

Abandoned Property Program Frequently Asked Questions (FAQ)

Note to reader: This is a partial list of program requirements and is meant to serve as a general guide. For the complete Rules, see [Abandoned Residential Property Municipality Relief Program Rules](#). This FAQ may be updated from time to time. Please check back.

1) What is the Abandoned Property Program?

The Abandoned Residential Property Municipality Relief Fund (the “Program”) was created in 2010 under the Save Our Neighborhoods Act. Funding for the Program was expanded by subsequent legislation in June 2013.

2) What are the eligible uses for funding under the Program?

Grant funds may be used for securing, maintaining, demolishing, or rehabilitating abandoned homes. The rehabilitation of an abandoned residential property is strictly limited in scope to address exterior building safety concerns such as repairing the roof, windows, doors, masonry, or walkways of an abandoned residential property. A list of specific activities allowed as part of securing and maintaining properties may be found at [Abandoned Residential Property Municipality Relief Program Rules](#).

Eligible Properties

- 1-6 unit residential properties in the State of Illinois
- Properties that meet the definition of “abandoned” per Program Rules
- Manufactured home taxed as real property with a foundation and no hitch or wheels
- Properties may have garages, outbuilding, and/or sheds (demolition/removal of these buildings is an eligible cost if associated residential property meets the definition of “abandoned” per Program Rules)

Ineligible Properties

- Residential properties knowingly occupied by a legal or non-legal residents
- Historically registered properties
- Commercial, industrial, or agricultural properties
- Mixed use properties with a residential unit component

3) How is an Abandoned Property defined under the Program?

Abandoned Residential Property shall mean real estate that:

A. Either:

1. Is not occupied by any mortgagor or lawful occupant as a principal residence; or
2. Contains an incomplete structure if the real estate is zoned for residential development, when the structure is empty or otherwise uninhabited and is in need of maintenance, repair or securing.

B. With respect to which, either:

1. Two or more of the following conditions must be shown to exist in order for a property to be eligible:
 - a) construction was initiated and was discontinued prior to completion leaving a building unsuitable for occupancy, and no construction has taken place in 6 months;
 - b) multiple windows on the property are boarded up, closed off or smashed through, broken off or unhinged, or multiple window panes are broken and unrepaired;
 - c) doors on the property are smashed through, broken off, unhinged, or continuously unlocked;
 - d) the property has been stripped of copper or other materials, or interior fixtures to the property have been removed;

- e) gas, electric or water services to the entire property have been terminated;
- f) one or more written statements of the mortgagor or the mortgagor's personal representative or assigns, including documents of conveyance, indicate a clear intent to abandon the property;
- g) law enforcement officials have received at least one report of trespassing or vandalism or other illegal acts being committed at the property in the last 6 months;
- h) the property has been declared unfit for occupancy and ordered to remain vacant and unoccupied under an order issued by a municipality or county authority or a court of competent jurisdiction;
- i) the local police, fire or code enforcement authority has requested the owner or other interested or authorized party to secure or winterize the property due to the local authority declaring the property to be an imminent danger to the health, safety and welfare of the public;
- j) the property is open and unprotected and in reasonable danger of significant damage due to exposure to the elements, vandalism or freezing; or
- k) other evidence indicates a clear intent to abandon the property, or the real estate is zoned for residential development and is a vacant lot that is in need of maintenance, repair, and securing; or

2. The real estate is zoned for residential development and is a vacant lot that is in need of maintenance, repair, and securing.

4) Who can apply for funding?

To be eligible, applicants must be a municipality or a county located in the State of Illinois. A county or municipality may join with other counties/municipalities and together submit a single application. However, each county/municipality may only apply once per funding round.

5) How does an applicant apply for funding?

A municipality or county applies to the Illinois Housing Development Authority. Information on Round 2 funding can be found [here](#).

6) When will funding be available?

It is expected that funding will be available for approved R2 applicants in the third quarter of calendar year 2017.

7) How much funding will be available?

Funding for the Program is derived solely from foreclosure filing fees paid by lending institutions and collected by the county clerk. The collection of additional filing fees began in June 2013. Of the total amount received each year:

- A. 30% will be granted in Cook County;
- B. 25% will be granted to the City of Chicago;
- C. 30% will be granted in the Collar Counties (DuPage, Kane, Lake, McHenry, and Will); and
- D. 15% will be granted in other areas of the State not previously defined.

