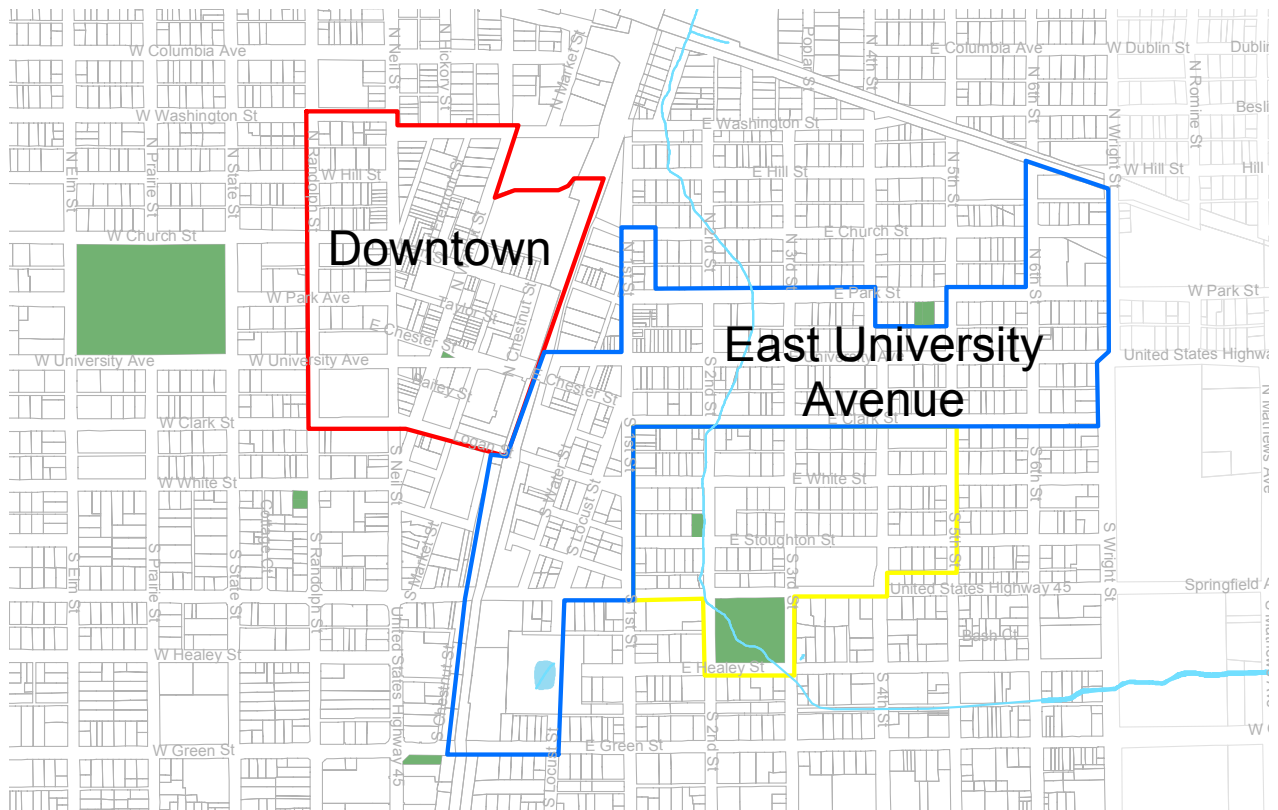




Residential Redevelopment Program

Downtown Champaign • East University Ave.





RESIDENTIAL REDEVELOPMENT INCENTIVE PROGRAM

What is the Residential Redevelopment Incentive Program?

The Residential Redevelopment Program is a grant program that provides financial assistance for the renovation or addition of new residential units within the Downtown Tax Increment Finance District. All work must be permanently fixed to the real estate. Examples of permanent improvements include: window replacement, partitioned walls, HVAC systems, electrical upgrades, floor restoration, fire suppression, and other life safety. Tenant finish work such as fixtures, cabinetry, appliances, and furnishings are not eligible.

The employee housing portion of this program has been created to assist in maintaining affordable residential options within the Downtown area. This program provides renovation or new construction assistance.

The Downtown and East University Avenue Tax Increment Financing revenues fund the Residential Redevelopment Grant program.

How Does the Residential Redevelopment Incentive Program Work?

All Residential Redevelopment projects must meet the minimum requirements to be eligible for funding. The City grant is between 20% - 50% of all permanent improvements and can not exceed \$100,000 per building over a five-year period.

Grants and grant amendments above \$15,000 must be approved by the City Council. The City Manager is authorized to approve grants and grant amendments up to \$15,000. The City Manager is authorized to approve up to a 6-month extension in a project deadline for all grants without additional council approval.

Please contact the City of Champaign Planning Department, (217) 403-8800 for more information on the Residential Redevelopment Incentive.

What is the process for receiving a grant?

1. Meet with Planning Staff to decide whether the Residential Redevelopment Incentive is applicable to your project.
2. Turn in your completed application with all required attachments at least one

week in advance of the next scheduled TIF Administrative Team (TAT) meeting. These meetings are scheduled for the first and third Tuesdays of each month. This provides Staff with the time necessary to review the application. Please include 8 ½ x 11" copies of all drawings.

