

STRONG COMMUNITIES 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. 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 Strong Communities Program?

The Strong Communities Program (“SCP,” or the “Program”) was created in 2020 through the Rebuild Illinois capital budget, and funds are allocated from the Building Illinois Bond Fund.

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

Grant funds may be used for the acquisition, maintenance, rehabilitation, and demolition of abandoned residential property. Maximum costs per individual Parcel for all eligible uses cannot exceed \$75,000. Specific eligible activities include but are not limited to:

ELIGIBLE ACTIVITIES

- Acquisition (*not to exceed \$5,000 per PIN to allow for abandonment petition for Judicial Deed, tax sale purchase and legal costs, etc.*)
- Rehabilitation (*not to exceed \$75,000 per PIN; can include interior and exterior rehab activities*)
- Demolition (*note that exceptions to the maximum per PIN cost of \$40,000 may be considered on a case-by-case basis for remediation requirements, and strategic demolition aligned with local planning efforts*)
- Tree, Shrub and Debris Removal (including grass cutting)
- Lot Treatment and Greening (i.e., sod, level and grading, shrubs, native plantings, community gardens, stormwater management projects)
- All reasonable hard and soft construction costs related to the activities listed above, which may be approved or denied in IHDA’s sole and absolute discretion
- Administrative costs (*maximum general administration fees consist of 10% of the total grant for administrative costs related to general management, oversight, and coordination, including staff and overhead*)

ELIGIBLE PROPERTIES

- 1-6 unit residential properties in the State of Illinois
- Properties that meet the definition of abandoned residential property (see question 3 below) under the Program
- 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 residential property.

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
- Residential unimproved lots

The main activity on a property under the Program *must* either be rehabilitation or demolition of an Abandoned Residential Property as defined in question 3 below. Exceptions will be made for acquisition expenses on properties that align with community revitalization efforts and a clear disposition strategy.

Please also note that deconstruction/salvage of building materials, fixtures, etc. is allowable as part of the demolition or rehabilitation of vacant and abandoned residential properties under the Program.

Please see Question 44 below for additional clarification regarding multi-unit buildings and allowable exceptions to the maximum per Parcel reimbursement amount.

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

Cite the location of the definition. According to Appendix A of the Program Manual, Abandoned Residential Property shall mean real estate that:

- 1) One (1) of the following conditions are shown to exist:
 - A) Is not occupied by any mortgagor or lawful occupant as a principal residence; or
 - B) Contains an incomplete structure if the real estate is zoned for residential development, when the structure is empty or otherwise uninhabited and in need of maintenance, repair or securing; and

AND

2) Two (2) or more of the following conditions are shown to exist:

- A) Construction was initiated on the property 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, electrical 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 municipal 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.

4) How is a Parcel defined under the Program?

According to the Program Manual, Abandoned Residential Property shall mean a defined piece of real estate which can be identified by an individual PIN or as a single unit within a multi-unit building (Note: 1-6 unit residential buildings are eligible under this Program).

5) Where does the funding come from?

Funding for the Program is derived solely from the Build Illinois Bond Fund.

6) Is this a grant or loan?

This is a grant. This is a reimbursement program. Strong Communities Program grant funds not used in compliance with the grant agreement are subject to recapture.

7) 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 and proof of payment must be reported to IHDA. After the report is approved, funds will be reimbursed.

8) How long will the program last?

IHDA anticipates that the Program will last through 2025.

Eligible Uses of Funds

9) Can past expenses be reimbursed?

Yes, if they meet the definition of Eligible Costs/Program Activities and were incurred on or after January 1, 2022 for Round 2 grantees. Eligible expenses include the following: acquisition, abandonment petition filed, securing the property such as board-ups, fencing around the perimeter, and environmental inspections. If you are unsure whether a certain activity is considered an eligible expense, please reach out to IHDA staff at scpinfo@ihda.org to confirm.

- 10) 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. (Other documentation as required and approved in IHDA's sole discretion).
- 11) 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.
- 12) Can I use city staff to perform activities or do I have to hire third parties?**
You can use either.
- 13) Is grantee staff time eligible for reimbursement?**
Maximum general administration fees consist of 10% of the total grant for administrative costs related to general management, oversight, and coordination, including staff and overhead. This amount will be reserved and disbursed to the grantee to cover administrative expenses based on grant progress. Administrative staff time should not be submitted as part of an Eligible Cost/Program Activity. However, staff time for labor directly related to the Eligible Costs/Program Activities, such as the person's time cutting the grass, is eligible. If you are using municipal crews for demo or rehab 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 show 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.
- 14) Are administrative fees billable?**
No. Maximum general administration fees consist of 10% of the total grant related to general management, oversight, and coordination, including staff and overhead. This amount will be reserved and released to the grantee based on grant disbursement progress.
- 15) Are grantee equipment/materials eligible for reimbursement?**
Equipment purchases are not eligible for reimbursement under this Program. However, equipment used to complete eligible grant activities can be reimbursed at standard usage/rental rates, with clear documentation.
- 16) Does repair to siding on a home qualify as an eligible use of grant dollars?**
Yes.
- 17) 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. For Round 2, IHDA expects the grant term to be 24 months.
- 18) Can we request 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 two times.

