

# LAND BANK CAPACITY PROGRAM (LBCP) AND TECHNICAL ASSISTANCE (TA) NETWORK FREQUENTLY ASKED QUESTIONS (FAQ)

*Note to reader: This is a partial list of program requirements and is meant to serve as a general guide. This FAQ may be updated from time to time. Please reach out to IHDA staff at [LBCPinfo@ihda.org](mailto:LBCPinfo@ihda.org) with any additional questions.*

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## Program Overview and General Rules

### 1) What is the Land Bank Capacity Program and Technical Assistance Network?

The Land Bank Capacity Program (“LBCP”) and Land Bank Capacity Program Technical Assistance Network (“TA Network”)(collectively the “Program”) was created in 2017 by the Illinois Housing Development Authority (“IHDA” or “the Authority”) to help empower local and regional revitalization efforts by increasing planning and land banking capacity statewide outside the Chicago metropolitan area, with an emphasis on downstate and southern Illinois communities. For the purpose of this Program, outside the Chicago Metropolitan Statistical Area (MSA) shall mean all of Illinois but for Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry and Will counties.

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

Eligibility of grant activities are determinate upon which of the two program components applicants apply for:

#### Land Bank Capacity Program Eligible Grant Activities:

Recipients will be permitted to use LBCP funds to:

- i. Develop and submit to the applicable governing body documentation sufficient to form a land bank
- ii. Off-set related legal expenses and holding costs in connection with on-going land bank creation, maintenance and other activities provided such fees are reasonable
- iii. Fund reasonable start-up costs (including staffing and legal fees for land bank creation), and initial acquisitions of 1-6 unit residential properties (including manufactured homes taxed as real property with a permanent foundation and no hitch or wheels). Property acquisition costs may include:
  - a. Purchase price
  - b. Lien extinguishment (except payment of property taxes, which are not an eligible expense)
  - c. Legal costs
  - d. Title, recording, and transfer fees
  - e. Demolition costs
  - f. Costs of lot treatment and greening
  - g. Redevelopment and disposition of vacant and abandoned properties in order to return them to affordable housing and other productive use

#### TA Network Eligible Grant Activities:

Recipients of TA Network funds will provide technical assistance to partners outside the Chicago MSA, which can include but not be limited to the following:

- i. Providing individualized planning, real estate and other assistance
- ii. Conducting webinars for communities outside the Chicago MSA looking to form land banks/access community revitalization tools for programs available via IHDA or others
- iii. Creating, updating, and/or disseminating video tutorials to be made available via IHDA’s website, or otherwise made available to Recipients of TA Network funds
- iv. Creating, updating, and/or disseminating print media packages regarding land banks
- v. Providing any other technical assistance that would serve to meet the Program purpose described above

For a complete list of eligibility requirements surrounding grant funds, please refer to the LBCP and TA Network Request for Applications. The Authority is presently not accepting applications for either component of the Program.

### 3) Where does the funding come from?

Funding for the Program is derived solely from a national settlement secured by the Illinois’ Attorney General, in conjunction with other state attorneys general, the U.S. Department of Justice and the U.S. Department of Housing and Urban Development with the nation’s largest banks that has provided \$25 billion in assistance nationally to homeowners harmed by fraudulent foreclosure and mortgage servicing practices.

### 4) Is this a grant or loan?

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

### 5) 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, eligible expenses will be reimbursed.

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

Applications will be accepted from time to time. The Authority is not currently accepting applications for the Land Bank Capacity Program and Technical Assistance Network.

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

Grant funds must be expended within the twenty-four (24) month time frame of the grant agreement. September 7, 2020 will be the last date to execute an agreement with a twenty-four (24) month term with no extension. All funds must be disbursed by September 7, 2022.

## Application and Scoring

### Eligible Applicants

**8) Who can apply for funding?**

Eligibility is determinate upon which of the two program components applicants apply for:

Land Bank Capacity Program Eligible Applicants:

Awards under this RFA are set-aside for communities outside the Chicago MSA. For the purpose of this Program, outside the Chicago MSA shall mean all of Illinois but for Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry and Will counties. Eligible Applicants for the LBCP must be a municipality, county, or land bank located outside the Chicago MSA. A municipality, county, or land bank may join with other municipalities, counties, or land banks, and together submit a joint application.

TA Network Eligible Applicants:

Eligible Applicants for the TA Network may be a for-profit or not-for-profit organization with demonstrated experience in increasing the development capacity of communities and land banks supported through this funding source. Eligible Applicants for the TA Network may be a municipality, county, or land bank. Applicants for the TA Network may join with other applicants and together submit a joint application. For the purpose of this RFA, outside the Chicago MSA shall mean all of Illinois but for Cook, DuPage, Grundy, Kane, Kendall, Lake, McHenry and Will counties. Experience can include assisting communities in the following relevant areas to revitalization: strategic code enforcement, vacant property registry creation, organizational sustainability, tax enforcement, legal assistance and expertise, and land bank creation.

