



**CITY OF ROCK ISLAND
CITY COUNCIL STUDY SESSION
January 24, 2022 - 5:30 p.m.**

**Location:
City Council Chambers, City Hall, 3rd Floor
1528 Third Avenue, Rock Island, IL**

[Watch Live](#)

CALL TO ORDER

THIS MEETING WILL BE CONDUCTED BY AUDIO AND VIDEO CONFERENCE WITHOUT A PHYSICALLY PRESENT QUORUM OF THE ROCK ISLAND CITY COUNCIL DUE TO THE DISASTER DECLARATION ISSUED BY GOVERNOR PRITZKER.

Because of this order related to COVID-19 health concerns affecting the State and the City, the Mayor has determined that an in-person meeting at City Hall with all participants may not be practical or prudent.

Alderspersons and Staff may not all be physically present at City Hall due to the disaster and physical attendance at City Hall may be limited. To participate remotely during the Public Comment or Public Hearing portion of the meeting, please join by phone at 1 857-285-3597 PIN: 345 144 852#.

ROLL CALL

PUBLIC COMMENT

CIRLF - UPDATED POLICIES AND PROCEDURES

Documents:

[CIRLF - UPDATED POLICIES AND PROCEDURES.PDF](#)

ILLINOIS QUAD CITIES REGIONAL LAND BANK

Documents:

[ILLINOIS QUAD CITIES REGIONAL LAND BANK.PDF](#)

MOTION TO ADJOURN

Adjourn to January 24, 2022 at 6:45 p.m.

RC Roll Call vote is needed.

This agenda may be obtained in accessible formats by qualified persons with a disability by making appropriate arrangements from 8:00 am to 5:00 pm, Monday through Friday, by contacting the [City Clerk's Office](#) at (309) 732-2010 or visiting in person at: 1528 Third Avenue, Rock Island, IL 61201.



Commercial / Industrial Revolving Loan Fund (CIRLF)

Updated Policies & Procedures

What is CIRLF?

- It is a self-sustaining economic development loan fund originally seeded with HUD-CDBG funds and set up in 1984.
- It is designed to provide gap financing to businesses and is intended to support job creation in the City.
- Subject to HUD regulations and reporting requirements forever.

Why the Update?

- Short answer: HUD!
- The program was found to have been out of compliance with CDBG program guidelines.
- The revisions bring the program into compliance with CDBG program guidelines.



Loan Terms

- No loan may exceed 30% of total project cost.
- There must always be a two-to-one private-to-public funding ratio.
- Interest rates are prime plus one quarter percent, but no less than two percent.
- Term lengths are no longer than ten years.
- For equipment, the term may be no more than five years.

Eligibility Requirements

- Applicant business must be physically located in Rock Island.
- The loan has to help create job opportunities available for income-qualified individuals.
- Applicants cannot already have a CIRLF loan.
- Business or project must be CDBG eligible.
- Projects may include property acquisition, rehabilitation, equipment, and working capital.

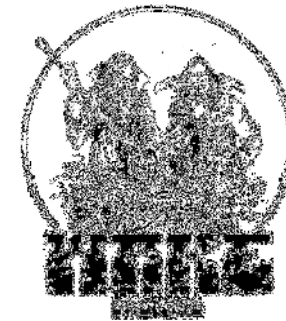
How to Apply

- Submit application to Economic Development Team Member.
- Complete application is submitted for program compliance review.
- Qualifying application is submitted for external underwriting review.
- Complete qualifying application is submitted to CIRLF committee for review and approval vote.

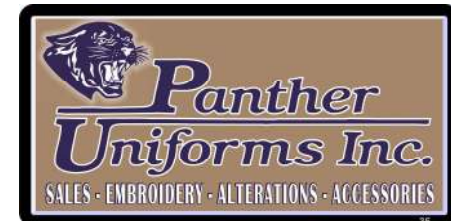
CIRLF Committee

- The CIRLF committee members must “...have skills and experience in business and/or financial management.”
- Intended to have delegated authority from the Council by ordinance.
- Appointed and approved every 3 years.
- 5 members – council member, representative from local lending institution, CEO or CPA member, Rock Island business owner, citizen with financial background.

Project Examples



P & J Tender Care
Preschool & Child Care Center



Next Steps

- Staff recommends the following steps:
 1. City Council approves the updated policies and procedures (HUD has already approved them).
 2. City Council approves the updated CIRLF Committee ordinance delegating authority.
 3. Working with the Committee, staff begins marketing the program and taking applications.
 4. Continue assessment of outstanding loans for repayment plans, collections, or write-offs.

