

Lake County Illinois

*Lake County Courthouse and Administrative Complex
18 N. County Street
Waukegan, IL 60085-4351*



Minutes Report - Draft

Wednesday, January 15, 2014

2:30 PM

**10th floor Assembly Room
18 N. County Street, Waukegan, IL 60085**

**Community Development Commission - Executive
Committee**

1. Roll Call

Chairman Pedersen called the Executive Committee (EC) meeting to order at 2:38 p.m.

Guests: Linda Kellough, alternate for Janet Swartz

Staff: Eric Waggoner, Brittany Sloan, Jodi Gingiss, Sarah Ciampi, Brenda O'Connell, Janel Gomez, Jordan Bartle, and Laura Walley

Present 4 - Vice-Chairman Venturi, Commissioner Swartz, Chairman Pedersen and Commissioner Rose

Absent 2 - Commissioner Calabresa and Commissioner Russell

2. Approval of Minutes

2.1 14-0017

Approval of September 25, 2013 Minutes

Attachments: [9.25.13 Exec Minutes](#)

A motion was made by Vice-Chairman Venturi, seconded by Commissioner Rose, to approve the September 25, 2013 minutes. The motion carried by the following vote:

Aye: 4 - Vice-Chairman Venturi, Commissioner Swartz, Chairman Pedersen and Commissioner Rose

Absent: 2 - Commissioner Calabresa and Commissioner Russell

2.2 14-0018

Approval of November 15, 2013 Minutes

Attachments: [11.15.13 Exec Minutes](#)

A motion was made by Vice-Chairman Venturi, seconded by Commissioner Rose, to approve the November 15, 2013 minutes. The motion carried by the following vote:

Aye: 4 - Vice-Chairman Venturi, Commissioner Swartz, Chairman Pedersen and Commissioner Rose

Absent: 2 - Commissioner Calabresa and Commissioner Russell

2.3 14-0019

Approval of December 16, 2013 Minutes

Attachments: [12.16.13 Exec Minutes](#)

A motion was made by Vice-Chairman Venturi, seconded by Commissioner Rose, to approve the December 16, 2013 minutes. The motion carried by the following vote:

Aye: 4 - Vice-Chairman Venturi, Commissioner Swartz, Chairman Pedersen and Commissioner Rose

Absent: 2 - Commissioner Calabresa and Commissioner Russell

3. Chair's Remarks

The Chairman had no comments.

4. Public Comments (items not on the agenda)

There were no public comments.

5. **Old Business**

There was no old business.

6. **New Business**

6.1 **14-0011**

Fox Lake CDBG 2012 Public Infrastructure Grant Amendment Request

- The Village of Fox Lake is requesting that CDC approve an amendment to its 2012 CDBG Public Infrastructure project.

Attachments: [Fox Lake Project DOCS](#)

Ms. Janel Gomez presented Fox Lake's amendment request, which proposed the replacement fire hydrants within a 2-mile radius of the original project. This project would have scored slightly better than the original project, as the census tract involved has a higher percentage of low-income residents. Further, the amount of leverage that Fox Lake will provide will be in the same dollar range as the originally-proposed project, which was a water main connection project. Fire hydrants are a part of the same Consolidated Plan goal as water main projects. Some of the fire hydrants have not been replaced since 1935 and are so old that replacement parts are not available. This project would address a public safety issue.

A motion was made by Vice-Chairman Venturi, seconded by Commissioner Swartz, to approve Fox Lake's PY2012 PI grant amendment request and refer the request to the Community Development Commission for review. The motion carried by the following vote:

Aye: 4 - Vice-Chairman Venturi, Commissioner Swartz, Chairman Pedersen and Commissioner Rose

Absent: 2 - Commissioner Calabresa and Commissioner Russell

6.2 **14-0012**

Amendment to project scope of 2012 HOME funding allocation for NorthPointe Resources

- NorthPointe's application for HOME 2012 funds was approved to complete rental group home rehabilitation at two project sites, 700-702 College Avenue (Winthrop Harbor) and 39286 Garnett Avenue (Beach Park).
- CD staff has discovered the College Avenue site is not eligible as it is under a current period of affordability from previous HOME funding.
- Since College Avenue can be rehabilitated with NorthPointe's 2012 LCAHP grant, request for CDC to reduce scope of \$26,260.00 HOME project to include only 39286 Garnett Avenue. This focused funding will support more comprehensive accessibility, energy efficiency, and code rehabilitation.
- Both projects are viable long-term for the NorthPointe portfolio.

