

RESOLUTION NO. 7980-R32

A RESOLUTION
AMENDING A POLICY ON DISPOSAL OF
RESIDENTIAL LOTS ACQUIRED UNDER THE
COMMUNITY DEVELOPMENT DIVISION PROGRAM

WHEREAS, the City of Urbana, through its Community Development Division, has acquired various properties; and

WHEREAS, the properties so acquired by the Community Development Division should be sold to private parties for the purposes of redevelopment; and

WHEREAS, the City of Urbana has heretofore adopted resolutions setting forth the policy of the City of Urbana for the sale of such lots; and

WHEREAS, the Urbana City Council has found and determined that it is in the best interests of the citizens of Urbana to now amend its policy on disposing of lots acquired under the Community Development Division Acquisition/Relocation Program.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, as follows:

That effective immediately, the attached is and shall be the policy of the City of Urbana governing the disposition of lots acquired under the Community Development Division Acquisition/Relocation Program.

PASSED by the City Council this 19th day of May, 1980.


Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this 28th day of May, 1980.

Jeffrey T. Markland
Jeffrey T. Markland, Mayor

PRIORITY I

Each residential lot acquired or in the process of being acquired shall be reviewed to determine suitability for new residential construction. When determined by the Department of Community Development Services a lot is consistent with all developmental regulations, said lot will first be offered to the party participating in the Relocation Program so that the homeowner has first priority on repurchasing his/her lot.

Upon acceptance of offer, the lot shall be sold to the participating party for fair market value. A one (1) year self-satisfying mortgage shall be placed against the property in a sum equal to the lot value. Commencing upon issuance of the occupancy certificate, the mortgage shall be forgiven at the rate of 1/12 the mortgage amount per month. At the end of one (1) year the mortgage would be forgiven. If the mortgaged property should be sold before the year has elapsed, the per cent of the mortgaged amount remaining would be repaid to the CDBG Program.

The participant must agree to the following conditions:

1. An owner-occupied residential dwelling must be erected on the lot within one (1) year.
2. The structure must conform to all City regulations.

In the event of death of the recipient, the mortgage shall be forgiven.

If the lot or lots offered in any quarter were not accepted by any of the relocatees or potential relocatees within thirty (30) days, Priority II shall be instituted. Two (2) lots will be offered each quarter.

PRIORITY II

Each residential lot acquired, or in the process of being acquired, shall be reviewed to determine suitability for new residential construction. When determined by the Department of Community Development Services a lot is consistent with all developmental regulations, said lot shall be offered to all persons who have been located or are in the process of being located so that all relocation participants have second priority.

The participant in the program the greatest number of days shall have first preference of those within the second priority.

Upon acceptance of offer, the lot shall be sold to the participating party for fair market value. A one (1) year self-satisfying mortgage shall be placed against the property in a sum equal to the lot value. Commencing upon issuance of the occupancy certificate, the mortgage would be forgiven at the rate of 1/12 the mortgage amount per month. At the end of one (1) year the mortgage would be forgiven. If the mortgaged property should be sold before the year has elapsed, the per cent of the mortgaged amount remaining would be repaid to the CDBG Program.

The participant must agree to the following conditions:

1. An owner-occupied residential dwelling must be erected on the lot within one (1) year.
2. The structure must conform to all City regulations.

In the event of death of the recipient, the mortgage shall be forgiven.

If the lot or lots offered in any quarter were not accepted by any of the relocatees or potential relocatees within thirty (30) days, Priority III shall be instituted.

PRIORITY III

Residents within Census Tract 53 shall be contacted by the Department of Community Development Services through the Department's bulk mailing permit so that all Census Tract 53 residents could have third priority. The lots that will be available shall be advertised along with their address and their price.

A two week period shall be allowed for submission of applications and a lottery will be used to select the recipient. The lottery shall be held in the Council Chambers on a selected evening. A capsule system shall be used with names of those interested contained within the capsules. Three (3) capsules will be drawn in sequential order.

The selected person shall have thirty (30) days in which to qualify for financing through a recognized lending institution doing business in Champaign County.

If the person originally selected fails to qualify within thirty (30) days, then the person chosen second shall be given a like period to qualify. The third person shall be given a chance to qualify if the second person fails to qualify.

