1. CALL TO ORDER

11:00 AM meeting was called to order by District 6 Sheila Rutledge at 11:00 AM.

2. ROLL CALL

PRESENT: Bastian, Broder, Chaplin, Chassee, Crandall, DeSart, Grill, Krucek, Ozog, Renehan, Rutledge, Ungerleider

ABSENT: Selmon

Staff Present: Mary Keating, Community Services Director; Christine Pedersen, Senior Accountant/Community Services Manager; Julie Hamlin, Community Development Manager; Elizabeth Dunn, Senior Community Development Specialist; Tom Schwertman, Community Development Specialist; Michael Walker, Community Development Specialist; Anna Sitton, Community Development Specialist; and Janna Divito, Community Development Specialist.

County Board Member - Pete DiCianni
State's Attorney - Paul Bruckner

Others Present: Dave Neary - Executive Director of DuPage Habitat for Humanity; Jennifer Taff - Director of Community Engagement for DuPage Habitat for Humanity; Christine Lewis - Executive Director for Midwest Shelter for Homeless Veterans; Kat Gilman - Program Officer for Midwest Shelter for Homeless Veterans; Angelica Lopez - 360 Youth Services; Karin Obman - Vice President of Finance for DuPage Pads; Tim Harbaugh - Deputy Director of Facilities Management, DuPage County; Christine Kliebhan - Financial Analyst for the DuPage Care Center; Joe Breinig - DuPage Mayors & Managers Conference; Sheryl Markay - Chief Policy and Program Officer, DuPage County; Evan Shields - Public Information Officer, DuPage County; Jonathon Nelson - Policy & Program Manager, DuPage County; and County Board Intern Charlie Crane.

3. PUBLIC COMMENT

There was no public comment.

4. APPROVAL OF MINUTES
On a Voice Vote, all Ayes, the Minutes of November 5, 2019, were approved.

RESULT: ACCEPTED [UNANIMOUS]

MOVER: Dawn DeSart, District 5
SECONDER: Lori Chassee, Vice Chairperson
AYES: Bastian, Broder, Chaplin, Chassee, Crandall, DeSart, Grill, Krucek, Ozog, Renehan, Rutledge, Ungerleider
ABSENT: Selmon

5. COMMITTEE VOTE REQUIRED

Action Item -- Request for Modification Five to the HOME Investment Partnerships Program Agreement for project #HM16-02 between DuPage County and DuPage Habitat for Humanity, Inc. – Acquisition, Rehabilitation, and Resale - extending the time period covered by the grant to March 31, 2020.

Mary Keating gave a background of Project #HM16-02, stating this project has been ongoing with Habitat for Humanity (Habitat) for 2½ years. Habitat was provided funding to purchase, rehab, and resell properties to eligible home buyers. The project started with five homes, and eventually was scaled back to two homes, due to difficulty of performance and construction. The homes were purchased November 2017 and April 2018. One house took 1 ½ years to complete construction and close to one year on the other home. Construction was completed May 2019, and the County has been trying to get information from Habitat since. One staff stated she has sent 17 emails since May 2019 requesting documentation. In June and August 2019, the County received information from Habitat that they had signed contracts with potential homebuyers. We still did not have the construction documentation or documentation that provides eligibility of the home buyers. The purchases to homebuyers can’t be completed until we have documentation that shows the rehab was performed in accordance with the agreement.

Member Renehan asked what will happen to the potential homebuyers if an extension is not granted. Our staff stated we have no current potential homebuyers. Dave Neary is here from Habitat and can speak regarding homebuyers.

Dave Neary, Executive Director of the Habitat for Humanity, appealed to the committee, saying Habitat has had staffing issues but is culpable for the delays. He added they do not need the full extension to March 31. Habitat is assembling requested paperwork. The Illinois Housing Development Authority (IHDA) has a down payment program that should assist buyers in January, and Habitat can carry the mortgage so they can complete a closing in about seven days. Mr. Neary added Habitat can’t provide closing documents and will need to meet with the County to determine the encumbrance. Some changes in laws 1 ½ years ago left Habitat with questions on how to run loans and disclosures and they can’t get a closing commitment from a title company until all the information is
assembled and the numbers are accurate. He concluded by saying not being granted an extension would be catastrophic for Habitat and the buyers, as they are close, and Habitat would have to determine a new course for the homebuyers.

