

JOINT AGREEMENT  
BETWEEN ENTITLEMENT COUNTY AND METROPOLITAN CITY

FEDERAL FISCAL YEARS 2027, 2028, 2029

THIS JOINT AGREEMENT entered into effect the \_\_\_\_ day of \_\_\_\_\_ 2026, between the City of North Chicago, an Illinois municipal corporation (**City**) and the County of Lake, Illinois, a body politic and corporate of the State of Illinois (**County**).

WHEREAS, the United States Congress enacted the Housing and Community Development Act of 1974, as amended, (hereinafter referred to as the “Act”) providing Federal Assistance for the support of community development (CDBG) activities which are directed toward the specific objectives identified in Section 101 of the Act; and

WHEREAS, the Act makes possible the allocation of funds to the City of North Chicago and to Lake County for the purpose of undertaking only community development program activities within the municipality as authorized in Section 105 of the Act and further identified in Section 570.200-20 of Title 24 CFR, Chapter V, Part 570; and

WHEREAS, the National Affordable Housing Act (NAHA) makes possible the allocation of HOME Investment Partnerships Act funds to Lake County for the purpose of undertaking only housing activities specified in Title II of the NAHA; and

WHEREAS, the governmental entities who are parties to this Agreement:

1. Have determined that there exists in the incorporated and unincorporated areas of the County the need for various public improvements, which will aid in preventing or eliminating blight, and which will assist in the provision of housing and housing opportunities for persons of low and moderate income, including the elderly and handicapped, and also public improvements for which there is an urgent need; and
2. Have determined that the said improvements can be accomplished by participation in the program established by the Housing and Community Development Act of 1974 (“CDBG”) (42 USC 5301, et seq.) as amended, and the HOME Investment Partnerships Act (“HOME”) (42 USC 3535(d) and 12701-12839), as amended, (the “Acts”) and in effectuation of the purposes thereof; and
3. Have determined that joint action by the City and the County is the most effective way to accomplish the purposes of the Acts within the City.

WHEREAS, units of local government have had conferred upon them the following powers by Article VII, Section 10, of the 1970 Illinois Constitution:

“(A) Units of local government and school districts may contract or otherwise associate

themselves, with the State, with other States and their units of local government and school districts, and with the United States to obtain or share services and to exercise, combine or transfer any power or function, in any manner not prohibited by law or by ordinance. Units of local government and school districts may contract and otherwise associate with individuals, associations, and corporations in any manner not prohibited by law or by ordinance. Participating units of government may use their credit, revenues and other resources to pay costs and to service debt related to intergovernmental activities”; and

WHEREAS, Sections 3 and 5 of the Intergovernmental Cooperation Act (5 ILCS 220/3 and 220/5) provide as follows:

“Section 3. INTERGOVERNMENTAL AGREEMENTS. Any power or powers, privileges or authority exercised or which may be exercised by a public agency of this State may be exercised and enjoyed jointly with any other public agency of this State and jointly with any public agency or any other State or of the United States to the extent that laws of such other State or of the United States do not prohibit joint exercise or enjoyment.”

“Section 5. INTERGOVERNMENTAL CONTRACTS. Any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform, provided that such contract shall be authorized by the governing body of each part to the contract. Such contract shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties”; and

WHEREAS, the parties hereto have authorized the execution of this Agreement, as an exercise of their respective powers and other governmental authority, and, as an exercise of their Intergovernmental cooperation authority under the Constitution and statutes of the State of Illinois.

NOW, THEREFORE, upon the consideration of the mutual promises contained herein and upon the further consideration of the recitals hereinabove set forth, it is hereby agreed between and among the parties hereto, as follows:

## ARTICLE 1: RECITALS

The foregoing recitals are incorporated herein and made part of this Agreement.

