



Wednesday, August 10th, 2016

Ms. Jodi Gingis
LAKE COUNTY
Community Development Administrator
500 West Winchester Road
Unit 101
Libertyville, IL 60048

On behalf of the City of North Chicago, I thank you for the opportunity to submit for your favorable consideration our request for \$327,450 in CDBG funding for the demolition of upwards of ten buildings within the City.

For the past year, the City of North Chicago has been aggressively addressing the issue of vacant housing within our community. Studies have shown that vacant and blighted properties contribute to the deterioration of a neighborhood. Vacant buildings are often targets for "urban mining" or "scavenging". Offenders steal and strip the property of any copper, wires, fixtures, and anything of value, making renovation of the property more difficult. Gangs, drugs and other activities are common in areas of vacant housing, resulting in an increased demand for police services. Gangs will "tag" an abandoned building and spray paint it to signal their territory. This visual defacement further adds to the blighting influences in the neighborhood.

Vacant properties have a myriad of negative impacts on a local municipality. First, vacant properties are often tax delinquent, meaning taxes are not being paid. Second, vacant and blighted properties reduce the fair market value of surrounding parcels, further reducing property tax proceeds. At the same time vacant and blighted properties increase costs to local government as a result of police activity, fire department responses, and code enforcement/property maintenance initiatives.

Despite having an ordinance requiring the registration of vacant structures, the City has had an approximate success rate of less than 60% compliance. To address this issue, a Project Manager and two additional Building Inspectors were hired to identify vacant buildings, verify ownership, assess the general condition of the buildings, obtain compliance from the property owners as to conformance with our property maintenance codes, and if necessary, pursue the demolition of the structures. To this end, we are currently in court seeking court orders for the demolition of 7 buildings, and are issuing citations to the owners of more than 80 additional buildings for failure to register and for property maintenance violations.

There is an additional process provided to municipalities under State Law. Within the provisions of 65 ILCS 5/11-31-1 there are procedures for what is known as fast track demo. Under this process, with sufficient notice given to all parties of interested in a given property, a municipality may enter onto private property for the purpose of demolishing a vacant structure, without having to acquire the property. The cost of the demolition is then recorded as a lien against the property. Candidates for Fast Track Demo would be structures that are vacant, open, and pose an immediate and continuing threat to the Community. These properties identified herein meet and exceed those standards.



Of the thirteen (13) properties included in the request for CDBG funding, twelve (12) would be addressed through the provisions of Fast Track Demo. The final property, 1806 Sheridan Road, is a property currently owned by the City.

This request for CDBG funds is consistent with our overall program to remove vacant and dangerous buildings within the City of North Chicago. Moreover, the proposed project is consistent with Chapter 4, Housing and Neighborhoods, of the City's current draft Comprehensive Plan.

1. Describe in detail the activity for which you are requesting funds. Please include detailed location information, where available, and photos and maps where applicable:

The City of North Chicago is requesting CDBG assistance to allow for the demolition of up to ten buildings which have been found to be vacant, in a deteriorated state, and a blighting influence on their respective neighborhoods.

The thirteen (13) **properties** for which CDBG funds are being requested are:

- 1626 Lincoln
- 1922 Seymour
- 2135 Hervey
- 1809 14th Street
- 1215 Lincoln
- 2214 Hervey
- 1229 Park
- 1034 Wadsworth
- 1806 Sheridan
- 421 10th Street
- 1428 Hervey
- 2056 Prospect
- 1338 Victoria

2. Why is this project needed today?

There are more than 150 structures in North Chicago that have been identified as vacant. Many of these are abandoned, and creating a negative impact on adjoining properties and the neighborhoods they are located in. The City is looking to identify as many resources as it can to facilitate and expedite the demolition of these vacant buildings. Utilization of CDBG funds will allow the City to utilize other resources for additional structures throughout the community