Member Renehan asked about work that was completed that was not part of the contract. Mr. Neary replied that a year ago, they were told paperwork was done and they were under the impression that the County had received some of the paperwork. A subcontractor brought in another insulation subcontractor not on their scope which amounted to around $2,000 and was not identified until they ran the cost report. Habitat is still producing paperwork as required by the grant, and for parts of the projects they are not seeking funding and are willing to forego the rest of the payments if necessary. They will assist with down payments for families just so they can complete these transactions and move on.

Member DeSart asked for clarification regarding scrapping the whole project versus the extension and how the votes would be directed. Ms. Keating explained the staff recommendation is that we are done with this project. Discussing timelines, Habitat would need about seven days and Julie Hamlin, Manager of Community Development, stated her staff would make it a priority depending on project workload, but would need a couple of days to review paperwork. There is a checklist for the resale component of the project, and specific documents that need to be provided to get to closing.

Member Chassee mentioned that the motion and second on the table was to extend the contract and for those that want to be in support of staff, to vote no. She confirmed that Habitat will assume the down payment to avoid waiting for the program’s homeowners to produce a down payment.

Member Chassee asked if we could amend the motion to include a 30-day extension with an absolute denial should there be failure to complete?

Committee was in keeping with the Member Chassee’s recommendation and after discussion regarding dates and the need for this agreement amendment having to go to Health and Human Services and County Board, Ms. Keating recommended the amendment be extended through February 14, 2020, which allows for two County Board meetings if necessary. Chair Rutledge confirmed with Mr. Neary that lack of paperwork will not be the source of any delays moving forward. Based on the exchange with staff the last couple of days, Mr. Neary feels this will not be an issue. Clarification from Paul Bruckner, State’s Attorney, resulted in withdrawing the first motion and Lori making a new motion to include the 30 days.

Chair Rutledge asked if we deny the extension, how it would look. Ms. Keating replied that the contract is expired, Habitat is in default of the original agreement, and they would have to repay any funding we have provided up to this point, which is $219,000. Any future projects with Habitat may be more scrutinized.

The agreement will be amended to expire on February 14, 2020 with no further extensions allowed. Member Chassee so moved, Member Chaplin seconded, all ayes on a voice vote, motion carried.

On a Voice Vote, all Ayes, the motion passed as amended.
RESULT: APPROVED [UNANIMOUS]
MOVER: Lori Chassee, Vice Chairperson
SECONDER: Elizabeth Chaplin, District 2
AYES: Bastian, Broder, Chaplin, Chassee, Crandall, DeSart, Grill, Krucek, Ozog,
       Renehan, Rutledge, Ungerleider
ABSENT: Selmon

6. OTHER BUSINESS
There was no other business.

7. ADJOURNMENT
There being no further business, the Home Advisory Group was adjourned at 11:30 AM.

8. NEXT MEETING DATE - FEBRUARY 4, 2020
DU PAGE COUNTY
HOME ADVISORY GROUP
FINAL SUMMARY

November 5, 2019 Regular Meeting 11:00 AM

ROOM 3500B
421 NORTH COUNTY FARM ROAD
WHEATON, IL  60187

1. CALL TO ORDER

11:00 AM meeting was called to order by District 6 Sheila Rutledge at 11:00 AM.

2. ROLL CALL

PRESENT: Bastian, Chaplin, Crandall, DeSart, Grill, Krueck, Ozog, Renehan, Rutledge, Selmon, Ungerleider
ABSENT: Broder, Chassee

Staff Present: Mary Keating, Community Services Director; Christine Pedersen, Senior Accountant/Community Services Manager; Julie Hamlin, Community Development Manager; Elizabeth Dunn, Senior Community Development Specialist; Janna Divito, Community Development Specialist; Harrison Martin-O’Brien, Community Development Specialist; Tom Schwertman, Community Development Specialist; Michael Walker, Community Development Specialist; and Lisa Thurman, Principal Account Clerk.

State’s Attorney - Patrick Collins.

Others Present: - Carol Simler, Executive Director - DuPage Pads; Jan Kay - Illinois League of Women Voters; Joe Breinig - DuPage Mayors and Managers; Even Shields - DuPage County Public Relations; Jonathan Nelson - DuPage County Board Office and Charles Crane, Intern - County Board Office.