The amount of funds on deposit may be viewed on the Illinois Comptroller's website [here](#). The Program's special state fund number is 892.

8) Is this a grant or loan?

This is a grant. Grant funds not used in compliance with the Rules and Grant Agreement are subject to recapture.

9) Where does the funding come from?

The funds for the Program are collected in the State Treasury from fees paid by banks and other lending institutions on a sliding scale depending on how many foreclosures they file each year. Beginning in June 2013, institutions that file more than 175 foreclosures per year will pay \$500 per foreclosure filing, while ones with between 50 and 175 per year will pay \$250 per foreclosure filing, and those with less than 50 foreclosure filings per year will pay \$50 per filing.

10) Will there be funding cycles?

There is expected to be one cycle per year based on applications received and funds available.

11) Is an applicant guaranteed funding?

No. Each application will be scored based on qualifications including applicant's experience or expertise to manage the activities listed in Section 381.203 of the Rules; capacity for effective fiscal management proven through a third-party audit; Applicant's ability to identify which Eligible Uses are to be undertaken with Program funds; time for expending funds (inclusion of a budget and timeline schedule for performing the eligible uses of program funds outlined in the application); and other factors that IHDA requires to ensure proper grant administration.

12) What is the maximum grant amount?

For Round 1 and Round 2, a maximum grant amount of \$75,000 per county/municipality applicant* was established. Awards for future rounds are currently unknown and will be determined by the amount of funds accumulated. IHDA does not anticipate that each applicant will apply for the maximum funding available, but will base their application on actual activities that can be addressed during the grant period. Award amounts will depend on the amount of funding available and the capacity of the applicant to undertake the planned activities as well as other applicants in the same geographic area.

An applicant may request a waiver of the maximum grant amount by completing the requested information in the application. An applicant must illustrate exemplary capacity, need, and impact in order to be considered for such a waiver. IHDA will consider waiver requests on a case-by-case basis, taking into account the amount of funding available in the geographic set-aside, along with the criteria set forth in the application, to determine whether to grant the waiver. For Round 1 and Round 2, a waiver request was established to not exceed \$250,000 to any grantee within a geographic area outside the City of Chicago.

**Exclusive of the City of Chicago, who pursuant to legislation may apply for 25% of the money in the Fund that have been appropriated, subject to the annual receipt of funds.*

13) How long will the program last?

Fees are collected until December 31, 2017 and the Program will continue until funds are no longer available.

14) What is the amount of time to spend funds and complete projects?

Grant funds must be expended within the time frame of the grant agreement.

15) When will awards be announced?

Awards are expected to be announced in the first quarter of calendar year 2017. Grant funds are expected to be disbursed in the third quarter of calendar year 2017. However, all dates are subject to change.

16) Is IHDA available for pre-review of applications?

No. However, questions may be posed to APPinfo@IHDA.org and at any webinar offered prior to a round of funding (see [here](#) for details).

17) Does it matter if the Applicant is home rule or non-home rule unit of government?

No. Home rule and non-home rule units of government may apply.

18) Can an application include a mix of previously completed activities as well as planned activities?

Yes. However, until an activity has been completed payment will not be released.

19) Should there be a contingency plan in the application? (If an applicant is working on a project and something stops them from completing it, can a proposed back up plan to use the funds be cited in the application?)

Yes, to the extent all plans meet the requirements of the program.

20) How do municipalities/counties certify their status?

A letter from an officer of the municipality or county stating the municipality or county is a valid municipality or county pursuant to local law. (If awarded grant funds, at time of preparing grant agreement IHDA will need adopted resolution

or ordinance from applicant allowing applicant to accept funds, and copy of certificate of incumbency of authorized officers).

21) If a municipality/county will be using third-party vendors, do vendor bids have to be in place before submitting an application?

No, but a solid, well-estimated budget is expected.

22) Does a municipality/county need to get an environmental clearance review in advance of submitting an application?

No, but the applicant will need to meet all certifications, including environmental certifications, before grant funds are disbursed.

23) Will completed projects get a better score in the application?

Applications will be reviewed in their entirety.