Eligible Properties

- 19) Does a grantee have to be the owner of the abandoned property?**
Municipalities, counties, and land banks applying for grant funds must have the legal authority to undertake activities under the Program for demolitions. For rehabilitation, you must have ownership.
- 20) 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?**
Grantees applying for grant funds must have the legal authority to undertake activities under the Program.
- 21) 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 Appendix A to the Strong Community Program Manual and in Question 3 above, are eligible.

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

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

23) Are buildings zoned for mixed use eligible?

No. Buildings must meet the definition of Abandoned Residential Property as detailed in Appendix A of the Program and in Question 3 above.

24) Is the demolition of an abandoned non-residential building (i.e. a school building) that is zoned residential eligible for the Strong Communities Program?

No. In order to be reimbursed for Eligible Costs/Program Activities under the Program, the building must meet the definition of Abandoned Residential Property, as that term is defined in Appendix A to the SCP Program Manual and in Question 3 above.

25) If a grantee has property 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 Property?

No. Demolition of the garage that is not on the same parcel does not fall within the definition of Eligible Costs/Program Activities. The funds under the program are for Eligible Costs/Program Activities for Abandoned Residential Properties defined in Appendix A of the SCP Program Manual.

26) Can grantees submit debris removal or tree removal expenses on a parcel that does not contain a residential structure?

The main activity on a parcel must either be demolition or rehabilitation of an Abandoned Residential Property. Tree removal, debris removal and other Eligible Program Activities can be reimbursed if associated with a demolition or rehabilitation project on the parcel. If there is no associated demolition or rehabilitation project on the parcel, costs for these other activities cannot be reimbursed.

27) For multi-unit buildings, what is the maximum reimbursement for each residential unit?

For multi-unit buildings with one PIN, the maximum reimbursement for the entire building depends on the activity (\$40,000 for demolition, \$75,000 for rehabilitation, or \$5,000 for acquisition-only).

For multi-unit buildings with multiple PINs, the maximum reimbursement for each PIN depends on the activity (\$40,000 for demolitions, \$75,000 for rehabilitations, or \$5,000 for acquisition-only).

Additionally, please note that IHDA will also consider exceptions to the \$40,000 maximum per property on a case-by-case basis for **demolition projects only, regardless of the number of units (up to six units maximum)**, in cases where remediation expenses (i.e. asbestos removal) increase the overall demolition cost significantly, or where the project can be considered a strategic demolition aligning with local planning efforts.

IHDA reserves the right in its sole discretion to approve or deny any exception request. Please reach out to IHDA at SCPinfo@ihda.org to request an exception, or with any further questions on the above exceptions.

Pre-Approval Process

28) What is the first step to beginning a demolition, rehabilitation, or acquisition-only project?

The first step requires the grantee to submit an Initial Property Approval (Part 1) utilizing an online Jotform survey. All properties submitted for reimbursement must be verified as meeting eligibility requirements per the definition of Abandoned Residential Property included in Appendix A.

29) What is the second step to beginning a demolition, rehabilitation, or acquisition-only project?

You will need an approved Pre-Approval Part 1 prior to the second step of the pre-approval process (Part 2). This step is necessary before any costs are incurred on demolitions or rehabilitations. Please collect and submit all the relevant documentation to Jotform for approval. We will email you to confirm pre-approval or let you know if any additional documentation is needed.

30) Can I proceed with a project before Pre-Approvals 1 and 2 are approved by IHDA?

No, IHDA must verify and approve a property’s eligibility (Part 1) and the pre-approval checklist (Part 2) prior to any work commencing on a demolition or rehabilitation project.

Construction Overview

Rehabilitation is subject to the [ILLINOIS HOUSING DEVELOPMENT AUTHORITY STANDARDS FOR ARCHITECTURAL PLANNING AND CONSTRUCTION](#), as applicable. Please see the document for further guidance.

31) Are well water and septic systems allowed? Alternatively, is city water required for the program?

New water/sewer services should be from the municipality, if available. If the existing system is a well/septic, we do not require a change. Septic system repairs or replacement is an allowable expense.