3. Who will be served by this project

Nearly all of the current and future residents of North Chicago will benefit from the proposed demolition activities by removing the blighting influences within their respective neighborhoods. According to some studies, of the 261 municipalities in the six county Chicago metropolitan area, the City of North Chicago ranked 253rd per capita income toward the end of the twentieth century. Additionally, the great recession and subsequent upheaval of the housing market hit North Chicago extremely hard. Between 2007 and 2015, according to Zillow, housing prices plummeted by more than 50%, from an average of \$147,000 to \$70,000, with only modest gains reflected in the last 12 months. Many homeowners abandoned their homes triggering the City's current initiative to reduce the number of vacant homes throughout the community.

4. Why are CDBG funds needed for this project? What other funding resources have been solicited?

As indicated earlier, the City is targeting dozens of vacant structures, and utilizing multiple resources, including general revenues, and tax increment financing district revenues. Utilization of CDBG funds will allow the City to utilize other resources for additional structures throughout the community

5. Any construction contract over \$2,000 will be subject to federal Davis Bacon prevailing wage and Section 3 requirements. How do you plan to meet these requirements?

The City of North Chicago plans to work with our CDBG Administrators at the Lake County Community Development Division to ensure all Davis Bacon and Section 3 standards will be met. Moreover, locally all bids associated with the proposed project will stipulate these requirements up front. Finally, any verifications required during and/or after the project will be coordinated in association with Lake County Community Development Division Staff to ensure all regulations are followed.



6. Please indicated how this project will be completed by April 30, 2018, including a proposed schedule for this project.

PROPOSED TIMETABLE

1262 Lincoln	AG	ID	FLN		SLN		PBD	ADV	AB	DM		SC	GC			DFC	RL
1922 Seymour	AG	ID	FLN		SLN		PBD	ADV	AB	DM		SC	GC			DFC	RL
2135 Hervey	AG	ID	FLN		SLN		PBD	ADV	AB	DM		SC	GC			DFC	RL
1809 14 th Street	AG	ID	FLN		SLN		PBD	ADV	AB	DM		SC	GC			DFC	RL
1215 Lincoln	AG	ID		FLN		SLN		PBD	ADV	AB	DM		SC	GC		DFC	RL
2214 Hervey		ID		FLN		SLN		PBD	ADV	AB	DM		SC	GC		DFC	RL
1229 Park	AG			FLN		SLN		PBD	ADV	AB	DM		SC	GC		DFC	RL
1034 Wadsworth	AG	ID		FLN		SLN		PBD	ADV	AB	DM		SC	GC		DFC	RL
1338 Victoria	AG	ID			FLN		SLN		PBD	ADV	AB	DM		SC	GC	DFC	RL
421 10 th Street	AG	ID			FLN		SLN		PBD	ADV	AB	DM		SC	GC	DFC	RL
1428 Hervey	AG	ID			FLN		SLN		PBD	ADV	AB	DM		SC	GC	DFC	RL
2056 Prospect	AG	ID			FLN		SLN		PBD	ADV	AB	DM		SC	GC	DFC	RL
1806 Sheridan	AG		PBD		ADV	AB	DM	SC	GC								

AG Award of Grant
ID Identification of parties of interest in property
FLN First Legal Notice
SLN Second Legal Notice

PBD Preparation of Bid Documents
ADV Advertise for Bid
AB Award Bid
DM Demolition

SC Site Clean Up
GC Grading, Ground Cover
DFC Determine Final Cost
RL Record Lien