24) Will it negatively affect me to target the same area across multiple rounds?

Applications will be reviewed in their entirety by round.

25) Are NSP dollars an eligible match for the waiver?

Yes.

26) Is the waiver match required for the full grant request or for the amount over \$75,000?

A 1:1 (dollar for dollar) match is required for the amount over \$75,000. (The dollar amount may change if the maximum amount of awards changes in future rounds.)

27) Does an in-kind match count? (For example, a town purchased equipment for demolition/rehabilitation of abandoned buildings, would this or the personnel hours count as match?)

No. Matching funds must be direct funding or grant funds. Physical assets or other in-kind donations will not qualify as matching funds.

28) Do past expenses count for match?

Yes, if they are from direct funding or grant funds, meet the definition of Eligible Uses in Section 381.202 of the Rules, and were incurred on or after January 1, 2015 (this date will change for future rounds).

29) What is the appropriate score you must receive to be considered for the waiver?

Those applicants scoring the highest will have done a good job demonstrating the reasons, including need, for a waiver. There is not a specific score an applicant must have, but those with the higher scores will have a better chance for receiving a waiver.

30) Are matching funds necessary if we are applying for 75,000 or less?

No.

31) How will having more than 1:1 match affect my request for a waiver?

Applications will be reviewed in their entirety and award amounts will be subject to available funds as well as the number and quality of applications received.

32) Will the waiver grant be pulled from the area set-asides?

Yes.

33) If an applicant is awarded an amount less than the requested grant amount, how will that be addressed?

Once awarded, an applicant will be required to submit a revised budget based on the award they receive which may be equal to or less than their requested grant amount.

- 34) Will grant funds be disbursed up front or will expenses be reimbursed?**
All expenses will be reimbursed. After the activity is completed and the funds have been expended, expenses must be reported to IHDA. After the report is approved, funds will be reimbursed.
- 35) If applying for reimbursement for past activities, what type of documentation is required for submittal?**
Invoices, receipts (proof of payment), a report provided on a form supplied by IHDA, and compliance with all certifications are required for reimbursement.
- 36) Is municipality/county staff time eligible for reimbursement?**
Administrative staff time is not an eligible use. However, staff time for labor related to the Eligible Uses, such as the person's time cutting the grass, is eligible.
- 37) Can funds be applied to eligible uses on commercial property?**
No, the property must be a residential-only property of one to six units.
- 38) Are buildings zoned for mixed use eligible?**
No. Buildings must meet the definition of Abandoned Residential Property in Section 381.202 of the Rules.
- 39) Are multi-family buildings eligible?**
Residential buildings of 1-6 units that meet the definition of Abandoned Residential Property, as that term is defined in Section 15-1200.7 of the Illinois Code of Civil Procedure and Section 381.202 of the Rules, and Residential Real Estate, as that term is defined in Section 15-1219 of the Illinois Code of Civil Procedure are eligible.
- 40) Can past expenses be reimbursed?**
Yes, if they meet the definition of Eligible Uses in Section 381.202 of the Rules, and were incurred on or after January 1, 2015 (this date will change for future rounds).
- 41) Are administrative fees billable?**
No. Grant funds are for Eligible Uses as defined in Section 381.203 of the Rules.
- 42) Are municipality/county equipment/materials eligible for reimbursement?**
No.
- 43) If costs are incurred for liens, fines, citations and attorney fees, are applicants allowed to bill those to this program? If they are, do they have to repay IHDA if the lien is lifted or a settlement is made? (During a fast track demo, you cannot bill attorney fees; can you use APP to pay these fees?)**
Program funds can be used to reimburse applicants for Eligible Uses, as that term is defined in Section 381.203 of the Rules. Liens, fines, citations and attorney's fees are not stated Eligible Uses. With respect to the repayment of funds if a lien is settled or lifted, please refer to the Illinois Municipal Code (65 ILCS5/11/20/15.1 (i-5), which states that all amounts received by the municipality for costs incurred pursuant to this section for which the municipality has been reimbursed under Section 7.31 of the Illinois Housing Development Act shall be remitted to the State Treasurer for deposit into the Abandoned Residential Municipality Relief Fund. Applicants should consult with their legal counsel regarding the maintenance of liens.
- 44) Is the demolition of an abandoned school that is zoned residential eligible for the Abandoned Property Program?**
In order to be reimbursed for Eligible Uses under the Program, the building must meet the definition of Abandoned Residential Property, as that term is defined in Section 15-1200.7 of the Illinois Code of Civil Procedure and Section 381.202 of the Rules, and Residential Real Estate, as that term is defined in Section 15-1219 of the Illinois Code of Civil Procedure.
- 45) Can we use these funds on HUD homes? (HUD is on the title)**

Municipalities and counties applying for grant funds must have the legal authority to undertake activities under the program.