## ARTICLE 2: BASIS, PURPOSE AND INTENT

The Parties hereto, by their respective governing bodies, have investigated the provisions of the Acts and hereby find and declare:

1. That the recitals hereinabove set forth show that joint action by the City and the County is the most effective way to accomplish the purpose of the Acts.
2. That it is the purpose and intent of the parties hereto by Intergovernmental Agreement to cooperate in undertaking, or assisting in undertaking, essential community development and housing assistance activities, specifically community renewal and lower income housing assistance activities within the City.
3. That the City acknowledges that pursuant to HUD, a central requirement of receiving CDGB funds is that the City must affirmatively further fair housing. When the City submits a funding application to the County under this agreement, the City shall be subject to the County's policies on furthering fair housing.
4. The City agrees that it shall submit an annual report to the County wherein the City documents the actions it is taking to affirmatively further fair housing. The City agrees to provide the County with written documentation to substantiate the report upon the County's request and to further meet with a representative of the County to discuss the City's actions to further fair housing.
5. If the City fails to take affirmative steps to further fair housing, or if the City is unable to substantiate or document the actions it is taking to further fair housing, such failure may result in the County requesting the City to prepare and submit to the County a remediation plan. If the City fails to follow through with the remediation plan within a reasonable timeframe, then the County has the right to rescind the funds, and further, has the right to require the City to return any undisbursed funds.

## ARTICLE 3: AGREEMENT

1. The County and the City agree to cooperate to undertake, or assist in undertaking, community renewal and lower income housing assistance activities.
2. It is hereby understood by the respective parties hereto that the County shall have authority to undertake or assist in undertaking essential community development and housing assistance activities within the entire City.
3. It is hereby understood by the respective parties hereto that the City is not relinquishing its Entitlement Status (defined at 24 CFR 570.3) and that the County shall

entertain eligible grant requests up to, but not in excess of, said grant allocation.

4. It is hereby understood by the respective parties hereto that City staff is responsible for communicating to the County an annual spending plan of eligible activities under 24 CFR Part 570. The plan shall include activities supporting the goals stated in the Consolidated Plan and consistent with County Policies and Procedures for the CDBG and Home Programs as amended from time to time.

5. The City understands that the County will have final responsibility for selecting and approving projects submitted by the City and filing annual grant requests and submitting the Consolidated Plan to the U.S. Department of Housing and Urban Development (HUD).

6. The City understands that the County will be entitled to receive up to 20% of the City's Entitlement Grant formula allocation to be used for General Program Administration of said grant allocation.

7. The City and the County agree to take all required actions to assure compliance with the County's certification as to and under the provisions of section 104(b) of Title I of the Housing and Community Development Act of 1974. In addition, the grant will be conducted and administered in conformity with the National Environmental Policy Act and related Federal authorities, Uniform Relocation Act, Title VI of the Civil Rights Act of 1964, and the implementing regulations at 24 CFR part 1, the Fair Housing Act, and the implementing regulations at 24 CFR part 100, and will affirmatively further fair housing. Both the City and the County have the obligation to comply with section 109 of Title I of the Housing and Community Development Act of 1974, and the implementing regulations at 24 CFR part 6, which incorporates Section 504 of the Rehabilitation Act of 1973, and the implementing regulations at 24 CFR part 8, Title II of the Americans with Disabilities Act, and the implementing regulations at 28 CFR part 35, the Age Discrimination Act of 1975, and the implementing regulation at 24 CFR part 146, Section 3 of the Housing and Urban Development Act of 1968, and all other applicable Federal, State, and local laws.

8. The City agrees to evidence its consent to participate in this Agreement by providing the County with 1) a certified copy of a resolution, or other certified documentation acceptable to HUD, from the governing body of the City that the Chief Elected Official of the City is authorized to sign the Agreement and, 2) an unqualified opinion of its legal counsel acceptable to the County concluding that the City is authorized under Illinois and local law to enter into the terms and provisions of the agreement and to undertake or assist in undertaking community development activities under the CDBG program.