Questions?



Illinois Quad Cities Regional Land Bank

Rock Island, Moline, & East Moline Working
Together to Address Problem Properties



Background

- Cities on the Illinois side have been discussing a regional land bank for many months.
- Moline began the process by applying for a grant from the Illinois Housing Development Authority (IHDA) to do a feasibility study.
- Multiple communities as well as the County have been engaged but Rock Island, Moline, and East Moline have shown greatest interest.

What Are We Trying to Address?

- Blight reduces property values, poses fire hazards, and weakens the community.
- Blighted properties have liens, fishy titles, and back taxes.
- Private investors steer clear and the market struggles to address it.



Source: <https://q985online.com/abandoned-house-in-illinois-looks-normal-until-you-notice-the-window/>

What's a Land Bank?

- Land banks are intergovernmental agencies that take vacant, abandoned, and tax delinquent properties and turn them into productive properties.
- Acquisition most often takes place through foreclosure or tax auction.
- The process of acquisition eliminates liabilities, back taxes, and gives clear title.

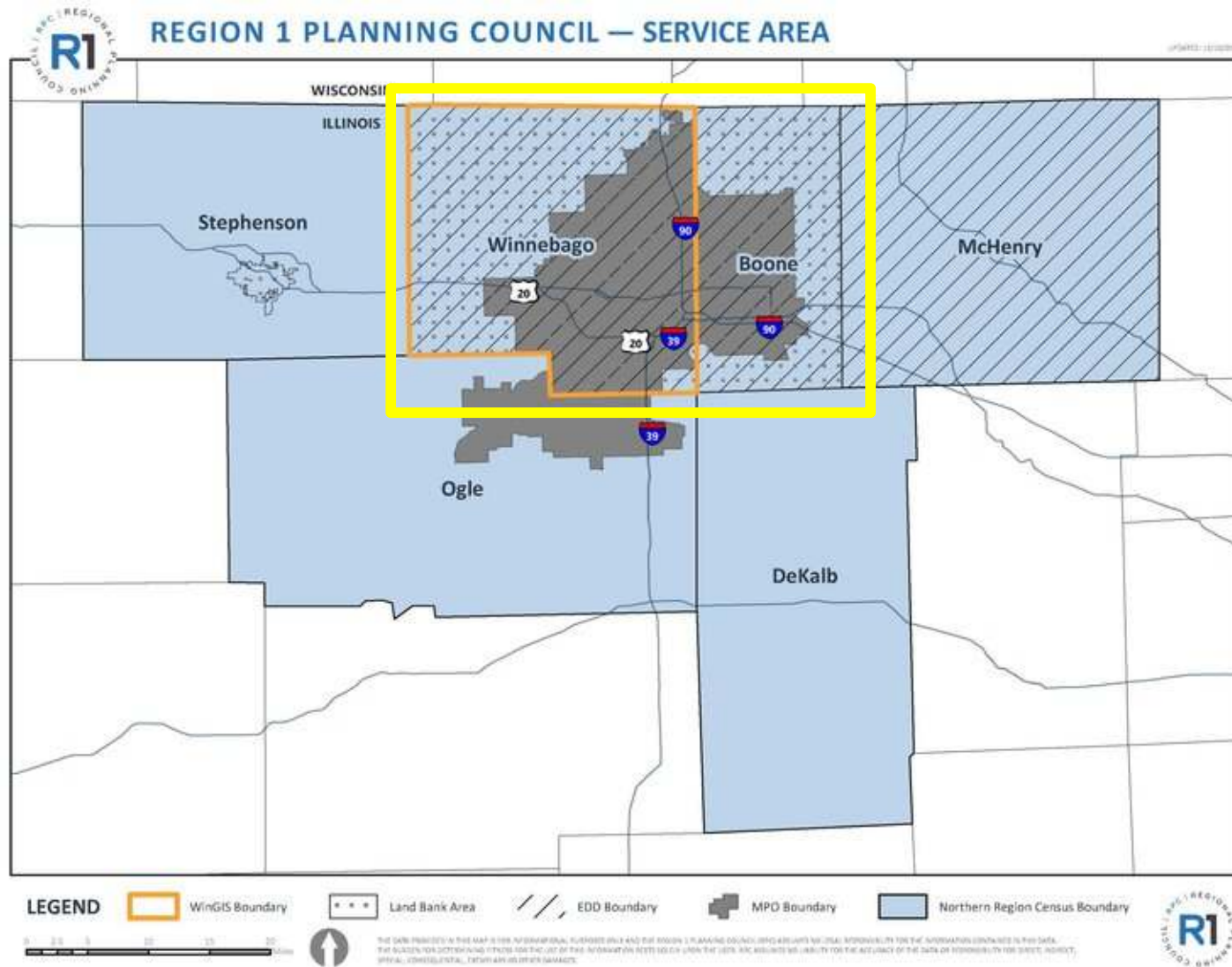
Benefits of a Land Bank

- Problem properties can be sold to reliable developers and made productive.
- Tax auction profiteers who game the system can be outmaneuvered.
- Access to additional resources and development options not available to cities.
- Runs programs that cities may not have the time or resources to run.

Governance Structure

- Established by an Intergovernmental Agreement (IGA) between participating cities.
- Board made up of representatives from each participating city set policies/objectives.
- Land Bank Manager will be an employee of Moline but answerable to all.
- Manager will oversee day to day operations informed by the Board's policies/objectives.
- Each city has veto power on actions within its own jurisdiction.

Example: Northern Illinois Land Bank Authority



Example: Northern Illinois Land Bank Authority

Region 1 Planning Council Home Help Sign Up For Notifications

Parcel number, Street, or City Filters Export Favorites (0) Select All as Favorites Clear All Favorites Show Map YES

Sort By Street Favorites More...

All Properties

- 1007 N SUNSET AVE, Rockford, IL 61101
Parcel Number: 1116428009
County: Winnebago
Class: Not Classified
[View on Map](#)
- 1008 40TH AVE, Rockford, IL 61109
Parcel Number: 1511478007
County: Winnebago
Class: Vacant Land
Current Bid: \$500.00
[View on Map](#)