46) Does a municipality/county have to go through the condemnation process before using grant funds?

Condemnation is not required.

47) Do we have to comply with all environmental laws for all activities?

A municipality or county must comply with all applicable environmental laws. The Abandoned Property Program was created pursuant to state statute and therefore grant funds under the program are considered state funds, thereby triggering historic preservation and environmental requirements triggered by the activities undertaken. Every property must adhere to the requirements of a Historic Preservation review through the Illinois Historic Preservation Agency (see <http://www.illinoishistory.gov/ps/rcdocument.htm>).

48) Can asbestos abatement be an eligible cost?

Asbestos abatement may be an eligible use of Program funds if the asbestos abatement falls under an Eligible Use as defined in Section 381.203 of the Rules. For more information regarding asbestos requirements, see www.epa.state.il.us/air/asbestos.

49) If meeting requirements takes longer than expected (due to delays beyond applicants control, i.e., State Historic Preservation or EPA), can the applicant receive an extension?

The Grant Funds Recovery Act allows 24 months for the expenditure of funds. Funds must be expended within this time frame.

50) If the municipality/county is a certified unit of local government, and as such are eligible to demolish buildings, why do we need EPA and ISHPA approval (especially given these are funds from lending institutions)?

The Abandoned Property Program was created pursuant to state statute and therefore grant funds under the program are considered state funds thereby triggering state historic preservation and environmental requirements.

51) If a municipality has four homes meeting the definition of Abandoned Residential Property and there is an abandoned garage on an adjacent parcel, can grant funds be used to demolish the garage as well as the Abandoned Residential Properties?

No. In this example, demolition of the garage that is not on the same parcel does not fall within the definition of Eligible Uses in Section 381.203 of the Rules. The funds under the program are for Eligible Uses for Abandoned Residential Properties defined in Section 381.202 of the Rules.

52) Can I use city staff to perform activities or do I have to hire third parties?

You can use either.

53) Does repair to siding on a home qualify as an eligible use of grant dollars?

Please see definition of Eligible Uses in Section 381.203 of the Rules, part h) rehabilitation. Rehabilitation is defined as rehabilitation strictly limited in scope to address exterior building safety concerns such as repairing of the roof, windows, doors, masonry, or walkway of an Abandoned Residential Property.

54) Does a municipality/county have to be the owner of the abandoned property?

Municipalities and counties applying for grant funds must have the legal authority to undertake activities under the program.

55) What if an abandoned property has a state lien placed on it (ex: Public Aid lien), like on a home where a person has been placed in a nursing home for years and the home was left abandoned? How are those state liens handled or would they even be eligible?

Municipalities and counties applying for grant funds must have the legal authority to undertake activities under the program.

56) Do grant funds have to be repaid?

Generally, grant funds are not required to be repaid; however, in cases where a municipality has been repaid costs incurred pursuant to Section 5/11-20-15.1(i-5) of the Illinois Municipal Code, for which the municipality has been reimbursed under the Program, the municipality is required to repay the State Treasurer for those costs and those repaid funds will be deposited into the Abandoned Residential Property Municipality Relief Fund.

57) If we apply and are successful for dollars to reimburse demolitions that have previously been done in our community, would we still be able to maintain certain liens (i.e. weeds) in order to allow us to foreclose on those properties?

Applicable local laws should be followed. Municipalities and counties should consult with their legal counsel.

58) If the municipality/county has not yet paid for the work completed, can they still be reimbursed?

No. You must submit proof of payment with your reimbursement request to be paid on all eligible activities.

59) What if I have further questions?

Requests for notification of funding availability, future webinars, and questions about the program may be submitted to APPinfo@ihda.org.