

Village of Oak Park
Barrie Park Investment Program
Oak Park, Illinois

Loans and Grants Guidelines

A. PROGRAM GOAL

The Barrie Park Loan/Grant Program is established to stimulate investment in the area's housing stock and return vibrancy to the Barrie Park neighborhood that was disrupted by the Barrie Park Remediation Project.

The Village Board recognizes its responsibility for the health, safety and welfare of its citizens. It is determined that the Barrie Park Investment Program proceed without delay. Thus the Board will enforce the obligation of the Utilities under the Village's Remedial Objectives Agreement (VROA) whenever necessary.

B. ELIGIBLE PROPERTY OWNERS

1. Benefits to Owners

The program benefits properties designated within Areas 1 & 2 on the Barrie Park Project map, and specific properties along Garfield between Lombard and Humphrey. Village staff will verify property ownership.

All properties must have their properties sampled if eligible and remediated if eligible in the voluntary residential sampling program as set forth in the Village's Remedial Objective Agreement (VROA).

Those owners of property that test above the action levels ascertained by the voluntary residential sampling program as set forth in the Village's Remedial Objectives Agreement (VROA), must have an executed remediation agreement and commit to take all steps necessary with the Utilities in order to obtain an NFR letter to be eligible for the loan and grant program. The Steps to an NFR are attached for reference to inform owners of the process. These requirements do not apply to those owners who do not test above the action levels ascertained by the voluntary residential sampling program as set forth in the Village's Remedial Objectives Agreement (VROA)

Loans & grants will usually be available to property owners once the Utilities have met their obligations to owners, including completion of the remediation of the property and the settlement of any outstanding damage claims. Again, if eligible for remediation ascertained by the voluntary residential sampling program as set forth in the Village's Remedial Objectives Agreement (VROA), owners must show proof of an executed remediation agreement with the Utilities, any property claims settlement with the Utilities, and commit to take all steps necessary with the Utilities in order to obtain an NFR letter to be eligible for the loan and grant program. The Steps to an NFR are attached for reference to inform owners of the process. The property owner

and his or her legal representative are responsible for negotiation a remediation agreement.

In cases where remediation was not required as ascertained by the voluntary residential sampling program as set forth in the Village's Remedial Objectives Agreement (VROA), owners will be asked to provide proof of a property claims settlement with the Utilities. The Village continues to be an advocate for the resident during the claims process with the Utilities to assure adequate communication and timeliness of response.

Owners will submit an application to authorize an inspection of the property. The homeowner, with staff assistance, will develop a scope of work based on the program priorities outlined below. Once reviewed and approved by the Barrie Park Investment Oversight Committee, the owner may proceed within normal construction processes.

Homeowners seeking reimbursement for deferred maintenance and property improvements completed after January 1, 1999, and prior to the Board's adoption of these guidelines are eligible for reimbursement and will present receipts to the Barrie Park Investment Oversight Committee for review.

If otherwise eligible property repairs and improvements that require permits under the code were completed without permits, the owner will be found to have violated the Village code and treated accordingly under the code and the work must be inspected and brought into code before reimbursement can be approved for payment.

2. Program priority is deferred maintenance

The program priority is to assist owners in making necessary repairs to correct code violations and complete deferred maintenance projects on and the restoration of their property. Damage to the property caused by the Utilities is not covered and will be the responsibility of the Utilities. However, if a damage claim has been denied or delayed by the Utilities and if funds allow within the established dollar limits, such work may be considered eligible in the same manner as other property improvements. The Village may however require that the owner subrogate the owner's rights under such damage claim to the Village as a condition of funding such damage claim work.

3. Eligibility of Village employees

The Conflict of Interest and Ethics Ordinance will determine eligibility of Village employees for this program (1993-0-24, adopted 4/4/93 in addition to all other program requirements).

4. Unfeasible rehabilitation projects

Repair/replacement projects will be considered ineligible if:

- back taxes, water bills, or mechanics liens are owed, or

- Other financial threats to the owner's retention of title exist, including pending foreclosure

5. Eligibility for subsequent grants

Recipients of the Barrie Park Loan/Grant program continue to be eligible for other Village Housing Programs provide they meet the eligibility criteria for those programs.

C. ELIGIBLE PROPERTY

Properties located within the designated Areas 1 & 2 on the Barrie Park Project Map and properties between the edge of Area 2 and Humphrey along Garfield (47 Garfield, 41-43 Garfield, 39 Garfield and 1001 S. Humphrey – eligible for loan only).

The Village will not make program loans/grants to properties undergoing a sale by Articles of Agreement unless both the seller with legal title to the property and the buyer with equitable title enter into the loan transaction.

