

Village of Orland Park — Decision Memorandum

Subject: FY2027 Community Development Block Grant (CDBG) Participation Decision — Recommendation to Accept Entitlement Status and Execute a Joint Agreement with Cook County

Executive Summary

HUD has formally notified Orland Park that we are eligible to become a CDBG Entitlement Metropolitan City for FY2027. The FY2027 planning estimate associated with Entitlement status is \$314,985 (final award subject to change as Census data and grantee participation are updated). HUD requires our written program participation decision by August 31, 2026. I recommend that the Village accept Entitlement status and enter into a Joint Agreement with Cook County for FYs 2027–2029 so the County administers our grant, with funds expended only within Orland Park. This approach secures our allocation while minimizing first-year administration burdens and preserving local investment priorities.

Background

On August 11, 2026, we received an email from HUD CPD Program Manager David J. Pray transmitting HUD's letter and guidance memorandum regarding Orland Park's potential Entitlement status and required decision timeline.

The attached HUD letter confirms Orland Park's eligibility and outlines four decision options (accept Entitlement; accept Entitlement with Joint Agreement; defer and remain in the Urban County; defer, opt out of the Urban County, and seek State CDBG). It specifies an August 31, 2026 deadline for our response.

HUD's memorandum places Orland Park in Category 2 (cities currently participating in Urban Counties that are requalifying now), reiterates the August 31 decision requirement due to Urban County qualification impacts, and lists Orland Park's planning estimate of \$314,985. It also notes Orland Park is a "split place" (partly in Will County) but currently participates only in Cook County's Urban County program.

Decision Options (per HUD)

1. Accept Entitlement status as an independent Metropolitan City (administer locally).

Orland Park would receive a direct grant and fully administer CDBG (planning, citizen participation, Consolidated Plan/Action Plan, IDIS setup, compliance/monitoring). Planning & administration are capped at 20% of the grant (plus 20% of program income).

2. 2. Accept Entitlement status and enter into a Joint Agreement with Cook County for FYs 2027–2029.

Cook County administers our CDBG grant; Orland Park's funds must be spent within the Village. This requires a formal joint request to HUD under 24 CFR 570.308 and execution of a Joint Agreement with Cook County.

3. 3. Defer Entitlement status and remain in Cook County's Urban County (status quo).

We would continue as a Participating UGLG via a Cooperation Agreement for FYs 2027–2029.

4. 4. Defer Entitlement status, opt out of Cook County, and seek State CDBG as a Non-Entitlement.

We would not receive a direct HUD entitlement grant and would compete under the State's CDBG program.

Analysis for Orland Park

Timing & Regulatory Compliance:

- HUD requires our written decision by August 31, 2026 (Category 2). Delay risks County qualification complications and missed participation for FY2027.
- New entitlement grantees must establish a program year (HUD recommends July–October starts for first-year grantees), adopt a Citizen Participation Plan, and prepare a Consolidated Plan/Annual Action Plan in IDIS/eCon Planning Suite. Failure to submit plans by federal deadlines can result in loss of funding for that year.

Capacity & Administrative Considerations:

- Independent administration (Option 1) requires immediate staffing/consultant procurement, IDIS onboarding, and robust compliance/monitoring. Planning/administration costs are limited to 20%, which—based on the planning estimate—equates to approximately \$63,000 available for first-year administrative functions.
- A Joint Agreement (Option 2) leverages Cook County's established infrastructure while safeguarding that Orland Park's allocation is spent within our jurisdiction and aligned with local priorities.

Geography & Use of Funds:

- CDBG funds should primarily benefit within Village boundaries; using funds outside requires documentation under 24 CFR 570.309 demonstrating Village benefit and program purpose.

Financial Planning Flexibility:

- HUD allows pre-award costs for preparation activities (Citizen Participation Plan, Consolidated Plan/Action Plan) under 24 CFR 570.200(h), if properly noticed and compliant—valuable if we proceed with any local planning work immediately.

Recommendation

Accept Entitlement status for FY2027 and execute a Joint Agreement with Cook County for FYs 2027–2029. This path secures the Village’s allocation (planning estimate \$314,985) and minimizes near-term administrative burden by employing the County’s established systems, while ensuring expenditures are restricted to Orland Park projects. It positions us to direct funding to our priorities with lower startup risk, meets HUD’s August 31 deadline, and avoids disruptions to Urban County qualification.

Action Requested

1. Authorize the Village Manager to transmit Orland Park’s written decision to HUD by August 31, 2026 and to submit the required joint request under 24 CFR 570.308.
2. Authorize negotiation and execution of a Joint Agreement with Cook County specifying administration roles, reporting visibility, project selection coordination, and timelines for FYs 2027–2029.
3. Direct staff to begin local priority setting and community engagement consistent with Citizen Participation requirements so Village priorities drive the Orland Park-dedicated allocation administered by the County.

Immediate Next Steps & Timeline (if approved)

Week of Aug 11–15:

- Notify David J. Pray (HUD) of our intent; request template language for joint request and confirm submission logistics; prepare draft response letter.
- Initiate discussions with Cook County on Joint Agreement terms and a coordinated schedule for FY2027 planning/IDIS entries (County-administered).

By Aug 31:

- Transmit formal decision (PDF/email) to HUD CPD per the letter’s instructions; submit joint request to HUD; finalize Joint Agreement terms.

September–October:

- Launch community engagement and define Orland Park project priorities; align with County's administration plan and IDIS/eCon processes; ensure compliance with Part 91 requirements and reporting cadence.

Attachments / References

- HUD Letter: FY27 - Orland Park - Potential Grantee Letter (UPDATED).docx.pdf (August 11, 2026)
- HUD CPD Guidance: Memorandum_Potential New CDBG Entitlement Communities for FY 2027_FINAL.pdf
- Email: "HUD Potential New CDBG Entitlement for FY27 - Orland Park" from David J. Pray (August 11, 2026)

Prepared by

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