

# Memorandum of Understanding

Between

**Little City Foundation**

and

**Lake County Community Development**

This Memorandum of Understanding (MOU) sets forth the terms and understanding between the Little City Foundation (Little City) and Lake County Community Development (Lake County) regarding the Program Year 2016 Community Development Block Grant (CDBG) funds for which Little City has applied.

## **Background**

In December of 2015, with the assistance of 2015 CDBG funds, Little City purchased a five bedroom home located at 52 N. Prairie Ave. in Mundelein, IL. The home is currently awaiting the renovations necessary to bring it up to the Community Integrated Living Arrangement (CILA) standards required by the state of Illinois to house the adults with developmental disabilities served by Little City. The agency has submitted an application for 2016 CDBG funds to cover the costs of these renovations. A recommendation to provide Little City with \$59,000 of their \$75,000 request has been approved by the Housing and Community Development Committee (HCDC). In an effort to make the home available as soon as possible, Little City has requested an arrangement under which the agency may begin the renovations before the award amount from Housing and Urban Development (HUD) is made available to Lake County.

## **Purpose**

While the incursion of costs by a sub-grantee prior to an official award by HUD is allowable, to do so presents a risk to the sub-grantee. This document will detail the concern (risk) associated with this order of events and outline the conditions under which Little City may begin incurring rehabilitation costs on the proposed CILA.

## **Concern:**

The 2016 CDBG 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 Community Development, in cooperation with the Lake County Board, may adjust the amount of CDBG funds awarded to Little City including a potential outcome wherein no funds are awarded to the agency. HUD is expected to make available Lake County's 2016 CDBG amount by July of 2016.

## **Agreement**

With this Memorandum of Understanding to be signed only after the Lake County Board vote on April 12, 2016, Lake County authorizes Little City to begin incurring expenses on the renovation of 52 N. Prairie Ave., Mundelein, IL **WITH THE UNDERSTANDING THAT REIMBURSEMENT OF THESE EXPENSES IS DEPENDENT ON THE CDBG GRANT AWARD PROVIDED BY HUD** (anticipated July of 2016).

Little City understands:

- No monies will be reimbursed until Lake County receives the grant award from HUD for 2016 CDBG funds.
- CDBG 2016 funds available for reimbursement may not cover all of Little City's project expenses.
- A CDBG 2016 grant amount other than the \$59,000 recommended to date may be available, including an outcome where no funds are awarded.

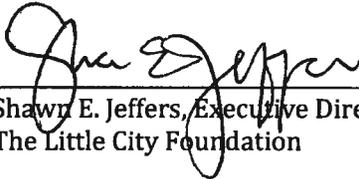
**Contact Information**

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Shawn E. Jeffers, Executive Director  
The Little City Foundation

Date: 3/29/16

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Aaron Lawlor  
Lake County Board Chairman

Date: \_\_\_\_\_