



DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES

Grants Management Division

m e m o r a n d u m

TO: John A. Schneider, MPA, Manager, Community Development Department
FROM: Kelly H. Mierkowski, Manager, Grants Management Division
DATE: April 20, 2018
SUBJECT: A RESOLUTION AUTHORIZING THE CITY TO PARTICIPATE IN THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY ABANDONED PROPERTY PROGRAM

Description

Included on the agenda of the April 24, 2018 meeting of the Urbana Community Development Commission is a Resolution Authorizing the City to participate in the Illinois Housing Development Authority Abandoned Property Program.

Background

The Illinois Housing Development Authority (IHDA) created the Abandoned Property Program (APP) in 2013 per 20 ILCS 3805/7.31. IHDA utilizes Abandoned Residential Property Municipality Relief Fund dollars to fund eligible APP activities. The statewide Abandoned Residential Property Municipality Relief Fund is supported by residential foreclosure complaint filing fees. The term of commitment for APP grantees is not to exceed two years, and all funding must be expended within that timeframe.

The intent of the APP is to assist municipalities with costs incurred for maintaining, securing, and clearing abandoned properties within their jurisdictions. The City of Urbana's application for APP Round 3 funds was submitted to IHDA on November 30, 2017. The City of Urbana was notified on March 16, 2018 that it had been awarded \$55,000.

On April 17, 2018, the Mayor of the City of Urbana executed and submitted a Conditional Commitment Letter to IHDA, which outlines the additional steps that need to be taken by the City to accept the funding and begin operating the program. Among the requirements, the Conditional Commitment Letter states that the City of Urbana must submit to IHDA a "resolution or ordinance of the Recipient, certified by the clerk or other authorized municipal official acceptable to the Authority, within thirty (30) days of the Closing Date, authorizing the Project and the execution of the Funding Agreement and any other documents in connection with the Project."

Proposed Agreement

Program funds will be made available to the City of Urbana in the amount of \$55,000, to assist with the reimbursement of eligible costs related to securing, demolishing, and maintaining properties that contain or once contained vacant residential properties throughout the City of Urbana. Those eligible costs are as follows:

- Cutting of neglected weeds or grass
- Trimming of trees or bushes and removal of nuisance bushes and trees
- Extermination of pests or prevention of the ingress of pests
- Removal of garbage, debris and graffiti
- Boarding up, closing off or locking windows or entrances or otherwise making the interior of a building inaccessible to the general public
- Surrounding part or all of an Abandoned Residential Property's underlying parcel with a fence or wall or otherwise making part or all of the Abandoned Residential Property's underlying parcel inaccessible to the general public
- Demolition of Abandoned Residential Property
- Rehabilitation of Abandoned Residential Property

No APP funding can be used for reimbursement of administration costs.

Per the requirements of the Program, the City of Urbana is responsible for undertaking or contracting for all activities related to this grant. The City will then be reimbursed by IHDA as staff completes eligible activities and submits quarterly reports to IHDA. A budget and list of applicable properties is included with this memorandum.

Although the final funding agreement has not yet been released by IHDA, an executed version will be due to IHDA by June 6, 2018. IHDA has informed grant recipients that few major regulatory changes, if any, are anticipated between Round 2 and Round 3. Staff expects the upcoming Round 3 funding agreement to be substantially similar to the version used in Round 2. With that in mind, the funding agreement from Round 2 of the APP has been updated and is provided as a reference. The form of the funding agreement is expected to be released in late April or early May, and it will be included when the proposed Resolution is brought before the City Council.

Options

1. Forward the Resolution Authorizing the City to participate in the Illinois Housing Development Authority Abandoned Property Program to the Urbana City Council with a recommendation for approval.
2. Forward the Resolution Authorizing the City to participate in the Illinois Housing Development Authority Abandoned Property Program to the Urbana City Council with a recommendation for approval with suggested changes.
3. Do not recommend Urbana City Council approval of the Resolution.

Fiscal Impacts

Approval of the Agreement would not commit new City financial resources to the project, as the funds are provided by the Illinois Housing Development Authority (IHDA) through court filings by plaintiffs in residential foreclosure cases, and funds spent will be reimbursed as per the Funding Agreement. It is possible that some activities may involve combining APP funds with federally awarded Community Development Block Grant (CDBG) funds for acquisition of properties proposed to be demolished using APP funds.

The Grants Management Division has already allocated CDBG funding for Acquisition-Demolition activities according to the *City of Urbana and Urbana HOME Consortium FY 2015-2019 Consolidated Plan*.