D. SCOPE OF WORK

The rehabilitation and restoration work will be as comprehensive as possible using a four-level priority system: (1) correction of code violations, (2) correction of deficiencies, (3) exterior general property improvements, including landscaping and (4) interior general property improvements. Weatherization and adaptations for handicapped accessibility are also eligible. Property owners are encouraged to give exterior repair and landscaping priority to enhance the community benefit.

The Village will provide assistance to an owner in establishing a scope of work and in locating contractors, if requested.

Project budgets may include a contingency of up to 20 percent. The contingency is intended to pay for work related to the scope of work that was not anticipated at the time the scope of work was prepared. Staff shall determine the contingency amount based on the nature of the proposed work, but in no event can the contingency exceed 20 percent. If the contingency amount is not used, the staff and owner(s) shall mutually decide whether to reduce the loan and grant amount or to spend the amount on other eligible work.

Sweat equity (rehabilitation performed by the homeowner) may be employed whenever technically feasible and approved by staff. The program will cover the cost of materials but not labor when the homeowner performs the rehabilitation work. To the extent that it is not in violation of the Village code, the owner may complete electrical or plumbing work on his or her own home without being a licensed plumber or electrician, however it is preferred that the owner use an appropriately licensed person to do such work and permits are required. However, permit fees are waived by the Board's adoption of these guidelines for work authorized within these program guidelines. All work must be done in accordance with Village codes and State law. The sweat equity work shall be disclosed in the scope of work.

E. LEVELS OF ASSISTANCE

1. Projects in Area 1 and 2 will have a 50% zero interest loan and a 50% grant component, with a maximum loan amount of \$15,000 and a maximum grant amount of \$15,000. The \$15,000 loan amount will be recorded as a lien on the title (payable at the time of transfer of ownership of the property) and amended to the correct amount if less than \$15,000 after the work is completed and the final loan amount is known.
2. Property owners may elect to provide cash in lieu of a loan.
3. Four properties along Garfield (47 Garfield, 41-43 Garfield, 39 Garfield, 1001 S. Humphrey) are eligible for a loan of up to \$15,000.
4. The multi-family building that converted to a condominium at 115 Garfield is eligible for the loan and grant program. It will be treated as a single entity and the loan and grant transaction will be handled through the condominium association.

F. PROCEDURES

1. Confidentiality of Owner's Names and Addresses

Property owners' names and address will not be mentioned during the Village Board meetings.

2. Bidding

If the property owner chooses to bid work:

- Village staff can assist in preparing the scope of work and specifications for the request for bids on the project.
- A homeowner may choose to solicit his/her own bids or request a bid from a single contractor with whom he/she is familiar or from names received from Village staff.
- In all cases, Village staff will review the contractor(s) and the proposal(s) received. If a bid is received from a single contractor, staff will review it to determine whether it is fair, reasonable and competitive. Ultimately, the scope of work to be paid through this program must conform to the dollar limitations of the program.

3. Priorities for applications

Forms, such as application forms, and other documentation, prepared by staff and reviewed by the Barrie Park Investment Oversight Committee will be used for program administration.

Applications will be processed on a first-come, first-served basis, unless there are conditions that may constitute a threat to public health or safety.

4. Reviewed by BPIOC

The Barrie Park Investment Oversight Committee will review all applications, and make recommendations to the Board for a final decision on the application. The Barrie Park Investment Committee shall review any exceptions to the policy guidelines, and seek Board direction.

G. REFINANCING

1. Refinancing criteria

In cases where former loan recipients wish to refinance mortgage(s), other than the Village' and request that the Village maintain its subordinate position, the Village will agree to maintain its junior position. Staff may also recommend Village Board approval of subordinations.

H. DISCLAIMER (APPLICABLE TO ALL ASPECTS OF THE BARRIE PARK INVESTMENT PROGRAM)

Nothing in the Barrie Park Investment Program is intended by the Village of Oak Park to constitute, or shall be construed to constitute, an admission, belief, opinion, finding or conclusion of the Village of Park Park that: (1) any residential properties have been diminished in value, or that their market price has been affected due to, related to, or in spite of, contaminants that were or are present in, on, under or around the Barrie Park Site and the surrounding area, or the remediation of said Site and the surrounding area; or (2) the Barrie Park Site and/or surrounding area constitute or present an imminent threat to human health and/or the environment.

Nothing in this investment program shall be considered or construed to be a property right of the eligible participants and the Village reserves the right to make any additions, deletions and changes to the program as needed.

Monies received or borrowed under this program may have tax implications. Please consult your tax advisor to determine how this program applies to your individual situation.