7. Please attach proposed budget (sources and uses) Leverage is helpful but not required

ITEM	COST	TOTAL
Securing property	13 @ \$2,000 ea	\$26,000
Preparation of bid documents	13 @ \$100 ea	\$1,300
Asbestos Analysis	13 @ \$1,000 ea	\$13,000
Advertise for bids	13 @ \$100 ea	\$1,300
Award of bids	13 @ \$250 ea	\$3,250
Estimated demo expense for each property		
1626 Lincoln	\$15,000	\$215,000
2214 Hervey	\$15,000	
2135 Hervey	\$15,000	
1922 Seymour	\$15,000	
1809 14 th Street	\$15,000	
1215 Lincoln	\$15,000	
1229 Park	\$15,000	
1034 Wadsworth	\$15,000	
412 10 th Street	\$15,000	
2056 Prospect	\$15,000	
2952 Martin Luther King Jr.	\$15,000	
1338 Victoria	\$15,000	
1806 Sheridan	\$35,000	
Regrading site, and planting ground cover	13 @ \$2,000 ea	\$26,000
Legal	13 @ \$500 ea	\$6,500
Administrative	13 @ \$200 ea	\$2,600
Miscellaneous	13 @ \$2,500 ea	\$32,500
TOTAL		\$327,450

8. If you are a developer, or a non-profit agency, please attach:

Not applicable



9. Please explain the extent to which your proposed activity will serve residents at or below the following CDBG eligible Income levels (based on household size)

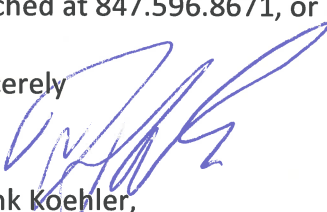
Income Limits								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
80% of Median	\$43,050	\$49,200	\$55,350	\$61,500	\$66,450	\$71,350	\$76,300	\$81,200

As previously noted, North Chicago has been ranked 253rd out of 261 communities in the Chicago Metropolitan area in per capita income. Additionally, the U. S. Census Bureau 2010-2014 American Community Survey 5-Year Estimates indicated that North Chicago has a median household income of \$31,886 and a poverty rate of 24.8%, along with a vacant housing rate of 17.5%