#### ARTICLE 4: DURATION OF AGREEMENT

1. The Agreement shall commence May 1, 2027 and shall continue until the later of: (a) the period necessary to carry out all activities that will be funded from funds awarded for the Federal Fiscal Years 2027, 2028 and 2029 (covering the three Consolidated Plan

Program Years commencing May 1, 2027 and ending April 30, 2030), (b) April 30, 2030 pursuant to the automatic renewal provision contained in this agreement or (c) until all CDBG and HOME funds, including program income or income generated from the expenditure of such funds, which may be received from the U.S. Department of Housing and Urban Development (“HUD”) with respect to activities carried out during the three-year qualification period, and any successive qualification periods pursuant to the automatic renewal provision contained in this agreement have been expended and the funded activities completed to the satisfaction of HUD. Such automatic renewals would occur only in three-year increments as prescribed by HUD in legal notices such as CPD Notice 23-02.

2. That this Agreement shall automatically renew for each successive qualification period unless either party serves notice, in writing, to the other party of its intent not to renew the Agreement. Such notification shall not be less than 30 days prior to each successive qualification periods or whatever period is longer in any future HUD Urban County Renewal notice. The County shall notify the City in writing of its right to decide not to participate in the Consortium for the next qualification period and the County shall send a copy of each notification to the HUD Field Office.

3. If the City decides not to participate in the next qualification, the City shall notify the County within 10 days of receiving the County’s notice of its right not to participate, and the County shall notify the HUD Field Office, before the beginning of the new qualification period.

4. Prior to the beginning of each new qualification period, the County shall submit to the HUD Field Office a statement of whether any amendments have been made to this Agreement and a copy of each amendment to this Agreement. Both the County and the City shall adopt any amendment to the agreement incorporating changes necessary to meet the requirements for cooperation agreements set forth in an Urban County Qualification Notice applicable for a subsequent three-year urban county qualification period.

5. As prescribed by HUD in legal notices such as CPD Notice 23-02, the automatic renewal of this Agreement will be void if the County fails to notify the City or the HUD Field Office or the County fails to submit a copy of each amendment to this Agreement.

6. That the County and the City may not terminate or withdraw from this Agreement while this Agreement remains in effect.

#### ARTICLE 5: PROGRAM INCOME

1. That the City will inform the County of any income generated by the expenditures of funds received by the City from the County.

2. That any such program income must be returned to the County for the reprogramming for eligible activities for use in North Chicago.

3. That the County shall monitor and report to HUD on the use of any program income.
4. That the City shall comply with all rules and regulations for the appropriate record keeping in relation to the generation and return of any program income.
5. That, in the event of a closeout of a project, change in status of the City or termination of this Agreement, any program income that is on hand at that time or is received subsequent thereto, shall be returned to the County.

ARTICLE 6: PROPERTY ACQUISITION AND DISPOSITION

1. That the City shall comply with all applicable federal regulations including but not limited to 24 CFR 570.201 and its related paragraphs in connection with the acquisition and disposition of real property acquired with CDBG or HOME funds.
2. That the City shall immediately notify the County of any modification or change in use of property acquired with CDBG or HOME Funds from the use planned at the time of the acquisition or improvement, including but not limited to, disposition. Said Notice shall be provided to:

**Lake County  
Community Development  
500 W Winchester Road, Unit 101  
Libertyville, IL 60048  
Attn: Community Development Administrator**

3. That the City shall pay to the County an amount equal to the current fair market value (less any portion thereof attributable to expenditures on non-CDBG funds, or HOME funds, where applicable), on any property acquired or improved with CDBG funds, or HOME funds, where applicable, which the City sells or transfers for a use which does not qualify under CDBG regulations, or HOME regulations, where applicable.
4. That any program income generated from the disposition or transfer of property prior or subsequent to closeout, change of status of the City, or termination of this Agreement shall be returned by the City to the County for reprogramming for eligible activities in any part of the County, as the County determines best.

ARTICLE 7: ALLOCATION AND EXPENDITURES

No funds under the terms of this agreement will be allocated, obligated or expended by the City prior to approval by the County.

