

May 30, 2024

TO: Finance & Administration Committee  
Health & Community Services Committee

FROM: Dominic Strezo  
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### **Background**

Under the Consolidated Appropriation Act, 2021, Lake County was awarded \$20,646,762.50 to support housing stability throughout the COVID-19 pandemic. These Emergency Rental Assistance (ERA1) funds were administered through the Lake County Federal Emergency Rental Assistance (FERA) Program. An additional allocation of \$16,336,816.90 of Emergency Rental Assistance (ERA2) was awarded to Lake County through the American Rescue Plan Act (ARPA). ERA2 funds were also used to administer the FERA program. FERA operated from April 5, 2021, through June 30, 2022. During that time, over \$32,000,000 in direct assistance was provided to over 4,000 households. The success of the FERA program was acknowledged by the U.S. treasury and as a result, Lake County was awarded an additional \$425,767.74 (ERA1) and \$108,169.66 (ERA2). Lake County was able to expend the entirety of ERA1 funds prior to the 12/29/2022 deadline. Lake County currently has \$1,164,772 of unspent ERA2 funds. The deadline to obligate ERA2 funds is 9/30/2025.

The statute establishing ERA2 provides that a grantee may use any of its ERA2 funds that are unobligated on October 1, 2022, for “affordable rental housing and eviction prevention purposes,” serving very low-income families<sup>1</sup>

Eligible affordable rental housing activities include:

- the construction, rehabilitation, or preservation of affordable rental housing projects serving very low-income families; and
- the operation of affordable rental housing projects serving very low-income families that were constructed, rehabilitated, or preserved using ERA2 funds.

### **Recommendation**

On January 16, 2024, the Lake County Board (LCB) approved the allocation of the balance of ERA2 funds to support two affordable housing projects:

<b>Applicant</b>	<b>Project</b>	<b>CDBG/HOME</b>	<b>Existing ERA2</b>	<b>Total County Funding</b>
Housing Opportunity Development Corporation	Midlothian Manor Apartments	\$177,090	\$764,772	\$941,862
Lincoln Avenue Capital	Starling Senior Apartments	\$400,000	\$400,000	\$800,000

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<sup>1</sup> As defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))

Delays to the Midlothian Manor development timeline prevented a 2024 Low-Income Housing Tax Credit (LIHTC). To ensure compliance with the 9/30/2025 obligation deadline, staff recommends allocating the entirety of available funds to Lincoln Avenue Capital for the Starling Senior Apartment project. The allocation would increase the funding commitment to the project by \$364,772.

<b>Applicant</b>	<b>Project</b>	<b>CDBG/HOME</b>	<b>Recommended ERA2</b>	<b>Total County Funding</b>
Housing Opportunity Development Corporation	Midlothian Manor Apartments	\$941,862 <sup>2</sup>	\$0	\$941,862
Lincoln Avenue Capital	Starling Senior Apartments	\$0	\$1,164,772	\$1,164,772

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<sup>2</sup> Includes \$401,771 of Program Year 2024 HOME funds.