

September 19, 2023

Brenda O'Connell
Community Development Administrator



500 West Winchester Road, Unit 101
Libertyville, IL 60048-1371
Phone 847.377.2331
Fax 847.984.5745
boconnell@lakecountyil.gov

Memorandum

TO: Lake County Board

FROM: Brenda O'Connell
Community Development Administrator

Approval of the amendment to Lake County's contract with North Chicago for the administration of their Community Development Block Grant (CDBG) funding is necessary to qualify for PY24 CDBG and HOME funds. While staff, with concurrence from HUD, had planned to seek this approval at the October County Board meeting, updated guidance from HUD has made it clear that this is no longer an acceptable time frame. Consequently, a Special Call Meeting of the Lake County Board is the only feasible option to complete the amendment prior to HUD's new deadline of September 28. Additional background is provided below.

Urban County Renewal

As a condition of U.S. Department of Housing and Urban Development (HUD) entitlement funding, every three years, Lake County is tasked with renewing our status as an Urban County for Community Development Block Grant (CDBG) funds and as a Participating Jurisdiction (PJ) for HOME funds. The current renewal cycle is for Program Years 2024-2026. The renewal process began in April 2023 when notification letters were sent out to every municipality within the boundaries of Lake County. The notification process is specific when dealing with municipalities that meet the threshold for receiving entitlements funds directly (Metropolitan Cities). The City of Waukegan and City of North Chicago meet the Metropolitan City threshold and are eligible to receive entitlement funds directly. The notification letter to each Metropolitan City informs that they have the option to:

- A. Renew as an independent entitlement community and receive CDBG funds directly, or
- B. Join Lake County as an Urban County, and have their funds included in the cumulative total for Lake County.

The City of Waukegan selected Option A and will continue to receive a direct allocation of CDBG funds. The City of North Chicago elected to continue their long-standing (since 2014) intergovernmental agreement with Lake County whereby Lake County will continue to administer their CDBG funds.

Joint Agreement

Per HUD Notice CPD-23-02, renewal of the relationship with the City of North Chicago requires the execution of a Joint Agreement outlining the roles and responsibilities of each party. On May 15, 2023, Lake County and the City of North Chicago entered into a Joint Agreement for the provision of grant administration and management services. On July 21, 2023, Lake County concluded the Urban County renewal process and submitted an Urban County renewal package, including the Joint Agreement, to HUD.

Amendment 1

In an email to Lake County Community Development (CD) dated August 16, 2023, HUD's Chicago Field Office Regional Counsel requested an amendment to the Joint Agreement to better align with HUD Notice CPD-23-02. Following an initial communication to CD wherein HUD accommodated an October

10 execution of the amended agreement, HUD subsequently notified CD on September 12, that, contrary to this prior guidance, a fully executed Amendment must be submitted by September 28, 2023. Failure to meet this amended deadline would result in a loss of Lake County PY24 CDBG and HOME funds. The City of North Chicago approved Amendment 1 to the Joint Agreement at their September 18, 2023 meeting of the City Council.

LCCD is seeking Lake County Board approval of Amendment 1 to the Joint Agreement and permission for the Board Chair to execute all documents necessary for submission to HUD.