

## ***DISTRESSED PROPERTY REINVESTMENT PROGRAM***

### **PURPOSE**

The Distressed Property Reinvestment Program was established in Kewanee in 2016 with program funding provided by the City of Kewanee, with additional public and private sector funding when available. The goal of the program is to assist individuals and families in achieving the “American Dream” of home ownership through loan guarantees that facilitate the renovation/rehabilitation of distressed properties that would otherwise be potential candidates for demolition. Through bank financed “sweat-equity” or small contractor improvement projects, the program is designed to encourage reinvestment in and preservation of target neighborhoods and the existing housing stock.

### **AUTHORIZATION**

The City of Kewanee is the administrator of this loan guarantee program and where applicable will facilitate the implementation of the program through the acquisition of eligible houses for the program. Budgetary approval for the program rests with the authority of the City Council, while authorization for program implementation is the responsibility of assigned staff.

### **ELIGIBLE AREAS**

The program is City-wide, with preference given to targeted areas as identified in adopted plans of the City Council.

### **ELIGIBLE APPLICANTS**

Applicants must complete an application process which is similar to one required by any lender.

### **ELIGIBILITY CRITERIA**

- Must meet LMI guidelines
- Subject Property must have clean title
- Subject property must be owner occupied

### **PROGRAM BENEFITS/ELIGIBLE USES**

Eligible uses of guaranteed loan proceeds include but are not limited to:

- Repair and replacement of windows and doors
- Roof repair and replacement of roof covering
- Exterior paint
- Foundation Repair
- Drywall, interior paint and finishing
- Cabinetry
- Flooring
- Electrical
- Plumbing
- Repair to porches and steps
- Repair to exterior foundation walls
- Exterior walls and trim
- Flashing /guttering

Private sanitary sewer repairs

### **FUNDING LIMITS**

Loan guarantees are limited to \$40,000 per single family owner occupied structure. Program funding on an annual basis is limited to funding availability and outstanding loan guarantee liabilities.

### **APPLICATION/APPROVAL PROCEDURE**

Applications are available at City Hall and online through the City’s website.

Approval from a qualified commercial lender through the financial institution’s typical process is required. Approval of applications, though dependent upon available funding as budgeted by the City Council, will be completed at the staff level to determine project eligibility and applicability, requiring no action from the governing body, prior to submission by staff to an independent volunteer board established and appointed by the City Council.

## **REPORTING REQUIREMENTS**

Quarterly reports providing to an update in the status of improvements must be provided during the renovation process. Thereafter, annual reports must be provided to ensure continued use of the property by the applicant as their primary residence.

## **SPECIAL PROGRAM REQUIREMENTS**

A one-time fee of the greater amount of \$250 or one percent (1%) of the guaranteed amount, payable from loan proceeds, is required for program administration/participation. Check issuance from the lending institution shall be coordinated through the program administrator and assigned staff. Where applicable, work completed must be in compliance with existing building codes and inspected by appropriate City inspectors. All contractors must be licensed and meet all requirements necessary to perform work in the City of Kewanee.

## **CONTACT**

### **City of Kewanee**

Gary Bradley, City Manager

401 E. Third Street,

Kewanee, IL 61443

Phone: (309)853-4200

Email: [gbradley@Cityofkewanee.net](mailto:gbradley@Cityofkewanee.net)

