ABANDONED PROPERTY PROGRAM
APPLICATION TUTORIAL WEBINAR:
ROUND 2
September 28, 2016

Application due on or before October 21, 2016 at 3:00pm CST
ABANDONED PROPERTY PROGRAM BACKGROUND

- Section 7.19 and Section 7.31 of the IHDA Act designates IHDA the administrator of the Abandoned Residential Property Municipality Relief Program (APP) to provide funds to municipalities and counties for the maintenance and demolition of abandoned properties within their jurisdiction.

- Effective June 1, 2013, the plaintiff shall pay the Clerk of the County Court a $500, $250, or $50 filing fee to file a residential foreclosure complaint.

- Fees collected are deposited into the Abandoned Residential Property fund.

- Reimbursement program.
ELIGIBLE USES OF FUNDS

Funds can be used towards qualifying and unoccupied 1-6 unit residential properties

- Cutting of neglected weeds/grass
- Trimming/Removal of trees/bushes
- Extermination of pests
- Prevention of ingress of pests
- Boarding up, Closing off, or locking of windows of entrances
- Removal of garbage, debris, graffiti
- Surrounding building with fence/wall to make property inaccessible to general public
- Rehabilitation of Abandoned Residential Property
- Demolition of Abandoned Residential Property

Legal/attorney fees, administrative fees, liens, fines, citations, and property purchases are ineligible uses
APP: Round 1

- Began August 1, 2014 – now completed
- IHDA received 93 applications from counties, municipalities, and land banks statewide, representing 40 counties
- 54 Grantees were awarded, representing 23 counties
- Funds recommended to Grantees totaled $7.2 million
  - 25% to the City of Chicago (1 award = $2,045,354.71)
  - 30% to Cook County (18 awards = $2,136,890.50)
  - 30% to collar counties (17 awards = $1,806,778.23)
  - 15% to the rest of the state (18 awards = $1,224,612.06)
ROUND 1: AWARD COVERAGE

- **Received awards**
- **Received application, no award made**
- **No application received**
ROUND 1: REQUESTED PROJECTS

Demolition 70.74%
Boarding up, closing off, or locking windows or entrances 12.63%
Cutting weeds or grass 8.18%
Removal of garbage, debris, and graffiti 3.65%
Rehabilitation 3.29%
Trimming/removal of trees/bushes 0.62%
Surrounding part/all of a property with a fence or wall 0.57%
Extermination 0.32%
FILING YOUR APPLICATION
APPLICATION

- Review the application in its entirety before completing your submission

Overview:
- Maximum grant amount: $75,000
- Minimum ask of $20,000 per ULG
- Waiver to $250,000 considered if certain qualifications are met
MAXIMUM GRANT AMOUNT WAIVER

A waiver of the maximum grant amount up to $250,000 may be awarded.

- Applicants may request a waiver if certain circumstances are met:
  - Demonstrated exceptional need;
  - Increased financial burden;
  - Active revitalization plan;
  - Grant leveraged with other funds

- APP grants should provide at least a 1:1 funding leverage

- Must provide evidence of a commitment letter or other documentation confirming commitment of match funds

- To request a waiver, complete page 16 in the application

In no case may any grant exceed $250,000 to any grantee within a geographic area outside the City of Chicago
APPLICATION, CONT’D

If your jurisdiction falls into more than one of these categories, check all that apply.

This should match your request the amount listed on page 12, question 17.
**SCORING PROCESS**

Applications will be ranked against other applications in the geographic set-aside to determine points to be awarded in the following categories:

1. **Need**  
   Maximum: 20 points

2. **Capacity**  
   Maximum: 20 points

3. **Impact**  
   Maximum: 20 points

4. **Budget and Cost Reasonableness**  
   Maximum: 20 points

5. **Readiness to Proceed**  
   Maximum: 20 points
SCORING CATEGORY 1: NEED (20 POINTS)

- Foreclosure activity and abandoned residential properties
- Time and resources expended maintaining and demolishing abandoned residential properties
- Financial burden placed on your jurisdiction
- Specific areas within jurisdiction most affected by foreclosures and abandoned properties

*Example:*

**Scoring Category 1: Need** (maximum 20 points)

4. Please prepare a narrative describing how foreclosures have affected your county/municipality. At a minimum, applicants must include documentation of the following information for the jurisdiction which they are applying:
   - Relevant foreclosure activity in the jurisdiction (state time period covered and number of foreclosed properties. At minimum, discuss the previous two years. However, if relevant to this grant, the applicant may address a longer time period);
   - The number of abandoned properties as of December 2015 (or period referenced above);
   - The number of such abandoned properties owned by the jurisdiction or legal entity controlled by the jurisdiction; and
   - The amount the jurisdiction has expended on maintaining and demolishing abandoned residential buildings for each of the last three fiscal years.
**SCORING CATEGORY 2: CAPACITY (20 POINTS)**

- Provide most recent independent financial audit
- Previous experience managing grants
- Experience managing housing grant or program
- Active plan to mitigate abandoned properties

*Example:*

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**Scoring Category 2: Capacity** (maximum 20 points)

5. Please provide a copy of your most recent independent financial audit. If a Management Letter was issued, attach a copy of the Letter. NOTE: Management Response and/or Corrective Action Plan MUST be on Applicant’s letterhead and be signed by the Chief Executive Officer, President, or Executive Director. IHDA reserves the right to use lack of corrective action or findings to determine funding. Please summarize all findings included in the audit and their respective solutions (list page numbers for reference):
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SCORING CATEGORY 3: IMPACT (20 POINTS)

