

RESOLUTION NO. 9091-R33

RESOLUTION ESTABLISHING
A PROGRAM OF ECONOMIC ASSISTANCE
FOR HARDSHIPS CREATED BY SPECIAL ASSESSMENTS AND
SPECIAL SERVICE AREAS
PURSUANT TO RESOLUTION NO. _____

WHEREAS, special assessments and special service areas are an appropriate statutory method for financing certain public improvements; and

WHEREAS, traditionally the affordability of a special assessment project or special service area is taken into consideration by those petitioning for certain improvements; and

WHEREAS, sometimes the desires of the majority regarding a special assessment or special service area project can pose an economic hardship for a smaller number of property owners; and

WHEREAS, budget constraints influence the number of improvements the City can undertake under any circumstances.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF URBANA, ILLINOIS, that the following guidelines shall be utilized to ease the economic hardship created for low-income property owners where there are others who want improvements involving special assessment or special service area.

APPLICABILITY

The City of Urbana will provide deferred loans to low-income property owners to pay for special assessment or special service tax on their homes under the following conditions:

1. A special assessment of more than \$1,000 has been levied by the City of Urbana, and
2. A note and mortgage setting forth these conditions is approved by the parties:
 - a) Proof of low-income status and continued residency of at least one owner at the property must be made annually pursuant to procedures established by the City; if such eligibility is not maintained, the deferred loan is payable immediately or in no more than ten equal annual principal payments plus such interest rate as is then available to the City, and
 - b) The total deferred loan is due and payable immediately if ownership of the property is sold or transferred, and

3. Not more than fifty (50) percent of the parcels in a special assessment project are owned by those qualifying for such deferred loans, and if determined by the City Council that this method of financing constitutes sound fiscal practices, and
4. Funds are budgeted and available by the City for this purpose.

DEFINITION OF LOW-INCOME

1. The family income shall not exceed 50% of the median family income for Champaign County as determined by the Department of Housing and Urbana Development for various number of persons in a household.
2. The property owner(s) will be allowed assets of no more than \$17,500 per household plus \$1,000 per each dependent. Assets are defined as savings account, savings bonds, stocks, securities, real estate equity other than the applicant's household, or any other readily convertible items. The City may allow more than the maximum permissible assets in extenuating circumstances.
3. The property owner shall provide the following information on an approved form:
 - a. Verification of employment,
 - b. Verification of other earnings, housing expenses and assets.
 - c. Verification of deposits with financial institutions,
 - d. Verification of mortgage or deed of trust from each holder of a lien secured by the property
 - e. Verification of additional information, such as credit references, necessary to make a determination of eligibility.

PASSED by the City Council this 6th day of May,
1991.


Ruth S. Brookens
Ruth S. Brookens, City Clerk

APPROVED by the Mayor this _____ day of _____,
1991.

Jeffrey T. Markland, Mayor