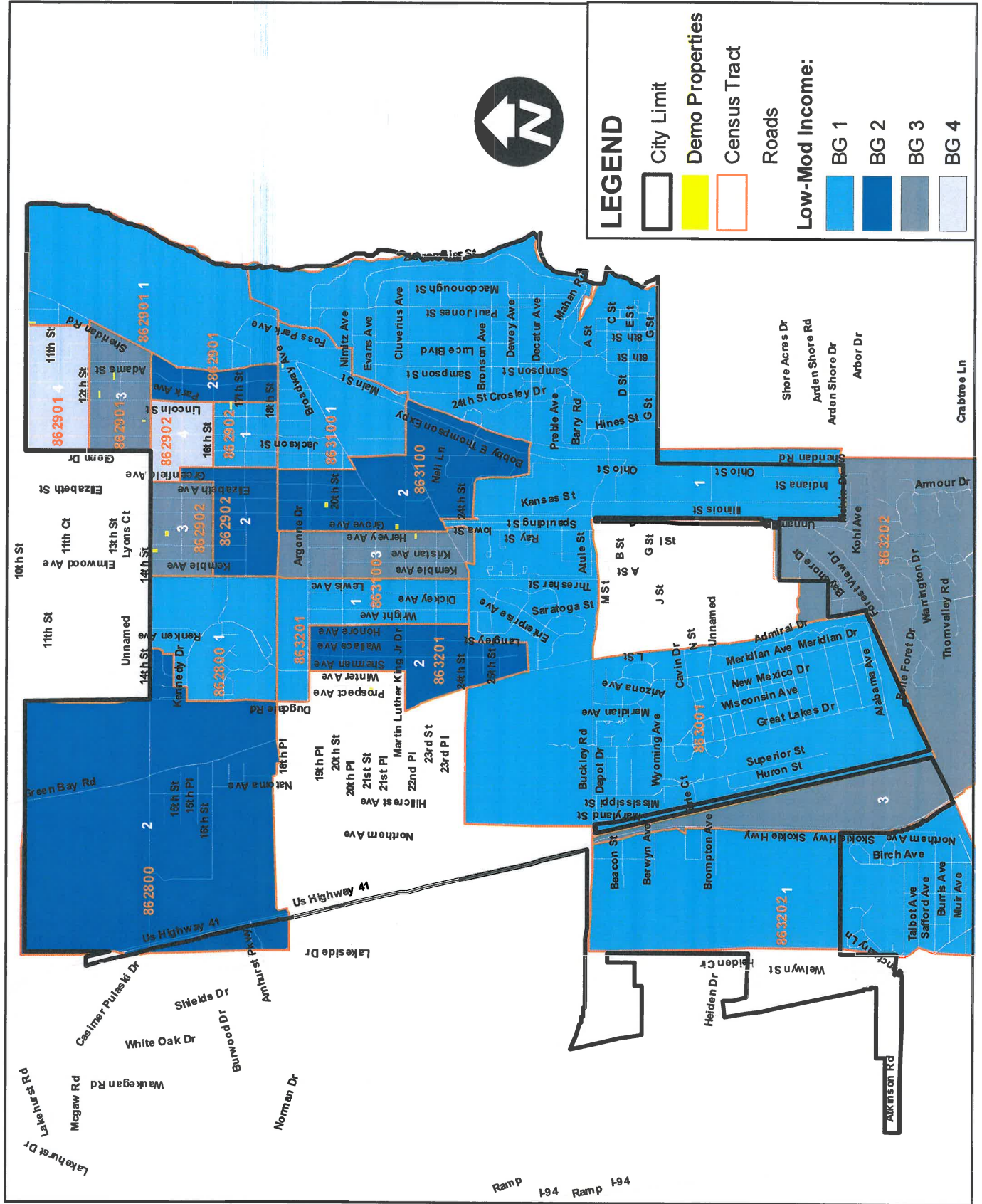
In order to help serve residents at or below 80% AMI, the City of North Chicago will be using these funds solely for the removal of blighted properties within the census tracts shown on the attached Low-Mod Map. Overall, the demolition of these unsightly structures will improve the quality of life for area residents through the elimination of a major blighting influence. The demolition of the structures will also help eliminate the number of sites where those who seek to conduct illegal, i.e., urban mining, drugs, gang activities, and the like tend to find harbor.










I trust this information is of help to you, and I welcome any comments you may have. I can be reached at 847.596.8671, or by email at frakoe@northchicago.org.





Sincerely


Frank Koehler,
Interim Economic and Community Development Director
CITY OF NORTH CHICAGO
1850 Lewis Avenue
North Chicago, IL 60064

