with commercial space and public amenities, should ideally be within walking distance of existing or planned transit service.
7. Support Sensible Growth: Infill development and redevelopment within existing municipal areas and conservation developments can satisfy a substantial portion of the area's projected housing needs. Adhering to development policies that encourage compact, mixed-use development will promote an array of housing types and expand individual choice. This will advance other regional and community needs, such as the protection of open space and the growth of the local tax base.

Specific Housing Criteria

1. Location: Infill development and redevelopment within existing cities and villages, as well as new conservation developments, will receive preference. In order to maximize compatibility with public transit and minimize auto use, housing within proximity to transit service, a job hub, or town center is encouraged.
2. Land-Use: New developments that aim to cluster housing in an efficient manner, in context with the surrounding community, to preserve natural resources and open space will be given priority. Higher densities and mixed uses are particularly appropriate near transit stations to reduce the growth of traffic congestion on local and regional roads.
3. Attainability: Mixed-income developments, which include units accessible to moderate-income working families and to households with lower incomes, along with market rate units in the same complex, will be given preference. Developments that help balance affordability levels within communities, while assuring consistent quality and design, will receive extra consideration.
4. Design: New developments that stress quality design and construction to help ensure its long-term contribution to the improvement of the neighborhood will be given preference. The proposed buildings will fit their setting, complementing and enhancing the existing neighborhood, and promoting a sense of community, pedestrian friendly design and the other principles of good village design. Where practicable, projects should incorporate green building/energy efficient features into the design.
5. Management: The management and maintenance of developments are as critical as the initial design and construction to meeting the goals of enhancing communities. Therefore, the capacity of the development team to successfully address long-term needs, as evidenced by its track record in selling, leasing and managing development properties, and its history with neighborhood and/or tenant relations, will also be considered.