



Agenda Item Summary

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Submitted By

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Reviewed By

LKS

Agenda Item Title

A Resolution Approving a Subrecipient Grant Agreement between the Village of Oak Park and the Oak Park Housing Authority in the Amount of \$120,000 in Community Development Block Grant Funds to Rehabilitate the Structures Located at 324-326 North Austin Boulevard and Authorizing its Execution

Overview

Oak Park Housing Authority, in conjunction with Housing Forward, seeks to rehabilitate the two buildings located at 324-326 N. Austin Blvd., Oak Park, Illinois to provide temporary housing for homeless individuals and families. The project would use returned Community Development Block Grant (CDBG) funds in the amount of \$120,000.

Staff Recommendation

Approve the Resolution authorizing the execution of the Program Year 2018 CDBG Agreement with OPHA.

Fiscal Impact

The total amount of \$120,000 in returned CDBG funds comes from previously approved projects that did not utilize all of the allocated funding.

Background

Each year the Village receives an allocation of CDBG funds from the U.S. Department of Housing and Urban Development (HUD). These funds are allocated to specific projects outlined in the Annual Action Plan, which is approved by the Village Board and HUD. Periodically, projects do not expend their full amount allocated and the recaptured money is returned to the Village as returned funds. In the past, these funds were mainly used to provide funding for CDBG eligible infrastructure projects carried out by Public Works.

In May of 2018, the Oak Park Housing Authority (OPHA) approached the Village with a request to use CDBG funds to rehabilitate the building at 324-326 N. Austin Boulevard in Oak Park in partnership with Housing Forward. After consultation with the HUD, it was determined that this project should be considered a Housing Rehabilitation activity which requires lead based paint testing and interim controls. The Village consulted with the Cook County Department of Public Health about the project. We have received verbal approval to provide the OPHA with funds from the Cook County Lead grant after lead based paint testing and cost estimates. In addition to the \$120,000 in returned funds, OPHA will be eligible to receive a Lead Based Paint grant of up to

\$12,000 per unit for a total of \$72,000 in addition to the \$120,000 bringing total funding up to approximately \$192,000. Village staff inspected the facilities again on October 22, 2018 and believe that the current proposed funding of CDBG and lead based funds should be enough funding to allow the project to proceed.

Oak Park Housing Authority prepared a scope of work, a summary of CDBG eligible and non-CDBG eligible costs, and drawings, all of which were provided to staff for consideration. The funding requested for the CDBG eligible costs for this project was \$258,067. Staff determined that there are other CDBG projects that could utilize these returned funds and recommended an amount of \$120,000. In exchange for the CDBG funds, the Oak Park Housing Authority must keep the housing affordable to persons eligible under the CDBG program for at least a five year period. In order to not trigger complete Lead based paint abatement at a much higher cost, CDBG Housing Rehabilitation regulations require that less than \$25,000 be spent for each of the six subject units.

On October 15, 2018, the Village Board approved a motion for the Village to fund OPHA improvements at 324-26 N. Austin Blvd. in the amount of \$100,000 in returned CDBG funds and to direct staff to prepare the necessary paperwork, which it has now done in the form of the Resolution and Agreement for the CDBG funding of this project. It was later determined by staff that the amount should be raised to \$120,000 in order to adequately address the housing deficiencies and remain within the lead based paint rules.

Alternatives

The Village Board could recommend a higher funding amount but it should not be higher than \$150,000 which is \$25,000 per unit to avoid the lead abatement rules.

Previous Board Action

On October 15, 2018, the Board approved a motion for the Village to fund OPHA improvements at 324-26 N. Austin Blvd. in the amount of \$100,000 in CDBG funds, and directed staff to prepare the necessary paperwork for this proposed project. Staff later determined that the amount should be raised to \$120,000.

Citizen Advisory Commission Action

None

Anticipated Future Actions/Commitments

Once the lead based paint testing is completed, staff will submit an additional grant agreement for that funding amount for the Board's approval.

Intergovernmental Cooperation Opportunities

Oak Park Housing Authority is a Village partner agency

Performance Management (MAP) Alignment

A Governance Priority established for the Neighborhood Services Division of the Development Customer Services Department is "CDBG Administration."