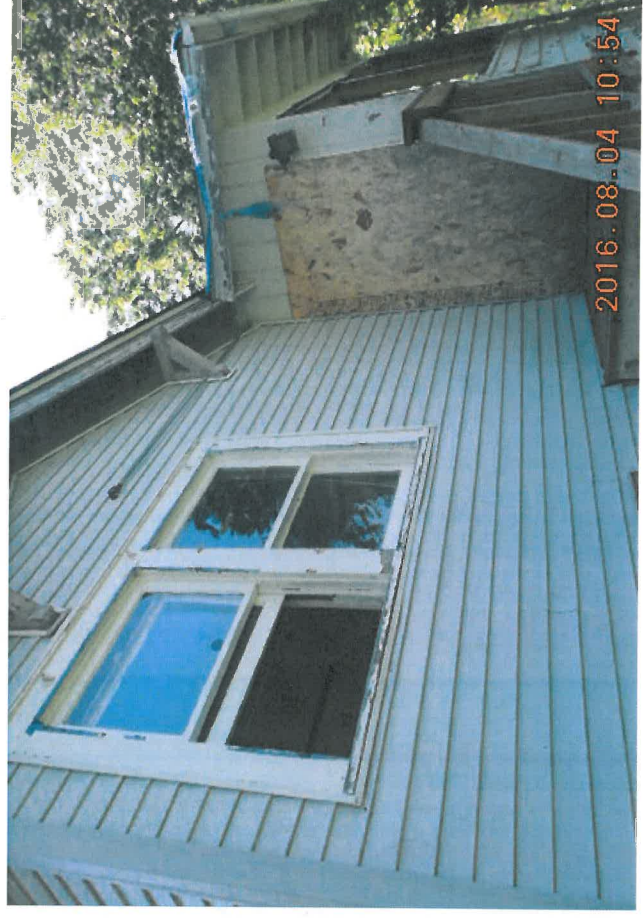
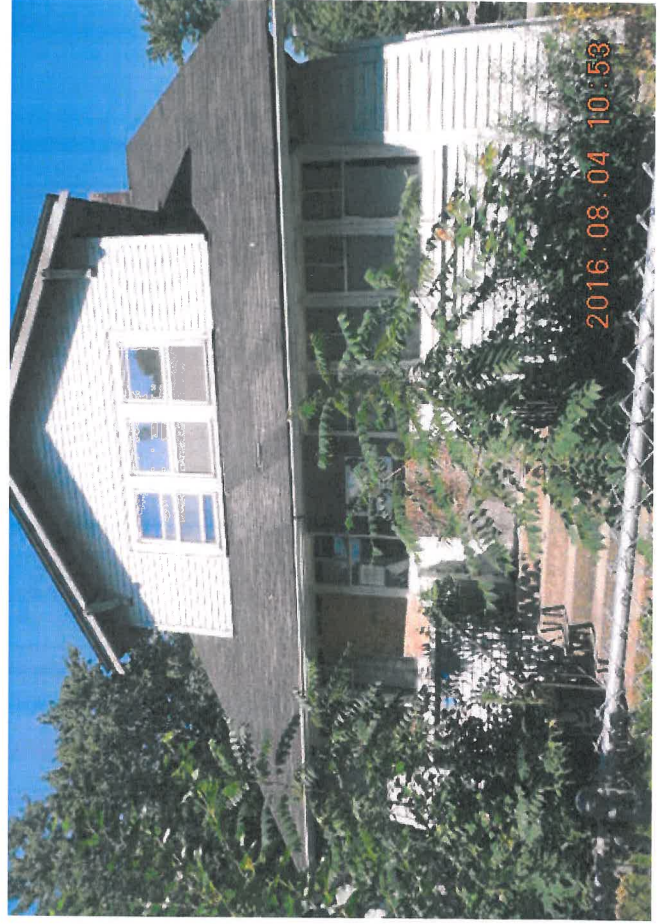
City of North Chicago Low-Mod Income Areas



Address	PIN	Description	Height	Construction Type	Estimated Age	Estimated \$Value	General conditions	Utilities	Photo
1626 Lincoln	833316042	Single Family	Single story	Wood	90	\$14,173	Vacant building, Poor Condition, Open, Unsafe,	No utilities	
1922 Seymour	1205210041	Single Family	Single Story	Brick	55	\$10,261	Vacant building, Poor Condition, Roof Collapsed, Vegetation Overgrowth	No utilities	
2135 Hervey	1205225044	Single Family	Single story	Brick	59	\$9,228	Vacant building, Poor Condition, Open, Unsafe,	No utilities	
1809 14th	832402043	Single Family	Single Story	Wood	54	\$17,906	Vacant building, Poor Condition, Open, Unsafe, Main Corridor Blight	No utilities	
1215 Lincoln	833118004	Single Family	Two Story	Stucco/Wood	106	\$13,020	Vacant building, Poor Condition, Open, Unsafe,	No utilities	
2214 Hervey	1205403021 1205403022 1205403023	Single Family	Single story	Frame	96	\$4,284	Vacant building, Poor Condition, Open, Unsafe, Fire Building	No utilities	
1229 Park	833119005	Single Family	Two Story	Wood	96	\$11,845	Vacant building, Poor Condition, Open, Unsafe,	No utilities	
1034 Wadsworth	833106020	Multi-Family	Two Story	Wood	86	\$13,985	Vacant building, Poor Condition, Open, Unsafe	No utilities	
1806 Sheridan	1204106004	Two - Unit/Apartment	Two story	Brick	100	\$17,241	Vacant building, Poor Condition, Open, Unsafe, Main Corridor Blight	No utilities	