3. PUBLIC COMMENT

There was no public comment.

At this time, Rutledge welcomed Michael Crandall, Director of Community Development for the Village of Addison, as a new member of the Committee. He replaces the vacancy created by John Berley’s retirement.

4. APPROVAL OF MINUTES

A. Home Advisory Group - Regular Meeting - Sep 3, 2019 11:00 AM

There were no comments, questions or corrections.

On a Voice Vote, the Minutes of September 3, 2019 were approved.
RESULT: ACCEPTED [UNANIMOUS]
MOVER: Patrick Grill, Villa Park Director of Community Development
SECONDER: Elizabeth Chaplin, District 2
AYES: Bastian, Chaplin, Crandall, DeSart, Grill, Krucek, Ozog, Renehan, Rutledge, Selmon, Ungerleider
ABSENT: Broder, Chassee

5. COMMITTEE VOTE REQUIRED

A. Action Item -- Recommendation of a second modification to a HOME Investment Partnerships Program Agreement with Community Housing Advocacy and Development (CHAD), Project Number HM16-03 – Scattered Sites Rehabilitation – Extending the project completion date to June 30, 2020.

There were no questions, comments or discussion.

On a Voice Vote, all Ayes, the motion passed.

RESULT: APPROVED [UNANIMOUS]
MOVER: Elizabeth Chaplin, District 2
SECONDER: Dawn DeSart, District 5
AYES: Bastian, Chaplin, Crandall, DeSart, Grill, Krucek, Ozog, Renehan, Rutledge, Selmon, Ungerleider
ABSENT: Broder, Chassee

6. OTHER BUSINESS

Acknowledging Elizabeth Dunn, Senior Community Development Specialist, and other Staff members, Keating informed the Committee that at last month’s NACCED (National Association for County Community and Economic Development) conference, DuPage County received an innovation award for the HOME Monitoring Workshop.

Community Development Commission has approximately 900 housing units across the County subsidized by HOME funds. Federal regulations require monitoring of those units, which entails actual physical inspections, and income verification for the individuals within the units. This is a very complicated and labor intensive process.

Dunn created a workshop for all property managers/owners. During this training, the instructor reviewed and explained all the documents required from the property managers for a monitoring, how to perform income calculations, and the types of file review needed. In addition to this workshop, she also created a HOME Monitoring Webinar.

During this workshop, the property managers shared their own ideas and best practices on working through difficult issues.
7. **ADJOURNMENT**
   The motion was made by Grill, seconded by Renehan, to adjourn the meeting at 11:05 am.

8. **NEXT MEETING DATE - DECEMBER 3, 2019**
TO: HOME Advisory Group

FROM: Mary A. Keating, Director, Department of Community Services

DATE: January 3, 2020

RE: DuPage County Community Development Project #HM16-02 with DuPage Habitat for Humanity, Inc. – Acquisition, Rehabilitation, and Resale Modification Five – Time Extension

Background:
A DuPage County Community Development HOME Investment Partnerships Program (HOME) Agreement for Project #HM16-02 in the amount of $500,000 for eligible costs associated for the acquisition, rehabilitation, and resale of at least five residential properties in the Greenbrook Tanglewood area of Hanover Park was adopted by Resolution HHS-R-0288-17 on 06/24/2017.

Agreement Modifications One through Three were to add additional potential properties that could be acquired, rehabilitated, and sold to income eligible households.

Since 2017, Community Development Commission (CDC) staff has worked diligently with DuPage Habitat to move this project forward and remain compliant with HOME regulations and the HOME Agreement. Technical Assistance was provided by staff via in person meetings, email correspondence, and telephone conversations.

Habitat received $103,626.08 in HOME funds towards the acquisition of 1288 Court East in November 2017 and received $115,909.67 towards the acquisition of 5669 Tiburon Court in April 2018. To date, the total HOME investment has been $219,535.75.

In February 2019, due to significant delays with the project and in order to meet the deadline for project completion of 01/01/2020, Modification Four was adopted reducing the scope of work to allow for acquisition, rehabilitation, and resale of up to two homes and reducing the grant amount to $300,000.