Attachments: [northpoint letter](#)

Ms. Sarah Ciampi informed the EC that NorthPointe Resources' 2012 HOME project, for the rehabilitation of two group homes, was not fundable as written. As one of the homes, located at 700-702 College Avenue in Winthrop Harbor, is currently under a period of affordability from previous HOME funding, this property is ineligible for new HOME funds

for further rehabilitation. Therefore, Ms. Ciampi worked with the agency to formulate a plan that would utilize the 2012 HOME funds solely on the second project home, located at 39286 Garnett Avenue in Beach Park, to include more extensive improvements to include comprehensive accessibility, energy efficiency, and code rehabilitation work. The College Avenue home will be rehabilitated with the agency's 2012 LCAHP grant. NorthPointe requested that the 2012 HOME project scope be reduced from the two group homes to the Garnett Avenue home, which would undergo an increased level of rehabilitation.

A motion was made by Commissioner Swartz, seconded by Vice-Chairman Venturi, to approve NorthPointe Resources' request for an amendment to the project scope of its PY2012 HOME funding allocation and to refer the request to the Community Development Commission (CDC). The motion carried by the following vote:

Aye: 4 - Vice-Chairman Venturi, Commissioner Swartz, Chairman Pedersen and Commissioner Rose

Absent: 2 - Commissioner Calabresa and Commissioner Russell

6.3 13-1458

Joint resolution authorizing the implementation of the Community Development (CD) Watch List Policy.

- After Community Development (CD) grants are approved by the CDC and the Lake County Board, CD staff administers the grants with the goal of timely, high-impact and legally compliant federal spending.
- In rare cases, a program or project funded with federal sources does not meet requirements for timeliness, impact and compliance. In these instances, CD staff offer direct technical assistance and coaching to help the grantee meet these requirements. Sometimes after repeated attempts to bring the project or program into compliance, the Watch List will indicate when a project or program remains out of compliance to the point of material underperformance and/or risk of repayment of federal funds.
- Establishing this policy will allow an avenue for CD staff to communicate openly with CDC in a formal way.

Attachments: [Watch List Policy Final Jan 2014](#)

Ms. Jodi Gingiss reintroduced the Community Development (CD) Watch List Policy, which has undergone several minor changes, including a name change from the Grantee Watch List Policy. The Watch List will help alert staff to projects that may need additional technical assistance to be brought into compliance and will also be used for staff to communicate openly with the CDC.

A motion was made by Vice-Chairman Venturi, seconded by Commissioner Swartz, to approve the Community Development Watch List Policy and to refer it to the CDC for approval. The motion carried by the following vote:

Aye: 4 - Vice-Chairman Venturi, Commissioner Swartz, Chairman Pedersen and Commissioner Rose

Absent: 2 - Commissioner Calabresa and Commissioner Russell

6.4 14-0010

Joint resolution authorizing recapitalization of Lake County HOME Investment Partnerships Program (HOME).

- Lake County Community Development has five ineligible HOME projects from 1994, 2002,

2005, 2008 and 2011 HUD program years in which \$271,746.69 of federal HOME funds were invested.