3. If no funding remains, each applicant may resubmit their application on or after June 1st of the following year.
4. TAT, an interdepartmental team of City Staff, will review your project and determine whether the application is complete and the level of funding the project is eligible for. You are welcome to attend if you wish. The team may request additional information. If this is the case, the Staff member responsible for your application will contact you to request the information. **This information must be provided within 3 months of the initial application date or you will need to reapply.**
5. If no additional information is needed, the team will estimate the project grant amount and contact you to schedule a tour of the project site and building. Building Safety Division Staff will be invited to come on the tour of the building. This tour will be for the purpose of verifying the redevelopment plans and photographing the building.
6. Once all project information has been turned in, the project location tour has been completed, and TAT has tentatively approved the grant amount, your Staff representative will contact you and **you may begin the project.** This does not guarantee a favorable vote before City Council but allows the project to proceed during the review phase.
7. Grants over \$15,000 need City Council approval. Your staff representative will write a report outlining the proposed project and recommending approval of your project grant. The name of the bank and escrow agent along with a signed agreement, must accompany this report. This report will need to be completed and all documents received two weeks before the scheduled City Council meeting (held the first and third Tuesdays of each month).
8. City Council will review the Staff report and vote on the Residential Redevelopment Incentive grant. You are welcome to attend. Following the meeting, your Staff representative will inform you on the final City Council vote and notify you of the date your escrow agent will receive the grant check. If you choose not to establish an escrow account, you will receive the grant check upon completion of the project.
9. Upon project completion, please submit actual project cost information and other documentation as provided for in the agreement, arrange to return any unused grant funds, and schedule a follow up building tour.

Residential Redevelopment Incentive Program Application

Applications must be reviewed and approved **before** the project begins. Work completed prior to Staff review is ineligible. If there is a significant change in the scope of the project after the application has been approved; the applicant must re-apply with the scope of the new project.

Section 1 Minimum Requirements

- This is the first Residential Redevelopment Incentive Program application for the property this Fiscal Year (July 1 – June 30).
- Residential units must be owner or renter occupied.
- If the property is a historic structure, the original character will be maintained.
- The project is consistent with the Comprehensive Plan and other existing area plans, like the Downtown Plan. Call the Planning Department (217-403-8800) for this information.
- The property will meet all applicable building, life safety, zoning, and maintenance codes upon project completion
- Any debts owed to the City by the applicant or building owner are paid up-to-date.
- The property owner agrees not to protest the Assessor's determination of property value for the properties for which the grant is requested.
- If the applicant does not own the property, the applicant has the permission of the property owner. (Written letter from the owner of the property is required)
- The project has adequate bank or other financing. (Letter from financial institution is required)
- Does this project meet all design guidelines included in this packet
- For each Employee Housing Unit that is rented and that is subsidized with grant funds pursuant to this policy, the current property owner shall be responsible for insuring that said units continue to be rented by income eligible households as provided herein, for affordable rents as defined by the City of Champaign, all in accordance with the pertinent provisions of the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) for the duration of the Downtown Tax Increment Finance District.

- For each Employee Housing Unit that is owner occupied and that is subsidized by grant funds pursuant to this policy, the deed or other instrument conveying ownership of the unit shall include a provision for recapture of the funds provided herein by the City, in the event the dwelling unit is subsequently conveyed or leased at any time during the duration of the Downtown Tax Increment Finance District, to a household that is not income eligible as provided herein.

* An "Employee Housing Unit" is defined as a dwelling unit occupied by one or more persons having a household income that does not exceed 80% of the Median Family Income adjusted for household size, for Champaign County, Illinois, as determined by the U.S. Department of Housing and Urban Development.

Section 2 Property Information

APPLICANT INFORMATION:

Applicant Name: _____

Mailing Address: _____

Phone Number: _____

Fax: _____

E-mail: _____

GRANTEE INFORMATION:

Grantee Name: _____

Grantee Social Security Number OR : _____

Federal Employer Identification Number (FEIN)

PROPERTY OWNER INFORMATION: *(if different than Applicant)*

Same as grantee? Yes No

Name(s) of property owner(s): _____

(All beneficial owners of a Land Trust, members of a Limited Liability Company and partners in a partnership must be listed.)

Owner(s) phone: _____

BUILDING INFORMATION:

Building Name: _____

Building Address: _____

How is the title held to the property?

- Individual Corporation Land Trust
 Partnership Limited Liability Company Other _____

	TOTAL	ADDRESSED BY PROJECT
Site square footage:	_____	_____
Building square footage:	_____	_____
Number of floors in building:	_____	_____

Current Use: _____

General Project Description: _____

PROJECT FINANCING INFORMATION:

- Bank Private Other _____

Bank Name & Contact: _____

Contact Phone Number: _____

Escrow Institution & Agent: _____

Agent Phone Number: _____

Section 3 Project Worksheets

Prepared by _____

Date _____

Number of Proposed Units _____

- Apartment 1 Square Footage _____ Sq. Ft.
- Apartment 2 Square Footage _____ Sq. Ft.
- Apartment 3 Square Footage _____ Sq. Ft.
- Apartment 4 Square Footage _____ Sq. Ft.
- Apartment 5 Square Footage _____ Sq. Ft.
- Apartment 6 Square Footage _____ Sq. Ft.

