

Memorandum of Understanding

Between
A Safe Place
and
Lake County, IL

This Memorandum of Understanding (MOU) sets forth the terms and understanding between the A Safe Place (ASP) and the County of Lake (Lake County) regarding the Program Year 2019 Community Development Block Grant (CDBG) funds for which ASP has applied.

Background

A Safe Place (ASP) is undergoing facility renovations at their emergency shelter located at 1301 Buck Avenue, Waukegan, IL.

A recommendation to grant ASP \$47,805 in CDBG 2019 funds has been approved by Lake County's Housing and Community Development Commission (HCDC). In an effort to maintain the proposed project schedule and maximize the number of days available in 2019 construction season for the project, ASP has requested an arrangement under which improvements may begin after the Lake County Board has approved the 2019 grant award but before the total CDBG award from U.S. Department of Housing and Urban Development (HUD) has been made available to Lake County.

Pre-Award Cost

As CDBG is a formula-based entitlement program and Lake County will have a 2019 Action Plan in place as required by HUD as of May 14, 2019, under 24 CFR 570.200(h), Lake County is permitted by HUD to allow a CDBG subrecipient such as ASP to begin spending on CDBG projects prior to receipt of the CDBG award from HUD to Lake County:

"Prior to the effective date of the grant agreement, a recipient may incur costs or may authorize a subrecipient to incur costs, and then after the effective date of the grant agreement pay for those costs using its CDBG funds, provided that: (i) The activity for which the costs are being incurred is included, prior to the costs being incurred, in a consolidated plan action plan...; (ii) Citizens are advised of the extent to which these pre-award costs will affect future grants; (iii) The costs and activities funded are in compliance with the requirements of this part and with the Environmental Review Procedures stated in 24 CFR part 58; (iv) The activity for which payment is being made complies with the statutory and regulatory provisions in effect at the time the costs are paid for with CDBG funds; (v) CDBG payment will be made during a time no longer than the next two program years following the effective date of the grant agreement or amendment in which the activity is first included; and (vi) The total amount of pre-award costs to be paid during any program year pursuant to this provision is no more than the greater of 25 percent of the amount of the grant made for that year or \$300,000."

All of these criteria will be met.

Purpose

While the incursion of costs by a CDBG sub-recipient prior to official award of CDBG funds by HUD to Lake County is allowable, to do so presents risks to ASP, the subrecipient. This document will detail the concerns (risks) associated with this order of events and outline the conditions under which ASP may begin incurring costs related to its 2019 CDBG project.

Concern 1:

The Lake County Board may vote to award ASP an amount of CDBG funds other than the \$47,805 recommended by the HCDC. The Lake County Board may also vote not to award ASP any funds for the 2019 CDBG program year. In this situation, ASP would be unable to have project costs reimbursed with CDBG 2019 funds. On May 14, 2019 the Lake County Board is scheduled to vote on the 2019 Action Plan which includes the HCDC's recommended \$47,805 award to ASP.

Concern 2:

The CDBG 2019 grant funds provided to Lake County by HUD to be distributed to sub-grantees may be other than the amount expected. In such a situation, Lake County's Housing & Community Development Commission may recommend that the Lake County Board adjust the amount of CDBG funds awarded to ASP including a potential outcome wherein no funds are awarded to ASP in program year 2019. **In this situation, ASP would be unable to have any project costs reimbursed with CDBG 2019 funds in excess of the funds approved by the Lake County's Housing & Community Development Commission.** HUD is expected to identify and make available Lake County's 2019 CDBG amount by July of 2019.

Agreement

With this Memorandum of Understanding to be signed only after the Lake County Board vote on May 14, 2019, Lake County authorizes ASP to begin incurring expenses on accessibility improvements as described in its 2019 CDBG application **WITH THE UNDERSTANDING THAT REIMBURSEMENT OF THESE EXPENSES IS COMPLETELY DEPENDENT ON THE CDBG 2019 GRANT AWARD PROVIDED BY HUD** (anticipated July of 2019).

A Safe Place understands:

- No monies will be reimbursed until Lake County receives the grant award from HUD for CDBG 2019 funds.
- CDBG 2019 funds available for reimbursement will not cover all of ASP's project expenses.
- A CDBG 2019 grant amount other than the \$47,805 recommended to date may be available, including an outcome where no funds are awarded.

Contact Information

A Safe Place
Pat Davenport
Executive Director
271010th Street
Zion, IL 60099

Lake County, IL
Jodi Gingiss
Community Development Administrator
500 W. Winchester Rd
Libertyville, IL 60048

Pat Davenport, Executive Director
A Safe Place

Date: _____

Sandy Hart
Lake County Board Chairman

Date: _____