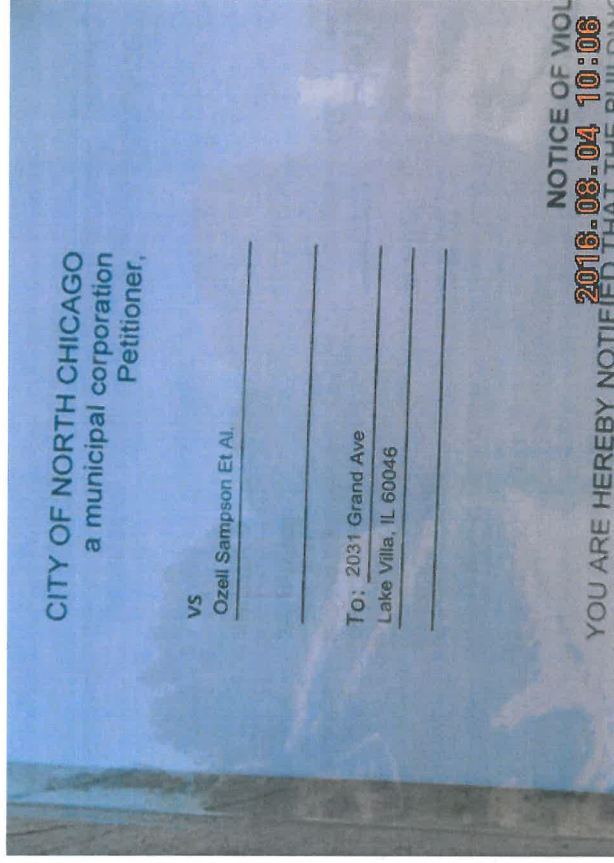
Address	PIN	Description	Height	Construction Type	Estimated Age	Estimated \$Value	General conditions	Utilities	Photo
421 10th	833201001	Commercial	Single Story	Stucco/Wood	86	\$15,161	Vacant building, Poor Condition, Open, Unsafe, Main Corridor Blight	No utilities	
1428 Hervey	832403027	Multi-Family	Single Story	Asbestos Siding	76	\$18,266	Vacant building, Poor Condition, Open, Unsafe, Dumping	No utilities	
2056 Prospect	1205111036	Single Family	Two Story	Brick	91	\$27,022	Vacant building, Poor Condition, Fire Building, Open	No utilities	
1338 Victoria	833123037	Single Family	Single Story	Brick	60	\$19,193	Vacant building, Poor Condition, Extreme Deterioration, Open	No utilities	