- The U.S. Department of Housing and Urban Development (HUD) requires that federal funds previously invested in HOME projects that become ineligible during the HOME affordability period be repaid with non-federal money.
- HUD has blocked Lake County from drawing on \$1,505,806 of existing HOME capacity until \$271,746.69 of federal investment in past ineligible HOME projects is recapitalized (change or renew financial capital/assets).
- In lieu of sending cash directly to HUD, Lake County is permitted to invest non-federal funds in a local HOME account for creating new HOME projects, bound by HOME rules.
- These new Lake County HOME projects will replace the ineligible HOME projects.
- By both investing funds recouped from ineligible projects and repurposing LCAHP projects as new HOME projects, the County can recapitalize its HOME program and satisfy HUD's requirements.
- Once HUD direction is received, Community Development will return to Committee to request permission to move money if necessary.

Attachments: [Jan 2014 Memo HOME Workout HCS F_A](#)

Ms. Gingiss reported that HUD, during a routine audit, had identified five HOME-ineligible projects totaling \$271,749.69 in federal funds, for which the County will need to repay HUD with non-federal money. Until this money is repaid, HUD will not allow the County to draw any of its current HOME funds. HUD will permit the County to recapitalize the ineligible projects using Lake County Affordable Housing Program (LCAHP) funds, rather than refunding the money to HUD. The recouped funds must be invested in a local HOME account for creating new HOME projects, bound by HOME rules, to replace the ineligible HOME projects. Several previously approved, but not yet contracted, LCAHP projects will be repurposed as these new HOME projects. In this manner, the County can satisfy HUD'S requirements. Ms. Ciampi explained why HUD determined that the five projects, which occurred during various funding years beginning in 1994, were ineligible. HUD's rules state that each project must remain eligible throughout its period of affordability. Ms. Gingiss explained the recapitalization sources on each project, as shown within the agenda packet memo.

A motion was made by Vice-Chairman Venturi, seconded by Commissioner Swartz, to approve the Joint Resolution authorizing recapitalization of Lake County's HOME program and to refer this matter to the CDC. The motion carried by the following vote:

Aye: 4 - Vice-Chairman Venturi, Commissioner Swartz, Chairman Pedersen and Commissioner Rose

Absent: 2 - Commissioner Calabria and Commissioner Russell

6.5 13-1461

Joint resolution adopting the Lake County HOME Investment Partnerships Program (HOME) Homebuyer Policy: Underwriting, Lending and Refinancing Guidelines.

- In August 2013, HUD issued a revised HOME rule that governs the administration of the HOME program on the part of the Lake County Consortium.
- The County, as lead entity for the Consortium, is required to establish a written policy for Homebuyer programs and projects providing direct assistance to homebuyers as related to underwriting, lending and refinancing guidelines.

- Community Development staff worked with local partners to draft said policy and adoption of the policy will net continued compliance with HOME rule requirements in accordance with HUD deadlines.

Attachments: [HOMEHBPolicyMemo](#)

[HOME Homebuyer Policy Jan 2014](#)

Ms. Ciampi stated that the revised HOME rule required that the Lake County Consortium establish a written policy for Homebuyer programs and projects. Lake County, as the lead Consortium entity, met with its local partners to draft the policy, which was required to include underwriting, lending and refinancing guidelines. The resultant policy meets all of HUD's criteria, thereby ensuring continued compliance with the HOME rule requirements.

A motion was made by Vice-Chairman Venturi, seconded by Commissioner Swartz, to approve the Joint Resolution to adopt Lake County's HOME Homebuyer Policy: Underwriting, Lending and Refinancing Guidelines and to refer this matter to the CDC. The motion carried by the following vote:

Aye: 4 - Vice-Chairman Venturi, Commissioner Swartz, Chairman Pedersen and Commissioner Rose

Absent: 2 - Commissioner Calabresa and Commissioner Russell

7. Staff Reports

There was no report.

8. Adjournment

A motion was made by Vice-Chairman Venturi, seconded by Commissioner Swartz, to adjourn the meeting at 3:16 p.m. The motion carried by the following vote:

Aye: 4 - Vice-Chairman Venturi, Commissioner Swartz, Chairman Pedersen and Commissioner Rose

Absent: 2 - Commissioner Calabresa and Commissioner Russell