The HOME Agreement required project completion by 01/01/2020. Project completion is defined as expenditure of HOME funds pursuant to the project, which included acquisition, rehabilitation, and resale of two properties to income eligible homebuyers.

Overview Since Agreement Modification Four, effective date 03/26/2019:

Rehabilitation Component
Final code compliance inspections were completed on both properties 05/31/2019, indicating all rehabilitation work was complete and the units were ready for occupancy.
Section III. D. of the Agreement reflects that reimbursement for rehabilitation work requires the submission of specific information/documentation. Staff continually requested required rehabilitation documentation. Between April and December 2019, 17 follow-up email requests were sent by CDC staff requesting required contractor documentation pertaining to the rehabilitation of the two acquired properties. Habitat submitted some documentation during those eight months, however, it was not until 12/13/2019 that most of the required documents were received. During staff review of the documentation, it was discovered that undisclosed contractors performed work on the project prior to being vetted in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards regulations found at 2 CFR 200. Any work performed by the undisclosed contractors is not eligible for reimbursement through HOME funds.

**Resale to Income Eligible Households Component**

Section III. E. of the Agreement reflects that resale of the property to an income eligible household is subject to submission of information/documentation to CDC staff prior to closing. In order to move forward with resale of the properties, CDC staff needed all rehabilitation documentation finalized. As part of the previously mentioned follow-up emails, Habitat was provided a checklist of required resale documentation and reminded that all rehabilitation documents were needed prior to resale moving forward.

On 06/18/2019, CDC staff received a copy of a Real Estate Contract for 1288 Court E. The contract was executed by the proposed buyer and Habitat with a date of acceptance of 04/24/2019. The contract also indicated a closing date of 06/30/2019. CDC staff was not aware that a contract had been executed and still had not received all required rehabilitation documentation to move the project forward.

One 08/29/2019, CDC staff received a copy of a Real Estate Contract for 5669 Tiburon. The contract was executed by the proposed buyer and Habitat with a date of acceptance of 04/17/2019. The contract also indicated a closing date of 06/30/2019. CDC staff was not aware that a contract had been executed and still had not received all required rehabilitation documentation to move the project forward.

Had required rehabilitation documentation been provided in a timely fashion and all resale documentation had been received by CDC staff, both properties could have been acquired by income eligible households well in advance of the 01/01/2020 Agreement expiration date, as evidenced by the provided Real Estate Contracts.

On December 30, 2019, Habitat requested a Fifth Modification to the Agreement for a 3-month time extension through March 31, 2020 in order to complete the project, process all requests for payment, and other applicable paperwork.

The extension request letter provided by Habitat reflects an additional delay that is expected due to securing down payment assistance for the homebuyers from programs that are not currently open.

**Recommendation:** Staff recommends denial of Modification Five, a 3-month time extension, to the HOME Investment Partnerships Program Agreement for project #HM16-02 extending the time period covered by the grant to March 31, 2020. Denial is recommended due to 01/01/2020 project completion not being met and the significant ongoing delays with moving this project forward. Denial of the Agreement extension request will result the project not meeting requirements under the HOME Investment Partnerships Program regulations of providing affordable housing to an income eligible homebuyer which would result in default of the mortgage financed in part with HOME funds triggering repayment of the County’s HOME investment of $219,535.75.
December 30, 2019

Ms. Elizabeth Dunn  
Senior Community Development Specialist  
421 N. County Farm Road  
Wheaton, Illinois 60187

Re: HM16-02, Extension of Time.

Dear Elizabeth,

As discussed previously, DuPage Habitat for Humanity is requesting an extension of time for the referenced project from the original completion date of 12/31/2019. The construction work is complete, and we have a buyers for the properties. As you know however, we are still finalizing paperwork that is not quite complete. Additionally, we would like to be able to provide down payment assistance for these families however those programs will not open up until mid to late January.

For that reason, we would request that the agreement time be extended for 90 days until March 31, 2020.

We are always grateful to work with the County to bring quality affordable homes to DuPage County and I personally appreciate your assistance in this matter. Please let me know if there is anything else I can provide to move this request forward.

Respectfully submitted,

[Signature]

David Neary  
Executive Director

Cc: J. Taff, DHFH; J Tran, DHFH