- 1009 BLAKE ST, Rockford, IL 61102
Parcel Number: 1127130012
County: Winnebago
Class: Vacant Land
Current Bid: \$500.00
[View on Map](#)
- 1009 ISLAND AVE, Rockford, IL 61102
Parcel Number: 1127352015
County: Winnebago
Class: Vacant Land
Current Bid: \$500.00
[View on Map](#)

1 to 25 of 508 First Previous Next Last

PROPERTIES BY CLASSIFICATION

- VACANT LAND
- RESIDENTIAL STRUCTURE
- COMMERCIAL STRUCTURE
- OTHER

Example: Northern Illinois Land Bank Authority

- Used the judicial deed process to acquire an abandoned house.
- Cleared the back taxes and put it on the market.
- Sold for \$20,000 in September 2020.
- Deed restriction ensured it would be rehabbed or had to be returned.



Source: <https://www.wifr.com/2020/09/24/the-northern-illinois-land-bank-authority-makes-a-historic-move-in-fighting-area-blight/>

Financial Structure

- Participating communities will contribute toward startup costs based on population.
- Over a four to five year period, the objective is for the land bank to become self sustaining through:
 - Property sale revenues.
 - Grants.
 - Additional service fees for special projects.

Rock Island Specific Ask

- Once the Board is established, Rock Island intends to negotiate an agreement for a specific service arrangement.
- For no additional cost, the City would like its share of land bank manager's time devoted in large part to helping market City-owned, residentially-zoned, vacant lots for sale.
- An excess of City-owned lots is a Rock Island specific issue not shared by the other cities.

Funding Options

- Our share of the start up cost is \$36,571 in year one, but Moline agrees to front that and be paid back later.
- We have three options (ranked in preference):
 1. Apply to IHDA's Land Bank Capacity Program for operations funding (rolling application).
 2. Find money in the existing budget, possibly through a mix of different funds.
 3. ARPA funds.

Proposed Next Steps

- Intergovernmental Agreement (IGA) needs to be approved by the Council.
- Once approved, application for LBCP grant can be submitted.
- If awarded, City will pay its share of startup costs back to Moline for fronting the money.
- If not awarded, staff will recommend the next best funding alternative.

Summary

- The land bank would help us better manage our problem properties and offer long term advantages we do not have now.
- Overtime, the land bank should become self sustaining requiring little financial input.
- Staff recommends approval of the IGA and asks permission to apply for IHDA's Land Bank Capacity Program grant to pay for this.

Questions?