



ILLINOIS HOUSING DEVELOPMENT AUTHORITY

LAND BANK CAPACITY PROGRAM (LBCP) ROUND 2 ADDITIONAL
FUNDING

APPLICATION GUIDE

SUBMISSION DEADLINE:

JANUARY 12, 2022 3:00 P.M. CDT

Submit completed application and attachments
electronically through this Jotform link:

<https://form.jotform.com/213226507301140>

For questions and comments please contact LBCPinfo@ihda.org



LAND BANK CAPACITY PROGRAM ADDITIONAL FUNDING REQUEST FOR APPLICATION

APPLICATION GUIDE

PROGRAM PURPOSE

The Land Bank Capacity Program (“LBCP”) seeks to provide the funds necessary for units of local government, or multiple units of local government via an intergovernmental agreement, to create and operate one or more land banks, including funds necessary to ensure a revitalized affordable housing stock is created out of some of the parcels acquired or held by the recipient of LBCP Funds.

Land banks are effective tools in the elimination of blight and promotion of community revitalization. By acquiring, managing, and repurposing vacant and abandoned properties, land banks can help promote environmental improvements, housing redevelopment, economic investment, and reduce criminal activity. While research has shown that vacant and abandoned properties depress the values of neighboring properties, the removal or repurposing of these properties can foster many community benefits, such as an increased property tax base and improved quality of life for residents.

Land banks help local governments to acquire, develop, maintain, dispose of, and otherwise repurpose vacant and abandoned properties. These activities allow communities to return properties to productive use.

PURPOSE OF GRANT

The LBCP and Land Bank Capacity Program Technical Assistance Network (“TA Network”) (collectively, the “Program”) were created in 2017 by the Illinois Housing Development Authority (“IHDA” or “the Authority”) to help communities gain access to funding and technical assistance for land banks in Illinois outside the Chicago Metropolitan Statistical Area (MSA).

FUNDING

Funding for the Program is derived solely from a national settlement secured by the Illinois’ Attorney General, in conjunction with other state’s 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.

For this Request for Applications (“RFA”), the Authority will make available up to \$163,000 to provide additional funds to current grantees in the second round of the LBCP. Awards under this component will be made through amendments to existing Grant Agreements with existing LBCP Round 2 Grantees. Funds may be used to offset the costs of creating, expanding, and operating land banks, including start-up, staffing, initial and ongoing property acquisition, demolition, redevelopment, and/or rehabilitation costs of acquired or donated parcels to address the need for quality affordable housing.

The size of individual awards will be determined by IHDA after its review of the RFAs. Assistance will be provided on a reimbursement basis for Eligible Grant Activities described below.

Award announcements are expected by March 2022. Recipients must expend LBCP award funds within the remainder of their existing grant term, with costs incurred up to August 18, 2022 eligible for submission. All funds must be disbursed by the Authority to recipients by September 7, 2022.

ELIGIBILITY

Awards under this RFA are set-aside for communities outside the Chicago MSA. 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.

Eligible Applicants for the LBCP must be a municipality, county, or intergovernmental land bank located outside the Chicago MSA that has an existing grant agreement under the Land Bank Capacity Program Round 2.

Recipients of LBCP funding will be required to comply with all applicable laws in connection with the recipient's creation and operation of a land bank. IHDA will not provide legal or technical guidance to a recipient of LBCP funds, however, Grantees can receive technical assistance from the IHDA-administered Land Bank Technical Assistance Program through our partners Teska Associates, Inc. and Denzin Soltanzadeh, LLC.

ELIGIBLE GRANT ACTIVITIES

- Recipients will be permitted to use LBCP funds to develop and submit to the applicable governing body documentation sufficient to form a land bank.
- Offset legal expenses and holding costs incurred in connection therewith and/or in connection with ongoing land bank creation, maintenance and other activities provided such fees are reasonable
- 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 foundation and no hitch or wheels).
- Property acquisition costs may include:
 - Purchase price
 - Lien extinguishment (except payment of property taxes, which are not an eligible cost)
 - Legal costs
 - Title, recording, and transfer fees
 - Demolition costs
 - Costs of lot treatment and greening
 - Redevelopment and disposition of vacant and abandoned properties in order to return them to affordable housing and other productive use

For existing land banks, funds may also be used towards ongoing acquisitions, demolition, redevelopment, and/or rehabilitation of acquired or donated parcels. LBCP funds may also be used to fund enhanced/innovative land bank driven revitalization activities with preapproval by IHDA.

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. It is acceptable to propose future eligible activities and/or submit previous eligible activities occurring after January 1, 2017 for reimbursement. All program requirements, regulatory compliance, and certifications must be met for previous eligible activities to be reimbursed.

PROGRAM ELIGIBILITY AND SCORING (100 POINTS TOTAL)

LAND BANK CAPACITY PROGRAM ELIGIBILITY CRITERIA

The scored portion of the application consists of the following questions:

1. NEED - MAXIMUM 25 POINTS

Applicants should describe the effect(s) that vacant and abandoned properties have had and continue to have on your jurisdiction. Responses should include but are not limited to the following: quantifying the amount of time and resources expended to maintain, demolish, and/or repurpose residential properties; and identifying specific areas (i.e. scattered, target neighborhoods, near downtown, etc.) within the jurisdiction most in need of this resource. Please indicate the sources used to gather any information provided in your answer.

2. IMPACT - MAXIMUM 25 POINTS

Applicants must describe how the additional grant funds will positively impact the jurisdiction, and how any other resources currently are being used or will be utilized for local revitalization. Responses should include but are not limited to the following: quantifying the number of properties that will be affected, expected increase in property values and/or property tax base, and/or number of households that will be affected.

3. READINESS TO PROCEED - MAXIMUM 25 POINTS

Applicants must describe a reasonable plan for the expeditious completion of proposed activities. Please note and identify if specific properties have already been selected for use of Program funds, and describe the specific activities which have been undertaken. Responses should quantify any metrics used for measuring implementation when possible (i.e. time expected to complete, personnel required, resources needed to complete plan).

4. BUDGET - MAXIMUM 25 POINTS

Applicants must provide an estimated and reasonable budget that includes all proposed uses of Program funds. Applicants must indicate if the work was or will be performed by municipal/county/land bank staff. If applicable, applicants must also document their process(es) to procure third-party vendors.

5. ADDITIONAL INFORMATION

Applicants may provide additional information or attachments to support their proposal or demonstrate additional land banking activities relevant to the application.

APPLICATION FEE

IHDA will not charge a fee for processing applications under this Program.

APPLICATION

Applications are due January 12, 2022 by 3:00pm CDT. Funding considerations will be based upon the eligibility requirements described above. A completed application and all supporting attachments must be submitted to the Authority through the online Jotform application link (<https://form.jotform.com/213226507301140>). All materials must be digital; no hard copies will be accepted. Please direct all questions to LBCPinfo@ihda.org.

Additional resources and Program information, including notice of any application/technical assistance webinars will be available at IHDA's website (<https://www.ihda.org/my-community/revitalization-programs/>).