ARTICLE 8: PROHIBITION FROM FUNDING

The County and the City agree that the County is prohibited from and shall not fund the City for activities in, or in support of, the City when the City does not affirmatively further fair housing as provided by Article 2 of this Agreement and by the terms of any applicable grant agreements with the County within its corporate limits or when the City's actions impede the County's actions to comply with its fair housing certification to the Federal Government.

ARTICLE 9: CITY AS SUB-RECIPIENT

The City agrees that, pursuant to 24 CFR 570.501(b), the City is subject to the same requirements applicable to sub-recipients, including the requirement for a written agreement set forth in 24 CFR 570.503.

ARTICLE 10: NON-VIOLENT CIVIL RIGHTS DEMONSTRATIONS POLICY

The City certifies that it has adopted and is enforcing:

1. A policy prohibiting the use of excessive force by law enforcement agencies within the jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy enforcing applicable state and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights and demonstrations within its jurisdictions.

ARTICLE 11: PARTICIPATION IN OTHER PROGRAMS

The City understands that, by executing this Agreement, it:

1. May not apply for grants under the Small Cities or State CDBG Programs for appropriations for fiscal years during the period in which it is participating in the County's programs, and
2. May not participate in a HOME Consortium, except through the County, regardless of whether or not the County receives a HOME formula allocation.
3. May not sell, trade, or otherwise transfer all or any portion of such funds to a metropolitan city, urban county, unit of general local government, or Indian tribe, or insular area that directly or indirectly receives CDBG funds in exchange for any other funds, credits or non-Federal considerations, but must use such funds for activities eligible under title I of the Act.

ARTICLE 12: REMEDIES

1. Upon the determination by HUD that any funds provided to the City under this program have been spent in violation of the requirements of Federal law or the determination by the County that funds have been spent in violation of State law, or the terms of this Agreement, such funds will, upon the request of the County, be returned to the County within 30 days of the City's being informed of the HUD determination.

2. The City will take such action as directed by HUD or the County to alter or modify a program to eliminate a violation of law by the City.

ARTICLE 13: RECIPROCAL HOLD HARMLESS

The County of Lake will save and hold harmless the City of North Chicago from and against all liabilities, claims and demands of whatsoever kind or nature arising out of the performance of services by the County of Lake, its officers, officials or employees. The County of Lake will defend at its own expense any actions based thereon and shall pay all charges of attorneys and all costs and other expenses arising therefrom.

The City of North Chicago will save and hold harmless the County of Lake from and against all liabilities, claims and demands of whatsoever kind or nature arising out of the performance of services by the City of North Chicago, its officers, officials or employees. The City of North Chicago will defend at its own expense any actions based thereon and shall pay all charges of attorneys and all costs and other expenses arising therefrom.

ARTICLE 14: SEVERABILITY

If any provision of this Agreement is invalid for any reason, such invalidation shall not affect the other provisions of this Agreement which can be given effect without the invalid provision; and to this end the provisions of this Agreement are to be severable.

ARTICLE 15: MODIFICATIONS

Any modification to this agreement shall be in writing agreed to and signed by both parties.

IN WITNESS WHEREOF, the undersigned parties have caused this Agreement to be executed by their duly designated officials, pursuant to proper resolution of their respective governing bodies.

**County of Lake  
Illinois**

By:

\_\_\_\_\_  
**Sandy Hart**  
Lake County Board Chair

ATTEST  
By:


\_\_\_\_\_  
**Anthony Vega**  
Lake County Clerk (Seal)

APPROVED AS TO FORM  
By:

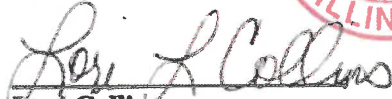
\_\_\_\_\_  
Lake County State's Attorney

**City of North Chicago  
Illinois**

By:

  
\_\_\_\_\_  
**Leon Rockingham, Jr.**  
Mayor, City of North Chicago

ATTEST  
By:

  
\_\_\_\_\_  
**Lori Collins**  
City Clerk of North Chicago (Seal)



APPROVED AS TO FORM  
By:

  
\_\_\_\_\_  
City of North Chicago Attorney