DU PAGE COUNTY
HOME ADVISORY GROUP
FINAL AGENDA

January 7, 2020

Regular Meeting

11:00 AM

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

1. CALL TO ORDER
2. ROLL CALL
3. PUBLIC COMMENT
4. APPROVAL OF MINUTES
   Home Advisory Group - Regular Meeting - Tuesday November 5th, 2019
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.
6. OTHER BUSINESS
7. ADJOURNMENT
8. NEXT MEETING DATE - FEBRUARY 4, 2020
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, Krucek, 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