

## 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.*

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## Program Overview and General Rules

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

**4) Where does the funding come from?**

The funds for the Program are collected by the County Clerk and deposited into 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. Subject to the annual receipt of funds and pursuant to Section 381.201 of the Program Rules:

- 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.

**5) 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.

**6) 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.

**7) Will there be funding cycles?**

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

**8) How long will the program last?**

Fees are collected until January 1, 2023 and the Program will continue until funds are no longer available.

## **Application and Scoring**

### **Eligible Applicants**

**9) 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.

**10) How does an applicant apply for funding?**

A municipality or county applies to the Illinois Housing Development Authority. Information on future funding rounds can be found on IHDA’s [Revitalization and Repair Programs website](#), or by emailing [APPinfo@ihda.org](mailto:APPinfo@ihda.org).

**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) 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.

### **Application Requirements**

**13) Do municipalities/counties need to provide a resolution or ordinance at time of application?**

If awarded grant funds, at time of preparing grant agreements IHDA will need an adopted resolution or ordinance from applicant allowing applicant to accept funds, and a copy of certificate of incumbency of authorized officers.

**14) 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.

- 15) 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.
- 16) 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. Each round has a defined start date for previous eligible activities. Consult the relevant funding application for the date. See Question 20.
- 17) Is IHDA available for pre-review of applications?**  
No. However, questions may be posed to [APPinfo@IHDA.org](mailto:APPinfo@IHDA.org) and at any webinar offered prior to a round of funding (see [here](#) for details).

## Maximum Grant Amount

- 18) What is the maximum grant amount available to applicants?**  
For Round 4, a maximum grant amount of \$75,000 per county/municipality applicant is established for applicants falling within geographic set-aside defined above in 4(D). For applicants falling within the geographic set-asides defined above in 4(A) and 4(C), a maximum grant amount of \$250,000 per county/municipality applicant is established\*. Awards for future rounds are currently unknown and will be determined by the amount of funds accumulated. IHDA does not anticipate that every 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.

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

## Waiver of Maximum Grant Amount and Match Requirements

- 19) Is there consideration for an applicant providing matching funds?**  
Some prior rounds have utilized a match fund requirement. Round 4 did not utilize match funding. The Authority reserves the right to re-introduce the match funding requirement in future rounds.

## Eligible Uses of Funds

- 20) 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, 2016 for Round 3 or January 1, 2017 for Round 4 (this date will change for future rounds).
- 21) 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.
- 22) 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.
- 23) 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.
- 24) 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.

If the municipality has been repaid for a lien that was assisted by APP, then payment shall be remitted to the State Treasurer for deposit into the Abandoned Residential Municipality Relief Fund.

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

You can use either.

**26) Is municipality/county staff time eligible for reimbursement?**

Administrative staff time is not an eligible use. However, staff time for labor directly related to the Eligible Uses, such as the person's time cutting the grass, is eligible. If you are using municipal crews for demo and submitting these costs for reimbursement, you will need to submit a ledger which lists each employee who performed work on the address being submitted for reimbursement, and also shows the hours worked for all employees. You will also need to submit payment verification for this work, such as submitting copies of the pay stubs for these employees which cover the dates under which the work is being charged. Sick and vacation hours for employees are not eligible expenses.

**27) Are administrative fees billable?**

No. Grant funds are for Eligible Uses as defined in Section 381.203 of the Rules.

**28) Are municipality/county equipment/materials eligible for reimbursement?**

No.

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

Yes, if addressing exterior building safety concerns. Please see definition of Eligible Uses in Section 381.203 of the Rules, part h) rehabilitation. Rehabilitation is 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.

**30) 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.

**31) 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. No extensions are allowed beyond this period. Funds must be expended within this time frame.

**32) Can we request for reimbursement for an asbestos inspection/abatement in one quarter and then for the demolition of the same property in the next quarter?**

Yes. You can submit for expenses on the same property in different quarters.

