



Agenda Item Summary

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Submitted By

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Reviewed By

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Agenda Item Title

A Motion to Review a Request from the Oak Park Regional Housing Center (OPRHC) to Release \$125,000 in Funds for Invoices from August 2021 through December 2021 Which is Being Withheld Under the Terms of the 2021 Funding Grant Agreement Due to the OPRHC's Failure to Provide the Required 2020 Audit by the Due Date of November 30, 2021 , and Failure to Submit Invoices

Overview

On June 24, 2021, the Village Board approved a funding grant agreement with the OPRHC for \$300,000 for 2021. The funding agreement provided that the OPRHC would only receive their full funding for 2021 if they provided their 2020 audit on November 30, 2021. The funding agreement did not specify how much was to be withheld. The OPRHC did not provide their audit by the due date and was late in submitting invoices for August through October 2021. The OPRHC submitted its audit on April 29, 2022, and is now requesting payment for the months of August 2021 through December 2021 totaling \$125,000.

Recommendation

If the Board chooses to accept the late audit, staff recommends approving the Motion.

Fiscal Impact

If the Board chooses to accept the late audit and approves the release of \$125,000, a budget amendment will be presented to the Village Board to carry forward the balance of the contract in 2022.

Background

The Village has funded the Housing Center since its creation in the 1970s. Historically, the Village supports OPRHC by utilizing both General Revenue Funds and federal Community Development Block Grant (CDBG) funds to pay for specific projects of the Housing Center relating to the Multi-family Housing Incentives Program and its general administration. Because the Housing Center provides services for CDBG and non-CDBG funded activities, it is necessary for the Village and the Housing Center to have separate agreements for the use of federal CDBG funds and local General Fund revenue.

On March 1, 2021, the Village Board approved a Funding Grant Agreement with the OPRHC for \$300,000 for 2021 with a July 1, 2021, due date for the OPRHC's 2020 Audit.

On June 7, 2021, the Village Board approved a motion to direct staff to prepare an amendment to the 2021 Funding Grant Agreement between the Village of Oak Park and Oak Park Regional Housing Center (OPRHC), releasing \$225,000 in 2020 funding being withheld under the terms of the 2021 Funding Grant Agreement due to the OPRHC's breach of the 2020 Agreement and extending the due date for the 2020 audit from July 1, 2021, to November 30, 2021.

On June 24, 2021, the Village Board approved the Funding Grant Agreement that provided for the submission of the audit on or before November 30, 2021, and that if the audit was not submitted timely that the OPRHC would not receive its full funding for 2021 but did not specify the amount to be withheld. Since the OPRHC submitted their August through October 2021 invoices late after the November 30, 2021 deadline, staff did not authorize payment pending further Board direction and was absent from the submittal of the 2020 audit. The November and December 2021 invoices also remain unpaid pending the submission of the 2020 audit. The OPRHC submitted its 2020 audit on April 29, 2022.

On September 20, 2021, the Village Board approved the award of Community Development Block Grant (CDBG) funds in the amount of \$80,000 from the Village's Administrative funds for general Fair Housing Education and \$42,500 from the Village's Public Services funds for working with income-eligible households. To date, OPRHC has not completed any of its invoices or quarterly contract reports under these contracts.

As part of the 2022 budget process, the OPRHC submitted a general revenue budget request in the amount of \$500,000. The approved budget has \$300,000 from the general revenue fund because staff was waiting to receive the 2020 Audit due on November 30, 2021, prior to making any recommendations for increased funding. The 2022 Request for funding and the 2021 Accomplishments as of August 30, 2021, are attached. Staff has not received a year-end report for 2021.

On December 8, 2021, staff emailed the OPRHC that they were in default of their 2021 contract. Further, staff explained that because invoices for September through November were submitted late and after the November 30, 2021 deadline that no payments could be made until the Village Board reviewed the matter. Additionally, staff explained that we would not present the 2022 Funding Grant Agreement including the request for increased funding of \$200,000 to the Village Board until after the submission of the 2020 Audit. Staff requested further information to support that request. At that time, staff hoped that the OPRHC would quickly resolve the matter and that the 2022 Funding Grant Agreement would be presented to the Village Board shortly after the first of the year.

The OPRHC has not submitted an invoice for December 2021.

On February 15, 2022, the OPRHC responded to the Notice of the Default with the attached response dated January 10, 2022, which stated that the 2020 Audit would be completed by April 30, 2022, and that the 2021 audit would be completed by June 15, 2022. The response also explains the need for the additional \$200,000. Staff advised the OPRHC that the contract issues would be brought to the Board after receipt of the 2020 Audit on April 29, 2022.

Alternatives

Request additional information or reduce the payment of the invoices.

Previous Board Action

On March 1, 2021, the Village Board approved a Funding Grant Agreement with the OPRHC for \$300,000 for 2021 with a July 1, 2021, due date for the OPRHC's 2020 Audit.

On June 7, 2021, the Village Board approved a motion directing staff to prepare an amendment to the 2021 Funding Grant Agreement requiring the OPRHC to submit their 2020 Audit no later than November 30, 2021.

On June 24, 2021, the Village Board approved the Amended 2021 Funding Grant Agreement with the November 30, 2021 Audit due date.

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

N/A

Intergovernmental Cooperation Opportunities

N/A