



Lake County Illinois

Legislation Text

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Joint resolution authorizing the repurposing of previously approved Lake County Affordable Housing Program projects as federal HOME Investment Partnership (HOME) and Community Development Block Grant (CDBG) Program projects to offset liability from previous ineligible CDBG and HOME projects.

- In 2014, HUD authorized Lake County, going forward, to encumber previously approved Lake County Affordable Housing Program (AHP) projects with CDBG and/or HOME restrictions as a “credit” in lieu of repayment to HUD for past ineligible projects under HUD rules.
- Lake County utilized this repurposing arrangement in 2014 and at that time community development staff informed the Health and Community Services committee that this arrangement would likely be utilized in future program years upon identification of any additional ineligible HUD-funded projects.
- Several ineligible HUD-funded projects have now been identified through a HUD audit and staff self-monitoring, which include: (1) a 2011 CDBG Public Infrastructure project (Mundelein road improvements) totaling \$78,234; (2) a 1994 HOME project from 1994 (Mary’s Mission) totaling which \$65,000; and (3) a number of additional projects whose potential total liability has not yet been finalized.
- Previously approved Lake County Affordable Housing-funded projects available for repurposing of these ineligible projects total \$260,200 (detailed in the attached memo and resolution).
- Due to the imminent award of these AHP-funded projects, their encumbrance will be necessary prior to HUD’s final determination of total liability for the past ineligible projects.
- The selected AHP project grant agreements will consequently contain release clauses for CDBG/HOME restrictions to the extent that repurposing is unnecessary for a portion thereof.

RESOLUTION

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires recipients of Community Development Block Grant (CDBG) funding to comply with CDBG rules and Lake County is responsible for the countywide administration of the CDBG program; and

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires recipients of HOME Investment Partnerships Program (HOME) funding to comply with HOME rules and Lake County, as lead entity of the Lake County Consortium, is responsible for the administration of the HOME program; and

WHEREAS, Lake County has appropriated funds under the Lake County Affordable Housing Program (LCAHP) to increase affordable housing opportunities to residents of Lake County; and

WHEREAS, following a routine audit by the U.S. Department of Housing and Urban Development (HUD) of Lake County’s federally required environmental reviews, it was established that the environmental review by staff for a 2011 CDBG Public Infrastructure grant had not been properly carried out; and

WHEREAS, following self-monitoring by Lake County staff of its HOME Investment Partnerships Program (HOME), it was discovered that the 1994 investment of \$65,000 in new construction of housing for the homeless at Mary's Mission did not comply with HOME requirements; and

WHEREAS, in lieu of payment directly to HUD, Lake County is permitted to invest non-federal funds in local HOME-eligible and CDBG-eligible projects; and

WHEREAS, the Housing & Community Development Commission (HCDC) has identified previously allocated Lake County's Affordable Housing Program (LCAHP) affordable housing grants that can be repurposed for "credit" as HOME- and CDBG-eligible projects; and

WHEREAS, the Lake County Health and Community Services and Financial and Administrative Committees have reviewed and recommended repurposing of Lake County's Affordable Housing Program (LCAHP) in this manner; and

NOW, THEREFORE, BE IT RESOLVED, by this County Board of Lake County, Illinois, that the following actions are authorized:

- 1) To repurpose the 2013 LCAHP \$25,200 grant to Community Partners for Affordable Housing (CPAH) for affordable rental housing into a HOME-eligible grant;
- 2) To repurpose the 2015 LCAHP \$195,000 grant to Community Partners for Affordable Housing (CPAH) for affordable homeowner housing into either HOME- or CDBG-eligible grants;
- 3) To repurpose the 2015 LCAHP \$7,500 grant to Lake County Residential Development Corporation (LCRDC) for affordable rental housing into a CDBG-eligible grant;
- 4) To repurpose the 2015 LCAHP \$32,500 grant to Catholic Charities for tenant-based rental assistance into a HOME-eligible grant;
- 5) To execute such grant agreements subject to a provision authorizing Lake County to extinguish such federal requirements to the extent that repurposing is unnecessary for a portion thereof; and

BE IT FURTHER RESOLVED, that the Chairman of the Lake County Board or his designee is hereby authorized to execute the necessary documents and amendments as required by HUD.

DATED at Waukegan, Illinois, on October 13, 2015.