*NOTE: Estimated Value based on 2016 Property Tax Assessment of the Structure



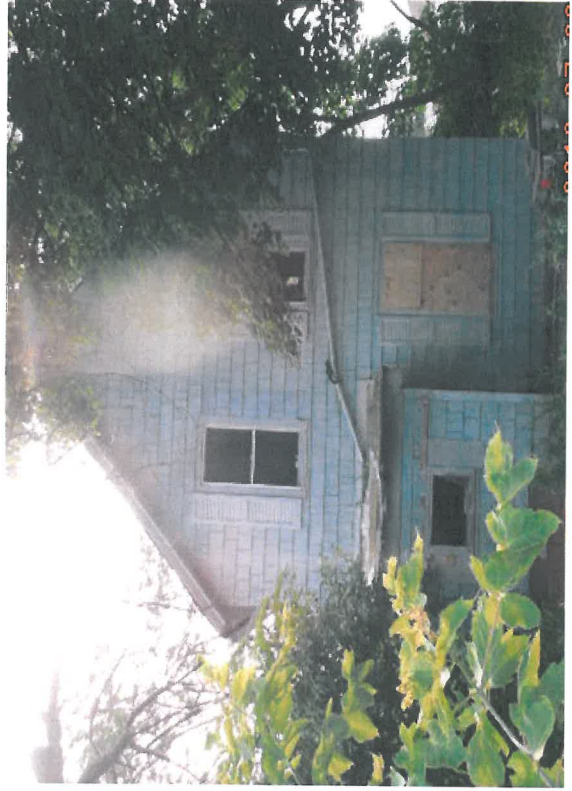




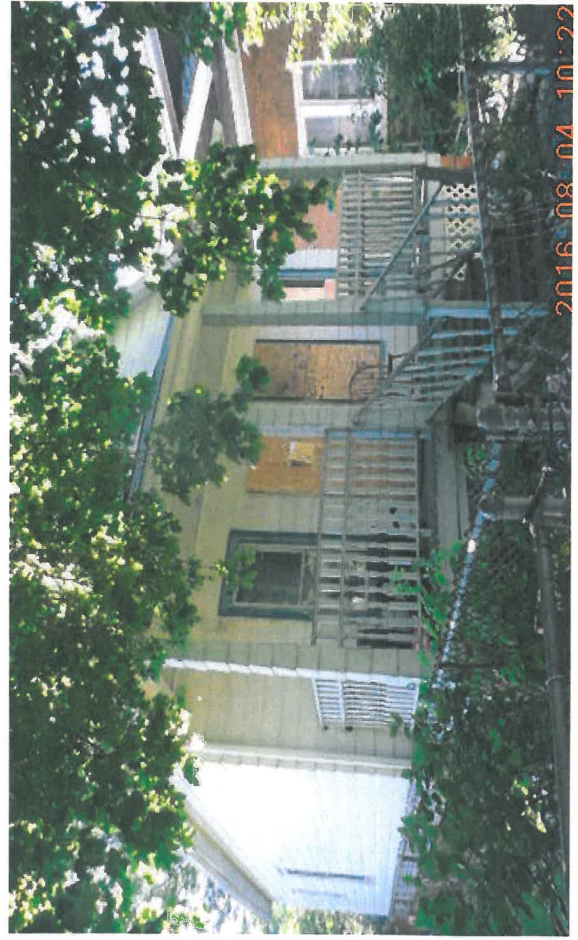


