



**DEPARTMENT OF COMMUNITY DEVELOPMENT SERVICES  
GRANTS MANAGEMENT DIVISION  
MEMORANDUM**

**TO:** Community Development Commission Members  
**FROM:** Michael Loschen, Grants Coordinator II  
**DATE:** May 18, 2000  
**RE:** Acquisition of Property through Community Development Block Grant/HOME Program –  
906 West Eads Street

---

Brief Description of the Issue(s)

Included on the May 23 agenda of the Community Development Commission is a proposed acquisition through the Community Development Block Grant/HOME programs of property located at 906 West Eads Street. If the city were to purchase this property, the structures there would be cleared and the lot would be built upon at a later date by an affordable housing developer.

Identification of the Issue(s) and Any Approvals Required

The issue before the CDC is whether to purchase the property located at 906 West Eads Street. A recommendation from CDC is needed before this issue to be brought before the city council.

Background/Facts

The subject property is located within the Eads at Lincoln Subdivision (see accompanying map). The lot is approximately 100 feet by 90 feet and zoned R-2, single-family residential. A single-family house and detached garage are located on the lot; and would be cleared after acquisition. The property owner offered to sell the property to the city after her long-term tenant moved last summer.

The Illinois Center for Citizen Involvement, Visionary Builders, and the Urbana School District Building Construction Trades Program will be constructing approximately eight homes on the remaining city owned lots in the Eads at Lincoln Subdivision in order to completely build-out the subdivision. This is one of the final properties within the subdivision that should receive an “Eads” style home. The action proposed at this time is acquisition of the subject property. Any decision to sell or donate the subject property would be made by City Council at a later date.

Typically, the cost for acquisition and demolition of a typical property the city acquires is around \$15,000. This property will cost approximately three times more, mainly due to the fact that the average property purchased is generally unfit for occupancy and this structure is habitable. The high cost can also be attributed to the fact that the Eads Subdivision is having a positive effect on neighborhood property values. The addition of another “Eads” home would further improve the neighborhood and property values.

Fiscal Impact

Acquisition of the subject property would cost \$33,000 (its appraised value). An asbestos inspection costing \$750 must be completed before demolition. Asbestos abatement and demolition costs are estimated at \$10,000. Administrative costs are estimated at \$500. Since the house is vacant, no relocation benefits will need to be paid. The total estimated costs would be \$44,250. The project will be financed with a combination of Community Development Block Grant and HOME funds.

Recommendation

Community Development Services staff recommend CDC approval of the acquisition of 906 West Eads Street.

Prepared By: \_\_\_\_\_  
Michael J. Loschen  
Grants Coordinator II

attachments:      *Site Map*