The Authority is presently not accepting applications.

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

Interested and eligible parties apply to the Illinois Housing Development Authority. Additional application information can be found on IHDA's [Revitalization and Repair Programs website](#), or by emailing [LBCPinfo@ihda.org](mailto:LBCPinfo@ihda.org).

**10) Can a municipality act as a land bank when applying for funds, or does a formal land bank need to be created first?**

It is not required that applicants are already established as formal land banks at the time of application. In their applications, applicants should indicate their willingness and intent to eventually formulate a land bank or join an existing land bank, and how grant funds would assist in this pursuit.

**11) If organizations or units of local government are currently acting as land banks (i.e. acquiring and maintaining a base of distressed properties), are they eligible to apply for funding under this Program to continue their activities?**

The Land Bank Capacity Program seeks to provide funds necessary for units of local government or multiple units of local government via intergovernmental agreements to create and operate a land bank. Applicants who currently are not already officially established land banks should apply with the intent to pursue the eventual creation of one.

**12) 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 the Request for Applications; Applicant's ability to identify which eligible grant activities are to be undertaken with Program funds; time for expending funds (inclusion of a budget and timeline schedule for performing the eligible uses of grant funds outlined in the Request for Applications); and other factors that IHDA requires to ensure proper grant administration.

**13) Can a municipality partner with a non-for-profit organization to submit an application under the Land Bank Capacity Program?**

Yes, municipalities may partner with a non-for-profit or for-profit organization to submit an application under LBCP. In such a scenario, partnering organizations must demonstrate that they have relevant experience and can illustrate how such experience would be utilized under this grant. The IHDA Grant Agreement would be with the municipality. A Delegation Agreement, provided by IHDA, would be executed between the municipality and non-for-profit or for-profit organization.

**14) Can a regional council covering multiple counties by intergovernmental agreement apply for funding to create and administer a land bank covering multiple counties?**

Yes, IHDA encourages partnering units of local government, regional councils, and similar organizational bodies to apply for funding under this Program for the intent of creating and administering land banks covering broad jurisdictions.

**15) 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

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

No, 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 a copy of certificate of incumbency of authorized officers.

**17) 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.

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

Yes. It is acceptable to both propose future expenses and/or submit previous eligible activities for reimbursement occurring during the eligible time frame as outlined in the RFA.. All program requirements, regulatory compliance, and certification must be met for previous eligible activities to be reimbursed. However, until an activity has been completed and proof of payment is submitted, payment will not be released. Please note that a land bank must be established before redevelopment funds on vacant and abandoned properties are eligible for reimbursement.

**19) Is IHDA available for pre-review of applications?**

No. However, questions may be posed to [LBCPinfo@ihda.org](mailto:LBCPinfo@ihda.org) and at any webinar offered prior to a round of funding. See IHDA's [Revitalization and Repair Programs website](#) for more details.

## Maximum Grant Amount

**20) What is the maximum grant amount available to applicants?**

There is no maximum grant amount. Applications and their grant request amounts will be reviewed and determined on an individual basis, taking into account the quality of the applications along with their proposed scope of work, as well as funds available.

## Eligible Uses of Funds

**21) Can past expenses be reimbursed?**

Yes, both future expenses and/or previous eligible activities occurring after January 1, 2017 for Round 2 grantees, or after January 1, 2016 for Round 1 grantees may be submitted for reimbursement. All program requirements, regulatory compliance, and certifications must be met for previous eligible activities to be reimbursed. Please note that a land bank must be established before enhanced revitalization activities are eligible for reimbursement. These revitalization activities include but are not limited to assemblage and purchase of land-banked properties, removal of blighted properties, rehabilitation of land-banked properties, or other locally managed revitalization techniques.

**22) 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.

**23) If the grantee 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.

**24) Is it a requirement that LBCP grant recipients successfully create a land bank?**

The intent of the Land Bank Capacity Program and Technical Assistance Network is to provide funds necessary for units of local government or multiple units of local government via intergovernmental agreements to create and operate a land bank in order to meet housing revitalization demands. However, for circumstances in which grant recipients conclude that another revitalization strategy would prove to be more effective and beneficial for their community, this is not a Program requirement.

**25) If we apply and are successful for funding 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.

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

You can use either.

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

Grant recipients will be permitted to use LBCP funds to offset applicable administrative expenses, including staffing and other overhead costs related to the Program. General administration costs related to general management, oversight, coordination, staff, and overhead will be capped pursuant to terms outlined in the grant agreements. Recipients of TA Network funds will be permitted to use grant funds to offset reasonable administrative expenses including staffing, travel, and related overhead costs. If seeking reimbursement for these costs, recipients 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.