With this priority, unlike Priority I and Priority II, lots shall be sold for \$1,000 under fair market value.

The participant must agree to the following conditions:

1. A house must be erected upon the site within one (1) year from the date of sale.
2. The house must conform to all City regulations.

The fair market value of the property shall be determined. The fair market value and charges less \$1,000 would be paid by the prospective buyer to the City of Urbana's Community Development Program. Upon closing, a deed shall be given to the person in his/her name. This deed may be pledged as security for the construction loan if a loan is to be taken to finance the house.

A second mortgage may be signed by the buyer at closing and filed at the Courthouse. A contract explaining the conditions of the second mortgage shall be entered into by the Department of Community Development Services and the prospective

buyer. The contract shall state that a \$1,000 second mortgage would be due and payable if a house were not erected within one (1) year, meeting City regulations. If the house is built within one (1) year, the second mortgage shall be forgiven and the second mortgage shall be subordinate to the first.

PRIORITY IV

A classified advertisement in the real estate section shall be published in a paper of general circulation so that the general public has fourth priority. A sign shall also be placed upon the lot or lots for sale.

The lot will be placed upon the market at \$1,000 below fair market value. A two week period shall be allowed for submission of application and lottery will be used to select the recipient. A capsule system shall be used with the names of those interested contained within the capsules. The lottery shall be held in the Council Chamber on a selected evening. Three (3) capsules will be drawn sequentially. The selected person shall have thirty (30) days to qualify for financing through a recognized lending institution doing business in Champaign County. If the first person fails to qualify the second shall have the opportunity to qualify. If the second person fails to qualify the third person shall have the opportunity to qualify.

The participant must agree to the following conditions:

1. A house must be erected upon the site within one (1) year from the date of sale.
2. The house must conform to all City regulations.

Lots not sold will be held for future disposition.

The fair market value of the property shall be determined. The fair market value and charges less \$1,000 would be paid by the prospective buyer to the City of Urbana's Community Development Program. Upon closing, a deed shall be given to the person in his/her name. This deed may be pledged as security for the construction loan if a loan is to be taken to finance the house.

A second mortgage may be signed by the buyer at closing and filed at the Courthouse. A contract explaining the conditions of the second mortgage shall be entered into by the Department of Community Development Services and the prospective buyer. The contract shall state that a \$1,000 second mortgage would be due and

payable if a house were not erected within one (1) year, meeting City regulations. If the house is built within one (1) year, the second mortgage shall be forgiven and the second mortgage shall be subordinate to the first.

PARTIAL LOT DISPOSITION

The following priorities and procedures shall be used for the disposition of non-buildable lots acquired through the CDBG Relocation Program.

PRIORITY I --- Contiguous property owners shall be contacted and given the opportunity to submit an offer to purchase. In the case of interest by two (2) or more contiguous property owners, the highest and best offer shall be accepted, if within 25% of the appraised value. In the case of like bids, a lottery shall be held to determine purchaser. Contiguous property owners shall have fifteen (15) days to make an offer and thirty (30) days to secure financing after the offer is accepted.

PRIORITY II --- Residents within Census Tract 53 shall be contacted by the Department of Community Development Services through the Department's bulk mailing permit so that all Target Area residents have second priority. In the case of interest by two (2) or more parties, the highest and best offer shall be accepted, if within 25% of the appraised value. In the case of like bids, a lottery shall be held to determine purchaser. The party shall have thirty (30) days upon acceptance of offer to secure financing.

PRIORITY III -- The Department shall contact the Park District, area neighborhood organizations, or any community service or charitable organization, to determine if the parcel could be used for a mini-park, garden plot, or other acceptable use as determined by the Department and upon the advice of the Community Development Commission.

PRIORITY IV --- A classified advertisement in the real estate section shall be published in a paper of general circulation so that the general public has fourth priority. A sign shall also be placed upon the lot or lots for sale. The highest and best offer will be accepted if within 25% of the appraised value. In the case of like offers, a lottery will be held to determine purchaser.

The number and location of partial lots in City ownership shall be reported annually to the Urbana City Council/Committee on Administration.