Total Residential Square Footage _____ **Sq. Ft.**

COST BREAKDOWN

Professional Fees* \$ _____

Code Improvements* \$ _____

Residential Units* \$ _____

Total Eligible Cost \$ _____

Tenant Finish (*Not eligible for funding*) + \$ _____

Total Project Cost \$ _____

**In order to better break down the redevelopment costs please include copies of all quotes.*

$$\frac{\$ \text{Total Eligible Cost}}{\text{Total Square Footage}} = \frac{\$ \text{Cost per Square foot}}{\text{SF}}$$

Private	Public
\$40 - \$50/SF	20% match
\$50- \$60/SF	30%
> \$60/SF	40%
*Employee Housing	50%

Eligible funding level _____%

$$\$ \text{Total Eligible Project Cost} \times \text{Eligible Funding Level} \% = \text{Total Eligible Assistance}$$

Total Eligible Project Cost X Eligible Funding Level = Total Eligible Assistance

Units	Maximum Eligibility
1	\$25,000
2	\$50,000
3	\$75,000
4 +	\$100,000

Number of Proposed Units = _____ Maximum Eligibility

Total Eligible Assistance or Maximum Eligibility

\$ _____ \$ _____

The lower number represents the maximum amount of funding this project is eligible for. However, depending on current budget levels this amount may change.

Section 4 Employee Housing Grant

This pilot program was created to provide 50% matching funds to developers who assist in maintaining affordable rents in the core of Downtown. In order to qualify for this program the developer must be willing to lock into a monthly rent limit on each unit receiving funding. This requirement will be monitored by the Neighborhood Services Department in conjunction with the Planning Department. The table below shows the

limit for 2004 as defined by the United States Department of Housing and Urban Development. The rent limit would remain in effect for 5 years following Council approval of the project. Contact the Planning Department for more information on the Employee Housing Grant. For more information on this pilot program please contact the Planning Department.

Rent Limits	Efficiency	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
Total	\$403.00	\$495.00	\$640.00	\$878.00	\$1053.00	\$1174.00

**These amounts include utilities. If property owner pays for utilities, these amounts are the most a tenant can be charge in rent.*

Checklist

- Letter confirming permission from the building owner (if necessary)
- Letter from the financial institution confirming project funding
- Completed project worksheet
- Completed Application
- All drawing and plans for the project are included in application

Date Received/Reviewed _____	Staff Signature _____
TAT Approval _____	Amount \$ _____

Please submit application to: **City of Champaign Planning Department**
102 North Neil Street
Champaign, IL 61820

Terms found in the RIP Application

Area Plan - The Downtown Plan, adopted by City Council in 1992; the North First Street Plan, adopted in 1996, or the East Side Plan, adopted in March 1996.

Building - Any structure that is occupied or intended for occupancy and which is completely separated by firewalls.

Code Improvements - Such permanent improvements that mitigate building, life safety, fire, nuisance, or zoning code deficiencies.

Comprehensive Plan - This is a document adopted by City Council which outlines a vision for the community's future. Citywide goals, objectives, and policies are provided in addition to a Future Land Use Map. The Comprehensive Plan is available in the Planning Department or at the Champaign Public Library.

Eligible Improvements – Those improvements which are permanently affixed to the building and/or site and which is not specific to the use and does not restrict the future use of the building. Some examples are: life safety and Americans with Disabilities Act accessibility code requirements, repair/replacement of roof, floors, structural walls or windows; repair/replacement of electrical, plumbing, heating or cooling system; sprinkler, fire or smoke alarm system; and interior paint.

Permanent Improvements - Those improvements, which are permanently

affixed to the building and/or site and which, do not restrict the future use of the building.

Project - The building, site, or portions thereof addressed by improvements listed in Exhibit A.

Property - Building(s) and/or parcel(s) of land having a single use or ownership.

Substantial - Generally agreed-upon by Staff review team as notable, meaningful, easily apparent to the eye.

Tax Increment Financing (TIF) District - An economic development tool allowed by State legislation and administered by the City. The increment, or difference, between the amount of sale and/or property tax revenue generated before the district establishment and the amount of sales and/or property tax revenue generated after the districts establishment, is used to fund improvements within the TIF districts. This allows local governments to invest substantially in deteriorating areas without using general fund revenues. TIF districts have a life of 23 years. After the 23rd year, the property value is generally much higher. For more information, call the Planning Department at 351-4486.

Tenant Finish - Those improvements, which are related to the use of the building.

Underutilized - Unoccupied or used only for storage for one year or more.

Vacant - Unoccupied for one year or more.