**28) Are administrative fees billable?**

Reasonable and related administrative fees are billable under both LBCP and TA Network. See the Request for Applications for full eligibility requirements of administrative fees.

**29) Can LBCP grant recipients use a portion of their funds to assist with funding for startup costs?**

Yes, although funds for startup, staffing, and initial acquisitions cannot exceed 40% of any grant amount. At least 60% of the LBCP funds will be used for ongoing acquisition, demolition, redevelopment, and/or rehabilitation of acquired or donated parcels to address the need for quality affordable housing.

**30) Can TA Network grant recipients use funds to assist communities in determining whether or not a land bank would be a needed and viable resource (i.e. can grant funds be used with assisting communities that eventually determine not to establish a land bank)?**

The intent of the LBCP & TA Network is to help empower local and regional revitalization efforts by increasing planning and land banking capacity leading to a revitalized affordable housing stock. Eligible costs include start-up costs which may include consulting with subject matter experts in the TA Network to determine the best path for increasing planning and land banking capacity. The LBCP applicant should commence with the intent to explore the formation of a land bank in their jurisdiction but other measurable outcomes leading to a revitalized affordable housing stock may be an acceptable outcome.

**31) Can funds be used to perform eligible activities on properties that expend funds from other IHDA programs as well (i.e. APP, BRP, etc.)?**

Funds under this Program can be used in tandem with other IHDA programs given that program rules and their eligibility requirements are maintained across all programs involved. Considerations that must be taken into account in this scenario include but are not limited to: funding timelines, ownership requirements, environmental and historical regulations, geographic requirements, and programmatic eligibility requirements. In no circumstance may the same expense(s) be reimbursed more than one time through multiple IHDA programs.

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

No.

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

Once a grantee has established itself as a land bank, funds may be used for redevelopment of vacant and abandoned properties that are owned by the land bank.

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

Generally, grant funds must be expended within the twenty-four (24) month time frame of the grant agreement. September 7, 2020 will be the last date to execute an agreement with a twenty-four (24) month term with no extension. All funds must be disbursed by September 7, 2022.

### Eligible Properties

**35) Can grant funds intended for acquisition, demolition, or redevelopment of properties be used on multi-family buildings?**

Only residential buildings of 1-6 units (including manufactured homes taxed as real property with a permanent foundation and no hitch or wheels) are eligible.

**36) Can grant funds intended for acquisition, demolition, or redevelopment of properties be used on commercial property?**

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

**37) Can grant funds intended for acquisition, demolition, or redevelopment of properties be used on buildings zoned for mixed use?**

No. Buildings must be 1-6 unit residential buildings.

### Mandatory Requirements and Compliance

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

Proof of condemnation is not required for this Program. Please check state and local laws.

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

While there are no specific requirements for advertising for bids under the LBCP and TA Network, 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

**40) 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 funds provided under the LBCP and TA Network are managed by the state housing finance authority, thereby triggering state historic preservation and environmental requirements.

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

A municipality or county must comply with all applicable environmental laws. The funds provided under the LBCP and TA Network are managed by the state housing finance authority, thereby triggering historic preservation and environmental requirements. 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/Pages/Resource-Protection.aspx>).

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

For any activity undertaken and submitted for reimbursement under your LBCP 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 LBCP funds if the asbestos abatement falls under an eligible grant activity as defined in the Request for Applications. For more information regarding asbestos requirements, see <https://www2.illinois.gov/epa/topics/air-quality/asbestos/Pages/default.aspx>.

Additionally, a grantee must comply with all applicable environmental laws. The funds provided under the LBCP and TA Network are managed by the state housing finance authority, thereby triggering historic preservation and environmental

requirements. 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/Pages/Resource-Protection.aspx>).

## Prevailing Wage

### 43) What are the program's requirements for prevailing wage?

The LBCP and TA Network follow the Illinois Department of Labor's [Prevailing Wage Act](#). If a grantee is utilizing grant funds (LBCP grant money) to pay a contractor to do construction or repairs, then prevailing wage needs to be observed.

### 44) Do contractors have to prove prevailing wage?

Contractors utilized for program purposes and compensated under LBCP and/or TA Network 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

### 45) Do grant funds have to be repaid?

Generally, grant funds are not required to be repaid; however, in cases of non-compliance with the Grant Agreement, funds will be recaptured.

### 46) If we use LBCP funding, are there any post-program permanent restrictions on the properties?

No, there are no post-program permanent restriction on properties under the Land Bank Capacity Program. Do bear in mind that per the terms of an awardee's Grant Agreement, all grantees will be required to maintain records that pertain to the program for 5 years.

## Further Questions

### 47) What if I have further questions?

More information is available at [www.ihda.org/my-community/revitalization-programs](http://www.ihda.org/my-community/revitalization-programs). Requests for notification of funding availability, future webinars, and questions about the Program may be submitted to [LBCPinfo@ihda.org](mailto:LBCPinfo@ihda.org).