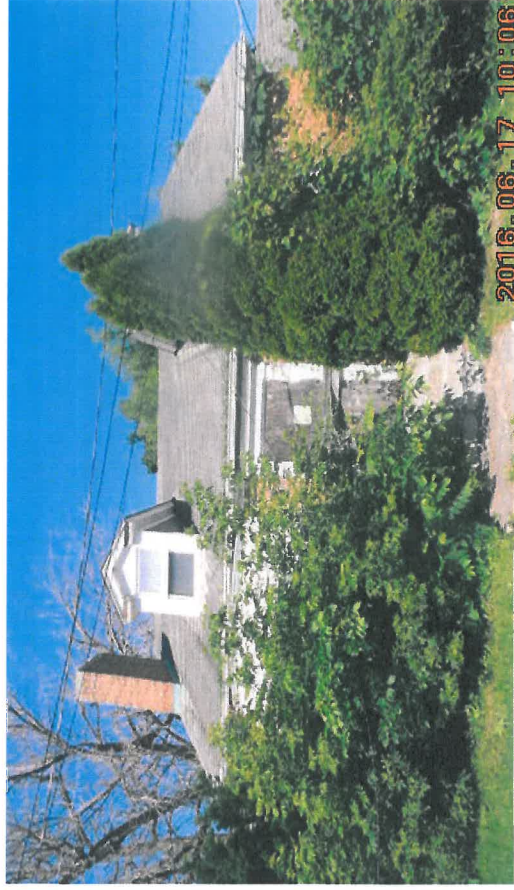


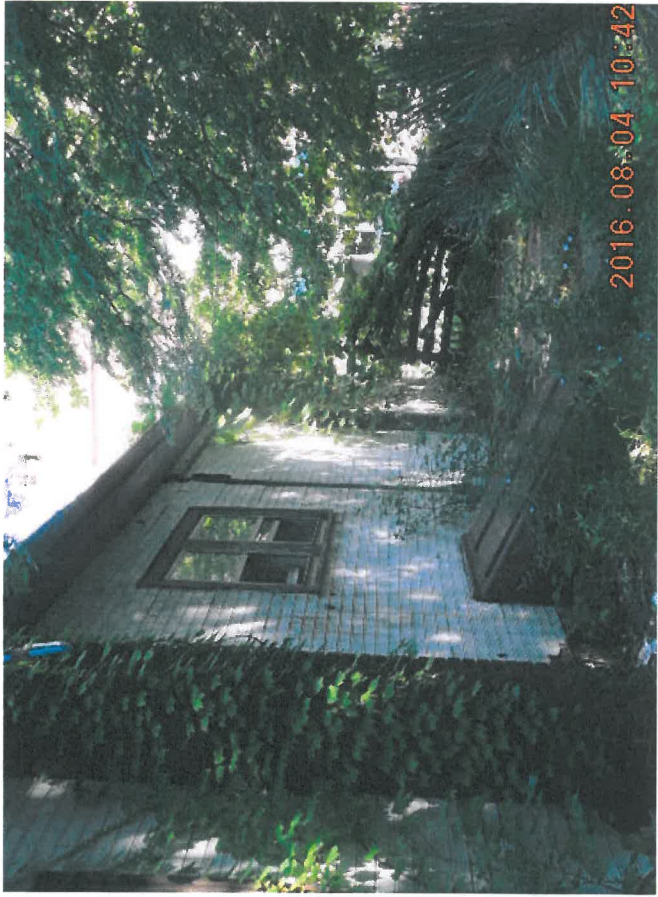
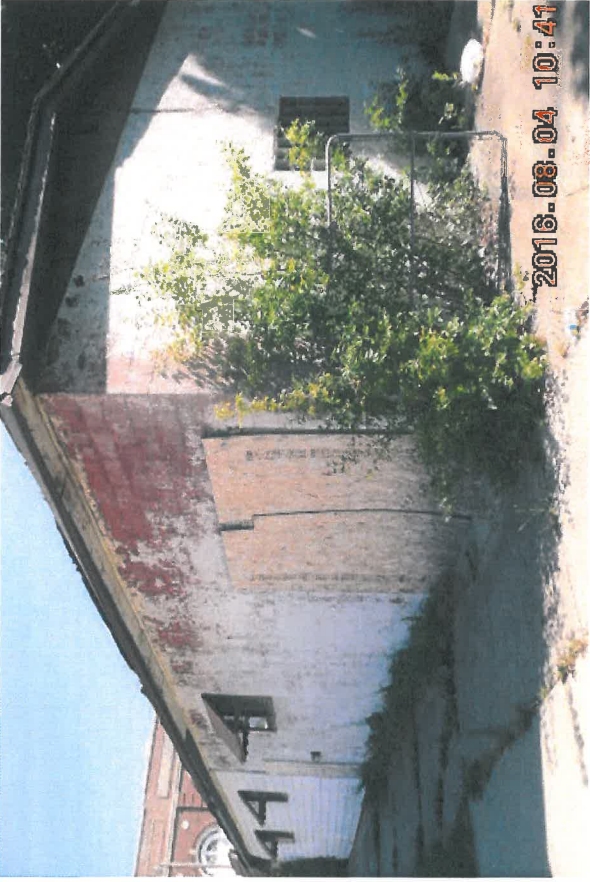
2-car garage













2-car garage



1806 Sheridan

