

**Memorandum
Community Economic Development Department**



To: Thomas Thomas, City Manager
Subject: IHDA Blight Reduction Program
Date: April 15, 2015

The City of Rock Island recently received confirmation of a \$525,000 award from the Illinois Housing Development Authority (IHDA) through its Blight Reduction Program (BRP). The BRP program was created in 2014 by IHDA under the Hardest Hit Fund Program to prevent foreclosures and stabilize neighborhoods. Specifically, BRP funding will be targeted to demolish blighted/vacant residential units for the eventual reuse and redevelopment of those properties.

The program requires the City collaborate with a not-for-profit developer or agency with demonstrated experience in demolition, greening, and revitalization. Through the application process, the City determined that Rock Island Economic Growth Corporation (GROWTH) would be an effective partnership to remediate blight through strategic demolitions in the community.

The program requires the City to perform the following actions: identify a BRP Target Area (boundary within which demolitions are proposed) and control the permitting, inspection, and lien extinguishment process for all properties proposed. The City is also responsible for the acquisition and clearance of titles of all properties proposed for demolition. GROWTH must take ownership of the properties prior to any demolition work, execute loan documents, and be the receiver of the BRP funds.

Prior to execution of the contract documents with IHDA, the City is required to approve a resolution accepting funding from IHDA for its Blight Reduction Program.

RECOMMENDATION:

Approve the Resolution accepting funding from IHDA for the Blight Reduction Program and authorize the City Manager to execute the contract documents.

Submitted by: Jeff Eder, CED Director / Assistant City Manager
Brandy Howe, Urban Planner

Approved by: Thomas Thomas, City Manager

RESOLUTION - ____ 2015

**ACCEPTING A LOAN FROM THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY FOR ITS
BLIGHT REDUCTION PROGRAM**

WHEREAS, in the spring of 2014, Illinois Housing Development Authority (IHDA) created the Blight Reduction Program (BRP) to decrease preventable foreclosure and stabilize neighborhoods by supporting Illinois units of government and their Not-For-Profit Partners as they target blighted, vacant residential properties for demolition, greening and eventual reuse or redevelopment; and

WHEREAS, BRP requires applicants be an Illinois local unit of government and that the applicant partner with a local not-for-profit agency in the application and implementation of program activities; and

WHEREAS, after careful review of the program requirements, the City determined that a collaborative partnership with the Rock Island Economic Growth Corporation (GROWTH) would be an effective partnership to remediate blight through strategic demolitions in the community; and

WHEREAS, the City of Rock Island will enter into an agreement with and make a loan to GROWTH (the "Loan") to acquire, demolish, green and maintain certain blighted/vacant residential units, all in accordance with the terms and conditions set forth in the agreement with GROWTH (the "GROWTH Agreement"); and

WHEREAS, the City of Rock Island was awarded up to \$525,000 in BRP funds as a loan from IHDA through the BRP program to assist in refinancing the loan made to GROWTH for the costs associated with the acquisition, demolition, greening and maintenance of specific blighted/vacant residential units for the eventual reuse and redevelopment of those properties (the "Refinancing"); and

WHEREAS, as a requirement of the IHDA BRP Loan, the City of Rock Island must also enter into a tri-party agreement with GROWTH and IHDA outlining the roles and responsibilities of each entity (the "Agreement");

THEREFORE BE IT RESOLVED, that the Mayor and City Council of the City of Rock Island adopt this resolution authorizing the City of Rock Island to participate in the Blight Reduction Program, including, but not limited to entering into the GROWTH Agreement, making the Loan to GROWTH, undertaking the obligations as the program applicant and proceeding with the Refinancing; and

FURTHER RESOLVED, that the City of Rock Island agrees to make the Loan to GROWTH for the acquisition, demolition, greening and maintenance of specific blighted/vacant residential units for the eventual reuse and redevelopment of those properties and will work with GROWTH as the program applicant to obtain the Refinancing; and

FURTHER RESOLVED, that the City Manager is hereby authorized and empowered to execute and deliver in the name of or on behalf of the City of Rock Island the GROWTH Agreement, the Agreement and any and all amendments, modifications and supplements thereto, and to execute and deliver such additional documents, instruments and certificates, as may be necessary or desirable for the City of Rock Island to perform its obligations under either of the GROWTH Agreement and the Agreement; and

FURTHER RESOLVED, that the City Manager be and hereby are authorized and directed to take such additional actions, to make further determinations, to pay such costs and to execute and deliver such additional instruments (including any amendments, other agreements or supplements) as he or she deems necessary or appropriate to carry into effect the foregoing resolutions; and

FINALLY RESOLVED, that the City of Rock Island hereby ratifies, authorizes and confirms and approves all documents, agreements and instruments executed in connection with the Loan and the Agreement, including those acts taken prior to the date hereof.

Mayor

ATTEST:

City Clerk