32) Must we address lead in the entire home or just in areas where work is being performed?

Homes built after 1978 need only be tested for lead if the grantee considers it necessary. For SCP rehab projects involving interior work, homes built before 1978 will need to follow the EPA’s Lead Renovation, Repair and Painting Program (“RRP”) for the entire home. This will need to be submitted for funding disbursement. For SCP rehab projects only addressing exterior safety concerns (such as roof repairs), if the home was built before 1978, only the areas affected by rehab work (roof, soffit, fascia, etc.) need to follow RRP rules.

33) If we put a new roof on the home, do we have to install gutters?

If you put a new roof on the home, you must make sure the fascia, soffit, gutters, and downspouts are replaced or are in good condition.

34) What are eligible renovation items under the SCP program?

- Accessibility related improvements
- Energy Efficiency related improvements
- Environmental related hazards
- Lead and Radon Mitigation
- Improvements to:

Interior	Exterior
Electrical	Roofing including soffits and fascia)
Plumbing	Drainage (including grading and gutters)
Insulation	Painting
Wall and ceiling	Structural improvements
Flooring	Stairs
Stairs	Chimneys
Cabinetry and countertops	Fire escapes
Bathroom vanities and lavatory repair/replacement	Windows and doors
Fire and smoke alarm systems	Porches and steps
Windows and doors	Other improvements as approved by IHDA
HVAC	
Replacement of outdated/inefficient stove or refrigerator	

35) What are ineligible renovation items under the SCP program?

- Improvements that are significantly above local market rate
- Replacement of major appliances that are still in working condition (dishwasher, washer, dryer, etc.)
- Luxury Improvements, such as:
 - Swimming pools
 - Jacuzzis
 - Marble/Granite counter tops, etc.

Floodplain overview

36) Can we rehabilitate projects in a floodplain?

Yes you can, however, FEMA requires that projects with rehabilitation equal or greater than 50% of the market value follow the new construction requirements for the floodplain area, which could possibly involve elevation. The costs can easily be prohibitive. Any program allowing work in a floodplain or floodway should check with FEMA for guidance and provide adequate documentation to IHDA showing that all required steps have been taken and that the project is feasible. To find out if your project is in a floodplain, see: <https://msc.fema.gov/portal>.

Reimbursement Request Process

Mandatory Requirements and Compliance

37) Does a grantee have to go through the condemnation process before using grant funds?

Condemnation is not required.

38) Do we have to advertise for bids?

While there are no specific requirements for advertising for bids under the Strong Communities 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. Submission bids will be required before disbursement of funds.

Environmental Compliance

39) Do we have to comply with all environmental and historic preservation laws for all activities?

Yes, a grantee must comply with all applicable environmental laws. Funding for the Strong Communities Program is derived from the Build Illinois Bonds Fund. Therefore, grant funds under the Program are considered state funds and trigger 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/SiteAssets/Pages/Resource-Protection/Initial%20Documentation%20Required.pdf>). Note that Certified Local Government approval will also be accepted for the Historic Preservation review.

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

For any activity undertaken and submitted for reimbursement under your SCP award, you must follow all local, county, and state laws that pertain to such activities. Before demolishing a property, you must ensure all federal, state, county, and local requirements for demolition, asbestos inspections, and handling/removal of hazardous containing materials are met.

Asbestos abatement may be an eligible use of Program funds if the asbestos abatement falls under an Eligible Program Activity as described in the Program Manual. For more information regarding asbestos requirements, see <https://www2.illinois.gov/epa/topics/air-quality/asbestos/Pages/default.aspx>.

Prevailing Wage

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

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

42) Do contractors have to prove prevailing wage?

Contractors utilized for program purposes and compensated under SCP 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.

Post-Program Requirements

43) If we use SCP funding, are there any post-program permanent restrictions on the properties?

No, there are no post-program permanent restrictions on properties under the Strong Communities Program. Do bear in mind that per the grant agreement, you must maintain records that pertain to the program for 5 years.

44) If costs are incurred for liens, fines, citations and attorney fees, are grantees 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 SCP to pay these fees?)

Program funds can be used to reimburse grantees for Eligible Costs/Program Activities as defined in the Program Manual. Liens, fines, citations and attorney's fees are not stated as Eligible Costs/Program Activities, unless related to the cost of Acquisition of an Eligible Property as further defined in the Program Manual. If a lien is settled or lifted, the amount received by the municipality for costs incurred for which the grantee has been reimbursed, shall be used by the grantee to further the revitalization efforts of the grantee.

Further Questions

45) What if I have further questions?

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