## Eligible Properties

**33) 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.

**34) What if an abandoned property has a state lien placed on it (i.e. a Public Aid lien 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.

**35) 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.

**36) Can funds be applied to eligible uses on commercial property?**

No, the property must be a residential-only property of 1-6 units.

**37) Are buildings zoned for mixed use eligible?**

No. Buildings must meet the definition of Abandoned Residential Property in Section 381.202 of the Rules.

**38) Is the demolition of an abandoned non-residential building (i.e. a school building) that is zoned residential eligible for the Abandoned Property Program?**

No. 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.

**39) 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.

**40) 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.

**41) Just to verify, an eligible action such as grass cutting can be done on a vacant lot, as long as it is zoned residential?**

Yes. The property must be zoned residential and meet all the definition of Abandoned Residential Property as defined in Section 381.202 of the Rules. Additionally, the property must have had a residential structure on it at some point in time. IHDA may request information to verify this information in relation to approval of your reimbursement request.

## Reimbursement Request Process

**42) The property approval and County Assessor information only need to be submitted with the reimbursement request and not ahead of time?**

Yes. Property Approval Information should be submitted in your Individual Unit Submission Packet as part of your Quarterly Reimbursement Request.

**43) Are we to use the Property Approval Cover Sheets for quarterly submissions?**

Yes. Round 3 grantees are required to use the cover sheets provided with the Round 3 reporting materials for property approval. Round 4 grantees will submit property approval information with their quarterly submissions using the Property Approval Cover Sheets as well. Grantees should fill out the Property Approval Cover Sheet, and include a copy of the property's most recent assessment.

## Mandatory Requirements and Compliance

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

Condemnation is not required.

**45) Do we have to advertise for bids?**

While there are no specific requirements for advertising for bids under the Abandoned Property Program, you are required to comply with all applicable laws and regulations, including applicable municipal procurement policies and procedures as certified in your funding application (certification #10).

## Environmental Compliance

**46) 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.

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

Yes, 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 <https://www2.illinois.gov/dnrhistoric/Preserve/SiteAssets/Pages/Resource-Protection/Initial%20Documentation%20Required.pdf>).

**48) Is it mandatory to perform asbestos removal on a property?**

For any activity undertaken and submitted for reimbursement under your APP award, you must follow all local, county, and state laws that pertain to such activities. When demolishing a property, certified asbestos removal is required in most instances. Please reference your local laws on demolition and abatement.

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 <https://www2.illinois.gov/epa/topics/air-quality/asbestos/Pages/default.aspx>.

Additionally, 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 <https://www2.illinois.gov/dnrhistoric/Preserve/SiteAssets/Pages/Resource-Protection/Initial%20Documentation%20Required.pdf>).

## Prevailing Wage

**49) What are the program's requirements for prevailing wage?**

The Abandoned Property Program follows the Illinois Department of Labor's [Prevailing Wage Act](#). If a sponsor is utilizing state funds (APP grant money) to pay a contractor to do construction or repairs, then prevailing wage needs to be observed.

**50) Do contractors have to prove prevailing wage?**

Contractors utilized for program purposes and compensated under APP grant funds are expected to adhere to all prevailing wage requirements listed above. IHDA may at any time request documentation of the grantee's compliance with these prevailing wage requirements as it deems necessary.

## Repayment and Post-Program Requirements

**51) Do grant funds have to be repaid?**

Generally, grant funds are not required to be repaid. However, if the municipality has been repaid for a lien that was assisted by APP, then payment shall be remitted to the State Treasurer for deposit into the Abandoned Residential Municipality Relief Fund. See #24 above.

**52) If we use APP funding, are there any post-program permanent restrictions on the properties?**

No, there are no post-program permanent restriction on properties under the Abandoned Property Program. Do bear in mind that per the program rules, you must maintain records that pertain to the program for 5 years.

## Further Questions

**53) 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](mailto:APPinfo@ihda.org).