- Narrative on how grant would positively impact the jurisdiction
- Troubled residential properties causing blight identified to which no cost-effective solution exists other than demolition
- Evidence of other resources utilized for local revitalization efforts
- Evidence revitalization plan has had positive impact

Example:

Scoring Category 3: Impact (maximum 20 points)

12. Does a revitalization plan currently exist? Detail any active revitalization plans in place to mitigate abandoned properties within your jurisdiction, including demolition of abandoned residential properties and how these funds will benefit that plan and how your plan complements this grant (attach the existing revitalization plan):
SCORING CATEGORY 4: BUDGET AND COST REASONABLENESS (20 POINTS)

- Complete and reasonable budget
- Detailed explanation of process for ensuring reasonable costs
- Process used to procure third-party vendors

Example:

<table>
<thead>
<tr>
<th>Scoring Category 4: Budget and Cost Reasonableness (maximum 20 points)</th>
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</thead>
<tbody>
<tr>
<td>17. Please give an estimated budget amount for each of the</td>
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<tr>
<td>following eligible activities under this program (Section</td>
</tr>
<tr>
<td>381.203 of the Program Rules):</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Eligible Activities</th>
<th>Time Period (MM/DD/YY - MM/DD/YY)</th>
<th>Number of Activities (may be greater than the number of homes listed in #3)</th>
<th>Budget (should match grant amount requested)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extermination of pests or prevention of the</td>
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<tr>
<td>ingress of pests</td>
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<td>Removal of garbage, debris, and graffiti</td>
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<td>Cutting of neglected weeds or grass</td>
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<td>Trimming of trees or bushes and removal of</td>
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<td>nuisance bushes</td>
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</tbody>
</table>
SCORING CATEGORY 5: READINESS TO PROCEED (20 POINTS)

- Reimbursement for documented, previously-performed eligible activities will be considered (January 1, 2015 to present)
- Reasonable plan for expeditious completion of proposed activities
- Documented revitalization plan that compliments this grant, with specific properties identified

Example:

**Scoring Category 5: Readiness to Proceed** (maximum 20 points)

21. Provide a narrative detailing the activities to be undertaken with this grant, and a reasonable work plan and timelines of when they will be initiated and completed. Document previously performed eligible activities or demonstrate a reasonable plan or the expeditious completion of proposed activities. If possible, include the number of employees to be performing the work, the hours required for each activity, and any other quantitative measurements that illustrate that this grant will be expended in a timely manner, thereby maximizing the immediate impact.
APPLICATION REQUIREMENTS

1. Completed APP Application
2. Most recent independent financial audit
3. Certification of municipality/county status
4. Revitalization plan, if available
5. Funding match commitment letter (if requesting waiver)
6. Any other appropriate document to support your proposal

Label each exhibit as stated in the application, and electronically submit all documents as PDFs contained within a single zipped file (email attachments cannot exceed 35MB)
STANDARD REQUIREMENTS & CERTIFICATIONS

1. Applicant certifies that all statements herein are true, accurate, and complete;
2. Applicant is an eligible recipient of grant funds based on Section 381.201 of the Program Rules;
3. Applicant will not permit any discrimination on the basis of gender, race, religion, national origin, ancestry, creed, pregnancy, marital or parental status, sexual orientation, or physical, mental, emotional learning disability in connection with its participation in the Program;
4. Applicant will ensure expenditures of grant funds are for eligible uses under the Program;
5. Applicant will maintain records in connection with administration of the Program for five years after the date of termination of the Commitment;
6. Applicant will comply with the terms and conditions of the Program;
7. Applicant will comply with monitoring and evaluation of the Program through the full Commitment period;
8. Applicant will comply with all prevailing wage requirements;
9. Applicant will comply with all federal/state/local laws and regulations, including, but not limited to historical preservation, environmental, demolition, and lead based paint laws; Applicant agrees and acknowledges that it is its responsibility to determine which laws and regulations apply;
10. Applicant certifies that all procurements/vendor contracts comply and will continue to comply with all applicable laws and regulations, including applicable municipal procurement policies and procedures;
11. Applicant certifies all properties assisted with this grant are Abandoned as defined by to Section 381.202 of the Abandoned Residential Property Municipality Relief Fund Program Rules; and
12. Applicant certifies that they have legal authority and rights to complete the demolition for all properties proposed.
FREQUENTLY ASKED QUESTIONS
**Popular FAQ**

- **Can funds be used to maintain and secure commercial property or mixed use buildings?**
  No, the property must be a property zoned for residential use and may be one to six units.

- **Are administrative fees billable?**
  No. Grant funds are for Eligible Uses as defined in Section 381.203 of the Rules.

- **Is the waiver match required for the full grant requestor 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.)

- **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).
**Popular FAQ, cont’d**

- **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.

- **Will there be funding cycles?**
  
  There is expected to be one cycle per year based on applications received and funds available.

- **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.

- **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.
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.

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.

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.
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.
ADDITIONAL RESOURCES
MORE INFORMATION AND RESOURCES

IHDA’s website contains additional guides, FAQs, and presentations for your reference. Navigate to the following website:

→ https://www.IHDA.org
→ My Community
→ Revitalization and Repair Programs
→ Abandoned Property Program (APP) And Blight Reduction Program (BRP)
CONTACT INFORMATION

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Please zip all of your application materials and send as a single attachment. All applications and their accompanying materials should be submitted within a single email. After IHDA has received your application, we will send you a confirmation of receipt in response – ensure that you receive this confirmation, and that there were no errors in transmission.

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