Programmatic Impacts

The proposed Funding Agreement with IHDA will affirm the City's commitment to the goals outlined in the *City of Urbana and Urbana HOME Consortium FY 2015-2019 Consolidated Plan*, and in particular Goal 9 shown below:

Goal 9: Preserve and support Urbana's neighborhoods as vibrant places to live.

Strategy: Identify and encourage or assist in removal of blighting and deteriorated structures from neighborhoods.

Recommendation

Staff recommends approval of the Resolution as attached. The proposed agreement will allow City staff to continue with the Abandoned Property Program.

Memorandum Prepared By:



Matthew Rejc, AICP
Community Development Coordinator
Grants Management Division

Attachments:

1. A RESOLUTION AUTHORIZING THE CITY TO PARTICIPATE IN THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY ABANDONED PROPERTY PROGRAM
2. Conditional Commitment Letter – Abandoned Property Program
3. Proposed Budget

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE CITY TO PARTICIPATE IN THE
ILLINOIS HOUSING DEVELOPMENT AUTHORITY
ABANDONED PROPERTY PROGRAM**

WHEREAS, in 2013, Illinois Housing Development Authority (IHDA) created the Abandoned Property Program (APP) to assist municipalities with costs incurred for maintaining, securing, and clearing abandoned properties within their jurisdictions; and

WHEREAS, after applying for APP funds on November 30, 2017, the City of Urbana was notified that it had received an award of \$55,000 through the APP on March 16, 2018; and

WHEREAS, as a requirement of the APP, the City of Urbana must enter into a funding agreement with IHDA outlining the City's roles and responsibilities with regards to the funding awarded (the "Agreement"); and

WHEREAS, the City of Urbana executed and submitted a Conditional Commitment Letter to IHDA on April 17, 2018, which outlines the additional steps that need to be taken by the City of Urbana before the Agreement can be executed; and

WHEREAS, Paragraph C.6 of the Conditional Commitment Letter states that the City of Urbana must submit to IHDA a "Resolution or ordinance of the Recipient, certified by the clerk or other authorized municipal official acceptable to the Authority, within thirty (30) days of the Closing Date, authorizing the Project and the execution of the Funding Agreement and any other documents in connection with the Project."

NOW, THEREFORE, BE IT RESOLVED by the City Council, of the City of Urbana, Illinois, as follows:

Section 1. The Mayor and City Council of the City of Urbana do hereby adopt this resolution authorizing the City of Urbana to participate in the Abandoned Property Program, and to take actions including, but not limited to, authorizing the Project (as defined in the Conditional

Commitment Letter), and executing the Funding Agreement as well as any other documents in connection with the Project; and

Section 2. The Mayor is hereby authorized and empowered to execute and deliver in the name of or on behalf of the City of Urbana the Funding Agreement and any and all amendments, modifications and supplements thereto, and to execute and deliver such additional documents, instruments and certificates, as may be necessary or desirable for the City of Urbana to perform its obligations under the Funding Agreement; and

Section 3. The Mayor is hereby authorized and directed to take such additional actions, to make further determinations, to pay such costs and to execute and deliver such additional instruments (including any amendments, other agreements or supplements) as he or she deems necessary or appropriate to carry into effect the foregoing resolutions; and

Section 4. The City of Urbana hereby ratifies, authorizes and confirms and approves all documents, agreements and instruments executed in connection with the APP, including those acts taken prior to the date hereof.

Section 5. A Funding Agreement pertaining to the Abandoned Property Program, in substantially the form of the copy of said Agreement attached hereto and hereby incorporated by reference, be and the same is hereby authorized and approved.

PASSED BY THE CITY COUNCIL this _____ day of _____, _____.

AYES:

NAYS:

ABSTAINS:

Charles A. Smyth, City Clerk

APPROVED BY THE MAYOR this ____ day of _____, _____.

Diane Wolfe Marlin, Mayor

APP Budget

Activity Type(s)	Time Period	Address	Amount 2018	Amount 2019	Amount 2020	Total
Demolition	5/1/2018 - 12/31/2018	Property TBD	\$18,333.33			\$18,333.33
Demolition	1/1/2019 - 6/30/2019	Property TBD		\$18,333.33		\$18,333.33
Demolition	7/1/2019 - 2/1/2020	Property TBD			\$18,333.34	\$18,333.34
TOTAL			\$18,333.33	\$18,333.33	\$18,333.34	\$55,000.00

